



County of Los Angeles CHIEF EXECUTIVE OFFICE

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January 5, 2016

To: Supervisor Hilda L. Solis, Chair
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: Sachi A. Hamai
Chief Executive Officer

CHIEF EXECUTIVE OFFICE RISK MANAGEMENT ANNUAL REPORT, FISCAL YEAR 2014-15

Attached is the *Chief Executive Office Risk Management Annual Report, Fiscal Year 2014-15*. 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.

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

Total Cost of Risk

The total of all costs related to Liability and Workers' Compensation increased by \$45.0 million to \$577.5 million, which represents an 8.4 percent increase over FY 2013-14. The Total Cost of Risk is measured as a percentage of the County's operating budget. The County's Total Cost of Risk increased from 2.15 to 2.26 percent of the County's operating budget; this additional cost represents a 5.4 percent increase over FY 2013-14.

Vehicle Liability

Vehicle accident claims increased by 53 to 916, which represents a 6.1 percent increase over FY 2013-14. The cost of claims and lawsuits decreased by \$1.8 million to \$8.8 million, which represents a 17.3 percent decrease over FY 2013-14. The increase of automobile liability claims is due to the filing of significantly more claims than the prior year, and was found to be the liability of entities other than the County.

Through the Legal Exposure Reduction Committee, the County has implemented vehicle operations training, and will be implementing an online program in 2016 to aid departments in training on the safe operation of vehicles.

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Other General Liability

These claims have decreased by 174 to 2,135, which represents a 7.5 percent decrease over FY 2013-14. However, the cost of claims and lawsuits increased by \$11.7 million to \$37.2 million, which represents a 45.7 percent increase over FY 2013-14. The claims cost increase is due the settlement of one *Tax Administration Over-Charge Fees* case in the amount of \$12.9 million.

Employment Practices Liability (non-Workers' Compensation)

These claims have increased by 35 to 193, which represents a 22.1 percent increase over FY 2013-14. The cost of claims and lawsuits increased by \$7.1 million to \$21.1 million, which represents a 50.5 percent increase over FY 2013-14. Six claims had expenses greater than \$500,000 and represented 35 percent of this total (\$7.5 million). These allegations include wrongful termination, whistleblower, sexual harassment, and failure to promote.

Updated Employment Practices training is being developed and will be available in 2016. CEO Risk Management, County Counsel, and the Department of Human Resources trained County supervisors and managers on proper employment practices in 2010, and subsequent to that training the County experienced reduced claims in this area.

Law Enforcement Liability

These claims have decreased by 222 to 781, which represents a 22.1 percent decrease over FY 2013-14. The cost of claims and lawsuits increased by \$14.6 million to \$48.3 million, which represents a 43.4 percent increase over FY 2013-14. Excessive force claims dating back several years continue to be a cost driver. However, of significant note is the reduction in the number of claims.

CEO Risk Management and County Counsel trained all Sheriff's Department (Sheriff) Command staff on Risk Management strategic initiatives in 2015. Additionally, Sheriff continues to make significant improvements in its corrective action plans.

Medical Malpractice Liability

These claims have decreased by 84 to 226, which represents a 27.1 percent decrease over FY 2013-14. The cost of claims and lawsuits increased by \$0.2 million to \$16.7 million, which represents a 1.3 percent increase over FY 2013-14.

Through the Legal Exposure Reduction Committee, several programs have been or are currently being implemented to aid in the reduction and prevention of this type of liability. In addition, management and staff of the County's medical providers continue to pursue independent risk reduction strategies.

Workers' Compensation

These claims have decreased by 395 to 10,550, which represents a 3.6 percent decrease over FY 2013-14. The cost of claims and lawsuits increased by \$17.2 million to \$359.3 million, which represents a 5.0 percent increase over FY 2013-14. The cost of claims is attributed to the statutory increase in weekly permanent disability rates.

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

This report represents the combined efforts of the entire CEO Risk Management Branch team. Input and analysis was provided by staff of Loss Control and Prevention, Risk Management Inspector General, Workers' Compensation, Disability Programs, Claims Management, Occupational Health, and Risk Management Operations.

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



County of Los Angeles
Chief Executive Office ♦ Risk Management Branch

Inside County Risk

FY 2014-15 Annual Report

Steven T. Robles
County Risk Manager





Hilda L. Solis
First District



Mark Ridley-Thomas
Second District



Sheila Kuehl
Third District



Don Knabe
Fourth District



Michael D. Antonovich
Fifth District

COUNTY OF LOS ANGELES
BOARD OF SUPERVISORS



CHIEF EXECUTIVE OFFICE

14-15

Inside
County Risk

Risk Management Annual Report

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RISK MANAGER'S MESSAGE

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, 2014 through June 30, 2015.

FY 2014-15 marked an increase in improved fiscal controls and early steps of significant technology and infrastructure improvements. As fiscal efforts become more sophisticated we will employ more advanced risk financing initiatives to better allocate costs to departments, hedge against catastrophic losses, and transfer existing losses. All of these efforts are focused on lowering the overall costs associated with long-term claims.

As the largest risk cost driver for the County, the Workers' Compensation system continues to be the main focus for this fiscal year. With the support from County leadership at the Board of Supervisors and Executive level, we were successful in establishing a comprehensive Workers' Compensation finance team which yielded immediate results; continued fraud initiatives with the District Attorney's office and associated parties; developed additional claims closure initiatives with County Counsel; and established the framework for comprehensive risk financing initiatives for unfunded liabilities.

This year's annual report includes the breakdown of General Liability into specific areas, including; 1) Law Enforcement; 2) Employment; 3) Medical Malpractice; 4) Vehicle Liability; and 5) General Liability. These five categories represent different exposures and will allow departments the ability to focus prevention efforts according to their risk.

Overall, the County experienced several challenges related to the cost of risk, as law enforcement costs continue to rise. The remainder of this report details specific data points; however, highlighted below is a summation of the key cost drivers:

- Total cost of risk, which is all liability and workers' compensation costs as a percentage of the County's operating budget, increased last year after a three-year downward trend. Total cost of risk rose from 2.15% to 2.26%.
- The County's Employment Practices Liability increased 22.1% after a three-year downward trend. The cost of claims also increased 50.5%.
- The County's Vehicle Liability broke its three-year downward trend in frequency, increasing by 6.1% while the costs decreased by 17.3%.
- Other General Liability frequency decreased 7.5% and costs increased by 46.4%.
- The Medical Malpractice Liability frequency continued a four-year downward trend, decreasing 27.1%, and costs increased 1.3%.
- The Law Enforcement Liability frequency decreased 22.1% and costs increased by 43.4%.
- Workers' Compensation expenses continue to rise with the passage of increasingly costly legislation. However, the County's efforts to prevent and manage occurrence have resulted in slight program changes with claims remaining flat while the costs have increased 5.0%.

Frequency increase or decrease in each category will impact future costs for the County. Therefore, as prior years' claims increased, we now see the affects with increased costs. Conversely, as we currently see downward trends in claims we can expect to see lower costs in the future.

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

COST OF RISK

The Cost of Risk is a 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 2014-15, the County experienced an increase in the Cost of Risk of 5.4%. Prior to FY 2014-15, the County had decreased its Cost of Risk by 2.9% over the prior three years. The significant increase this fiscal year can be attributed to statutory increases in Workers' Compensation benefits and increased settlements and claim closures primarily in Law Enforcement Liability.

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 RISK¹

Category	FY 2012-13	FY 2013-14	FY 2014-15
Workers' Compensation			
Labor Code 4850/Salary Continuation	\$66,978,802	\$72,529,272	\$68,383,159
Workers' Compensation Expense Total	\$413,192,876	\$414,701,834	\$427,730,836
Liability			
Liability Expense Total	\$99,849,819	\$111,585,797	\$143,163,428
Purchased Insurance (premiums and fees)	\$17,628,758	\$17,770,156	\$17,268,876
Cost of Risk	\$530,671,453	\$544,057,777	\$588,163,140
Cost of Risk (excluding non-County agencies)	\$518,343,082	\$532,527,050	\$577,489,010
Total County Operating Budget (000)	\$24,228,102	\$25,333,757	\$25,988,192
Cost of Risk (excluding non-County agencies as percentage of the County's Operating Budget)	2.14%	2.10%	2.22%

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

RISK FINANCING

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 always be susceptible to large claims that significantly impact expenses. The results of FY 2014-15 illustrate this susceptibility; ten claims accounted for 36.7% of all General Liability 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 potential 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 follow:

- 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 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.

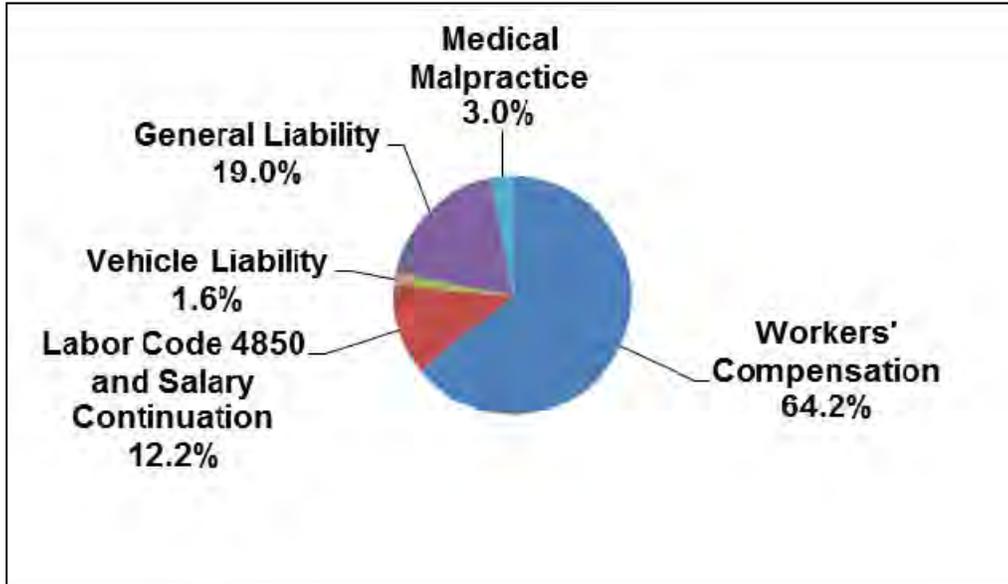
- Management Appraisal and Performance Plan (MAPP) goals are established by each Department Head on an annual basis. These goals are tracked and evaluated through the Department Head's performance evaluation.
- The CEO provides reporting and early trend analysis capabilities through departmental specific 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 Branch collaborate with departments in this endeavor.

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

OVERALL COSTS

The overall Cost of Risk graph below illustrates that workers' compensation accounts for more than 64% of the Cost of Risk. For FY 2014-15, this represents approximately \$360 million.

PERCENTAGE OF TOTAL COST PAID BY CLAIM TYPE – FY 2014-15



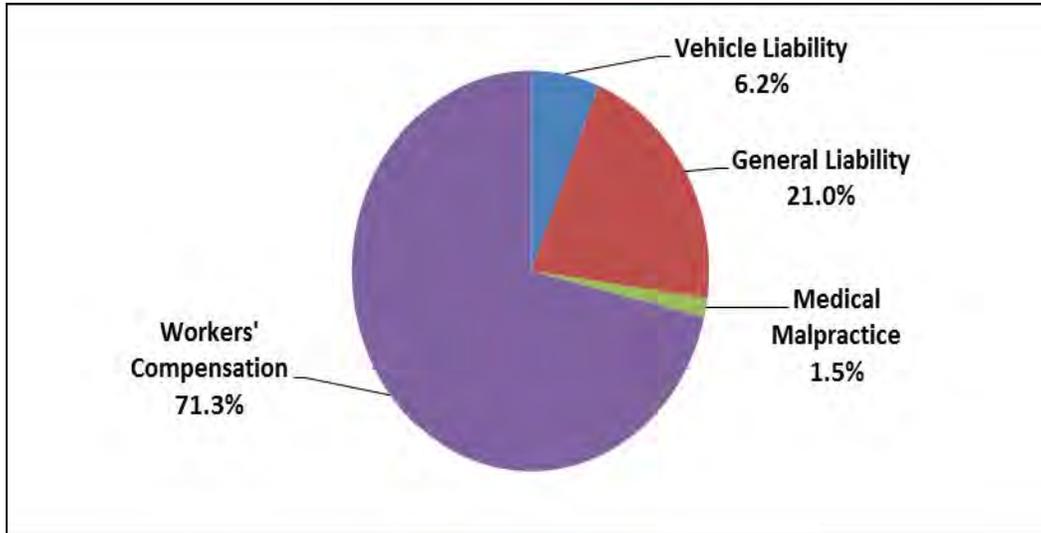
CLAIM SEVERITY (TOTAL COST PAID) – ALL CLAIMS^{1,2,3} – FY 2012-13 THROUGH FY 2014-15

Claim Type	FY 2012-13	FY 2013-14	FY 2014-15
Workers' Compensation ⁴	\$346,214,074	\$342,172,562	\$359,347,677
Labor Code 4850 and Salary Continuation	\$66,978,802	\$72,529,272	\$68,383,159
Vehicle Liability	\$8,026,347	\$10,679,637	\$8,834,434
Law Enforcement Liability	\$32,891,442	\$33,702,361	\$48,318,840
Employment Practices Liability	\$15,889,577	\$14,009,145	\$21,081,049
Other General Liability ⁵	\$18,943,591	\$25,557,899	\$37,232,878
Medical Malpractice	\$12,821,794	\$16,479,158	\$16,696,689
TOTAL	\$501,765,627	\$515,130,034	\$559,894,726

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.
5. General Liability cost of claims increased due to the settlement of tax administration over-charge fees case in the amount of \$12,895,344.

CLAIM FREQUENCY BY CLAIM TYPE – FY 2014-15

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



**CLAIM FREQUENCY (TOTAL NUMBER OF CLAIMS FILED) BY CLAIM TYPE
FY 2012-13 THROUGH FY 2014-15**

Claim Type ^{1,2}	FY 2012-13	FY 2013-14	FY 2014-15
Workers' Compensation	10,867	10,945	10,550
Vehicle Liability	894	863	916
Law Enforcement Liability	828	1,003	781
Employment Practices Liability	164	158	193
Other General Liability	1,797	2,309	2,135
Medical Malpractice	320	310	226
TOTAL	14,870	15,588	14,801

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 2014-15 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 27,500 open workers' compensation claims with approximately 11,000 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 contractors (MMCCs), and a pharmacy benefit management company (PBM). The Workers' Compensation On-Site County Representatives (OSCRs), within the CEO Risk Management Branch, 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 Division staff, CEO Risk Management Branch staff, State User Assessments, and other overhead charges required to administer the program. Such expenses are not charged or allocated to the workers' compensation claim file.

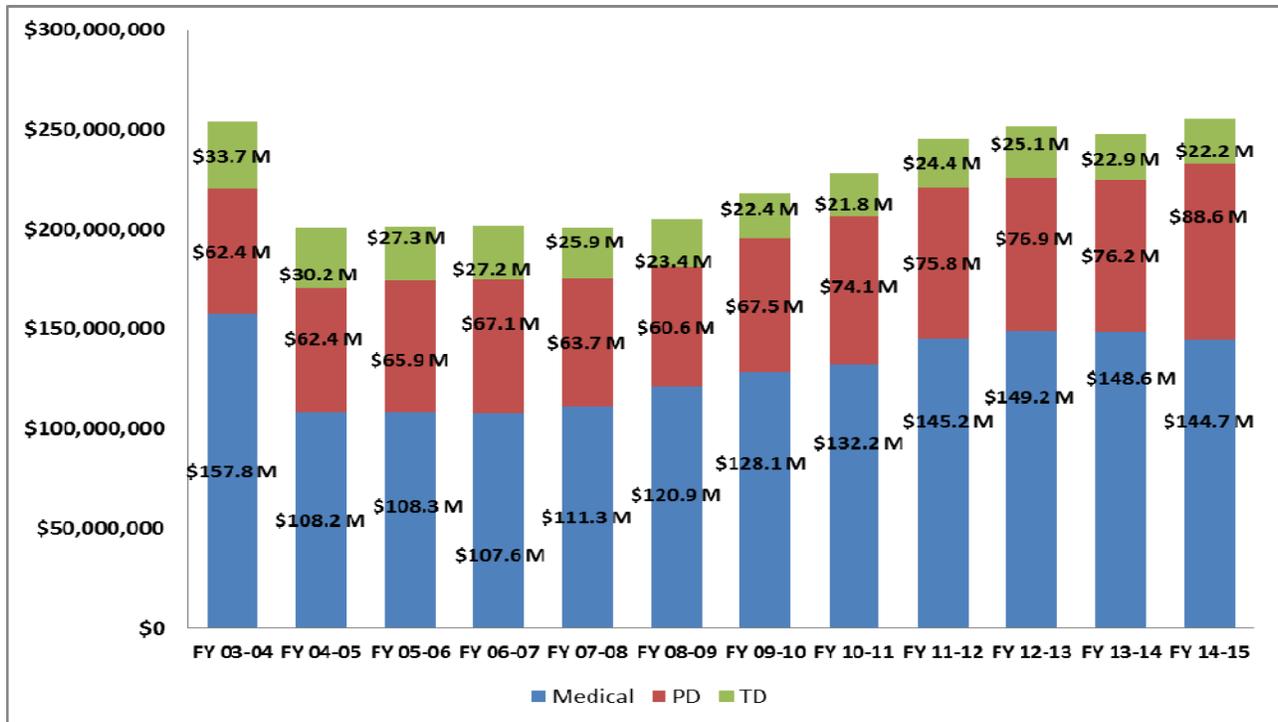


WORKERS' COMPENSATION PROGRAM — MAJOR ALLOCATED BENEFIT EXPENSES

In FY 2014-15, total medical expenses remained stable and equaled \$144.7 million. This represents a 2.6% decrease from the total medical expense of \$148.6 million experienced in FY 2013-14. Temporary disability expenses decreased from \$22.9 million in FY 2013-14 to \$22.2 million in FY 2014-15, a decrease of 3.1%. FY 2014-15 salary continuation expenses (including Labor Code 4850 benefits) decreased 5.7% from \$72.5 million in FY 2013-14, and totaled \$68.4 million. CEO Risk Management Branch staff believes the Labor Code 4850 expense decreased, in part, by given increases in service connected disability retirement filings. Permanent disability expenses increased 16.3%, from \$76.2 million in FY 2013-14 to \$88.6 million in FY 2014-15.

