



County of Los Angeles CHIEF EXECUTIVE OFFICE

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SACHI A. HAMAI
Chief Executive Officer

January 09, 2018

To: Supervisor Sheila Kuehl, Chair
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Janice Hahn
Supervisor Kathryn Barger

From: Sachi A. Hamai
Chief Executive Officer

Board of Supervisors
HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

CHIEF EXECUTIVE OFFICE RISK MANAGEMENT ANNUAL REPORT, FISCAL YEAR 2016-17

Attached is the *Chief Executive Office Risk Management Annual Report, Fiscal Year 2016-17*. The purpose of the report is to inform the Board of a summarized Cost of Risk in Liability and Workers' Compensation exposures; assist departments to recognize the nature and extent of their exposures and losses; and provide direction on risk management strategies to be taken in the current and subsequent Fiscal Years (FY).

Details of the number, type, and cost of claims are included in the attached report. The following is a summary of the risk categories along with prevention activities implemented by the County of Los Angeles (County):

Total Cost of Risk

The total of all costs related to Liability and Workers' Compensation increased by \$20.8 million to \$610.5 million, which represents a 3.4 percent increase over FY 2015-16. The Total Cost of Risk is measured as a percentage of the County's operating budget. The County's Total Cost of Risk continues to decrease from 2.21 percent to 2.13 percent of the County's operating budget; this represents a 3.9 percent decrease over FY 2015-16.

Vehicle Liability

Vehicle accident claims increased by 26 to 1,041, which represents a 2.6 percent increase over FY 2015-16. The cost of claims and lawsuits increased by \$2.8 million to \$17.3 million, which represents a 19.7 percent increase over FY 2015-16. The increase of automobile liability claims is due to the filing of significantly more claims (31.5%) than the prior years that were found to be the liability of entities other than the County.

Through the Legal Exposure Reduction Committee (LERC), the County has implemented online training programs; provided driver-specific Corrective Action Plans, and established safe vehicle operation best practices to lower our overall frequency and costs.

Other General Liability

These claims have decreased by 45 to 2,061, which represents a 2.1 percent decrease over FY 2015-16. However, the cost of claims and lawsuits increased by \$9.8 million to \$48.7 million, which represents a 24.8 percent increase over FY 2015-16.

Employment Practices Liability (non-Workers' Compensation)

These claims have increased by 43 to 187, which represents a 29.9 percent decrease over FY 2015-16. The cost of claims and lawsuits increased by \$2.8 million to \$17.3 million, which represents a 19.2 percent increase over FY 2015-16.

Updated Employment Practices training was developed and delivered to County managers and supervisors in 2017. Continuous department engagement and education, in conjunction with professional training, will increase the likelihood of decreased employment liability.

Law Enforcement Liability

These claims have decreased by 152 to 491, which represents a 23.6 percent decrease over FY 2015-16. The cost of claims and lawsuits increased by \$2.2 million to \$49.3 million, which represents a 4.7 percent increase over FY 2015-16. Excessive force claims dating back several years continue to be a cost driver. However, of significant note is the reduction in the number of claims.

The Sheriff's Department continues to make significant improvements in its corrective action planning and accountability, which has resulted in an overall claim frequency reduction of 37.1 percent.

Medical Malpractice Liability

These claims have decreased by 65 to 166, which represents a 28.1 percent decrease over FY 2015-16. The cost of claims and lawsuits decreased by \$11 million to \$9.8 million, which represents a 52.9 percent decrease over FY 2015-16.

Through LERC, several programs, including Just Culture, have been implemented to aid in the reduction and prevention of medical errors. In addition, management and staff of the County's medical providers continue to pursue and implement independent risk reduction strategies.

Workers' Compensation

These claims have increased by 601 to 11,776, which represents a 5.4 percent increase over FY 2015-16. The cost of claims and lawsuits increased by \$7.25 million to \$363.3 million, which represents a 2.0 percent increase over FY 2015-16. The increased cost of claims is attributed to the statutory increase in weekly permanent disability rates.

CEO Risk Management and County Counsel have implemented several strategies to contain costs below mandated statutory increases. However, the reduction in injuries is the best strategy to lower overall Workers' Compensation costs. CEO Risk Management works with departments to implement general prevention strategies, as well as specific activities based on the particular risk to the department.

Each Supervisor
January 09, 2018
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This report represents the combined efforts of the entire CEO Risk Management Branch team. Input and analysis was provided by staff of Loss Control and Prevention, Risk Management Inspector General, Workers' Compensation, Liability Claims and Recovery, and Risk Management Finance.

If you have any questions, please have your staff contact Steven T. Robles, Assistant Chief Executive Officer/County Risk Manager, at (213) 351-5346.

SAH:JJ
STR:sg

Attachment

c: All Department Heads

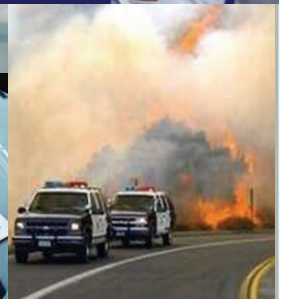


**RISK
MANAGEMENT**
Los Angeles County Chief Executive Office

Inside County Risk

FY 2016-17 Annual Report

Steven T. Robles
County Risk Manager
December 6, 2017

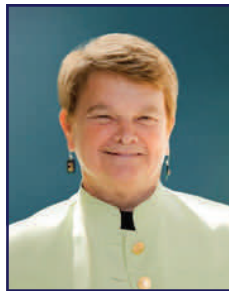




Hilda L. Solis
First District



Mark Ridley-Thomas
Second District



Sheila Kuehl
Third District



Janice Hahn
Fourth District



Kathryn Barger
Fifth District

COUNTY OF LOS ANGELES
BOARD OF SUPERVISORS



CHIEF EXECUTIVE OFFICE

16-17

Inside
County Risk

Risk Management Annual Report

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RISK MANAGER'S MESSAGE

The County of Los Angeles (County) Chief Executive Office, Risk Management Branch (CEO Risk Management) is pleased to provide its Risk Management Annual Report for Fiscal Year (FY) 2016-17.

FY 2016-17's focus was on improving the County's risk culture and operational capabilities. Several initiatives were launched that will improve how we train employees, classify losses, improve analytics, manage construction, and improve data security. These initiatives ultimately lead to an enterprise risk model that embeds risk management into the planning, execution, and completion of all Board of Supervisors' (Board) priorities and operational functions of the County.

The best way to avoid risk and improve our risk culture is through effective training. CEO Risk Management improved its training capabilities this year with two major initiatives. First, CEO Risk Management launched webinar training series that address several prevention and best practices in a wide range of topics, from Corrective Action Plans to Workers' Compensation Fraud. Second, we developed the Risk Management University on the LearningNet to broadly train County employees on emerging risks. These platforms were used to train thousands of County employees on Cyber Threat awareness and prevention.

The collaboration between several departments, led by CEO, have enabled the County to move to the next generation of Risk Management Information System (RMIS 2.0) that will significantly improve our industry-leading fraud, waste, and abuse analytics and claim handling capabilities.

RMIS 2.0 will eliminate five major independent computer programs and combine data streams to allow Risk and Litigation professionals to utilize advanced analytics to identify fraud and lower the overall Cost of Risk. Furthermore, County executives and departments will have improved data capabilities and business intelligence to assist with loss control and corrective action planning.

CEO fully transitioned the Privacy and HIPAA (Health Insurance Portability and Accountability Act) compliance operations into CEO Risk Management. The Office of Privacy will lead the County in coordinating compliance efforts of protecting constituent, patient, and program data through a collaborative effort between the Chief Information Office, the Internal Services Department, and the Office of the County Counsel (County Counsel). Collectively, we have established the Privacy and Security Risk Council that will facilitate coordinated efforts between data security initiatives, legal obligations, and policy efforts.



RISK MANAGER'S MESSAGE (CONTINUED)

Transferring Risk is one of the most effective means of alleviating the County of the costs associated with construction and event management. Two initiatives were launched to help the County transfer risk:

- 1) COI Online – Nearly all events at facilities not owned by the County require a Certificate of Insurance (COI). We have automated the process and trained all departments on how to create their own COIs on-demand. This process saves time and money, and allows for tracking of our insurance obligations.
- 2) Self-Insurance Plans – Future construction activities will allow for more sophisticated funding of insurance and risk obligations. CEO Risk Management is preparing for these obligations by developing alternatives to traditional purchase of insurance that will lower the Cost of Risk while increasing the protections against adverse events.

The largest cost driver managed by CEO Risk Management is contained in the Workers' Compensation system, and continues to be our main focus. With the utilization of County and contract-supported analytics, along with collaboration between several public entities, we were able to identify several provider fraud, waste, and abuse schemes that ultimately will lower our overall costs and provide superior benefits to our injured workers. We also further developed additional claim closure initiatives with County Counsel.

Our improved procedures in recovering from loss in all areas have produced overall recoveries to County programs, as follows:

- ◆ Workers' Compensation – \$1,500,000
- ◆ Liability – \$3,200,000
- ◆ Property – \$1,000,000
- ◆ Cyber – \$2,100,000

Lastly, CEO Risk Management continues to be an industry leader in advanced public entity initiatives. In 2017, we improved our award-winning program through LERC, with the collaboration of five health departments, to win the National Association of Counties (NACo) Achievement Award for improving patient safety through the Patient Safety Network.

This year's annual report focuses on trends of claims relating to Workers' Compensation, General Liability, and subcategorized areas including Law Enforcement and Employment, Medical Malpractice, and Auto and General Liability. These categories represent different exposures and will allow departments the ability to focus prevention efforts according to their risk.

Costs associated with claims and litigation can be forecasted for several years due to the length of time to close cases and the types of claims that we typically experience.

RISK MANAGER'S MESSAGE (CONTINUED)

Overall, the County's Cost of Risk reduced by 3.9% even while experiencing increases in some risk categories. This is largely due to the County's expansion rate growing faster than the losses.

The remainder of this report details specific data points; however, below is a summation of the key cost and trend drivers:

Claim Type	% Change in Frequency		% Change in Expense	
Workers' Compensation	5.4%	●	2.0%	●
Automobile Liability	2.6%	●	19.7%	●
General Liability - Other	-2.1%	●	24.8%	●
Law Enforcement Liability	-23.6%	●	4.7%	●
Employment Practices Liability	29.9%	●	19.2%	●
Medical Malpractice Liability	-28.1%	●	-52.9%	●
Total	2.7%	●	4.0%	●
Cost of Risk (excluding non-County agencies)			-3.9%	●

The frequency increase indicator is marked in red as we will typically see increased costs associated with the increase. Conversely, as we currently see downward trends (marked in green) in claims we can expect to see lower costs in the future.

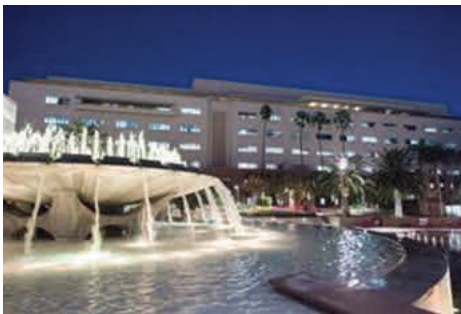
Many opportunities to lower our overall costs remain. The remainder of this report outlines our key objectives for the upcoming fiscal year and the specific cost drivers impacting our overall Cost of Risk.



KEY OBJECTIVES—FY 2017-18

CEO Risk Management provides leadership and direction for the County's Risk Management programs. Key objectives for FY 2017-18 include:

- Transition nine legacy and department systems into a comprehensive Risk Management Information System. This system will fundamentally change the way we respond to risk, losses, and litigation by improving processes and linking data across multiple platforms.
- Improve Countywide Risk Management culture by creating expert certification series through the Risk Management University. This continues our injury prevention efforts from the foundation we laid last fiscal year, including enhanced digital footprint, online interactions, and training capabilities with executives, managers, and employees.
- Implement *Workers' Comp 2.0* whereby the County increases performance, lowers costs, and provides better services to our injured workers. This shift from past practices will allow the County to gain more control over claim administration and provide a basis for utilizing our existing analytics program through digital monitoring.



- Design an advanced Risk Financing model for our Workers' Compensation and Liability programs to lower fluctuations from year to year by establishing baseline risk exposures and adjusting for experience based on department performance.
- Explore the reduction of our dependency on contracted vendors through improved claim handling processes and enhanced authority to mitigate and settle claims against the County.
- Develop and implement a comprehensive risk management plan by directing the Office of Privacy to enhance prevention, response, and recovery from privacy and security incidents.



COST OF RISK

The Cost of Risk is the ratio of the expenditures for the County's various cost of claims paid divided by the County's Operating Budget in a specific fiscal year. The effectiveness of the County's risk management programs, policy decisions, and the effects of State and Federal regulations are reflected in the Cost of Risk since it includes paid workers' compensation claims, general liability claims, and the cost to defend a myriad of tort and non-tort-related claims. The Cost of Risk also includes the costs associated with loss control and prevention programs, insurance premiums, and operational and administrative expenses.

During FY 2016-17, the County experienced a decrease in the Cost of Risk of 3.9%. The decrease is attributed to cost savings seen in the workers' compensation and medical malpractice programs.

THE COUNTY'S OBJECTIVE IS TO MINIMIZE ITS TOTAL COST OF RISK

Detailed information is listed in the "Statistics" section of this report regarding the number of claims and expenses for each of the last three fiscal years, by department, for Workers' Compensation, State of California Labor Code 4850 and Salary Continuation, Vehicle Liability, General Liability, Employment Practices Liability, Law Enforcement Liability, and Medical Malpractice.

The table on next page illustrates the totality of all categories of risk as related to the County's Operating Budget.

REGULATE



CONTROL

IDENTIFY

REDUCE

COST OF RISK¹

Category	FY 2014-15	FY 2015-16	FY 2016-17
Workers' Compensation			
Workers' Compensation Expense	\$359,347,677	\$356,101,756	\$363,359,224
Labor Code 4850/Salary Continuation	\$68,383,159	\$77,325,390	\$86,235,814
Workers' Compensation Expense Total	\$427,730,836	\$433,427,146	\$449,595,038
Liability			
Liability Expense Total	\$143,163,428	\$147,150,811	\$155,306,855
Purchased Insurance (premium and fees)	\$17,268,876	\$19,301,554	\$16,586,756
Cost of Risk	\$588,163,140	\$599,879,511	\$621,488,649
Cost of Risk (excluding non-County agencies)	\$577,489,010	\$589,722,837	\$610,494,389
Total County Operating Budget (000)	\$25,988,192	\$26,625,115	\$28,688,400
Cost of Risk (Excluding non-County agencies as a percentage of the County's Operating Budget)	2.22%	2.21%	2.13%

1. Detailed Cost of Risk information can be found in Exhibit G of this report.

RISK FINANCING—FY 2016-17

The County currently finances nearly all losses on a cash basis; therefore, any liability or workers' compensation claim that arises is subject to cash payment by the County, regardless of size. Based on the nature and scope of County operations, natural disasters, and external influences, County departments will be susceptible to large claims that significantly impact expenses. The results of FY 2016-17 illustrate this susceptibility as the top ten claims of each expense category accounted for significant portions of expense, as follows: Law Enforcement top-10 accounted for 62.3% of expenses; General Liability top-10 accounted for 33.2% of expenses; Auto Liability top-10 accounted for 40.9% of expenses; and Employment Liability top-10 accounted for 32.1% of expenses. The County has instituted several risk management techniques to manage the cost of large loss claims outside of litigation management. Minimizing the frequency of claims minimizes the possibility of one of those claims becoming a large loss. The County currently utilizes loss control and prevention best practices specific to departments that are coordinated through the CEO, as follows:

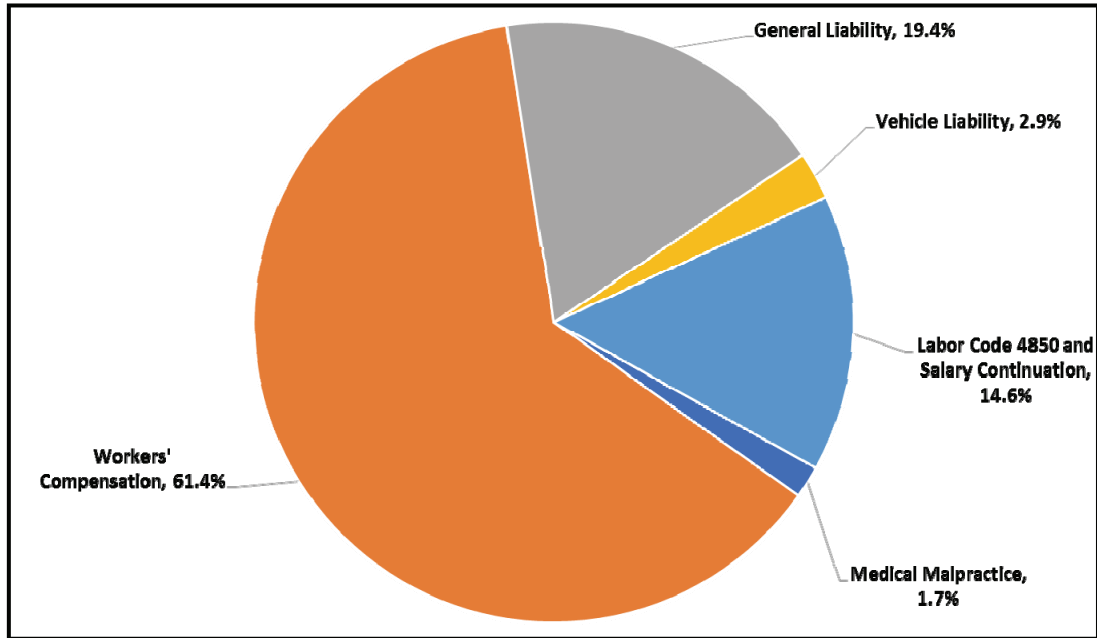
- Corrective Action Plans and/or Summary Corrective Action Plans are required for all settlements with an indemnity amount excess of \$100,000 and as requested by the Risk Management Inspector General. These plans summarize the nature of the claim and identify the root cause of the problem and corrective action steps to be taken by the department, or the County as a whole, to minimize the potential for similar events to occur.
- Risk Management Loss Control updated several online training modules to address the risk factors that contribute to vehicles accidents, and issued notices to departments who were experiencing increased claims. Furthermore, CEO Risk Management partnered with the Department of Human Resources to provide additional employment liability training to departments to combat the rising employment risk.
- Risk Management Plans are developed by each department on an annual basis. These plans provide an overview of each department's risk management program, significant risk issues for that department, and mitigation measures or goals designed to prevent or minimize the given exposure.
- CEO Risk Management provides reporting and early trend analysis capabilities through departmental-specific dashboards. This includes a drill-down capacity to identify the "Top 5 Causes of Concern" for each type of loss.
- Contractual risk transferring of large loss potential involves reviewing, recommending, and constructing departmental insurance contract language, including indemnification language and proper endorsement usage that is consistent throughout the County and formulated to provide protection to the various contractors and the County, should an adverse event occur. County Counsel and CEO Risk Management collaborate with departments in this endeavor.

CEO Risk Management performs a myriad of training and education seminars throughout the year to further enhance departments' efforts to reduce all claims. The efforts of CEO Risk Management are reflected in the Accomplishments sections of this report.

OVERALL COSTS

The overall Cost of Risk graph below illustrates that workers' compensation accounts for more than 61% of the Cost of Risk. For FY 2016-17, this represents approximately \$363 million.

