



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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SACHI A. HAMA  
Chief Executive Officer

February 22, 2019

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

From: Sachi A. Hama  
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 2017-18 (ITEM NO 30-A, BOARD MEETING OF FEBRUARY 6, 2018)

Attached is the *Chief Executive Office Risk Management Annual Report, Fiscal Year 2017-18*. 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 Chief Executive Office – Risk Management Branch (CEO Risk Management):

### Total Cost of Risk

The total of all costs related to Liability and Workers' Compensation increased by \$34.6 million to \$645.1 million, which represents a 5.7 percent increase over FY 2016-17. The Total Cost of Risk is measured as a percentage of the County of Los Angeles' (County) operating budget. The County's Total Cost of Risk increased from 2.13 to 2.19 percent of the County's operating budget; this represents a 3.1 percent increase over FY 2016-17.

### **Vehicle Liability**

Vehicle accident claims increased by 59 to 1,100, which represents a 5.7 percent increase over FY 2016-17. The cost of claims and lawsuits increased by \$5.4 million to \$22.7 million, which represents a 31.0 percent increase over FY 2016-17.

CEO Risk Management updated several online training modules to address the risk factors that contribute to vehicle accidents and provided training and education initiatives and opportunities to Departments who were experiencing increased claims.

### **Other General Liability**

These claims have decreased by 37 to 2,024, which represents a 1.8 percent decrease over FY 2016-17. The cost of claims and lawsuits decreased by \$8.9 million to \$39.8 million, which represents an 18.4 percent decrease over FY 2016-17.

### **Employment Practices Liability (non-Workers' Compensation)**

These claims have decreased by 37 to 150, which represents a 19.8 percent decrease over FY 2016-17. The cost of claims and lawsuits increased by \$4.8 million to \$22.1 million, which represents a 27.6 percent increase over FY 2016-17.

The Department of Human Resources and CEO Risk Management provide employment liability training to Departments to combat the rising employment risk.

### **Law Enforcement Liability**

These claims have increased by 105 to 596, which represents a 21.4 percent increase over FY 2016-17. The cost of claims and lawsuits decreased by \$8.6 million to \$40.6 million, which represents a 17.6 percent decrease over FY 2016-17.

CEO Risk Management continues to collaborate with the law enforcement Departments to facilitate effective Corrective Action Plans and implement meaningful policy changes.

### **Medical Malpractice Liability**

These claims have increased by 21 to 187, which represents a 12.7 percent increase over FY 2016-17. The cost of claims and lawsuits increased by \$3.1 million to \$12.9 million, which represents a 31.1 percent increase over FY 2016-17.

CEO Risk Management and the Legal Exposure Reduction Committee continue to implement "Just Culture" within the County's medical provider Departments to improve communication and best practices which ultimately lowers our overall risk.

Each Supervisor  
February 22, 2019  
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### **Workers' Compensation**

These claims have increased by 83 to 11,859, which represents a 0.7 percent increase over FY 2016-17. The cost of claims and lawsuits increased by \$30.8 million to \$394.2 million, which represents an 8.5 percent increase over FY 2016-17.

CEO Risk Management continues to work with Departments to prevent injuries through training and education initiatives. Several cost containment programs have been implemented to curtail the long-term costs of Workers' Compensation claims, including catastrophic loss insurance, permanent claim closure of over 600 claims this FY; and increasing assistance to injured workers to facilitate expedited claims, treatment, and return to work.

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

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

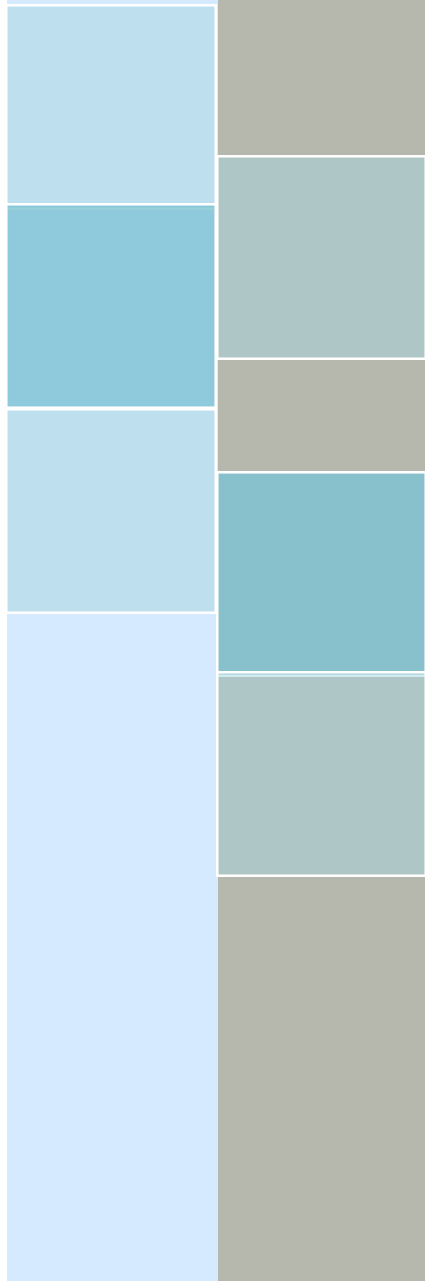


# RISK MANAGEMENT

Los Angeles County Chief Executive Office

## Inside County Risk FY 2017-18 Annual Report

Steven T. Robles  
County Risk Manager  
February 22, 2019





**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

17-18

**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) 2017-18.

In previous fiscal years, we focused on improving the County's risk culture and operational capabilities. 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.

FY 2017-18's focus was on long-term workers' compensation liabilities and Risk Financing. Collaborating with CEO Budget/Finance and the Department of Auditor-Controller (Auditor-Controller), we are addressing an estimated \$2.8 billion workers' compensation unfunded liability. To better manage the long-term liabilities inherent to these types of claims.

CEO Risk Management is collaborating with CEO Budget/Finance and the Auditor-Controller to also explore a variety of methods to begin pre-funding workers' compensation benefits.

CEO Risk Management is currently implementing a three-step plan to better control costs and reduce the liability associated with workers' compensation. The plan includes:

- The purchase of commercial insurance to protect against the risk of catastrophic loss events.

- An aggressive claim closure program that has been implemented to finalize workers' compensation claims for employees who no longer work for the County. This benefits the injured worker as it gives more control over the administration of their health care and it benefits the County as it lowers its long-term liabilities.
- Over the last two years, CEO Risk Management has been narrowing the focus of our partners who provide workers' compensation benefits. Currently, the third party administrators are being reorganized to limit the number of companies and the number of claims per adjuster to better assist injured workers, thus lowering costs of existing claims.

Updating the data management associated with claims and litigation has been a high priority over the last few years. CEO Risk Management continues to move to the next generation of the Risk Management Information System (RMIS) that will significantly improve our industry-leading Fraud, Waste, and Abuse analytics and claim handling capabilities. RMIS will eliminate 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. RMIS is on budget and on schedule for implementation.

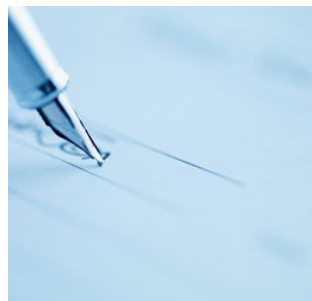


## RISK MANAGER'S MESSAGE (CONTINUED)

CEO Risk Management is moving forward with a protective Risk Financing Plan for general liability and property losses. This Plan protects the County against unexpected losses due to earthquake, fire, flood, misconduct, and cyber-attacks. We currently have utilized the structure to recover millions in losses and will continue to move forward with the plan in anticipation of saving millions more when the need arises.

This year's annual report is organized to allow for identification of claim trends specific to workers' compensation liability, and sub-categorized areas, including Law Enforcement, Employment, Medical Malpractice, Auto, and General Liability. These six categories represent different exposures and prevention requirements that will allow County Departments the ability to focus efforts according to specific losses. Each Department also has the Enterprise Risk Information Center dashboard at their disposal for more detailed information.

Costs associated with claims and litigation can be forecasted for several years due to the length of time it takes to close cases and the types of claims the County typically experiences.



## RISK MANAGER'S MESSAGE (CONTINUED)

Overall, the County's Cost of Risk remains near the industry standard of 2.0% 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	0.7%	8.5%
Automobile Liability	5.7%	31.0%
General Liability - Other	-1.8%	-18.4%
Law Enforcement Liability	21.4%	-17.6%
Employment Practices Liability	-19.8%	27.6%
Medical Malpractice Liability	12.7%	31.1%
<b>Total</b>	<b>1.2%</b>	<b>5.4%</b>
<b>Cost or Risk (excluding non-County agencies)</b>		<b>3.1%</b>

The frequency increase indicator is marked in red as we will typically see increased costs associated with the increased claims. Conversely, as we currently see downward trends (marked in green) in claims we can expect to see lower costs in the future. For example, Law Enforcement Liability had been on a downward trend for three consecutive years. This year, we are beginning to realize the costs savings of the lower frequency.

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 2018-19

CEO Risk Management provides leadership and direction for the County's Risk Management programs. Key objectives for FY 2018-19 include:

- Continue to transition legacy and Department systems into a comprehensive RMIS. This system will fundamentally change the way we respond to risk, losses, and litigation by improving processes and linking data across multiple platforms.
- Continue to scale catastrophic loss insurance for the protection against large loss claims, lawsuits, and disasters. We will focus on General Liability and continued expansion of our property coverage.
- Implement narrowly focused third party administration and vendor management to increase performance, lower costs, and provide better services to our injured workers. It is our intent to gain more control over claim administration by narrowing the number of third party administrators and provide a basis for utilizing our existing analytics program through digital monitoring.

- Implement 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.
- Lower the unfunded liabilities in Workers' Compensation by closing claim exposures, funding liabilities, and capping losses with catastrophic loss insurance.
- 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 2017-18, the County experienced an increase in the Cost of Risk of 5.7%.

## 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.



## COST OF RISK<sup>1</sup>

Category	FY 2015-16	FY 2016-17	FY 2017-18
<b>Workers' Compensation</b>			
<b>Workers' Compensation Expense Subtotal</b>	<b>\$356,101,756</b>	<b>\$363,359,224</b>	<b>\$394,207,968</b>
<b>Labor Code 4850/Salary Continuation</b>	\$77,325,390	\$86,235,814	\$91,836,326
<b>Workers' Compensation Expense Total</b>	<b>\$433,427,146</b>	<b>\$449,595,038</b>	<b>\$486,044,294</b>
<b>Liability</b>			
<b>Liability Expense Total</b>	<b>\$147,150,811</b>	<b>\$155,306,855</b>	<b>\$153,601,167</b>
<b>Purchased Insurance (premium and fees)</b>	\$19,301,554	\$16,586,756	\$15,267,637
<b>Cost of Risk</b>	<b>\$599,879,512</b>	<b>\$621,488,648</b>	<b>\$654,913,098</b>
<b>Cost of Risk (excluding non-County agencies)</b>	<b>\$589,722,837</b>	<b>\$610,494,389</b>	<b>\$645,116,874</b>
<b>Total County Operating Budget (000)</b>	\$26,625,115	\$28,688,400	\$29,403,718
Cost of Risk (Excluding non-County agencies as a percentage of the County's Operating Budget)	2.21%	2.13%	2.19%

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

## RISK FINANCING—FY 2017-18

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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 2017-18 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 62.1% of expenses; General Liability top-10 accounted for 32.9% of expenses; Auto Liability top-10 accounted for 58.3% of expenses; and Employment Liability top-10 accounted for 38.1% 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 (DHR) 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.

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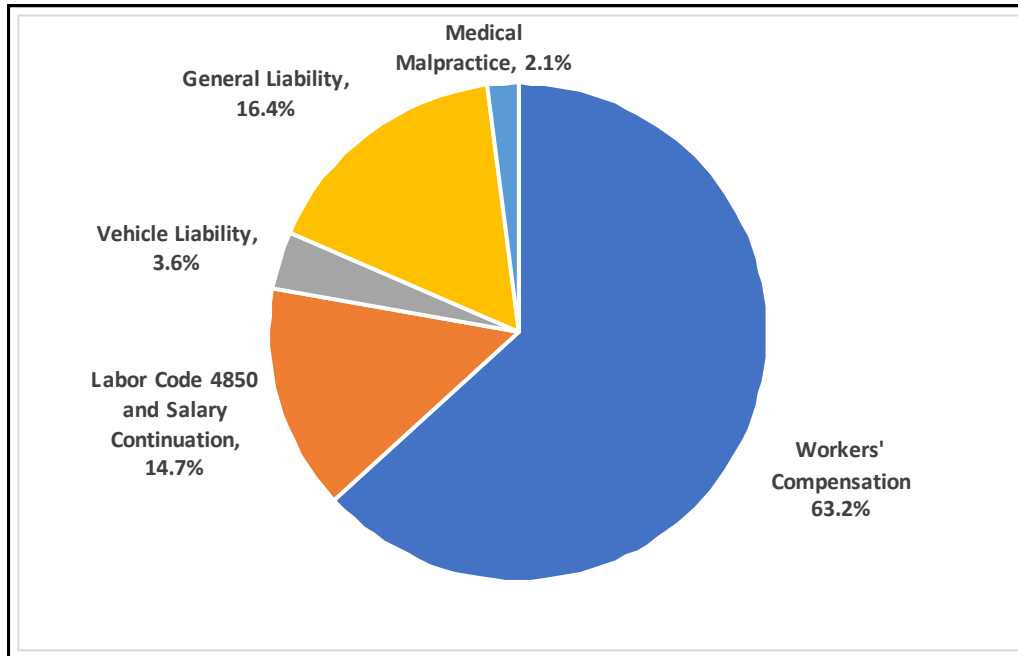
CEO Risk Management performs a myriad of training and education seminars throughout the year to further enhance Departments' efforts to reduce all claims. The efforts of CEO Risk Management are reflected in the Accomplishments sections of this report.



## OVERALL COSTS

The overall Cost of Risk graph below illustrates that workers' compensation accounts for 63.2% of the Cost of Risk. For FY 2017-18, this represents approximately \$394 million.

### PERCENTAGE OF TOTAL COST PAID BY CLAIM TYPE – FY 2017-18



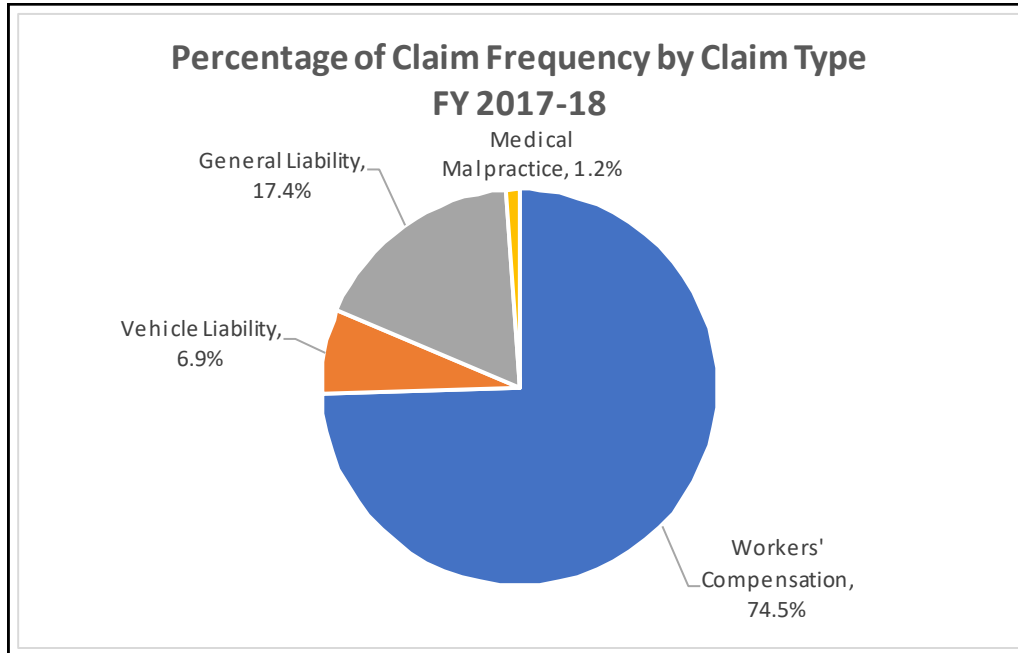
### CLAIM SEVERITY (TOTAL COST PAID) – ALL CLAIMS<sup>1,2,3</sup> – FY 2015-16 THROUGH FY 2017-18

Claim Type	FY 2015-16	FY 2016-17	FY 2017-18
Workers' Compensation <sup>4</sup>	\$356,101,756	\$363,359,224	\$394,207,968
Labor Code 4850 and Salary Continuation	\$77,325,390	\$86,235,814	\$91,836,326
Vehicle Liability	\$14,469,796	\$17,318,073	\$22,687,243
Law Enforcement Liability	\$47,104,910	\$49,323,227	\$40,660,429
Employment Practices Liability	\$14,542,446	\$17,331,734	\$22,123,346
Other General Liability	\$39,061,190	\$48,765,062	\$39,802,135
Medical Malpractice	\$20,874,145	\$9,837,924	\$12,897,237
<b>TOTAL</b>	<b>\$569,479,633</b>	<b>\$592,171,058</b>	<b>\$624,214,684</b>

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 2017-18

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



## CLAIM FREQUENCY (TOTAL NUMBER OF CLAIMS FILED) BY CLAIM TYPE FY 2015-16 THROUGH FY 2017-18

Claim Type <sup>1,2</sup>	FY 2015-16	FY 2016-17	FY 2017-18
Workers' Compensation	11,175	11,776	11,859
Vehicle Liability	1,015	1,041	1,100
Law Enforcement Liability	643	491	596
Employment Practices Liability	144	187	150
Other General Liability	2,106	2,061	2,024
Medical Malpractice	231	166	187
<b>TOTAL</b>	<b>15,314</b>	<b>15,722</b>	<b>15,916</b>

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 2017-18 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 32,000 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, claims administration system, excess insurance, and other overhead charges required to administer or provide risk protection for the Workers' Compensation Program. Such expenses are not charged or allocated to the workers' compensation claim file.

