



**Chief  
Executive  
Office.**

**COUNTY OF LOS ANGELES**

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**CHIEF EXECUTIVE OFFICER**

Fesia A. Davenport

January 29, 2025

To: Supervisor Kathryn Barger, Chair  
Supervisor Hilda L. Solis  
Supervisor Holly J. Mitchell  
Supervisor Lindsey P. Horvath  
Supervisor Janice Hahn

From: Fesia A. Davenport  
Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'Fesia A. Davenport'.

**CHIEF EXECUTIVE OFFICE RISK MANAGEMENT ANNUAL REPORT,  
FISCAL YEAR 2023-24 (ITEM NO. 30-A, BOARD MEETING OF  
FEBRUARY 6, 2018)**

Attached is the *Chief Executive Office Risk Management Annual Report, Fiscal Year 2023-24*. The purpose of the report is to inform the Board of Supervisors (Board) of a summarized Cost of Risk in Liability and Workers' Compensation exposures; assist departments in recognizing 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 (FYs).

In previous FYs, we focused on improving the County's risk culture and operational capabilities. These initiatives ultimately led to an enterprise risk model that embeds risk management into the planning, execution, and completion of all Board priorities and operational functions of the County.

Details of the number, type, and cost of claims are included in the attached report. The following is a summary of the risk categories.

**Total Cost of Risk**

The total of all costs related to Liability and Workers' Compensation decreased by \$46 million to \$935 million, which represents a 4.8 percent decrease over FY 2022-23. The County's Total Cost of Risk decreased from 2.23 to 2.01 percent of the County's operating budget; this represents a 9.87 percent decrease over FY 2022-23.



The Total Cost of Risk is measured as a percentage of the County's operating budget and has varied between 2.01 and 2.26 percent over the last 10 FYs. The decrease in costs can be attributed to a reduction in general liability claims and costs over the last FY and are more fully described in the County Counsel Annual Litigation Cost Report.

### **Vehicle Liability<sup>1</sup>**

Vehicle accident claims increased by 149 to 1,218, which represents a 13.9 percent increase over FY 2022-23. The cost of claims and lawsuits increased by \$2.4 million to \$17.9 million, which represents a 15.5 percent increase over FY 2022-23.

### **Other General Liability<sup>1</sup>**

These claims decreased by 11,627 to 3,665, which represents a 76.0 percent decrease over FY 2022-23. The decrease in Other General Liability claims is due to the absence of additional claims related to the Dominguez Hills/Carson odor incident. The cost of claims and lawsuits decreased by \$82.3 million to \$43.4 million, which represents a 65.5 percent decrease over FY 2022-23. The decrease in cost is attributable to payouts made on claims related to the Dominguez Hills/Carson odor incident and significant settlements paid in FY 2022-23.

### **Employment Practices Liability (non-Workers' Compensation)<sup>1</sup>**

These claims decreased by 22 to 184, which represents a 10.7 percent decrease over FY 2022-23. The cost of claims and lawsuits increased by less than \$1 million to \$38.3 million, which represents a 2.4 percent increase over FY 2022-23.

### **Law Enforcement Liability<sup>1</sup>**

These claims have decreased by 18 to 746, which represents a 2.4 percent decrease over FY 2022-23. The cost of claims and lawsuits decreased by \$29.1 million to \$79.3 million, which represents a 26.9 percent decrease over FY 2022-23.

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<sup>1</sup> In FY 2020-21, County Counsel implemented a new system to manage litigation activities, and CEO implemented a new system to manage claim activities with data exchange between the two systems. These systems allow the County to generate more accurate reporting and classification studies based on our specific needs. Therefore, these reports will have different costs associated with the departments. CEO reports on tort liability and Worker's Compensation claims, while County Counsel reports on both non-tort and tort liability cases and does not report on Workers' Compensation matters. County Counsel's Annual Litigation Cost Report should be utilized to evaluate trends related to litigation expenses, and the CEO Risk Management Annual Report should be used to analyze Workers' Compensation and Liability claims trends.

### **Medical Malpractice Liability<sup>1</sup>**

These claims decreased by 22 to 143, which represents a 13.3 percent decrease over FY 2022-23. The cost of claims and lawsuits decreased by \$2.3 million to \$6.8 million, which represents a 25.6 percent decrease over FY 2022-23.

### **Workers' Compensation<sup>1</sup>**

These claims have decreased by 447 to 11,164, which represents a 3.8 percent decrease over FY 2022-23. The cost of claims and lawsuits increased by \$70.1 million to \$587 million, which represents a 13.6 percent increase over FY 2022-23. The cost increase can be attributable to statutory changes in physician charges and payments to injured workers.

The Chief Executive Office – Risk Management Branch continues to work with departments to prevent injuries and lower costs through guided assistance and training and education initiatives, including:

- Collaboration with departments in addressing cost drivers associated with issues driving workers' compensation and tort liability costs, including vehicle, general, employment practices, and medical malpractice liability.
- Measurement of departments' risk performance and focused loss prevention efforts to improve departments experiencing higher loss trends.
- Collaboration with departments in increasing the quality of Corrective Action Plans to include more robust descriptions, supporting documentation, exhibits, and contain in-depth discussions as to the violations and/or system issues that occurred and how suggested corrective actions will address the problems in the present and into the future.
- Partnering with the Third-Party Administrators to improve communication and customer satisfaction to injured workers.