PERCENTAGE OF TOTAL COST PAID BY CLAIM TYPE – FY 2016-17



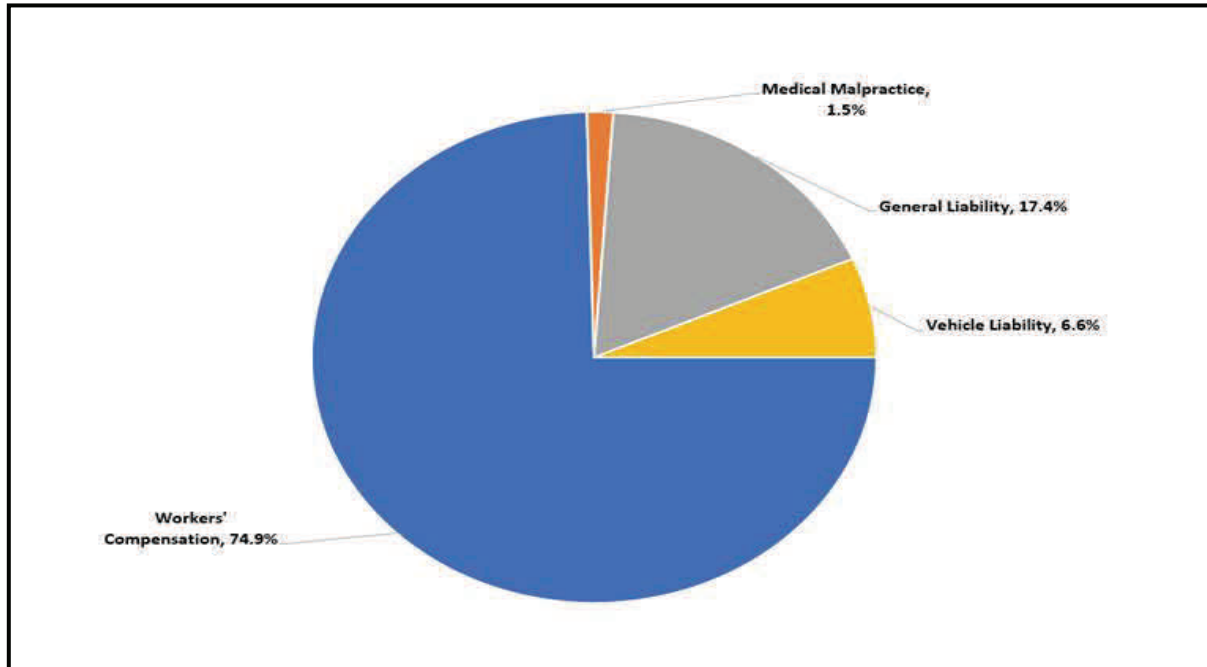
CLAIM SEVERITY (TOTAL COST PAID) – ALL CLAIMS^{1,2,3} – FY 2014-15 THROUGH FY 2016-17

Claim Type	FY 2014-15	FY 2015-16	FY 2016-17
Workers' Compensation ⁴	\$359,347,677	\$356,101,756	\$363,359,224
Labor Code 4850 and Salary Continuation	\$68,383,159	\$77,325,390	\$86,235,814
Vehicle Liability	\$8,834,434	\$14,469,796	\$17,318,073
Law Enforcement Liability	\$48,318,840	\$47,104,910	\$49,323,227
Employment Practices Liability	\$21,081,049	\$14,542,446	\$17,331,734
Other General Liability	\$37,232,878	\$39,061,190	\$48,765,061
Medical Malpractice	\$16,696,689	\$20,874,145	\$9,837,924
TOTAL	\$559,894,726	\$569,479,633	\$592,171,058

1. Data does not include unemployment costs.
2. Data includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit, etc. This information includes County Counsel tort claims.
3. Amount Paid is the total of the transactions paid by coverage code in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of occurrence date; does not include Reported But Not Paid (RBNP) or Incurred But Not Reported (IBNR) reserves.
4. Workers' compensation paid does not reflect State of California Labor Code 4850 and Salary Continuation payments, which are shown separately.

CLAIM FREQUENCY BY CLAIM TYPE – FY 2016-17

In further demonstrating the impact of workers' compensation on the total risk management program, the graph below shows that workers' compensation accounts for almost three quarters of all claims.



CLAIM FREQUENCY (TOTAL NUMBER OF CLAIMS FILED) BY CLAIM TYPE FY 2014-15 THROUGH FY 2016-17

Claim Type ^{1,2}	FY 2014-15	FY 2015-16	FY 2016-17
Workers' Compensation	10,550	11,175	11,776
Vehicle Liability	916	1,015	1,041
Law Enforcement Liability	781	643	491
Employment Practices Liability	193	144	187
Other General Liability	2,135	2,106	2,061
Medical Malpractice	226	231	166
TOTAL	14,801	15,314	15,722

1. Total number of claims filed by fiscal year regardless of date of occurrence; count includes all suffixes.
2. Includes County Counsel tort claims, but not agencies that are not County departments, i.e., MTA, Foothill Transit, etc.

The methods and activities of managing the overall Cost of Risk are outlined in the remainder of the FY 2016-17 Annual Report.

WORKERS' COMPENSATION PROGRAM

The County's self-insured Workers' Compensation Claim Administration Program is the largest local governmental program in the State of California. As a mandated employer-funded social benefit program, it is responsible for administering over 31,000 open workers' compensation claims with over 11,500 new workers' compensation claims reported annually. Statutorily mandated benefits are delivered through partnerships with four Third Party Administrators (TPAs), three Medical Management and Cost Containment (MMCC) contractors, and a Pharmacy Benefit Management (PBM) company. The Workers' Compensation On-Site County Representatives (OSCRs), within CEO Risk Management, provide assistance to TPA staff, County departments, and injured workers. In addition, OSCRs authorize high-value settlements and payment transactions, perform fiscal reconciliation services, and act as liaisons between departments, defense counsel, and TPAs. County Counsel staff and contracted defense attorneys provide legal support.

Workers' compensation expenses are generally separated into three categories: 1) allocated benefit expenses (ABE); 2) allocated loss adjustment expenses (ALAE); and 3) unallocated loss adjustment expenses (ULAE). ABE includes medical benefits, salary continuation and temporary disability benefits, permanent disability benefits, and death benefits. Such expenses are charged to the workers' compensation claim file. ALAE includes non-benefit payments to contract law firms, investigation firms, and other ancillary service providers. Such expenses are also charged to the workers' compensation claim file.

ULAE includes the cost of TPAs, MMCCs, County Counsel Workers' Compensation Section staff, CEO Risk Management staff, State User Assessments, and other overhead charges required to administer the program. Such expenses are not charged or allocated to the workers' compensation claim file.

In FY 2016-17, CEO Risk Management created a Recovery Unit to enhance the identification and recouping of expenses caused by the acts of third parties. The recovery procedures and policies were the outcome of significant collaboration between County Counsel and CEO Risk Management. The procedures include increased screening and monitoring of potential subrogation claims to ensure that recovery and credit rights are aggressively pursued.

MANAGEMENT

DISABILITY



BENEFITS

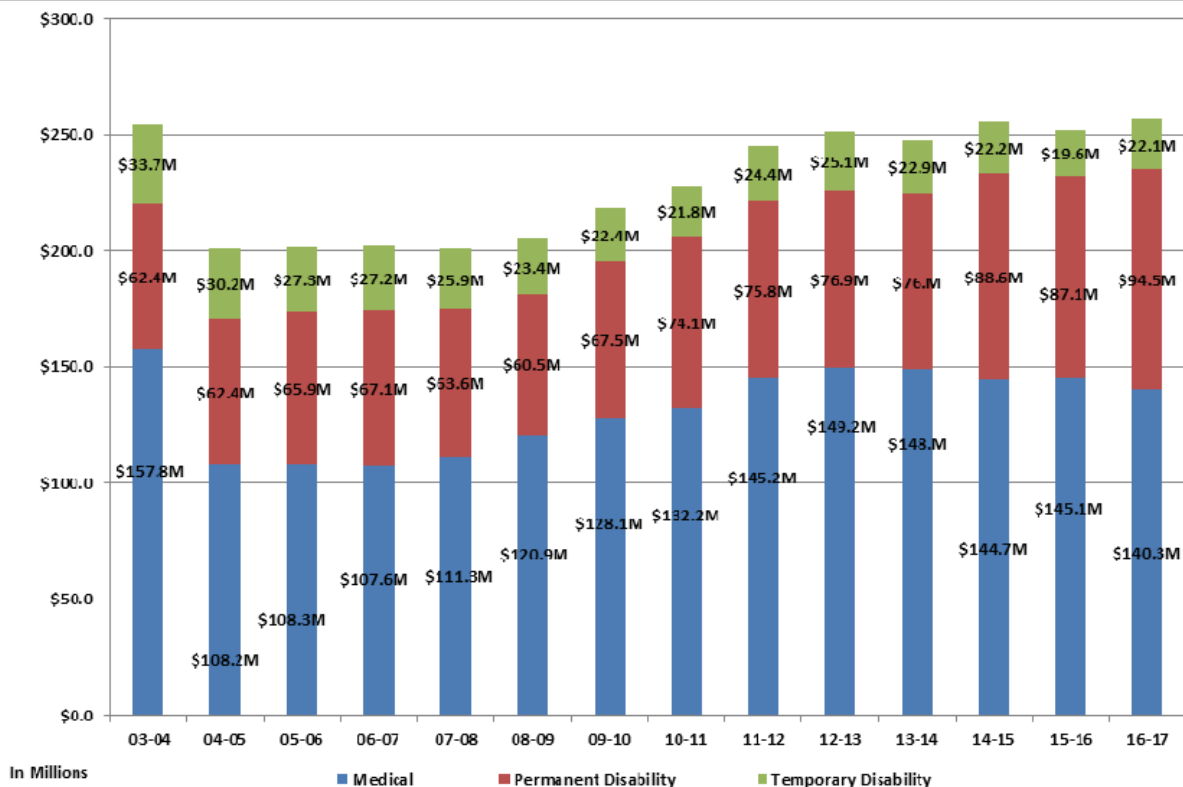
WORKERS' COMPENSATION PROGRAM — MAJOR ALLOCATED BENEFIT EXPENSES

In FY 2016-17, total medical expenses equaled \$140.3 million. This represents a 3.3% decrease from the total medical expense of \$145.1 million experienced in FY 2015-16. Temporary disability expenses increased from \$19.6 million in FY 2015-16 to \$22.1 million in FY 2016-17, an increase of 12.6%. FY 2016-17 salary continuation expenses (predominately driven by Labor Code 4850 benefits) increased 11.5% from the \$77.3 million in FY 2015-16 to \$86.2 million in FY 2016-17. CEO Risk Management believes the Labor Code 4850 expense is driven, in part, by increases in salary and the demographics of the population eligible for Labor Code 4850 benefits.

Permanent disability expenses increased 8.5%, from \$87.1 million in FY 2015-16 to \$94.5 million in FY 2016-17.

CEO Risk Management anticipates future increases in permanent disability payments as a greater number of workers' compensation claims are subject to the permanent disability rating established under Senate Bill 863. The trend of increasing permanent disability expense is expected to continue into the future.

WORKERS' COMPENSATION MAJOR BENEFIT EXPENSES

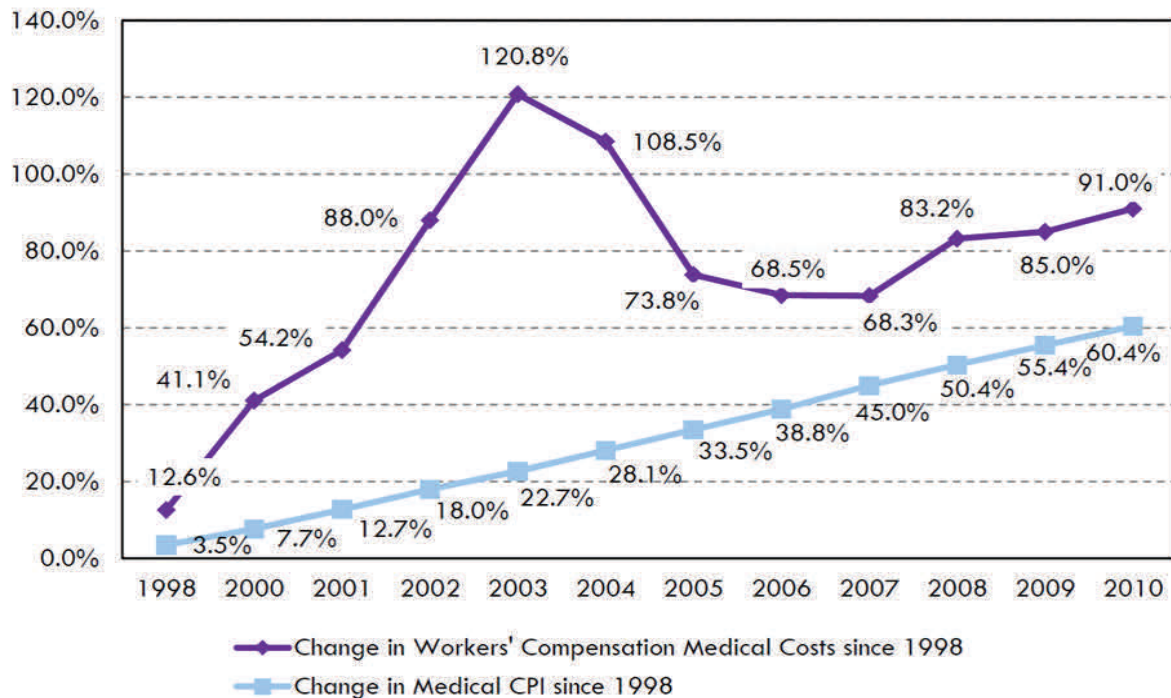


WORKERS' COMPENSATION PROGRAM — ALLOCATED AND UNALLOCATED LOSS ADJUSTMENT EXPENSES

Traditionally, the County workers' compensation program's allocated and unallocated loss adjustment expenses account for approximately 20-22% of overall program expenses. The ALAE and ULAE represent the legal, administrative, and operational costs to deliver balanced workers' compensation benefits. In FY 2016-17, the combined ALAE and ULAE represented 20.1% of program expenses. This included approximately \$5 million for catastrophic insurance. Such expenses compare favorably to loss adjustment expenses experienced by California workers' compensation insurers and other self-insured employers. The California Commission on Health and Safety and Workers' Compensation (CHSWC) 2016 Annual Report reflected ALAE and ULAE accounted for 39% of overall workers' compensation system-wide expenses in calendar year 2015.

Over the last 13 years, County workers' compensation loss adjustment expenses have increased, in part, due to medical management cost containment strategies that include utilization review. CEO Risk Management believes California's implementation of evidence-based medical guidelines, along with other reforms, have stabilized the workers' compensation medical inflationary trends experienced in the late 1990s and early 2000s. The graphs below demonstrate the impact of workers' compensation legislation that became effective in 2004, and its impact on cost stabilization.

WORKERS' COMPENSATION MEDICAL EXPENSES VS. MEDICAL INFLATION SINCE 1998

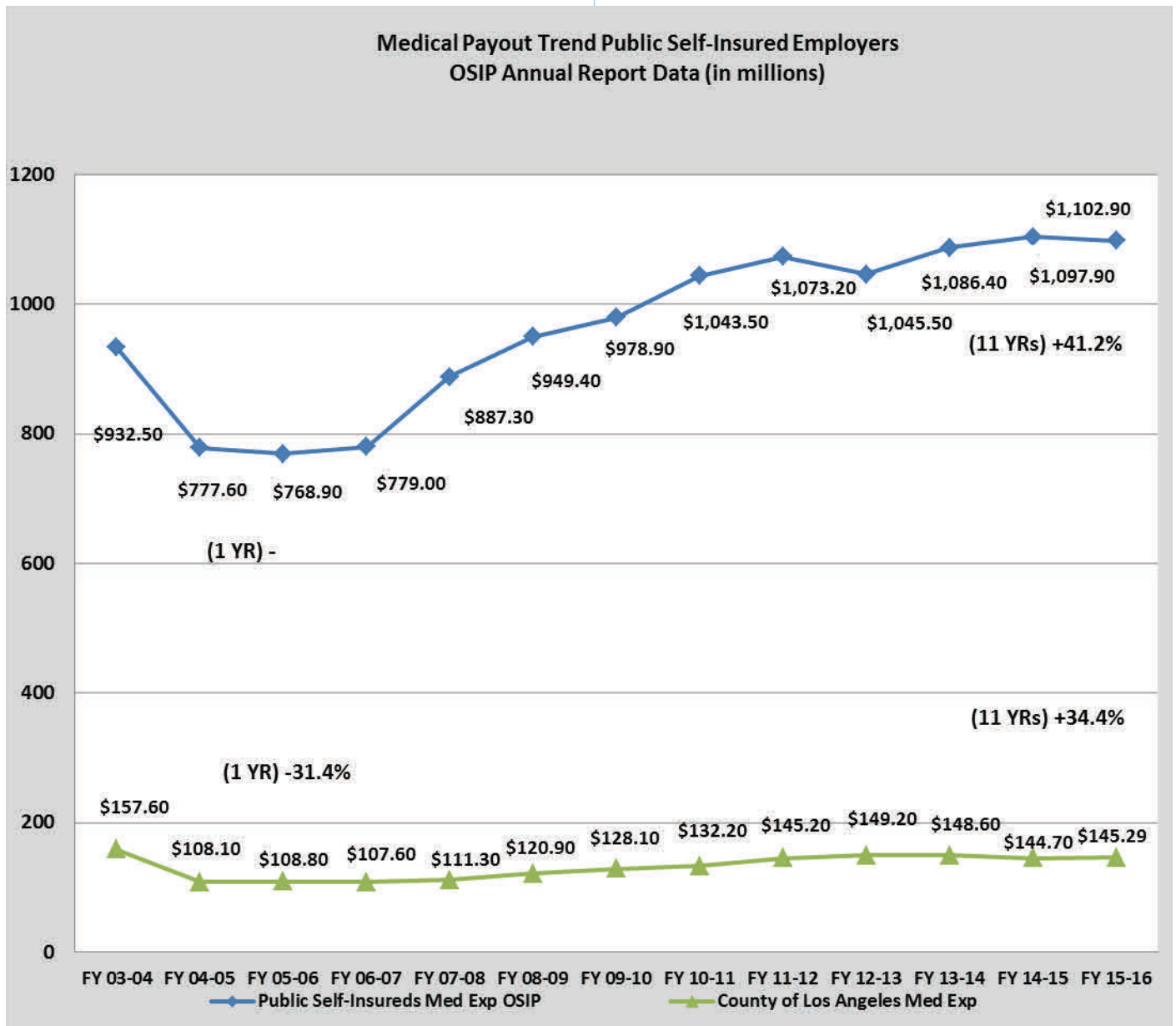


SOURCE: Commission on Health and Safety and Workers' Compensation – Data Source: WCIRB; Bureau of Labor Statistics

WORKERS' COMPENSATION — EXPENSES

The County workers' compensation medical expense has remained relatively stable as demonstrated by the chart below. This chart reflects aggregate public agency workers' compensation medical payment data (including the County's workers' compensation payment amounts) and the County's annual workers' compensation medical payments since FY 2003-04.

CEO Risk Management staff believe the significant decrease in workers' compensation medical cost experienced between FY 2003-04 and FY 2004-05 was a direct result of urgency legislation implemented to address the California "workers' compensation crisis." Aggregate FY 2016-17 payment information was not available at the time of the printing of this report.