## DISABILITY

MANAGEMENT



## BENEFITS

**WORKERS' COMPENSATION PROGRAM — MAJOR ALLOCATED BENEFIT EXPENSES**

In FY 2017-18, total medical expenses equaled \$149.6 million. This represents a 6.6% increase from the total medical expense of \$140.3 million experienced in FY 2016-17. The increase was due in part to an increase in medical definite payments resulting from a settlement project. Temporary disability expenses increased from \$22.1 million in FY 2016-17 to \$24.1 million in FY 2017-18, an increase of 9.0%. FY 2016-17 salary continuation expenses (predominately driven by Labor Code 4850 benefits) increased 6.5% from the \$86.2 million in FY 2016-17 to \$91.8 million in FY 2017-18.

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, and will continue to trend upward over the next several years.

Permanent disability expenses increased 10.8%, from \$94.5 million in FY 2016-17 to \$104.7 million in FY 2017-18.

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 and payment schedule established under Senate Bill 863.

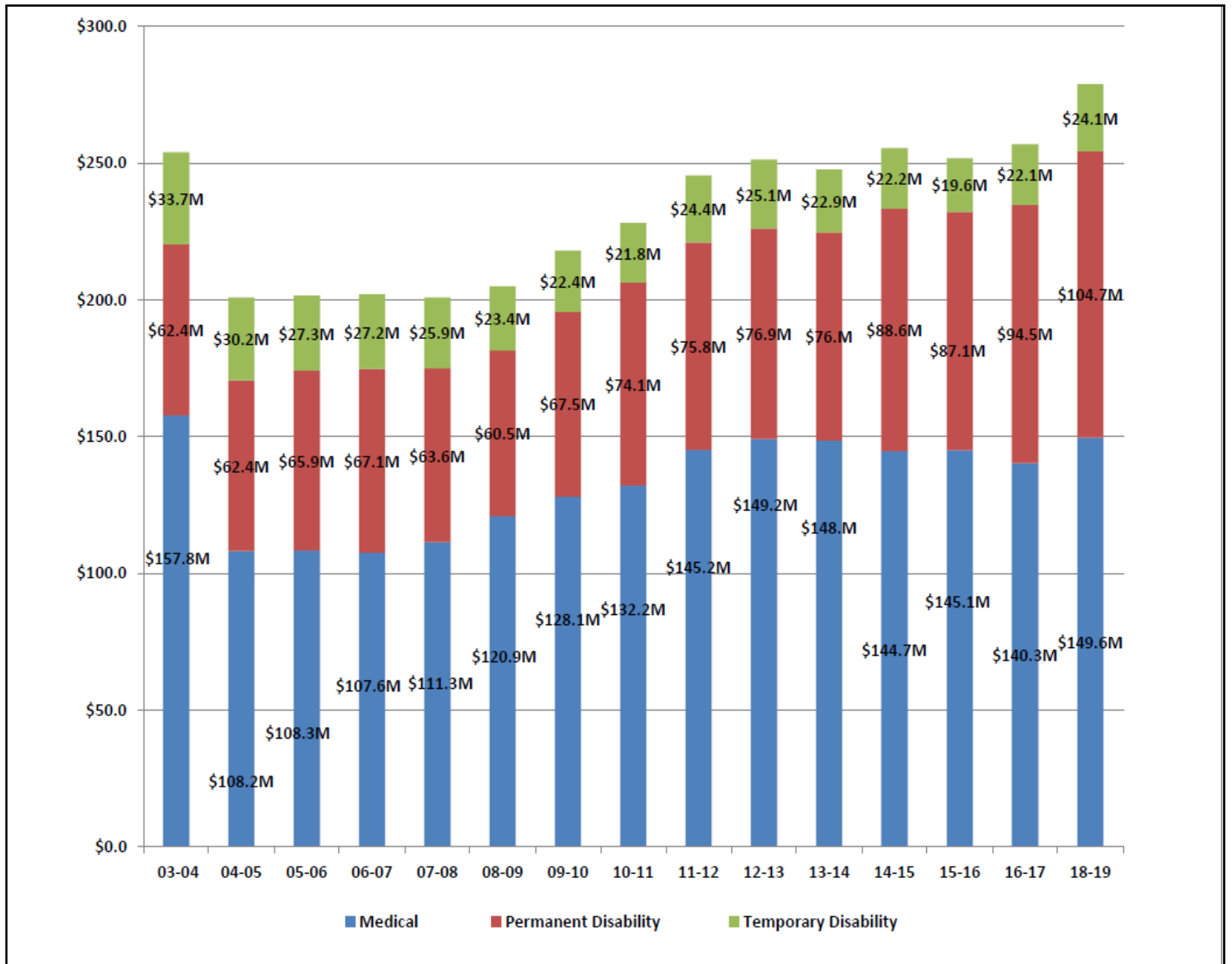
CARE

FINANCE

COMPENSATION

**WORKERS' COMPENSATION PROGRAM — MAJOR ALLOCATED BENEFIT EXPENSES (CONTINUED)**

**WORKERS' COMPENSATION MAJOR BENEFIT EXPENSES**

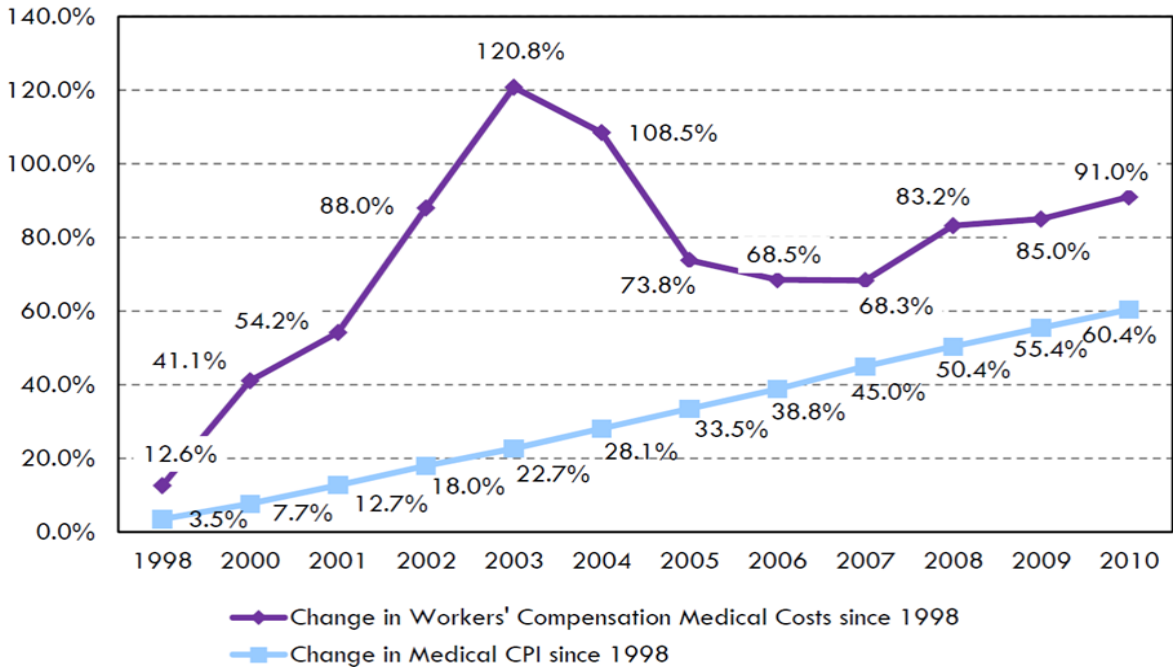


**WORKERS' COMPENSATION PROGRAM—ALLOCATED AND UNALLOCATED LOSS ADJUSTMENT EXPENSES**

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 2017-18, the combined ALAE and ULAE represented 20.8% of program expenses. This included approximately \$5.7 million for catastrophic insurance and \$1.5 million for a comprehensive RMIS upgrade. 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) 2017 Annual Report reflected ALAE and ULAE accounted for 33.2% of overall workers' compensation system-wide expenses in calendar year 2016.

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**



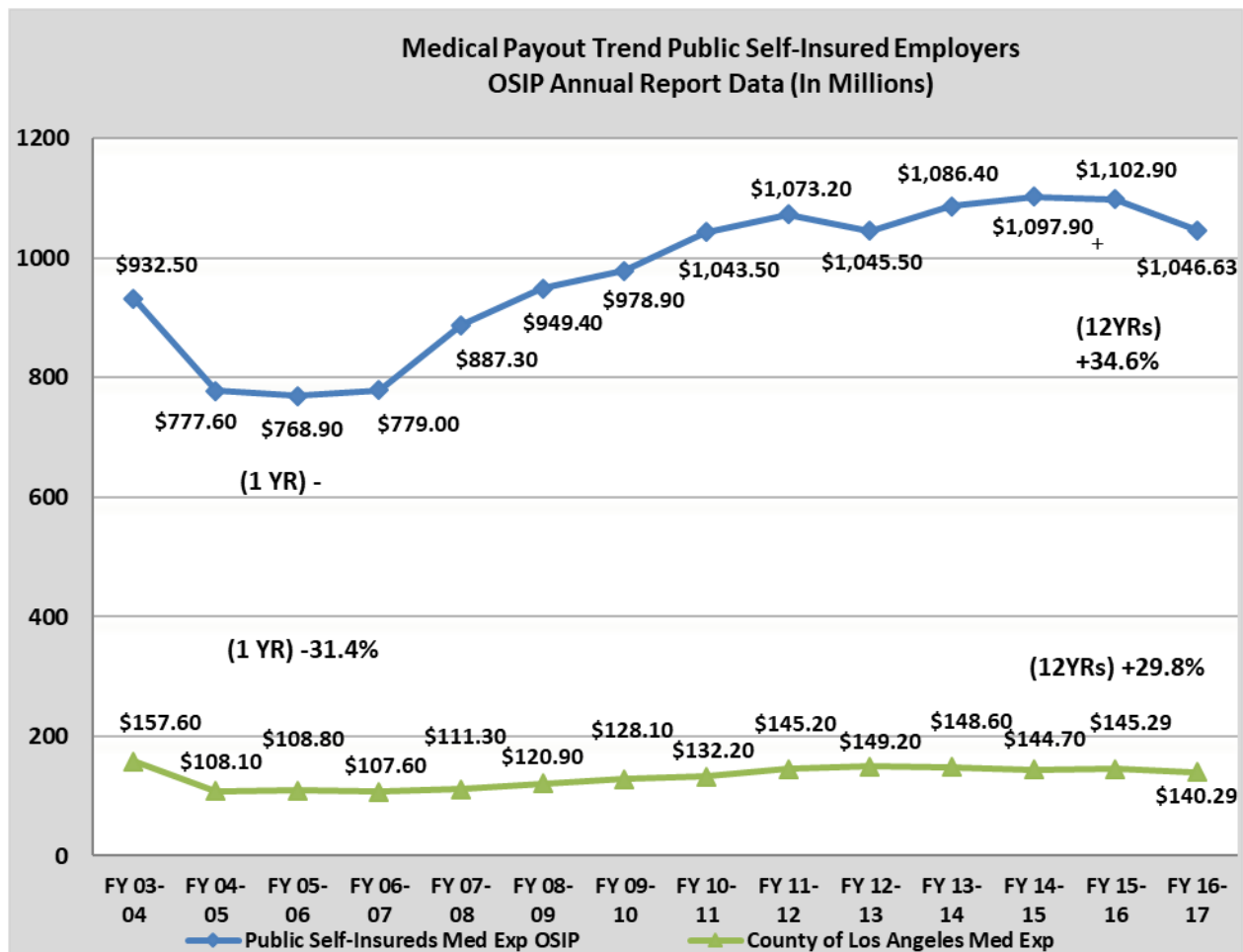
SOURCE: Commission on Health and Safety and Workers' Compensation – Data Source: WCIRB; Bureau of Labor Statistics



## 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 2017-18 payment information was not available at the time of the printing of this report.

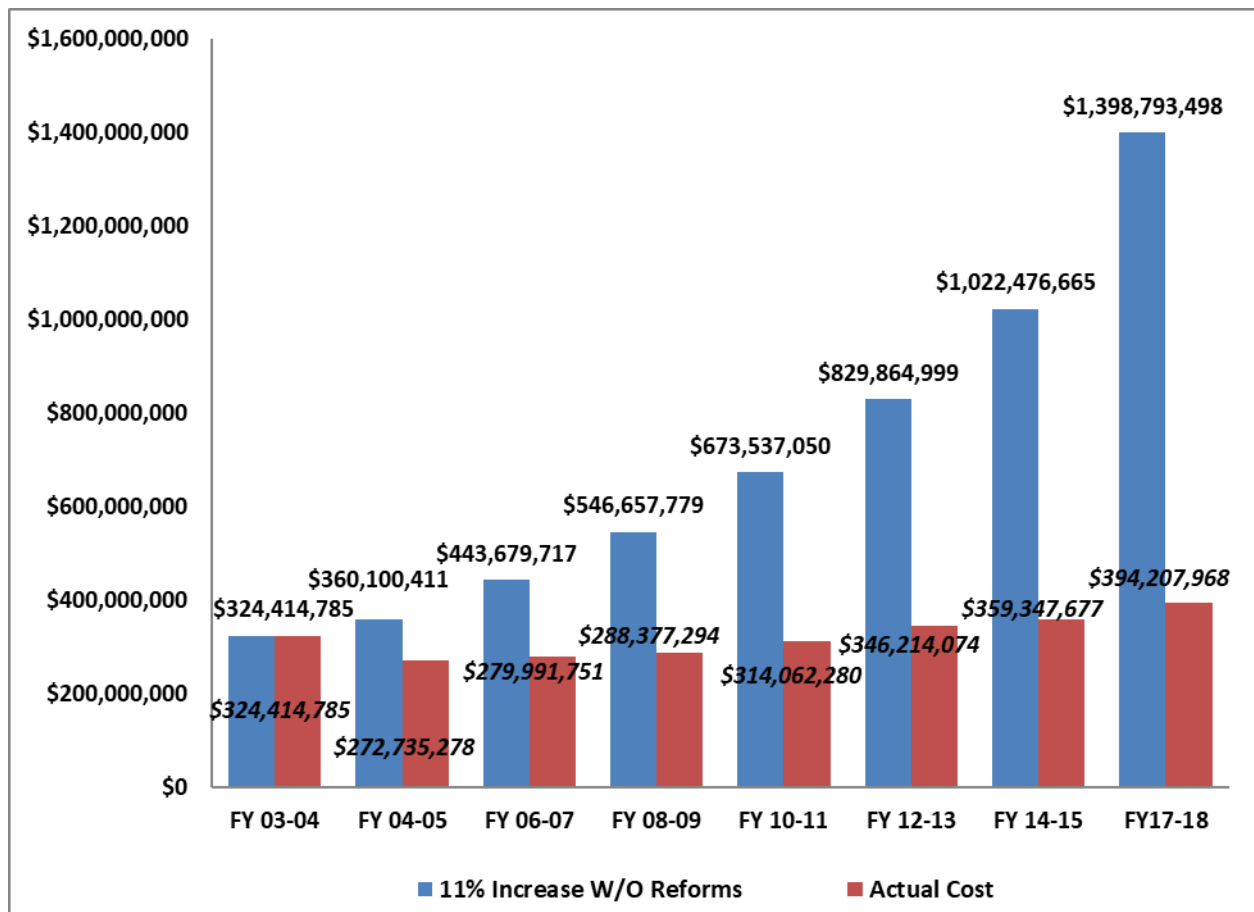


**WORKERS' COMPENSATION — EXPENSES (CONTINUED)**

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.

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



## WORKERS' COMPENSATION — MEDICAL MANAGEMENT COST CONTAINMENT

Medical expenses are the largest single component of the Workers' Compensation Program cost. During FY 2017-18, the Program received approximately 470,000 bills, accounting for 1,647,590 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's 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 staff 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 97.1% (an increase of 46.0% over the baseline).

- Increased home delivery to 19.9% (an increase of 145.7% over the baseline).
- Increased PBM Network penetration to 97.1% (an increase of 41.9% 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 12.8% of all County workers' compensation scripts written in FY 2017-18. This is lower than Express Scripts workers' compensation industry book of business results, which reflects the opioid therapeutic group accounts for 23% of all scripts written. It should be noted that the County's Workers' Compensation Program's low opioid rate is caused by the prescription mix that is influenced by the heart and cancer presumptions. In FY 2017-18, opioid spending decreased from \$1.459 million to \$1.317 million; a 9.7% decrease.