Furthermore, as directed by the Board on March 9, 2021, the Chief Executive Office – Risk Management Branch and the Department of Human Resources developed metrics to rank departmental risk management performance by clusters and provided consultative services to the lower-performing (bottom 10%) for each cluster. The results of the performance metrics and prevention activities are included in this report.

Each Supervisor  
January 29, 2025  
Page 4

This report represents the combined efforts of the entire Chief Executive Office – Risk Management Branch team. Input and analysis were provided by staff of Liability Claims and Recovery, Loss Control and Prevention, Data Analytics, Office of Privacy, Risk Management Finance, Risk Management Inspector General, Risk Transfer, and Workers' Compensation Units.

Should you have any questions concerning this matter, please contact me or Destiny Castro, Acting Branch Manager/County Risk Manager, at (213) 738-2194 or [DCastro@ceo.lacounty.gov](mailto:DCastro@ceo.lacounty.gov).

FAD:JMN:DC:RC:ef

Attachment

c: All Department Heads



County of Los Angeles

# Risk Management

## Inside County Risk FY 2023-24 Annual Report

Destiny Castro  
Acting Branch Manager  
February 2025





**Hilda L. Solis**  
First District



**Holly J. Mitchell**  
Second District



**Lindsey P. Horvath**  
Third District



**Janice Hahn**  
Fourth District



**Kathryn Barger**  
Fifth District

**COUNTY OF LOS ANGELES  
BOARD OF SUPERVISORS**



**CHIEF EXECUTIVE OFFICE  
RISK MANAGEMENT BRANCH**

**2023-24**

**Inside LA County's  
Risk Management  
Annual Report**



# TABLE OF CONTENTS

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Risk Manager’s Message.....	Page 1
Risk Horizon.....	Page 3
Key Objectives—Fiscal Year 2024-25.....	Page 4
Cost of Risk.....	Page 5
Risk Financing.....	Page 7
Workers’ Compensation Program.....	Page 10
Liability Claims and Recovery .....	Page 21
Trend Analysis.....	Page 25
Loss Control and Prevention.....	Page 33
Risk Management Inspector General .....	Page 36
Risk Transfer .....	Page 41
Office of Privacy .....	Page 46
Risk Management Finance .....	Page 48
Risk Analytics .....	Page 51
Risk Management Performance Metrics.....	Page 53
Statistics – Fiscal Years 2021-22 to 2023-24 .....	Page 55
Report Abbreviations .....	Page 65



## RISK MANAGER'S MESSAGE

The County of Los Angeles (County), Chief Executive Office – Risk Management Branch (CEO-RMB) is pleased to provide its Risk Management Annual Report for fiscal year (FY) 2023-24.

In previous fiscal years, we focused on improving the County's risk culture and operational capabilities. These initiatives ultimately led to an enterprise risk model that embeds risk management into the planning, execution, and completion of all Board of Supervisors (Board) priorities and operational functions of the County.

As these programs begin to mature, we are realizing significant results including the ability to attract multiple insurers to finance our larger loss exposures, the elimination of hundreds of workers' compensation claims, predictable loss development, and increased third-party recoveries.

Over the last several years we focused on updating data management associated with claims and litigation. The comprehensive Risk Management Information Platform (RMIP) has already proven to be flexible, reliable and user friendly.

In FY 2023-24, we continued to implement a multi-year plan to control costs and reduce liability, as follows:

1. The expansion of purchasing commercial insurance to protect against the risk of catastrophic loss events.
2. An aggressive claim closure program has been implemented to finalize Workers' Compensation claims for employees who are no longer employed by the County. This benefits the injured worker as it

provides more control over the administration of their health care, and it benefits the County as it lowers our long-term liabilities.

3. The development and implementation of a comprehensive Risk Financing Plan to lower our long-term workers' compensation liabilities. This year the County entered into a Special Excess Workers' Compensation Insurance Policy expunging workers' compensation obligation for claims opened between July 1, 1969 through September 30, 1988 (over 220,000 open and closed workers' compensation claims).

Overall, the County's cost of risk remains near the industry standard of 2.0%. The next page displays a brief trend indicator for the categories of loss we typically observe and how it contributes to the overall cost of risk.

When we see upward trends in claims (marked in red) we typically see increased costs associated with increased claims. Conversely, as we see downward trends in claims (marked in green) we can usually expect to see lower costs in the future.

This year's annual report is organized to allow identification of claim trends specific to general liability and sub-categorized areas, including law enforcement, employment, medical malpractice, auto, and general liability. These categories represent different exposures and prevention requirements that will allow County departments the ability to focus efforts according to specific losses.

## RISK MANAGER'S MESSAGE (CONTINUED)

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Lastly, as directed by the Board of Supervisors on March 9, 2021, we added department performance metrics to this report to highlight department opportunities to focus on loss prevention, privacy, and workers' compensation/return-to-work.