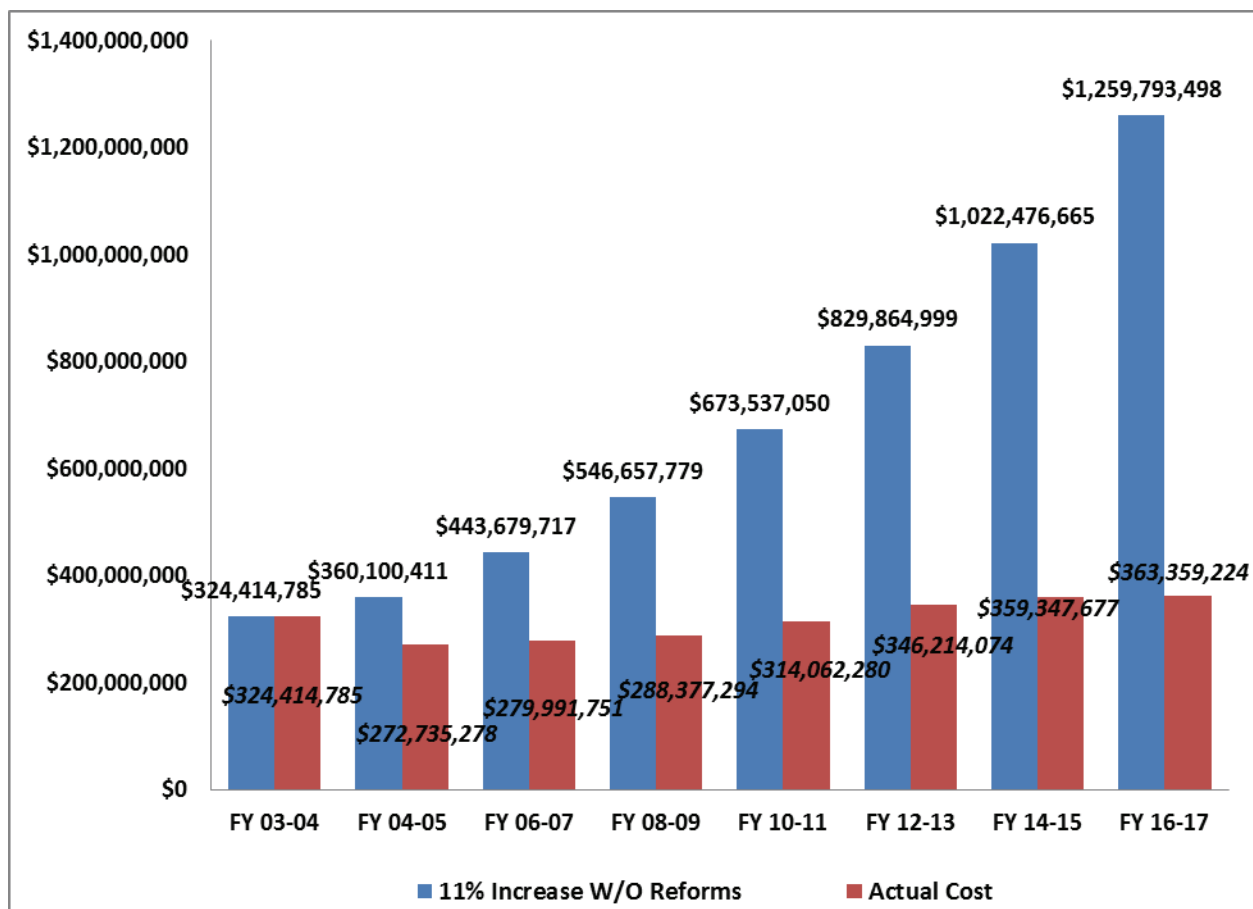


WORKERS' COMPENSATION — EXPENSES (CONTINUED)

In FY 1998-99 through FY 2002-03, the County workers' compensation medical costs increased 133.8%. During that period, County workers' compensation program costs, excluding salary continuation and Labor Code 4850 benefits, experienced double digit inflation.

The following chart estimates that escalation absent cost avoidance strategies afforded under the FY 2003-04 legislation compared to actual costs. FY 2016-17 actual costs contain a premium payment for catastrophic insurance that did not exist in prior years' actual costs, which is also reflected in the chart below.

WORKERS' COMPENSATION EXPENSES (EXCLUDING SALARY CONTINUATION AND LABOR CODE 4850) COMPARISON - ESTIMATED WITHOUT REFORM AND ACTUAL EXPENSES



Medical expenses are the largest single component of the workers' compensation program cost. During FY 2016-17, the Program received approximately 420,000 bills, accounting for 1,497,464 lines of procedures, services, or supplies from medical service providers. These bills were for medical services to treat injured workers that included inpatient hospital services, nursing care, surgery, physician visits, physical therapy, chiropractic care, durable medical equipment, and drug therapy. Each bill was reviewed to ensure charges were paid at or below the Official Medical Fee Schedule.

The County workers' compensation program applies utilization review (UR) processes to assess certain physician treatment requests. UR is the process used by California workers' compensation insurers and administrators to determine if requested medical care is consistent with the California Medical Treatment Utilization Schedule. CEO Risk Management and MMCC staffs collaborate with respected physicians to determine reasonable utilization review triggers to ensure medical treatment can be delivered in an unencumbered manner. The evaluation of UR triggers is ongoing and protocols are assessed periodically and influenced by physician prescribing patterns.

In FY 2011-12, a PBM was established to improve the evaluation of drug therapies prescribed to County injured workers. Some of the goals, results, and features of the PBM follow:

- Increased generic drug utilization to 96.5% (an increase of 45.1% over the baseline).
- Increased home delivery to 17.8% (an increase of 119.8% over the baseline).

- Increased PBM Network penetration to 96.2% (an increase of 40.6% over the baseline).
- Physician and injured worker outreach (ongoing and continuing).
- Drug trend analysis, patent expiration, dispense as written costly drug identification, and morphine equivalent dose (MED) management.
- Opioid scripts account for 13.9% of all County workers' compensation scripts written in FY 2016-17. This is much lower than workers' compensation industry results, which reflect the opioid therapeutic group accounts for 23% of all scripts written. It should be noted that the County workers' compensation program's low opioid rate is a reflection of the prescription mix that is influenced by the heart and cancer presumptions.

In FY 2012-13, pharmacists from the PBM identified significant use of costly compound medications on the County workers' compensation program. CEO Risk Management staff utilized data mining capabilities provided by the PBM to identify questionable compound medication prescription patterns. CEO Risk Management, in collaboration with County Counsel, TPAs, and MMCCs, established ongoing strategies that significantly reduced unwarranted compound medication costs. This represents one example of the value of the PBM and advanced data analytics.

One of the overall program goals is expense stabilization. As previously indicated, FY 2016-17 medical expenses were \$140.3 million. Such expenses remain well below the pre-Senate Bill 899 medical expense of \$157.6 million experienced in FY 2003-04.

WORKERS' COMPENSATION — OUTSTANDING LIABILITIES

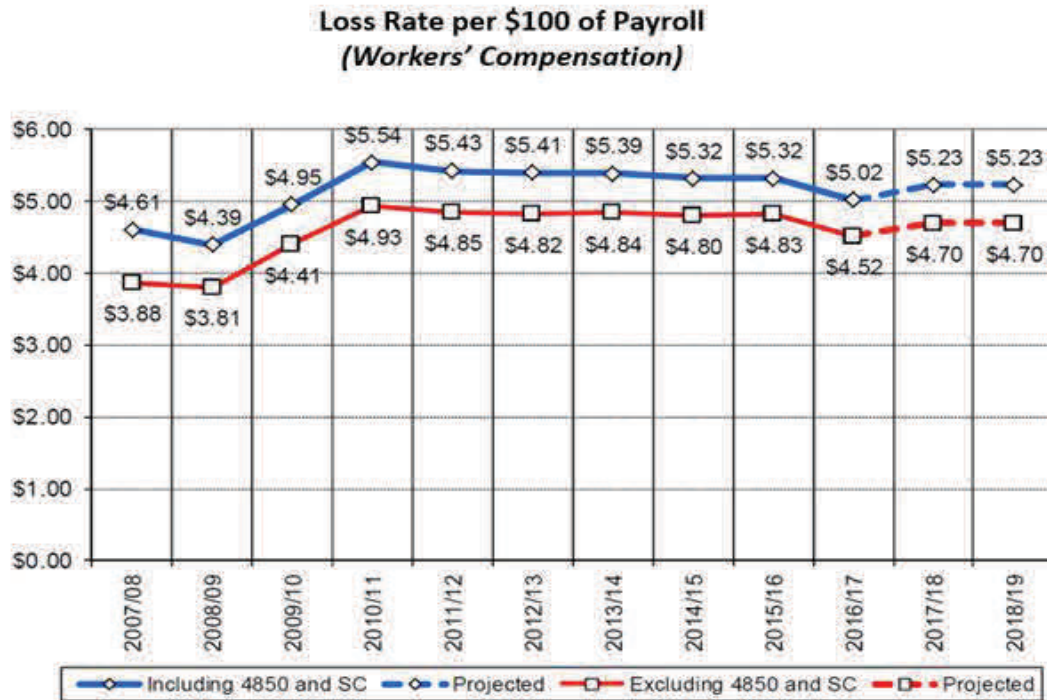
As reflected in the Workers' Compensation draft Actuarial Study released on October 20, 2016, the County workers' compensation program's outstanding liabilities as of June 30, 2017 exceeded \$2.63 billion (at a 50% confidence level). The increase was due, in part, to a change in reserving practices and, as the actuaries indicated, reflects a strengthening rather than adverse development. Specifically, the increase included \$383.1 million in future outstanding liabilities resulting from losses in FY 2016-17, plus \$110.2 million for increased projected future exposure on all claims prior to FY 2016-17, less \$301.4 million in payments made in FY 2016-17. This equates to an increase of \$191.9 million outstanding liabilities. An additional factor explaining the increase was a significantly larger payroll. Payroll is a commonly used factor to assess workers' compensation exposure. The \$2.63 billion (not including Courts) in outstanding liabilities includes all future obligations for existing claims and incurred but not reported claims.

WORKERS' COMPENSATION ACTUARIAL STUDIES – ACTUAL AND PROJECTED PAYMENTS

Actuarial analysis of the County workers' compensation program loss distribution indicate 16% of workers' compensation claims account for 83% of the total incurred (paid to date and remaining reserves). Additionally, 23% of payments (excluding salary continuation/Labor Code 4850) in FY 2016-17 are issued from claims older than 10 years.

Overall, the actuarial study points to the long-tail nature of workers' compensation exposures and expenses. The actuarial studies also underscore the workers' compensation program's stability over the years. As of June 30, 2004, the actuarial established future outstanding liabilities were \$2.63 billion (including Courts) and as of June 30, 2017, the outstanding liabilities were \$2.69 billion (including the Courts). This equates to an increase of 2.3% over a 13-year period. CEO Risk Management continues to evaluate various alternate risk techniques to stabilize exposures and expenses, including a loss portfolio transfer.

AS OF DATE	ESTIMATED OUTSTANDING LOSSES
JUNE 30, 2014	\$2,103,615,805
JUNE 30, 2015	\$2,162,266,111
JUNE 30, 2016	\$2,433,525,700
JUNE 30, 2017	\$2,637,146,627



The loss experience trends, as measured by loss rate per \$100 of payroll, are projected to continue to rise approximately 4% over the next two fiscal years. This is the cost of claims per \$100 of payroll.

WORKERS' COMPENSATION LOSS EXPERIENCE

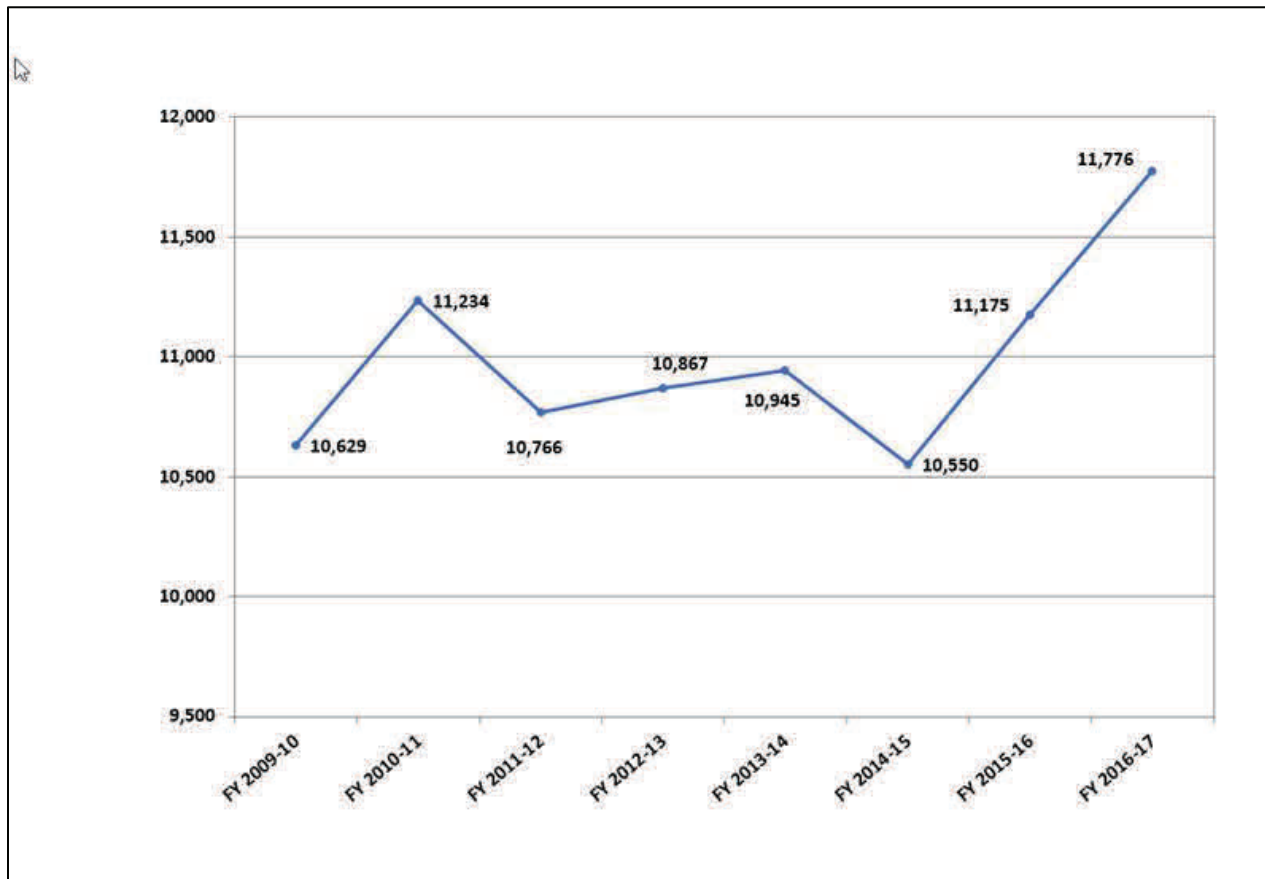
In FY 2016-17, the number of workers' compensation claims filed increased 5.4% (11,175 to 11,776).

COMPENSATION

SOLUTION

PREVENTION

NUMBER OF WORKERS' COMPENSATION CLAIMS – FY 2009-10 THROUGH FY 2016-17



WORKERS' COMPENSATION PROGRAM — SIGNIFICANT ACCOMPLISHMENTS FOR FY 2016-17

- After the implementation of the MED tracking and physician narcotic outreach programs, the County workers' compensation program experienced an 8.6% reduction in the number of opioid prescriptions filled from FY 2015-16 to FY 2016-17.
- Completed the Request for Proposals (RFP), competitive bidding and selection process for medical management and cost containment services. The Statement of Work will be used to select one Medical Provider Network (MPN) provider and one PBM provider, in an effort to increase efficiencies.
- Developed a workers' compensation claims administration Statement of Work that will provide the flexibility to utilize alternative technologies to enhance the County workers' compensation program's responsiveness and overall operational effectiveness.
- Used the SPSS Modeler data analytics tool to identify potential fraud, waste, and abuse.
- Worked closely with CEO Risk Management's Finance Unit, Data Analytics Unit, and County Counsel staffs to ensure the anti-fraud provisions of Senate Bill 1160 and Assembly Bill 1244 were vigorously applied.
- Continued to work with public and private sector employers to evaluate and influence workers' compensation legislation and regulation development to ensure such promote the timely provision of benefits that is balanced with employee and employer needs.

WORKERS' COMPENSATION PROGRAM— OBJECTIVES FOR FY 2017-18

- Evaluate, implement, and measure the ability to terminate long-term workers' compensation exposure through the full and final settlement of workers' compensation claims.
- Work with the CEO Contracts Unit to release an RFP for workers' compensation third party administration services.
- In collaboration with MMCC contractors, evaluate and select MPN and PBM providers to enhance the delivery of medical care to injured workers.
- Continue to work with public and private sector employers to evaluate workers' compensation legislation, regulation development, and eminent issues.

CARE

HEALTH



AVOIDANCE

RESOLUTION

LIABILITY CLAIMS AND RECOVERY

The Liability Claims and Recovery Unit, within CEO Risk Management, provides consultative support and direction in the administration of various claims and lawsuits filed against the County. This includes first and third party property claims, and claims arising out of Vehicle Liability, General Liability, Employment Practices Liability, Law Enforcement, and Medical Malpractice. Overseeing the various claims involves providing administration and direction to two TPAs: Carl Warren & Company (Carl Warren); and Intercare Holdings Insurance Services, Inc. (Intercare). In addition, this Unit oversees recovery efforts in all of the County's claims operations. The Recovery Unit focuses its efforts specifically on the actions necessary to pursue those who cause loss to the County. Recoveries reduce the cost of claims against the County and ensure that responsible parties are held accountable. Recoveries are primarily from vehicle accidents, but they can also arise from County agreements, insurance, and workplace injuries.

In FY 2016-17, the Liability Claims and Recovery Unit provided:

- A *Liability Claims User Guide* to all County departments, with the assistance of County Counsel and LERC.
- Webinars to all County departments on claims reporting, employee vehicle damage program, incident reporting, and recovery.
- Implementation of an enhanced Workers' Compensation Subrogation Program.
- Handling of third party automobile claims that require the intervention of Small Claims Court.

GENERAL LIABILITY CLAIMS

The County currently tracks the following three Key Performance Indicators (KPI):

Claim Closing Ratio – (Number of Files Opened/Number of Files Closed). Tracks the total number of cases opened and closed during a defined period of time. This is used to analyze caseloads and claim closure efficiency, and is an indication of whether the claims operation is conducting timely investigations, evaluations, and other activities to bring claims to a conclusion. It has been shown that the sooner a case is resolved and closed, the less expensive it will be.

Allocated Loss Adjustment Expenses – (ALAE/Total Expenses). A percentage of expenses such as attorney fees, investigation costs, and other specific costs associated with the claim as a part of the total claim cost including indemnity payments. Used to track the costs of defending the claim and are separate from indemnity expenses. Insurance claim operations ALAE ranges from 17% to 25%. This is very good in private industry but, due to the nature and severity of the exposures and the claim practices of the County, this percentage is not realistic. When new metrics and analytics are developed, this KPI will be refined to reflect the exposure to the County.

LIABILITY CLAIMS AND RECOVERY (CONTINUED)

GENERAL LIABILITY CLAIMS

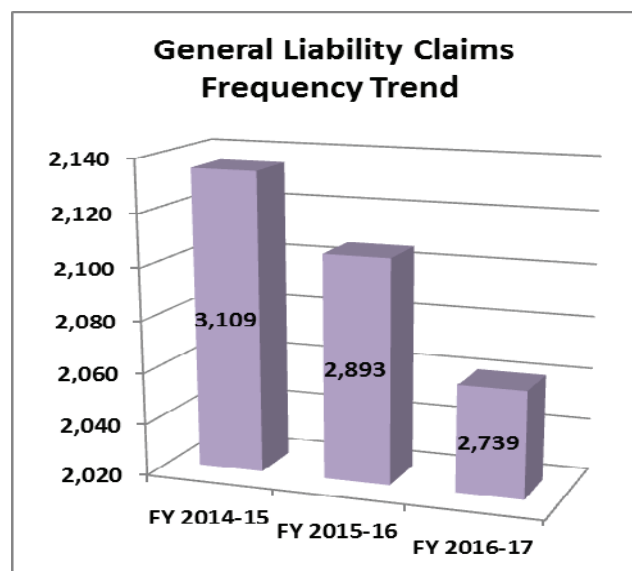
Litigation Reserve Ratio – Metric tracking the percent of legal fees paid as compared to the total reserved value of the case. This KPI is important since there should be a reasonable correlation between the ultimate settled or closed case value and the amount of legal fees paid. When new metrics and analytics are developed, this KPI will be refined to reflect the exposure to the County.

These KPIs provide an indication of the overall health of each program administered by the TPAs. In addition, it provides historical trending that can be used to find efficiencies to be exploited for improved results.

TPA Carl Warren currently oversees a majority of the general liability claims that encompass the subsets of Vehicle Liability and Employment Practices Liability. Below are KPIs for General Liability claims handled by this TPA.

Carl Warren is not solely responsible for the management of the respective programs under their purview since they do not control the entire claims administration process and have limits on their authority. However, the data and audits of the TPAs' performance indicate the TPAs are managing claims timely and within expected cost parameters.

