



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

November 9, 2010

TO: Supervisor Gloria Molina, Chair
Supervisor Don Knabe
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: William T Fujioka
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

CHIEF EXECUTIVE OFFICE RISK MANAGEMENT ANNUAL REPORT, FISCAL YEAR ENDED JUNE 30, 2010

The attached is the *Chief Executive Office Risk Management Annual Report, Fiscal Year Ended June 30, 2010*, that:

- Contains summaries of the past three fiscal year losses and costs for the County of Los Angeles' (County) vehicle liability, general liability, medical malpractice, workers' compensation, and salary continuation/State of California Labor Code 4850 exposures;
- Assists departments to recognize the nature and extent of their exposures and losses, along with other reports provided throughout the year;
- Facilitates departments' efforts to strengthen their return-to-work processes, loss control and prevention activities, and corrective action plans (CAPs); and
- Provides 36 risk management best practices which departments should implement as appropriate.

As contained in the report, the County's Fiscal Year (FY) 2009-10 Cost of Risk was calculated at \$477,610,398, or 2.00 percent of the County's \$23,900,864,000 operating budget.

In FY 2009-10, the County's risk management programs experienced a number of successes:

- A stable Cost of Risk of 2.00 percent of the operating budget in FY 2009-10, compared to 1.97 percent in FY 2008-09;
- A moderate 3.38 percent increase (\$9.7 million) in workers' compensation expense in FY 2009-10 (\$298.1 million) from FY 2008-09 (\$288.4 million);
- A nominal increase in the number of new workers' compensation claims filed during FY 2009-10 (10,629) compared to FY 2008-09 (10,572);

"To Enrich Lives Through Effective And Caring Service"

**Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only**

Each Supervisor
November 9, 2010
Page 2

- Establishment of the requirement for departments to create annual Risk Exposure Cost Avoidance Plans;
- Enhancements of the County's CAP program; and
- Development of "Legal Exposure Reduction" training for managers and supervisors, countywide, to promote sound employment practices.

Countywide Risk Management Program

Support from your Board and each County department head for risk management activities is essential to minimize the County's Cost of Risk. Your Board has supported the on-going efforts of the Legal Exposure Reduction Committee, the development of countywide and departmental legal exposure reduction goals, and mandatory risk management-related performance goals for department heads. Department heads have demonstrated commitment by embracing risk management-related performance goals and by naming a departmental risk management coordinator, supporting safety and return-to-work functions, and requiring staff to participate in workers' compensation and tort liability claim review meetings and roundtables. That effort is appreciated and is contributing to improvements in the countywide risk management program.

Continued department head support is needed to further enhance the County's risk management program. Enhancing an aggressive loss control and prevention program requires each department to identify their primary Cost of Risk through an evaluation of business operations, completion of thorough accident investigations and reviews, a review of loss data, and selection and implementation of methodologies to address their identified Cost of Risk. The Chief Executive Office (CEO) provides support for these efforts by consulting with department staff, providing recommendations based on best practices and assisting with their implementation, and by providing training on risk management, safety, claims, and return-to-work subjects. Workers' compensation loss data is available through the County's workers' compensation database, which the CEO made accessible to all departments. Additionally, tort liability loss data is distributed on a monthly basis to each department. The annual report section, "Risk Management Best Practices," provides a list of best practice activities for effective risk management programs. These best practices should be evaluated to determine if they are appropriate for specific departmental operations.

If you have any questions please call me, or have your staff contact Laurie Milhiser, County Risk Manager, at (213) 351-5346.

WTF:BC:EFS
LM:SEN:sg

Attachment

c: All Department Heads



Inside County Risk

2009-10
ANNUAL
REPORT



COUNTY OF
LOS ANGELES



CHIEF EXECUTIVE OFFICE



RISK MANAGEMENT BRANCH

JULY 2009 - JUNE 2010



Board of Supervisors



Gloria Molina
1st District



Mark Ridley-Thomas
2nd District



Zev Yaroslavsky
3rd District



Don Knabe
4th District



Michael D. Antonovich
5th District



WILLIAM T FUJIOKA
CHIEF EXECUTIVE OFFICER

-

Risk Management Branch

3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010

(213) 351-5346
(213) 252-0405 Fax

This report is available on the Chief Executive Office website at:
<http://ceo.lacounty.gov/>



*W*e are proud to present *Inside County Risk*, the County of Los Angeles Chief Executive Office, risk management annual report for fiscal year ending June 30, 2010.

The report contains summaries of the fiscal year's losses and costs for the County of Los Angeles workers' compensation, vehicle liability, general liability, and medical malpractice self-insured programs. This report is intended to assist management with the assessment of the nature and extent of departmental exposures and losses. The best practices identified in the report are intended to provide suggestions for improving departmental risk management activities to mitigate exposures and losses.

Thank you.

William T. Fujioka

CHIEF EXECUTIVE OFFICER

TABLE OF CONTENTS

Executive Summary Page 1

Significant Accomplishments, FY 2009-10 Page 8

Key Objectives, FY 2010-11 Page 11

Risk Exposure Cost Avoidance Plans, FY 2009-10..... Page 12

Risk Management Best Practices Page 15

Statistics Page 19

Inside County Risk

ANNUAL REPORT FY 2009-10

EXECUTIVE SUMMARY

The County of Los Angeles (County) Chief Executive Office (CEO) is pleased to provide its risk management annual report for Fiscal Year (FY) July 1, 2009 through June 30, 2010.

On June 30, 2010, the CEO Risk Management Branch (CEO/RMB) completed its eighth year administering the County's risk management program.

The CEO/RMB mission is:

To closely work with departments to evaluate significant Countywide risks, hazards, and exposures; develop and implement risk management methodologies to fund, minimize, or eliminate loss; and advise the Board of Supervisors and departments of risk control strategies to mitigate unanticipated financial losses.

The CEO/RMB vision is:

To be recognized as the leader in risk management for State of California public entities; and to be relied upon for Countywide risk management philosophy, standards, processes, and direction.

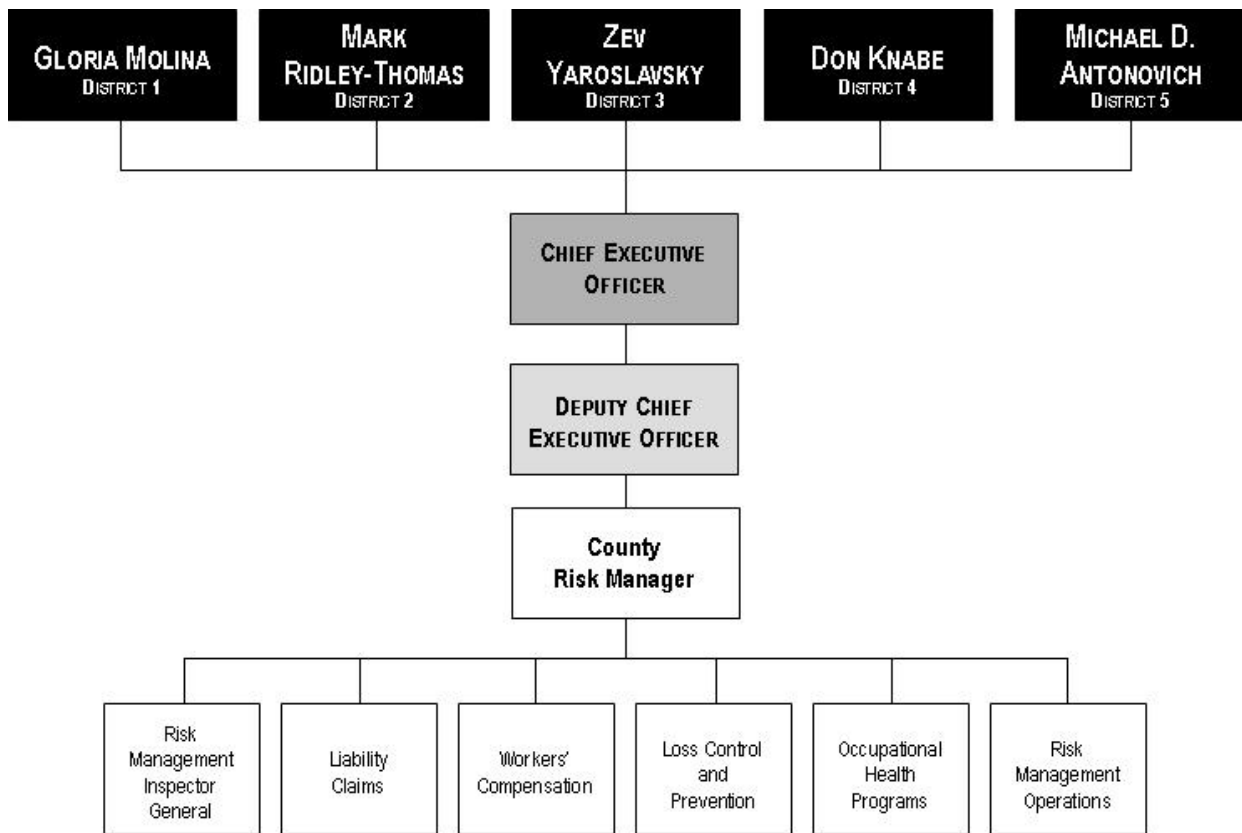
CEO/RMB's primary risk management responsibilities include:

- Risk consulting;
- Self-insurance or purchased insurance above self-insured retentions;
- Management and financing of the County's workers' compensation program;
- Oversight of the Contract Cities and Special Districts Liability Trust Funds;
- Administration and monitoring of third party administrators' adjusting of workers' compensation and tort liability claims, including vehicle, general, employment practices, and medical malpractice liability claims;
- Loss prevention training, reporting, standards, procedures, and compliance;
- Loss control and industrial hygiene programs;
- Review of departmental contract insurance-related language, including indemnification and County insurance requirements;

- Administration of the County’s Occupational Health Program, including employee medical and psychological programs and the Employee Assistance Program;
- Administration of the County’s Short-Term and Long-Term Disability Plans; and
- Administration of the County’s Return-to-Work Program.

CEO/RMB staff strive to accomplish the CEO’s mission with direction from the County’s Board of Supervisors and CEO senior management, and assistance from County departments and the County’s Legal Exposure Reduction Committee.

CEO Risk Management Branch Organization Chart



The CEO/RMB intranet site contains contact information and a wide assortment of resource materials. CEO/RMB staff may be contacted at (213) 351-5346. The intranet site can be accessed at: <http://riskmanagement.mylacounty.info/>.



FISCAL YEAR 2009-10 RESULTS

During FY 2009-10, the County experienced an increase of 1.8 percent in the dollar amount of Cost of Risk (\$469.1 million to \$477.6 million). The Cost of Risk, when measured as a percentage of the County's operating budget, is 2.00 percent; this is comparable to FY 2008-09 (1.97%) and FY 2007-08 (2.00%).

The County's objective is to minimize its 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 (including employment practices liability and police liability/law enforcement), and medical malpractice. Comments for each exposure category are listed below.

Based on the nature and scope of County operations, the County departments will always be susceptible to large claims that significantly impact expenses. The results of FY 2009-10 clearly illustrate this susceptibility. Minimizing the total number of claims often minimizes the number of large claims; therefore, implementing risk management best practices to reduce the frequency of claims is as important as properly handling claims once claims are filed.

WORKERS' COMPENSATION

A most positive aspect of FY 2009-10 was the relative stability of expenses in the workers' compensation program. Expenses increased by 3.4 percent in FY 2009-10 (\$288.4 million to \$298.1 million). This is particularly important given the nature of medical inflation and increased indemnity benefit levels.

Expenses related to medical treatment increased by 4.7 percent (\$103.5 million to \$108.4 million); permanent disability expenses increased by 11.4 percent (\$60.6 million to \$67.5 million); temporary disability expenses decreased by 4.4 percent (\$23.4 million to \$22.4 million). One potential reason for the decrease in temporary disability expenses is improvements in return-to-work programs.

The number of new workers' compensation claims filed during FY 2009-10 was also stable with a slight increase (10,572 to 10,629); the number of claims per 100 employees increased slightly to 10.6.

The County's workers' compensation program is funded on a pay-as-you-go basis. Expenses continue for claims that were filed many years ago. Such expenses are attributed to benefits covered under workers' compensation statutes and may be affected by the aging demographics of the County workforce and retirees. As noted in the last actuarial study, 24.1 percent of workers' compensation expenses paid in FY 2008-09 (\$69.6 million) were for claims filed before FY 1990-91. Expenses for claims filed before FY 2000-01 accounted for 41.6 percent of all expenses (\$120.1 million). A department's potential for achieving significant workers' compensation expense reduction is dramatically impacted by these older claims.

STATE OF CALIFORNIA LABOR CODE 4850 AND SALARY CONTINUATION

State of California Labor Code 4850 and workers' compensation salary continuation expense increased by 16.5 percent in FY 2009-10 (\$49.7 million to \$57.9 million). This increase in expenses accounts for almost all of the increased Cost of Risk. Increases were 5.7 percent in the Fire Department, 20.9 percent in the Probation Department, and 29.1 percent in the Sheriff's Department.