<b>Claim Type</b>	<b>% Change in Frequency</b>		<b>% Change in Expense</b>
Workers' Compensation	-3.8%		13.6%
Automobile Liability	13.9%		15.5%
General Liability - Other	-76.0%		-65.5%
Law Enforcement Liability	-2.4%		-26.9%
Employment Practices Liability	-10.7%		2.4%
Medical Malpractice Liability	-13.3%		-25.6%
<b>Total</b>	<b>-41.2%</b>		<b>-11.2%</b>
<b>Cost or Risk (excluding non-County agencies)</b>			<b>2.01%</b>

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

## RISK HORIZON

The number and type of losses we experience are generally predictable over the horizon of many years. However, there are events and risks that we have identified that will increase these losses both in frequency and severity. Below you will find a synopsis of exposures on the horizon.

### **Privacy Protection and Cyber Security**

Privacy legislation and restrictions associated to personal data continue to increase at an exponential rate. The resulting litigation and costs will increase our cost of risk unless we match the increased restrictions with specific actions to reduce the opportunities for unauthorized release of information. This includes:

- Identification of high-risk operations and coordination of a comprehensive data protection implementation plan to staff, train, and appropriately fund privacy and data security teams in those departments;
- Implementation of proactive cybersecurity and data protection infrastructure;
- regularly performing risk assessments of business processes involving County data, systems, and information assets;
- provide ongoing employee privacy and cybersecurity training; and
- deploying specific policies and procedures to decrease and avoid data and cybersecurity privacy risks.

### **Legislative**

Legislative agendas continue to contain legislation that increases costs, as follows:

- Workers' Compensation legislation and regulations have increased workers' compensation costs over \$45 million in the last two years.
- California's Child Victims Act (AB 218) allowed claims/lawsuits to be filed against the County with no statute of limitations. The County is managing thousands of claims that will significantly increase costs to the entire County over the next several years.

### **Risk Structure**

To enhance risk management in the future, the County is:

- Formalizing a Risk Management Policy for the County.
- Providing appropriate authority to the Risk Manager to formally manage the intricacies of the Risk Management Program and align outdated Workers' Compensation and other risk-related policies under the auspices of the Risk Manager.
- Creating a Risk Financing plan to manage the losses of the future that hold departments accountable for not appropriately managing their risks while protecting the County from catastrophic losses that will occur.

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*The County's objective  
is to minimize the  
Cost of Risk*

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## KEY OBJECTIVES—FISCAL YEAR 2024-25

CEO Risk Management provides leadership and direction for the County’s Risk Management and Privacy programs. Key objectives for FY 2024-25 include:

- Continue to improve the Risk Management Information Platform to ensure loss data availability is timely, accurate, easily accessed, and confidential.
- Provide streamlined guidance to County departments on privacy-focused and HIPAA-focused initiatives, policies, training, risk assessments, audits, and compliance.
- Implement unified and minimum standards across County departments for protecting County Information and Personal Information against unauthorized access and releases.
- Provide technical guidance on the County’s contract provisions to ensure the protection of County’s data and Protected Health Information and assist with privacy risk assessments of the County’s third-party vendors.
- Provide incident response training and tabletop exercises for County stakeholders in response to privacy and cyber breach events.
- Continue to mitigate workers’ compensation unfunded liabilities in Workers’ Compensation by closing claim exposures, explore funding liabilities through alternate risk techniques, and capping losses with catastrophic loss insurance.



- Implement system and software upgrades to incorporate a framework of accountability to include auditing, tracking, and compliance elements of all Corrective Action Plans.
- Incorporate County Counsel’s Workers’ Compensation Division and Fire Department’s Return-To-Work disability management efforts into the comprehensive Risk Management Information System to improve workflow, track capabilities, and promote efficiencies.
- Evaluate the process of threat assessment evaluation as part of workplace violence prevention.
- California Assembly Bill AB218 created various changes to sexual abuse laws including a three year revival window for adult survivors who were sexually abused as minors to file civil lawsuits that were previously barred by the statute of limitations. Risk Management will be closely involved in the evaluation of policies and procedures to ensure cases like those subject to AB218 never happen again.
- Finally, as homelessness is one of the County’s highest priorities we will become more involved and supportive of the County’s homelessness mission, by weighing the magnitude of the priority against the benefits of existing policies/procedures that are designed to reduce risk and cost to the County as well as looking at options outside the box.

## PREVENTION

IDENTIFY

SOLUTION

COST

RECOV-

## COST OF RISK

The cost of risk is the ratio of 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 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 costs associated with loss control and prevention programs, insurance premiums, and operational and administrative expenses.

During FY 2023-24, the County experienced a decrease in the Cost of Risk of -9.87%.

## 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 (LC) 4850 and salary continuation, automobile liability, general liability, employment practices liability, law enforcement liability, and medical malpractice.

The table on the next page illustrates the totality of all categories of risk as related to the County’s operating budget.