TYPE	FY 2014-15	FY 2015-16	FY 2016-17
Claim Closing Ratio	77%	86%	82%
Allocated Loss Adjustment Expense (ALAE)	58%	57%	45%
Litigation Reserve Ratio	40%	40%	36%



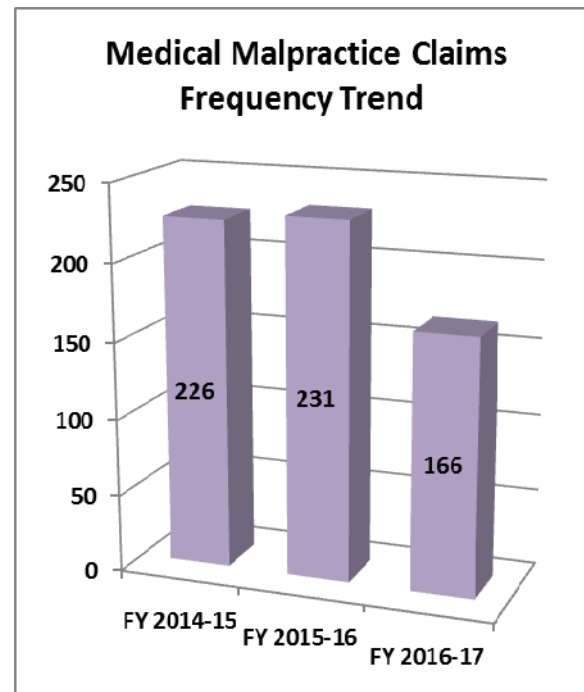
LIABILITY CLAIMS AND RECOVERY (CONTINUED)

MEDICAL MALPRACTICE CLAIMS

Sedgwick Claims Management Services (Sedgwick) oversees claims related to professional liability programs that encompass Medical Malpractice and Hospital Professional Liability.

Sedgwick manages both non-litigated and litigated claims. These claims tend to behave differently than General Liability, as experts are more prevalent in determining the potential exposure to the liability. However, the principles of the KPIs described in General Liability (i.e., claim closing ratio, allocated loss adjustment expense, and litigation reserve ratio) are all valid performance measures for Medical Malpractice Claims. The data and audits for TPA performance show that Sedgwick managed the claims timely and within expected cost parameters.

The following are KPIs for Medical Malpractice claims handled by this TPA.



TYPE	FY 2014-15	FY 2015-16	FY 2016-17
Claim Closing Ratio	117%	104%	106%
Allocated Loss Adjustment Expense (ALAE)	26%	18%	46%
Litigation Reserve Ratio	19%	23%	24%

LIABILITY CLAIMS AND RECOVERY—ACCOMPLISHMENTS FY 2016-17

RECOVERY

The Liability Claims and Recovery Unit focuses its efforts specifically on the actions necessary to pursue those who cause loss to the County. Recoveries reduce the cost of claims against the County and ensure that responsible parties are held accountable. Recoveries are primarily from vehicle accidents, but they can also arise from County agreements, insurance, or workplace injuries. The Unit focuses on the following areas:

SMALL CLAIMS

The Small Claims Unit represents the County in cases that are filed in the Superior Court Small Claims Division. The Unit also administers lost or stolen property claims filed against the Department of Health Services and Sheriff's Department. In FY 2016-17, the Small Claims Unit represented the County in 68 Small Claims Court actions and achieved an overall 75% success rate. This Unit paid a total of \$43,600 for lost or damaged property. In FY 2017-18, the Unit has begun to assume additional responsibilities of recovery from Workers' Compensation claims with expenditures less than \$5,000.

PROPERTY DAMAGE

In addition, the Liability Claims and Recovery Unit subrogates claims when County property is damaged by a third party, and assists departments in administering the County's permittee driver program. In FY 2016-17, the Unit was able to recover approximately \$258,511 from individuals and their insurance carriers for County departments.

INSURANCE RECOVERY

CEO Risk Management currently purchases insurance each year for various lines of coverage and exposure. In FY 2016-17, the County recovered \$111,247 for loss of County insured property. In FY 2016-17, the County experienced heavy rains causing damage to 13 properties covered by commercial insurance. These losses are still being evaluated but are estimated to exceed \$1 million. The Workers' Compensation program recovered from excess insurance a total of \$175,076. The County also avoided \$1 million in claim costs after exhausting its Self-Insured Retention (SIR).

SUBROGATION RECOVERY

Subrogation is the substitution of the representation of the County to a third party entity to recover money from a responsible third party that damaged County property. As part of the County's TPA contracts, they are required to seek recoveries for damaged County vehicles. In FY 2016-17, the County's TPAs recovered \$1,036,203 from individuals and their insurance companies.

AVOIDANCE



ACTIONS

SOLUTION

LIABILITY CLAIMS AND RECOVERY—ACCOMPLISHMENTS FY 2016-17

RECOVERY

WORKERS' COMPENSATION

The Liability Claims and Recovery Unit, with the assistance of the OSCRs, monitor and provide assistance to the TPA staff in the investigation and ultimate recovery of money spent on an injured employee that was caused by a third party. The Unit reviews weekly reports of new injuries and verifies that the TPA has identified a potential responsible third party and has begun the investigation. The Unit assists in the document gathering by obtaining contracts, leases, certificates of insurance, and property damage estimates to better document the injury and its severity. In FY 2016-17, the TPAs, with the assistance of County Counsel, recovered \$1,342,724 from responsible parties and their insurance carriers.

In FY 2016-17, a new Workers' Compensation recovery program was developed and implemented. Some of the highlights of the program are:

- The County has limited the number of firms involved in subrogation to two firms. These firms are assigned to specific TPAs to handle all of the workers' compensation subrogation claims.
- The assigned firms receive weekly loss run reports and have access to the claims system to review information and partner with the examiner in their investigations.
- The assigned firms become a resource for the examiner by providing expert advice on third party recovery.

- Streamlined assignment of cases to the assigned firms provides timely recovery activities.
- Increased attention is given to obtaining credits against all benefits to minimize duplicate recovery by the injured employee and a cost reduction to the County.

COST



CARE

RESOLUTION

LIABILITY CLAIMS AND RECOVERY—OBJECTIVES FISCAL YEAR 2017-18

The increased authority provided to CEO Risk Management will allow the County to apply claim best practices to the administration and oversight of County claims, which will result in better outcomes through increased efficiency, effectiveness, and control over the claim process. The following are some of the highlights:

- By using better metrics, policies, and authority, the Unit will lead the TPAs, County Counsel, and departments to improve the liability claim process and increase the amount of recoveries.
- Conduct and improve training for County departments on the opportunities for recovery, claim documentation, and incident investigation.
- Apply standard adjusting practices to the County's mileage permittee and personal property program to reduce waste within the program.
- Working with the Fire Department and Sheriff's Department, develop policies and procedures to recover the costs from fire and rescue claims.

Although it is too early to quantify any cost savings, there is evidence of increased identification of potential recovery. This has led to greater awareness by the TPA staff of potential recoveries, as well as prompt focused investigations.

Moving forward, the Liability Claims and Recovery Unit will focus on several initiatives to increase its visibility to County departments and to further enhance its abilities. The Unit will develop the following procedures to improve claim and recovery processes in the County:

- Industry standard claim reserving policies and procedures;
- Departmental referral procedures for recovery of property losses caused by third parties; and
- Continue to monitor, track, and improve workers' compensation small claims recovery procedures.

AUTHORITY

STANDARDS

OVERSIGHT

EFFECTIVENESS



TREND ANALYSIS

WORKERS' COMPENSATION

CAUSES OF INCIDENTS

The County employs over 100,000 employees with diverse occupational exposures and thousands of job descriptions. While each department has hazards that pose specific risks to its employees, the overall exposure in FY 2016-17 can be summarized into the following six classifications for approximately 90% of the injuries sustained by County employees.

ASSAULT (9.5% of all claims)

Assaults include all aspects of a third party combating with County employees. Departments with the majority of assaults include: Sheriff (65.4%), Probation (16.1%), and Health Services (15.4%).

CUMULATIVE TRAUMA/BODILY INJURY

(17.5% of all claims)

Cumulative trauma and bodily injury include injuries that are sustained over time due to the repetitive motion of the work performed on the job. Departments with the most cases include: Sheriff (27.5%), Public Social Services (17.6%), Health Services (15.9%), and Fire (10.5%).

EXPOSURE (13.2% of all claims)

This category includes exposure to physical hazards which involves particulates, fumes, and chemicals; environmental exposure including heat, cold, sun, and noise; and biological hazards including blood, body fluids, viral, and bacterial exposures. Departments with the most exposure cases include: Sheriff (37.3%), Fire (19.6%), and Health Services (24.1%).

OVEREXERTION (23.4% of all claims)

Overexertion includes injuries due to lifting, carrying, pushing, or pulling. Departments with the most cases include: Fire (29.9%), Health Services (10.1%), and Sheriff (25.6%).

STRUCK BY/OR AGAINST (12.9% of all claims)

This category includes injury resulting from being struck by or crushed by a human, animal, or inanimate object, or force not vehicle related. Additionally, this can include injury caused by striking against something or someone, or from flying or falling objects. Departments with the most struck by/or against cases include: Children and Family Services (3.9%), Public Social Services (3.9%), Probation (3.7%), and Sheriff (80.2%).

TRIP AND/OR FALL (13.2% of all claims)

This category includes falling down in the office environment which includes stairs, chairs, escalators, elevators, and over various floor surfaces. Externally, this includes falling from vehicles, ladders, rooftops, and surfaces in parking lots, sidewalks, and in rough terrain. Departments with the most trip and/or fall cases include: Fire (11.7%), Health Services (17.2%), Public Social Services (16.4%), Probation (7.6%), and Sheriff (17.6%).

OTHER (10.3% of all claims)

This category includes all other causes, including, but not limited to, presumptive injuries, cardiovascular-related injuries, caught in or between injuries, and transportation-related injuries.

TYPES OF WORKERS' COMPENSATION CLAIMS BY DEPARTMENT

Type of Claim	Sheriff	Fire	Health Services	Public Social Services	Probation
Assault	16.1%	0.1%	10.2%	0.5%	26.6%
Cumulative Trauma / Bodily Injury	12.5%	13.8%	19.4%	34.1%	11.4%
Exposure	12.8%	19.5%	22.2%	3.8%	3.9%
Other	10.0%	1.7%	14.4%	15.3%	11.0%
Overexertion	15.6%	52.8%	16.6%	16.8%	21.1%
Struck	27.0%	0.5%	1.3%	5.5%	8.5%
Trip and/or Fall	6.0%	11.6%	15.9%	24.0%	17.5%
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%

PREVENTION

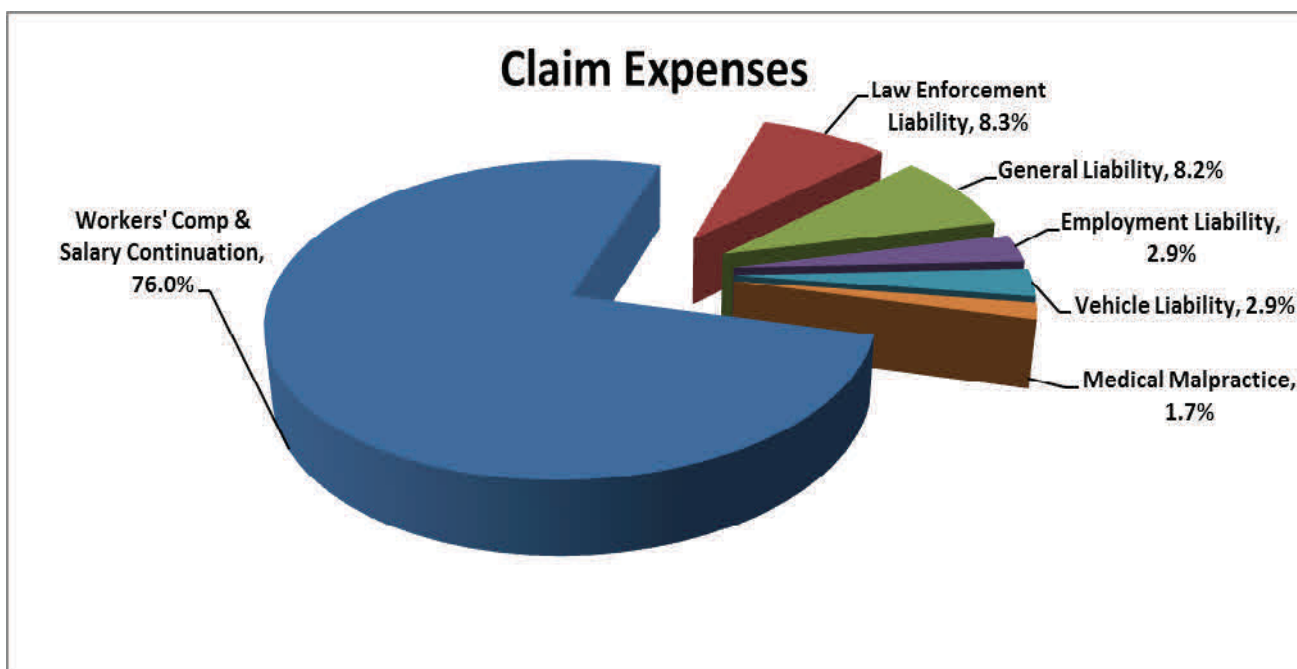


LIABILITY CAUSE ANALYSIS

The operations and functions of the departments expose the County to several risk factors that result in liability. While each department has risks specific to their operation, the overall exposure can be summarized into five liability classifications:

- 1) Vehicle Liability
- 2) Other General Liability
- 3) Law Enforcement Liability
- 4) Employment Liability
- 5) Medical Malpractice

Liability exposures account for 24.0% of the County's Total Cost of Risk.



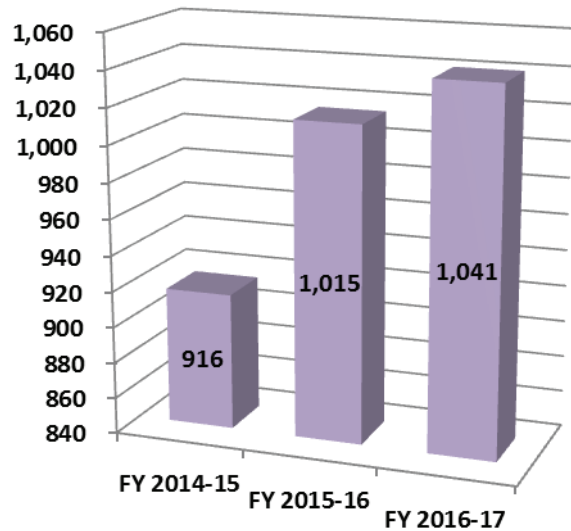
VEHICLE LIABILITY CLAIMS

The County's Vehicle Liability frequency increased 2.6% from FY 2015-16 to FY 2016-17. The cost of vehicle liability claims increased by approximately 19.7% during the same time period.

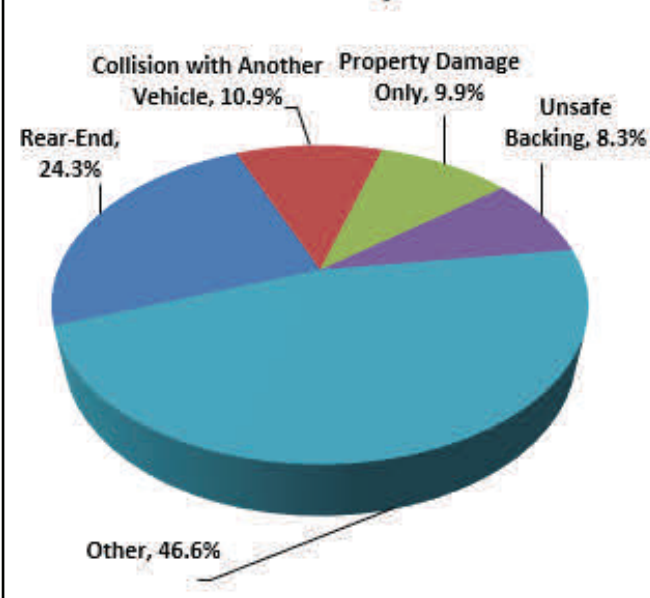
Data shows there was an increase in rear-end collisions and a decrease in backing collisions, with rear-end collisions still representing the largest number of vehicular claims at 24.3%.

Vehicle liability represents approximately 2.9% of the County's Total Cost of Risk.

Frequency Trend



Vehicle Liability Causes



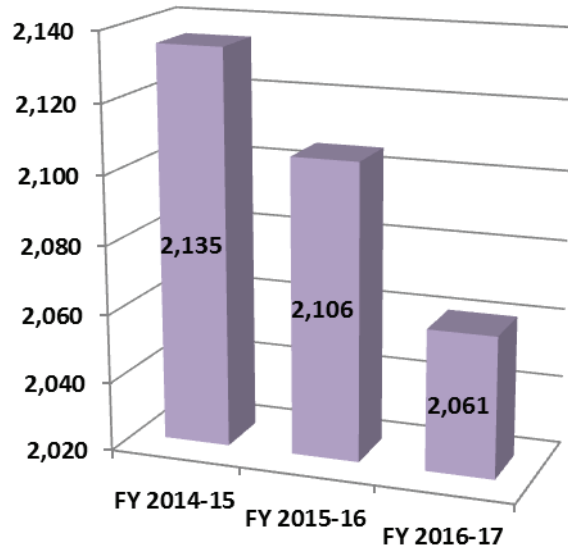
OTHER GENERAL LIABILITY CLAIMS

Other General Liability includes all claims filed against the County that are not classified as Employment Practices, Medical Malpractice, Vehicle, or Law Enforcement. This includes dangerous conditions and property-related claims. Claims in this category also include non-tort claims, which include taxation, elections, redevelopment, and billing disputes.

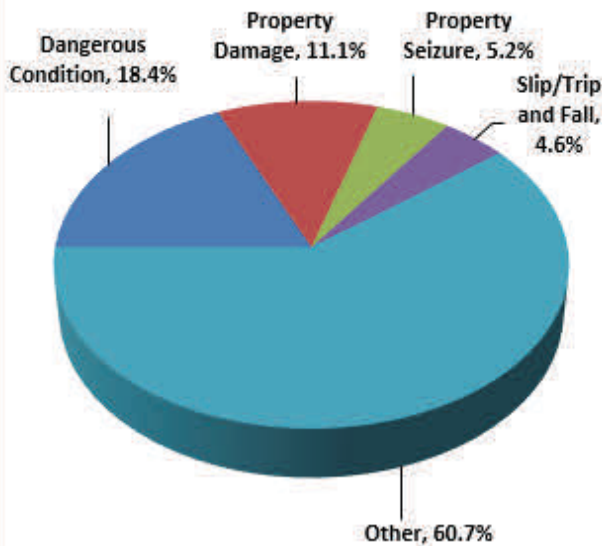
The Other General Liability frequency decreased by approximately 2.1% from FY 2015-16 to FY 2016-17.

Other General Liability represents 8.2% of the County's Total Cost of Risk.