VEHICLE LIABILITY

The frequency of vehicle liability claims decreased by 8.7 percent in FY 2009-10. However, expenses related to vehicle liability claims increased by 22.8 percent.

Vehicle liability claim expenses continue to be significantly affected by one large Sheriff's Department claim with payments made for that claim over multiple fiscal years. Final payment was made during FY 2009-10.

Parks and Recreation had significant expenses relating to the defense of a lawsuit involving a bicyclist who struck a County vehicle and later died. The County has, thus far, prevailed at trial, but there is another appeal.

GENERAL LIABILITY

General liability includes several sub-categories, including employment practices liability and police liability/law enforcement. Overall expenses related to general liability claims decreased by 5.2 percent.

Expenses related to employment practices liability claims increased by 27.2 percent, while police liability/law enforcement decreased by 21.1 percent. Employment practices liability expenses continue to be significantly impacted by the Bouman case (\$5.2 million or 23.0% of all employment practices liability expense). From a frequency standpoint, the total number of claims has increased significantly. This is entirely due to a high volume of invasion of privacy cases related to alleged illegal strip searches in the jails.

MEDICAL MALPRACTICE

Medical malpractice claim frequency decreased by 5.3 percent. Expenses related to medical malpractice claims decreased by 36.4 percent.

COST OF RISK DETAIL

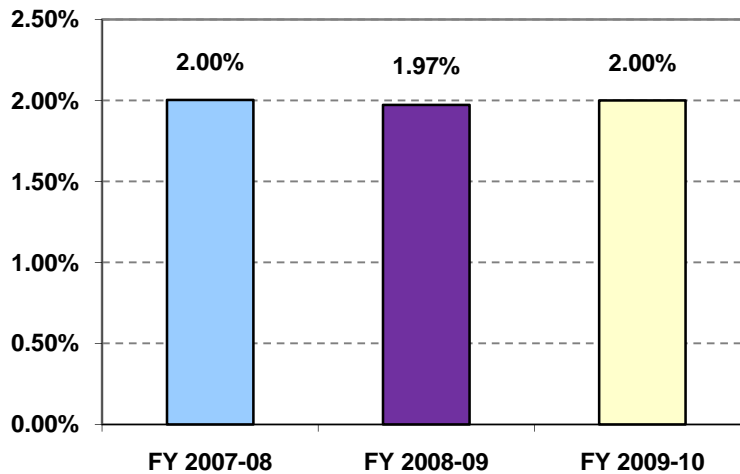
	FY 2007-08	FY 2008-09	FY 2009-10
Workers' Compensation			
Benefit Expense	\$212,413,016	\$213,868,306	\$225,376,425
Loss Expense ¹	\$63,142,310	\$64,137,550	\$62,184,520
Administrative Expense ²	\$9,500,237	\$10,371,438	\$10,577,516
Workers' Compensation Expense Subtotal	\$285,055,563	\$288,377,294	\$298,138,461
Labor Code 4850 / Salary Continuation	\$39,899,699	\$49,687,965	\$57,903,637
Workers' Compensation Expense Total	\$324,955,262	\$338,065,259	\$356,042,098
Liability^{3, 4}			
Vehicle Liability Indemnity Expense	\$8,853,786	\$9,431,020	\$11,979,162
General Liability Indemnity Expense	\$25,641,842	\$29,576,374	\$22,507,812
Medical Malpractice Indemnity Expense	\$13,215,259	\$20,585,265	\$12,210,967
Liability Indemnity Expense Subtotal	\$47,710,887	\$59,592,659	\$46,697,941
Vehicle Liability Legal Expense	\$1,932,278	\$2,580,361	\$2,769,829
General Liability Legal Expense	\$30,811,933	\$36,096,581	\$39,781,835
Medical Malpractice Legal Expense	\$5,096,264	\$4,854,420	\$3,979,675
Liability Legal Expense Subtotal	\$37,840,475	\$43,531,362	\$46,531,339
Liability Administrative Expense ⁵	\$9,968,013	\$10,518,942	\$11,919,734
Liability Expense Total	\$95,519,375	\$113,642,963	\$105,149,014
Purchased Insurance (premiums and fees)	\$18,064,306	\$17,344,269	\$16,419,286
Cost of Risk^{6, 7}	\$438,538,943	\$469,052,491	\$477,610,398
Total County Operating Budget	\$21,889,657,000	\$23,784,187,000	\$23,900,864,000
Cost of Risk (as percentage of County Operating Budget)	2.00%	1.97%	2.00%

1. Loss Expense includes third party administrator fees, medical management fees, bill review fees, State User fee, etc.
2. Administrative Expense includes CEO, Auditor-Controller, and County Counsel expenses.
3. 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).
4. 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.
5. Liability Administrative Expense includes third party administrator fees, consulting and management fees, and CEO expenses.
6. The Cost of Risk is defined as the summation of the items listed, but does not include non-insured property claims and County-owned vehicle claims.
7. All amounts are paid as of June 30, 2010, as reported in the County's liability claim database, workers' compensation information system (GenRIS), and/or the Workers' Compensation Status Report.

The Cost of Risk is a ratio of the expenditures for the County's numerous risk management programs divided by the County's operating budget in a specific fiscal year. The effectiveness of the County's risk management programs can be reflected in this comparison since the Cost of Risk includes paid claims (amounts paid in the fiscal year without regard to the year the claims arose), insurance premiums, safety and loss control programs, and operational and administrative expense.

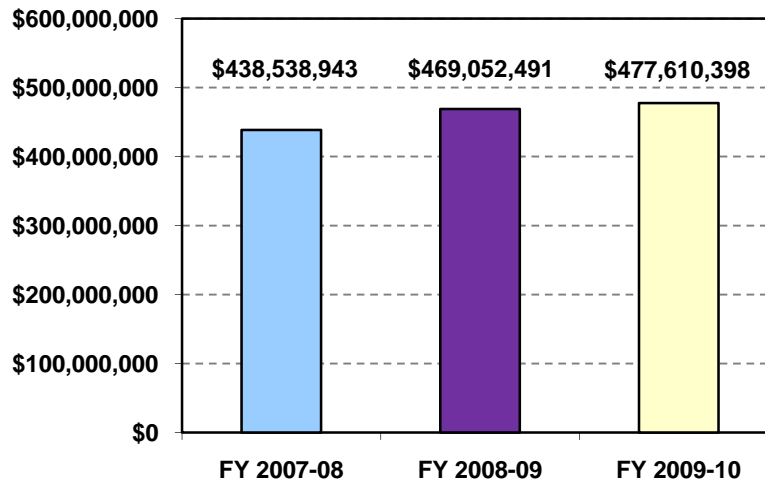
COUNTY OF LOS ANGELES COST OF RISK AS A PERCENTAGE OF OPERATING BUDGET FY 2007-08 THROUGH FY 2009-10

(Includes Salary Continuation and Labor Code 4850)

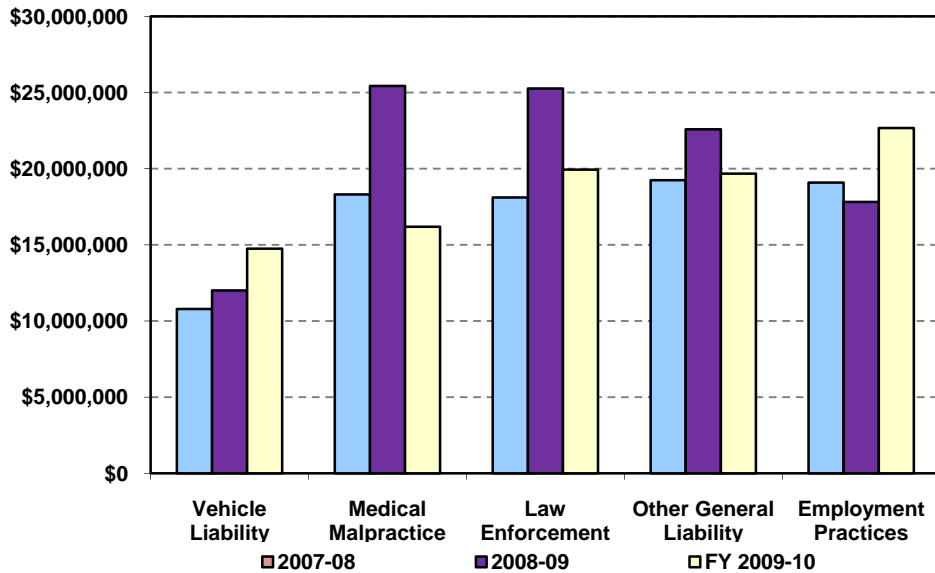


COUNTY OF LOS ANGELES COST OF RISK FY 2007-08 THROUGH FY 2009-10

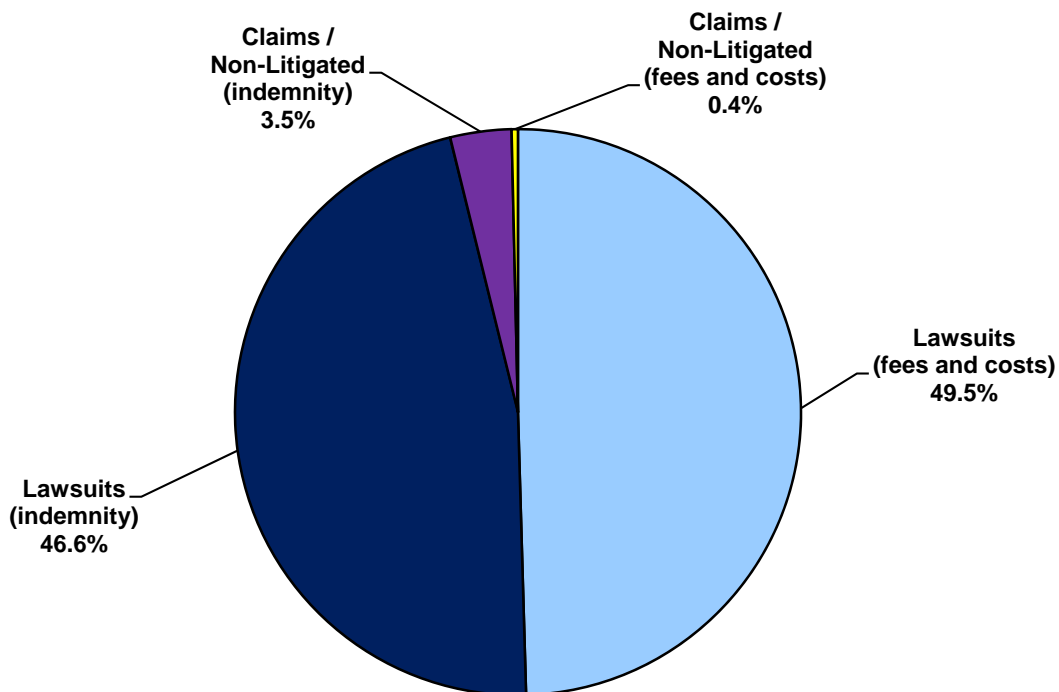
(Includes Salary Continuation and Labor Code 4850)



COUNTY OF LOS ANGELES TORT LIABILITY COST BY COVERAGE DETAIL CODE FY 2007-08 THROUGH FY 2009-10



COUNTY OF LOS ANGELES TORT LIABILITY COST BY LAWSUITS VS. CLAIMS FY 2009-10

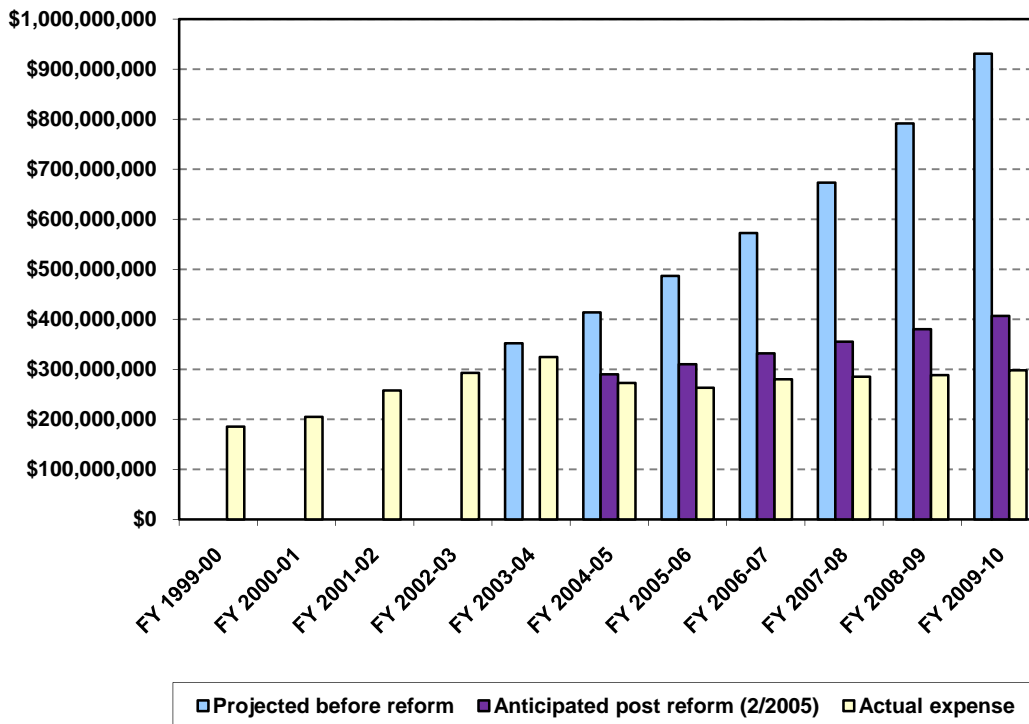


SIGNIFICANT ACCOMPLISHMENTS, FY 2009-10

- At the direction of the Board of Supervisors (Board) and in collaboration with key departments and County Counsel, enhanced the activities of the County's Legal Exposure Reduction Committee.
- Established an annual requirement for departments to develop Risk Exposure Cost Avoidance Plans (RECAPs) specific to their departments and provided assistance developing the plans for FY 2009-10 and FY 2010-11.
- Continued and expanded in-depth training and development of County departments' Risk Management Coordinators.
- In collaboration with County Counsel, provided department Risk Management Coordinators access to liability claim data through monthly performance reports.
- Implemented a program to pre-approve all Corrective Action Plans and Summary Corrective Action Plans before the documents are submitted to the Claims Board and/or Board.