STRATEGY



SOLUTION

## WORKERS' COMPENSATION — OUTSTANDING LIABILITIES

As reflected in the Workers' Compensation Actuarial Study, the County's Workers' Compensation Program's outstanding liabilities as of June 30, 2018 was approximately \$2.86 billion (at a 50% confidence level). The increase was due, in part, to a change in reserving practices and increases in County payroll. Payroll is a commonly used factor to assess workers' compensation exposure. Specifically, the actuarial study notes a reported increase in County payroll of 26% from FY 2013-14 to FY 2017-18. The \$2.86 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's Workers' Compensation Program loss distribution indicate 14% of workers' compensation claims account for 81% of the total incurred (paid to date and remaining reserves). Additionally, 24% of payments (excluding salary continuation/Labor Code 4850) in FY 2017-18 are issued from claims older than 10 years.

Overall, the actuarial study points to the long-tail nature of workers' compensation exposures and expenses. As of June 30, 2004, the actuarial established future outstanding liabilities were \$2.63 billion (including Courts) and, as of June 30, 2018, the outstanding liabilities were \$2.92 billion (including Courts). This equates to an increase of 11% over a 14-year period. CEO Risk Management continues to evaluate various alternate risk techniques to stabilize exposures and expenses, including a loss portfolio transfer and lump-sum settlements for high exposure workers' compensation claims.

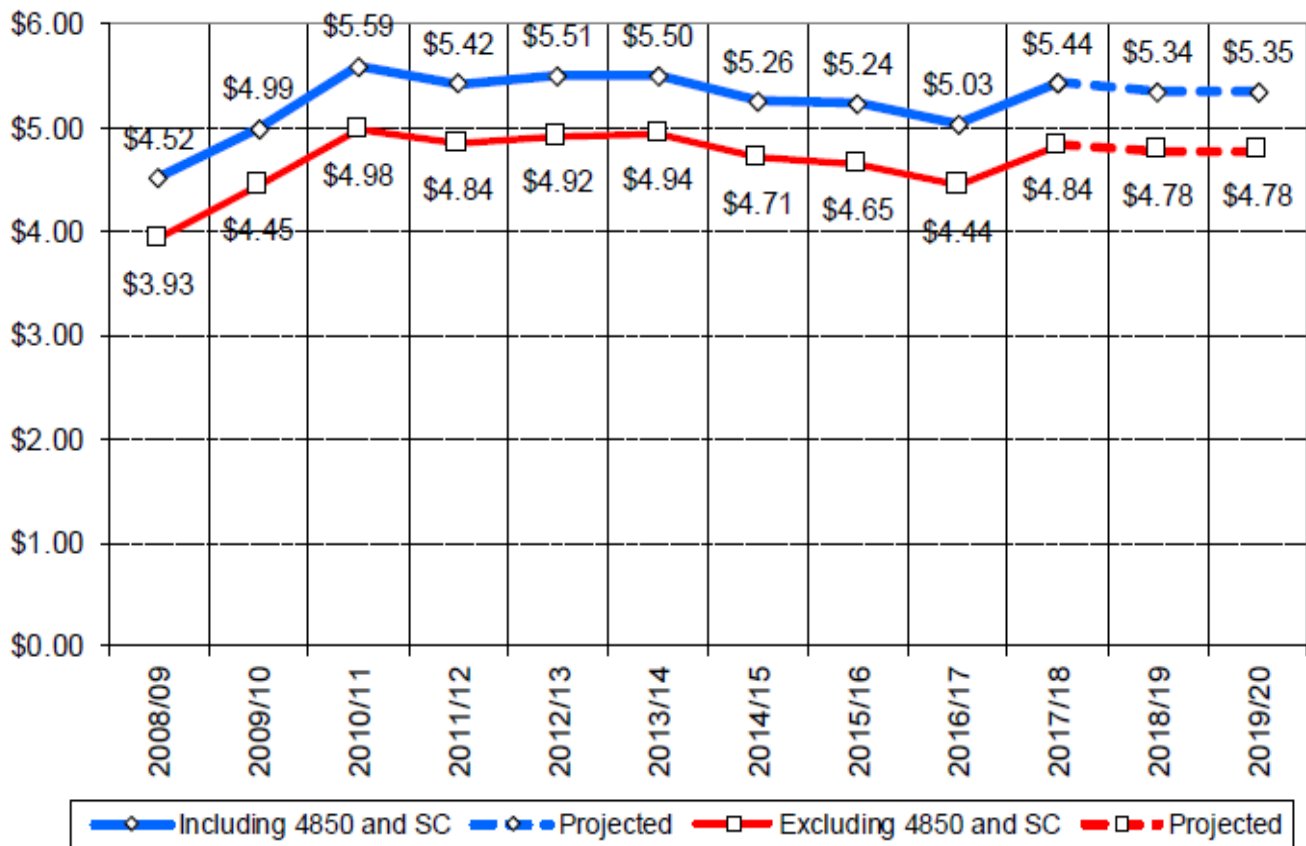
In FY 2017-18, CEO Risk Management and the Office of the County Counsel's Workers' Compensation Division implemented a workers' compensation claim settlement project. The goal of the project was to terminate future exposures and uncertainties of identified workers' compensation claims. The project resulted in the full and complete settlement, by compromise and release (C&R) agreement, of over 650 open and closed workers' compensation claims. The total payout related to these settlements was \$27.5 million. Approximately \$9 million of this was paid in the medical definite category and reduced significant future medical exposure. According to the actuarial study, the future payments on these claims cannot be determined with certainty; however, the potential savings could be between \$20 and \$30 million. The actuaries indicate "to the extent these claims would have developed more than the average historical claims, the potential savings from the C&R settlements may be significantly higher."

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
JUNE 30, 2018	\$2,859,122,586

### Loss Experience Trends

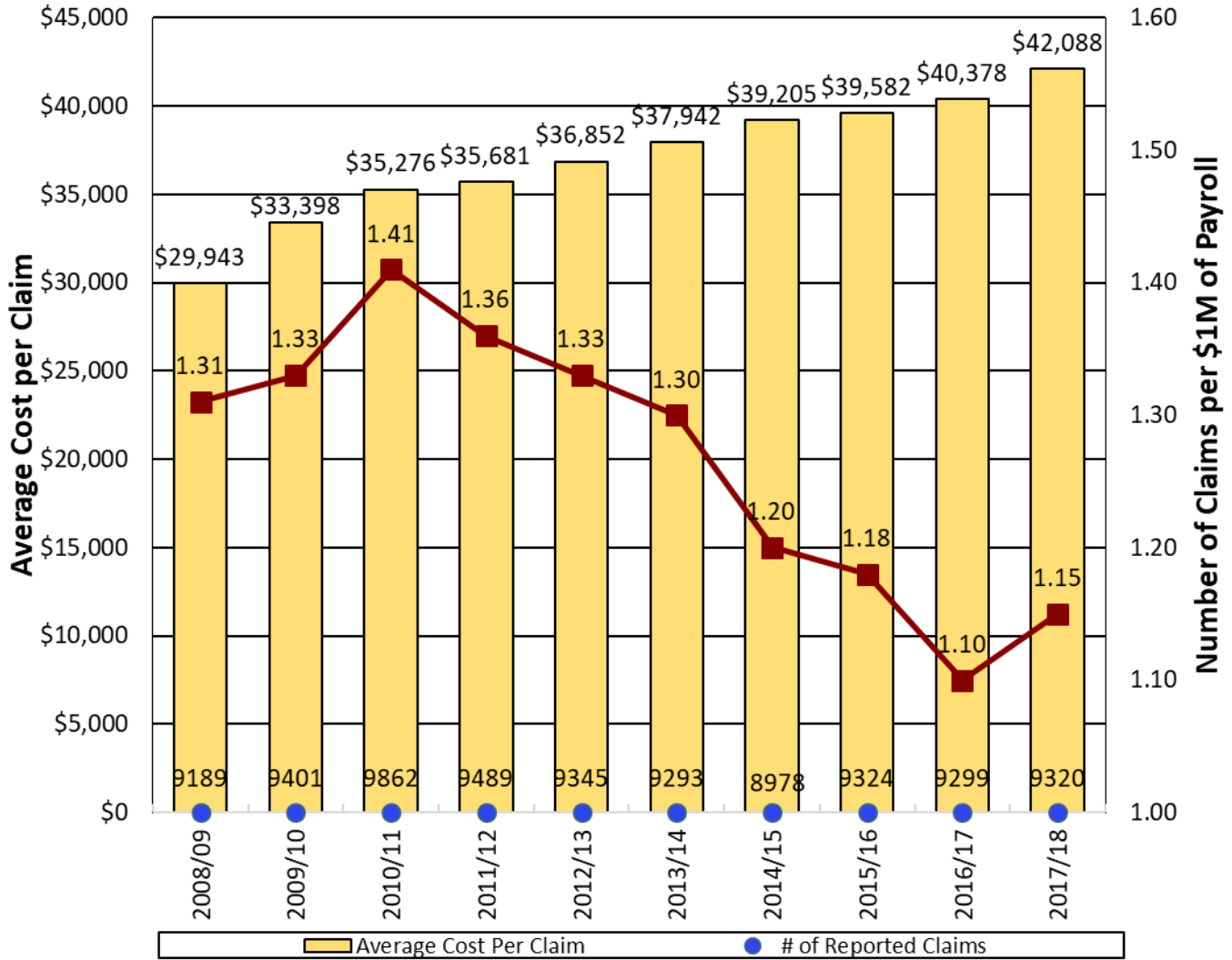
Graphs III-3 and III-4 show loss experience trends as measured by loss rate per \$100 of payroll and frequency and severity, respectively.

**Graph III-3  
Loss Rate per \$100 of Payroll**



Note: Loss rates excluding 4850 and salary continuation per \$100 of payroll are from Exhibit WC-10, columns (4) and (7).  
Loss rates including 4850 and salary continuation per \$100 of payroll are based on Exhibits WC-10, WC-4850-10, and WC-SC-10, columns (4) and (7).

**Graph III-4  
Frequency and Severity  
Excluding '4850' and Salary Continuation**



Note: Frequency amounts from Exhibit WC-8, Section I, column (7).

The loss experience trends, as measured by loss rate per \$100 of payroll, are projected to continue to rise approximately 1.6% over the next two fiscal years. This is the cost of claims per \$100 of payroll.

**WORKERS' COMPENSATION LOSS EXPERIENCE**

In FY 2017-18, the number of workers' compensation claims filed increased 0.7% (11,776 to 11,859).



## NUMBER OF WORKERS' COMPENSATION CLAIMS – FY 2009-10 THROUGH FY 2017-18



ACTIONS

CARE



COMPENSATION

## WORKERS' COMPENSATION PROGRAM — SIGNIFICANT ACCOMPLISHMENTS FY 2017-18

- After the implementation of the MED tracking and physician narcotic outreach programs, the County's Workers' Compensation Program has continued to experience a reduction in the number of opioid prescriptions filled and the costs associated with such.
- Completed the Request for Proposals and competitive bidding process for workers' compensation third party claims administration services. The Statement of Work calls for a reduction in claims examiner caseloads and provides services that will allow the implementation of a paperless claims administration system.
- Implemented medical management and cost containment contracts that will allow for the selection of a single workers' compensation medical provider network to provide workers' compensation medical treatment services.
- Continued to work with CEO Risk Management Finance and Data Analytics, as well as with the Office of the County Counsel to ensure the anti-fraud provisions of Senate Bill 1160 and Assembly Bill 1244 are 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 FY 2018-19

- Continue to 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 select third party claims administration contractors.
- In collaboration with MMCC contractors, implement a single medical provider network.
- Assist in the development of the workers' compensation module of the comprehensive RMIS.
- In coordination with CEO Risk Management's Data Analytics Unit, create a tool to monitor claims subject to the workers' compensation excess insurance policy that went into effect on October 1, 2018.
- Continue to work with public and private sector employers to evaluate workers' compensation legislation, regulation development, and eminent issues.



## 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 third party administrators: 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 2017-18, the Liability Claims and Recovery Unit provided:

- Reviews of County Departments' contracts and provided guidance on insurance and indemnification requirements in 163 contracts.
- Webinars to all County Departments on claims reporting, employee vehicle damage program, incident reporting, and recovery.
- Resolved disputes between Departments by conducting cost allocation reviews.
- Updated the Risk Management Inspector General on critical issues related to current claims.
- Provided direction and training to County Departments on the Mileage Permittee Program.
- Attended 350 roundtables with the Office of the County Counsel, third party administrators, and departmental personnel to provide direction and guidance to outside counsel on pending litigated matters.

## RESOLUTION

ACTIONS



COMPENSATION

## LIABILITY CLAIMS AND RECOVERY—ACCOMPLISHMENTS FY 2017-18

### RECOVERY

Carl Warren currently oversees a majority of the General Liability claims, Vehicle Liability claims, and Employment Practices Liability claims. Carl Warren is not solely responsible for the management of the respective programs under their purview since they share control of the entire claims administration process and have limits on their authority. This is evidenced by:

- Carl Warren was able to recover \$656,855 from responsible third parties from accidents to County vehicles and, with the assistance of the Office of County Counsel, recovered an additional \$549,421 General Liability damages.
- Reduced unwarranted charges from Defense Counsel bills by \$708,122.
- Along with the Office of the County Counsel, attended 14 trials that concluded with five defense verdicts.
- Provided staff development in new investigation techniques and current case law decisions.

Intercare oversees claims related to professional liability programs that encompass Medical Malpractice and Hospital Professional Liability. Intercare 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. Some of the many accomplishments in FY 2017-18 are:

- Secured Court approved judgments for the County in the amount of \$139,323.

- Reduced unwarranted charges from defense firm invoices by \$15,858.
- Attended five trials which all ended in defense verdicts.
- Conducted training for Health Services staff on Early Resolution Program and Patient Safety Law Updates.
- Continued in-service training for staff related to fraud detection, third party recovery statute, witness selections, fall investigation, and tenders.

### SMALL CLAIMS

CEO Risk Management's 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 (DHS) and the Sheriff's Department (Sheriff). A few of the achievements in FY 2017-18 are:

- Resolved 188 of 201 lost or stolen property claims from DHS and Sheriff.
- Represented the County in 71 small claims court actions and achieved a 75% success rate.
- Received 95 cases for subrogation recovery and recovered \$218,856 from responsible third parties and their insurance companies.

## RECOVERY

### FIRST PARTY INSURANCE RECOVERY

In this fiscal year, the County was able to recover from its insurance company a total of \$658,854 in building and content damages from the flood that occurred at the Kenneth Hahn Hall of Administration building in December 2017.

The County also realized additional cost avoidance by use of the County's Aviation policy to pay for damages caused by the County's extensive Air Operations. The County was also able to avoid the expense of litigation when the County tendered the defense and indemnification for a dog bite that arose from County's contractual obligation with the City of Thousand Oaks. These types of recoveries are hard to fully quantify but they exceed \$200,000.

## COST



## RESOLUTION

### WORKERS' COMPENSATION

The Liability Claims and Recovery Unit has focused considerable efforts to improve recovery in FY 2017-18. The new subrogation process developed in FY 2016-17 was fully implemented this year. The key components of the new process resulted in:

- Improved identification by weekly reviewing all losses for subrogation.
- Comprehensive investigation early in the life of the file to identify responsible third parties that caused injury to County employees.
- Timely notification of responsible third parties and their insurance carriers to address losses to the County.
- Increased focus and use of subrogation credits to reduce future County payments.

In FY 2017-18, the new process provided a recovery to the County of \$1,342,724. This is a 23% increase over FY 2016-17. Additionally, there is potentially a \$2,804,140 credit against future benefits.

The Workers' Compensation third party administrators recognized and recovered refunds from providers, totaling \$2,683,576.

The County's Onsite County Representatives identified and collected \$437,894 from the County's contractors' errors and/or omissions.

A detailed list of recoveries is included on the next page.

**LIABILITY CLAIMS AND RECOVERY—ACCOMPLISHMENTS FY 2017-18 (CONTINUED)**

<b>TYPE OF RECOVERY</b>	<b>AMOUNT RECOVERED</b>
Carl Warren Subrogation (Auto Property Damage)	\$656,855
Carl Warren and County Counsel (General Liability)	\$549,421
Carl Warren Bill Review (Legal Expense)	\$708,122
Intercare and County Counsel (Medical Malpractice)	\$139,323
Intercare Bill Review (Legal Expense)	\$15,858
Small Claims Subrogation Recovery	\$218,856
Recovery from County Purchased Insurance	\$658,854
Litigation Cost Avoidance through County Purchased Insurance	\$200,000
Workers' Compensation Third Party Recovery	\$1,656,591
Workers' Compensation Secured Credit Against Future Benefits	\$2,804,140
Recovery from Third Party Administrators' Errors or Omissions	\$437,894



## LIABILITY CLAIMS AND RECOVERY—OBJECTIVES FY 2018-19

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 enhance claim and recovery processes in the County by:

- Developing and implementing a standardized Countywide Mileage Permittee Program. This will provide efficient and effective handling of employee claims for damage to their vehicles while performing County business. Some of the key features will include:
  - Establishing minimum standards and education for Departments to follow to effectively handle these claims.
  - Use of independent appraisal services for damage valuation for high-cost repairs.
  - Training for Department personnel on proper program administration.
  - Work with the Auditor-Controller to provide effective auditing for performance and compliance.

- Developing a Request for Proposals for the Auto Liability and General Liability Claims Administration.
- Continuing to assist in the development and testing of the new comprehensive RMIS.
- Continuing to search for and develop better monitoring methods to increase the effectiveness of the County's third party administrators.

AUTHORITY

STANDARDS

EFFECTIVENESS



OVERSIGHT

# 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 2017-18 can be summarized into the following six classifications for approximately 91.0% of the injuries sustained by County employees.

#### ASSAULT (10.7% of all claims)

Assaults include all aspects of a third party combating with County employees. Departments with the majority of assaults include: Sheriff (62.9%), Probation (18.9%), and Health Services (15.3%).