CEO Risk Management Branch staff attributes this increase to the statutory increase in weekly permanent disability rates. The trend of increasing permanent disability expense is expected to continue into the future.

WORKERS' COMPENSATION MAJOR BENEFIT EXPENSES

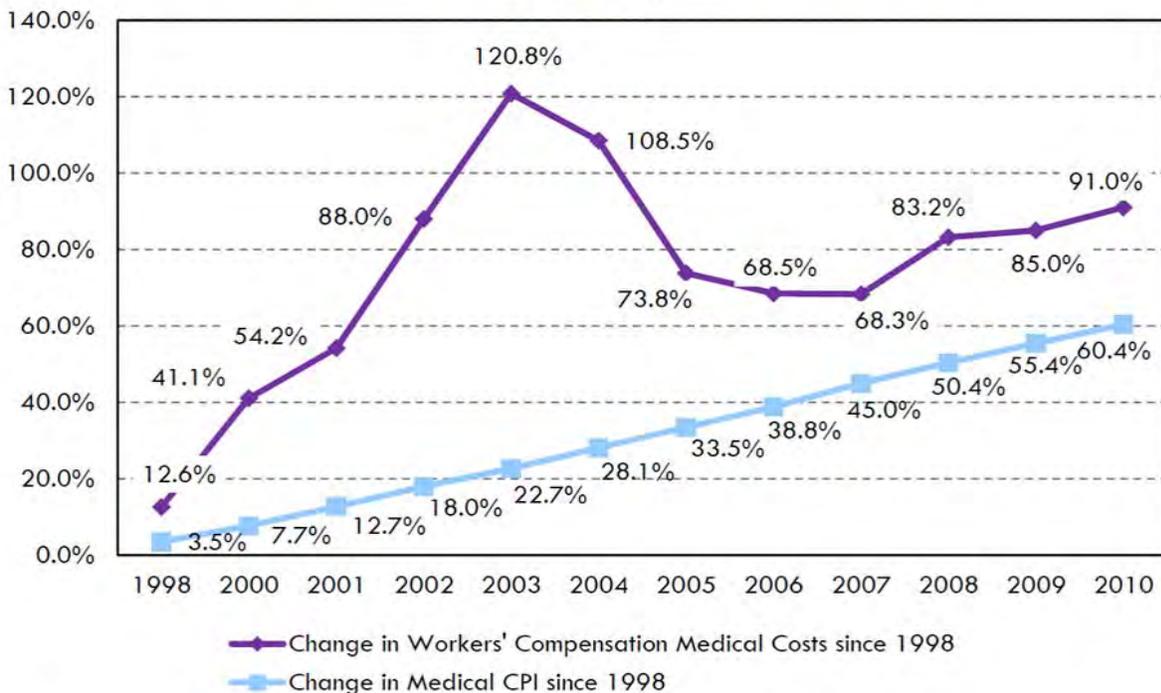


WORKERS' COMPENSATION PROGRAM — ALLOCATED AND UNALLOCATED LOSS ADJUSTMENT EXPENSES

Traditionally, the County workers' compensation program's allocated and 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 2014-15, the combined ALAE and ULAE represented 21% of program expenses. This compares favorably against the expense experience of California's workers' compensation insurers and other self-insured employers. The California Commission on Health and Safety and Workers' Compensation (CHSWC) 2014 Annual Report reflected insurer ALAE and ULAE accounted for over 38% of overall expenses in Calendar Year 2013, while self-insured employers' (including the State of California) ALAE and ULAE accounted for 24% of overall expenses during the same period.

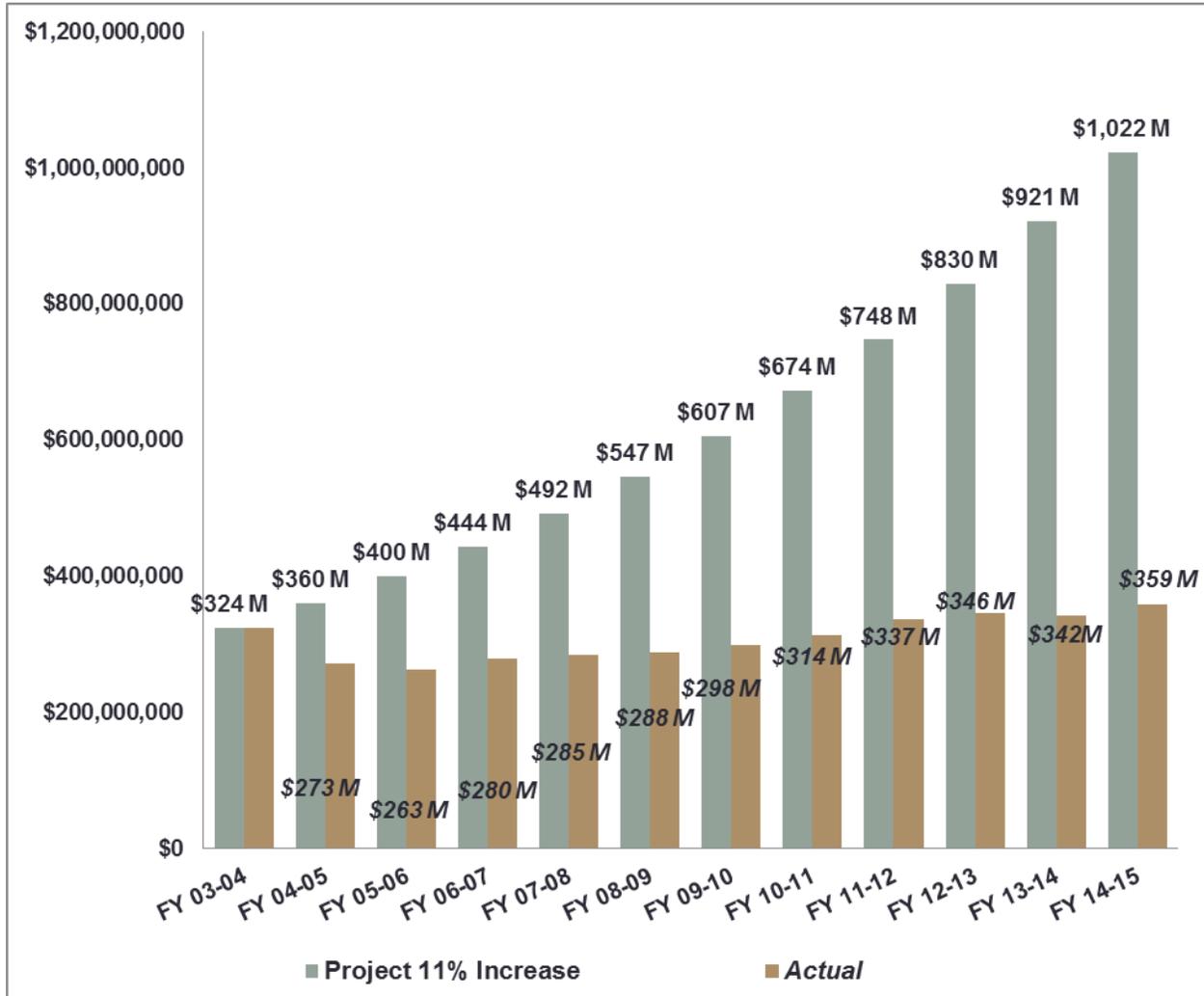
Over the last ten years, County loss adjustment expenses have increased 51%. This increase is mainly due to the implementation of medical management cost containment strategies that include utilization review. CEO Risk Management Branch staff believes California's employment of evidence-based medical 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.

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



Medical expenses are the largest single component of the workers' compensation program cost. During FY 2014-15, the Program received over 409,000 bills 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 is reviewed to ensure charges are paid at or below the Official Medical Fee Schedule.

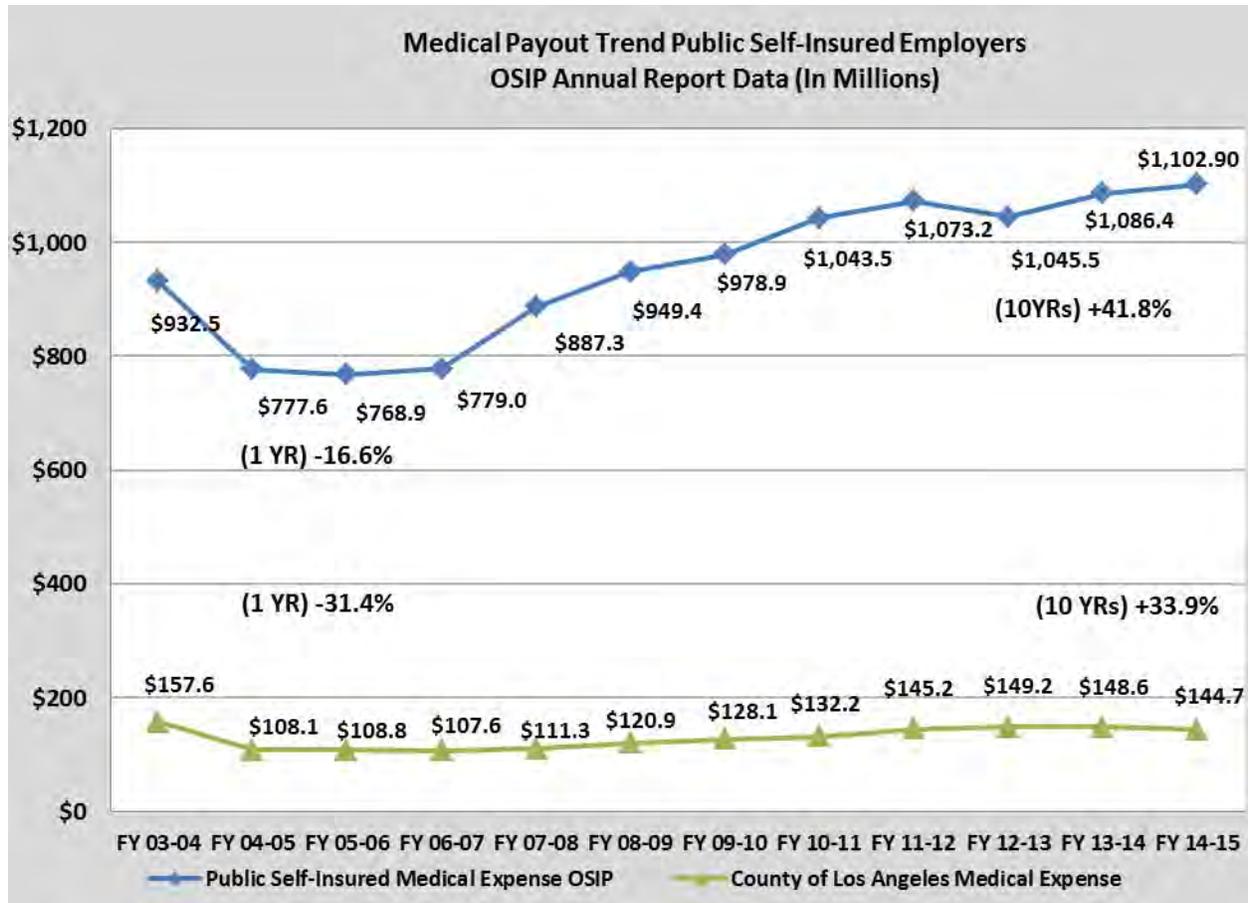
The workers' compensation program applies utilization review (UR) processes to assess physician treatment requests. UR is the process used by California workers' compensation insurers and administrators to determine if requested medical care is consistent with the California Medical Treatment Utilization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

In FY 2011-12, a PBM was established to improve the evaluation of drug therapies prescribed to County injured workers. Evaluating the final quarter of FY 2014-15 against program inception baseline data demonstrates the following achievements:

- Increased utilization of generic drugs to 78.7% (an increase of 18.4% over the baseline).
- Increased home delivery to 14.2% (an increase of 75.3% over the baseline).
- Increased PBM Network penetration to 92.5% (an increase of 35.2% over the baseline).

In FY 2012-13, pharmacists from the PBM identified significant use of costly compound medications on the workers' compensation program. CEO staff utilized data mining capabilities provided by the PBM to identify questionable compound medication prescription patterns. In FY 2014-15, efforts continued to reduce the use and costs of unwarranted compound medication by focused utilization review protocols.

One of the overall program goals is expense stabilization. As previously indicated, FY 2014-15 medical expenses were flat at \$144.7 million. Such expenses remain below the pre-SB899 medical expense of \$157.6 million experienced in FY 2003-04.



WORKERS' COMPENSATION — OUTSTANDING LIABILITIES

ACTUARIAL INFORMATION

Funded on a pay-as-you-go basis, the Workers' Compensation Program maintains obligations on claims filed many years ago. These benefits are defined under ever changing workers' compensation statutes and are affected by the aging demographic of the claim population and State and Federal regulations.

The CEO contracts for actuarial services to assess outstanding workers' compensation losses. Actuarial services assist the County in projecting costs associated with past, current, and future losses associated with workers' compensation.

WORKERS' COMPENSATION ACTUARIAL STUDIES – ESTIMATED OUTSTANDING LOSSES

The estimated outstanding losses are the expenses associated with unpaid claims as of a specific valuation date. Estimated outstanding losses include case reserves, development of known claims, and incurred but not reported claims.

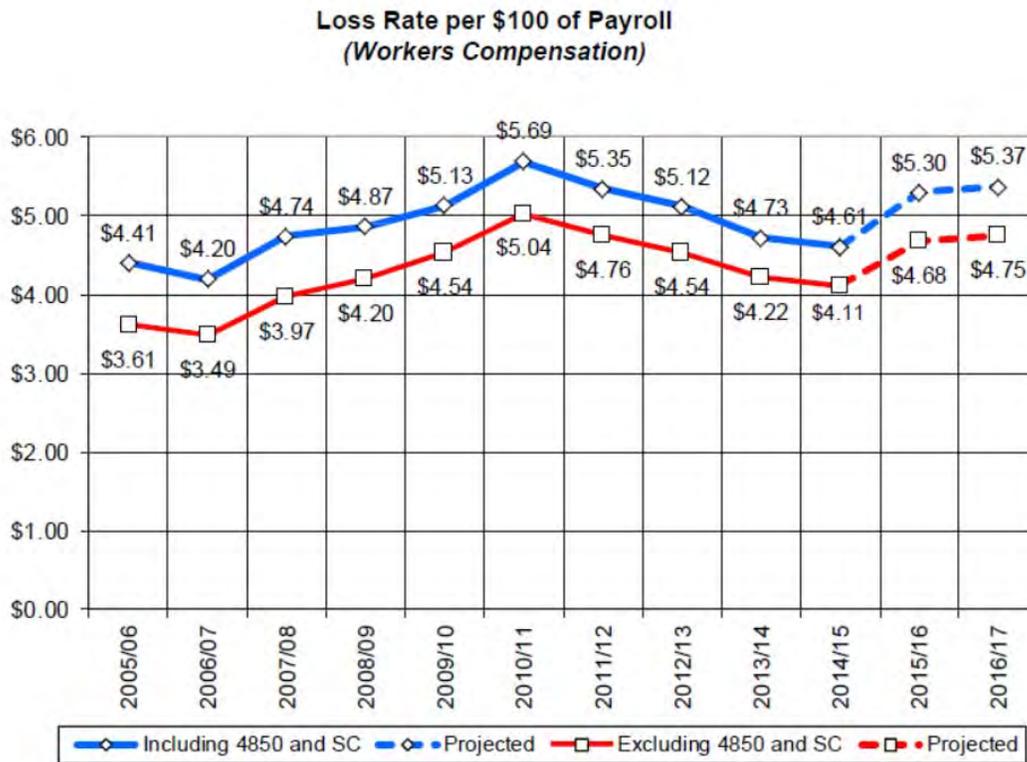
The *Actuarial Study of the Self-Insured Workers' Compensation Program* is reflecting projected ultimate losses with relatively flat loss development. This is indicated by a modest increase of 0.2% in cost of claims from previous years' projections.

WORKERS' COMPENSATION ACTUARIAL STUDIES – ACTUAL AND PROJECTED PAYMENTS

Approximately 27% of allocated paid losses, or roughly \$81 million of the \$297 million, were paid on workers' compensation claims that were more than 10 years old. Note: These figures exclude Labor Code 4850 and Salary Continuation.

Overall, the actuarial study points to the long-tail nature of workers' compensation exposures and expenses. CEO Risk Management Branch is implementing various alternate risk techniques to stabilize such exposures and expenses.