Frequency Trend



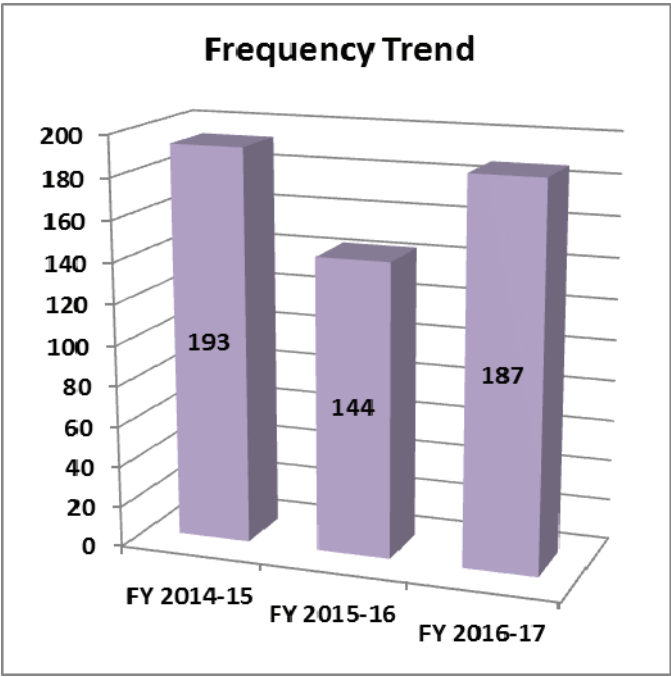
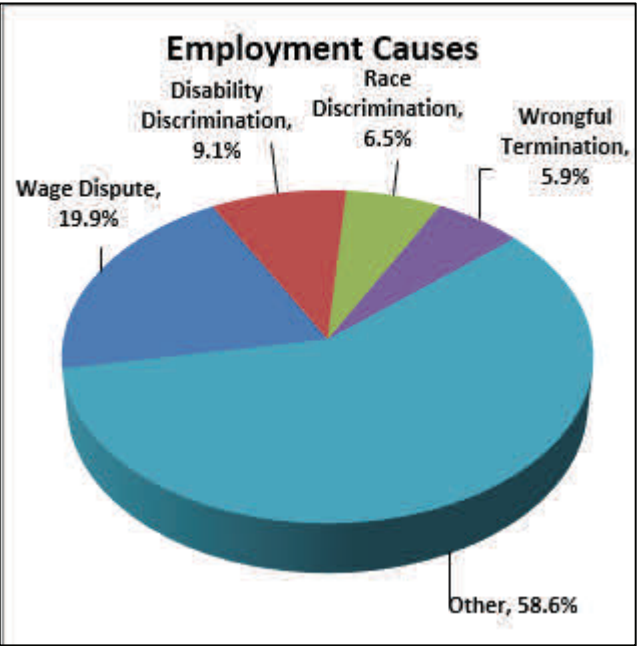
Other General Liability Causes



EMPLOYMENT PRACTICES LIABILITY CLAIMS

The County’s Employment Practices Liability frequency increased by 29.9% from FY 2015-16 to FY 2016-17. The County’s overall Employment Practices Liability expenses increased by 19.2%.

Employment Practices Liability represents 2.9% of the County’s Total Cost of Risk.

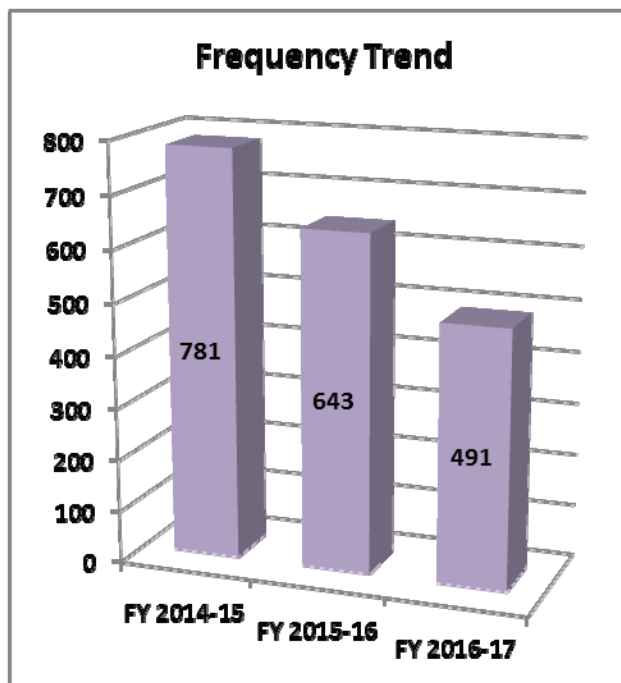
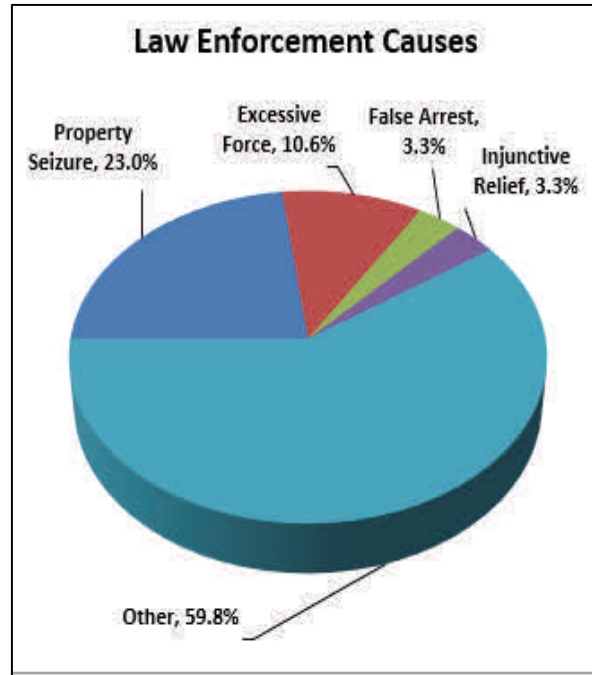


LAW ENFORCEMENT LIABILITY CLAIMS

The County's Law Enforcement Liability frequency rate decreased 23.6% for FY 2016-17, compared to the previous fiscal year, and paid expenses increased 4.7%.

The most prevalent claims were for "Property Seizure" and "Excessive Force," which represent 23.0% and 10.6%, respectively.

Law Enforcement Liability represents 8.3% of the County's Total Cost of Risk.

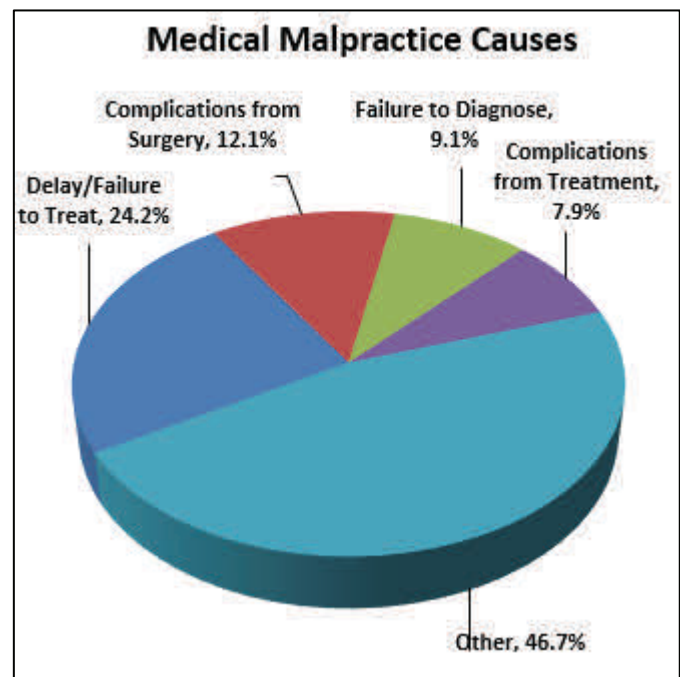
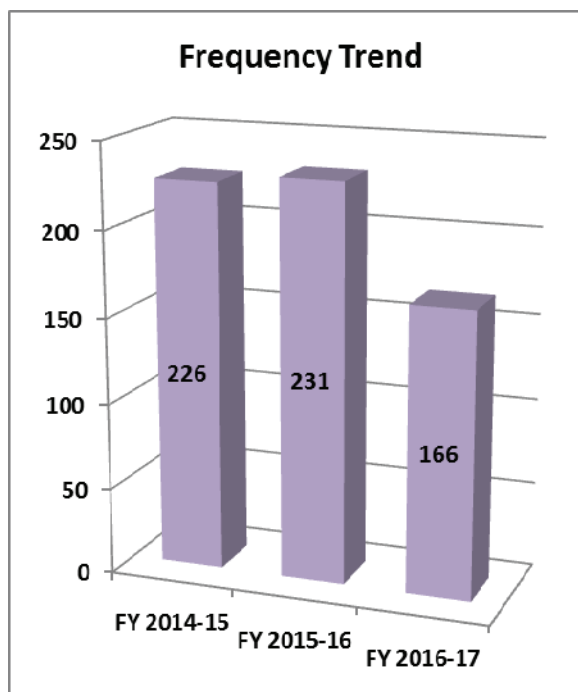


MEDICAL MALPRACTICE CLAIMS

Medical malpractice liability loss is attributable to various departments; however, the majority of the loss is related to care in hospitals. Hospital exposures are those related to patient contact; therefore, the more patients seen the more probability that claims will arise. The most prevalent claims with the greatest severity are allegations of delay/failure to treat (24%), surgery complications (12%), and failure to diagnose (9%).

The County's medical malpractice liability overall frequency decreased 28.1% from FY 2015-16 to FY 2016-17. The primary type of claim filed against the County was for care delays and/or failure to treat; however, these types of claims decreased by approximately 32% in FY 2016-17, compared to FY 2015-16.

Medical malpractice represents 1.7% of the County's Total Cost of Risk.

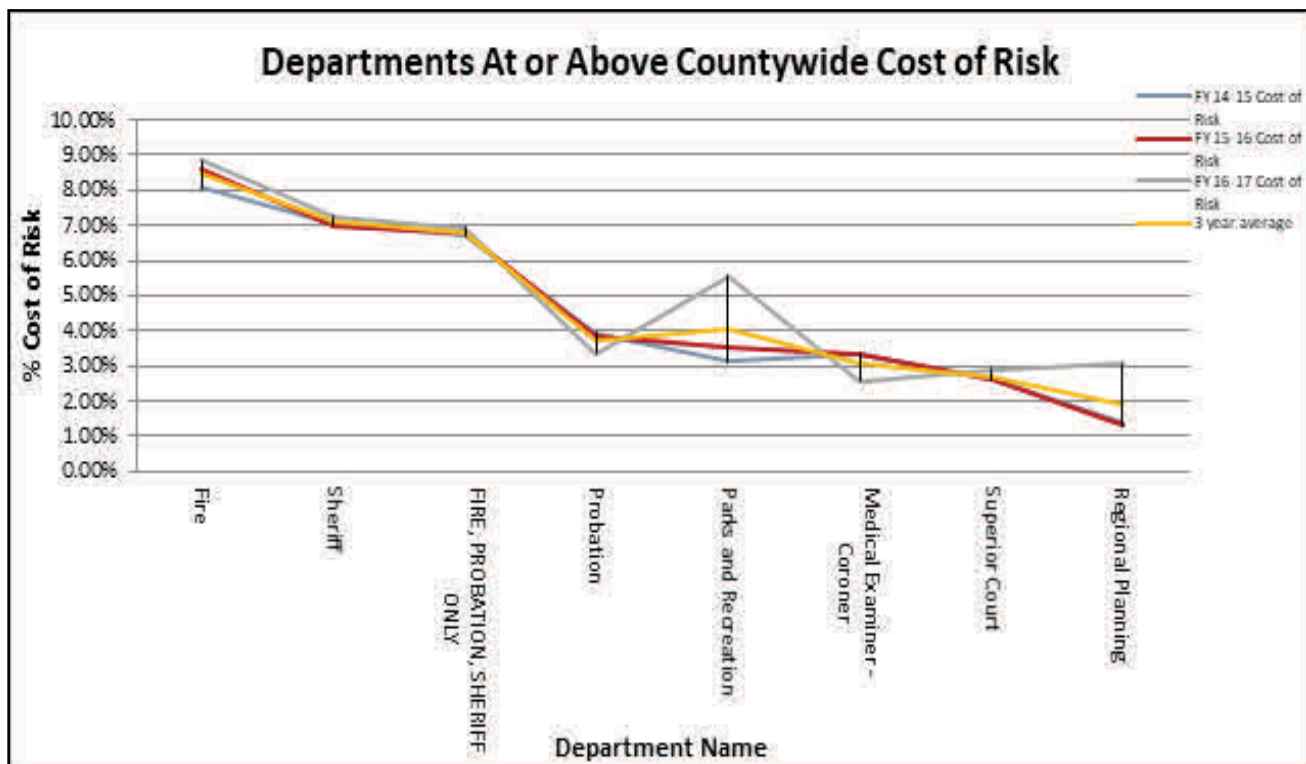


DEPARTMENT TRENDS

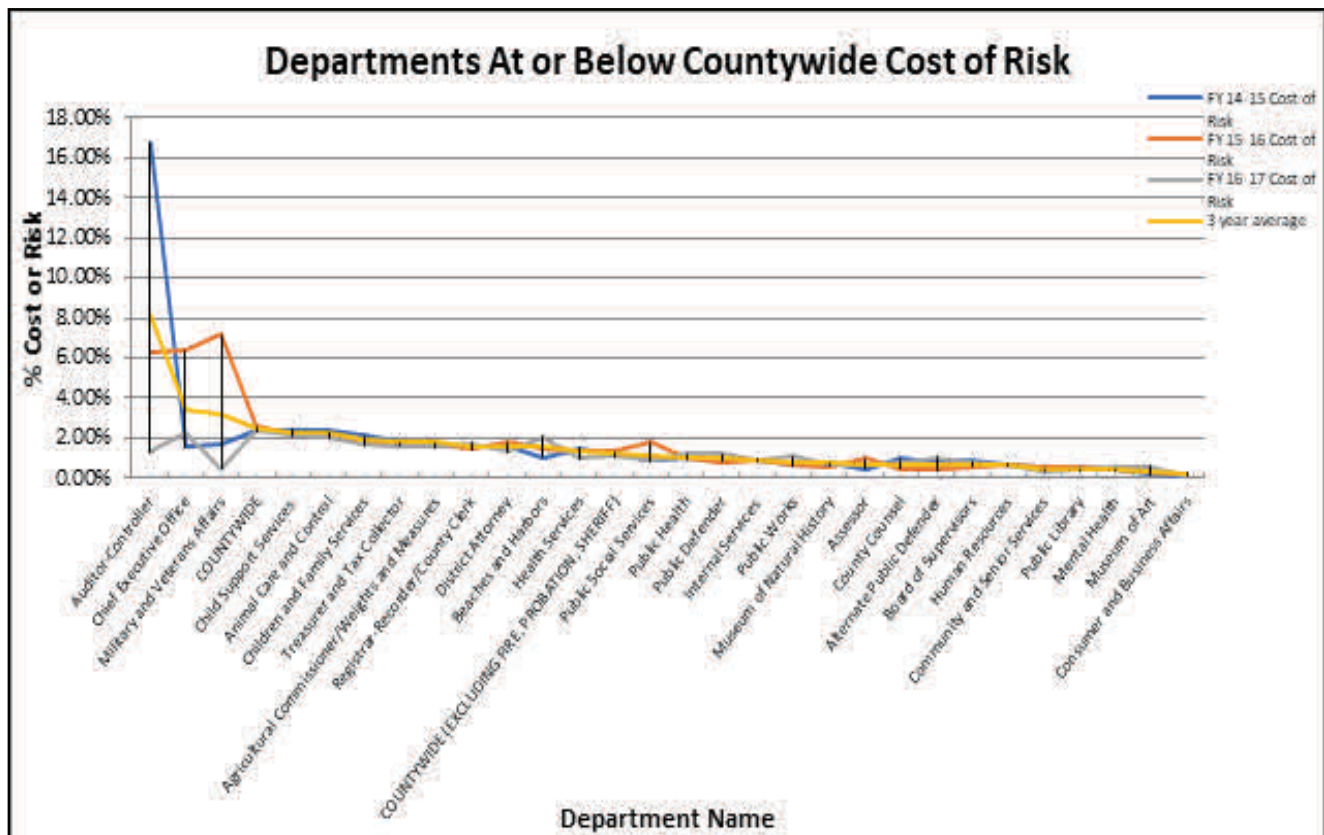
The Cost of Risk for nine departments is trending above the Countywide average. A few departments, namely the Auditor-Controller, Chief Executive Office, and Military and Veterans Affairs had a spike in General Liability claims that drastically biased their Cost of Risk.

The Department of Auditor-Controller's frequency spike was the result of several claims against the Department regarding procedures involving property tax calculation. The Chief Executive Office and Department of Military and Veterans Affairs' Cost of Risk, which has been historically very low, were influenced by claims that involved contractual and procedural issues within the Departments.

EVALUATION
STRATEGY
SCOPE
PRIORITIZATION



DEPARTMENT TRENDS (CONTINUED)



PREVENTION

SOLUTION



MITIGATION

LOSS CONTROL AND PREVENTION

The Loss Control and Prevention (LCP) Section, within CEO Risk Management, provides risk analysis and consultative assistance to find effective solutions for root causes of loss, and training for all departments to ensure a safe and healthful environment for County employees and the public. LCP efforts focus on departments with high-risk activities; however, regular assistance/support is provided to all departments upon request. LCP activities include the following:

- Providing loss control consulting to departments to improve their risk management programs, procedures, and policies as related to departmental cost drivers.
- Assisting departments with the development and implementation of their annual Risk Management Plan goals.
- Providing statistical risk management information to departments and assisting with the interpretation of the statistics.
- Creating and enhancing educational materials and training opportunities through the use of webinars, training videos, interactive training courses, and other resources and materials.
- Leading LERC's Best Practices Sub-Committee. The Sub-Committee's projects are described in the LERC Annual Report and include:
 - Vehicle Liability – evaluating the benefit of vehicle telematics/drive cams for the reduction of claim frequency and severity by implementation on a representative sample of County pool vehicles.
 - Defensive Driver Training – establishing a Countywide training program offered through the County's Learning Management System (LMS).
 - Ergonomics – Implementing ergonomic self-assessment software Countywide.
- Coordinating risk management and loss control efforts with County departments by participating or leading agendas with Risk Managers, Safety Officers, Return-To-Work Coordinators, and safety committees.
- Assisting departments in the implementation of the Department of Motor Vehicles' Government Employer Pull Notice Program.
- Serving as subject matter experts for departments in responding to California Occupational Safety and Health (Cal/OSHA) complaint letters, citations, and informal conferences.
- Enhancing loss control and prevention knowledge and capabilities within County departments through Health and Safety Coordinator meetings, the *"Introduction to Occupational Safety and Health"* training series (Safety 101), and participation in departmental safety and risk management committees.

LOSS CONTROL AND PREVENTION (CONTINUED)

DEFENSIVE DRIVER

Risks related to operating vehicles are shared by all County departments, regardless of employee population size or core functions performed by departmental staff. Since County employees operate vehicles in the course and scope of their employment, performance of these tasks increase departmental liability. Risk exposure increases with the number of miles driven by employees and the number of claims submitted; therefore, liability cost associated with auto accidents is likely to increase as well.

To minimize risk and to assist departments in supplementing existing policies and programs, CEO Risk Management compiled best practices from successful departments' programs and other County initiatives. They were developed to ensure consistency among departmental programs, as well as ensure compliance with industry standards and other regulatory requirements. These best practices cover a variety of vehicle-related risk exposure issues and include:

- Vehicle Safety Best Practices
- Vehicle Accident Review Committee
- Vehicle Related Discipline Guidelines

Additionally, CEO Risk Management created an online training course regarding the prevention of vehicle accidents. The training course provides an in-depth review of applicable local, State, and Federal driving rules and regulations, defensive driving techniques, hazards of distracted driving, safe practices, emergency procedures, and accident reporting requirements. The course was designed to be interactive and requires student involvement to ensure understanding and retention of the information provided. CEO Risk Management is also developing a shorter version of the training course which is intended for easier consumption and use as refresher training for employees. This training course is expected to be deployed by the end of calendar year 2017.

CEO Risk Management continues to encourage departments to evaluate their vehicle related risk mitigation programs on an ongoing basis. The continuance of employee education on defensive driving techniques can be the first step in reducing vehicle liability risks.