#### CUMULATIVE TRAUMA/BODILY INJURY

(19.5% 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 (21.2%), Public Social Services (20.2%), Health Services (15.7%), and Fire (13.0%).

#### EXPOSURE (11.5% 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 (32.6%), Fire (23.9%), and Health Services (23.3%).

#### OVEREXERTION (19.9% of all claims)

Overexertion includes those that involve strain or injuries due to lifting, carrying, pushing, or pulling. Departments with the most cases include: Fire (33.8%), Sheriff (15.7%), and Health Services (12.1%).

#### STRUCK BY/OR AGAINST (17.6% of all claims)

This category includes injury resulting from being struck/crushed by a human, animal, or inanimate object, or by force that is not vehicle related. Additionally, this can include injury caused by striking against something or someone, or from flying or falling objects. Major Injury Cause categories include: Struck or Injured By, Rub or Abraded By, and Struck Against or Stepping On. Departments with the most cases include: Sheriff (87.3%), Probation (2.2%), and Children and Family Services (2.0%).

#### FALL, SLIP, OR TRIP (11.8% 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 cases include: Health Services (22.0%), Public Social Services (14.8%), Sheriff (13.6%), Fire (10.2%), and Probation (8.1%).

#### OTHER (9.0% of all claims)

This category includes all other causes, including, but not limited to: presumptive injuries, cardio-vascular-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	18.2%	0.1%	10.3%	1.0%	32.7%
Cumulative Trauma/Bodily Injury	11.2%	18.6%	19.5%	43.6%	16.2%
Exposure	10.2%	20.1%	17.0%	2.4%	3.4%
Overexertion	8.4%	49.1%	15.3%	19.1%	17.0%
Struck or Injured By	41.6%	1.2%	1.5%	3.1%	6.3%
Fall, Slip, or Trip	4.3%	8.8%	16.6%	19.2%	15.6%
All Other Claims	6.0%	2.1%	19.8%	11.6%	8.8%
<b>Grand Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## PREVENTION

MEDICAL



CARE

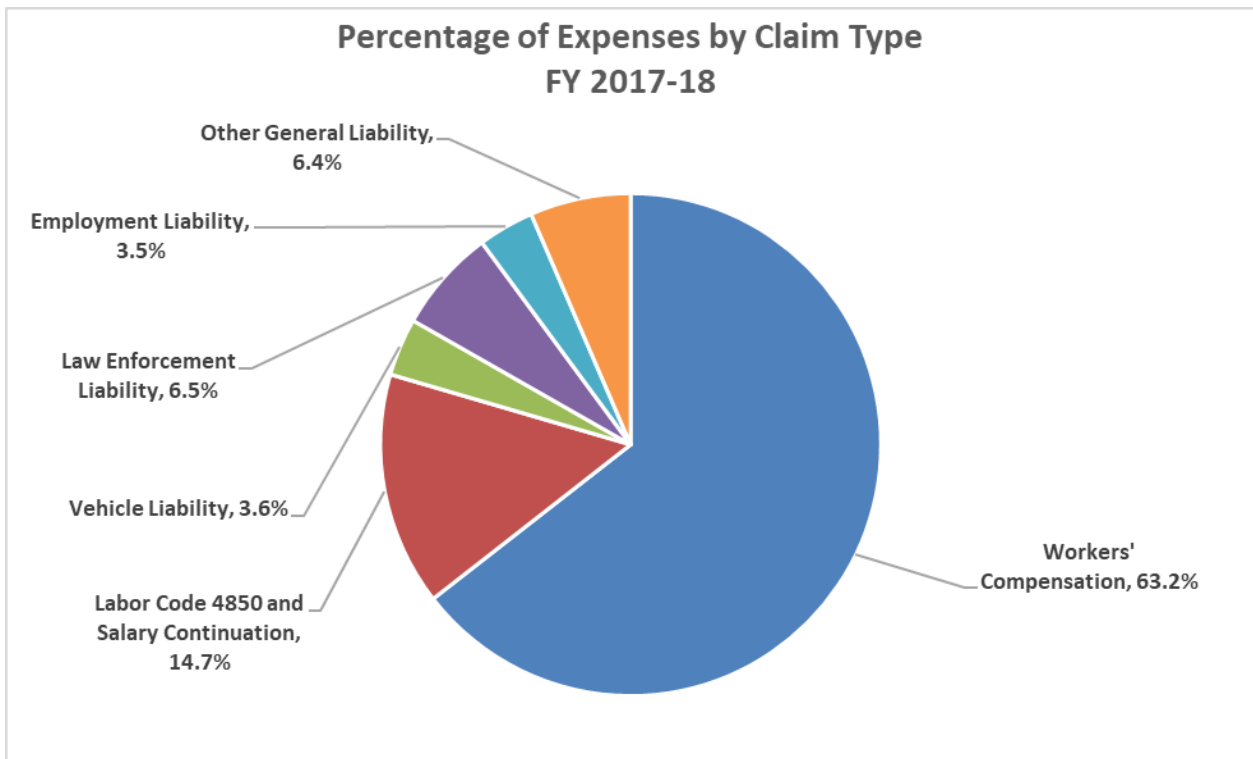
AVOIDANCE

## 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 22.1% of the County's Total Cost of Risk.

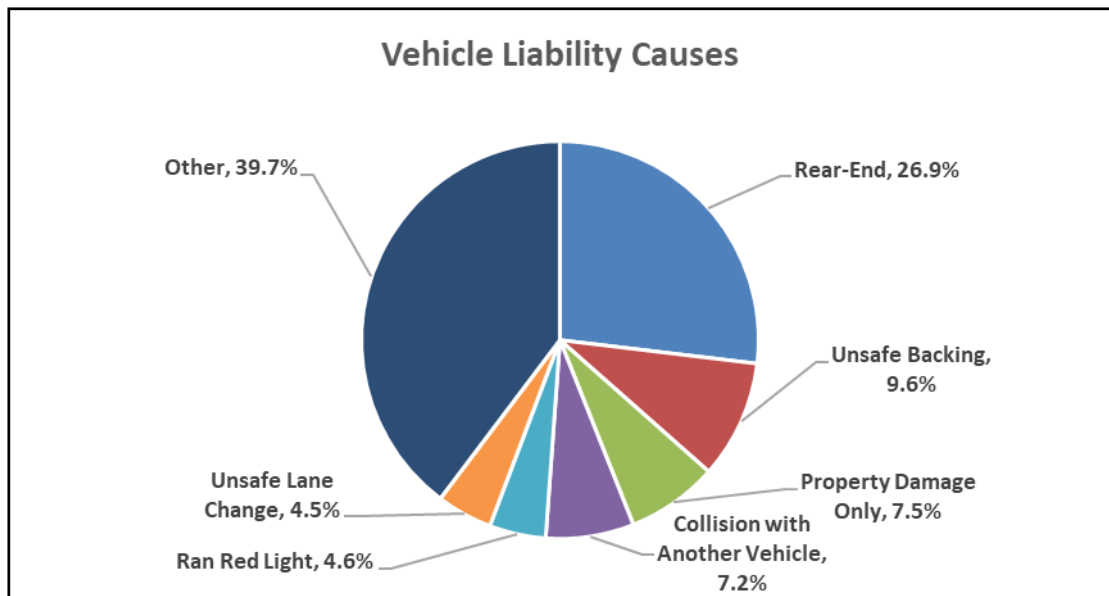
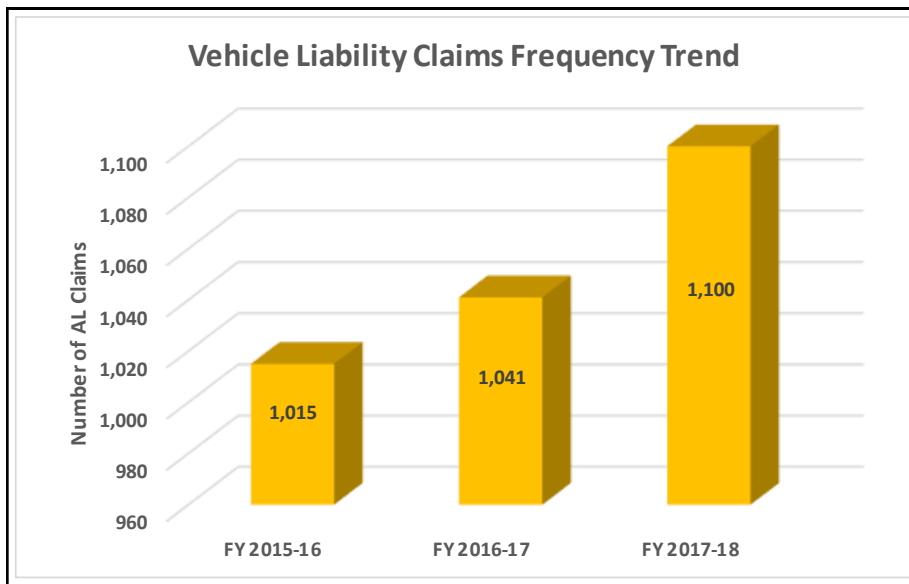


## VEHICLE LIABILITY CLAIMS

The County's Vehicle Liability frequency increased 5.7% from FY 2016-17 to FY 2017-18. The cost of vehicle liability claims increased by approximately 31.0% 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 26.9%.

Vehicle liability represents approximately 3.6% of the County's Total Cost of Risk.

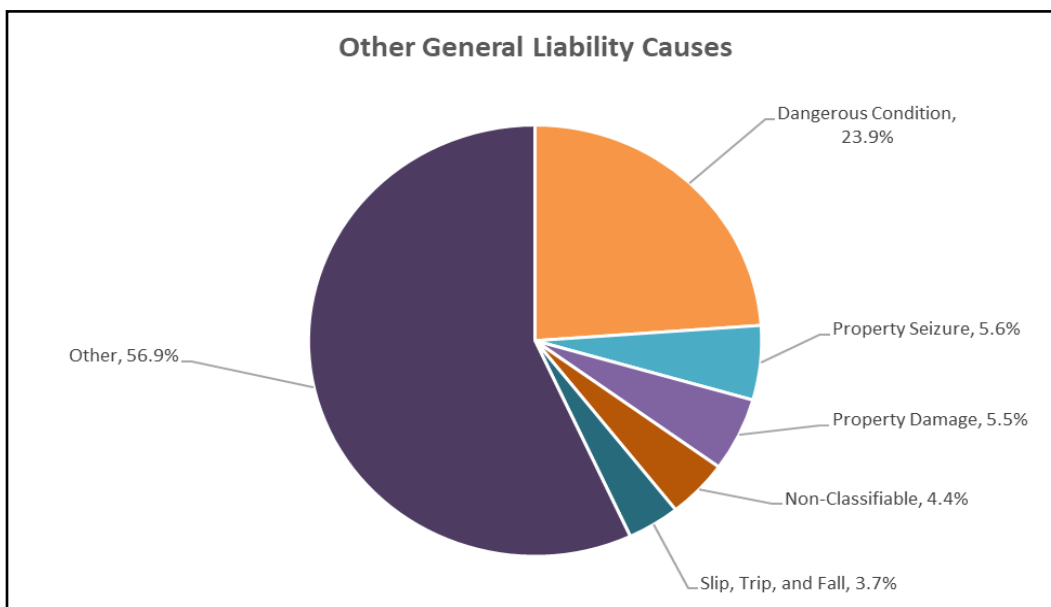
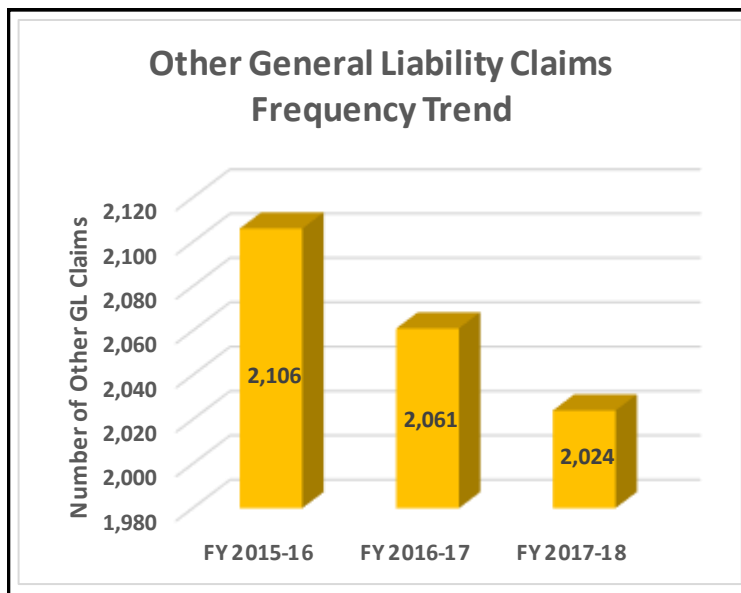


## OTHER GENERAL LIABILITY CLAIMS

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 1.8% from FY 2016-17 to FY 2017-18.

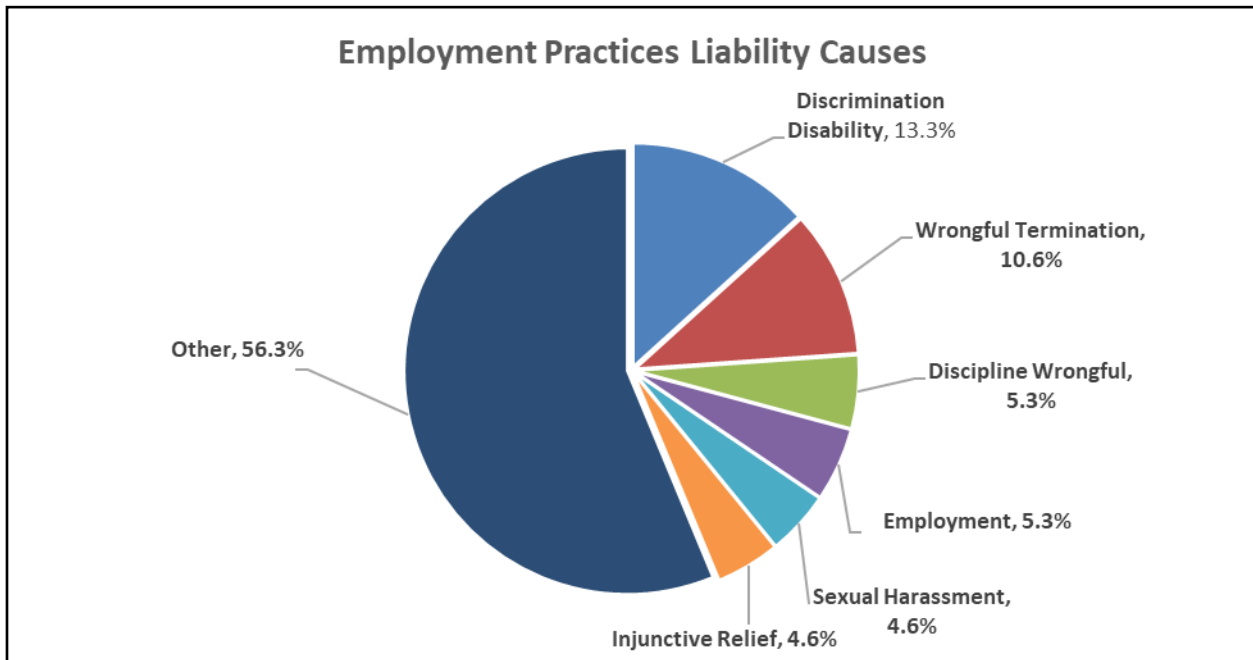
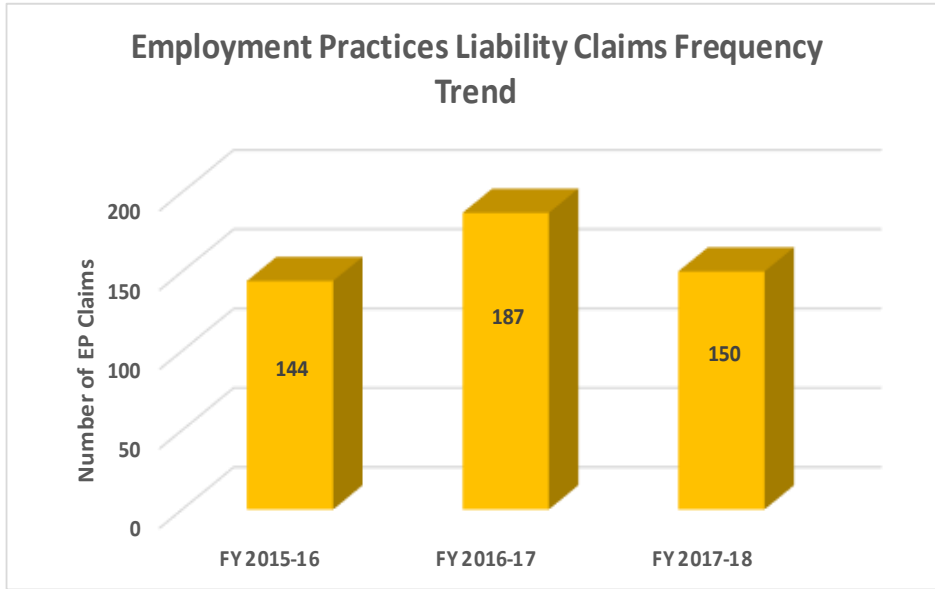
Other General Liability represents 6.4% of the County's Total Cost of Risk.