AS OF DATE	ESTIMATED OUTSTANDING LOSSES
JUNE 30, 2013	\$2,086,254,784
JUNE 30, 2014	\$2,103,615,805
JUNE 30, 2015	\$2,162,266,111

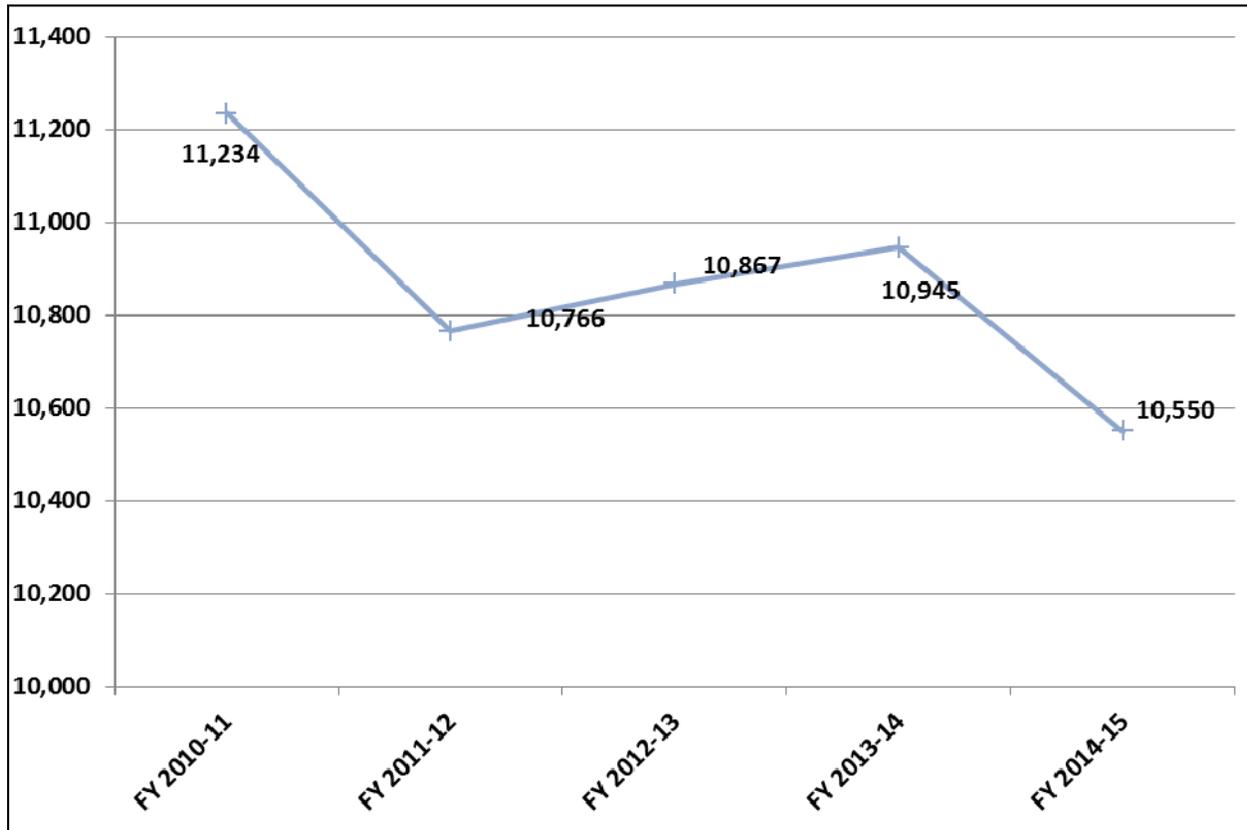


The loss experience trends, as measured by loss rate per \$100 of payroll, are projected to continue to rise approximately 16% over the next two fiscal years. This is the cost of claims per \$100 of payroll.

WORKERS' COMPENSATION LOSS EXPERIENCE

In FY 2014-15, the number of workers' compensation claims filed decreased 3.6% (10,945 to 10,550).

NUMBER OF WORKERS' COMPENSATION CLAIMS – FY 2010-11 THROUGH FY 2014-15



WORKERS' COMPENSATION PROGRAM — SIGNIFICANT ACCOMPLISHMENTS FY 2014-15

- Implemented an accelerated claim closure project to reduce claims greater than 10 years old.
- Initiated the IBM SPSS data analytics project.
- Implemented a Morphine Equivalent Dose (MED) tracking and outreach program that monitors narcotic prescriptions for their morphine equivalent, which triggers an out-reach letter to the prescribing physician when the 120mg per day MED is reached, and allows the identification of heavy narcotic use on individual claims.
- Evaluated and established processes to re-structure the County's Workers' Compensation Medical Provider Network (MPN).
- Tested a new relational-based claims administration system for implementation.
- Continued to work with public and private sector employers to evaluate workers' compensation legislation and regulations.

WORKERS' COMPENSATION PROGRAM — OBJECTIVES FY 2015-16

- Test, apply, and assess IBM SPSS data analytics tool for potential use on the Workers' Compensation Program.
- Utilize the Express Scripts MED Management Program to improve workers' compensation outcomes for injured workers.
- Implement a new MPN structure.
- Continue to work with public and private sector employers to evaluate workers' compensation legislation, regulation development, and eminent issues.
- Complete the development of the Comprehensive Claims Management System to integrate workers' compensation activities into applicable claims metrics.
- Continue to develop and execute advanced financial risk strategies, including Accelerated Claim Closure Project and Loss Portfolio Transfer options.

DISABILITY MANAGEMENT PROGRAMS

The CEO Risk Management Disability Management Section is responsible for developing, implementing, and monitoring Countywide policies and procedures related to components of return-to-work and disability management for the County.

The Disability Management Section establishes policies and procedures in compliance with the Americans with Disabilities Act (ADA), Fair Employment and Housing Act (FEHA), and Workers' Compensation laws. Furthermore, in a cooperative effort with departments, the Section oversees reasonable accommodations provided by departments while monitoring employees on leave of absence and providing recommendations to resolve issues relating to long-term leaves of absence. Finally, the Section monitors compliance with established procedures, thereby aiding in expediting recovery and cost reduction.

The Disability Management Section manages the following programs:

- Return-to-Work (RTW)
- Short-Term Disability (STD)
- Long-Term Disability (LTD)
- Survivor Benefits (SB)

The Short-Term and Long-Term Disability and Survivor Benefit programs are overseen by the Disability Management Section staff and administered through a Third Party Administrator (TPA), Sedgwick Claims Management Services. Claim eligibility is determined by the TPA, who provides approval for benefit payments. These programs are funded as a County-subsidized income replacement benefit plan. Employees may purchase additional coverage depending on their benefit plan.

RETURN-TO-WORK PROGRAM (RTW)

County departments are required to implement and maintain an effective Return-to-Work Program. The Disability Management Section staff assist the departments in administering their programs, providing guidance with disability-related laws, and providing specialized training when needed.

SHORT-TERM DISABILITY (STD)

The County established the STD Plan which offers an income replacement benefit of up to 100 percent for eligible injured, ill, or pregnant employees who are members of the MegaFlex Cafeteria Plan. The maximum plan benefit allowable is 26 weeks or 182 calendar days, inclusive of the designated waiting period. The County offers two STD benefit options:

SHORT-TERM DISABILITY (STD) [CONTINUED]

Core Benefit (County Paid): Requires a 14-consecutive-calendar-day waiting period before benefits become payable. A 70% income replacement benefit is paid for the remainder of the approved STD period.

Additional Benefit (Purchased): Requires a 7-consecutive-calendar-day waiting period. A 100% income replacement benefit is payable for the first three-week period. An 80% income replacement benefit is paid for the remainder of the approved STD period.

Overall, STD claims processed in FY 2014-15 increased by 2.6% and the total claims approved increased by 2.5%. The number of employees covered by the program increased by 4.6% over the prior year, from a total of 11,625 to 12,159.



New STD Claims Processed Per Year ¹				
	FY 2012-13	FY 2013-14	FY 2014-15	Percent Change
Class 10 ²	148	154	162	+5.2%
Class 11 ³	633	644	657	+2.0%
Total	782	799	820	+2.6%

New STD Claims Approved Per Year				
	FY 2012-13	FY 2013-14	FY 2014-15	Percent Change
Class 10 ²	138	139	146	+5.0%
Class 11 ³	615	594	605	+1.9%
Total	753	733	751	+2.5%

1. Processed claims include those approved, denied, and pending.
2. Benefit Class 10 has a 14 day waiting period and 70 percent income replacement.
3. Benefit Class 11 has a seven day waiting period and 100 percent income replacement for 21 days, followed by 80% income replacement.

LONG-TERM DISABILITY (LTD)

The County established the LTD Plan as a County-subsidized income replacement benefit plan. The Plan offers eligible employees up to a 60% income replacement, based on their basic monthly compensation, in the event the employee becomes disabled and is unable to work beyond a 6-month waiting period. Employees may purchase additional coverage depending on their benefit plan. LTD benefits generally stop when an employee is no longer considered disabled or when they reach age 65, unless the waiting period commenced on or after the date they attained age 62, in which case payment ceases in accordance with the pre-established plan schedule.

As of June 30, 2015, there were 1,489 Active or Approved LTD claims (not including Pending or Waiting claims). Of this total, 840 (56.4%) are classified as Occupational, and 649 (43.6%) are classified as Non-Occupational.

New LTD claims processed in FY 2014-15 decreased by 0.2% while the number of claims approved decreased by 22.1% over the prior plan year. The number of employees covered by the program increased by 2.0% over the prior year, from a total of 81,828 to 83,463.

New LTD Claims Processed Per Year¹				
	FY 2012-13	FY 2013-14	FY 2014-15	Percent Change
General Members LTD	615	608	604	-0.7%
LTD (Megaflex/4) Plan 3 ²	10	8	9	+12.5%
LTD (Megaflex/6) Plan 4 ³	194	218	219	+0.5%
Total	819	834	832	-0.2%

New LTD Claims Approved Per Year				
	FY 2012-13	FY 2013-14	FY 2014-15	Percent Change
General Members LTD	472	540	496	-8.2%
LTD (Megaflex/4) Plan 3 ²	4	4	3	25.0%
LTD (Megaflex/6) Plan 4 ³	84	93	88	-5.4%
Total	560	637	587	-22.1%

1. Processed claims include those approved, denied, and pending.
2. This plan provides 40% income replacement.
3. This plan provides 60% income replacement.

SURVIVOR BENEFIT (SB)

The County also established the SB Plan, which provides an eligible surviving spouse/ domestic partner with a monthly benefit in the event of an employee’s death. The SB benefit is equal to 55% of the LTD benefit, and is paid throughout the survivor’s lifetime.

New SB claims increased by 21.8% in FY 2014-15, while the number of processed claims found to be eligible for benefits increased by 18.9%. Overall, a total of 63 eligible survivors received this benefit.

New Survivor Benefit Claims Processed Per Year				
	FY 2012-13	FY 2013-14	FY 2014-15	Percent Change
Survivor Benefits	171	142	173	+21.8%
New Survivor Benefit Claims Approved Per Year				
Survivor Benefits	72	53	63	+18.9%



DISABILITY MANAGEMENT PROGRAMS - SIGNIFICANT ACCOMPLISHMENTS

- Decreased employees on long-term leave by 13.6% by forming a Long-Term Leave (LTL) Task Force to promote Countywide consistency in managing employees who have been off work for six months or longer, and developed recommendations to assist departments with their Program.
 - Each department designated a staff member as the LTL contact to address their efforts in reducing the number of employees on leave. Training sessions were provided on related topics, including Medical Release procedures, Disability Retirement benefits, Short-Term and Long-Term Disability benefits, and Reasonable Accommodation options. Since implementing the Task Force and tracking caseloads, 190 employees have been removed from departmental long-term leave reports, representing a decrease of 13.6%.
- Launched ViaOne, an online tool that enables employees to file their STD and LTD applications online, communicate directly with their claims adjuster, and follow up on their claim status at any time. Countywide RTW personnel are also now able to access real-time STD and LTD claim information for their specific departmental employees, allowing them to better manage their RTW efforts.
- Through the Legal Exposure Reduction Committee, developed Countywide procedures for the provision of authorized leave time for employees that need to attend medical appointments due to a compensable industrial injury, to ensure consistent application and proper usage of leave time.
- Conducted quarterly RTW seminars attended by 428 County employees, including RTW Coordinators, managers, and Human Resources personnel.
- Conducted two series of RTW 101 training sessions attended by 190 County employees who were new to RTW or were interested in learning more about RTW. Of this total, 93 attended all six classes and completed the training, while 97 employees attended between one and five classes.
- Provided daily consultations to departmental RTW Coordinators regarding complex issues. This included assisting 40 Interactive Process Meetings for departments to provide expert advice on reasonable accommodation and RTW best practices.
- Attended 26 departmental workers' compensation claim reviews, where 851 workers' compensation claims were discussed. The claim reviews included providing recommendations and assisting in developing and monitoring RTW strategies with the departments and the Third Party Administrators.
- Reviewed 50 requests for Medical Release and provided 44 letters of concurrence for departments to pursue a medical release pursuant to Civil Service Rule 9.08(c).
- Developed and provided 14 additional focus trainings to departments on several topics, including Interactive Process, LTD, RTW Overview, and Medical Release procedures.

DISABILITY MANAGEMENT PROGRAMS — OBJECTIVES FOR FY 2015-16

- Review existing policies that govern the RTW and disability management process to ensure compliance with changes in disability laws, and make revisions to existing policies as necessary.
- Develop curriculum for focused topic workshops related to Disability Management and RTW.
- In a coordinated effort with departments, identify and resolve issues regarding employees with permanent work restrictions on temporary work assignment agreements.
- Work with County departments to identify all employees on temporary assignments with permanent work restrictions; and partner with the Department of Human Resources (DHR) to determine suitable placement through the Countywide job search process.
- In collaboration with DHR and County Counsel, review existing policies that govern the RTW and disability management process to ensure compliance with changes in disability laws, and make revisions to existing policies as necessary.
- In an effort to reduce the number of employees on medical leave, provide customer service training on communication techniques to RTW Coordinators to assist with their efforts.
- Develop a training curriculum for the more complex issues related to Disability Management and RTW.
- In collaboration with LACERA, establish procedures to mitigate overpayments triggered by retroactive retirement payments issued to employees who also received LTD benefits for the same disability retirement pension period. In addition, partner with the Department of Treasurer and Tax Collector (TTC) to expedite notices and streamline the collection process of LTD overpayments.
- Review and update the STD and LTD benefit plan provisions for consistent application of exclusion rules for certain medical conditions.

LIABILITY CLAIMS MANAGEMENT

The Liability Claims Management Section, within the CEO Risk Management Branch, provides consultative support and direction in the administration of various claims and lawsuits filed against the County. This includes first- and third-party property claims, and claims arising out of Vehicle Liability, General Liability, Employment Practices Liability, Law Enforcement, and Medical Malpractice. Overseeing the various claims involves providing administration and direction to two TPAs for General Liability and Medical Malpractice/Hospital Professional Liability claims.

GENERAL LIABILITY CLAIMS

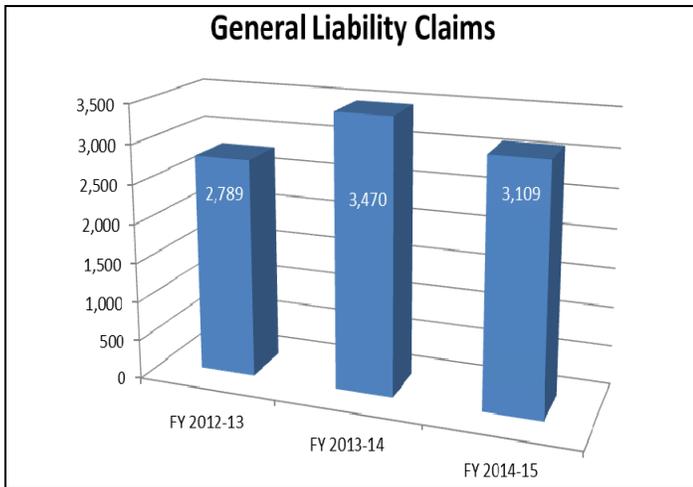
One of the County’s TPAs, Carl Warren & Company, currently oversees a majority of the general liability claims that encompass the subsets of Vehicle Liability and Employment Practices Liability. The following are Key Performance Indicators (KPI) for General Liability claims handled by this TPA.

Data Analysis

The TPAs are not solely responsible for the management of the respective programs under their purview since they do not control the entire claims administration process and have limits on their authority. However, the data and audits of the TPAs’ performance indicate the TPAs are managing claims timely and within expected cost parameters. The County’s greatest exposure continues to be for cases involving serious injuries, which represent the greatest percentage of total dollars spent.

Overall, General Liability claims declined in FY 2014-15, as illustrated below. Specific claim allegation trend analysis and breakdown by claim type can be found in the Trend Analysis section of this report.

The data also shows that for FY 2014-15, claims were not closing as quickly due to increased litigation, which also results in higher costs and litigation reserves.