RISK
LIABILITY



ACTION
PREVENTION
SOLUTION

LOSS CONTROL AND PREVENTION — SIGNIFICANT ACCOMPLISHMENTS FY 2016-17

Utilizing the County's Enterprise Risk Information Center, LCP focused its efforts on departmental frequency and severity drivers through the development and implementation of training programs, policies, and guidelines, as well as field visits targeted to the source of risk. Other significant accomplishments include:

- Enhanced the provision of training and educational opportunities to County personnel through the use of digital platforms such as Go-To-Meetings, Go-To-Webinars, Vimeo, and SharePoint.
- Developed a comprehensive defensive driver training video which provided an in-depth review of applicable local, State, and Federal driving rules and regulations, defensive driving techniques, hazards of distracted driving, safe practices, emergency procedures, and accident reporting requirements.
- Facilitated access and provision of training opportunities on cyber risk and property loss control from County vendors on the County's LMS.
- Developed recommended performance and minimum certification requirements for vendors performing industrial hygiene and remediation services for the County in mold and/or asbestos remediation projects.
- Enhanced the standard product list for ergonomic equipment used by the County's Workers' Compensation TPAs as part of an integrated cost containment strategy related to ergonomic evaluations for workers' compensation cases.
- Implemented the first phase of the ergonomic self-assessment software pilot program within the Department of Treasurer and Tax Collector.
- Provided over 500 consultations to departments on a variety of issues, including risk assessments, data analysis and interpretation, Cal/OSHA compliance, occupational health and safety, liability, and Corrective Action Plan development.
- Participated in several Countywide safety and risk management committees which provided networking opportunities for risk management personnel in social service departments.
- Participated as subject matter experts in the recruitment, screening, and interview process for potential risk management staff at County departments.
- Provided training to representatives of 15 County departments on the *"Introduction to Occupational Safety and Health"* training series, which consisted of more than 20 risk management-related topics over the course of eight days.
- Hosted Health and Safety Coordinators meetings attended by over 250 County Safety Officers, Human Resources personnel, and others with safety responsibilities. The meetings covered:
 - Property Loss Control Surveys
 - Workplace Violence Prevention
 - Cal/OSHA Updates
 - Bed Bugs – Response and Control

To aid departments in their efforts to reduce overall trends, LCP will focus on the following:

Training and Development of Countywide Risk Management Staff

- Enhance the delivery of the “*Introduction to Occupational Safety and Health*” training series to County risk management staff. Enhancements will include the use of web-based and digital platforms to provide training content to County employees, increasing the efficiency of delivery and number of employees trained by accessing the training resources at their work locations rather than traveling to a training location.
- Enhance training opportunities at the Health and Safety Coordinators meetings through combination training topics presented by subject matter experts from both inside and outside the County, as well as providing discussions on current and upcoming risk management issues and roundtable discussion opportunities.

Cumulative Trauma/Overexertion Claims

- Implement the second phase of the self-administered ergonomic training and self-assessment software pilot program in additional County departments in order to obtain a larger data pool to determine the effectiveness in the control and reduction of cumulative trauma-related injuries related to the office environment.

- Through combined efforts with the Joint Labor/Management Committee on Office Ergonomics, enhance the ability of County employees to perform ergonomic evaluations through the provision of comprehensive training provided by outside vendors.
- Evaluate new ergonomic trends, practices, and equipment for injury and illness prevention and workers’ compensation claim cost minimization.
- Identify additional ergonomic equipment distribution vendors that can be utilized by the County’s Workers’ Compensation TPAs to ensure competitive pricing and rapid distribution of equipment to employees through the claim process.

Vehicle Liability

- Continue the facilitation of the vehicle drive cam technology pilot study within a representative sample of County pool vehicles to determine the effect on vehicle liability claim severity and frequency.
- Develop a defensive driver training refresher course in addition to the comprehensive training opportunity currently offered through the County’s LMS system.
- Coordinate the development of training and increase the awareness of County risk management personnel on the indicators and characteristics of problem drivers.
- Work with departments to enhance/develop vehicle liability and defensive driver training programs.

RISK MANAGEMENT INSPECTOR GENERAL

The role of the CEO's Risk Management Inspector General (RMIG) is multi-faceted; first, it is responsible for assisting County departments in the development and approval of Corrective Action Plans (CAPs) and Summary Corrective Action Plans (SCAPs); second, it uses the information from CAPs and SCAPs to foster liability loss control measures. Finally, RMIG collaborates with departments, CEO Liability Claims Management, and County Counsel to meet the mandates established by the Board.

One of the Board's mandates is the requirement of all County departments to include a SCAP signed by RMIG as part of any claim settlement over \$100,000. Accordingly, RMIG manages CAPs and SCAPs through the process noted below.

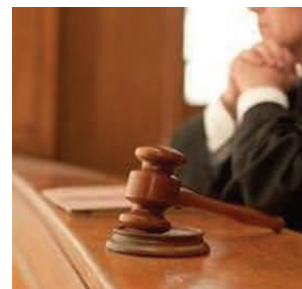
These efforts culminate in a process that incorporates all of the elements of loss control, claims management, and Board mandates, as follows:

- Weekly review of all claims entered in the liability claims system to determine early intervention, prevention, and containment efforts.
- Conduct detailed analysis of incident reports, claims, significant incidents, and adverse events, including monitoring adverse verdicts and items reported through various sources.
- Consult with departments and assist with their development of remedial corrections, CAPs, and SCAPs.
- Assist in expediting claim settlements by pre-approving all CAPs and SCAPs prior to submission to the County Claims Board and/or the Board.

- Escalate requests for CAPs and SCAPs information through department management and the Board, as necessary.
- Conduct audits and investigations of liability issues at the direction of the Board, and/or those issues which RMIG deems appropriate.

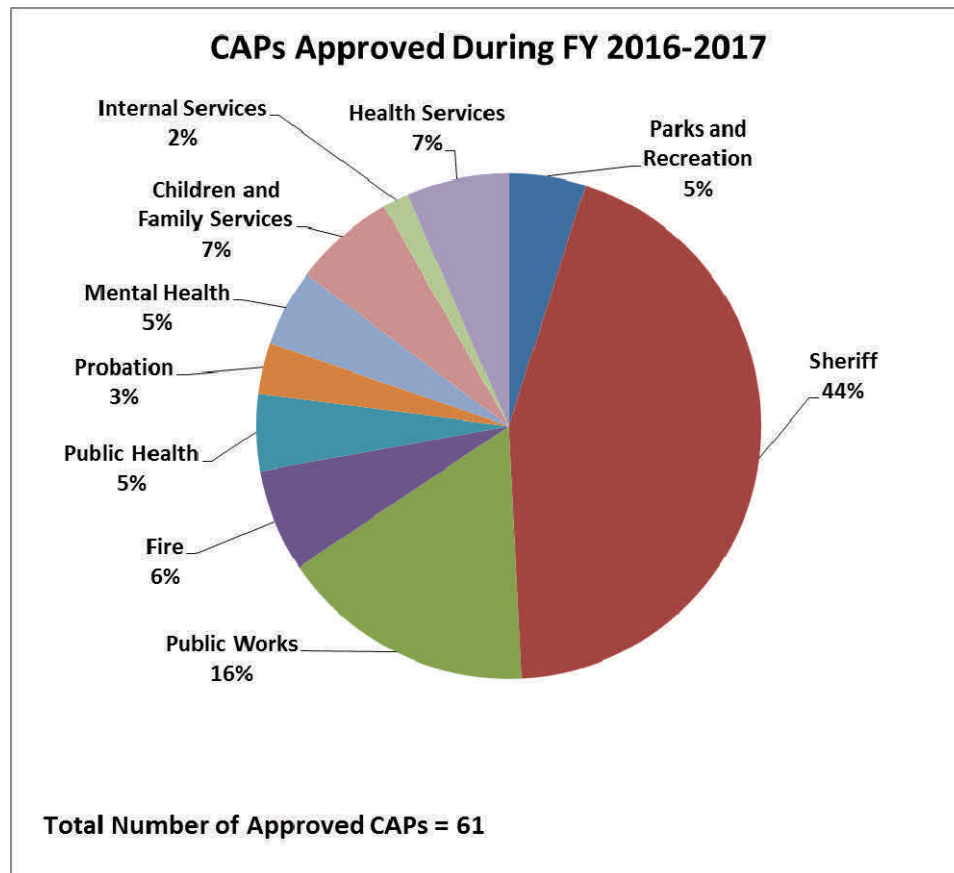
RMIG participates in all cluster meetings (agenda and policy committees) which involve in-depth discussions of CAPs and case facts. These cluster meetings are attended by Board Deputies, departments, County Counsel, and CEO. The purpose of the meetings is to brief the Board Deputies on all relevant information in order for them to brief the Board before their final approval is sought for a case.

The number of CAPs and SCAPs approved by fiscal year is illustrated on the next page.



ACTIONS

CORRECTIVE



LOSS PREVENTION



PREDICT

RISK MANAGEMENT INSPECTOR GENERAL — SIGNIFICANT ACCOMPLISHMENTS

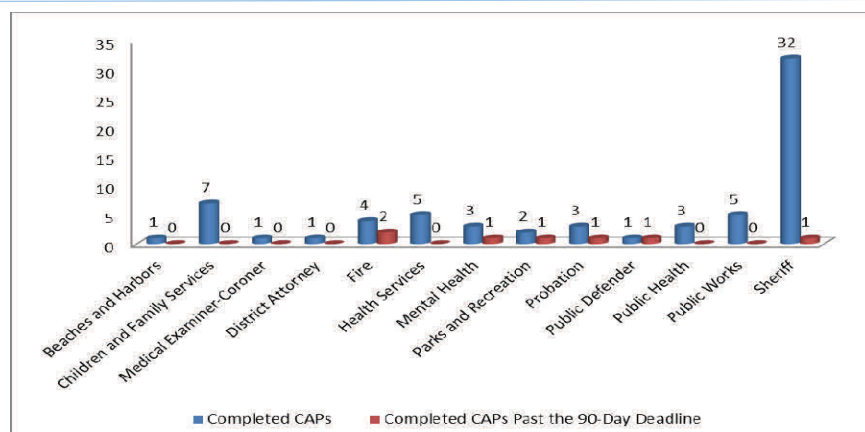
For the past eight years, RMIG has co-chaired LERC's Medical Malpractice Sub-Committee. This year, a major project came to fruition:

The Department of Health Services (DHS), CEO, and the Department of Public Health (DPH) acquired an outside consultant to conduct "just culture" training. Over 900 employees were trained this fiscal year from the Board, CEO, DHS, Department of Mental Health (DMH), DPH, Fire Department (Fire), and the Sheriff's Department (Sheriff). The overall goal is for all healthcare provider departments to be trained on "just culture" and then provide training to all departments Countywide. "Just Culture" is a fair evaluation and correction process for addressing human and system errors in the workplace. "Just Culture" has zero tolerance for reckless behavior while recognizing that competent professionals make mistakes and can even develop unhealthy norms (shortcuts, "routine rule violations") that need correcting and/or system errors that can occur outside of human error. The trainings were met with great optimism by the unions and employees who have begun to embrace this new way of thinking.

The Sub-Committee won two awards this fiscal year: 1) NACo Achievement Award; and 2) Productivity and Quality Awards-Special Merit Plaque. Both are for the implementation of the Patient Safety Network (now referred to as the Safety Intelligence System) for all healthcare provider departments within the County of Los Angeles, including DHS, DMH, DPH, Fire, and Sheriff. This is a web-based, early reporting system that will increase patient safety and accountability for performance, and reduce costs for patient-related untoward events. The system, along with Board Policies that were instituted, affords the County legal protections when healthcare provider departments are analyzing confidential information by facilitating the sharing and discussion of said confidential information for the purposes of improving patient safety, healthcare quality, and healthcare outcomes.

RMIG collaborated with the Board, County Counsel, and various departments to improve the timeliness of CAPs and SCAPs, by creating an entire new CAP and SCAP process in 2015. From the date of the notice of settlement, departments have 90 days to submit a final CAP. Since the implementation of the new guidelines, a majority of the departments have met these new deadlines without any challenges.

The chart below illustrates the number of CAPs completed within 90 days for FY 2016-17.



RISK MANAGEMENT INSPECTOR GENERAL — SIGNIFICANT ACCOMPLISHMENTS (CONTINUED)

The quality of CAPs has significantly improved in the past year. CAPs now include more robust descriptions, supporting documentation, exhibits, and in-depth discussions as to the violations and/or system issues that occurred, and how suggested corrective actions will address the problems in the present and into the future.

Open communication among departments is reaching new heights as departments work together on “Just Culture,” CAPs, best practices, and sharing information. Discussions are held through LERC, cluster meetings, and departments reaching out to one another to share information about potential issues, as well as the successes they have had. Communication is key to having a strong and healthy organization and RMIG will strive to continually cultivate these open-door discussions.

RMIG presented several live webinars and posted the recordings on the CEO Risk Management Intranet site, which included, but is not limited to: root cause analysis discussions, how to write CAPs, applicability notices, and investigation techniques to help determine underlying issues of incidents within the County. These webinars are made available Countywide and preserved for employees to view anytime.

Department	CAPs Completed	CAPs Completed Past the 90-Day Deadline
Beaches and Harbors	1	0
Children and Family Services	7	0
Medical Examiner-Coroner	1	0
District Attorney	1	0
Fire	4	2
Health Services	5	0
Mental Health	3	1
Parks and Recreation	2	1
Probation	3	1
Public Defender	1	1
Public Health	3	0
Public Works	5	0
Sheriff	32	1
TOTAL	68	7

RMIG continues to focus on liability loss control and incorporating data integration, tracking, and trending this fiscal year. RMIG will focus on proactive liability loss control measures instead of reactive measures, which traditionally has been the practice.

Ongoing LERC Medical Malpractice Sub-Committee projects include:

- Just Culture Implementation – Implement a “Just Culture” approach to error management in all County departments. This project will create a humane and fair evaluation and correction process for human errors in the County workplace.
- Adverse Event Mitigation and Early Settlement Authority – This project will create a less adversarial system for managing medical errors and possible related litigation. The Sub-Committee will help lead the educational and interpersonal effort to create the policies and procedures for this risk management approach.

New projects include:

- The evaluation of cyber breaches and protection policies. Examine proactive ways to ensure the safety of the data obtained from healthcare provider departments, which includes Fire and Sheriff. Also examine how this information is distributed among departments, provided through Public Records Requests, and how it is protected.
- Collaborate with the development of the Comprehensive Claims Management System to integrate the Risk Compliance Management System into applicable claims metrics.

COLLABORATION

CONTROL



JUST
CULTURE

RISK TRANSFER

Risk Transfer is responsible for Countywide purchasing of insurance, conducting insurance compliance reviews, and providing indemnification and insurance expertise to all County departments.

The County strives to obtain commercial insurance for multiple risks that could negatively affect the County. Examples of the types of commercial insurance procured are: Automobile, Aviation, Cyber, Crime, Earthquake, etc. The County is constantly analyzing the risks and benefits by which obtaining insurance provides additional financial stability to the County and its constituents. The purchasing of insurance allows the County better protection when conducting day-to-day activities, as well as allowing the County to better serve its constituents by taking more proactive roles in public safety and health initiatives that may be of a higher risk but of greater public value.

RISK TRANSFER— SIGNIFICANT ACCOMPLISHMENTS

The Risk Transfer Unit reorganized the various insurance coverages and procured more robust insurance policies to better protect the County from emerging risks and losses caused by catastrophic events. The enhanced policies cover losses emerging from cyber-attacks, fire, flood, earthquake property damage, and catastrophic workers' compensation losses.

The Risk Transfer Unit provides Countywide insurance compliance reviews, indemnification and insurance training, and advises all departments on acceptable risk transfer techniques to protect the County from indemnity and legal costs associated with claims that may arise from the activities of County contractors.

During FY 2016-17, the Risk Transfer Unit conducted a total of 575 indemnification and insurance reviews for departments (see chart on next page).

INSURANCE

RECOVERY

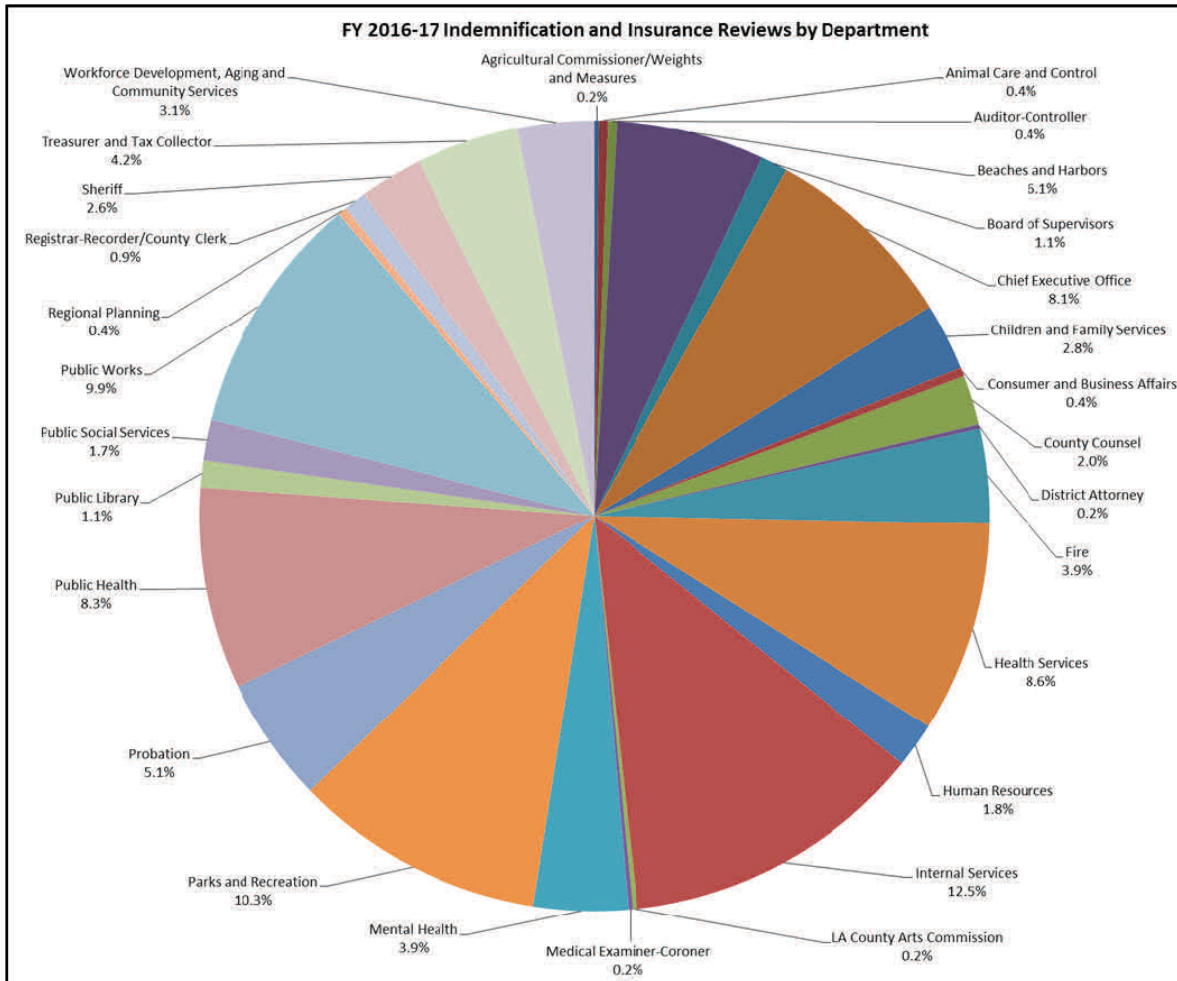
INDEMNIFICATION



FINANCE

RISK TRANSFER — SIGNIFICANT ACCOMPLISHMENTS (CONTINUED)

Indemnification and insurance reviews conducted for County departments in FY 2016-17:



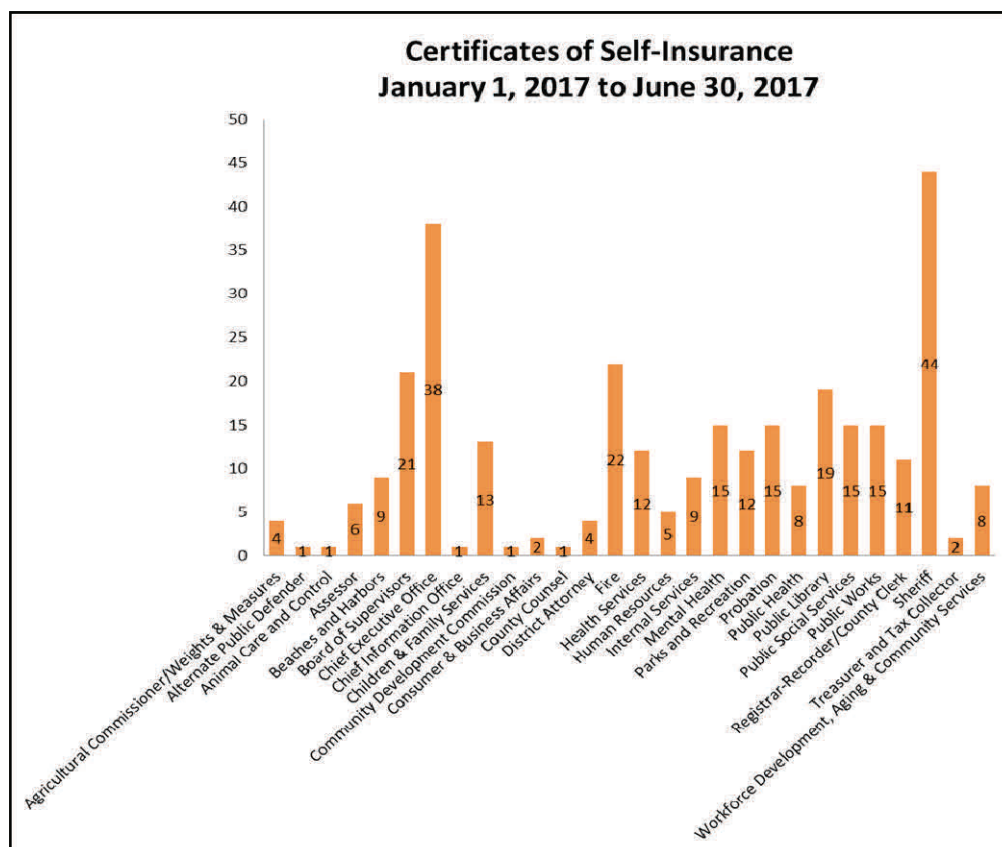
RISK TRANSFER — SIGNIFICANT ACCOMPLISHMENTS (CONTINUED)

The County produces up to 100 Certificates of Self-Insurance per month to various public and private entities that require them in order to conduct business on their property or for the public's benefit. Many of these Certificates of Self-Insurance are routine but required before business can begin. Therefore, the Risk Transfer Unit evaluated the internal processing of Countywide Certificates of Self-Insurance and automated the system. Currently, departments have access to the automated system on a limited basis and can access, draft, and print their own Certificates of Self-Insurance within the requirements established by the County Risk Manager. This allows certificates to be expedited as needed and create a more efficient way of conducting business as tracking of the certificates is also automated.