COUNTY OF LOS ANGELES WORKERS' COMPENSATION EXPENSE AND COST AVOIDANCE FY 1999-00 THROUGH FY 2009-10

(Excludes Salary Continuation and Labor Code 4850)



The workers' compensation reforms of FY 2003-04 were essential in reducing workers' compensation expenses. Although increases in expenses were anticipated due to mid-course corrections and reform erosions, general medical inflation, indemnity benefit increases, and an increased number of County employees, the County's actual expense experience has been very stable with minimal increases in the last five years. The anticipated effect of the reforms was estimated in February 2005. Actual County expenses are much lower than projected at that time.

- Continued to emphasize claim handling protocols that cultivate evidence-based claim administration, implement cost avoidance mechanisms afforded under the Board-supported workers' compensation reforms of FY 2003-04 (see chart), and improve communication between workers' compensation third party administrators (TPAs) and County departments. CEO workers' compensation Quality Assurance Evaluators attended over 150 claim reviews and litigation roundtables.
- In collaboration with County Counsel, developed a disability management assessment tool to be utilized in improving the quality of Countywide disability management and Americans with Disabilities Act/Fair Employment and Housing Act (ADA/FEHA) compliance.
- In collaboration with the Department of Human Resources (DHR), evaluated County departments' return-to-work efforts utilizing the disability management assessment tool. The evaluations findings were used to develop recommendations to promote disability management efforts and ADA/FEHA compliance.
- In collaboration with County Counsel and DHR, developed and provided "Legal Exposure Reduction" training to County managers and supervisors to promote sound employment practices. During the last fiscal year, 27 workshops were conducted and 1,156 employees were trained.
- Worked with other public and private employers to oppose legislation that would erode the cost avoidance platforms established by the workers' compensation reforms of FY 2003-04.
- Developed the *Departmental Self-Assessment Tool for Loss Control and Prevention*, a questionnaire to assist departments in assessing compliance with Cal/OSHA-required programs and industry best practices in areas identified as cost drivers, and consulted with departments on completion of the tool.
- Provided quarterly loss control and prevention training sessions, an annual training program on *Cal/OSHA Recordkeeping Regulations*, and two sessions of the 8-class series, *Introduction to Occupational Safety and Health* for department safety officers and/or return-to-work coordinators.
- In collaboration with CEO Classification and Compensation and the Legal Exposure Reduction Committee, completed a Countywide risk management classification study.
- Provided project management support and technical guidance to assist the Department of Health Services to begin implementation of its new risk management structure.
- Continued collaboration between CEO, County Counsel, TPAs, and key departments to streamline Risk Management Information System (RMIS) coding to better track claim and lawsuit data.
- Expanded controls in RMIS to better monitor the budget and reserve amounts for major lawsuits.

- Coordinated with departments to ensure employees receiving commercial driver's medical examinations are also enrolled in the Federal Department of Transportation random drug testing program.
- Implemented the Reasonable Suspicion Training on the Learning Net website to provide online training to supervisors or managers who suspect an employee needs to undergo urine drug and alcohol testing. Over 5,200 supervisors or managers received the training.
- Replaced the 30-year-old medical examination database with a system utilizing updated technology and expanded functionality to improve efficiency and timely reporting.
- In response to concerns relating to the H1N1 virus, developed policies and procedures dealing with employees who are ill at work.
- Developed a new evaluation protocol to identify applicants in key positions (such as drivers) who might be suffering from undiagnosed sleep apnea.
- Assisted County departments in deriving and implementing "Rehabilitation Settlement Agreements" as related to employees with substance use/abuse disorders; agreements are now being administered by the CEO for all impacted departments, except for the Fire Department.
- Established agreements to conduct the pre-employment psychological evaluations for the Department of Children and Family Services (Children Social Worker series and Human Services Aids) and the Department of Public Social Services (Welfare Fraud Investigators); completed 165 pre-employment psychological evaluations for these positions.
- Updated policies and procedures for the Short-Term and Long-Term Disability Programs resulting from quarterly meetings held with CEO Classification and Compensation and the DHR Employee Benefits Division.
- Coordinated with the District Attorney's office on a long-term disability and workers' compensation fraud claim, which led to a no-contest plea by a former County employee and a restitution order, and implemented a new check processing system to prevent fraudulent benefit check activity.
- Working with County Counsel, modified the Countywide insurance provisions for written agreements, including updating of the Insurance Manual for County Service Agreements.
- Executed 18 contract amendments that extended contracts in exchange for a cost reduction, resulting in savings of \$4.9 million.
- Continued to provide contractual risk analysis and related consultation to all County departments in development of service agreements, leases, construction agreements, memorandums of understanding (MOUs), affiliation agreements, licensing agreements, special use permits, limitation of liability forms, waivers, performance bonds, performance and entertainment contracts, and other written agreements and documents.
- Established a builder's risk program under delegated authority to protect the County from losses occurring during the course of construction of the Harbor-UCLA Medical Center Surgery/Emergency Replacement project. This insurance saved approximately \$1 million in contract costs.

KEY OBJECTIVES, FY 2010-11

- Develop a five-year strategic plan for improving Countywide risk management activities.
- Encourage adoption of risk management best practices throughout the County, and assess Countywide compliance with risk management best practices.
- Minimize the County's Cost of Risk.
- Through coordination between County departments and the Legal Exposure Reduction Committee, continue to implement and monitor activities designed to support the annual Countywide and departmental legal exposure reduction goals.
- Leverage Countywide "Legal Exposure Reduction" and disability management training efforts to promote effective return-to-work processes and Americans with Disabilities Act/Fair Employment and Housing Act compliance.
- Actively work with public and private employers and associations, as well as with appropriate State of California administrative and legislative staff, to prevent the legislative erosion of the workers' compensation reforms of FY 2003-04.
- In collaboration with County Counsel, provide departmental Risk Management Coordinators access to liability claim data through the ORBIT/Cognos application.
- Assist departmental return-to-work staff to identify high exposure workers' compensation claims by developing report generation tools that provide current payment data.
- Continue working with departments to develop Corrective Action Plans (CAPs) and Summary Corrective Action Plans (SCAPs) as early in the claim lifecycle as possible.
- Initiate trending analysis of CAPs and SCAPs based on the type of cases, and improve the quality of communication related to best practices and lessons learned with departments regarding CAPs and SCAPs.
- Develop an additional comprehensive loss control and prevention self-assessment tool for departments to evaluate their safety programs from a best practice and regulatory compliance standpoint.
- Study the feasibility of establishing a Pharmacy Benefit Management Network to control workers' compensation pharmaceutical costs through increased generic use, formulary management, and drug utilization review.
- Strengthen procedures and reporting for the mileage reimbursement program.
- Work with CEO Compensation and DHR to establish a consistent procedure for the determination of Domestic Partner eligibility for Disability Survivor Benefits and Cafeteria Plan Benefits.
- Continue to provide technical assistance to departments to ensure appropriate indemnification and insurance requirements are included in all service agreements, particularly those with unusual or complex statements of work or risk exposures, and provide contractual risk management/insurance training for departmental contract analysts and monitors.

RISK EXPOSURE COST AVOIDANCE PLANS, FY 2009-10

Beginning in FY 2009-10, each department was required to create a Risk Exposure Cost Avoidance Plan (RECAP), which is intended to provide County departments' management with an objective method to evaluate their risk management programs, including liability claims, occupational safety, and workers' compensation claim performance, and identify objectives for the coming year.

RECAPs are prepared each fiscal year, consisting of three principal parts:

1. Overview of Department Risk Management Program;
2. Performance Data and Statistical Goals/Trends; and
3. Risk Management Objectives, including project descriptions with target completion dates.

The use of this tool has helped focus management attention on the subject of proactive risk management. As a result of proactive attention and the development and implementation of quality objectives, risk exposures will be minimized.

Some of the objectives identified in the FY 2009-10 RECAPs included:

- Expand risk management training to all departmental managers and supervisors;
- Develop and implement a comprehensive safety program, including injury and illness prevention, hazard communication, and ergonomics;
- Complete pre-driving training and evaluation for all new drivers;
- Develop a vehicle accident review committee to review accident reports and determine methods of avoiding future accidents;
- Train all supervisors to conduct incident investigations;
- Develop field operations training programs for significant exposures;
- Implement a safety committee to focus more attention on risk management issues;
- Improve departmental return-to-work programs;
- Develop risk management dashboards to better track performance;
- Develop processes to monitor the tasks associated with Corrective Action Plans;
- Provide defensive driver training for those employees involved in at-fault vehicle accidents;
- Implement a formal bloodborne pathogens exposure control program;

- Increase oversight of workers' compensation management;
- Create a limited list of defense firms to handle departmental claims;
- Use "lessons learned" from losses to educate staff about risk exposures;
- Establish an annual safety training schedule for all mandatory Cal/OSHA training;
- Conduct a comprehensive risk management staffing/function evaluation;
- Conduct an Americans with Disabilities Act compliance review at all facilities, identify barriers, and implement corrective actions to remove barriers and improve accessibility;
- Develop analytical capacity to evaluate injury claim data to determine causal factors and actions to control or reduce exposures;
- Establish a departmental risk management committee;
- Establish a job analysis library;
- Improve procedures relating to vehicle damage reimbursement claims;
- Develop risk management performance goals for all managers and supervisors;
- Establish a departmental risk management intranet site;
- Enhance long-term leave management programs;
- Conduct audits of risk management programs to ensure effectiveness; and
- Evaluate the feasibility of developing a departmental wellness program.

Part of the process of developing a departmental RECAP included establishing an expense reduction goal. The Legal Exposure Reduction Committee established the following goal:

By June 30, 2011, reduce by five percent, Countywide indemnity and legal costs associated with the County of Los Angeles' claims and litigation, including workers' compensation and tort claims. Departmental risk exposure reduction goals will be specific to each department and may include cost reductions or other aspects of risk management. The five percent cost reduction goal shall be established based upon the average annual costs of each category over the last three Fiscal Years (2006-07, 2007-08, 2008-09).

This goal is to be accomplished by June 30, 2011. Given the nature of the way that loss prevention measures are implemented and how claims are paid, the date needed to be established to allow time for corrective measures to be implemented. As previously noted, there were improvements in some areas of the County's Cost of Risk, primarily related to police liability/law enforcement and medical malpractice. Expenses increased in other areas of the Cost of Risk, primarily related to vehicle liability, employment practices liability, and salary continuation/Labor Code 4850, but much of these increases were from events that occurred multiple years earlier.

On-going efforts to evaluate and improve departmental risk management programs, procedures, and policies, and diligent monitoring of claim activity should help to minimize risk in the future.

RISK MANAGEMENT BEST PRACTICES

The following activities are considered best practices for effective risk management programs. Consideration should be given to whether these activities are appropriate for specific departmental operations.

MANAGEMENT COMMITMENT

- Departmental management should regularly demonstrate commitment to risk management principles and must establish annual risk management goals.
- Department managers should establish risk management-related Management Appraisal and Performance Plan goals that will decrease risk in their departments.
- Department Heads must establish a departmental risk reduction goal in support of the Countywide legal exposure reduction goal developed by the Legal Exposure Reduction Committee, and implement activities identified in the Risk Exposure Cost Avoidance Plan to help achieve the goal.

RISK MANAGEMENT STRUCTURE

- Departments should evaluate their risk management structure to ensure proper attention is focused on each of the risk management program components, and to ensure proper risk management communication occurs throughout the department.
- Departments should adequately staff their risk management functions (safety, return-to-work, claim management) with trained and experienced personnel.
- Departments should train staff on risk management principles, including risk management fundamentals, return-to-work, safety, claim management, corrective action plans, and contract management.
- Departments should give consideration to assigning responsibility for all risk management functions to the Risk Management Coordinator.

RISK MANAGEMENT PROGRAM DEVELOPMENT AND IMPLEMENTATION

- Departments should develop and implement programs that address risk management concerns and regulatory issues.
- Departments should implement basic elements of the Injury and Illness Prevention Program (program and facility evaluations, accident investigation, and training) throughout the department.