## EMPLOYMENT PRACTICES LIABILITY CLAIMS

The County's Employment Practices Liability frequency decreased by 19.8% from FY 2016-17 to FY 2017-18. The County's overall Employment Practices Liability expenses increased by 27.6%.

Employment Practices Liability represents 3.5% of the County's Total Cost of Risk.



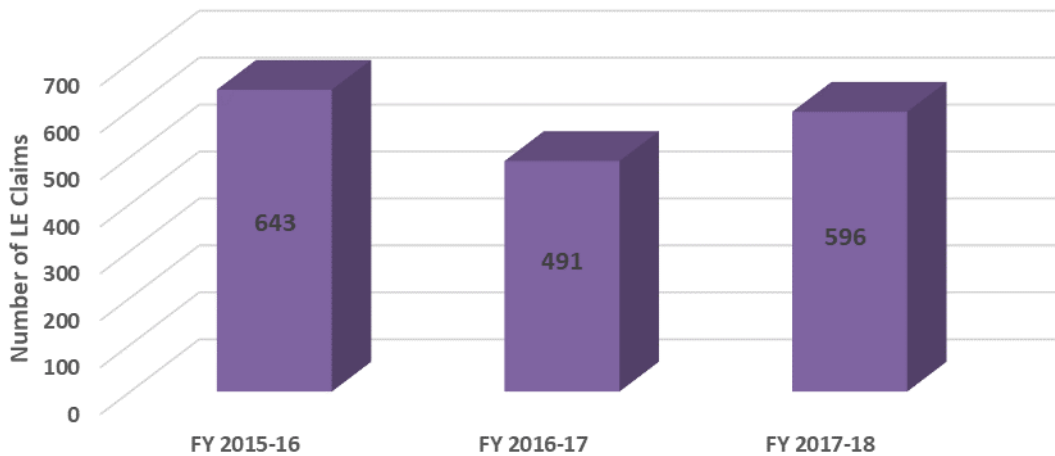
## LAW ENFORCEMENT LIABILITY CLAIMS

The County's Law Enforcement Liability frequency rate increased 21.4% for FY 2017-18, compared to the previous fiscal year, and paid expenses decreased 17.6%.

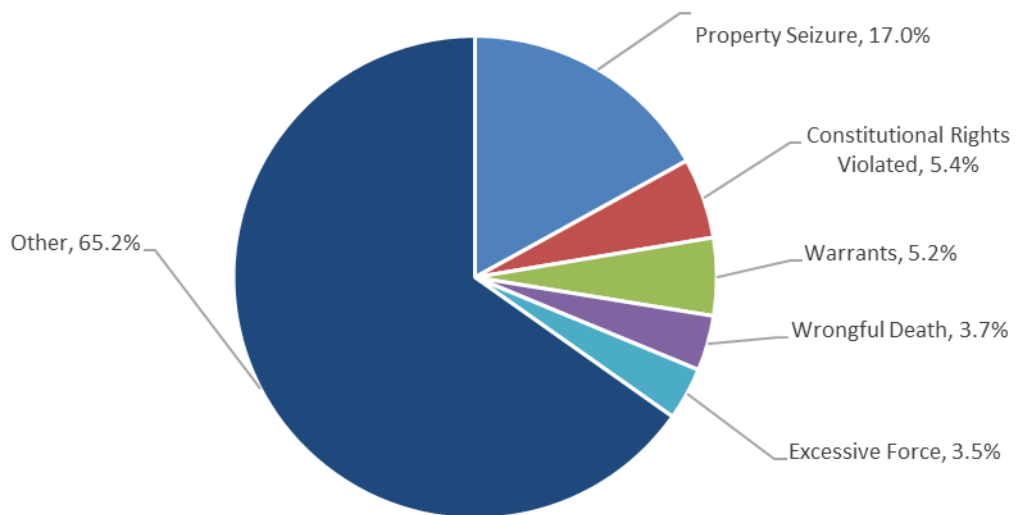
The most prevalent claims were for "Property Seizure" and "Constitutional Rights Violated," which represent 17.0% and 5.4%, respectively.

Law Enforcement Liability represents 6.5% of the County's Total Cost of Risk.

### Law Enforcement Liability Claims Frequency Trend



### Law Enforcement Liability Causes



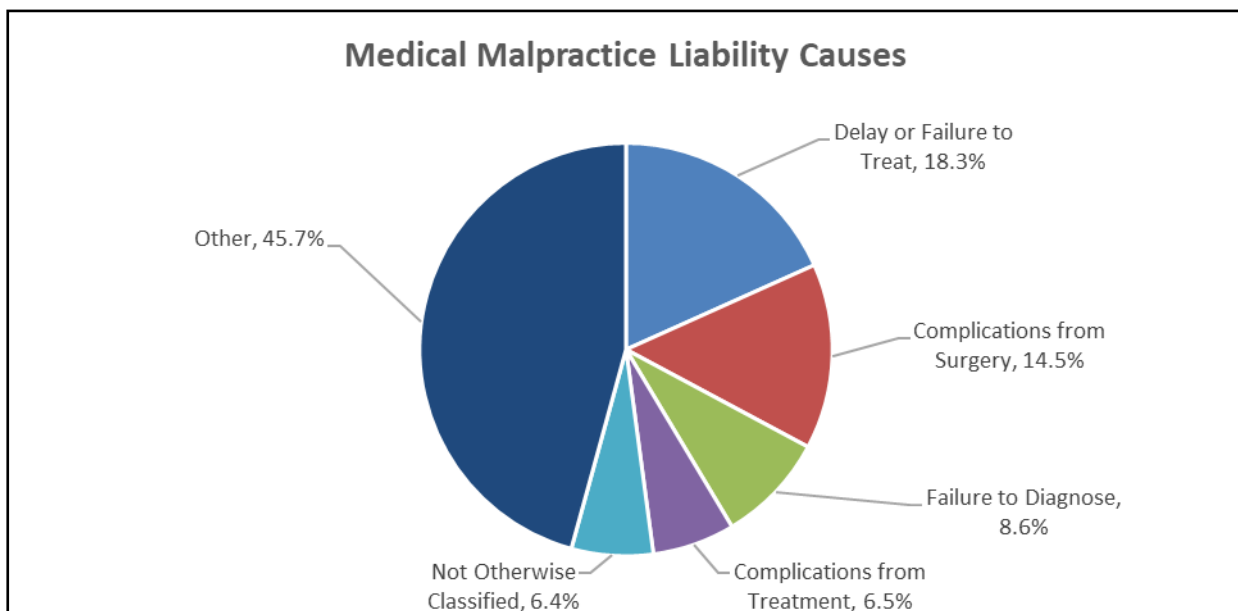
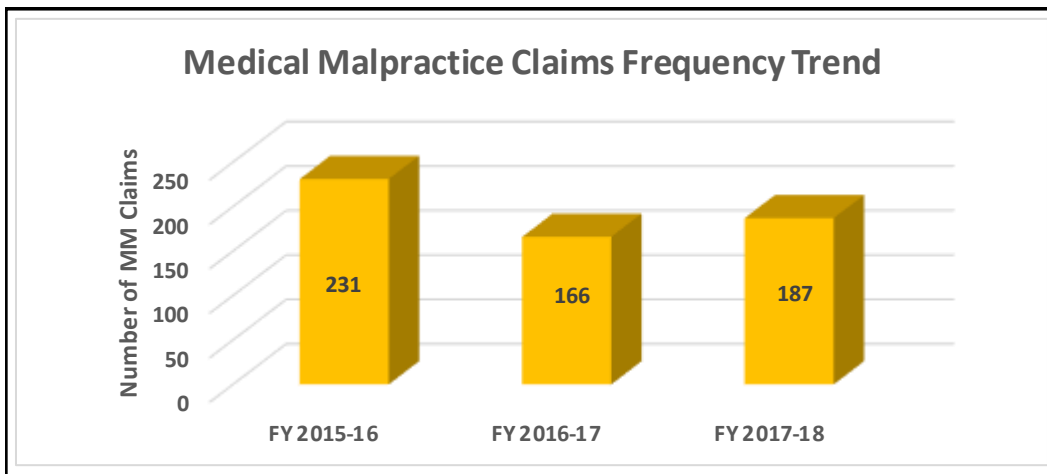


## MEDICAL MALPRACTICE CLAIMS

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 (18.3%), surgery complications (14.5%), and failure to diagnose (8.6%).

The County's Medical Malpractice Liability overall frequency increased 12.7% from FY 2016-17 to FY 2017-18. 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 15.0% in FY 2017-18, compared to FY 2016-17.

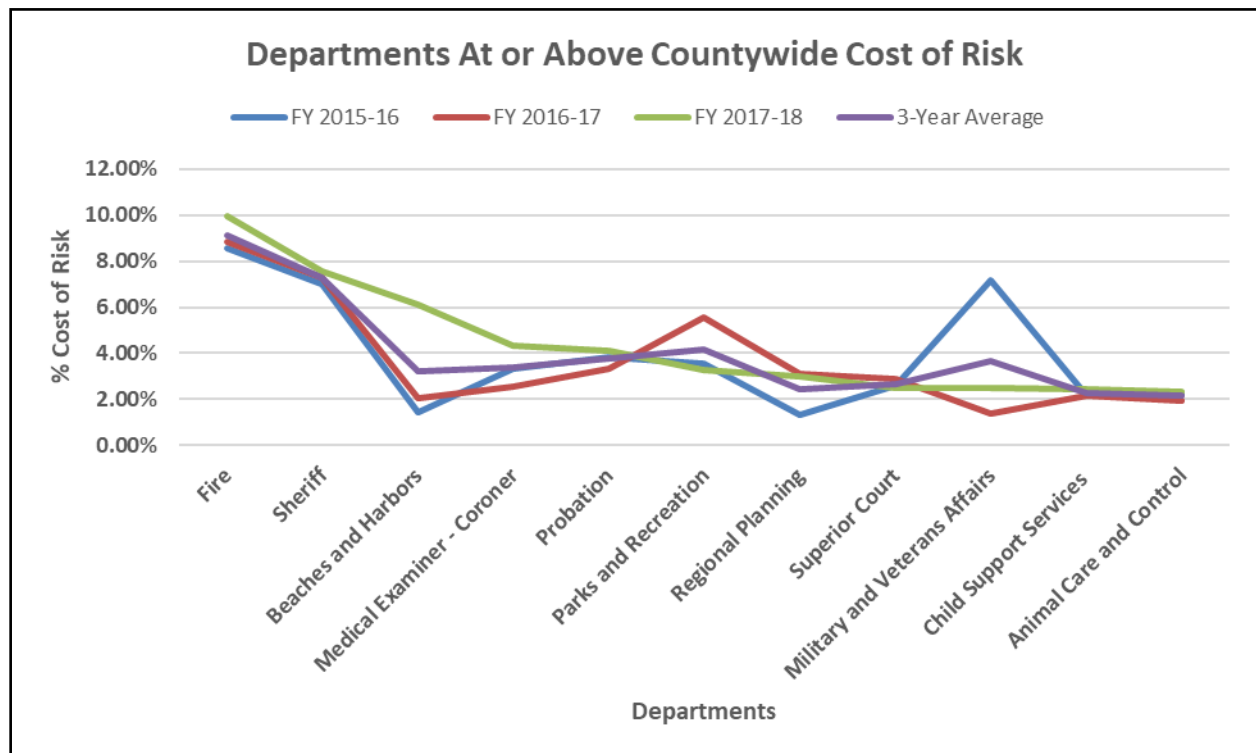
Medical Malpractice Liability represents 2.1% of the County's Total Cost of Risk.



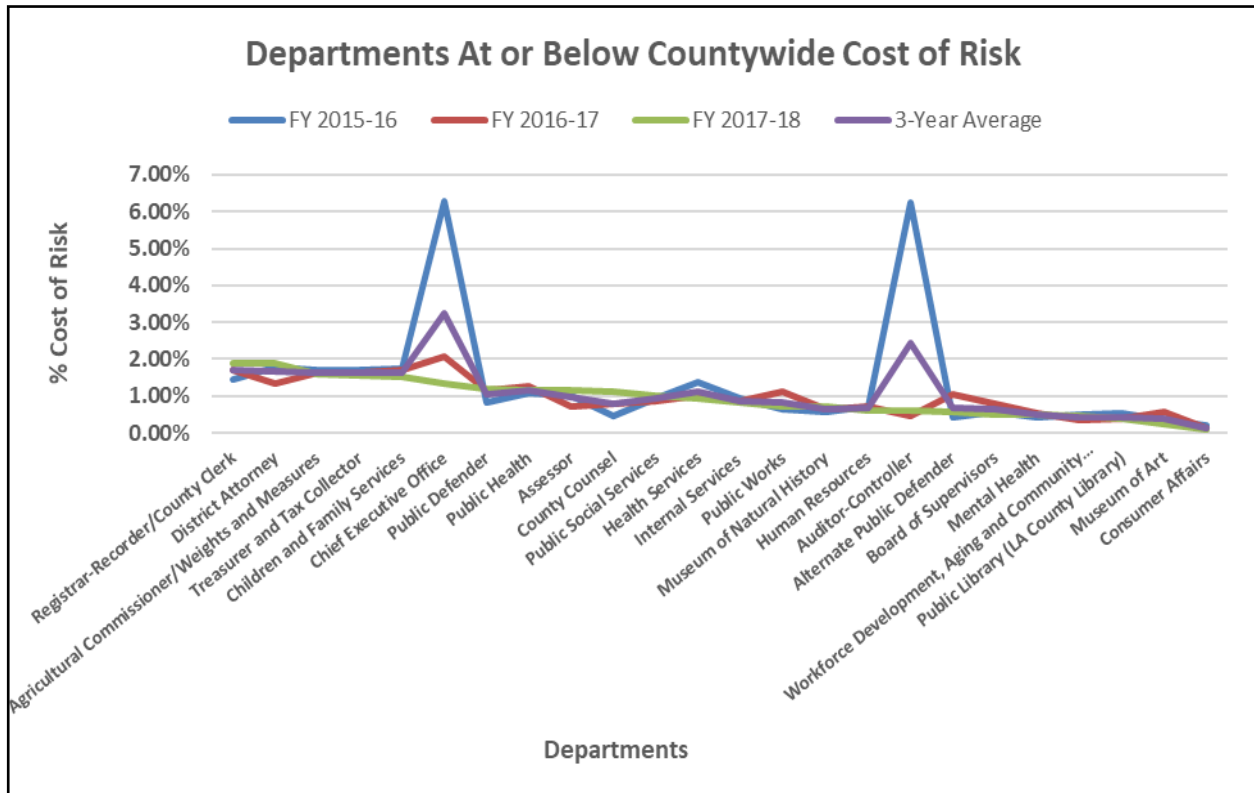
## DEPARTMENT TRENDS

The Cost of Risk for 11 Departments is trending above the Countywide average. Military and Veterans Affairs had a spike in General Liability claims in FY 2015-16 that drastically biased their Cost of Risk. Its Cost of Risk was influenced by claims that involved contractual and procedural issues within the Department.

EVALUATION  
 STRATEGY  
 SCOPE  
 PRIORITIZATION



## DEPARTMENT TRENDS (CONTINUED)



## PREVENTION

SOLUTION



MITIGATION

## LOSS CONTROL AND PREVENTION

The Loss Control and Prevention (LCP) Unit, within the Risk Mitigation Section of 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's activities include the following:

- Establishing County loss control and prevention standards and assisting Departments.
  - Addressing cost drivers associated with issues driving workers' compensation and tort liability costs, including vehicle, general, employment practices, and medical malpractice liability costs.
  - Providing loss control consulting to Departments to improve their programs, procedures, and policies relating to their risks and cost drivers.
  - 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, subject matter experts, and other resources and materials.
  - Enhancing loss control and prevention knowledge and capabilities within County Departments through Health and Safety Coordinator meetings, participation in departmental safety and risk management committees, Countywide education, and training efforts.
- Leading the Best Practices Sub-Committee of the Legal Exposure Reduction Committee (LERC). Committee projects are described in the LERC Annual Report and include:
    - Vehicle Liability – implementing the drive-cam pilot study in a sample of County pool vehicles and evaluating the benefit of vehicle telematics on the reduction of claim frequency and severity.
    - Defensive Driver Training – establishing Countywide training programs offered through the County's Learning Management System and the CEO Risk Management website.
    - Ergonomics – implementing a pilot study of ergonomic self-assessment software within a County Department and evaluating the benefits of the program through claim frequency reduction.
  - 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.
  - Serving as subject matter experts for Departments in responding to California Occupational Safety and Health (Cal/OSHA) complaint letters, citations, and informal conferences.

## LOSS CONTROL AND PREVENTION — SIGNIFICANT ACCOMPLISHMENTS FY 2017-18

LCP focused 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:

- Established County loss control and prevention standards and assisted Departments in the implementation process, including the development of Environmental Health and Safety Best Practices for Lead, Mold, and Asbestos remediation projects.
- Actively participated in the Vision Zero Committee Action Plan to reduce vehicle-related fatalities and serious accidents throughout Los Angeles County.
- Provided over 600 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.
- Worked with the County's property insurer to survey County establishments for potential sources of loss, and worked with County Departments to resolve deficiencies when identified.
- Actively worked with other County Departments, subject matter experts, and vendors to coordinate training video development to enhance the educational opportunities on CEO Risk Management's education library.
- Developed a second version of the defensive driver training video for use by County Departments to better suit their training and educational needs.
- Enhanced the provision of training and educational opportunities to County personnel through use of digital platforms, such as Go-To-Meetings, Go-To-Webinars, Vimeo, and SharePoint.
- Enhanced the standard product list for ergonomic equipment used by the County's Workers' Compensation third party administrators as part of an integrated cost containment strategy related to ergonomic evaluations for workers' compensation cases.
- Implemented the second phase of the ergonomic self-assessment software pilot program within the Department of Treasurer and Tax Collector.
- Coordinated Health and Safety Coordinators meetings attended by over 300 County Safety Officers, Human Resources personnel, and others with safety responsibilities. The meetings covered:
  - Drive-Cam technology
  - Defensive Driver Training
  - Hotwork and Confined Space Awareness
  - Property Loss Control Surveys
  - Department of Motor Vehicles Employer Pull Notice Programs
  - Water Intrusion and Mold Prevention
- Participated in several Countywide and departmental 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.