The Risk Transfer Unit implemented an online Certificates of Self-Insurance system in January 2017, and trained all departments, Countywide, on accessing their own certificates. Since the implementation of the new system, a majority of the departments have produced certificates to meet their respective department's needs.

The graph below illustrates the number of County Certificates of Self-Insurance completed from January 2017 through the end of Fiscal Year 2016-17.

A total of 315 Certificates of Self-Insurance were completed by departments during this timeframe (January 1, 2017 to June 30, 2017).



RISK TRANSFER — OBJECTIVES FY 2017-18

The Risk Transfer Unit will strive to insure as much County liability as deemed financially responsible in an effort to protect County assets from unforeseen disasters.

The Unit is currently evaluating and creating a triage system, along with guidelines and procedures, to determine high-risk and essential buildings within the County. This will be accomplished with the collaboration of the development of the Deferred Maintenance Building Condition Assessments and Asset Management Database. These decisions will be made from a risk management perspective and will take into account various factors such as location, population, and function of the buildings to ensure all properties have the necessary insurance.



HIGH-RISK

ESSENTIAL

DECISIONS

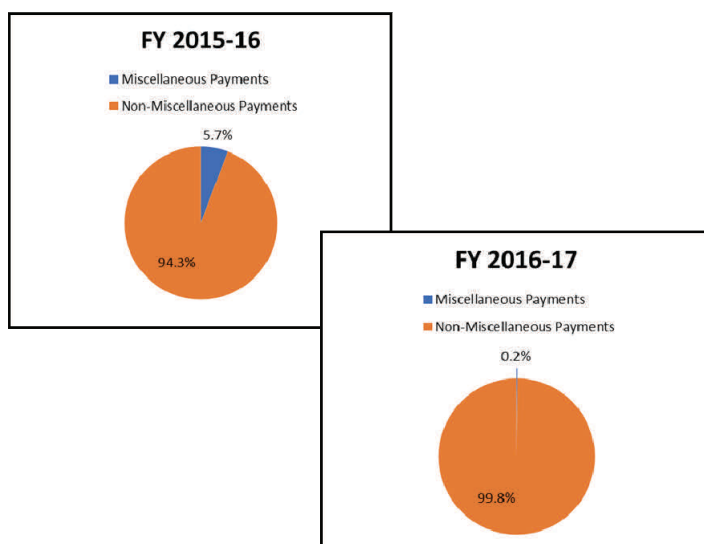


RISK MANAGEMENT FINANCE

The Risk Management Finance Unit (Finance) provides general accounting and internal auditing services for the various programs within CEO Risk Management. In addition, Finance provides accounting services for the Department of Human Resources' (DHR) Disability Management Programs.

RISK MANAGEMENT FINANCE — SIGNIFICANT ACCOMPLISHMENTS

During FY 2016-17, Finance's most significant accomplishment was the substantial 96% reduction in the number of miscellaneous vendor payments issued by the Workers' Compensation Program, which was a finding noted in previous Department of Auditor-Controller audit reports. In FY 2015-16, 5.7% of all payments were issued as miscellaneous and considered Internal Revenue Services (IRS) 1099-reportable; comparatively, in FY 2016-17, only 0.2% of all payments were issued as miscellaneous and considered IRS 1099-reportable. This was accomplished by deactivating vendors that were not mapped to eCAPS (Electronic Countywide Accounting and Purchasing System) and revamping operational procedures.



Finance also fulfilled several audit recommendations of the Workers' Compensation Program by deactivating approximately:

- 1,000 vendor records in which the vendor's legal name and tax identification number did not match IRS records.
- 750 vendor address records that had not been used in the past 5 years.
- 300 vendor records in which checks had been returned by the US Postal Service.
- 200 duplicate vendor records.

Finance's other contributions and accomplishments include the following:

- Identified and unauthorized approximately 350 fraudulent vendor records within the Workers' Compensation claims administration system that were indicted or suspended by the California State Department of Industrial Relations, as part of the County's fraud prevention measures.
- Collaborated with County Counsel to modify the contracts of private defense attorneys utilized by the Workers' Compensation Program to facilitate County cost savings. Defense attorneys are now required to reimburse the County when liens are settled for indicted or suspended providers.
- Implemented several vendor administration policies, such as deactivating Workers' Compensation vendors in which checks have been returned by the US Postal Service, to help ensure the Workers' Compensation vendor table contains accurate information.

RISK MANAGEMENT FINANCE —SIGNIFICANT ACCOMPLISHMENTS (CONTINUED)

- Collaborated with the Auditor-Controller to ensure the IRS 1099 reporting for the Workers' Compensation Program tax year 2016 was conducted in compliance with the recent IRS audit findings.
- Produced a webinar detailing the vendor administration process, which reduced the back-and-forth discussions with the County's TPAs related to these requests and increased overall efficiency.
- Collaborated with the CEO Information Technology Services Section to implement a ticketing solution that tracks and categorizes all requests sent to Finance's centralized email box to streamline delegation and cross training efforts.
- Facilitated the electronic conversion and indexing of IRS W-9 forms pertinent to the Worker' Compensation Program, which increased operational effectiveness.
- Streamlined various manual processes, including Retroactive Temporary Disability payments, Labor Code 4856 payments, Interface Payment Transmission Report, Vendor Requests, etc., to increase efficiency and facilitate cost savings.
- Audited and identified duplicate Workers' Compensation payments to be recovered from the TPAs.

RISK MANAGEMENT FINANCE — OBJECTIVES FY 2017-18

- Provide the option to all Workers' Compensation claimants to receive their workers' compensation benefits via direct deposit. Currently, only approximately 1% of claimants receive their benefits via direct deposit.
- Transition to a paperless environment in which all supporting documentation of financial transactions is maintained in an electronic format.
- Update the claims administration systems and streamline manual processes.
- In conjunction with the Risk Analytics Unit, refine exception reports that identify potential duplicate payments, fraud activity, etc., utilizing high-tech data analytics tools, and subsequently conduct reviews to ensure timely resolutions of noted discrepancies.



BENEFITS

EFFECIENCY

FINANCE

STATISTICS

FY 2014-15 TO FY 2016-17

All Claims Frequency and Expense Summary.....	Exhibit A
Workers’ Compensation Claim Frequency and Expense Summary	Exhibit B
State of California Labor Code 4850 and Salary Continuation Expense Summary	Exhibit C
Vehicle Liability Claim Frequency and Expense Summary.	Exhibit D
General Liability Claim Frequency and Expense Summary	Exhibit E
General Liability/Law Enforcement Liability Claim Frequency and Expense Summary	Exhibit E-1
General Liability/Employment Practices Liability Claim Frequency and Expense Summary	Exhibit E-2
Medical Malpractice Claim Frequency and Expense Summary	Exhibit F
Cost of Risk Detail.....	Exhibit G



EXHIBIT A

ALL CLAIMS FREQUENCY AND EXPENSE SUMMARY

Department	FY 2014-15		FY 2015-16		FY 2016-17	
	# New Claims	# New Claims	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action Compliance	0	\$0	0	\$2,962	0	\$0
Agricultural Commissioner/Weights and Measures	51	\$683,453	40	\$753,178	42	\$757,611
Alternate Public Defender	13	\$480,345	20	\$273,352	6	\$650,801
Animal Care and Control	94	\$995,743	80	\$1,030,474	76	\$942,243
Assessor	63	\$914,147	53	\$1,834,378	59	\$1,392,618
Auditor-Controller	34	\$15,042,047	25	\$5,631,298	22	\$450,386
Beaches and Harbors	48	\$614,982	63	\$860,844	44	\$1,277,422
Board of Supervisors	27	\$1,443,595	25	\$1,042,149	42	\$1,653,497
Chief Executive Office	18	\$1,961,000	18	\$7,885,363	20	\$2,511,484
Chief Information Office	0	\$43	1	\$4,582	1	\$1,560
Child Support Services	143	\$4,207,574	132	\$3,831,019	138	\$3,905,778
Children and Family Services	525	\$23,399,863	537	\$20,486,355	596	\$22,622,036
Consumer and Business Affairs	2	\$13,430	2	\$23,775	6	\$19,837
County Counsel	20	\$1,028,138	14	\$525,193	23	\$962,412
District Attorney	118	\$5,825,869	100	\$6,708,040	166	\$5,282,618
Fire	1,626	\$84,257,848	1,697	\$91,720,116	1,710	\$101,807,364
Health Services	1,887	\$66,620,549	1,828	\$66,212,753	1,938	\$53,447,757
Human Resources	15	\$438,861	18	\$520,485	16	\$634,743
Internal Services	122	\$4,468,228	150	\$4,575,412	126	\$4,436,172
LACERA	11	\$315,325	15	\$494,961	18	\$509,448
Medical Examiner - Coroner	44	\$1,248,406	54	\$1,258,639	57	\$1,034,072
Mental Health	305	\$9,602,341	339	\$9,014,172	331	\$12,703,618
Military and Veterans Affairs	13	\$87,791	1	\$386,374	1	\$96,611
Museum of Art	2	\$53,269	4	\$107,389	2	\$176,005
Museum of Natural History	1	\$154,615	0	\$115,825	0	\$134,005
Non-Jurisdictional	863	\$853,454	1,223	\$782,604	1,174	\$1,024,967
Office of Public Safety	0	\$79,295	0	\$120,443	0	\$511,721
Parks and Recreation	268	\$5,747,865	216	\$6,765,825	278	\$11,114,573
Pending Assignment	0	\$0	10	\$0	20	\$0
Probation	680	\$34,230,353	733	\$33,952,501	728	\$30,226,827
Public Defender	58	\$1,889,054	67	\$1,717,134	78	\$2,483,817
Public Health	259	\$9,402,299	265	\$10,315,847	238	\$12,167,042
Public Library	47	\$881,325	48	\$928,818	57	\$749,528
Public Social Services	1,067	\$37,353,221	1,062	\$37,121,525	1,125	\$35,600,373
Public Works	633	\$12,300,448	597	\$12,407,918	621	\$22,409,650
Regional Planning	31	\$391,764	16	\$369,805	37	\$965,033
Registrar-Recorder/County Clerk	78	\$2,395,229	72	\$2,290,725	102	\$2,586,964
Sheriff	5,403	\$217,125,485	5,135	\$224,846,298	5,595	\$241,502,161
Superior Court	212	\$11,221,458	236	\$10,418,480	224	\$11,527,855
Treasurer and Tax Collector	107	\$1,408,150	79	\$1,353,213	79	\$1,349,521
Workforce Development, Aging and Community Svcs.	38	\$757,864	39	\$789,409	41	\$540,928
TOTAL⁴	14,801	\$559,894,726	15,313	\$569,479,633	15,722	\$592,171,058

1. Amount Paid is the total of the transactions paid by coverage code in the fiscal year regardless of occurrence date plus amounts paid for workers' compensation from the Workers' Compensation Status Report. Amount Paid includes indemnity and legal fees and expenses. Does not include RBNP or IBNR reserves. Workers' compensation paid does not reflect State of California Labor Code 4850 or salary continuation payments. Data does not include unemployment costs.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit, etc. This information does include County Counsel tort files. County Counsel expenditures are included.
3. Amounts valued as of June 30, 2017.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

EXHIBIT B**WORKERS' COMPENSATION CLAIM FREQUENCY AND EXPENSE SUMMARY
FY 2014-15 THROUGH FY 2016-17**

Department	FY 2014-15		FY 2015-16		FY 2016-17	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action Compliance	0	\$0	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	32	\$637,830	30	\$569,591	24	\$631,103
Alternate Public Defender	10	\$430,686	5	\$179,143	4	\$625,503
Animal Care and Control	66	\$756,974	65	\$875,556	63	\$804,488
Assessor	26	\$550,177	30	\$795,711	17	\$679,761
Auditor-Controller	10	\$503,210	13	\$383,716	11	\$352,973
Beaches and Harbors	21	\$423,653	39	\$406,344	26	\$803,312
Board of Supervisors	8	\$110,639	9	\$226,003	7	\$257,650
Chief Executive Office	12	\$607,751	11	\$900,932	15	\$532,003
Chief Information Office	0	\$43	1	\$4,582	0	\$1,560
Child Support Services	119	\$4,021,051	106	\$3,655,554	116	\$3,432,706
Children and Family Services	383	\$15,451,855	381	\$15,672,102	366	\$14,543,857
Consumer and Business Affairs	1	\$13,430	1	\$21,863	5	\$15,929
County Counsel	12	\$911,599	11	\$397,379	21	\$494,845
District Attorney	38	\$3,825,187	49	\$3,942,508	104	\$3,529,618
Fire	1,451	\$57,856,608	1,544	\$54,651,955	1,562	\$60,781,342
Health Services	1,438	\$43,038,850	1,475	\$41,795,460	1,741	\$39,149,604
Human Resources	13	\$344,283	14	\$317,993	15	\$405,228
Internal Services	96	\$3,388,131	116	\$4,094,236	90	\$4,123,032
LACERA	11	\$315,325	15	\$490,728	18	\$448,631
Medical Examiner - Coroner	30	\$471,541	20	\$617,009	23	\$559,954
Mental Health	250	\$7,758,344	264	\$6,616,801	278	\$7,302,543
Military and Veterans Affairs	0	\$69,926	1	\$253,230	1	\$80,219
Museum of Art	2	\$51,049	2	\$106,232	1	\$158,754
Museum of Natural History	1	\$154,615	0	\$115,825	0	\$134,005
Non-Jurisdictional	0	\$0	0	\$0	0	\$0
Office of Public Safety ⁴	0	\$0	0	\$0	0	\$501,383
Parks and Recreation	196	\$3,749,485	144	\$3,649,358	198	\$5,082,207
Pending Assignment	0	\$0	0	\$0	19	\$0
Probation	615	\$25,990,934	660	\$26,284,794	673	\$22,982,659
Public Defender	41	\$1,367,981	40	\$1,199,879	51	\$1,199,044
Public Health	203	\$7,688,059	226	\$6,757,515	210	\$7,197,092
Public Library	39	\$750,440	46	\$696,100	50	\$720,217
Public Social Services	1,007	\$34,762,886	1,004	\$34,899,919	1,061	\$32,607,561
Public Works	168	\$5,126,758	165	\$5,363,964	189	\$5,547,677
Regional Planning	4	\$148,455	1	\$97,865	5	\$138,157
Registrar-Recorder/County Clerk	52	\$2,196,596	54	\$2,057,066	71	\$2,057,183
Sheriff	3,936	\$123,652,727	4,336	\$126,953,577	4,469	\$133,442,724
Superior Court	211	\$10,447,771	235	\$9,665,947	223	\$10,545,628
Treasurer and Tax Collector	24	\$1,166,519	17	\$767,026	15	\$1,011,000
Workforce Development, Aging and Community Svcs.	24	\$606,309	35	\$618,293	34	\$478,072
TOTAL	10,550	\$359,347,677	11,175	\$356,101,756	11,776	\$363,359,224

1. Amount Paid is the total of the transactions paid for workers' compensation in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves. Workers' compensation paid does not include State of California Labor Code 4850 or salary continuation payments.
2. Amounts shown as listed on the Workers' Compensation Status Report.
3. Superior Court expenses are billed to the State of California; these expenses are not controllable by the County as these are State of California employees.
4. The Office of Public Safety was consolidated with the Sheriff's Department in FY 2010-11.