RISK MANAGEMENT PROGRAM ACTIVITIES

Risk Management Inspector General

- Risk Management Coordinators should attend County Claims Board meetings, roundtables, and claim reviews; and review incident reports for development and implementation of Corrective Action Plans (CAPs) and Summary Corrective Action Plans (SCAPs).
- Staff should conduct a detailed analysis of significant incidents and adverse events (including CEO Risk Management CAP/SCAP Development Notices) to develop and implement CAPs/SCAPs as early in the claim lifecycle as possible.
- Risk Management Coordinators should work with CEO and departmental safety staff to draft and implement proactive loss prevention steps based on the root cause analysis of CAPs/SCAPs.
- Staff should review all existing open CAPs/SCAPs for compliance and closure, and validate the effectiveness of the CAPs/SCAPs.

Liability Claims

- Staff should periodically obtain and review relevant Risk Management Information System data for the department, and provide management with an understanding of the claim types, associated cost, and progress toward resolution.
- Staff should participate in periodic claim reviews wherein overall claim/lawsuit status, funding/cost, and other claim/lawsuit-specific information is discussed.
- Staff should conduct a comprehensive evaluation of the various types of liability claims (vehicle liability, general liability, medical malpractice, property, first party claims, employee permittee driver, etc.) and implement plans to reduce the exposure, risks, and departmental costs related to the entire spectrum of claims.

Loss Control and Prevention

- Staff should implement recommendations contained in the department's CEO Risk and Needs Assessment.
- Staff should work in conjunction with CEO to identify cost driver issues and develop action plans to address the root causes of problems.

Workers' Compensation

- Staff should attend regularly scheduled claim reviews with the third party administrator (TPA) administering the department's workers' compensation claims.
- Staff should develop the capability to generate open workers' compensation claim reports identifying the department's most costly claims.

Return-to-Work

- Staff should establish quality control mechanisms related to their return-to-work program.
- Staff should ensure there is on-going communication with employees who are on leaves of absence.
- Staff should ensure proper documentation is prepared and maintained, and that this documentation accurately and completely reflects activities taken to manage each file; this includes use of employee profile pages and activity sheets.
- Staff should ensure all actions, including interactive process meetings, are conducted in a timely manner.
- Staff should identify all injured workers receiving temporary disability or vocational rehabilitation maintenance allowance benefits (long-term workers' compensation disability benefits) and monitor case status to comply with return-to-work recommendations.
- Staff should implement and maintain an electronic system to track employees on disability leave; DHR is taking the lead on developing a Countywide system.
- Staff should develop close working relationships with medical treatment centers providing initial care to injured workers to ensure early return-to-work availability is communicated.

Occupational Health Programs

- Staff should take necessary steps, including interactive meetings with employees, prior to requesting medical and/or psychological re-examinations.
- Staff should provide CEO with changes in job classifications or essential job functions that may impact the medical standards applied to applicant medical examinations.
- Staff should evaluate periodic employee medical examinations for direct relevancy for the employees' job tasks and only schedule those employees meeting CEO criteria for program inclusion. Job tasks should be evaluated to determine if additional testing is required for any employee not currently being tested on a periodic basis.

Risk Management Operations

- Staff should participate in developing and monitoring the County Insurance Budget concerning departmental budgets.
- Staff should work closely with CEO staff to maximize insurance benefits provided under the County's commercial property and casualty insurance programs.
- Staff should request CEO consultation to ensure appropriate indemnification and insurance requirements are included in all service agreements, particularly those with unusual or complex statements of work or risk exposures.

Disability Management

- Staff should respond timely to informational requests from the County's TPA to expedite claim processing and avoid any unnecessary termination of benefits.
- Staff should familiarize themselves with the most critical rules and requirements of the Short-Term and Long-Term Disability plans so that they can help employees make timely and informed decisions.

Risk Management Program Assessment

- Staff must, on a regular basis, conduct a departmental self-assessment of risk management functions, including regulatory compliance. This assessment is a fundamental requirement of the process of developing a departmental RECAP.

STATISTICS

All Claims Count and Cost Summary Exhibit A

Total Cost Paid – All Claims Exhibit B

Total Number of Claims Filed by Claim Type Exhibit C

Workers’ Compensation Claim Count and Cost Summary Exhibit D

State of California Labor Code 4850 and Salary Continuation Cost Summary Exhibit E

Vehicle Liability Claim Count and Cost Summary Exhibit F

General Liability Claim Count and Cost Summary Exhibit G

Medical Malpractice Claim Count and Cost Summary Exhibit H

Corrective Action Plans and Summary Corrective Action Plans. Exhibit I

Note: The total number of claims displayed on Exhibits A, F, G, and H does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.



EXHIBIT A**COUNTY OF LOS ANGELES ALL CLAIMS COUNT AND COST SUMMARY**

Department	FY 2007-08		FY 2008-09		FY 2009-10	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action Compliance	0	\$40,953	2	\$42,625	3	\$21,761
Agricultural Commissioner/Weights and Measures	45	\$1,183,889	54	\$908,601	45	\$3,712,518
Alternate Public Defender	14	\$461,947	12	\$107,232	22	\$198,774
Animal Care and Control	172	\$1,218,104	128	\$1,553,426	133	\$1,116,261
Assessor	54	\$1,404,834	52	\$1,181,621	56	\$1,671,536
Auditor-Controller	55	\$316,326	55	\$766,134	20	\$500,048
Beaches and Harbors	51	\$503,216	39	\$1,374,640	45	\$479,617
Board of Supervisors	39	\$752,436	35	\$1,555,047	37	\$902,811
Chief Executive Office	20	\$959,156	29	\$1,256,124	24	\$1,936,467
Chief Information Office	1	\$17,092	0	\$39,485	0	\$8,590
Child Support Services	130	\$3,302,528	119	\$3,173,403	118	\$3,309,102
Children and Family Services	557	\$18,009,260	522	\$19,450,789	507	\$21,605,877
Community and Senior Services	19	\$988,587	24	\$946,549	26	\$2,553,286
Consumer Affairs	5	\$235,753	4	\$107,996	1	\$56,503
Coroner	82	\$1,192,293	73	\$1,424,706	32	\$864,752
County Counsel	26	\$415,052	9	\$361,974	11	\$424,596
District Attorney	174	\$5,228,194	144	\$5,472,892	139	\$5,291,714
Fire	1,548	\$51,454,753	1,439	\$54,221,111	1,490	\$60,135,029
Health Services	1,850	\$63,005,583	1,695	\$69,725,868	1,668	\$61,815,430
Human Relations Commission	3	\$43,458	2	\$41,584	0	\$34,328
Human Resources	5	\$89,931	6	\$120,138	7	\$184,175
Internal Services	191	\$4,592,515	148	\$4,475,242	156	\$4,942,442
LACERA	16	\$362,021	8	\$345,942	17	\$407,093
Mental Health	235	\$7,145,533	224	\$7,837,514	391	\$6,624,829
Military and Veterans Affairs	2	\$76,120	0	\$12,054	2	\$19,671
Museum of Art	3	\$204,249	2	\$57,225	4	\$117,720
Museum of Natural History	5	\$180,884	7	\$257,165	2	\$158,231
Non-Jurisdictional	443	\$450,267	483	\$174,350	304	\$279,226
Office of Public Safety	89	\$4,403,913	113	\$5,117,807	215	\$5,301,475
Parks and Recreation	288	\$3,541,620	275	\$3,947,958	205	\$3,722,766
Pending Assignment	8	\$3,754	86	\$4,079	18	-\$90
Probation	861	\$32,948,868	904	\$38,299,667	907	\$35,682,746
Public Defender	59	\$1,375,605	63	\$2,210,166	55	\$1,497,804
Public Health	235	\$9,924,428	217	\$6,877,916	244	\$7,249,627
Public Library	47	\$1,023,735	51	\$787,481	50	\$565,873
Public Social Services	912	\$33,387,751	843	\$34,390,894	896	\$35,940,190
Public Works	1,042	\$15,941,749	908	\$12,470,707	971	\$13,274,940
Regional Planning	13	\$227,916	30	\$473,202	18	\$308,091
Registrar-Recorder/County Clerk	116	\$2,572,695	90	\$3,901,455	84	\$3,055,986
Sheriff	6,339	\$130,664,708	6,010	\$144,223,332	6,955	\$152,268,900
Superior Court	257	\$9,421,941	294	\$10,048,445	257	\$9,660,397
Treasurer and Tax Collector	154	\$1,233,007	133	\$1,444,734	85	\$1,370,285
TOTAL⁴	15,848	\$410,506,624	15,188	\$441,189,280	16,033	\$449,271,377

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, 2010.
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

**COUNTY OF LOS ANGELES TOTAL COST PAID – ALL CLAIMS^{1,2,3}
FY 2007-08 THROUGH FY 2009-10**

Fiscal Year	FY 2007-08	FY 2008-09	FY 2009-10
Workers' Compensation ⁴	\$285,055,563	\$288,377,294	\$298,138,460
Labor Code 4850 and Salary Continuation	\$39,899,699	\$49,687,965	\$57,903,637
Vehicle Liability	\$10,786,064	\$12,011,381	\$14,748,991
General Liability	\$56,453,775	\$65,672,955	\$62,289,647
Medical Malpractice	\$18,311,523	\$25,439,685	\$16,190,642
TOTAL	\$410,506,624	\$441,189,280	\$449,271,377

Notes:

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 RBNP or IBNR reserves.
4. Workers' compensation paid does not reflect State of California Labor Code 4850 or salary continuation payments.

**COUNTY OF LOS ANGELES PERCENTAGE OF TOTAL COST PAID BY CLAIM TYPE
FY 2009-10**

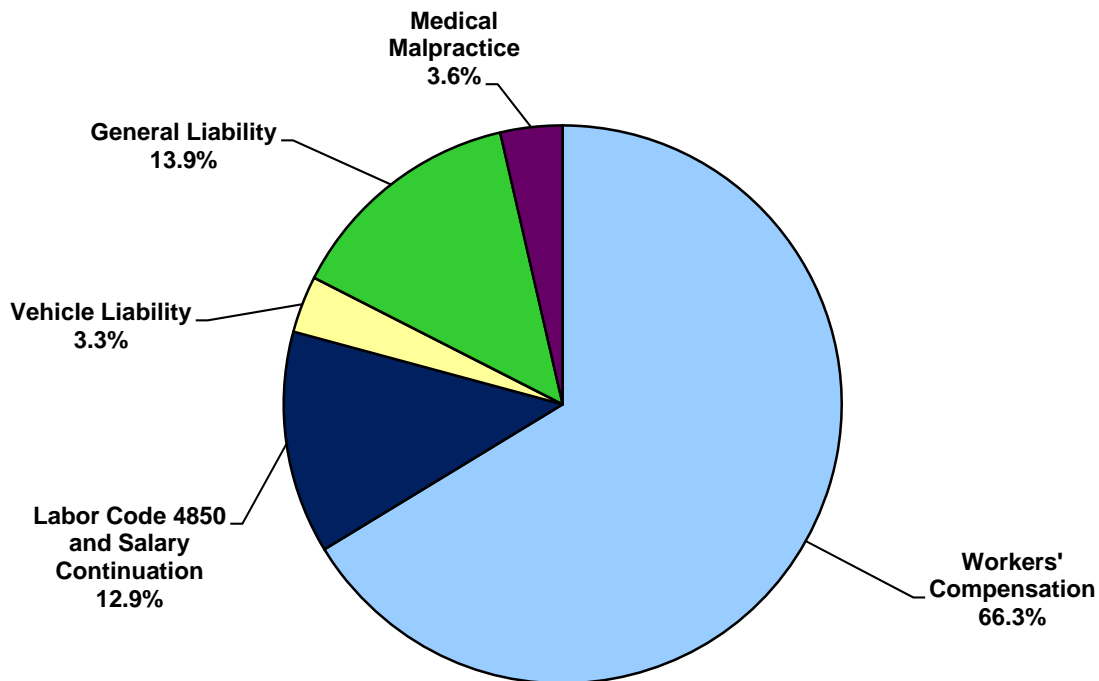


EXHIBIT C

**COUNTY OF LOS ANGELES TOTAL NUMBER OF CLAIMS FILED BY CLAIM TYPE
FY 2007-08 THROUGH FY 2009-10**

Claim Type ^{1,2}	FY 2007-08	FY 2008-09	FY 2009-10
Vehicle Liability	1,016	1,032	942
General Liability	3,904	3,299	4,207
Medical Malpractice	335	285	255
Workers' Compensation	10,593	10,572	10,629
TOTAL	15,848	15,188	16,033

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.