TYPE	FY 2012-13	FY 2013-14	FY 2014-15
Claim Closing Ratio	96%	99%	77%
Allocated Loss Adjustment Expense	63%	58%	58%
Litigation Reserve Ratio	28%	29%	40%

MEDICAL MALPRACTICE CLAIMS

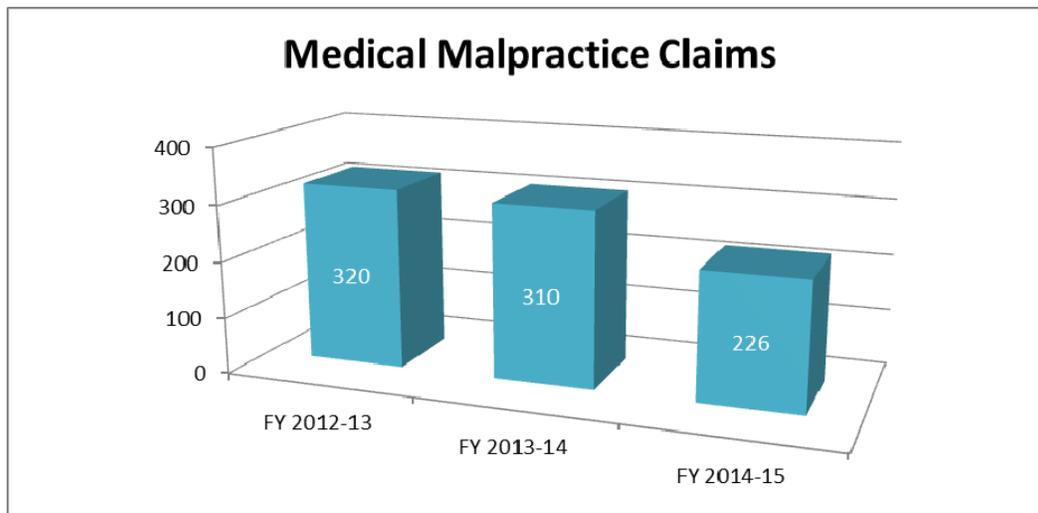
Another County TPA, Sedgwick Claims Management Services, oversees claims related to professional liability programs that encompass Medical Malpractice and Hospital Professional Liability.

Data Analysis

Unlike the General Liability TPA, the Medical Malpractice TPA manages both non-litigated and litigated claims. These claims tend to behave differently than General Liability, as experts are more prevalent in determining the potential exposure to the liability. However, the principles of claims closure, cost containment, and appropriate reserving are all performance measures that compare to General Liability claims.

The data and audits for TPA performance show that the Medical Malpractice TPA is managing the claims timely and within expected cost parameters. The County's greatest exposure is for cases involving serious injuries, which represent the greatest percentage of total dollars spent.

Overall, Medical Malpractice claims decreased approximately 30% over the last three fiscal years, as illustrated below. Specific claim allegation trend analysis can be found in the Trend Analysis section of this report.



TYPE	FY 2012-13	FY 2013-14	FY 2014-15
Claim Closing Ratio	100%	109%	117%
Allocated Loss Adjustment Expense	19%	25%	26%
Litigation Reserve Ratio	16%	16%	19%

TREND ANALYSIS

WORKERS' COMPENSATION

CAUSES OF INCIDENTS

The County employs over 98,000 employees with diverse occupational exposures, over thousands of job descriptions. While each department has hazards that pose specific risks to its employees, the overall exposure in FY 2014-15 can be summarized into the following six classifications for approximately 77% of the injuries sustained by County employees.

ASSAULT

Assaults include all aspects of a third party combating with County employees. Departments with the majority of assaults include: Sheriff (71.2%), Probation (13.7%), and Health Services (11.0%).

CUMULATIVE TRAUMA/BODILY INJURY

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 (29.7%), Public Social Services (19.6%), Fire (9.5%), and Health Services (8.8%).

EXPOSURE

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: Fire (53.5%) and Sheriff (22.2%).

OTHER

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

OVEREXERTION

Overexertion includes injuries due to lifting, carrying, pushing, or pulling. Departments with the most cases include: Sheriff (29.7%), Fire (24.2%), and Health Services (22.5%).

STRUCK BY/OR AGAINST

This category includes injury resulting from being struck by or crushed by a human, animal, or inanimate object, or force not vehicle related. Additionally, this can include injury caused by striking against something or someone, or from flying or falling objects. Departments with the most struck by/or against cases include: Sheriff (46.6%), Health Services (14.9%), Fire (7.2%), Public Social Services (8.2%), and Probation (4.2%).

TRIP AND/OR FALL

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, roof tops, and surfaces in parking lots, sidewalks, and in rough terrain. Departments with the most trip and/or fall cases include: Sheriff (24.2%), Health Services (19.2%), Public Social Services (15.0%), Probation (7.4%), and Fire (6.5%).

TYPES OF WORKERS' COMPENSATION CLAIMS BY DEPARTMENT

Type of Claim	Sheriff	Fire	Health Services	Public Social Services	Probation	Children and Family Services
Assault	16.3%	0.6%	7.0%	0.1%	20.0%	2.6%
Cumulative Trauma/ Body Injury	13.3%	11.4%	10.9%	34.2%	14.7%	20.9%
Exposure	8.2%	53.3%	2.7%	0.3%	2.3%	0.0%
Other	35.5%	6.5%	32.5%	33.1%	36.6%	47.0%
Overexertion	8.8%	18.0%	19.8%	5.3%	4.2%	6.0%
Struck	9.5%	4.0%	8.5%	6.6%	5.5%	4.2%
Trip and/or Fall	8.5%	6.1%	18.6%	20.6%	16.6%	19.3%
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

DEPARTMENTAL ANALYSIS

Six departments account for over 80% of all claim frequency: Sheriff (37.3%), Fire (13.8%), Health Services (13.5%), Public Social Services (9.5%), Probation (5.8%), and Children and Family Services (3.6%). All department data can be found in Exhibit B of the Statistics section of this report.

Sheriff

Sheriff employees work in arduous and dynamic environments encompassing varied areas of risk exposure, including law enforcement, emergency response, building trades, and administrative functions. Overexertion injuries continue to be a leading cost factor for the department as a result of lifting, pushing, and pulling. Additionally, injuries resulting from law enforcement activities would be expected to increase claims of cumulative trauma. Each bureau has an identified safety officer to assist in communicating and implementing the department's safety programs and directives. These safety officers undergo annual refresher training on Cal/OSHA-required programs and other safety and health related issues.

Sheriff recently hired a Safety Officer II to oversee the Facilities Services Bureau. The new Safety Officer has been successful in reclassifying and reducing Cal/OSHA penalties. The department also completed train-the-trainer forklift training for affected employees.

Fire

Fire employees often work in volatile environments with consistently arduous physical demands and a myriad of potentially hazardous exposures. In the course and scope of providing critical emergency response services, injuries would be expected from overexertion and exposure to environmental elements.

Fire expanded its Emergency Medical Services into a bureau of its own. This resulted in training staff, implementing electronic patient care records, and hiring a full-time Medical Director. Furthermore, the department developed and conducted train-the-trainer for several Cal/OSHA required programs, including but not limited to, powered industrial trucks, powered hand tools, and crane vehicle/bucket trucks.

DEPARTMENTAL ANALYSIS (Continued)

Health Services

Health Services employees are exposed to a variety of hazards, including patient handling, slips, falls, and exposures. The department continues to analyze/address underlying exposures related to patient handling and aid in the transition to assistive patient lift devices. The department continues to execute these initiatives through the acquisition of assist lift, transfer, and repositioning equipment.

Health Services implemented standardized emergency code procedures, department-wide, with the intent of improving the standard of care and fire/life safety. The department also created an Ad Hoc Committee to focus on Cal/OSHA's workplace violence regulations for healthcare facilities to ensure compliance.

Public Social Services

Public Social Services is one of the largest departments with an employee count nearly double that of the next largest social services department. The department has developed an initiative to enhance its ergonomics evaluation program by considering the utilization of a vendor to conduct ergonomic evaluations based on a priority schedule and to provide training on office and field ergonomics. In addition, the department requested and received funding to fill additional risk management items including a Safety Officer II, two Safety Inspectors, and a Safety Assistant position.

Probation

Probation has inherent risks based on its operations. To further address its risk management needs, the department has requested and filled four Safety Inspector positions. In addition, the department updated their facility inspection process by creating a more streamlined approach and a timely follow-up process.

Probation also hired a Risk Manager to oversee the Liability, Safety, and Return-to-Work Units, which allowed consistent communication and provided a cohesive goal to prevent losses to the department. The department is in the process of implementing a Vehicle Accident Review Committee to review all vehicle accidents and provide streamlined recommendations to management. Additionally, Probation revamped their mileage permit program to create an auditing component to ensure continued compliance.

Children and Family Services

Children and Family Services focused its efforts to address risk management concerns by budgeting and hiring four Safety Inspectors and upgraded the Safety Officer classification to a Safety Officer I. Additionally, the department revised the Injury and Illness Prevention Program to further address safety concerns. The department also developed a department-specific workplace violence program to adequately address its workplace violence concerns.

LIABILITY CAUSE ANALYSIS

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

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

Liability exposures account for 24% of the County's overall Cost of Risk.

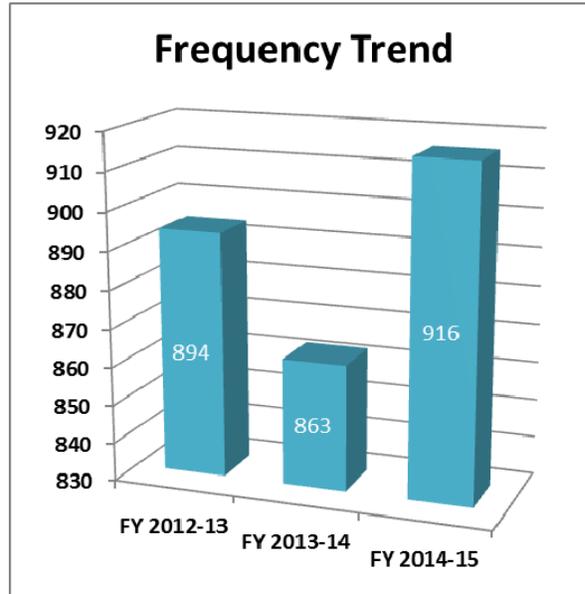


VEHICLE LIABILITY CLAIMS

The County's Vehicle Liability frequency increased 6% from FY 2013-14 to FY 2014-15. The cost of claims for vehicle liabilities during the same time period decreased by approximately 17%.

Data shows there was a decrease in rear-end collisions and an increase in backing collisions; although rear-end collisions still represent the largest number of vehicular claims at 24%.

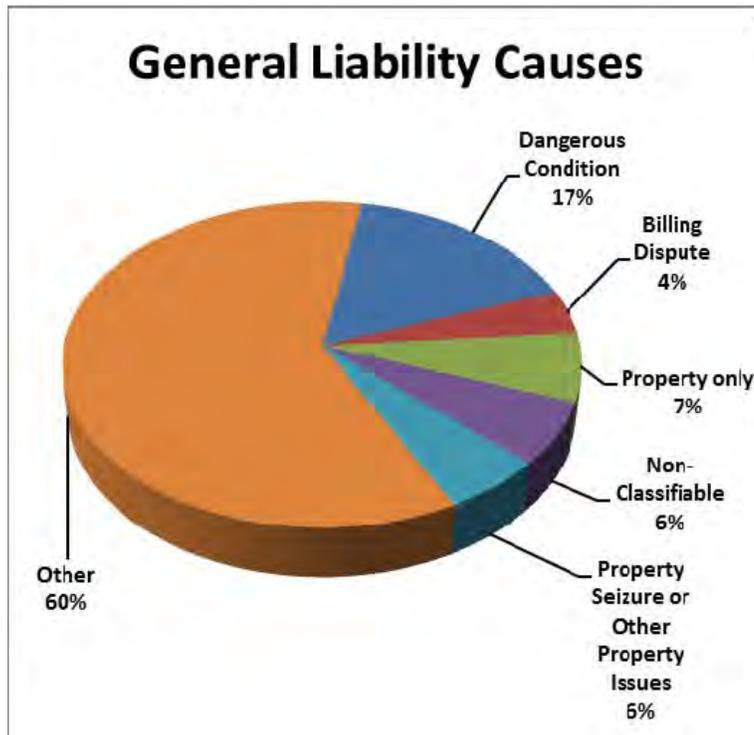
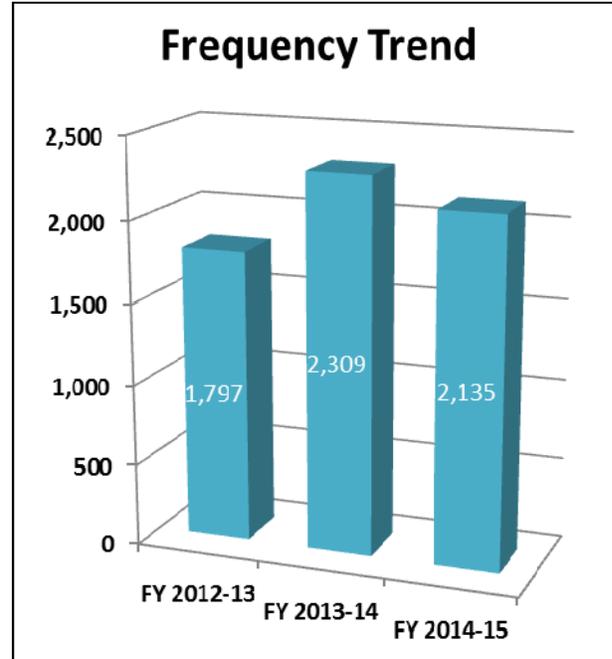
Vehicle liability represents 1% of the County's total Cost of Risk.



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.

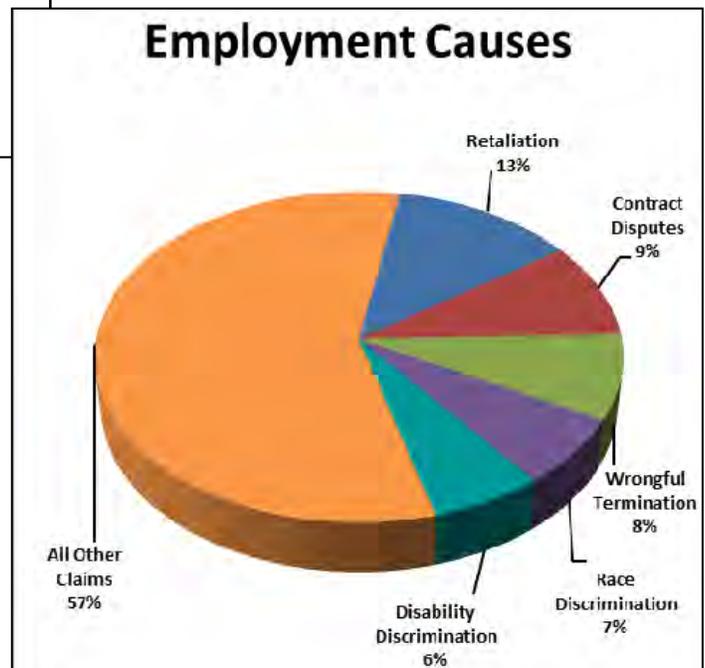
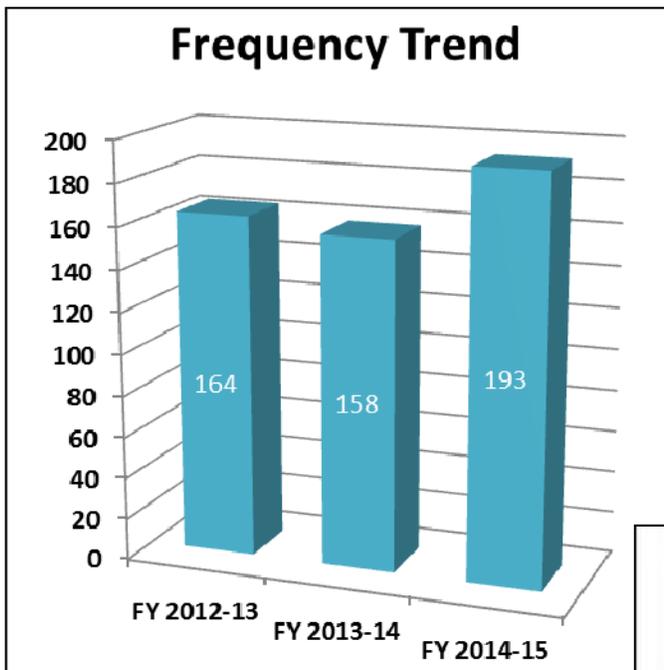
Other General Liability represents 7% of the County's total Cost of Risk.



EMPLOYMENT PRACTICES LIABILITY CLAIMS

The County's Employment Practices Liability frequency increased by 22% from FY 2013-14 to FY 2014-15. The County's overall Employment Practices Liability expenses increased by 50%.

Employment Practices Liability represents 4% of the County's total Cost of Risk.