## LOSS CONTROL AND PREVENTION — OBJECTIVES FY 2018-19

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

### **Training and Development of Countywide Risk Management Staff**

- Utilizing the Risk Management Forum and Quarterly Health and Safety Coordinators meetings, will provide County risk management personnel with regulatory updates and pending legislation, departmental cost drivers, and County claim frequency and severity performance.
- Continue to coordinate and develop training videos and other related training content for placement on the CEO Risk Management website for use by all County personnel. The videos will cover a wide range of risk mitigation topics and also utilize subject matter experts when necessary. Additionally, webinars will continue to be conducted to address regulatory updates and requirements as they are implemented throughout the course of the year.

### **Cumulative Trauma/Overexertion Claims**

- Coordinate efforts with the Joint Labor-Management Committee on Office Ergonomics to provide training on how to conduct effective worksite ergonomic evaluations. A total of 60 employees in 25 County Departments will be trained over the course of four sessions. Additionally, the training will continue to be provided on an ongoing basis to ensure properly trained staff are available to perform this function.

- Update the Joint Labor-Management Committee on Office Ergonomics website to provide ease of use, as well as acquire additional electronic educational materials for use by County employees.
- Evaluate new ergonomic trends, practices, and equipment for injury and illness prevention and workers' compensation claim cost minimization.

### **Vehicle Liability**

- Work with County Departments to revise, develop, or enhance their vehicle liability programs to ensure employees receive appropriate training and Departments establish procedures for the safe operation of vehicles during County business.
- Evaluate the results of the drive-cam pilot study implemented in a sample of County pool vehicles.



## 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 and Recovery, and the Office of the County Counsel to meet the mandates established by the Board.

This includes the requirement of all County Departments to include a SCAP approved by RMIG as part of any claim settlement over \$100,000. Accordingly, RMIG manages CAPs and SCAPs through the process noted below.

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

- Weekly review of all liability claims entered in the claims system to determine early intervention, prevention, and containment efforts.
- Conduct detailed analysis of liability 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 CAP and SCAP 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, the Office of the 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 during FY 2017-18 is illustrated on the next page.

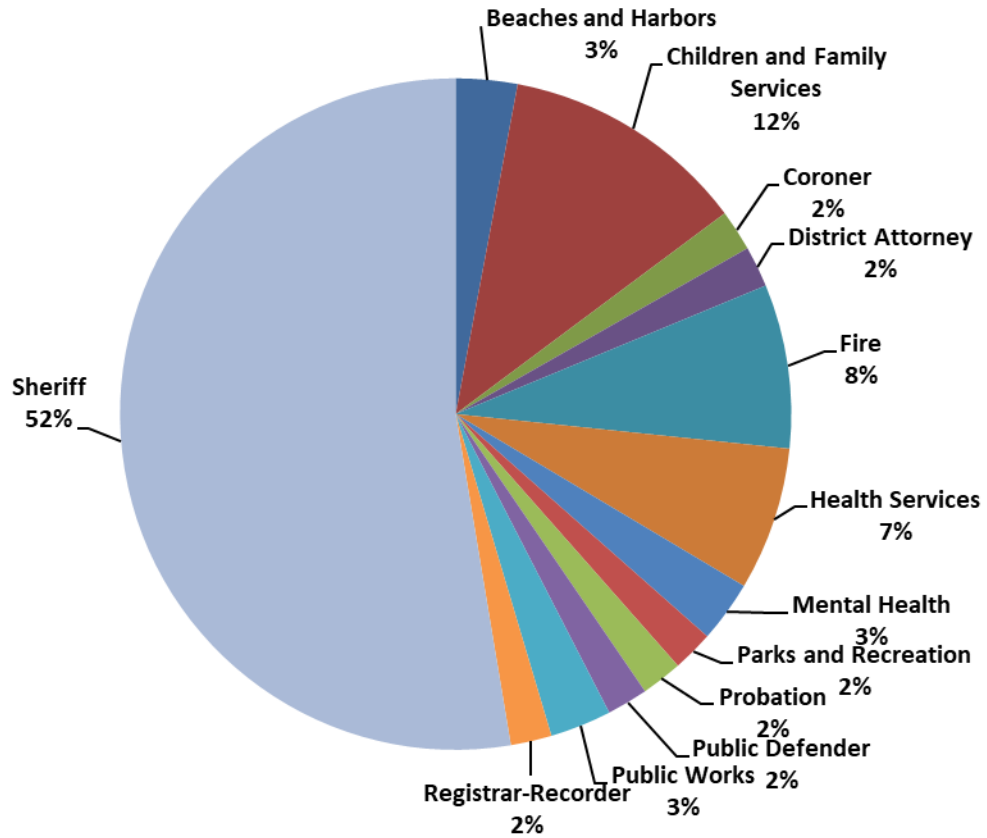
### AVOIDANCE



ACTIONS

### CORRECTIVE

### CAPs Approved During FY 2017-18



Total Number of Approved CAPs = 60

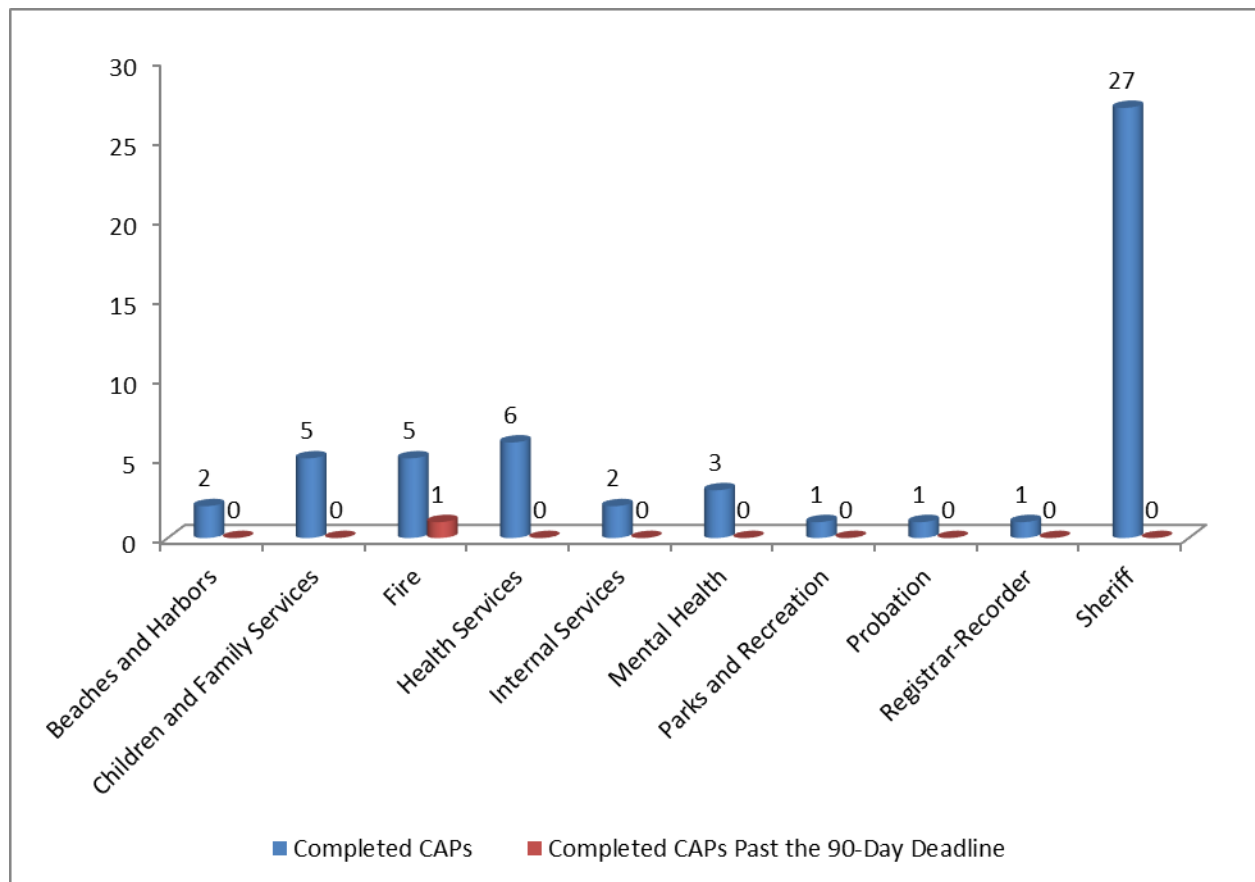


## RISK MANAGEMENT INSPECTOR GENERAL — SIGNIFICANT ACCOMPLISHMENTS FY 2017-18

For the past nine years, RMIG has co-chaired the LERC’s Medical Malpractice Sub-Committee, which has led to more thorough communication and best practices Countywide.

RMIG collaborated with the Board, the Office of the 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, the majority of Departments have met these new deadlines without challenges.

The chart below illustrates the number of CAPs completed within 90 days for FY 2017-18.



**RISK MANAGEMENT INSPECTOR GENERAL — SIGNIFICANT ACCOMPLISHMENTS FY 2017-18 (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 regarding potential issues, as well as successes they 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 were not limited to: 1) root cause analysis discussions; 2) how to write CAPs; 3) applicability notices; and 4) 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.



## RISK MANAGEMENT INSPECTOR GENERAL — OBJECTIVES FY 2018-19

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.

# JUST



# CULTURE

New projects include:

The LERC Medical Malpractice Sub-Committee will evaluate the risks and benefits associated with installing Automated External Defibrillators Countywide.

RMIG will collaborate on the extensive development of the comprehensive RMIS to integrate the Risk Compliance Management System into applicable claims metrics. The new system will allow for the creation and tracking of CAPs, and will automatically assign CAPs to relevant business areas and organizational structures. The new system is expected to generate a variety of status reports based on the progress of corrective actions, and will further assist in correlating the impact of the CAP to other loss measurements. Additionally, the system will provide a single clearinghouse for the storage of all reference documents and exhibits related to the CAP process.

In collaboration with the Liability Claims and Recovery Unit, RMIG will continue reviewing, revising, and updating high-priority claims on a weekly basis. Over the past fiscal year, RMIG has encouraged a more in-depth preliminary review of claims to determine essential and often complex case facts in order to promote early intervention and containment efforts by Departments.

RMIG will continue to host regular Applicability presentations and/or webinars online, as well as additional webinars on topics of interest to Departments.

## RISK TRANSFER

The Risk Transfer Unit is responsible for purchasing commercial insurance Countywide, handling/issuing certificates of self-insurance Countywide, conducting insurance compliance reviews Countywide, 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 FY 2017-18

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.

Risk Transfer created a triage system and is currently drafting guidelines and procedures to determine high risk and essential buildings within the County. This was accomplished with the collaboration of the development of the Deferred Maintenance Building Condition Assessments and Asset Management Database. As a result, 76 high risk and essential County buildings were added to the FY 2018-19 Property Insurance Policy in April 2018. The decision was made from a risk management perspective and took into account various factors such as location, population, and function of the buildings to ensure that high risk and essential County properties have the necessary insurance.

Risk Transfer continued to provide Countywide insurance compliance reviews and indemnification and insurance trainings, and advise all County Departments on acceptable risk transfer techniques to protect the County from indemnity and legal costs associated with claims which may arise from the activities of County contractors.



## RISK TRANSFER — SIGNIFICANT ACCOMPLISHMENTS FY 2017-18 (CONTINUED)

Risk Transfer conducted 571 indemnification and insurance reviews for Departments during FY 2017-18. The chart below illustrates the number of reviews completed per Department.

DEPARTMENT	COMPLETED REVIEWS
Agricultural Commissioner/Weights and Measures	2
Animal Care and Control	5
Auditor-Controller	2
Beaches and Harbors	25
Board of Supervisors	14
Chief Executive Office	83
Chief Information Office	1
Children and Family Services	20
Community Development Commission	1
Consumer and Business Affairs	3
County Counsel	2
Fire	20
Health Services	54
Human Resources	12
Internal Services	60
LA County Library	14
Medical Examiner-Coroner	1
Mental Health	14
Parks and Recreation	46
Probation	25
Public Health	35
Public Social Services	10
Public Works	56
Regional Planning	4
Registrar-Recorder/County Clerk	7
Sheriff	12
Treasurer and Tax Collector	32
Workforce Development, Aging and Community Services	11
<b>TOTAL</b>	<b>571</b>

**RISK TRANSFER — SIGNIFICANT ACCOMPLISHMENTS FY 2017-18 (CONTINUED)**

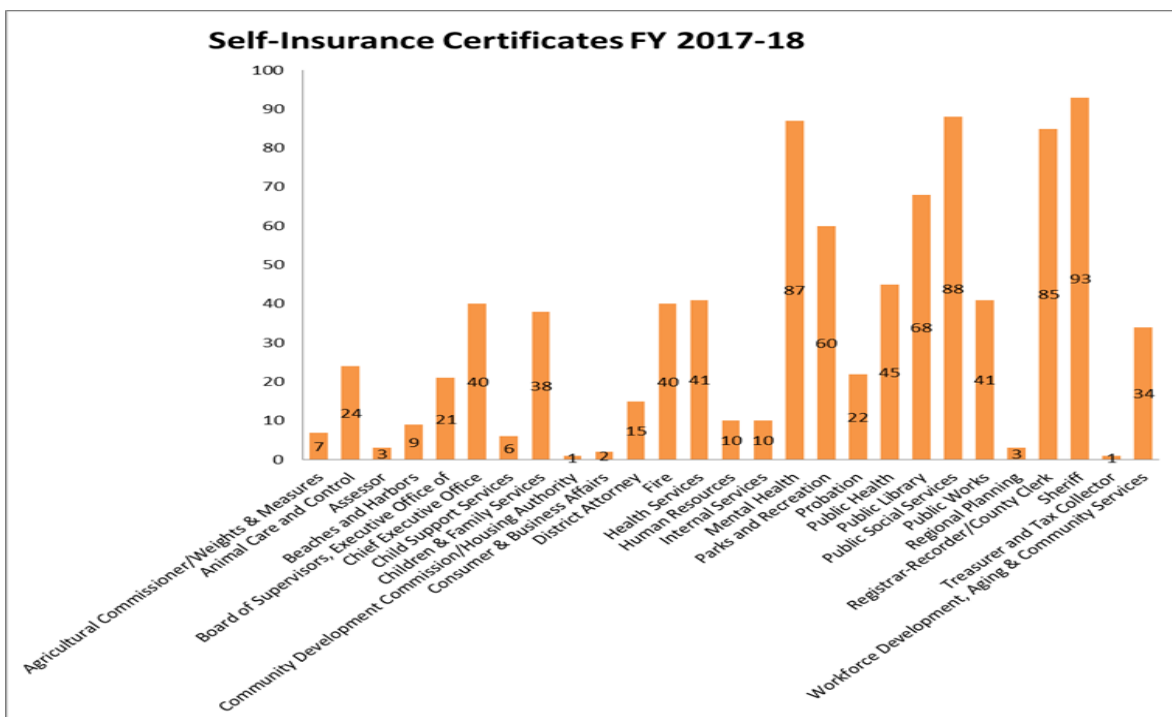
Risk Transfer presented several live webinars and posted the recordings on the CEO Risk Management Intranet site. Webinar topics included, but were not limited to, the following: 1) when to report a loss to risk management; 2) how to identify adequate indemnification and insurance language for County contracts; and 3) how to insure additional risks Departments have in connection with construction projects and long-term leases. These webinars are available Countywide and preserved on the newly redesigned Risk Management website for employees to view anytime.

Risk Transfer implemented an online Certificates of Self-Insurance System in January 2017. All County Departments can now produce Certificates of Self-Insurance to meet their respective Department’s needs. Departments are often required to provide these certificates to various public and private entities in order for the County to conduct business on their property and/or for the public’s benefit.

Currently, all Departments have access to the automated System and can produce 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. Tracking of the certificates is now automated and can be created and sent via email within minutes.

Risk Transfer continues to train the Departments on the new System and provides ongoing technical and administrative support.

The graph below illustrates the number of County Certificates of Self-Insurance completed during FY 2017-18. A total of 894 certificates were completed by the following Departments within this timeframe.



## RISK TRANSFER — OBJECTIVES FY 2018-19

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. Continuing with this strategy, Risk Transfer is now in the process of obtaining commercial excess coverage for Public Entity General Liability and Sexual Misconduct Liability to further reduce risk to the County.

Risk Transfer will continue evaluating properties to determine high risk and essential County buildings. Decisions to add County buildings to the property insurance policy 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 that all properties have the necessary coverage.

Risk Transfer will continue to conduct live webinars on topics such as “How to Review a Certificate of Self-Insurance” and other topics of interest to Departments as part of our ongoing training program.