**COUNTY OF LOS ANGELES TOTAL NUMBER OF CLAIMS FILED BY CLAIM TYPE
FY 2007-08 THROUGH FY 2009-10**

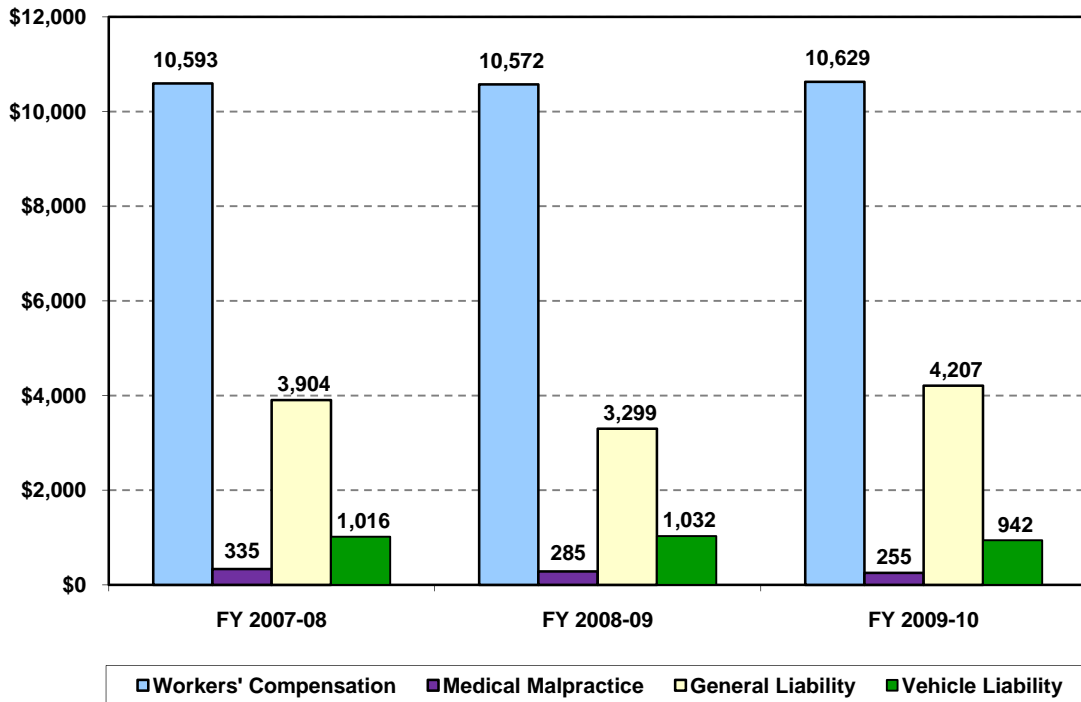


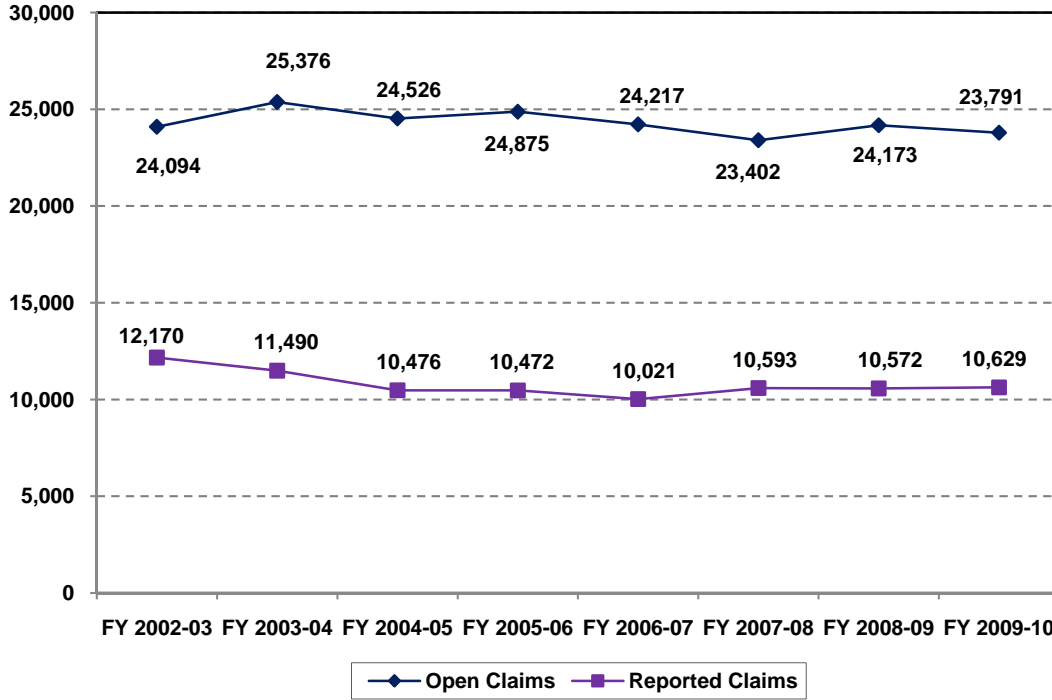
EXHIBIT D

**COUNTY OF LOS ANGELES WORKERS' COMPENSATION CLAIM COUNT AND COST SUMMARY
FY 2007-08 THROUGH FY 2009-10**

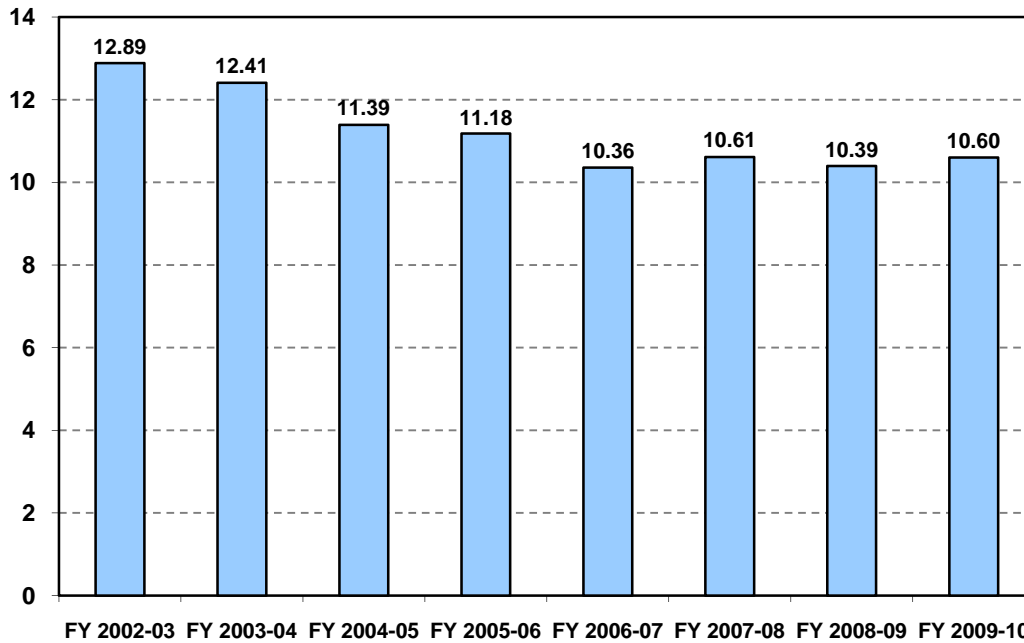
Department	FY 2007-08		FY 2008-09		FY 2009-10	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action Compliance	0	\$40,953	2	\$41,935	3	\$21,761
Agricultural Commissioner/Weights and Measures	26	\$645,008	28	\$541,923	31	\$620,750
Alternate Public Defender	8	\$104,675	7	\$50,400	15	\$73,643
Animal Care and Control	126	\$808,605	100	\$959,125	99	\$788,985
Assessor	33	\$1,201,143	24	\$843,956	36	\$1,313,069
Auditor-Controller	7	\$241,048	17	\$297,077	7	\$215,635
Beaches and Harbors	19	\$360,655	21	\$573,648	13	\$387,445
Board of Supervisors	20	\$215,841	11	\$197,645	13	\$119,901
Chief Executive Office	7	\$462,473	13	\$357,442	7	\$348,429
Chief Information Office	0	\$17,092	0	\$39,485	0	\$8,590
Child Support Services	102	\$3,082,325	100	\$2,861,687	101	\$2,751,958
Children and Family Services	364	\$14,442,254	387	\$16,148,124	368	\$15,931,483
Community and Senior Services	15	\$642,918	15	\$761,120	19	\$704,495
Consumer Affairs	1	\$229,020	3	\$107,996	1	\$56,503
Coroner	28	\$803,166	34	\$778,841	25	\$689,675
County Counsel	9	\$354,222	7	\$318,718	6	\$364,037
District Attorney	83	\$4,102,570	67	\$3,908,491	74	\$4,141,258
Fire	1,416	\$35,169,970	1,306	\$34,580,503	1,326	\$37,617,412
Health Services	1,272	\$40,587,008	1,230	\$40,609,535	1,279	\$39,596,207
Human Relations Commission	3	\$42,576	0	\$39,929	0	\$34,328
Human Resources	5	\$88,689	4	\$68,916	5	\$117,300
Internal Services	135	\$4,204,238	99	\$3,848,214	109	\$4,544,192
LACERA	15	\$362,021	8	\$329,403	17	\$398,406
Mental Health	155	\$5,643,347	170	\$5,154,174	296	\$5,346,415
Military and Veterans Affairs	2	\$71,557	0	\$12,054	2	\$19,671
Museum of Art	1	\$195,079	2	\$57,225	4	\$115,529
Museum of Natural History	3	\$180,620	5	\$223,409	2	\$114,024
Non-Jurisdictional	0	\$0	0	\$0	0	\$0
Office of Public Safety	52	\$3,303,537	67	\$4,044,477	44	\$3,409,182
Parks and Recreation	199	\$2,983,425	177	\$3,318,823	135	\$2,858,631
Pending Assignment	7	\$0	3	\$0	4	\$0
Probation	766	\$23,204,251	823	\$22,085,338	846	\$23,865,566
Public Defender	43	\$1,191,034	51	\$903,391	35	\$783,073
Public Health	200	\$6,611,619	174	\$5,808,864	206	\$6,018,834
Public Library	34	\$926,092	41	\$759,404	42	\$560,133
Public Social Services	854	\$31,727,123	783	\$32,593,077	846	\$34,155,932
Public Works	277	\$5,744,929	254	\$5,365,086	220	\$5,271,514
Regional Planning	4	\$139,786	2	\$246,027	1	\$56,376
Registrar-Recorder/County Clerk	66	\$1,688,207	69	\$2,332,243	74	\$2,714,884
Sheriff	3,955	\$83,460,845	4,150	\$86,772,149	4,042	\$91,766,545
Superior Court	256	\$8,926,928	292	\$9,616,640	257	\$9,089,322
Treasurer and Tax Collector	25	\$848,714	26	\$820,800	19	\$1,147,367
TOTAL	10,593	\$285,055,563	10,572	\$288,377,294	10,629	\$298,138,460

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.

COUNTY OF LOS ANGELES NUMBER OF WORKERS' COMPENSATION CLAIMS FY 2002-03 THROUGH FY 2009-10



COUNTY OF LOS ANGELES WORKERS' COMPENSATION CLAIMS PER 100 EMPLOYEES¹ FY 2002-03 THROUGH FY 2009-10



Note:

1. Employee count is based on payroll reports as of December 31 for each fiscal year.

COUNTY OF LOS ANGELES WORKERS' COMPENSATION BUDGETED VS. ACTUAL PAID FY 2002-03 THROUGH FY 2009-10

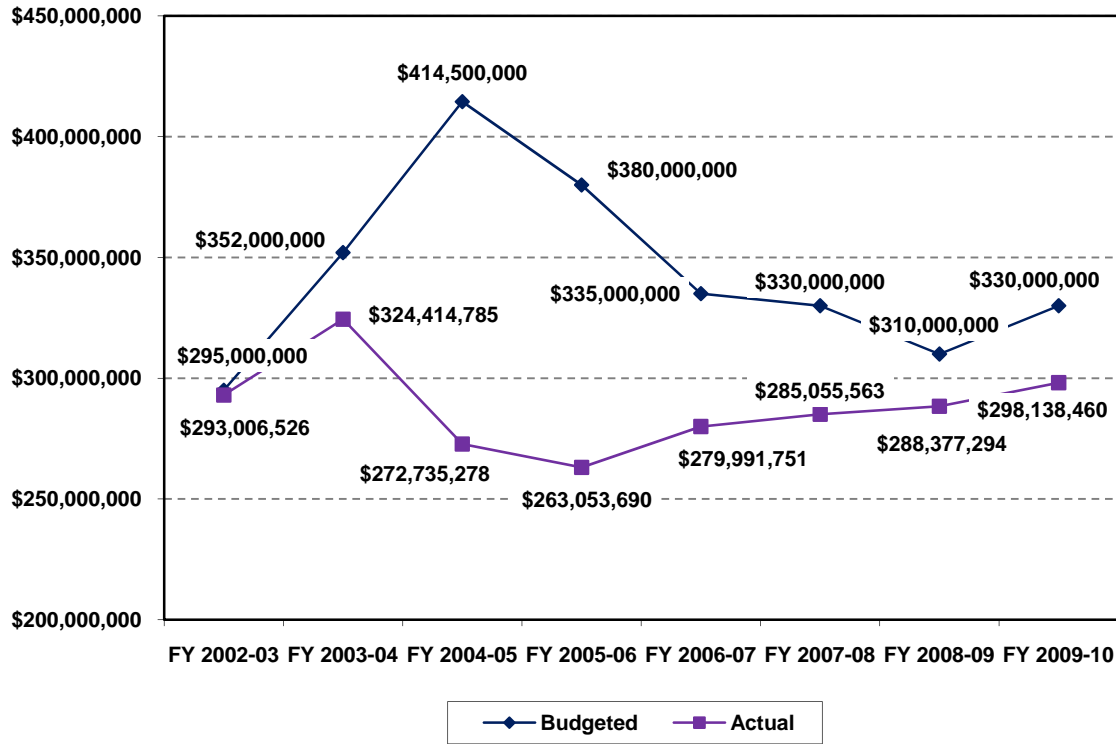


EXHIBIT E

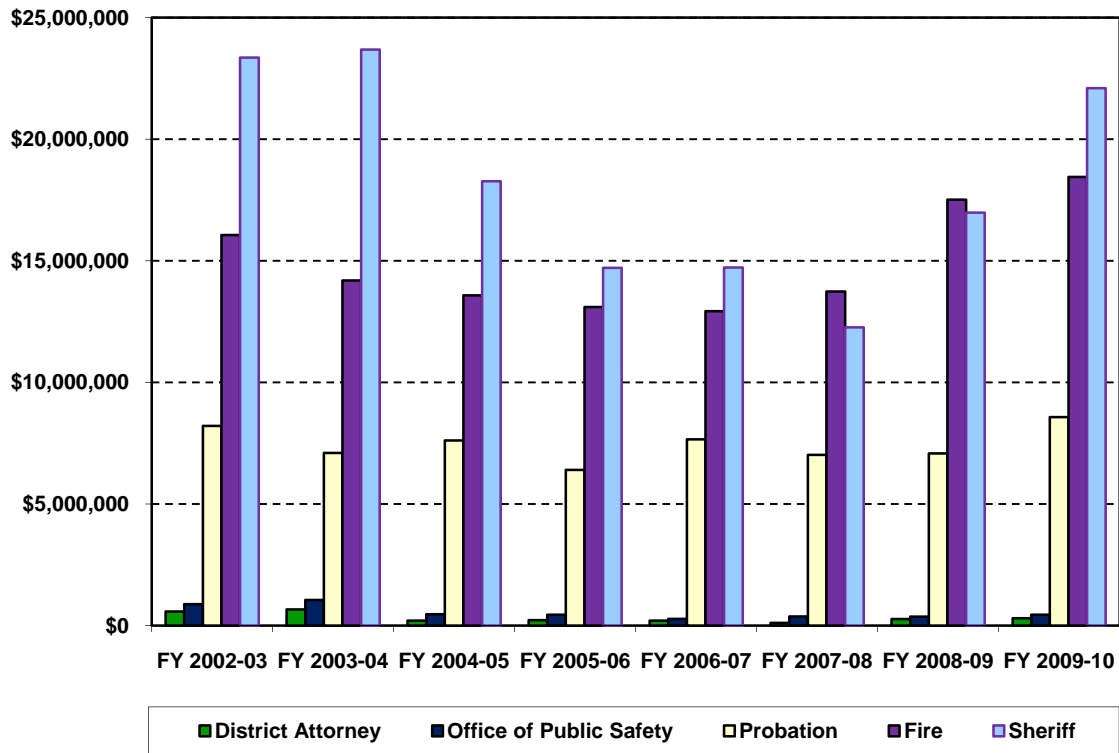
**COUNTY OF LOS ANGELES STATE LABOR CODE 4850 AND
SALARY CONTINUATION COST SUMMARY
FY 2007-08 THROUGH FY 2009-10**

Department	FY 2007-08	FY 2008-09	FY 2009-10
	Amount Paid ¹	Amount Paid ¹	Amount Paid ¹
Affirmative Action Compliance	\$0	\$690	\$0
Agricultural Commissioner/Weights and Measures	\$4,442	\$12,035	\$74,258
Alternate Public Defender	\$0	\$0	\$18,201
Animal Care and Control	\$62,541	\$90,354	\$55,556
Assessor	\$22,857	\$19,059	\$43,261
Auditor-Controller	\$3,120	\$8,810	\$4,026
Beaches and Harbors	\$27,578	\$35,467	\$2,138
Board of Supervisors	\$0	\$77,657	\$0
Chief Executive Office	\$18,791	\$8,293	\$37,971
Chief Information Office	\$0	\$0	\$0
Child Support Services	\$95,281	\$128,965	\$79,838
Children and Family Services	\$652,004	\$891,392	\$779,268
Community and Senior Services	\$43,153	\$2,792	\$0
Consumer Affairs	\$3,532	\$0	\$0
Coroner	\$43,551	\$28,900	\$43,872
County Counsel	\$7,912	\$0	\$0
District Attorney	\$175,571	\$332,925	\$367,316
Fire	\$13,854,159	\$17,714,088	\$18,727,163
Health Services	\$1,376,017	\$1,871,252	\$1,875,701
Human Relations Commission	\$882	\$0	\$0
Human Resources	\$0	\$36,796	\$24,633
Internal Services	\$153,518	\$169,181	\$248,419
LACERA	\$0	\$16,539	\$8,687
Mental Health	\$149,684	\$225,664	\$235,611
Military and Veterans Affairs	\$4,563	\$0	\$0
Museum of Art	\$8,634	\$0	\$2,191
Museum of Natural History	\$0	\$9,996	\$1,186
Non-Jurisdictional	\$0	\$0	\$0
Office of Public Safety	\$401,266	\$375,398	\$451,682
Parks and Recreation	\$152,830	\$172,460	\$91,481
Pending Assignment	\$0	\$0	\$0
Probation	\$7,097,840	\$7,180,876	\$8,679,089
Public Defender	\$84,076	\$110,036	\$119,535
Public Health	\$307,128	\$284,082	\$374,536
Public Library	\$24,690	\$0	\$0
Public Social Services	\$1,392,135	\$1,215,114	\$1,319,264
Public Works	\$232,002	\$208,522	\$397,677
Regional Planning	\$0	\$21,879	\$0
Registrar-Recorder/County Clerk	\$55,843	\$71,555	\$150,435
Sheriff	\$12,888,961	\$17,872,383	\$23,069,367
Superior Court	\$495,013	\$431,805	\$570,075
Treasurer and Tax Collector	\$60,125	\$63,000	\$51,200
TOTAL	\$39,899,699	\$49,687,965	\$57,903,637

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

COUNTY OF LOS ANGELES STATE LABOR CODE 4850 EXPENSE BY FISCAL YEAR FY 2002-03 THROUGH FY 2009-10 *(Excludes Salary Continuation)*

FISCAL YEAR	DISTRICT ATTORNEY	OFFICE OF PUBLIC SAFETY	PROBATION	FIRE	SHERIFF
FY 2002-03	\$574,541	\$878,543	\$8,207,591	\$16,054,957	\$23,354,324
FY 2003-04	\$662,894	\$1,048,356	\$7,097,038	\$14,186,108	\$23,679,518
FY 2004-05	\$198,966	\$463,340	\$7,608,916	\$13,579,058	\$18,265,576
FY 2005-06	\$220,551	\$445,418	\$6,398,513	\$13,094,365	\$14,708,341
FY 2006-07	\$200,144	\$272,540	\$7,656,312	\$12,922,178	\$14,723,400
FY 2007-08	\$109,827	\$370,676	\$7,020,446	\$13,736,306	\$12,260,601
FY 2008-09	\$265,920	\$368,610	\$7,073,880	\$17,510,889	\$16,979,878
FY 2009-10	\$299,346	\$446,811	\$8,569,127	\$18,443,689	\$22,099,137
TOTAL	\$2,532,189	\$4,294,294	\$59,631,823	\$119,527,550	\$146,070,775



Source: Auditor-Controller, based on 100% IA Earnings.

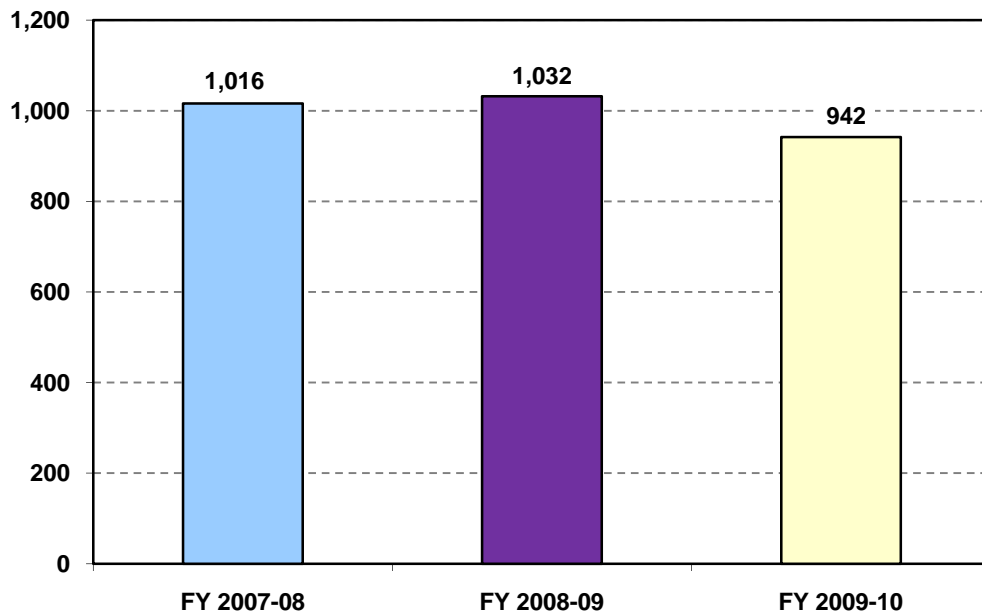
EXHIBIT F

COUNTY OF LOS ANGELES VEHICLE LIABILITY CLAIM COUNT AND COST SUMMARY FY 2007-08 THROUGH FY 2009-10

Department	FY 2007-08		FY 2008-09		FY 2009-10	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action Compliance	0	\$0	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	2	\$489,586	17	\$206,545	6	\$2,999,174
Alternate Public Defender	3	\$90	0	\$6,347	1	\$0
Animal Care and Control	8	\$5,287	3	\$26,193	10	\$81,397
Assessor	2	\$1,837	7	\$4,006	2	\$15,949
Auditor-Controller	0	\$0	2	\$0	2	\$17,781
Beaches and Harbors	8	\$43,322	3	\$395,263	4	\$24,032
Board of Supervisors	6	\$41,585	12	\$36,700	13	\$52,319
Chief Executive Office	0	\$0	1	\$0	0	\$0
Chief Information Office	0	\$0	0	\$0	0	\$0
Child Support Services	4	\$14,270	3	\$3,239	0	\$0
Children and Family Services	66	\$131,337	46	\$272,361	33	\$182,526
Community and Senior Services	2	\$0	3	\$2,512	1	\$745
Consumer Affairs	2	\$3,201	0	\$0	0	\$0
Coroner	3	\$28,380	6	\$83,380	1	\$4,017
County Counsel	9	\$755	0	\$2,674	2	\$0
District Attorney	32	\$71,815	9	\$40,105	10	\$42,603
Fire	90	\$820,878	87	\$346,415	83	\$414,706
Health Services	13	\$44,335	14	\$101,612	14	\$282,156
Human Relations Commission	0	\$0	2	\$1,655	0	\$0
Human Resources	0	\$1,242	1	\$0	0	\$0
Internal Services	19	\$133,550	22	\$59,287	29	\$58,570
LACERA	0	\$0	0	\$0	0	\$0
Mental Health	27	\$148,990	13	\$1,429,273	11	\$137,145
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	79	\$4,521	107	\$25,911	87	\$66,110
Office of Public Safety	14	\$98,693	18	\$57,526	13	\$85,153
Parks and Recreation	29	\$7,620	41	\$134,443	20	\$441,029
Pending Assignment	1	\$3,534	0	\$3,499	7	-\$90
Probation	21	\$67,728	13	\$149,463	10	\$75,398
Public Defender	1	\$948	2	\$0	3	\$559
Public Health	14	\$26,542	26	\$100,424	22	\$145,995
Public Library	1	\$406	4	\$6,448	7	\$5,740
Public Social Services	18	\$115,996	9	\$39,332	7	\$88,589
Public Works	106	\$357,978	86	\$398,279	96	\$1,065,751
Regional Planning	0	\$0	1	\$0	0	\$0
Registrar-Recorder/County Clerk	1	\$12,933	1	\$4,955	2	\$0
Sheriff	435	\$8,108,705	475	\$8,073,534	450	\$8,461,637
Superior Court	0	\$0	0	\$0	0	\$0
Treasurer and Tax Collector	0	\$0	0	\$0	0	\$0
TOTAL⁴	1,016	\$10,786,064	1,032	\$12,011,381	942	\$14,748,991

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, 2010.
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.