**COST OF RISK<sub>1</sub>**

Category	FY 2021-22	FY 2022-23	FY 2023-24
<b>Workers' Compensation</b>			
<b>Workers' Compensation Expense</b>	<b>\$468,381,386</b>	<b>\$516,434,811</b>	<b>\$586,590,317</b>
Labor Code 4850/Salary Continuation	\$162,510,229	\$169,637,324	\$163,209,727
<b>Workers' Compensation Expense Total</b>	<b>\$630,891,615</b>	<b>\$686,072,135</b>	<b>\$749,800,044</b>
<b>Liability</b>			
<b>Liability Expense Total</b>	<b>\$173,641,389</b>	<b>\$321,049,517</b>	<b>\$207,796,597</b>
Purchased Insurance (premium and fees)	\$28,476,443	\$32,312,000	\$42,201,681
<b>Cost of Risk</b>	<b>\$804,533,003</b>	<b>\$1,007,121,652</b>	<b>\$957,596,640</b>
<b>Cost of Risk (excluding non-County agencies)</b>	<b>\$795,422,715</b>	<b>\$997,710,154</b>	<b>\$957,596,640</b>
<b>Total County Operating Budget (000)</b>	<b>\$39,576,967</b>	<b>\$44,642,000</b>	<b>\$47,102,288</b>
<b>Cost of Risk (Excluding non-County agencies as a percentage of the County's Operating Budget)</b>	<b>2.01%</b>	<b>2.23%</b>	<b>2.01%</b>

1. Detailed Cost of Risk Information can be found in Exhibit G of this report.
2. Labor Code 4850 benefits are provided to defined safety officers. The benefit pays full salary tax free for one year while they are disabled due to an industrial injury and cannot work. The County provides certain employees salary continuation benefits that restore 70% of their wages tax free while they are unable to work due to an industrial injury. The benefit is available for one year from the date of the industrial injury.
3. Workers' Compensation Expenses includes Administrative Expenses and Purchased Insurance.

## RISK FINANCING

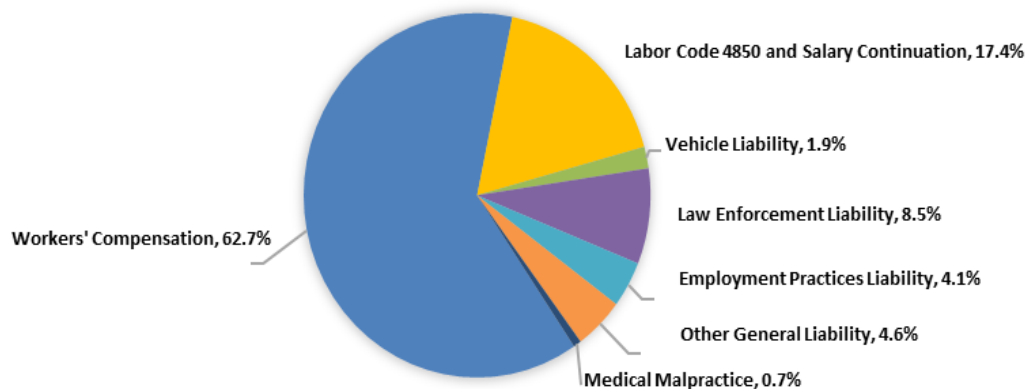
The County finances nearly all losses on a cash basis; therefore, any liability or Workers' Compensation claim that arises is subject to cash payment by the County, regardless of size. Based on the nature and scope of County operations, natural disasters, and external influences, County departments will be susceptible to large claims that significantly impact expenses. The results of FY 2023-24 illustrate this susceptibility as the top-10 claims of each expense category accounted for significant portions of expense, as follows: law enforcement top-10 claims accounted for 81.0% of expenses; general liability top-10 claims accounted for 57.4% of expenses; automobile liability top-10 claims accounted for 51.8% of expenses; medical malpractice top-10 claims accounted for 95.6% of expenses; and employment liability top-10 claims accounted for 49.5% of expenses. The County has instituted several risk management techniques to manage the cost of large loss claims outside of litigation management. Minimizing the frequency of claims minimizes the possibility of one of those claims becoming a large loss. The County currently utilizes loss control and prevention best practices specific to departments that are coordinated through the CEO, as follows:

- Corrective Action Plans and/or Summary Corrective Action Plans are required for all settlements with an indemnity amount in excess of \$100,000 and as requested by the Risk Management Inspector General (RMIG). 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.
- CEO Risk Management's Loss Control and Prevention Unit updated several online training modules to address risk factors that contribute to vehicle accidents, and issued notices to departments that were experiencing increased claims.
- Risk Management Plans (RMP) are developed by each department on an annual basis. These plans provide an overview of each department's risk management program, significant risk issues for that department, and mitigation measures or goals designed to prevent or minimize the given exposure.
- CEO-RMB provides reporting and early trend analysis capabilities through department-specific dashboards. This includes a drill-down capacity to identify the "Top-5 Causes of Concern" for each type of loss.
- Contractual risk transfer 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-RMB collaborate with departments in this endeavor.

## OVERALL COSTS

The overall cost of risk graph below illustrates that Workers' Compensation accounts for 62.7% of the cost of risk. For FY 2023-24, this represents approximately \$586 million.