### DECISIONS



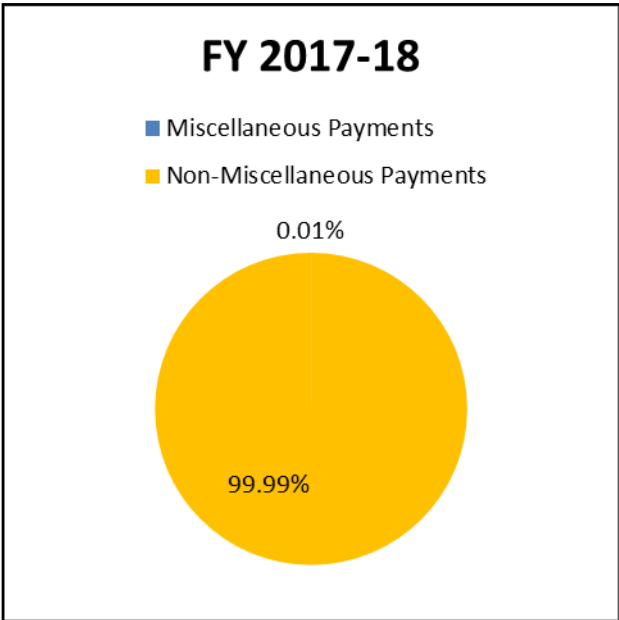
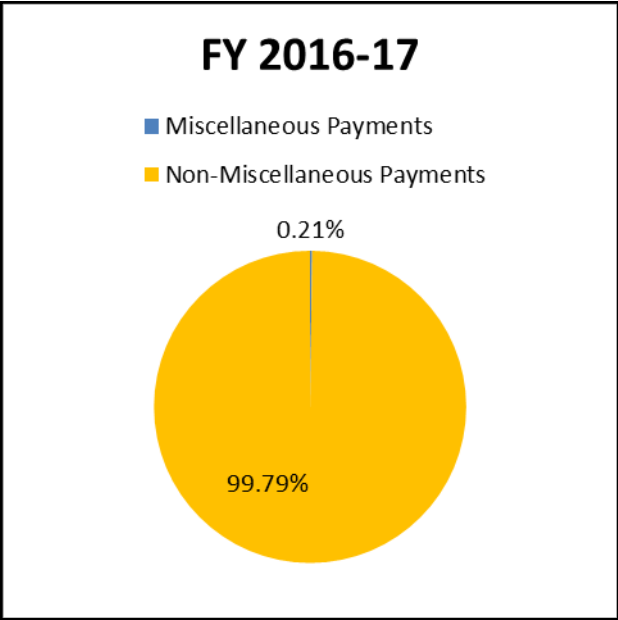
HIGH-RISK

# 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 FY 2017-18

During FY 2016-17, Finance's most significant accomplishment was the substantial 97.2% reduction in the number of miscellaneous vendor payments issued by the Workers' Compensation Program, which was a finding noted in previous Auditor-Controller audit reports. In FY 2016-17, 0.21% of all payments were issued as miscellaneous and considered Internal Revenue Services (IRS) 1099-reportable; comparatively, in FY 2017-18, only 0.01% of all payments were issued as miscellaneous and considered IRS 1099-reportable.





## RISK MANAGEMENT FINANCE —SIGNIFICANT ACCOMPLISHMENTS FY 2017-18 (CONTINUED)

The Finance Unit's other FY 2017-18 accomplishments included the following:

- Identified approximately 1,100 vendor records associated with indicted and/or convicted medical providers, and subsequently unauthorized them in ClaimsVision.
- To help facilitate a paperless work environment, converted all hardcopy supporting documentation for financial transactions into an electronic format.
- Prompted the collection of \$1.3 million in overpayments of prescription medications.
- Completed the biennial Internal Control Certification Plan (ICCP) for all Risk Management Programs, identified control weaknesses, and implemented corrective action plans.
- Established new object and unit codes for the Workers' Compensation Program to appropriately categorize payments and ensure accurate 1099 reporting.
- Enrolled all CEO Risk Management contractors in the County's direct deposit program.
- For all active ClaimsVision vendor records:
  - Processed vendor address information through Accuzip and deactivated approximately 120 vendor records with invalid addresses.
  - Performed a mass reconciliation to ensure all ClaimsVision vendor records were appropriately mapped to those in eCAPS. Subsequently deactivated approximately 70 vendor records that were inaccurately mapped.
- Performed a review to verify each vendor record contained a valid tax identification number and corresponding legal name, according to IRS records; and subsequently deactivated approximately 80 vendor records that did not contain valid information.
- Implemented a new practice in which part of the third party administrator's fees for the Long-Term Disability (LTD) Program are allocated to the LTD trust fund for Megaflex members. Historically, these overhead costs were only absorbed by Non-Megaflex members, which proved to be an inequitable practice.
- Collaborated with the Department of Treasurer and Tax Collector to establish new accounting groups within the bank's check-depositing application, which enabled County staff to post funds directly to the appropriate object and unit codes; thereby eliminating the need to transfer funds to the appropriate program on a monthly basis, which increased overall efficiency and facilitated County cost savings.
- Coordinated with the Budget and Fiscal Section of the CEO's Administrative Services Branch to establish one timecard code for CEO Risk Management's Liability and Small Claims Units to increase overall efficiency and facilitate County cost savings.
- Collaborated with CEO Risk Management's Liability Claims and Recovery Unit and Auditor-Controller's Accounting Division to establish new object and unit codes for property damage claims to ensure the appropriate recording of expenditures.

## RISK MANAGEMENT FINANCE — SIGNIFICANT ACCOMPLISHMENTS FY 2017-18 (CONTINUED)

- Implemented a new practice in which Special Warrant Requests, instead of Trust Warrant Requests, were utilized for making disbursements from the LTD and Short-Term Disability (STD) trust funds to avoid the usage of outdated balance sheet accounts and ensure the most accurate recording of expenditures.
- Established a process for initiating the collection of overpayments identified during internal audits.
- Conducted a comprehensive review of all existing policies and procedures and performed updates, as needed. In addition, ensured deadlines and paperless file retention guidelines were stated for each task/process.
- Performed three duplicate payment audits and identified duplicate Workers' Compensation payments to be recovered from the third party administrators.
- Performed a ClaimsVision security role audit .

## RISK MANAGEMENT FINANCE — OBJECTIVES FY 2018-19

- Perform an analysis of all existing payment approval requirements for Risk Management programs to determine if they coincide with the County Fiscal Manual requirements and/or best practices; and provide recommendations to increase compliance and/or efficiency.
- Transfer all accounting duties of the LTD and STD Programs to DHR, which oversees the operation of these programs.

FINANCE

CONTROL



EFFICIENCY

# STATISTICS

## FY 2015-16 TO FY 2017-18

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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

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## EXHIBIT A

### ALL CLAIMS FREQUENCY AND EXPENSE SUMMARY

Department	FY 2015-16		FY 2016-17		FY 2017-18	
	# New Claims	# New Claims	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)
Affirmative Action Compliance	0	\$2,962	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	40	\$753,178	42	\$757,611	41	\$790,361
Alternate Public Defender	20	\$273,352	6	\$650,801	16	\$423,892
Animal Care and Control	80	\$1,030,474	76	\$942,243	110	\$1,149,332
Assessor	53	\$1,834,378	59	\$1,392,618	46	\$2,363,894
Auditor-Controller	25	\$5,631,298	22	\$450,386	26	\$613,019
Beaches and Harbors	63	\$860,844	44	\$1,277,422	55	\$4,243,545
Board of Supervisors	25	\$1,042,149	42	\$1,653,497	28	\$1,182,835
Chief Executive Office	18	\$7,885,363	20	\$2,511,484	15	\$1,733,886
Chief Information Office	1	\$4,582	1	\$1,560	0	\$0
Child Support Services	132	\$3,831,019	138	\$3,905,778	128	\$4,566,615
Children and Family Services	537	\$20,486,355	596	\$22,622,036	488	\$23,427,743
Consumer and Business Affairs	2	\$23,775	6	\$19,837	2	\$20,562
County Counsel	14	\$525,193	23	\$962,412	33	\$1,571,726
District Attorney	100	\$6,708,040	166	\$5,282,618	155	\$7,871,632
Fire	1,697	\$91,720,116	1,710	\$101,807,364	1,767	\$114,472,086
Health Services	1,828	\$66,212,753	1,938	\$53,447,757	2,151	\$59,019,331
Human Resources	18	\$520,485	16	\$634,743	10	\$553,099
Internal Services	150	\$4,575,412	126	\$4,436,172	168	\$4,552,125
LACERA	15	\$494,961	18	\$509,448	16	\$558,647
LA County Library	48	\$928,818	57	\$749,528	67	\$719,989
Medical Examiner - Coroner	54	\$1,258,639	57	\$1,034,072	36	\$1,796,437
Mental Health	339	\$9,014,172	331	\$12,703,618	315	\$12,435,839
Military and Veterans Affairs	1	\$386,374	1	\$96,611	2	\$157,861
Museum of Art	4	\$107,389	2	\$176,005	4	\$77,991
Museum of Natural History	0	\$115,825	0	\$134,005	0	\$152,900
Non-Jurisdictional	1,223	\$782,604	1,174	\$1,024,967	1,287	\$763,882
Office of Public Safety	0	\$120,443	0	\$10,338	0	\$1,511
Parks and Recreation	216	\$6,765,825	278	\$11,114,573	245	\$6,855,346
Pending Assignment	10	\$0	20	\$0	0	\$0
Probation	733	\$33,952,501	728	\$30,226,827	794	\$39,187,091
Public Defender	67	\$1,717,134	78	\$2,483,817	54	\$2,670,554
Public Health	265	\$10,315,847	238	\$12,167,042	240	\$13,837,654
Public Social Services	1,066	\$37,121,525	1,125	\$35,600,373	1,121	\$43,154,086
Public Works	597	\$12,407,918	621	\$22,409,650	566	\$15,569,418
Regional Planning	16	\$369,805	37	\$965,033	41	\$962,716
Registrar-Recorder/County Clerk	72	\$2,290,725	102	\$2,586,964	95	\$2,922,947
Sheriff	5,575	\$224,846,298	5,595	\$242,003,544	5,685	\$241,732,671
Superior Court	236	\$10,418,480	224	\$11,527,855	210	\$9,953,525
Treasurer and Tax Collector	79	\$1,353,213	79	\$1,349,521	54	\$1,322,740
Workforce Development, Aging and Community Svs	39	\$789,409	41	\$540,928	34	\$825,196
<b>TOTAL<sup>4</sup></b>	<b>15,314</b>	<b>\$569,479,633</b>	<b>15,722</b>	<b>\$592,171,058</b>	<b>15,916</b>	<b>\$624,214,684</b>

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, 2018.
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 2015-16 THROUGH FY 2017-18**

Department	FY 2015-16		FY 2016-17		FY 2017-18	
	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)
Affirmative Action Compliance	0	\$0	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	30	\$569,591	24	\$631,103	22	\$734,844
Alternate Public Defender	5	\$179,143	4	\$625,503	7	\$295,709
Animal Care and Control	65	\$875,556	63	\$804,488	85	\$876,131
Assessor	30	\$795,711	17	\$679,761	21	\$762,649
Auditor-Controller	13	\$383,716	11	\$352,973	12	\$477,620
Beaches and Harbors	39	\$406,344	26	\$803,312	34	\$489,616
Board of Supervisors	9	\$226,003	7	\$257,650	9	\$182,537
Chief Executive Office	11	\$900,932	15	\$532,003	8	\$767,969
Chief Information Office	1	\$4,582	0	\$1,560	0	\$0
Child Support Services	106	\$3,655,554	116	\$3,432,706	114	\$4,307,002
Children and Family Services	381	\$15,672,102	366	\$14,543,857	335	\$17,410,224
Consumer and Business Affairs	1	\$21,863	5	\$15,929	1	\$20,462
County Counsel	11	\$397,379	21	\$494,845	28	\$669,636
District Attorney	49	\$3,942,508	104	\$3,529,618	80	\$4,442,485
Fire	1,544	\$54,651,955	1,562	\$60,781,342	1,622	\$69,117,368
Health Services	1,475	\$41,795,460	1,741	\$39,149,604	1,858	\$41,072,076
Human Resources	14	\$317,993	15	\$405,228	8	\$361,335
Internal Services	116	\$4,094,236	90	\$4,123,032	117	\$3,933,965
LACERA	15	\$490,728	18	\$448,631	16	\$554,895
LA County Library	46	\$696,100	50	\$720,217	53	\$686,241
Medical Examiner - Coroner	20	\$617,009	23	\$559,954	20	\$689,367
Mental Health	264	\$6,616,801	278	\$7,302,543	280	\$8,018,299
Military and Veterans Affairs	1	\$253,230	1	\$80,219	1	\$151,585
Museum of Art	2	\$106,232	1	\$158,754	2	\$77,507
Museum of Natural History	0	\$115,825	0	\$134,005	0	\$152,900
Non-Jurisdictional	0	\$0	0	\$0	0	\$0
Office of Public Safety <sup>4</sup>	0	\$0	0	\$0	0	\$0
Parks and Recreation	144	\$3,649,358	198	\$5,082,207	186	\$4,030,320
Pending Assignment	0	\$0	19	\$0	8	\$0
Probation	660	\$26,284,794	673	\$22,982,659	728	\$28,924,925
Public Defender	40	\$1,199,879	51	\$1,199,044	31	\$1,355,449
Public Health	226	\$6,757,515	210	\$7,197,092	204	\$7,624,572
Public Social Services	1,004	\$34,899,919	1,061	\$32,607,561	1,067	\$39,409,924
Public Works	165	\$5,363,964	189	\$5,547,677	180	\$6,554,521
Regional Planning	1	\$97,865	5	\$138,157	4	\$157,092
Registrar-Recorder/County Clerk	54	\$2,057,066	71	\$2,057,183	65	\$2,408,120
Sheriff	4,336	\$126,953,577	4,469	\$133,944,107	4,400	\$136,262,651
Superior Court	235	\$9,665,947	223	\$10,545,628	210	\$9,315,547
Treasurer and Tax Collector	17	\$767,026	15	\$1,011,000	22	\$1,204,636
Workforce Development, Aging and Community Svs	35	\$618,293	34	\$478,072	21	\$707,789
<b>TOTAL</b>	<b>11,175</b>	<b>\$356,101,756</b>	<b>11,776</b>	<b>\$363,359,224</b>	<b>11,859</b>	<b>\$394,207,968</b>

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 2015-16 THROUGH FY 2017-18**

Department	FY 2015-16	FY 2016-17	FY 2017-18
	Amount Paid <sup>1</sup>	Amount Paid <sup>1</sup>	Amount Paid <sup>1</sup>
Affirmative Action Compliance	\$0	\$0	\$0
Agricultural Commissioner/Weights and Measures	\$3,074	\$47,909	\$2,543
Alternate Public Defender	\$74,750	\$0	\$91,756
Animal Care and Control	\$19,238	\$32,049	\$63,614
Assessor	\$22,151	\$81,885	\$41,462
Auditor-Controller	\$8,061	\$42,213	\$43,803
Beaches and Harbors	\$29,924	\$48,334	\$32
Board of Supervisors	\$140	\$1,599	\$30,400
Chief Executive Office	\$34,616	\$57,126	\$12,371
Chief Information Office	\$0	\$0	\$0
Child Support Services	\$41,503	\$156,339	\$147,299
Children and Family Services	\$973,503	\$1,033,214	\$1,001,246
Consumer and Business Affairs	\$0	\$0	\$0
County Counsel	\$6,879	\$2,556	\$8,058
District Attorney	\$474,785	\$701,550	\$1,359,357
Fire	\$31,709,566	\$36,001,289	\$39,518,597
Health Services	\$2,250,696	\$1,619,431	\$1,626,262
Human Resources	\$16,513	\$58,869	\$40,011
Internal Services	\$161,228	\$189,093	\$47,672
LACERA	\$4,233	\$60,817	\$3,752
LA County Library	\$25,756	\$15,186	\$0
Medical Examiner - Coroner	\$20,051	\$986	\$4,285
Mental Health	\$292,387	\$550,922	\$421,499
Military and Veterans Affairs	\$17,553	\$3,415	\$0
Museum of Art	\$0	\$16,130	\$326
Museum of Natural History	\$0	\$0	\$0
Non-Jurisdictional	\$0	\$0	\$0
Office of Public Safety	\$0	\$0	\$0
Parks and Recreation	\$182,103	\$171,189	\$149,512
Pending Assignment	\$0	\$0	\$0
Probation	\$4,285,078	\$3,918,906	\$4,692,080
Public Defender	\$70,752	\$338,010	\$57,107
Public Health	\$565,293	\$366,511	\$70,788
Public Social Services	\$1,210,190	\$1,102,720	\$1,114,629
Public Works	\$414,614	\$257,217	\$263,209
Regional Planning	\$0	\$19,492	\$0
Registrar-Recorder/County Clerk	\$71,885	\$33,452	\$4,134
Sheriff	\$33,507,810	\$38,287,066	\$40,351,014
Superior Court	\$752,295	\$982,227	\$637,978
Treasurer and Tax Collector	\$14,794	\$16,327	\$20,298
Workforce Development, Aging and Community Svcs	\$63,969	\$21,785	\$11,232
<b>TOTAL</b>	<b>\$77,325,390</b>	<b>\$86,235,814</b>	<b>\$91,836,326</b>

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 2015-16 THROUGH FY 2017-18**