EXHIBIT C

STATE LABOR CODE 4850 AND SALARY CONTINUATION EXPENSE SUMMARY FY 2014-15 THROUGH FY 2016-17

Department	FY 2014-15	FY 2015-16	FY 2016-17
	Amount Paid ¹	Amount Paid ¹	Amount Paid ¹
Affirmative Action Compliance	\$0	\$0	\$0
Agricultural Commissioner/Weights and Measures	\$16,119	\$3,074	\$47,909
Alternate Public Defender	\$36,480	\$74,750	\$0
Animal Care and Control	\$30,301	\$19,238	\$32,049
Assessor	\$63,729	\$22,151	\$81,885
Auditor-Controller	\$41,887	\$8,061	\$42,213
Beaches and Harbors	\$51,496	\$29,924	\$48,334
Board of Supervisors	\$6,003	\$140	\$1,599
Chief Executive Office	\$38,634	\$34,616	\$57,126
Chief Information Office	\$0	\$0	\$0
Child Support Services	\$94,631	\$41,503	\$156,339
Children and Family Services	\$1,232,992	\$973,503	\$1,033,214
Consumer and Business Affairs	\$0	\$0	\$0
County Counsel	\$254	\$6,879	\$2,556
District Attorney	\$524,040	\$474,785	\$701,550
Fire	\$23,317,988	\$31,709,566	\$36,001,289
Health Services	\$2,330,010	\$2,250,696	\$1,619,431
Human Resources	\$3,592	\$16,513	\$58,869
Internal Services	\$168,775	\$161,228	\$189,093
LACERA	\$0	\$4,233	\$60,817
Medical Examiner - Coroner	\$5,189	\$20,051	\$986
Mental Health	\$553,062	\$292,387	\$550,922
Military and Veterans Affairs	\$0	\$17,553	\$3,415
Museum of Art	\$0	\$0	\$16,130
Museum of Natural History	\$0	\$0	\$0
Non-Jurisdictional	\$0	\$0	\$0
Office of Public Safety	\$0	\$0	\$0
Parks and Recreation	\$196,953	\$182,103	\$171,189
Pending Assignment	\$0	\$0	\$0
Probation	\$4,022,551	\$4,285,078	\$3,918,906
Public Defender	\$89,341	\$70,752	\$338,010
Public Health	\$431,388	\$565,293	\$366,511
Public Library	\$2,409	\$25,756	\$15,186
Public Social Services	\$1,332,227	\$1,210,190	\$1,102,720
Public Works	\$342,140	\$414,614	\$257,217
Regional Planning	\$0	\$0	\$19,492
Registrar-Recorder/County Clerk	\$46,641	\$71,885	\$33,452
Sheriff	\$32,510,905	\$33,507,810	\$38,287,066
Superior Court	\$773,687	\$752,295	\$982,227
Treasurer and Tax Collector	\$78,450	\$14,794	\$16,327
Workforce Development, Aging and Community Svcs.	\$41,285	\$63,969	\$21,785
TOTAL	\$68,383,159	\$77,325,390	\$86,235,814

1. Amount Paid is as reported by the Auditor-Controller based on the sum of 70% IA, 100% IA, and MegaIA expense.

EXHIBIT D**VEHICLE LIABILITY CLAIM FREQUENCY AND EXPENSE SUMMARY****FY 2014-15 THROUGH FY 2016-17**

Department	FY 2014-15		FY 2015-16		FY 2016-17	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action Compliance	0	\$0	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	13	\$11,389	7	\$41,603	15	\$53,617
Alternate Public Defender	1	\$7,266	2	\$10,237	0	\$991
Animal Care and Control	5	\$51,678	6	\$32,282	4	\$49,568
Assessor	0	\$7,500	0	\$0	0	\$0
Auditor-Controller	0	\$2,674	0	\$0	0	\$0
Beaches and Harbors	3	\$8,713	5	\$17,225	1	\$164,956
Board of Supervisors	1	\$8,316	4	\$3,991	9	\$150
Chief Executive Office	0	\$0	0	\$0	0	\$0
Chief Information Office	0	\$0	0	\$0	0	\$0
Child Support Services	0	\$5,000	0	\$0	1	\$100
Children and Family Services	38	\$283,201	49	\$444,581	67	\$192,530
Consumer and Business Affairs	0	\$0	0	\$0	0	\$0
County Counsel	0	\$0	0	\$0	0	\$0
District Attorney	11	\$26,600	16	\$13,465	2	\$11,771
Fire	121	\$877,857	94	\$933,883	89	\$3,401,849
Health Services	17	\$245,742	13	\$26,754	9	\$18,610
Human Resources	0	\$0	0	\$0	0	\$0
Internal Services	18	\$54,566	24	\$135,148	22	\$240,891
LACERA	0	\$0	0	\$0	0	\$0
Medical Examiner - Coroner	4	\$50,230	4	\$28,970	1	\$12,512
Mental Health	7	\$47,545	19	\$70,901	8	\$251,324
Military and Veterans Affairs	0	\$0	0	\$0	0	\$0
Museum of Art	0	\$0	0	\$0	0	\$0
Museum of Natural History	0	\$0	0	\$0	0	\$0
Non-Jurisdictional	182	\$87,217	236	\$51,590	266	\$63,395
Office of Public Safety	0	\$0	0	\$0	0	\$0
Parks and Recreation	14	\$190,477	26	\$733,387	21	\$1,083,648
Pending Assignment	0	\$0	0	\$0	0	\$0
Probation	12	\$40,457	25	\$67,046	11	\$49,920
Public Defender	5	\$175,553	3	\$389,507	7	\$771,189
Public Health	23	\$236,768	20	\$484,133	18	\$786,525
Public Library	3	\$1,146	0	\$2,745	2	\$4,143
Public Social Services	12	\$87,490	7	\$8,686	17	\$43,924
Public Works	59	\$338,135	81	\$689,344	89	\$1,614,253
Regional Planning	0	\$0	0	\$0	0	\$0
Registrar-Recorder/County Clerk	5	\$8,613	3	\$2,156	15	\$6,933
Sheriff	358	\$5,930,597	374	\$10,255,038	366	\$8,495,274
Superior Court	0	\$0	0	\$0	0	\$0
Treasurer and Tax Collector	0	\$2,875	0	\$0	0	\$0
Workforce Development, Aging and Community Svcs.	4	\$46,829	0	\$27,124	2	\$0
TOTAL⁴	916	\$8,834,434	1,015	\$14,469,796	1,041	\$17,318,073

1. Amount Paid is the total of the transactions paid for vehicle liability claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts do not include non-insured and non-third party vehicle losses which are directly paid by the departments. Amounts valued as of June 30, 2017.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

EXHIBIT E**GENERAL LIABILITY CLAIM FREQUENCY AND EXPENSE SUMMARY
FY 2014-15 THROUGH FY 2016-17**

Department	FY 2014-15		FY 2015-16		FY 2016-17	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action Compliance	0	\$0	0	\$2,962	0	\$0
Agricultural Commissioner/Weights and Measures	6	\$18,115	3	\$138,910	3	\$24,982
Alternate Public Defender	2	\$5,913	13	\$9,222	2	\$24,307
Animal Care and Control	23	\$156,790	9	\$103,398	9	\$56,138
Assessor	37	\$292,741	23	\$1,016,516	42	\$630,972
Auditor-Controller	24	\$14,494,276	12	\$5,239,521	11	\$55,200
Beaches and Harbors	24	\$131,120	19	\$407,350	17	\$260,820
Board of Supervisors	18	\$1,318,637	12	\$812,015	26	\$1,394,098
Chief Executive Office	6	\$1,314,615	7	\$6,949,815	5	\$1,922,355
Chief Information Office	0	\$0	0	\$0	1	\$0
Child Support Services	24	\$86,892	26	\$133,962	21	\$316,633
Children and Family Services	104	\$6,431,815	107	\$3,396,169	163	\$6,852,435
Consumer and Business Affairs	1	\$0	1	\$1,912	1	\$3,908
County Counsel	8	\$116,285	3	\$120,935	2	\$465,011
District Attorney	69	\$1,448,008	35	\$2,277,006	60	\$1,039,679
Fire	44	\$1,179,011	37	\$903,109	51	\$1,442,840
Health Services	278	\$5,813,738	165	\$5,296,104	100	\$3,420,785
Human Resources	2	\$90,986	4	\$185,979	1	\$170,646
Internal Services	8	\$856,756	10	\$184,801	14	-\$116,844
LACERA	0	\$0	0	\$0	0	\$0
Medical Examiner - Coroner	10	\$547,116	16	\$539,606	27	\$436,273
Mental Health	35	\$1,133,700	43	\$1,836,819	28	\$4,445,325
Military and Veterans Affairs	13	\$17,865	0	\$115,591	0	\$12,977
Museum of Art	0	\$2,220	2	\$1,157	1	\$1,121
Museum of Natural History	0	\$0	0	\$0	0	\$0
Non-Jurisdictional	648	\$766,237	976	\$731,015	873	\$960,937
Office of Public Safety	0	\$79,295	0	\$120,443	0	\$10,338
Parks and Recreation	58	\$1,610,950	46	\$2,200,977	59	\$4,777,529
Pending Assignment	0	\$0	0	\$0	1	\$0
Probation	53	\$4,168,320	48	\$3,269,043	44	\$3,273,867
Public Defender	12	\$254,205	23	\$56,729	20	\$175,574
Public Health	31	\$1,024,383	18	\$2,489,257	9	\$3,797,414
Public Library	5	\$127,330	2	\$204,216	5	\$9,982
Public Social Services	48	\$1,170,618	51	\$1,002,730	47	\$1,846,168
Public Works	406	\$6,493,415	351	\$5,939,995	343	\$14,990,503
Regional Planning	27	\$243,309	15	\$271,940	32	\$807,384
Registrar-Recorder/County Clerk	21	\$143,379	15	\$159,618	16	\$489,396
Sheriff	1,085	\$54,870,980	854	\$53,938,070	746	\$61,058,005
Superior Court	1	\$0	1	\$238	1	\$0
Treasurer and Tax Collector	83	\$160,306	62	\$571,393	64	\$322,194
Workforce Development, Aging and Community Svcs.	10	\$63,441	4	\$80,023	5	\$41,071
TOTAL⁴	3,109	\$106,632,767	2,893	\$100,708,546	2,739	\$115,420,023

1. Amount Paid is the total of the transactions paid for liability claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2017.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

EXHIBIT E – 1 (SUBSET OF EXHIBIT E)**GENERAL LIABILITY/LAW ENFORCEMENT LIABILITY CLAIM FREQUENCY AND EXPENSE SUMMARY****FY 2014-15 THROUGH FY 2016-17**

Department	FY 2014-15		FY 2015-16		FY 2016-17	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action Compliance	0	\$0	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	0	\$0	0	\$0	0	\$0
Alternate Public Defender	2	\$5,913	0	\$9,222	1	\$13,116
Animal Care and Control	1	\$26,513	0	\$3,034	0	\$0
Assessor	0	\$0	0	\$0	0	\$0
Auditor-Controller	0	\$0	0	\$0	0	\$0
Beaches and Harbors	0	\$0	0	\$0	0	\$0
Board of Supervisors	1	\$68,249	0	\$0	0	\$0
Chief Executive Office	0	\$0	0	\$0	0	\$0
Chief Information Office	0	\$0	0	\$0	0	\$0
Child Support Services	0	\$0	0	\$0	0	\$0
Children and Family Services	0	\$3,545	0	\$0	1	\$0
Consumer and Business Affairs	0	\$0	0	\$0	0	\$0
County Counsel	1	\$0	0	\$0	1	\$0
District Attorney	19	\$644,481	15	\$1,288,710	17	\$268,699
Fire	3	\$150	2	\$5,584	0	\$0
Health Services	0	\$23,025	0	\$11,577	2	\$0
Human Resources	0	\$0	0	\$0	0	\$0
Internal Services	0	\$0	0	\$0	0	\$0
LACERA	0	\$0	0	\$0	0	\$0
Medical Examiner - Coroner	0	\$73,755	0	\$0	0	\$0
Mental Health	4	\$88,307	2	\$167,310	2	\$353,350
Military and Veterans Affairs	0	\$0	0	\$0	0	\$0
Museum of Art	0	\$0	0	\$0	0	\$0
Museum of Natural History	0	\$0	0	\$0	0	\$0
Non-Jurisdictional	17	\$33,721	29	\$59,031	18	\$2,624
Office of Public Safety	0	\$0	0	\$0	0	\$0
Parks and Recreation	0	\$0	0	\$0	0	\$0
Pending Assignment	0	\$0	0	\$0	0	\$0
Probation	5	\$1,029,310	4	\$548,960	4	\$65,148
Public Defender	6	\$28,275	5	\$14,081	1	\$5,880
Public Health	0	\$5,702	0	\$0	0	\$0
Public Library	0	\$0	0	\$0	0	\$0
Public Social Services	0	\$3,821	2	\$0	1	\$0
Public Works	0	\$0	0	\$0	0	\$0
Regional Planning	0	\$0	0	\$0	0	\$0
Registrar-Recorder/County Clerk	0	\$0	0	\$0	0	\$0
Sheriff	738	\$46,234,208	611	\$44,987,393	464	\$48,605,874
Superior Court	1	\$0	0	\$0	0	\$0
Treasurer and Tax Collector	0	\$0	0	\$0	0	\$0
Workforce Development, Aging and Community Svcs	0	\$49,865	0	\$10,008	0	\$8,536
TOTAL⁴	781	\$48,318,840	643	\$47,104,910	491	\$49,323,227

1. Amount Paid is the total of the transactions paid for liability claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2017.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

EXHIBIT E – 2 (SUBSET OF EXHIBIT E)

GENERAL LIABILITY/EMPLOYMENT PRACTICES LIABILITY CLAIM FREQUENCY AND EXPENSE SUMMARY FY 2014-15 THROUGH FY 2016-17

Department	FY 2014-15		FY 2015-16		FY 2016-17	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action Compliance	0	\$0	0	\$2,962	0	\$0
Agricultural Commissioner/Weights and Measures	0	\$13,088	0	\$129,653	0	\$806
Alternate Public Defender	0	\$0	0	\$0	0	\$0
Animal Care and Control	0	\$19,800	0	\$326	0	\$0
Assessor	0	\$26,940	0	\$55,805	1	\$0
Auditor-Controller	0	\$67,787	2	\$40,168	1	\$14,470
Beaches and Harbors	0	\$0	0	\$0	0	\$0
144Board of Supervisors	0	\$60,999	2	\$40,915	1	\$36,414
Chief Executive Office	4	\$79,255	0	\$120,539	1	\$179,580
Chief Information Office	0	\$0	0	\$0	1	\$0
Child Support Services	2	\$39,228	2	\$80,088	5	\$276,826
Children and Family Services	10	\$3,147,739	8	\$1,058,460	34	\$793,626
Consumer and Business Affairs	0	\$0	0	\$0	0	\$0
County Counsel	1	\$102,582	2	\$117,618	0	\$463,399
District Attorney	5	\$385,553	0	\$394,381	2	\$426,489
Fire	12	\$1,045,050	5	\$672,083	14	\$1,237,395
Health Services	46	\$4,881,081	20	\$3,533,924	14	\$1,677,133
Human Resources	2	\$90,986	3	\$185,979	0	\$170,646
Internal Services	1	\$406,054	2	\$67,057	4	\$297,791
LACERA	0	\$0	0	\$0	0	\$0
Medical Examiner - Coroner	1	\$3,207	1	\$78,053	1	\$51,381
Mental Health	5	\$819,823	7	\$576,997	6	\$1,623,714
Military and Veterans Affairs	0	\$0	0	\$0	0	\$0
Museum of Art	0	\$0	0	\$0	0	\$0
Museum of Natural History	0	\$0	0	\$0	0	\$0
Non-Jurisdictional	12	\$1,385	16	\$2,885	11	\$13,603
Office of Public Safety	0	\$79,295	0	\$120,443	0	\$10,338
Parks and Recreation	1	\$250,030	0	\$197,622	3	\$17,592
Pending Assignment	0	\$0	0	\$0	0	\$0
Probation	31	\$1,188,195	18	\$2,036,740	18	\$2,200,833
Public Defender	0	\$184,377	0	\$1,187	0	\$0
Public Health	3	\$0	3	\$358,561	3	\$866,014
Public Library	0	\$89,258	0	\$201,716	0	\$0
Public Social Services	7	\$363,322	9	\$662,788	9	\$487,164
Public Works	8	\$630,362	3	\$268,496	8	\$683,069
Regional Planning	1	\$0	1	\$0	0	\$107,234
Registrar-Recorder/County Clerk	1	\$0	0	\$39,387	0	\$167,330
Sheriff	42	\$7,105,653	43	\$3,492,048	49	\$5,525,763
Superior Court	0	\$0	1	\$238	0	\$0
Treasurer and Tax Collector	0	\$0	0	\$0	0	\$0
Workforce Development, Aging and Community Svcs.	0	\$0	0	\$5,327	2	\$3,124
TOTAL⁴	193	\$21,081,049	144	\$14,542,446	187	\$17,331,734

1. Amount Paid is the total of the transactions paid for liability claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2017.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

EXHIBIT F

MEDICAL MALPRACTICE CLAIM FREQUENCY AND EXPENSE SUMMARY FY 2014-15 THROUGH FY 2016-17

Department	FY 2014-15		FY 2015-16		FY 2016-17	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
DHS – Ambulatory Care Network	12	\$345,532	14	\$1,989,716	11	\$246,267
DHS – Correctional Health Services	0	\$0	0	\$0	3	\$0
DHS – Harbor-UCLA Medical Center	52	\$1,353,298	73	\$9,172,541	26	\$4,952,271
DHS – Juvenile Court Health Services	0	\$0	0	\$0	0	\$0
DHS – LAC+USC Medical Center	72	\$12,667,962	76	\$4,892,317	29	\$3,615,342
DHS – Olive View-UCLA Medical Center	14	\$666,058	16	\$653,258	21	\$335,577
DHS – Rancho Los Amigos	7	\$159,359	14	\$135,907	2	\$89,870
Health Services Subtotal⁴	154	\$15,192,209	175	\$16,843,739	88	\$9,239,327
District Attorney	0	\$2,034	0	\$276	0	\$0
Fire	10	\$1,026,384	22	\$3,521,603	8	\$180,044
Medical Examiner – Coroner	0	\$174,330	14	\$53,003	6	\$24,347
Mental Health	13	\$109,690	13	\$197,264	17	\$153,504
Non-Jurisdictional	33	\$0	11	\$0	35	\$635
Probation	0	\$8,091	0	\$46,541	0	\$1,475
Public Defender	0	\$1,974	1	\$268	0	\$0
Public Health	2	\$21,701	1	\$19,650	1	\$19,500
Sheriff	24	\$160,276	11	\$191,802	14	\$219,092
TOTAL⁴	226	\$16,696,689	231	\$20,874,145	166	\$9,837,924

1. Amount Paid is the total of the transactions paid for medical malpractice claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2017.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

EXHIBIT G

COST OF RISK DETAIL

	FY 2014-15	FY 2015-16	FY 2016-17
Workers' Compensation			
Benefit Expense	\$269,345,561	\$264,157,358	\$264,228,188
Loss Expense ¹	\$76,803,910	\$77,910,369	\$78,169,309
Administrative Expense ²	\$13,198,206	\$14,034,029	\$15,670,819
Purchased Insurance ³	\$0	\$0	\$5,290,907
Workers' Compensation Expense Subtotal	\$359,347,677	\$356,101,756	\$363,359,224
Labor Code 4850 / Salary Continuation	\$68,383,159	\$77,325,390	\$86,235,814
Workers' Compensation Expense Total	\$427,730,836	\$433,427,146	\$449,595,038
Liability^{3,4}			
Vehicle Liability Indemnity Expense	\$3,513,359	\$8,216,008	\$9,585,204
General Liability Indemnity Expense	\$62,307,828	\$54,763,358	\$67,166,736
Medical Malpractice Indemnity Expense	\$13,297,209	\$17,730,028	\$6,416,760
Liability Indemnity Expense Subtotal	\$79,118,396	\$80,709,393	\$83,168,701
Vehicle Liability Legal Expense	\$5,321,075	\$6,253,788	\$7,732,869
General Liability Legal Expense	\$44,324,939	\$45,945,189	\$48,253,286
Medical Malpractice Legal Expense	\$3,399,480	\$3,144,118	\$3,421,164
Liability Legal Expense Subtotal	\$53,045,494	\$55,343,095	\$59,407,319
Liability Administrative Expense ⁵	\$10,999,538	\$11,098,324	\$12,730,835
Liability Expense Total	\$143,163,428	\$147,150,811	\$155,306,855
Purchased Insurance (premiums and fees)	\$17,268,876	\$19,301,554	\$16,586,756
Cost of Risk^{6,7}	\$588,163,140	\$599,879,512	\$621,488,649
Total County Operating Budget	\$25,988,192,000	\$26,625,115,000	\$28,688,400,000
Cost of Risk (as percentage of County Operating Budget)	2.26%	2.25%	2.17%
Non-County Agencies			
LACERA	\$315,325	\$490,728	\$448,631
Superior Court	\$10,358,805	\$9,665,947	\$10,545,628
Subtotal (Non-County agencies)	\$10,674,130	\$10,156,675	\$10,994,259
Cost of Risk (excluding non-County agencies)	\$577,489,010	\$589,722,837	\$610,494,389
Cost of Risk (Non-County agencies as percentage of County Operating Budget)	2.22%	2.21%	2.13%

- Loss Expense includes third party administrator fees, medical management fees, bill review fees, State User fee, etc.
- Administrative Expense includes CEO, Auditor-Controller, and County Counsel expenses.
- Paid claims represents the amount paid for all indemnity (pay type OC) in the fiscal year regardless of occurrence date and does not include Reported But Not Paid (RBNP) or Incurred But Not Reported (IBNR) reserves. Legal Expenses are defined in liability files as all fees and expenses paid from the liability claim (pay type SS).
- Liability claim information included in this report is: (1) claims coded as Vehicle Liability (AL), General Liability (GL), and Medical Malpractice (MM); but, (2) information excludes Metropolitan Transportation Authority, Metrolink, departments not listed in Exhibit A, Children Services dependency cases, and probate funding accounts.
- Liability Administrative Expense includes third party administrator fees, consulting and management fees, and CEO expenses.
- The Cost of Risk is defined as the summation of the items listed, but does not include non-insured property claims and property damage to County-owned vehicles.
- All amounts are paid as of June 30, 2017, as reported in the County's liability claim database, workers' compensation information system (GenIRIS), and/or the Workers' Compensation Status Report.

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
RISK MANAGEMENT BRANCH
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