### PERCENTAGE OF TOTAL COST PAID BY CLAIM TYPE FY 2023-24



### CLAIM SEVERITY (TOTAL COST PAID) - ALL CLAIMS 1,2,3 - FY 2021-2022 THROUGH FY 2023-24

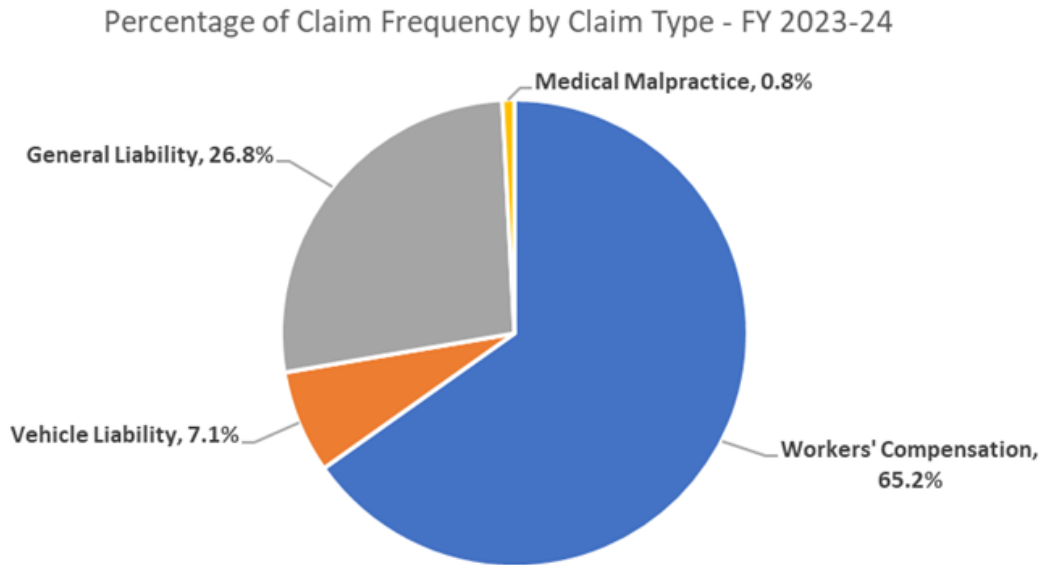
Claim Type	FY 2021-22	FY 2022-23	FY 2023-24
Workers' Compensation	\$468,381,387	\$516,434,811	\$586,590,317
Labor Code 4850 and Salary Continuation	\$162,510,229	\$169,637,324	\$163,209,727
Vehicle Liability	\$ 26,706,747	\$ 15,487,137	\$ 17,893,153
Law Enforcement Liability	\$ 58,073,978	\$108,436,291	\$ 79,318,797
Employment Practices Liability	\$ 24,897,057	\$ 37,378,021	\$ 38,279,983
Other General Liability	\$ 38,489,633	\$125,737,213	\$ 43,398,896
Medical Malpractice	\$ 3,489,914	\$ 9,125,855	\$ 6,786,661
<b>TOTAL</b>	<b>\$782,548,944</b>	<b>\$982,236,652</b>	<b>\$935,477,534</b>

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



## CLAIM FREQUENCY BY CLAIM TYPE – FY 2023-24

In further demonstrating the impact of Workers' Compensation on the total risk management program, the graph below illustrates that Workers' Compensation accounts for over half of all claims.



### CLAIM FREQUENCY (TOTAL NUMBER OF CLAIMS FILED) BY CLAIM TYPE FY 2021-22 THROUGH FY 2023-24

Claim Type <sup>1,2</sup>	FY 2021-22	FY 2022-23	FY 2023-24
Workers' Compensation	13,807	11,611	11,164
Vehicle Liability	819	1,069	1,218
Law Enforcement Liability	574	764	746
Employment Practices Liability	189	206	184
Other General Liability	10,540	15,292	3,665
Medical Malpractice	90	165	143
<b>TOTAL</b>	<b>26,019</b>	<b>29,107</b>	<b>17,120</b>

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

Note: Increase in Other General Liability claims is due to the Dominquez Hills/Carson odor complaints.

The methods and activities of managing the overall Cost of Risk are outlined in the remainder of this FY 2023-24 Annual Report.