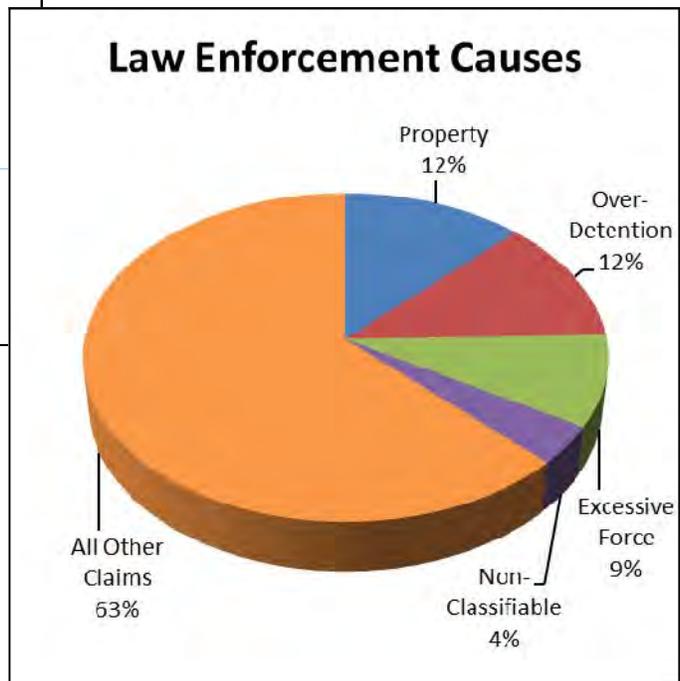
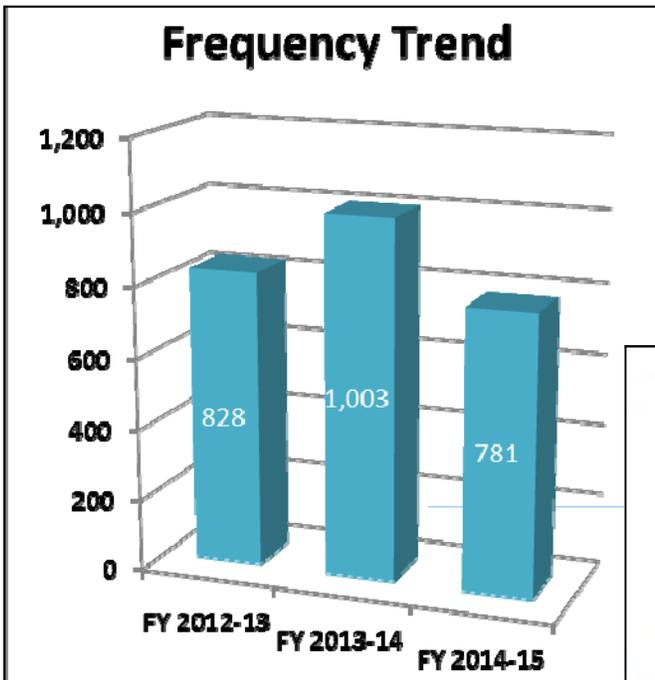


LAW ENFORCEMENT LIABILITY CLAIMS

The County’s Law Enforcement Liability frequency rate decreased 22% for FY 2014-15, compared to the previous fiscal year. However, paid expenses increased by 43%.

The most prevalent claims were for “Over Detention” and “Property Seizure,” each represent 12% of total claims, respectively. However, “Excessive Force” claims remain the main cost driver, accounting for 55% of all law enforcement claims cost.

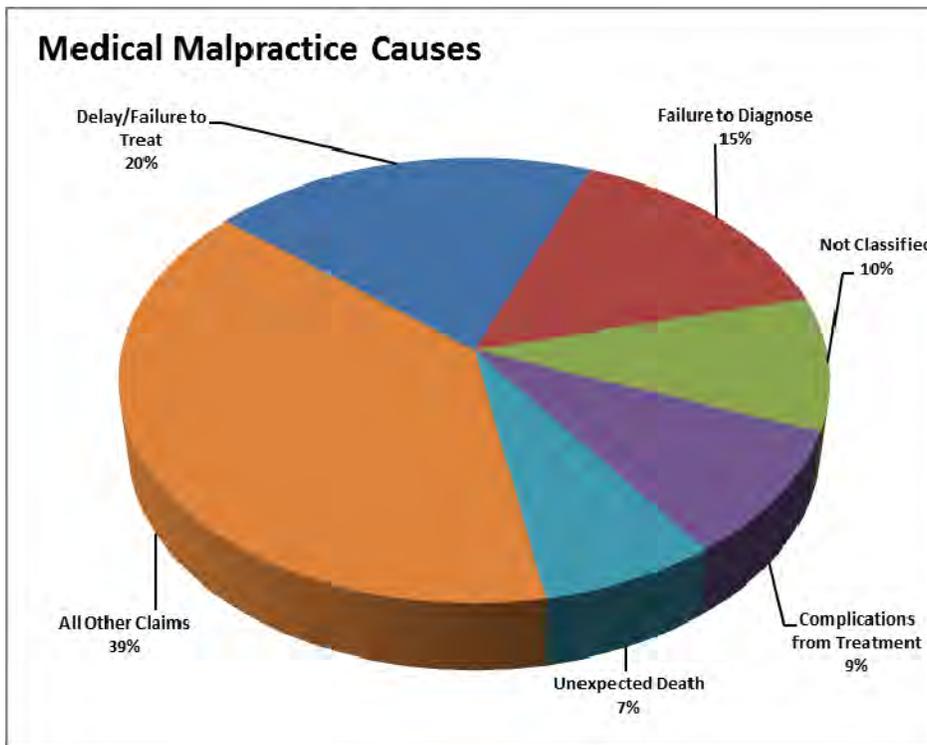
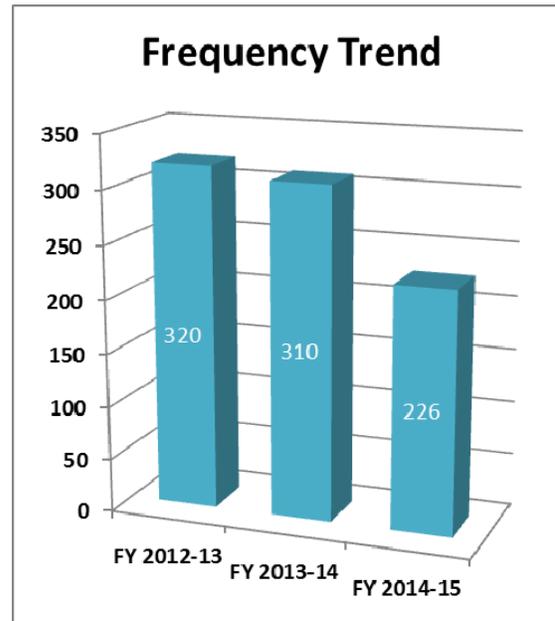
Law enforcement liability represents 9% of the County’s total Cost of Risk.



MEDICAL MALPRACTICE CLAIMS

The County's Medical Malpractice Liability overall frequency decreased by 27% from FY 2013-14 to FY 2014-15. 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 59% in FY 2014-15, compared to FY 2013-14.

Medical Malpractice represents 3% of the County's total Cost of Risk.



TOP PERFORMING DEPARTMENTS

Six departments have seen multiple-year declines in claim frequency and have some of the top performance indicators relative to their County department peers. All department data can be found in Exhibit B of the Statistics section of this report. In alphabetical order, these departments are as follow:

Assessor

Total Cost of Risk: 0.51%
WC Claims per 100 employees: 2.1
WC Expenses per employee: \$444

The Assessor has continually maintained a steady decrease in their Cost of Risk over the last three fiscal years, resulting in the fourth lowest workers' compensation (WC) expense per employee. The Department's Cost of Risk was 72% lower than the Countywide average.

Beaches and Harbors

Total Cost of Risk: 1.06%
WC Claims per 100 employees: 8.2
WC Expenses per employee: \$1,656

Beaches and Harbors has continued to maintain a low Cost of Risk over the last three fiscal years. Overall, the Department's WC expenses per employee were \$2,001 lower than the County average and the Cost of Risk was 21% lower than the Countywide average.

Community and Senior Services

Total Cost of Risk: 0.52%
WC Claims per 100 employees: 5.4
WC Expenses per employee: \$1,354

Community and Senior Services has successfully been able to reduce their Cost of Risk over the last three fiscal years and is currently 53% lower than the Countywide average. Overall, the Department's WC expenses per employee were \$2,303 lower than the County average.

Probation

Total Cost of Risk: 3.95%
WC Claims per 100 employees: 11.6
WC Expenses per employee: \$4,920

Probation had a 19% reduction in WC claims filed than the previous fiscal year. The Department's WC expenses per employee were 43% lower than the average WC expenses for Fire and Sheriff. Overall, the Department has fewer WC claims per 100 employees than Fire and Sheriff.

Public Library

Total Cost of Risk: 0.52%
WC Claims per 100 employees: 2.7
WC Expenses per employee: \$527

Public Library maintained a low number of WC and liability claims over the last three fiscal years. Overall, the Department has the fifth lowest WC expenses per employee and a Cost of Risk 76 percent lower than the Countywide average.

Public Works

Total Cost of Risk: 0.63%
WC Claims per 100 employees: 5.1
WC Expenses per employee: \$1,564

Public Works had fewer WC claims than the previous two years. Overall, the Department's WC expenses were \$2,093 lower than the Countywide average. And the Cost of Risk was 63% lower than the Countywide average.

Notes:

1. "Total Cost of Risk" is the cost relationship of all claims against the department in relation to the adopted budget.
2. "WC Claims per 100 employees" is a measure used to equalize large and small departments based on injuries per 100 employees.
3. "WC Expenses per employee" is a measure used to equalize large and small departments based on cost of claims per employee.
4. Employee count is the total number of positions as of June 30, 2015.

LOSS CONTROL AND PREVENTION

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

- Providing loss control consulting to departments to improve their risk management programs, procedures, and policies as related to departmental cost drivers.
 - 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.
 - Leading the Best Practices Sub-Committee of the Legal Exposure Reduction Committee (LERC). Committee projects are described in the LERC Annual Report and include:
 - Risk Management Training – developing a training course for Countywide risk management personnel.
 - Fair Labor Standards Act (FLSA) Training – continued development of a program related to FLSA overtime issues.
 - Defensive Driver Training – establishing a Countywide training program.
 - Ergonomics – evaluating ergonomic self-assessment software.
- Developing and updating resource materials including Learning Net courses, model documents, safety bulletins and Risk Alerts for distribution to Countywide risk management staff.
 - Assisting departments in the implementation of the DMV's Government Employer Pull Notice Program.
 - Enhancing loss control and prevention knowledge and capabilities within County departments through quarterly loss control meetings, *Introduction to Occupational Safety and Health* training series (Safety 101), bi-monthly Countywide safety committee and quarterly social services risk management workgroup meetings, and training on loss prevention, reporting, standards, procedures, and compliance, as requested.
 - 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 2014-15

Utilizing the County's Enterprise Risk Information Center, 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:

- Facilitated the integration of the standard product list for ergonomic equipment at each of the County's workers' compensation third party administrators for claims involving ergonomic-related cumulative trauma as part of an integrated cost containment strategy related to ergonomic evaluations for workers' compensation cases.
 - Performed quality assurance audits of workers' compensation claim data to increase awareness of the importance of claim data accuracy resulting in improved data.
 - Developed *"Introduction to Risk Management"* training course to ensure County risk management personnel have knowledge and understanding of the basic principles of risk management.
 - Provided over 725 consultations to departments on a variety of issues, including Cal/OSHA compliance, health and safety, and liability.
 - Facilitated the formation of the social services risk management workgroup which provides 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.
- Developed Learning Net course content on the Globally Harmonized System (GHS) for Hazard Classification and Labeling training requirements.
 - Updated model documents to meet compliance requirements established in revised Cal/OSHA standards and regulations on the following topics:
 - Heat Illness Prevention Program
 - Hazard Communication Program/GHS
 - Developed safety bulletins and "Risk Alert!" newsletters for Countywide use and implementation. Topics covered included:
 - How effective is your Ergonomics Program.
 - Lightning Season.
 - Globally Harmonized System (GHS).
 - Appealing Cal/OSHA Violations.
 - Assembly Bill 2774 – Expanded Definition of Serious Violation and the Cal/OSHA 1BY Form.
 - Presented quarterly loss control and prevention meetings that were attended by over 300 County Safety Officers, Human Resources personnel, and others with safety responsibilities. The meetings covered:
 - Respiratory Protection Program.
 - Recordkeeping Requirements.
 - Automated External Defibrillators: First Response, Technology and Liability.
 - Fleet Safety.
 - Ergonomics Best Practices.
 - Provided training to representatives of 18 County departments on the *"Introduction to Safety and Health"* training series, which consisted of more than 20 risk management-related topics over the course of eight days.

The County has been experiencing trends in cumulative trauma/overexertion injuries and vehicle liability claims. To aid departments in their efforts to reduce overall trends, LCP will focus on the following:

Training and Development of Countywide Risk Management Staff

- Enhance and deliver “*Introduction to Risk Management*” training course to County risk management staff. Enhancements will include additional content regarding the risk management process as well as the inclusion of additional County examples.
- Enhance departmental risk management staff understanding of their respective cost drivers through use of available resources, including the Enterprise Risk Information Center dashboard and GenIRIS reports.
- Enhance workplace violence prevention processes and procedures for social service delivery departments through the social services risk management workgroup.
- Enhance and update content of the LCP page on the Risk Management Branch Intranet site to include new and/or updated model programs, safety bulletins, and “Risk Alert!” newsletters.

Cumulative Trauma/Overexertion claims

- Implement and evaluate self-administered ergonomic training and a self-assessment software pilot program as an effort to control and reduce cumulative trauma-related injuries, as they relate to the office environment.
- Enhance workplace violence prevention programs, processes, and procedures for affected departments.
- Assist departments in the integration of the standard products list for ergonomic equipment to achieve cost-effective outcomes and a reduction in workers’ compensation claims costs.

- Evaluate new ergonomic trends, practices, and equipment for injury and illness prevention and workers’ compensation claim cost minimization.
- Evaluate the development of a field ergonomics training program/video to educate County employees on how to minimize injuries associated with lifting, carrying, pushing, and pulling.
- Evaluate cost reduction resulting from departments’ implementation of the standardized product list of ergonomic equipment.

Vehicle Liability

- Enhance online defensive driver training options that can be used to support departmental practices and programs to ensure the safe operation of vehicles.
- Work with departments to enhance/develop vehicle liability and defensive driver training programs.
- Continue quality assurance audits of workers’ compensation claim data to increase awareness of the importance of claim data accuracy and identify opportunities where quality assurance of claim data can be incorporated at the third party administrators.
- Continue efforts with the Department of Human Resources and County Counsel on the conversion of the FLSA training on overtime to a self-taught course made available on the Learning Net system.
- Participate in the County of Los Angeles’ Emergency Preparedness Manual working group to ensure risk management concepts and principles are incorporated into the document.
- Continue assisting departments with the implementation of the GHS update to Cal/OSHA’s Hazard Communication Program.

RISK MANAGEMENT INSPECTOR GENERAL

The CEO's Risk Management Inspector General (RMIG) has the responsibility of assisting County departments in the development and approval of Corrective Action Plans (CAPs) and Summary Corrective Action Plans (SCAPs). Additionally, RMIG collaborates with departments, CEO Liability Claims Management, and County Counsel to meet the mandates established by the Board of Supervisors (Board). This includes the requirement of all County departments to include a SCAP signed by RMIG as part of any claim settlement letter over \$100,000. Accordingly, RMIG manages CAPs and SCAPs through the following process:

- Weekly review of all claims entered in the claims system to determine early intervention efforts and collaboration with all concerned. This includes all departments and CEO Risk Management Branch's Liability Claims Management, Operations, Return-to-Work, and Loss Control and Prevention.
- Conduct detailed analysis of incident reports, claims, significant incidents, and adverse events, including monitoring adverse verdicts and items reported in the press.
- Consult with departments and assist with their development of CAPs and SCAPs.
- Assist in expediting claim settlements by pre-approving all CAPs and SCAPs prior to submission to the County Claims Board and/or the Board.
- Escalate requests for CAPs and SCAPs information through department management and the Board, if the information provided is not thorough or timely.

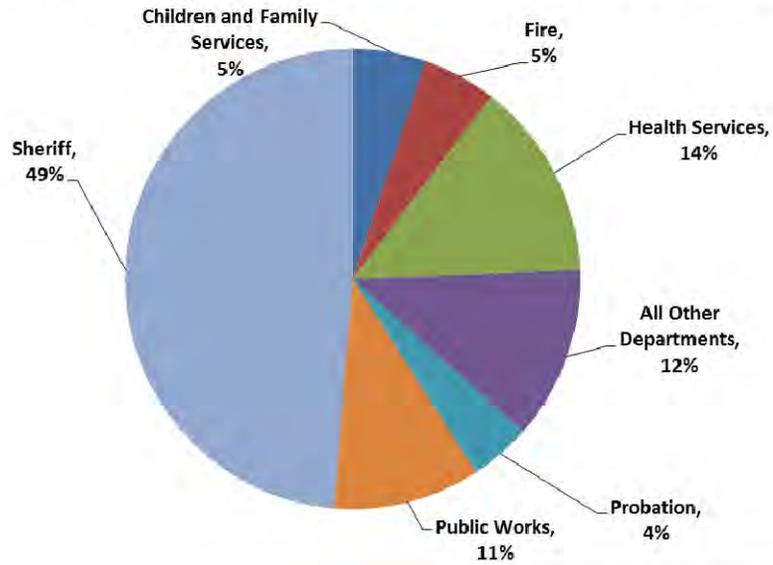
As part of best practices to prevent similar losses from occurring in the same department, or in a different department with similar exposures, RMIG both publishes and presents Applicability Notices on a quarterly basis. The Applicability Notices are summary-level documents that describe the incident, the root cause analysis of why it occurred, and the steps for correcting the root cause(s) and preventing a repeat incident. Presentations are held at the Risk Management Coordinators quarterly meetings and notices are published on the CEO Risk Management Branch Intranet site, which provides a useful tool for departments with similar occurrences.