Department	FY 2015-16		FY 2016-17		FY 2017-18	
	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)
Affirmative Action Compliance	0	\$0	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	7	\$41,603	15	\$53,617	14	\$13,174
Alternate Public Defender	2	\$10,237	0	\$991	1	\$50
Animal Care and Control	6	\$32,282	4	\$49,568	7	\$43,593
Assessor	0	\$0	0	\$0	0	\$0
Auditor-Controller	0	\$0	0	\$0	0	\$0
Beaches and Harbors	5	\$17,225	1	\$164,956	1	\$2,498,156
Board of Supervisors	4	\$3,991	9	\$150	6	\$26,609
Chief Executive Office	0	\$0	0	\$0	0	\$0
Chief Information Office	0	\$0	0	\$0	0	\$0
Child Support Services	0	\$0	1	\$100	1	\$962
Children and Family Services	49	\$444,581	67	\$192,530	53	\$435,915
Consumer and Business Affairs	0	\$0	0	\$0	1	\$100
County Counsel	0	\$0	0	\$0	3	\$0
District Attorney	16	\$13,465	2	\$11,771	13	\$17,803
Fire	94	\$933,883	89	\$3,401,849	87	\$3,748,752
Health Services	13	\$26,754	9	\$18,610	9	\$134,342
Human Resources	0	\$0	0	\$0	0	\$0
Internal Services	24	\$135,148	22	\$240,891	28	\$183,362
LACERA	0	\$0	0	\$0	0	\$0
LA County Library	0	\$2,745	2	\$4,143	6	\$7,160
Medical Examiner - Coroner	4	\$28,970	1	\$12,512	1	\$19,730
Mental Health	19	\$70,901	8	\$251,324	11	\$330,286
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	236	\$51,590	266	\$63,395	277	\$67,716
Office of Public Safety	0	\$0	0	\$0	0	\$0
Parks and Recreation	26	\$733,387	21	\$1,083,648	13	\$244,948
Pending Assignment	0	\$0	0	\$0	0	\$0
Probation	25	\$67,046	11	\$49,920	14	\$54,951
Public Defender	3	\$389,507	7	\$771,189	5	\$657,371
Public Health	20	\$484,133	18	\$786,525	16	\$176,259
Public Social Services	7	\$8,686	17	\$43,924	12	\$69,542
Public Works	81	\$689,344	89	\$1,614,253	91	\$409,813
Regional Planning	0	\$0	0	\$0	1	\$0
Registrar-Recorder/County Clerk	3	\$2,156	15	\$6,933	4	\$7,020
Sheriff	374	\$10,255,038	366	\$8,495,274	422	\$13,526,135
Superior Court	0	\$0	0	\$0	0	\$0
Treasurer and Tax Collector	0	\$0	0	\$0	1	\$0
Workforce Development, Aging and Community Svs	0	\$27,124	2	\$0	3	\$13,494
<b>TOTAL<sup>4</sup></b>	<b>1,015</b>	<b>\$14,469,796</b>	<b>1,041</b>	<b>\$17,318,073</b>	<b>1,100</b>	<b>\$22,687,243</b>

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, 2018.
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 2015-16 THROUGH FY 2017-18**

Department	FY 2015-16		FY 2016-17		FY 2017-18	
	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)
Affirmative Action Compliance	0	\$2,962	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	3	\$138,910	3	\$24,982	5	\$39,800
Alternate Public Defender	13	\$9,222	2	\$24,307	8	\$36,377
Animal Care and Control	9	\$103,398	9	\$56,138	18	\$165,994
Assessor	23	\$1,016,516	42	\$630,972	25	\$1,559,783
Auditor-Controller	12	\$5,239,521	11	\$55,200	14	\$91,596
Beaches and Harbors	19	\$407,350	17	\$260,820	20	\$1,255,741
Board of Supervisors	12	\$812,015	26	\$1,394,098	13	\$943,289
Chief Executive Office	7	\$6,949,815	5	\$1,922,355	7	\$953,546
Chief Information Office	0	\$0	1	\$0	0	\$0
Child Support Services	26	\$133,962	21	\$316,633	13	\$111,352
Children and Family Services	107	\$3,396,169	163	\$6,852,435	100	\$4,580,358
Consumer and Business Affairs	1	\$1,912	1	\$3,908	0	\$0
County Counsel	3	\$120,935	2	\$465,011	2	\$894,032
District Attorney	35	\$2,277,006	60	\$1,039,679	62	\$2,051,987
Fire	37	\$903,109	51	\$1,442,840	46	\$1,962,184
Health Services	165	\$5,296,104	100	\$3,420,785	149	\$5,736,757
Human Resources	4	\$185,979	1	\$170,646	2	\$151,753
Internal Services	10	\$184,801	14	-\$116,844	23	\$387,126
LACERA	0	\$0	0	\$0	0	\$0
Public Library	2	\$204,216	5	\$9,982	8	\$26,588
Medical Examiner - Coroner	16	\$539,606	27	\$436,273	15	\$909,224
Mental Health	43	\$1,836,819	28	\$4,445,325	18	\$2,501,659
Military and Veterans Affairs	0	\$115,591	0	\$12,977	1	\$6,276
Museum of Art	2	\$1,157	1	\$1,121	2	\$158
Museum of Natural History	0	\$0	0	\$0	0	\$0
Non-Jurisdictional	976	\$731,015	873	\$960,937	970	\$695,933
Office of Public Safety	0	\$120,443	0	\$10,338	0	\$1,511
Parks and Recreation	46	\$2,200,977	59	\$4,777,529	46	\$2,430,566
Pending Assignment	0	\$0	1	\$0	0	\$0
Probation	48	\$3,269,043	44	\$3,273,867	51	\$5,500,382
Public Defender	23	\$56,729	20	\$175,574	18	\$600,627
Public Health	18	\$2,489,257	9	\$3,797,414	16	\$5,912,549
Public Social Services	51	\$1,002,730	47	\$1,846,168	42	\$2,559,991
Public Works	351	\$5,939,995	343	\$14,990,503	295	\$8,341,875
Regional Planning	15	\$271,940	32	\$807,384	36	\$805,624
Registrar-Recorder/County Clerk	15	\$159,618	16	\$489,396	26	\$503,673
Sheriff	854	\$53,938,070	746	\$61,058,005	858	\$50,677,112
Superior Court	1	\$238	1	\$0	0	\$0
Treasurer and Tax Collector	62	\$571,393	64	\$322,194	31	\$97,806
Workforce Development, Aging and Community Svcs	4	\$80,023	5	\$41,071	10	\$92,681
<b>TOTAL<sup>4</sup></b>	<b>2,893</b>	<b>\$100,708,546</b>	<b>2,739</b>	<b>\$115,420,023</b>	<b>2,770</b>	<b>\$102,585,910</b>

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, 2018.
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 2015-16 THROUGH FY 2017-18**

Department	FY 2015-16		FY 2016-17		FY 2017-18	
	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (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	0	\$9,222	1	\$13,116	0	\$482
Animal Care and Control	0	\$3,034	0	\$0	0	\$0
Assessor	0	\$0	0	\$0	1	\$0
Auditor-Controller	0	\$0	0	\$0	0	\$0
Beaches and Harbors	0	\$0	0	\$0	0	\$0
Board of Supervisors	0	\$0	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	\$0	1	\$0	3	\$0
Consumer and Business Affairs	0	\$0	0	\$0	0	\$0
County Counsel	0	\$0	1	\$0	0	\$0
District Attorney	15	\$1,288,710	17	\$268,699	19	\$352,694
Fire	2	\$5,584	0	\$0	1	\$0
Health Services	0	\$11,577	2	\$0	5	\$0
Human Resources	0	\$0	0	\$0	0	\$0
Internal Services	0	\$0	0	\$0	0	\$0
LACERA	0	\$0	0	\$0	0	\$0
LA County Library	0	\$0	0	\$0	0	\$0
Medical Examiner - Coroner	0	\$0	0	\$0	0	\$0
Mental Health	2	\$167,310	2	\$353,350	0	\$141,276
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	29	\$59,031	18	\$2,624	31	\$5,539
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	4	\$548,960	4	\$65,148	7	\$28,378
Public Defender	5	\$14,081	1	\$5,880	3	\$3,802
Public Health	0	\$0	0	\$0	0	\$0
Public Social Services	2	\$0	1	\$0	0	\$0
Public Works	0	\$0	0	\$0	0	\$0
Regional Planning	0	\$0	0	\$0	4	\$2,226
Registrar-Recorder/County Clerk	0	\$0	0	\$0	0	\$0
Sheriff	611	\$44,987,393	464	\$48,605,874	560	\$40,075,688
Superior Court	0	\$0	0	\$0	0	\$0
Treasurer and Tax Collector	0	\$0	0	\$0	0	\$0
Workforce Development, Aging and Community Svs	0	\$10,008	0	\$8,536	0	\$50,344
<b>TOTAL<sup>4</sup></b>	<b>643</b>	<b>\$47,104,910</b>	<b>491</b>	<b>\$49,323,227</b>	<b>596</b>	<b>\$40,660,429</b>

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, 2018.
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 2015-16 THROUGH FY 2017-18**

Department	FY 2015-16		FY 2016-17		FY 2017-18	
	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)
Affirmative Action Compliance	0	\$2,962	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	0	\$129,653	0	\$806	0	\$15,665
Alternate Public Defender	0	\$0	0	\$0	2	\$30,058
Animal Care and Control	0	\$326	0	\$0	0	\$0
Assessor	0	\$55,805	1	\$0	2	\$71,164
Auditor-Controller	2	\$40,168	1	\$14,470	0	\$44,188
Beaches and Harbors	0	\$0	0	\$0	0	\$0
Board of Supervisors	2	\$40,915	1	\$36,414	0	\$100,864
Chief Executive Office	0	\$120,539	1	\$179,580	2	\$256,033
Chief Information Office	0	\$0	1	\$0	0	\$0
Child Support Services	2	\$80,088	5	\$276,826	1	\$30,672
Children and Family Services	8	\$1,058,460	34	\$793,626	11	\$979,457
Consumer and Business Affairs	0	\$0	0	\$0	0	\$0
County Counsel	2	\$117,618	0	\$463,399	0	\$838,828
District Attorney	0	\$394,381	2	\$426,489	1	\$778,780
Fire	5	\$672,083	14	\$1,237,395	5	\$1,340,594
Health Services	20	\$3,533,924	14	\$1,677,133	17	\$2,295,976
Human Resources	3	\$185,979	0	\$170,646	0	\$128,429
Internal Services	2	\$67,057	4	\$297,791	1	\$281,616
LACERA	0	\$0	0	\$0	0	\$0
LA County Library	0	\$201,716	0	\$0	2	\$20,098
Medical Examiner - Coroner	1	\$78,053	1	\$51,381	1	\$493,007
Mental Health	7	\$576,997	6	\$1,623,714	1	\$1,441,860
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	16	\$2,885	11	\$13,603	18	\$17,979
Office of Public Safety	0	\$120,443	0	\$10,338	0	\$1,511
Parks and Recreation	0	\$197,622	3	\$17,592	1	\$278,075
Pending Assignment	0	\$0	0	\$0	0	\$0
Probation	18	\$2,036,740	18	\$2,200,833	22	\$3,218,130
Public Defender	0	\$1,187	0	\$0	2	\$0
Public Health	3	\$358,561	3	\$866,014	3	\$137,768
Public Social Services	9	\$662,788	9	\$487,164	7	\$1,162,973
Public Works	3	\$268,496	8	\$683,069	2	\$298,550
Regional Planning	1	\$0	0	\$107,234	0	\$2,926
Registrar-Recorder/County Clerk	0	\$39,387	0	\$167,330	0	\$362,342
Sheriff	43	\$3,492,048	49	\$5,525,763	47	\$7,486,278
Superior Court	1	\$238	0	\$0	0	\$0
Treasurer and Tax Collector	0	\$0	0	\$0	1	\$0
Workforce Development, Aging and Community Svs	0	\$5,327	2	\$3,124	3	\$9,525
<b>TOTAL<sup>4</sup></b>	<b>144</b>	<b>\$14,542,446</b>	<b>187</b>	<b>\$17,331,734</b>	<b>150</b>	<b>\$22,123,346</b>

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, 2018.
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 2015-16 THROUGH FY 2017-18**

Department	FY 2015-16		FY 2016-17		FY 2017-18	
	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)
DHS – Ambulatory Care Network	14	\$1,989,716	11	\$246,267	6	\$2,030,745
DHS – Correctional Health Services	0	\$0	3	\$0	9	\$947
DHS – Harbor-UCLA Medical Center	73	\$9,172,541	26	\$4,952,271	46	\$2,653,283
DHS – Juvenile Court Health Services	0	\$0	0	\$0	1	\$119
DHS – LAC+USC Medical Center	76	\$4,892,317	29	\$3,615,342	38	\$5,037,772
DHS – Olive View-UCLA Medical Center	16	\$653,258	21	\$335,577	32	\$207,383
DHS – Rancho Los Amigos	14	\$135,907	2	\$89,870	5	\$519,645
<b>Health Services Subtotal<sup>4</sup></b>	<b>175</b>	<b>\$16,843,739</b>	<b>88</b>	<b>\$9,239,327</b>	<b>135</b>	<b>\$10,449,894</b>
District Attorney	0	\$276	0	\$0	0	\$0
Fire	22	\$3,521,603	8	\$180,044	12	\$125,185
Medical Examiner – Coroner	14	\$53,003	6	\$24,347	0	\$173,831
Mental Health	13	\$197,264	17	\$153,504	6	\$1,164,096
Non-Jurisdictional	11	\$0	35	\$635	32	\$233
Probation	0	\$46,541	0	\$1,475	1	\$14,753
Public Defender	1	\$268	0	\$0	0	\$0
Public Health	1	\$19,650	1	\$19,500	4	\$53,486
Sheriff	11	\$191,802	14	\$219,092	5	\$915,759
<b>TOTAL<sup>4</sup></b>	<b>231</b>	<b>\$20,874,145</b>	<b>166</b>	<b>\$9,837,924</b>	<b>187</b>	<b>\$12,897,237</b>

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, 2018.
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 2015-16	FY 2016-17	FY 2017-18
<b>Workers' Compensation</b>			
Benefit Expense	\$264,157,358	\$264,228,188	\$292,840,708
Loss Expense <sup>1</sup>	\$77,910,369	\$78,169,309	\$79,919,746
Administrative Expense <sup>2</sup>	\$14,034,029	\$15,670,819	\$15,716,148
Purchased Insurance <sup>3</sup>	\$0	\$5,290,907	\$5,731,366
<b>Workers' Compensation Expense Subtotal</b>	<b>\$356,101,756</b>	<b>\$363,359,224</b>	<b>\$394,207,968</b>
<b>Labor Code 4850 / Salary Continuation</b>	<b>\$77,325,390</b>	<b>\$86,235,814</b>	<b>\$91,836,326</b>
<b>Workers' Compensation Expense Total</b>	<b>\$433,427,146</b>	<b>\$449,595,037</b>	<b>\$486,044,294</b>
<b>Liability<sup>3,4</sup></b>			
Vehicle Liability Indemnity Expense	\$8,216,008	\$9,585,204	\$16,038,154
General Liability Indemnity Expense	\$54,763,358	\$67,166,736	\$52,224,903
Medical Malpractice Indemnity Expense	\$17,730,028	\$6,416,760	\$10,236,142
<b>Liability Indemnity Expense Subtotal</b>	<b>\$80,709,393</b>	<b>\$83,168,701</b>	<b>\$78,499,199</b>
Vehicle Liability Legal Expense	\$6,253,788	\$7,732,869	\$6,649,090
General Liability Legal Expense	\$45,945,189	\$48,253,286	\$50,361,007
Medical Malpractice Legal Expense	\$3,144,118	\$3,421,164	\$2,661,094
<b>Liability Legal Expense Subtotal</b>	<b>\$55,343,095</b>	<b>\$59,407,319</b>	<b>\$59,671,191</b>
Liability Administrative Expense <sup>5</sup>	\$11,098,324	\$12,730,835	\$15,430,777
<b>Liability Expense Total</b>	<b>\$147,150,811</b>	<b>\$155,306,855</b>	<b>\$153,601,167</b>
<b>Purchased Insurance (premiums and fees)</b>	<b>\$19,301,554</b>	<b>\$16,586,756</b>	<b>\$15,267,637</b>
<b>Cost of Risk<sup>6,7</sup></b>	<b>\$599,879,512</b>	<b>\$621,488,648</b>	<b>\$654,913,098</b>
<b>Total County Operating Budget</b>	<b>\$26,625,115,000</b>	<b>\$28,688,400,000</b>	<b>\$29,403,718,000</b>
<b>Cost of Risk (as percentage of County Operating Budget)</b>	<b>2.25%</b>	<b>2.17%</b>	<b>2.23%</b>
<b>Non-County Agencies</b>			
LACERA	\$490,728	\$448,631	\$554,895
Superior Court	\$9,665,947	\$10,545,628	\$9,241,329
<b>Subtotal (Non-County agencies)</b>	<b>\$10,156,675</b>	<b>\$10,994,259</b>	<b>\$9,796,224</b>
<b>Cost of Risk (excluding non-County agencies)</b>	<b>\$589,722,837</b>	<b>\$610,494,389</b>	<b>\$645,116,874</b>
<b>Cost of Risk (Non-County agencies as percentage of County Operating Budget)</b>	<b>2.21%</b>	<b>2.13%</b>	<b>2.19%</b>

- 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, 2018, as reported in the County's liability claim database, workers' compensation information system (ClaimsVision), and/or the Workers' Compensation Status Report.

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*This report is available on the Chief Executive Office, Risk Management Branch website, at:*  
<http://riskmanagement.lacounty.gov/>