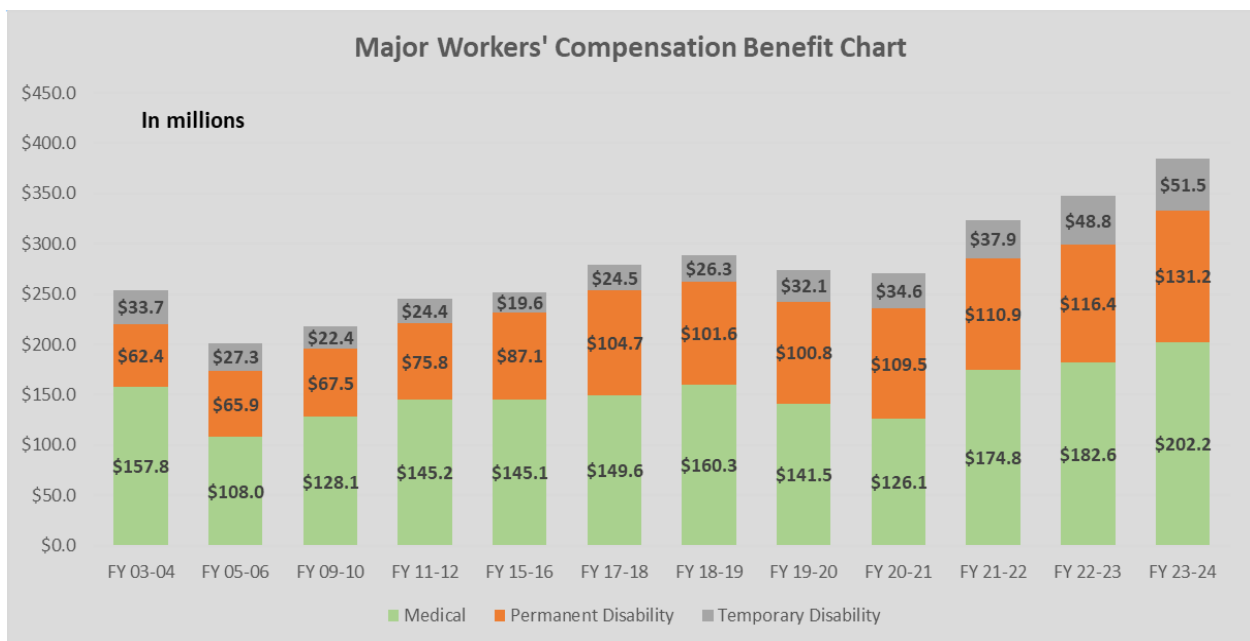
## WORKERS' COMPENSATION PROGRAM—MAJOR ALLOCATED BENEFIT EXPENSES

In FY 2023-24, the total medical expenses equaled \$202.2 million. This represents a 10.6% increase from the total medical expense of \$182.9 million experienced in FY 2022-23. Overall medical cost increases over the last three fiscal years were partially due to medical facilities providing services delayed during the pandemic. Additionally, medical costs were impacted by a regulatory increase in payments to medical-legal reporting physicians. The regulatory increase to the California medical-legal fee schedule added an approximate \$45 million to medical costs in the last three fiscal years.

Temporary disability expenses increased from \$49.4 million in FY 2022-23 to \$51.5 million in FY 2023-24, an increase of 4.3%. This increase was driven by unprecedented increases in the State temporary disability rate of 13.5% and 5.2% in calendar year's (CY) 2022 and 2023, respectively. Salary continuation and LC 4850 expenses (predominately driven by Labor Code 4850 benefits) decreased 3.8% from the \$169.6 million in FY 2022-23 to \$163.2 million in FY 2023-24. CEO-RMB staff continues to believe the LC 4850 expense is driven by the demographic of an aging public safety population.

Permanent disability expenses increased 11.6%, from \$117.6 million in FY 2022-23 to \$131.2 million in FY 2023-24. CEO-RMB staff believes increases in permanent total disability payments will be experienced based on the statutory increases bound to increases in the State Average Weekly Wage. Overall permanent disability obligations are impacted by the aging public safety population and awarded settlements related to such.

Changes to the permanent disability rating and payment schedule under SB 863 significantly increased an employer's exposure to workers' compensation disability payments. As an example, a fire fighter with a presumptive industrial heart condition with a 40% whole person impairment would be entitled to \$87,835 in permanent disability prior to the passage of SB 863. The same exact disability under the SB 863 provisions will entitle that firefighter to \$206,307.50 in permanent disability and life pension benefits.



## WORKERS' COMPENSATION PROGRAM

The County's self-insured Workers' Compensation Claim Administration Program (Program) is the largest such local governmental program in the State of California. As a mandated employer funded social benefit program, it is responsible for administering approximately 33,200 open workers' compensation claims with over 11,163 new workers' compensation claims reported in FY 2023-24. Statutorily mandated benefits are delivered through processes established under four Third Party Administrator contracts (TPAs), three Medical Management and Cost Containment contracts (MMCCs), and a Pharmacy Benefit Management company (PBM). CEO-RMB's Workers' Compensation On-Site County Representatives (OSCRs) aid 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 include 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 include non-benefit payments to contract law firms, investigation firms, and other ancillary service providers. These expenses are also charged to the workers' compensation claim file. ULAE include the cost of TPAs, MMCCs, County Counsel Workers' Compensation Division staff, CEO-RMB staff, State User Assessments, claims administration system, excess insurance, and other overhead charges required to administer or provide risk protection for the workers' compensation program. Such expenses are not charged or allocated to individual workers' compensation claims.

Total workers' compensation expenses paid in FY 2023-24, excluding Labor Code Section 4850 and Salary Continuation benefits, were \$586.6 million. This represents a 8.7% increase in workers' compensation expenses from FY 2022-23, which totaled \$516.4 million. The annual increase over the last three fiscal years is extraordinary as Program expenses have been stable for the preceding 16 years.