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

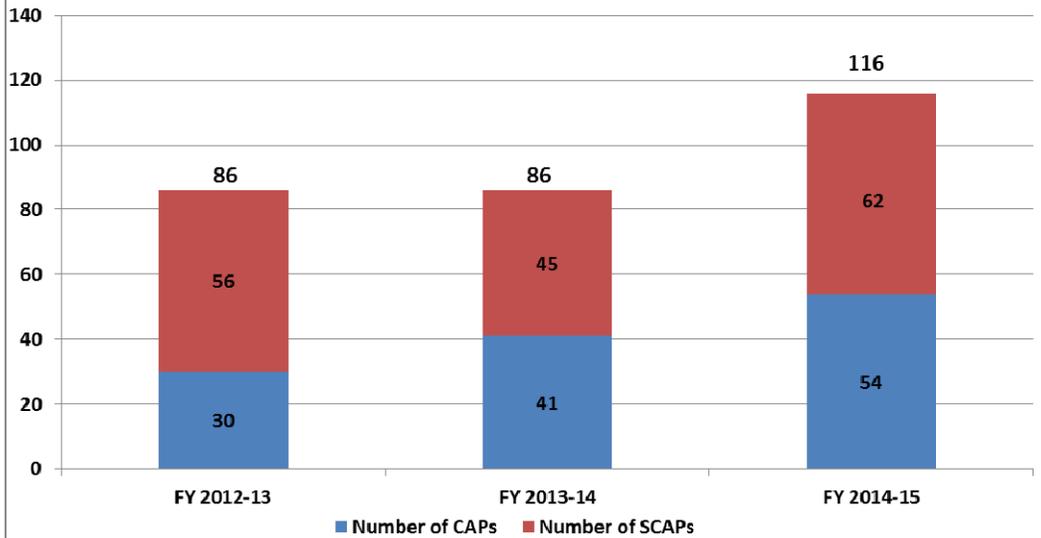
RMIG also conducts audits and investigations of liability issues at the direction of the Board, and/or those issues which RMIG deems appropriate.

Number of CAPs and SCAPs approved by fiscal year are illustrated on the next page.

CAPs and SCAPs Approved During FY 2014-15



CAPs and SCAPs Approved by Fiscal Year



For the past four years, RMIG has co-chaired the Medical Malpractice Sub-Committee of the Legal Exposure Reduction Committee (LERC). This year, two major projects came to fruition:

- The Sub-Committee successfully implemented the Patient Safety Network for all medical providers within the County of Los Angeles, including Health Services, Fire, Mental Health, Public Health, Probation, and Sheriff. This is a web-based, early reporting system that will increase patient safety and accountability for performance, and reduce costs for patient-related untoward events.
- Health Services and CEO drafted and submitted a statement of work to hire an outside consultant to conduct a risk assessment for Health Services and begin “just culture” training. Over time this training will be conducted for all medical provider departments.

RMIG collaborated with the Board, County Counsel, Sheriff, and Health Services to improve the timeliness of CAPs and SCAPs by creating an entire new CAP and SCAP process. CAPs and SCAPs are now required only for tort settlements which are over \$100,000. County Counsel notifies RMIG and departments within 24 hours when a case is settled. From the date of the notice of settlement, departments have 90 days to submit a final CAP. RMIG conducts an initial review of the case and provides feedback and recommendations within 30 days. This has reduced lag time due to early communication on possible issues within CAPs and SCAPs and provided faster payments for settlements.

RMIG fully implemented the Risk Compliance Management System (RCMS). RCMS is a completely paperless CAP/SCAP database that allows RMIG to track, review, and store CAPs and SCAPs electronically. Due to the implementation of RCMS, RMIG can now analyze data in a more comprehensive manner to track loss trending patterns. RCMS has been significantly updated in the past year to be more user friendly and track relevant data.

RMIG incorporated RCMS into the Countywide Enterprise Risk Information Center dashboard, thereby enabling users to have access to the number and types of CAPs and SCAPs by department and by indemnity cost. The dashboard also tracks departments’ settled cases, dates CAPs and SCAPs are due, and how many have been completed in a timely manner.

RMIG also reviews CAPs and SCAPs Countywide by department and by specific categories to determine if corrective actions have been effective and, if not, executes alternative strategies. This feature is also available on the dashboard to allow departments access to their applicable Countywide cases for each quarter.

RMIG is focusing 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.

RMIG will begin reporting quarterly in July 2015 to the Board on the progress of CAPs and SCAPs pertaining to compliance rates, as well as benefits and challenges departments are facing with CAPs and SCAPs.

As CAPs become more sophisticated with detailed incident descriptions and attachments, continued enhancements to the form and function of the process will be instituted. This includes creating a modified CAP form to reflect a more simplified approach to understanding and writing CAPs, and providing regular updates to departments.

Ongoing LERC Medical Malpractice Sub-Committee projects include:

- Just Culture Implementation – Implement a “Just Culture” approach to error management in all County departments after having Health Services be the initial department to implement it. This project will create a humane and fair evaluation and correction process for human errors in the County workplace.

- Adverse Event Mitigation and Early Settlement Authority – This project will create a less adversarial system for managing medical errors and possible related litigation. The Sub-Committee will help lead the educational and interpersonal effort to create the policies and procedures for this risk management approach.

New projects include:

- Create a new LERC Sub-Committee specific to law enforcement operations and the resultant exposures that will involve:
 - Pre-Claim – Proactive research and training of specific law enforcement issues.
 - During Claim/Lawsuit Phase – Explore the necessity of root cause analysis and timeliness of corrective actions to determine systemic and personnel actions to be taken.
 - Post-Lawsuit – Evaluate adverse jury verdicts, appeals, and public relations pertaining to law enforcement litigation.
- Collaborate with the development of the Comprehensive Claims Management System to integrate the Risk Compliance Management System into applicable claims metrics.

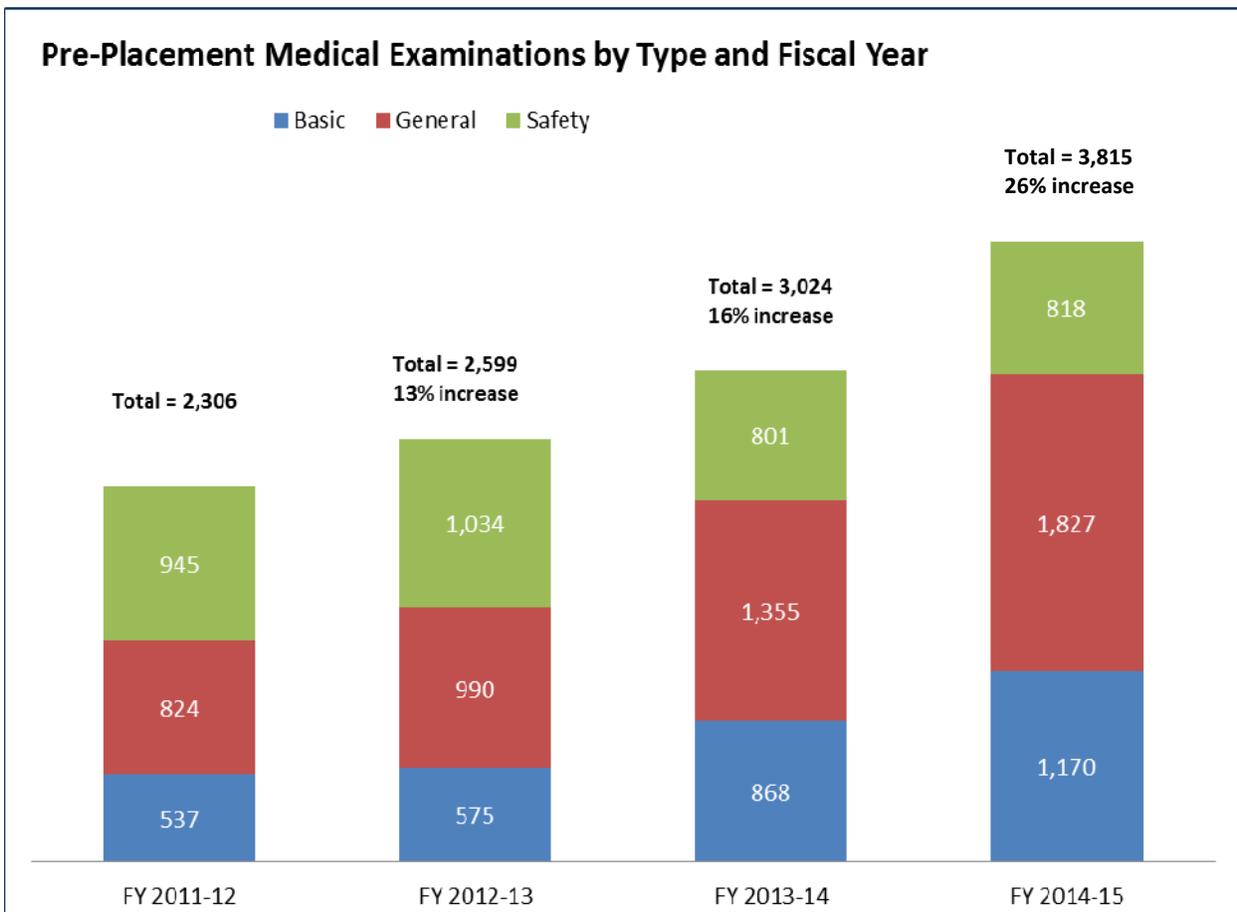
OCCUPATIONAL HEALTH PROGRAMS

The Occupational Health Programs (OHP) Section, within the CEO Risk Management Branch, administers medical and psychological standards and programs for pre-placement, fitness for duty, and periodic examinations, as well as the Employee Assistance Program. The functions and programs include the following:

- Pre-placement medical/psychological examinations.
- Periodic medical examinations for employees, including the “Fitness-for-Life!” program.
- Drug and alcohol testing, including Reasonable Suspicion Testing and testing of commercial drivers as required by the Federal Department of Transportation.

PRE-PLACEMENT MEDICAL EXAMINATIONS

Countywide hiring increased, requiring OHP to provide a total of 3,815 pre-placement examinations in FY 2014-15. This is a 26.2% increase over FY 2013-14, and a 65.4% increase over FY 2011-12.

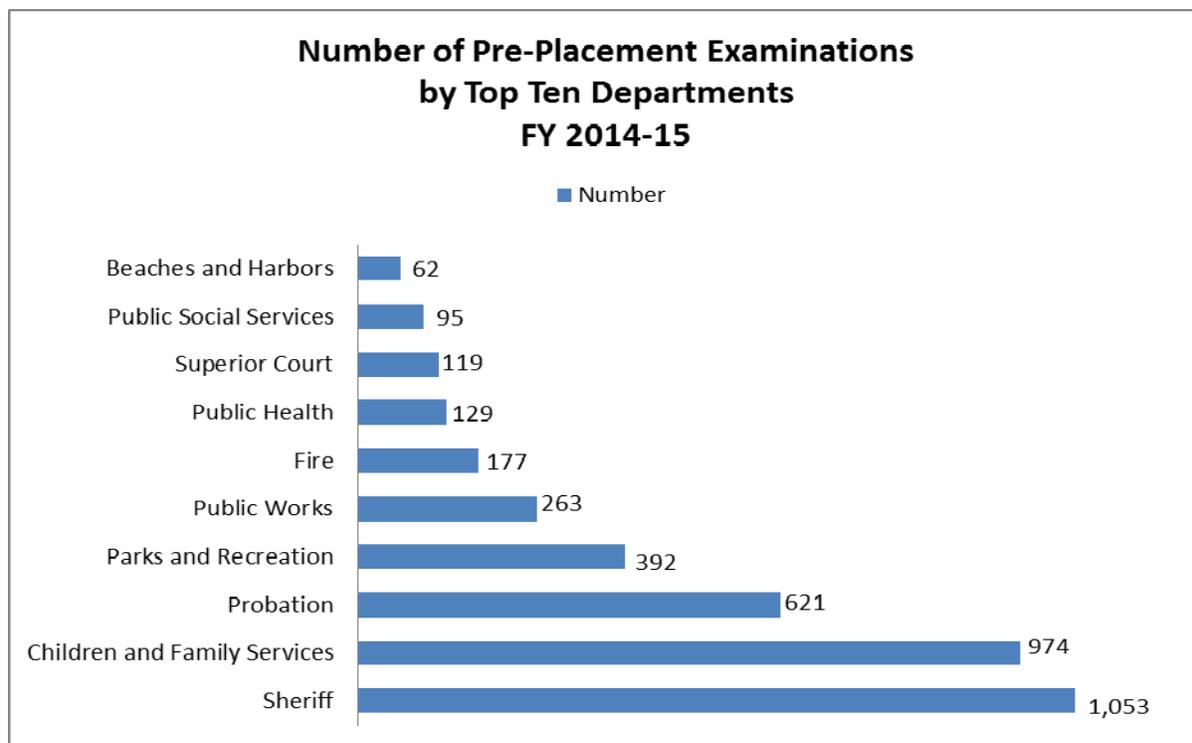


NUMBER OF PRE-PLACEMENT EXAMINATIONS BY TOP DEPARTMENTS – FY 2014-15

OHP worked closely with the Sheriff's Department to complete pre-placement medical examinations and review 1,053 candidates, to ensure medical standards were met while meeting hiring deadlines for academies scheduled in FY 2014-15.

OHP also partnered with the Department of Children and Family Services (DCFS) to ensure success in meeting critical hiring objectives by fast-tracking the pre-placement medical examination and review process. OHP completed the review of 974 candidates in FY 2014-15 to meet hiring deadlines for DCFS set by the Board and negotiated with SEIU Local 721 (Service Employees International Union).

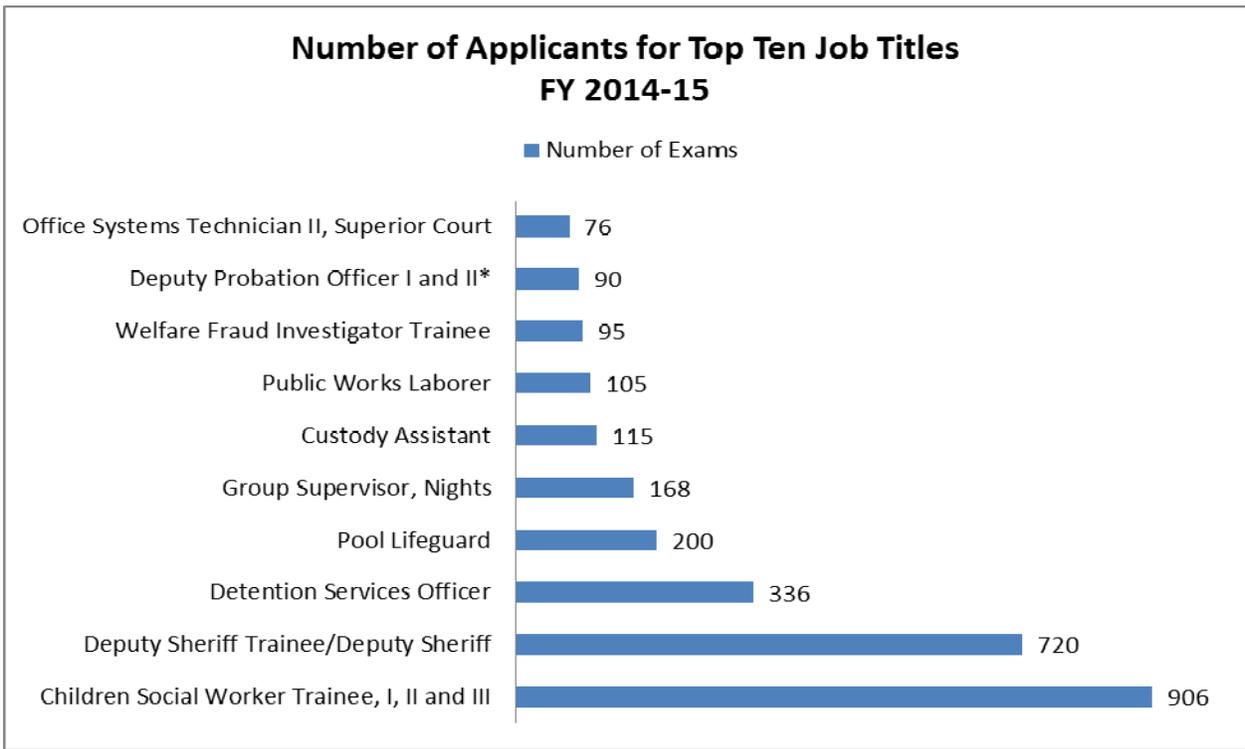
In addition, OHP expedited medical examination and reviews for 621 candidates for the Probation Department, contributing to efforts to meet hiring deadlines and staffing objectives in FY 2014-15.



NUMBER OF APPLICANTS FOR TOP TEN JOB TITLES – FY 2014-15

In order to meet the increased demand for pre-placement appointments, OHP maintained an in-house clinic for pre-placement medical examinations and provided medical examinations with same-day results for 80 candidates. Additionally, a new clinic was opened through a contract with Glendale Adventist Medical Center to provide medical services for pre-placement examinations in a central location at a clinic in Glendale.