**COUNTY OF LOS ANGELES NUMBER OF VEHICLE LIABILITY CLAIMS
FY 2007-08 THROUGH FY 2009-10**



**COUNTY OF LOS ANGELES AMOUNT PAID FOR VEHICLE LIABILITY CLAIMS
FY 2007-08 THROUGH FY 2009-10**

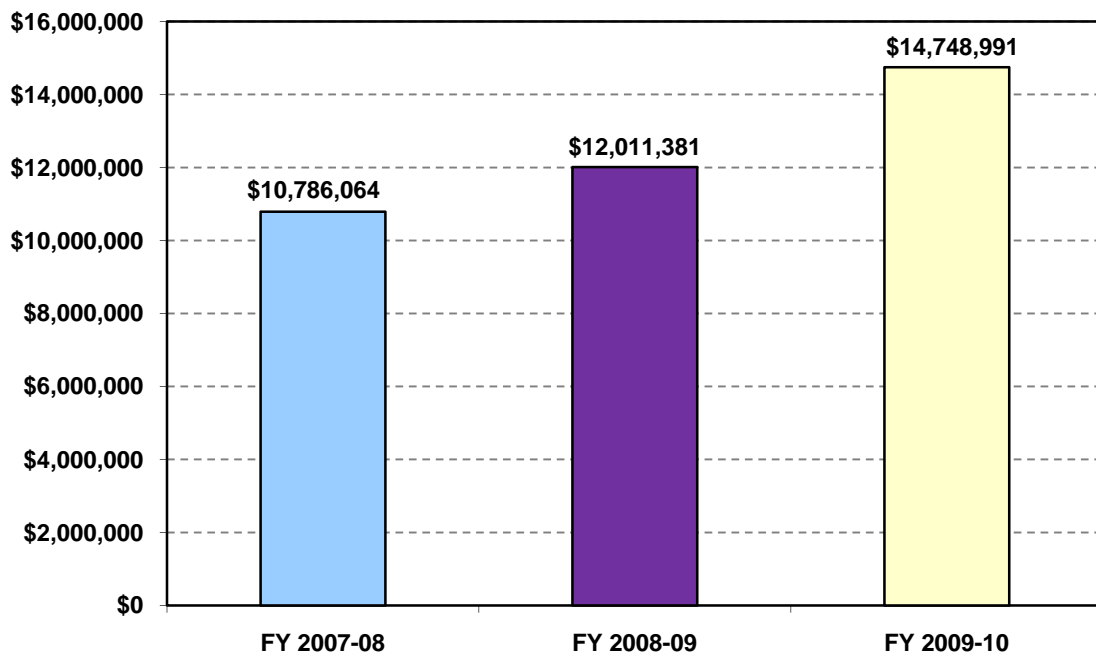
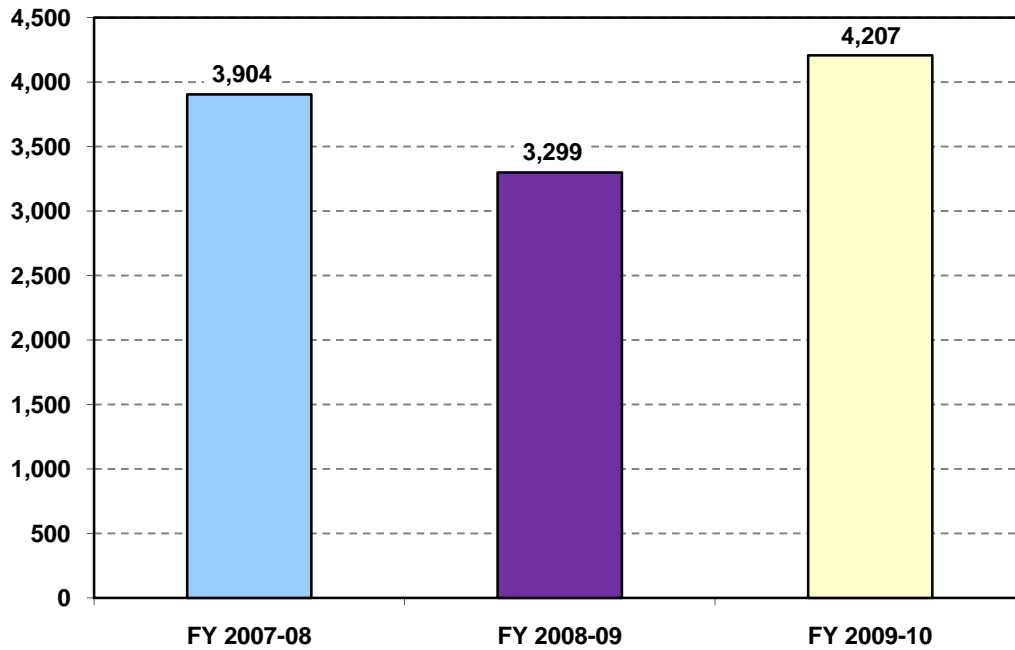


EXHIBIT G**COUNTY OF LOS ANGELES GENERAL LIABILITY CLAIM COUNT AND COST SUMMARY
FY 2007-08 THROUGH FY 2009-10**

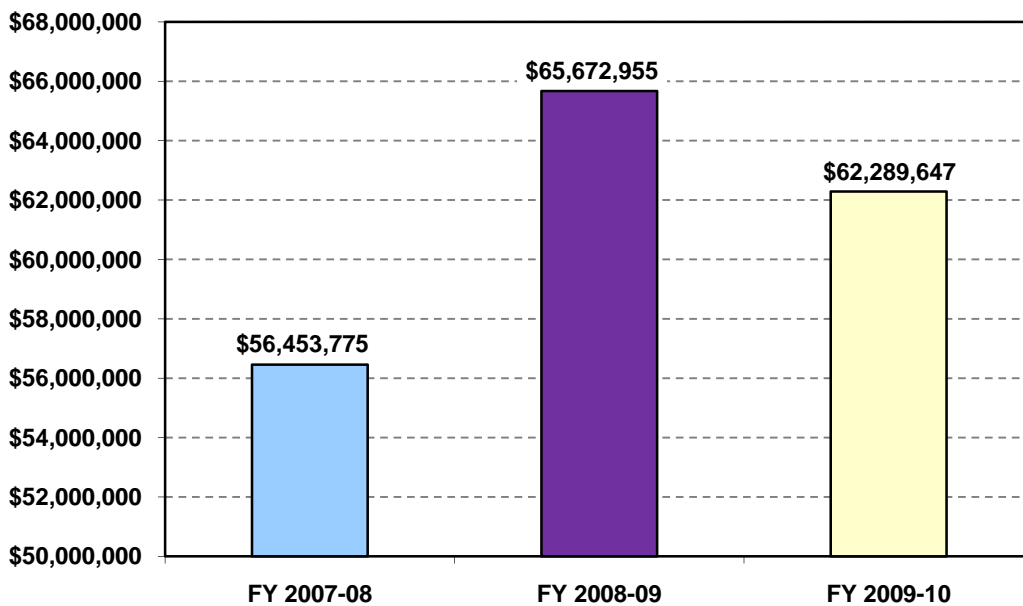
Department	FY 2007-08		FY 2008-09		FY 2009-10	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action Compliance	0	\$0	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	17	\$44,853	9	\$148,098	8	\$18,336
Alternate Public Defender	3	\$357,182	5	\$50,485	6	\$106,930
Animal Care and Control	38	\$341,671	25	\$477,754	24	\$190,323
Assessor	19	\$178,997	21	\$314,600	18	\$299,257
Auditor-Controller	48	\$72,158	36	\$460,247	11	\$262,606
Beaches and Harbors	24	\$71,661	15	\$370,262	28	\$66,002
Board of Supervisors	13	\$495,010	12	\$1,243,045	11	\$730,591
Chief Executive Office	13	\$477,892	15	\$890,389	17	\$1,550,067
Chief Information Office	1	\$0	0	\$0	0	\$0
Child Support Services	24	\$110,652	16	\$179,512	17	\$477,306
Children and Family Services	126	\$2,783,665	89	\$2,138,912	104	\$4,712,600
Community and Senior Services	2	\$302,516	6	\$180,125	6	\$1,848,046
Consumer Affairs	2	\$0	1	\$0	0	\$0
Coroner	43	\$53,387	33	\$268,821	4	\$104,585
County Counsel	8	\$52,163	2	\$40,582	3	\$60,559
District Attorney	59	\$878,238	68	\$1,191,371	55	\$740,537
Fire	38	\$1,477,761	35	\$1,340,951	73	\$2,714,224
Health Services	294	\$4,344,047	204	\$4,584,804	153	\$4,685,844
Human Relations Commission	0	\$0	0	\$0	0	\$0
Human Resources	0	\$0	1	\$14,426	2	\$42,242
Internal Services	37	\$101,209	27	\$398,560	18	\$91,261
LACERA	1	\$0	0	\$0	0	\$0
Mental Health	37	\$1,111,616	31	\$944,685	54	\$870,460
Military and Veterans Affairs	0	\$0	0	\$0	0	\$0
Museum of Art	2	\$536	0	\$0	0	\$0
Museum of Natural History	2	\$264	2	\$23,760	0	\$43,021
Non-Jurisdictional	345	\$445,746	364	\$148,114	201	\$213,116
Office of Public Safety	22	\$513,135	26	\$637,961	158	\$1,356,947
Parks and Recreation	60	\$397,745	57	\$322,232	50	\$331,625
Pending Assignment	0	\$220	83	\$580	7	\$0
Probation	74	\$2,576,346	68	\$8,883,990	51	\$3,062,693
Public Defender	15	\$99,547	10	\$1,196,739	17	\$594,637
Public Health	18	\$2,760,171	15	\$666,546	13	\$688,890
Public Library	12	\$72,547	6	\$21,629	1	\$0
Public Social Services	38	\$152,497	51	\$543,371	40	\$376,405
Public Works	659	\$9,606,840	568	\$6,498,820	655	\$6,539,998
Regional Planning	9	\$88,130	27	\$205,296	17	\$251,715
Registrar-Recorder/County Clerk	49	\$815,712	20	\$1,492,702	8	\$190,667
Sheriff	1,924	\$25,345,493	1,377	\$29,232,652	2,446	\$28,895,439
Superior Court	1	\$0	2	\$0	0	\$1,000
Treasurer and Tax Collector	129	\$324,168	107	\$560,934	66	\$171,718
TOTAL⁴	3,904	\$56,453,775	3,299	\$65,672,955	4,207	\$62,289,647

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, 2010.
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.

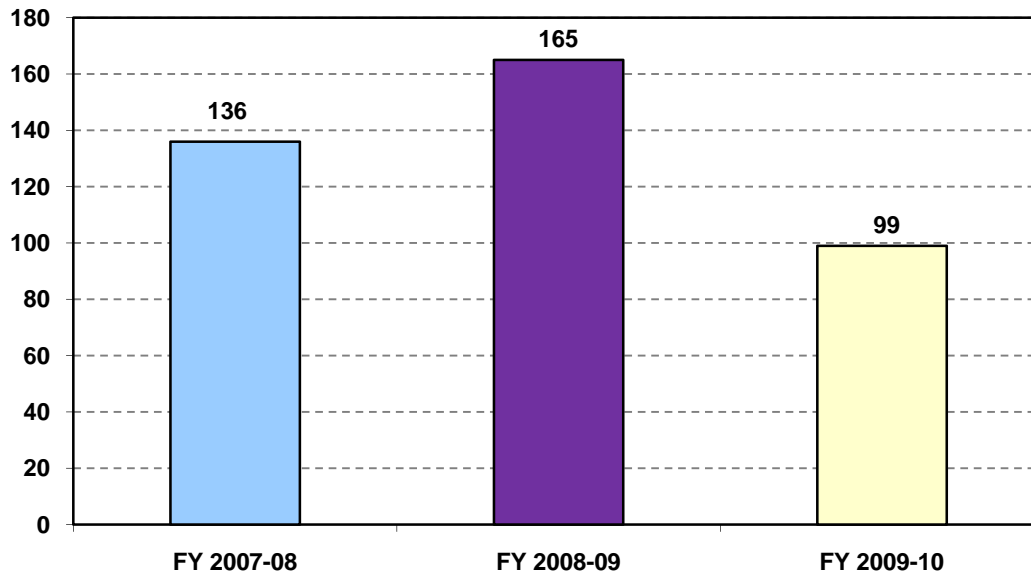
**COUNTY OF LOS ANGELES NUMBER OF GENERAL LIABILITY CLAIMS
FY 2007-08 THROUGH FY 2009-10**



**COUNTY OF LOS ANGELES AMOUNT PAID FOR GENERAL LIABILITY CLAIMS
FY 2007-08 THROUGH FY 2009-10**



COUNTY OF LOS ANGELES NUMBER OF EMPLOYMENT PRACTICES LIABILITY CLAIMS FY 2007-08 THROUGH FY 2009-10



Note: Employment Practices Liability cases are a subset of the General Liability category.