## DISABILITY

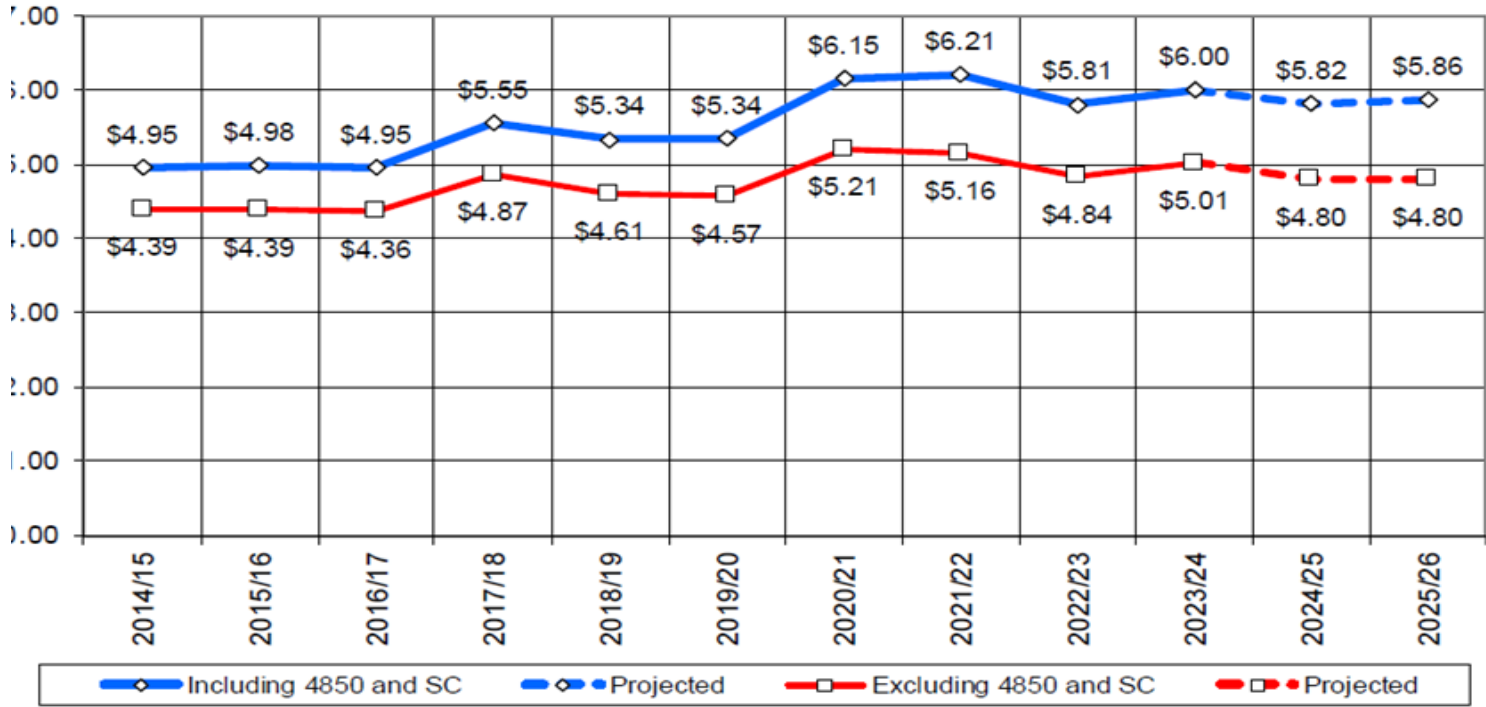


MANAGEMENT

BENEFITS

**Workers' Compensation Program — Major Allocated Benefit Expenses**  
(Continued)

**Graph III-2  
Loss Rate per \$100 of Payroll**



FINANCE

COMPENSATION

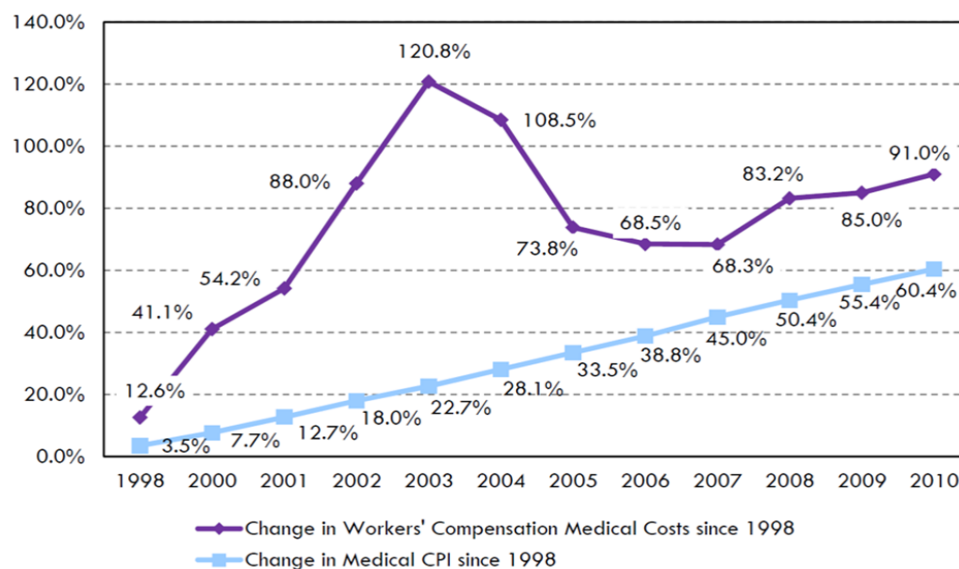


## WORKERS' COMPENSATION PROGRAM—ALLOCATED AND UNALLOCATED LOSS ADJUSTMENT EXPENSES

Traditionally, the County workers' compensation program's allocated and unallocated loss adjustment expenses account for approximately 20-22% of overall program expenses. The ALAE and ULAE represent the legal, administrative, and operational costs to deliver balanced workers' compensation benefits. In FY 2023-24, the combined ALAE and ULAE represented 21.5% of program expenses. This includes approximately \$6.3 million dollars for excess insurance and \$31.6 million for the California State User Fee Assessment. The County workers' compensation program's allocated and unallocated loss adjustment expenses compare favorably to loss adjustment expenses experienced by California workers' compensation insurers and other self-insured employers. The California Commission on Health and Safety and Workers' Compensation (CHSWC) 2023 Annual Report reflected ALAE and ULAE accounted for 35.4% of overall workers' compensation systemwide expenses in CY 2022.