Last year, OHP implemented changes to the color vision testing protocol to increase accuracy and reliability of the color vision testing procedures, by including a proprietary computerized color-naming test. This test was developed and validated in-house for use in work-fitness determinations on applicants for classifications that require color vision. During the current year, OHP worked closely with California Peace Officers Standards and Training Commission (P.O.S.T.) to expand the use of the computerized color-naming test state-wide as a screening tool for candidates for Safety positions.

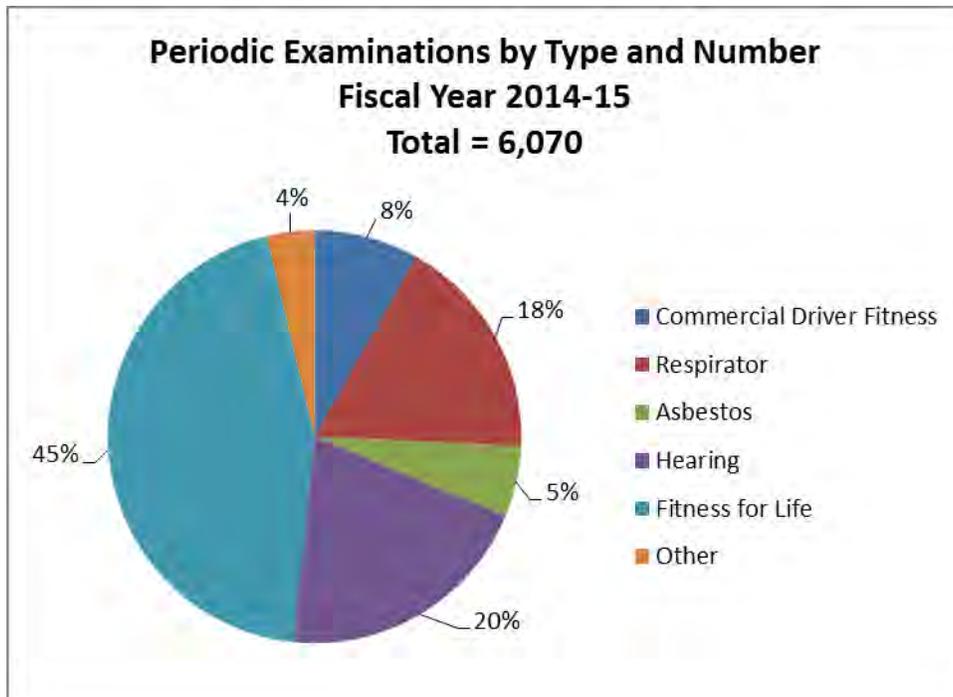


*Includes DPO I and II, Field and Residential Treatment

TOTAL PERIODIC EXAMINATIONS BY TYPE – FY 2014-15

OHP provided 6,070 periodic examinations as required by the California Occupational Safety and Health Administration, Department of Transportation, and contract agreements with employee unions.

OHP collaborated with the departments of Parks and Recreation and Fire to provide 2,708 “Fitness-for-Life!” wellness examinations in accordance with contract language setting standards for wellness bonuses for designated positions. Periodic examinations were also provided to employees for Commercial Driver Fitness, respirator use, and potential exposure to asbestos and/or loud noise.



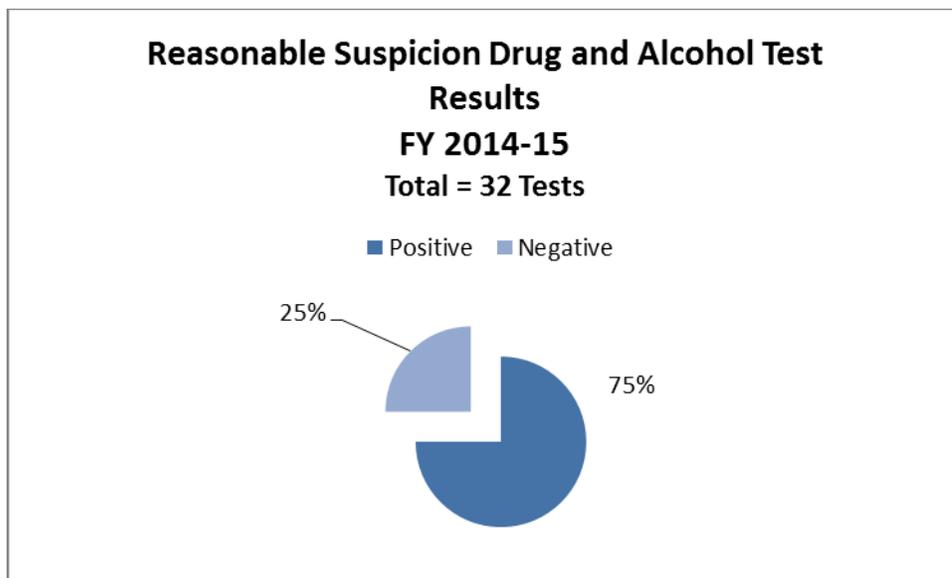
DRUG AND ALCOHOL TESTING

OHP managed a contract for the provision of employee drug and alcohol testing in compliance with Federal requirements for commercial drivers, and with County policy, labor contracts, and monitoring agreements for periodic and reasonable suspicion drug testing for employees.

OHP provided drug and alcohol monitoring for over 1,140 commercial drivers, as required by Federal Department of Transportation regulations; and also conducted a total of 870 tests, including 502 random drug and 105 random alcohol tests. There was one confirmed positive random drug test result during FY 2014-15. Departments with the highest numbers of commercial drivers are Public Works (539), Sheriff (325), and Fire (116).

Additionally, OHP provided reasonable suspicion drug testing for 32 employees suspected of being under the influence of drugs and/or alcohol, and provided line departments with guidance and recommendations based on the results.

REASONABLE SUSPICION DRUG TEST RESULTS – FY 2014-15



* If the impaired employee has a valid prescription which accounts for the laboratory result, the test result is deemed "negative." Administrative action may be taken to address the behavior or conduct of impairment.

OUTREACH – FY 2014-15

OHP provided training and outreach to County departments to promote OHP services and programs such as reasonable suspicion testing protocols, Federal Department of Transportation drug and alcohol testing protocols, Illness at Work Procedures, and medical and psychological re-evaluation procedures. This was completed through presentations to Departmental Risk Management Coordinators, Return-to-Work Coordinators, Human Resources Managers, as well as in Countywide meetings on selected issues.

OBJECTIVES – FY 2015-16

- Maintain expanded clinic capacity by conducting an in-house clinic for pre-placement and periodic medical examinations with the goal of reducing appointment waiting time, providing additional sites for the convenience of candidates and employees, and reducing length of hiring time for departments.
- Assess and anticipate hiring needs of departments by forecasting trends based on budget priorities, position requests, academy schedules, and other factors to meet internal and external staffing needs using survey tools to enhance communication.
- Develop and enhance communication channels, including email blasts, customer service surveys, and website enhancements to provide information and updates to departments, and receive feedback from customers regarding service delivery issues.
- Establish, monitor, and meet a performance standard for appointment waiting time of no more than 10 working days for pre-placement medical appointments at all clinics during 90 percent of the time.
- Establish, monitor, and meet a performance standard for disposition of status for all medical charts of no more than 30 calendar days during 90 percent of the time.
- Partner with the California Peace Officer Standards and Training Commission (P.O.S.T.) to further validate the computerized color vision test for possible incorporation in the Medical Screening Manual for California Law Enforcement.
- Implement program improvements to the “Fitness for Life!” examinations to eliminate unnecessary medical testing as negotiated in applicable labor contracts.
- Implement program improvements to the Reasonable Suspicion Drug and Alcohol Testing Program as negotiated in applicable labor contracts, to update testing methods and align testing standards with current industry standards established by United States Department of Transportation.
- Partner with the House Ear Institute on the development of a sound localization test for use in assessing hearing ability when screening applicants for safety positions.

STATISTICS

FY 2012-13 TO FY 2014-15

All Claims Frequency and Expense Summary..... Exhibit A

Workers’ Compensation Claim Frequency and Expense Summary Exhibit B

State of California Labor Code 4850 and Salary Continuation Expense Summary Exhibit C

Vehicle Liability Claim Frequency and Expense Summary..... Exhibit D

General Liability Claim Frequency and Expense Summary Exhibit E

General Liability / Law Enforcement Liability Claim Frequency and Expense Summary Exhibit E-1

General Liability / Employment Practices Liability Claim Frequency and Expense Summary Exhibit E-2

Medical Malpractice Claim Frequency and Expense Summary Exhibit F

Cost of Risk Detail..... Exhibit G



EXHIBIT A

ALL CLAIMS FREQUENCY AND EXPENSE SUMMARY

Department	FY 2012-13		FY 2013-14		FY 2014-15	
	# New Claims	# New Claims	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action Compliance	0	\$42,488	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	46	\$747,885	59	\$939,373	51	\$683,453
Alternate Public Defender	6	\$119,720	7	\$263,768	13	\$480,345
Animal Care and Control	123	\$1,192,100	104	\$985,614	94	\$995,743
Assessor	67	\$1,181,527	50	\$1,045,248	63	\$914,147
Auditor-Controller	106	\$709,733	45	\$4,555,293	34	\$15,042,047
Beaches and Harbors	36	\$685,209	38	\$735,737	48	\$614,982
Board of Supervisors	21	\$719,886	38	\$736,045	27	\$1,443,595
Chief Executive Office	11	\$2,350,868	20	\$3,054,608	18	\$1,961,000
Chief Information Office	0	\$24,614	0	\$2,574	0	\$43
Child Support Services	118	\$4,822,371	135	\$4,254,391	143	\$4,207,574
Children and Family Services	524	\$19,427,058	503	\$21,159,713	525	\$23,399,863
Community and Senior Services	35	\$2,560,586	18	\$836,901	38	\$757,864
Consumer and Business Affairs	3	\$91,246	4	\$38,056	2	\$13,430
Medical Examiner - Coroner	31	\$1,119,307	44	\$1,245,178	44	\$1,248,406
County Counsel	21	\$427,509	19	\$603,175	20	\$1,028,138
District Attorney	121	\$5,050,200	138	\$6,054,865	118	\$5,825,869
Fire	1,467	\$74,458,558	1,530	\$82,714,409	1,626	\$84,257,848
Health Services	1,922	\$59,846,731	2,163	\$65,093,435	1,887	\$66,620,549
Human Resources	17	\$318,041	9	\$399,752	15	\$438,861
Internal Services	130	\$4,795,375	111	\$3,961,564	122	\$4,468,228
LACERA	13	\$545,480	9	\$708,032	11	\$315,325
Mental Health	330	\$8,864,956	323	\$8,504,117	305	\$9,602,341
Military and Veterans Affairs	2	\$38,100	1	\$35,066	13	\$87,791
Museum of Art	4	\$108,823	5	\$56,625	2	\$53,269
Museum of Natural History	2	\$135,773	4	\$165,701	1	\$154,615
Non-Jurisdictional	593	\$769,389	677	\$728,595	863	\$853,454
Office of Public Safety	1	\$2,842,022	2	\$2,609,922	0	\$79,295
Parks and Recreation	283	\$5,103,924	286	\$6,039,471	268	\$5,747,865
Pending Assignment	0	\$0	4	\$0	0	\$0
Probation	760	\$37,562,060	835	\$35,006,657	680	\$34,230,353
Public Defender	63	\$1,344,367	65	\$1,667,255	58	\$1,889,054
Public Health	231	\$8,790,393	266	\$8,786,669	259	\$9,402,299
Public Library	57	\$908,717	39	\$751,838	47	\$881,325
Public Social Services	1,038	\$39,600,631	976	\$38,993,582	1,067	\$37,353,221
Public Works	649	\$13,850,576	639	\$11,758,952	633	\$12,300,448
Regional Planning	14	\$506,281	19	\$436,545	31	\$391,764
Registrar-Recorder/County Clerk	92	\$2,534,496	105	\$2,716,447	78	\$2,395,229
Sheriff	5,722	\$184,545,668	6,100	\$185,037,420	5,403	\$217,125,485
Superior Court	253	\$11,782,891	245	\$10,822,695	212	\$11,221,458
Treasurer and Tax Collector	80	\$1,240,068	110	\$1,624,746	107	\$1,408,150
TOTAL⁴	14,870	\$501,765,627	15,588	\$515,130,034	14,801	\$559,894,726

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, 2015.
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 2012-13 THROUGH FY 2014-15**

Department	FY 2012-13		FY 2013-14		FY 2014-15	
	# 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	36	\$680,105	47	\$819,003	32	\$637,830
Alternate Public Defender	6	\$118,647	4	\$187,311	10	\$430,686
Animal Care and Control	100	\$930,196	91	\$736,297	66	\$756,974
Assessor	26	\$886,901	25	\$782,201	26	\$550,177
Auditor-Controller	24	\$427,583	15	\$402,017	10	\$503,210
Beaches and Harbors	18	\$512,440	16	\$518,521	21	\$423,653
Board of Supervisors	11	\$236,212	12	\$147,596	8	\$110,639
Chief Executive Office	9	\$619,979	14	\$462,924	12	\$607,751
Chief Information Office	0	\$19,751	0	\$2,574	0	\$43
Child Support Services	104	\$4,516,158	122	\$3,955,429	119	\$4,021,051
Children and Family Services	372	\$15,287,529	352	\$16,311,461	383	\$15,451,855
Community and Senior Services	15	\$900,372	12	\$730,153	24	\$606,309
Consumer and Business Affairs	3	\$91,246	3	\$38,056	1	\$13,430
Medical Examiner - Coroner	17	\$1,062,565	19	\$815,555	30	\$471,541
County Counsel	17	\$405,474	11	\$535,438	12	\$911,599
District Attorney	62	\$3,652,820	78	\$4,402,212	38	\$3,825,187
Fire	1,321	\$49,444,811	1,388	\$52,780,490	1,451	\$57,856,608
Health Services	1,541	\$41,665,987	1,545	\$39,298,786	1,438	\$43,038,850
Human Resources	16	\$280,234	9	\$290,226	13	\$344,283
Internal Services	92	\$3,911,594	87	\$3,228,108	96	\$3,388,131
LACERA	13	\$479,530	9	\$659,749	11	\$315,325
Mental Health	272	\$7,189,608	248	\$7,273,897	250	\$7,758,344
Military and Veterans Affairs	2	\$32,585	1	\$35,066	0	\$69,926
Museum of Art	1	\$104,708	3	\$52,609	2	\$51,049
Museum of Natural History	1	\$135,773	2	\$159,259	1	\$154,615
Non-Jurisdictional	4	\$0	0	\$0	0	\$0
Office of Public Safety ⁴	1	\$2,524,592	2	\$2,426,698	0	\$0
Parks and Recreation	191	\$3,591,369	210	\$3,483,774	196	\$3,749,485
Pending Assignment	0	\$0	3	\$0	0	\$0
Probation	679	\$28,529,360	756	\$25,813,250	615	\$25,990,934
Public Defender	34	\$1,004,954	46	\$1,087,241	41	\$1,367,981
Public Health	189	\$6,879,942	214	\$6,240,479	203	\$7,688,059
Public Library	46	\$872,357	36	\$597,968	39	\$750,440
Public Social Services	980	\$37,597,979	918	\$37,345,296	1007	\$34,762,886
Public Works	205	\$6,436,340	173	\$5,901,543	168	\$5,126,758
Regional Planning	2	\$237,525	5	\$196,030	4	\$148,455
Registrar-Recorder/County Clerk	66	\$2,124,794	80	\$2,326,406	52	\$2,196,596
Sheriff	4,119	\$110,938,044	4,121	\$110,576,477	3,936	\$123,652,727
Superior Court	253	\$10,948,597	245	\$10,144,309	211	\$10,447,771
Treasurer and Tax Collector	19	\$935,413	23	\$1,408,153	24	\$1,166,519
TOTAL	10,867	\$346,214,074	10,945	\$342,172,562	10,550	\$359,347,677

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 2012-13 THROUGH FY 2014-15**

Department	FY 2012-13	FY 2013-14	FY 2014-15
	Amount Paid ¹	Amount Paid ¹	Amount Paid ¹
Affirmative Action Compliance	\$0	\$0	\$0
Agricultural Commissioner/Weights and Measures	\$17,496	\$52,053	\$16,119
Alternate Public Defender	\$0	\$76,353	\$36,480
Animal Care and Control	\$59,072	\$40,275	\$30,301
Assessor	\$24,955	\$12,016	\$63,729
Auditor-Controller	\$84,147	\$38,349	\$41,887
Beaches and Harbors	\$25,402	\$25,013	\$51,496
Board of Supervisors	\$0	\$16,282	\$6,003
Chief Executive Office	\$63,116	\$95,657	\$38,634
Chief Information Office	\$4,863	\$0	\$0
Child Support Services	\$128,608	\$199,705	\$94,631
Children and Family Services	\$870,952	\$1,045,182	\$1,232,992
Community and Senior Services	\$90,695	\$17,847	\$41,285
Consumer and Business Affairs	\$0	\$0	\$0
Medical Examiner - Coroner	\$5,390	\$27,218	\$5,189
County Counsel	\$17,484	\$24,690	\$254
District Attorney	\$400,747	\$451,278	\$524,040
Fire	\$22,021,731	\$24,884,374	\$23,317,988
Health Services	\$2,295,280	\$2,514,743	\$2,330,010
Human Resources	\$33,649	\$109,526	\$3,592
Internal Services	\$219,084	\$137,790	\$168,775
LACERA	\$65,950	\$48,283	\$0
Mental Health	\$574,983	\$508,951	\$553,062
Military and Veterans Affairs	\$5,515	\$0	\$0
Museum of Art	\$3,954	\$0	\$0
Museum of Natural History	\$0	\$1,382	\$0
Non-Jurisdictional	\$0	\$0	\$0
Office of Public Safety	\$0	\$0	\$0
Parks and Recreation	\$218,144	\$240,071	\$196,953
Pending Assignment	\$0	\$0	\$0
Probation	\$7,459,851	\$6,581,912	\$4,022,551
Public Defender	\$124,362	\$109,091	\$89,341
Public Health	\$393,708	\$390,426	\$431,388
Public Library	\$5,811	\$29,837	\$2,409
Public Social Services	\$1,282,576	\$1,099,541	\$1,332,227
Public Works	\$471,566	\$280,331	\$342,140
Regional Planning	\$0	\$0	\$0
Registrar-Recorder/County Clerk	\$141,442	\$121,145	\$46,641
Sheriff	\$28,958,691	\$32,606,250	\$32,510,905
Superior Court	\$834,294	\$678,386	\$773,687
Treasurer and Tax Collector	\$75,284	\$65,315	\$78,450
TOTAL	\$66,978,802	\$72,529,272	\$68,383,159