COUNTY OF LOS ANGELES AMOUNT PAID FOR EMPLOYMENT PRACTICES LIABILITY CLAIMS FY 2007-08 THROUGH FY 2009-10

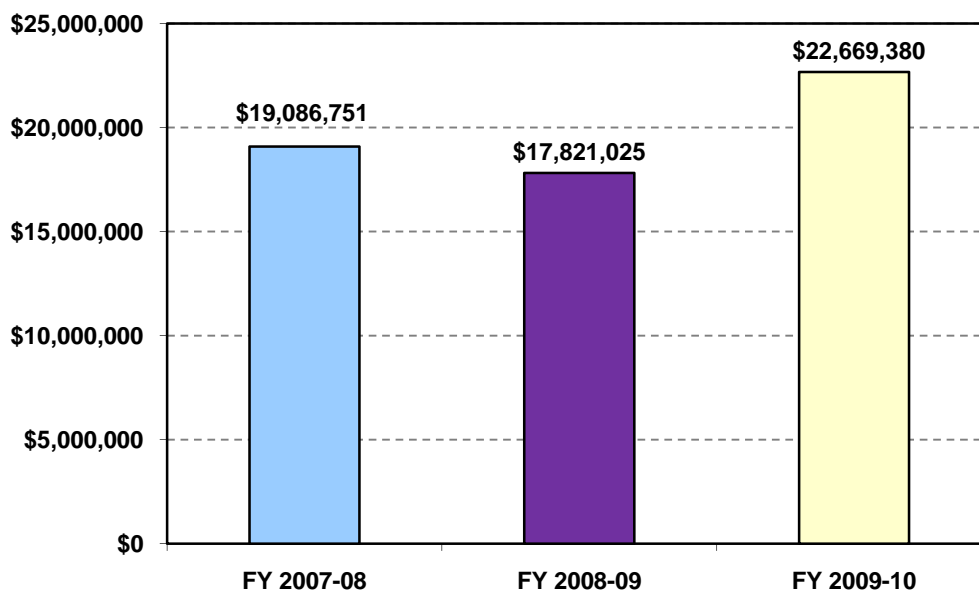


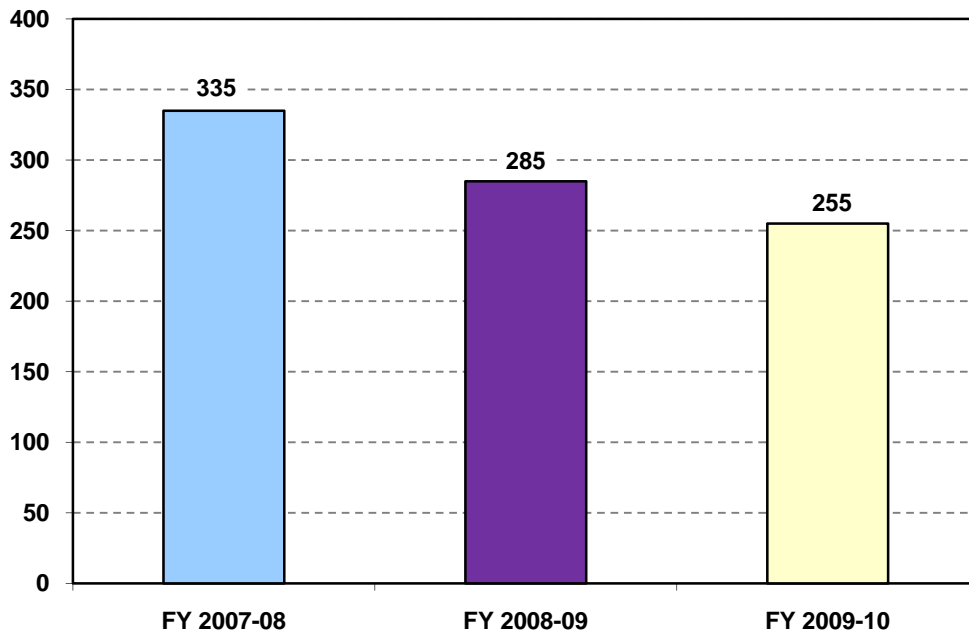
EXHIBIT H

**COUNTY OF LOS ANGELES MEDICAL MALPRACTICE CLAIM COUNT AND COST SUMMARY
FY 2006-07 THROUGH FY 2008-09**

Department	FY 2007-08		FY 2008-09		FY 2009-10	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
DHS – Antelope Valley Cluster	5	\$19,250	10	\$21,336	5	\$48,904
DHS – Coastal Cluster	76	\$4,474,803	85	\$3,041,756	65	\$1,930,690
DHS – LAC+USC Healthcare Network	107	\$9,358,367	107	\$7,705,466	76	\$5,212,657
DHS – Other ⁴	5	\$33,891	2	\$1,025	3	\$3,750
DHS – Rancho Los Amigos	8	\$8,130	16	\$32,240	7	\$173,152
DHS – San Fernando Valley Cluster	53	\$633,371	27	\$6,349,198	40	\$7,716,099
DHS – Southwest Cluster	25	\$2,126,364	20	\$5,407,644	26	\$290,270
Health Services Subtotal⁵	271	\$16,654,176	247	\$22,558,665	201	\$15,375,522
Children and Family Services	1	\$0	0	\$0	2	\$0
Coroner	8	\$263,809	0	\$264,764	2	\$22,603
Fire	4	\$131,985	11	\$239,154	8	\$661,524
Mental Health	16	\$91,896	10	\$83,718	30	\$35,198
Non-Jurisdictional	19	\$0	12	\$325	16	\$0
Office of Public Safety	1	\$87,282	2	\$2,445	0	-\$1,489
Probation	0	\$2,703	0	\$0	0	\$0
Public Health	3	\$218,968	2	\$18,000	3	\$21,372
Public Social Services	2	\$0	0	\$0	3	\$0
Sheriff	25	\$860,704	8	\$2,272,614	17	\$75,912
TOTAL⁵	335	\$18,311,523	285	\$25,439,685	255	\$16,190,642

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, 2010.
4. DHS – Other includes Emergency Medical Services Administration, Juvenile Court Health Services, and Health Services-NOC.
5. 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.

COUNTY OF LOS ANGELES NUMBER OF MEDICAL MALPRACTICE CLAIMS FY 2007-08 THROUGH FY 2009-10



COUNTY OF LOS ANGELES AMOUNT PAID FOR MEDICAL MALPRACTICE CLAIMS FY 2007-08 THROUGH FY 2009-10

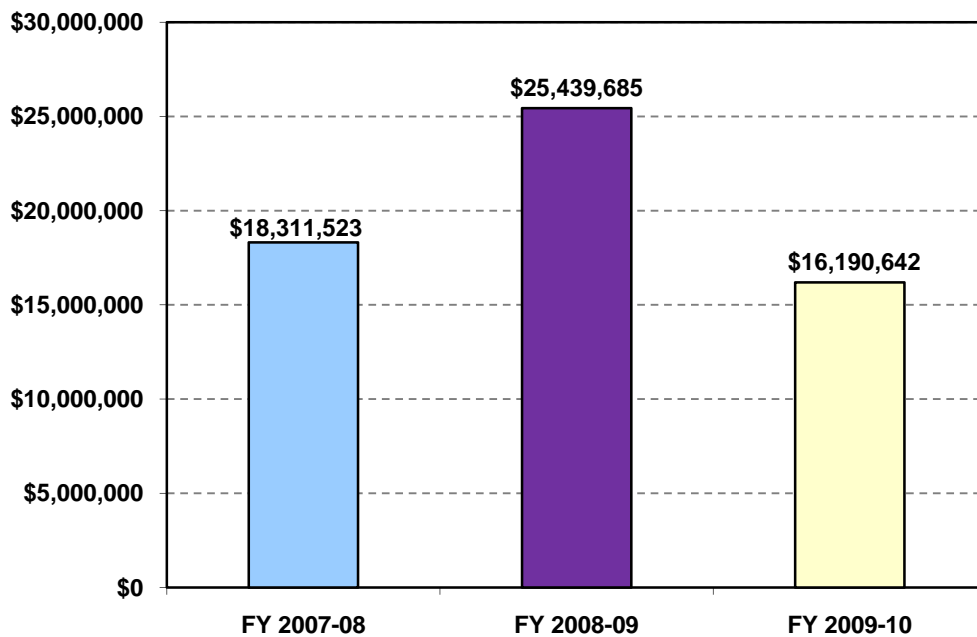


EXHIBIT I

**CORRECTIVE ACTION PLANS BY DEPARTMENT
JULY 1, 2009 THROUGH JUNE 30, 2010**
(Settlements in excess of \$100,000)

Department	FY 2007-08	FY 2008-09	FY 2009-10
Agricultural Commissioner/Weights and Measures	0	0	1
Auditor-Controller	0	2	0
Beaches and Harbors	0	2	0
Child Support Services	0	0	1
Children and Family Services	4	2	5
Community and Senior Services	0	0	0
District Attorney	0	1	0
Fire	3	0	4
Health Services	19	16	11
Internal Services	0	0	0
Mental Health	0	3	0
Office of Public Safety	1	0	1
Parks and Recreation	2	1	0
Probation	3	2	4
Public Defender	0	1	1
Public Health	4	3	1
Public Social Services	0	1	0
Public Works	5	3	8
Registrar-Recorder/County Clerk	0	1	0
Sheriff	6	10	12
Treasurer and Tax Collector	0	0	1
TOTAL¹	47	48	50

1. Corrective Action Plans are approved by the Board of Supervisors.

The total number of Corrective Action Plans (CAPs) has remained relatively stable. The root causes related to cases are identified in the CAPs, and action items are developed and implemented to minimize the potential for similar types of claims to recur. Some types of cases are specific to the department in question, while others have potential to impact like-type departments (all social service departments; all medical service departments). Still others have impacts on a Countywide basis.

Lessons learned from CAPs are communicated to affected departments on a regular basis. This is completed at quarterly Risk Management Coordinator meetings, through one-on-one consultations with affected departments, and through postings on the CEO Risk Management Branch intranet site.

SUMMARY CORRECTIVE ACTION PLANS BY DEPARTMENT
JULY 1, 2009 THROUGH JUNE 30, 2010
(Settlements between \$20,000 and \$100,000)

Department	FY 2007-08	FY 2008-09	FY 2009-10
Agricultural Commissioner/Weights and Measures	0	0	0
Animal Care and Control	0	0	1
Chief Executive Office	0	3	0
Child Support Services	0	0	0
Children and Family Services	1	0	2
Coroner	1	1	0
District Attorney	0	0	2
Fire	0	0	2
Health Services	0	4	3
Internal Services	1	1	0
Mental Health	4	2	11
Office of Public Safety	0	0	1
Probation	1	2	5
Public Defender	0	0	0
Public Health	0	0	2
Public Library	0	1	0
Public Social Services	2	0	2
Public Works	7	18	11
Registrar-Recorder/County Clerk	1	1	0
Sheriff	9	15	18
Treasurer and Tax Collector	0	1	1
TOTAL^{1, 2}	27³	49	61

1. Summary Corrective Action Plans (SCAPs) are approved by the Claims Board for settlements less than or equal to \$100,000.
2. For settlements greater than \$100,000 which require a Corrective Action Plan and a SCAP, the SCAPs for those settlements are not included in the table above.
3. The SCAP process was initiated in November 2007.

The total number of Summary Corrective Action Plans (SCAPs) increased from FY 2008-09 to FY 2009-10. The total listed for FY 2007-08 is low since SCAPs were not implemented until November 2007. Most of the increase is from the Department of Mental Health relating to cases involving access to educational services.

Lessons learned from the SCAPs are communicated in a similar manner as with Corrective Action Plans.

**CORRECTIVE ACTION PLAN/SUMMARY CORRECTIVE ACTION PLAN
ACTION ITEM COMPLETION RATE
JULY 1, 2009 THROUGH JUNE 30, 2010**

Department	Total Action Items Reviewed	Total Action Items Completed	Completion Rate
Agricultural Commissioner/Weights and Measures	4	4	100%
Auditor-Controller	1	1	100%
Beaches and Harbors	1	1	100%
Chief Executive Office	1	1	100%
Children and Family Services	3	3	100%
Fire	9	9	100%
Health Services	93	93	100%
Mental Health	4	4	100%
Probation	26	23	88%
Public Defender	10	10	100%
Public Health	10	10	100%
Public Social Services	1	1	100%
Public Works	25	25	100%
Sheriff	21	21	100%
TOTAL¹	209	206	98.6%

1. The table above represents the completion rate for CAP action items reviewed during the period. The CAP/SCAP may have been approved by the Board of Supervisors or Claims Board in an earlier period, but reviewed during the period noted. The completion rate is based on completion of the CAP/SCAP action items included in the CAP/SCAP document.

The Corrective Action Plan/Summary Corrective Action Plan Action Item Completion Rate table displays departments' completion of required action items. These action items are reviewed starting six months after the settlement is approved by the Claims Board and/or Board of Supervisors until such time as they are completed.

Two of the pending action items for the Probation Department will be completed once the Probation Department staff complete the Return-to-Work 101 training series that is currently in progress (to be completed by the end of October 2010). The remaining action item relates to analyzing existing driver services programs, establishing recommendations to prevent vehicle accidents, and modifying the existing Accident Review Committee Policy. Implementation of this action item was delayed due to management changes. The department expects to complete this action item by December 31, 2010.

Action item completion is evaluated through site surveys, documentation reviews, and interviews with key personnel. The high completion rate reflects departmental commitment to implementing necessary actions and thorough follow-up efforts to track and evaluate activities. The more difficult challenge relating to Correction Action Plans is evaluating whether the action items have been implemented in a sustainable manner and whether they were ultimately effective or not. Methodologies to evaluate sustainability and effectiveness continue to be developed.