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 2012-13 THROUGH FY 2014-15

Department	FY 2012-13		FY 2013-14		FY 2014-15	
	# 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	4	\$9,960	8	\$42,411	13	\$11,389
Alternate Public Defender	0	\$0	3	\$104	1	\$7,266
Animal Care and Control	4	\$23,578	3	\$51,128	5	\$51,678
Assessor	6	\$10,191	0	\$12,211	0	\$7,500
Auditor-Controller	0	\$0	1	\$150	0	\$2,674
Beaches and Harbors	4	\$6,619	6	\$21,357	3	\$8,713
Board of Supervisors	1	\$2,656	9	\$7,981	1	\$8,316
Chief Executive Office	0	\$0	1	\$0	0	\$0
Chief Information Office	0	\$0	0	\$0	0	\$0
Child Support Services	2	\$1,216	1	\$12,044	0	\$5,000
Children and Family Services	44	\$229,812	35	\$248,154	38	\$283,201
Community and Senior Services	8	\$7,979	3	\$48,510	4	\$46,829
Consumer and Business Affairs	0	\$0	0	\$0	0	\$0
Medical Examiner - Coroner	5	\$13,607	5	\$17,625	4	\$50,230
County Counsel	1	\$1,504	0	\$422	0	\$0
District Attorney	12	\$125,409	8	\$22,564	11	\$26,600
Fire	105	\$639,333	86	\$658,226	121	\$877,857
Health Services	15	\$22,037	16	\$4,055,368	17	\$245,742
Human Resources	0	\$0	0	\$0	0	\$0
Internal Services	19	\$136,511	17	\$25,322	18	\$54,566
LACERA	0	\$0	0	\$0	0	\$0
Mental Health	19	\$188,139	12	\$104,664	7	\$47,545
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	1	\$5,060	0	\$0
Non-Jurisdictional	93	\$27,950	114	\$30,970	182	\$87,217
Office of Public Safety	0	\$44,589	0	\$0	0	\$0
Parks and Recreation	18	\$100,832	16	\$187,563	14	\$190,477
Pending Assignment	0	\$0	0	\$0	0	\$0
Probation	11	\$17,069	13	\$52,234	12	\$40,457
Public Defender	6	\$70,217	3	\$266,748	5	\$175,553
Public Health	19	\$28,997	8	\$108,316	23	\$236,768
Public Library	2	\$4,390	0	\$28,317	3	\$1,146
Public Social Services	8	\$41,665	21	\$23,696	12	\$87,490
Public Works	83	\$274,420	82	\$365,274	59	\$338,135
Regional Planning	0	\$0	0	\$0	0	\$0
Registrar-Recorder/County Clerk	4	\$2,639	2	\$903	5	\$8,613
Sheriff	401	\$5,995,028	387	\$4,282,315	358	\$5,930,597
Superior Court	0	\$0	0	\$0	0	\$0
Treasurer and Tax Collector	0	\$0	2	\$0	0	\$2,875
TOTAL⁴	894	\$8,026,347	863	\$10,679,637	916	\$8,834,434

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, 2015.

EXHIBIT E

GENERAL LIABILITY CLAIM FREQUENCY AND EXPENSE SUMMARY

FY 2012-13 THROUGH FY 2014-15

Department	FY 2012-13		FY 2013-14		FY 2014-15	
	# 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	\$42,488	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	6	\$40,324	4	\$25,906	6	\$18,115
Alternate Public Defender	0	\$1,073	0	\$0	2	\$5,913
Animal Care and Control	19	\$179,254	10	\$157,914	23	\$156,790
Assessor	35	\$259,480	25	\$238,820	37	\$292,741
Auditor-Controller	82	\$198,003	29	\$4,114,777	24	\$14,494,276
Beaches and Harbors	14	\$140,748	16	\$170,846	24	\$131,120
Board of Supervisors	9	\$481,018	17	\$564,186	18	\$1,318,637
Chief Executive Office	2	\$1,667,773	5	\$2,496,027	6	\$1,314,615
Chief Information Office	0	\$0	0	\$0	0	\$0
Child Support Services	12	\$176,389	12	\$87,213	24	\$86,892
Children and Family Services	108	\$3,038,765	116	\$3,554,916	104	\$6,431,815
Community and Senior Services	9	\$1,561,524	3	\$40,391	10	\$63,441
Consumer and Business Affairs	0	\$0	1	\$0	1	\$0
Medical Examiner - Coroner	5	\$37,745	15	\$352,619	10	\$547,116
County Counsel	3	\$3,047	8	\$42,625	8	\$116,285
District Attorney	45	\$871,224	51	\$1,178,706	69	\$1,448,008
Fire	31	\$1,986,561	35	\$2,845,448	44	\$1,179,011
Health Services	117	\$4,022,294	391	\$4,730,446	278	\$5,813,738
Human Resources	1	\$4,158	0	\$0	2	\$90,986
Internal Services	19	\$528,186	7	\$570,344	8	\$856,756
LACERA	0	\$0	0	\$0	0	\$0
Mental Health	27	\$866,803	39	\$535,104	35	\$1,133,700
Military and Veterans Affairs	0	\$0	0	\$0	13	\$17,865
Museum of Art	3	\$161	2	\$4,016	0	\$2,220
Museum of Natural History	1	\$0	1	\$0	0	\$0
Non-Jurisdictional	475	\$740,597	550	\$692,880	648	\$766,237
Office of Public Safety	0	\$272,841	0	\$183,224	0	\$79,295
Parks and Recreation	74	\$1,193,579	60	\$2,128,063	58	\$1,610,950
Pending Assignment	0	\$0	1	\$0	0	\$0
Probation	70	\$1,551,865	61	\$2,523,332	53	\$4,168,320
Public Defender	23	\$144,834	14	\$204,073	12	\$254,205
Public Health	17	\$1,055,765	43	\$2,013,678	31	\$1,024,383
Public Library	9	\$26,159	3	\$95,716	5	\$127,330
Public Social Services	50	\$678,411	37	\$525,049	48	\$1,170,618
Public Works	361	\$6,668,250	384	\$5,211,804	406	\$6,493,415
Regional Planning	12	\$268,756	14	\$240,515	27	\$243,309
Registrar-Recorder/County Clerk	22	\$265,621	23	\$267,993	21	\$143,379
Sheriff	1,175	\$38,521,543	1,524	\$37,321,496	1,085	\$54,870,980
Superior Court	0	\$0	0	\$0	1	\$0
Treasurer and Tax Collector	61	\$229,371	85	\$151,278	83	\$160,306
TOTAL⁴	2,789	\$67,724,610	3,470	\$73,269,405	3,109	\$106,632,767

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, 2015.
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 2012-13 THROUGH FY 2014-15

Department	FY 2012-13		FY 2013-14		FY 2014-15	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action Compliance	0	\$0	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	0	\$0	0	\$0	0	\$0
Alternate Public Defender	0	\$1,073	0	\$0	2	\$5,913
Animal Care and Control	0	\$0	0	\$0	1	\$26,513
Assessor	0	\$0	0	\$0	0	\$0
Auditor-Controller	0	\$0	0	\$0	0	\$0
Beaches and Harbors	0	\$0	2	\$0	0	\$0
Board of Supervisors	2	\$0	0	\$0	1	\$68,249
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	1	\$28,834	1	\$6,106	0	\$3,545
Community and Senior Services	4	\$0	0	\$18,155	0	\$49,865
Consumer and Business Affairs	0	\$0	0	\$0	0	\$0
Medical Examiner - Coroner	0	\$0	2	\$3,761	0	\$73,755
County Counsel	2	\$0	1	\$0	1	\$0
District Attorney	24	\$473,395	33	\$230,322	19	\$644,481
Fire	2	\$14,562	1	\$0	3	\$150
Health Services	3	\$2,171	3	\$26,264	0	\$23,025
Human Resources	0	\$0	0	\$0	0	\$0
Internal Services	0	\$0	0	\$0	0	\$0
LACERA	0	\$0	0	\$0	0	\$0
Mental Health	0	\$53,541	0	\$7,980	4	\$88,307
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	\$4,468	28	\$8,860	17	\$33,721
Office of Public Safety	0	\$680	0	\$0	0	\$0
Parks and Recreation	0	\$0	0	\$0	0	\$0
Pending Assignment	0	\$0	0	\$0	0	\$0
Probation	9	\$547,763	7	\$915,531	5	\$1,029,310
Public Defender	9	\$23,130	7	\$23,919	6	\$28,275
Public Health	0	\$0	12	\$0	0	\$5,702
Public Library	0	\$0	0	\$0	0	\$0
Public Social Services	0	\$0	1	\$0	0	\$3,821
Public Works	0	\$0	0	\$0	0	\$0
Regional Planning	0	\$0	1	\$0	0	\$0
Registrar-Recorder/County Clerk	0	\$0	1	\$130	0	\$0
Sheriff	778	\$31,741,825	949	\$32,461,333	738	\$46,234,208
Superior Court	0	\$0	0	\$0	1	\$0
Treasurer and Tax Collector	0	\$0	0	\$0	0	\$0
TOTAL⁴	828	\$32,891,442	1,003	\$33,702,361	781	\$48,318,840

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, 2015.
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 2012-13 THROUGH FY 2014-15**

Department	FY 2012-13		FY 2013-14		FY 2014-15	
	# 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	1	\$39,564	1	\$19,415	0	\$13,088
Alternate Public Defender	0	\$0	0	\$0	0	\$0
Animal Care and Control	1	\$0	1	\$326	0	\$19,800
Assessor	0	\$33,114	1	\$769	0	\$26,940
Auditor-Controller	0	\$15,097	2	\$111,413	0	\$67,787
Beaches and Harbors	0	\$0	0	\$0	0	\$0
Board of Supervisors	1	\$518	1	\$155,380	0	\$60,999
Chief Executive Office	0	\$168,200	1	\$191,050	4	\$79,255
Chief Information Office	0	\$0	0	\$0	0	\$0
Child Support Services	1	\$141,576	1	\$60,601	2	\$39,228
Children and Family Services	13	\$336,912	13	\$607,053	10	\$3,147,739
Community and Senior Services	0	\$1,299,271	0	\$3,940	0	\$0
Consumer and Business Affairs	0	\$0	0	\$0	0	\$0
County Counsel	1	\$2,938	2	\$36,791	1	\$102,582
District Attorney	3	\$204,500	0	\$396,378	5	\$385,553
Fire	14	\$1,743,555	11	\$2,675,831	12	\$1,045,050
Health Services	21	\$2,638,886	20	\$2,613,523	46	\$4,881,081
Human Resources	1	\$4,159	0	\$0	2	\$90,986
Internal Services	5	\$246,445	2	\$351,182	1	\$406,054
LACERA	0	\$0	0	\$0	0	\$0
Medical Examiner - Coroner	0	\$0	0	\$0	1	\$3,207
Mental Health	5	\$466,624	7	\$581,302	5	\$819,823
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	5	\$0	6	\$1,907	12	\$1,385
Office of Public Safety	0	\$272,162	0	\$183,224	0	\$79,295
Parks and Recreation	6	\$185,029	3	\$599,940	1	\$250,030
Pending Assignment	0	\$0	0	\$0	0	\$0
Probation	22	\$847,335	20	\$998,040	31	\$1,188,195
Public Defender	1	\$107,101	2	\$156,325	0	\$184,377
Public Health	2	\$329,181	0	\$73,238	3	\$0
Public Library	1	\$10,833	0	\$65,589	0	\$89,258
Public Social Services	12	\$471,715	8	\$297,658	7	\$363,322
Public Works	4	\$759,247	3	\$938,038	8	\$630,362
Regional Planning	0	\$0	0	\$0	1	\$0
Registrar-Recorder/County Clerk	2	\$21,751	0	\$0	1	\$0
Sheriff	39	\$5,369,391	56	\$2,799,559	42	\$7,105,653
Superior Court	0	\$0	0	\$0	0	\$0
Treasurer and Tax Collector	3	\$174,473	0	\$90,673	0	\$0
TOTAL⁴	164	\$15,889,577	158	\$14,009,145	193	\$21,081,049

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, 2015.
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 2012-13 THROUGH FY 2014-15**

Department	FY 2012-13		FY 2013-14		FY 2014-15	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
DHS – Ambulatory Care Network	20	\$540,771	14	\$532,981	12	\$345,532
DHS – Harbor-UCLA Medical Center	100	\$1,383,226	62	\$1,690,264	52	\$1,353,298
DHS – Juvenile Court Health Services	0	\$191	1	\$0	0	\$0
DHS – LAC+USC Medical Center	126	\$9,361,095	108	\$11,670,405	72	\$12,667,962
DHS – Olive View-UCLA Medical Center	21	\$461,056	33	\$356,732	14	\$666,058
DHS – Rancho Los Amigos	5	\$94,794	5	\$243,710	7	\$159,359
Health Services Subtotal⁴	249	\$11,841,133	211	\$14,494,092	154	\$15,192,209
Community and Senior Services	3	\$16	0	\$0	0	\$0
District Attorney	2	\$0	1	\$105	0	\$2,034
Fire	10	\$366,122	21	\$1,545,871	10	\$1,026,384
Medical Examiner—Coroner	4	\$0	5	\$32,161	0	\$174,330
Mental Health	12	\$45,423	24	\$81,501	13	\$109,690
Non-Jurisdictional	21	\$842	13	\$4,745	33	\$0
Probation	0	\$3,915	5	\$35,929	0	\$8,091
Public Defender	0	\$0	2	\$102	0	\$1,974
Public Health	6	\$431,981	1	\$33,770	2	\$21,701
Sheriff	27	\$132,362	68	\$250,882	24	\$160,276
TOTAL⁴	320	\$12,821,794	310	\$16,479,158	226	\$16,696,689

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, 2015.
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 2012-13	FY 2013-14	FY 2014-15
Workers' Compensation			
Benefit Expense	\$261,212,780	\$259,386,332	\$269,345,561
Loss Expense ¹	\$72,967,604	\$70,704,480	\$76,803,910
Administrative Expense ²	\$12,033,691	\$12,081,750	\$13,198,206
Workers' Compensation Expense Subtotal	\$346,214,074	\$342,172,562	\$359,347,677
Labor Code 4850 / Salary Continuation	\$66,978,802	\$72,529,272	\$68,383,159
Workers' Compensation Expense Total	\$413,192,876	\$414,701,834	\$427,730,836
Liability^{3,4}			
Vehicle Liability Indemnity Expense	\$3,088,729	\$6,639,588	\$3,513,359
General Liability Indemnity Expense	\$26,225,201	\$29,596,291	\$62,307,828
Medical Malpractice Indemnity Expense	\$10,242,308	\$12,735,910	\$13,297,209
Liability Indemnity Expense Subtotal	\$39,556,238	\$48,971,789	\$79,118,396
Vehicle Liability Legal Expense	\$4,935,886	\$4,040,039	\$5,321,075
General Liability Legal Expense	\$41,306,050	\$43,673,114	\$44,324,939
Medical Malpractice Legal Expense	\$2,579,485	\$3,743,248	\$3,399,480
Liability Legal Expense Subtotal	\$48,821,421	\$51,456,401	\$53,045,494
Liability Administrative Expense ⁵	\$11,472,160	\$11,157,597	\$10,999,538
Liability Expense Total	\$99,849,819	\$111,585,787	\$143,163,428
Purchased Insurance (premiums and fees)	\$17,628,758	\$17,770,156	\$17,268,876
Cost of Risk^{6,7}	\$530,671,453	\$544,057,777	\$588,163,140
Total County Operating Budget	\$24,228,102,000	\$25,333,757,000	\$25,988,192,000
Cost of Risk (as percentage of County Operating Budget)	2.19%	2.15%	2.26%
Non-County Agencies			
LACERA	\$545,480	\$708,032	\$315,325
Superior Court	\$11,782,891	\$10,822,695	\$10,358,805
Subtotal (Non-County agencies)	\$12,328,371	\$11,530,727	\$10,674,130
Cost of Risk (excluding non-County agencies)	\$518,343,082	\$532,527,050	\$577,489,010
Cost of Risk (Non-County agencies as percentage of County Operating Budget)	2.14%	2.10%	2.22%

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.

**COUNTY OF LOS ANGELES
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