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

**WORKERS' COMPENSATION MEDICAL EXPENSES VS. MEDICAL INFLATION SINCE 1998**

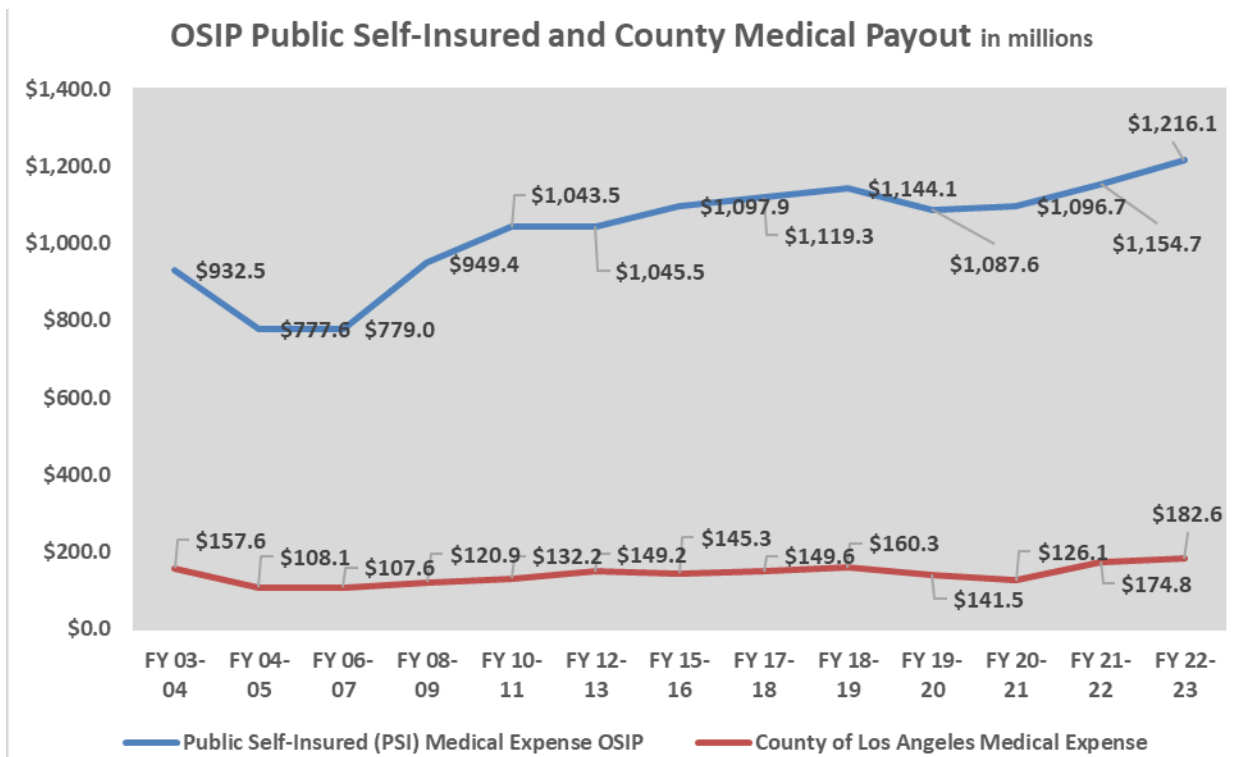


SOURCE: Commission on Health and Safety and Workers' Compensation – Data Source: WCIRB; Bureau of Labor Statistics

## WORKERS' COMPENSATION — EXPENSES

The County workers' compensation medical spending has remained relatively stable as demonstrated by the below chart (as noted - FY 2021-22 reflected a significant cost in medical spending). The below chart reflects aggregate public agency workers' compensation medical payment data (including the County's workers' compensation payment amounts) and the County's annual workers' compensation medical payments since FY 2003-04.

CEO-RMB staff believes the significant decrease in workers' compensation medical cost experienced between FY 2003-04 and FY 2004-05 was a direct result of urgency legislation implemented to address the California "workers' compensation crisis". Aggregate Office of Self-Insurance Plan (OSIP) FY 2023-24 payment information was not available at the time of the printing of this report.

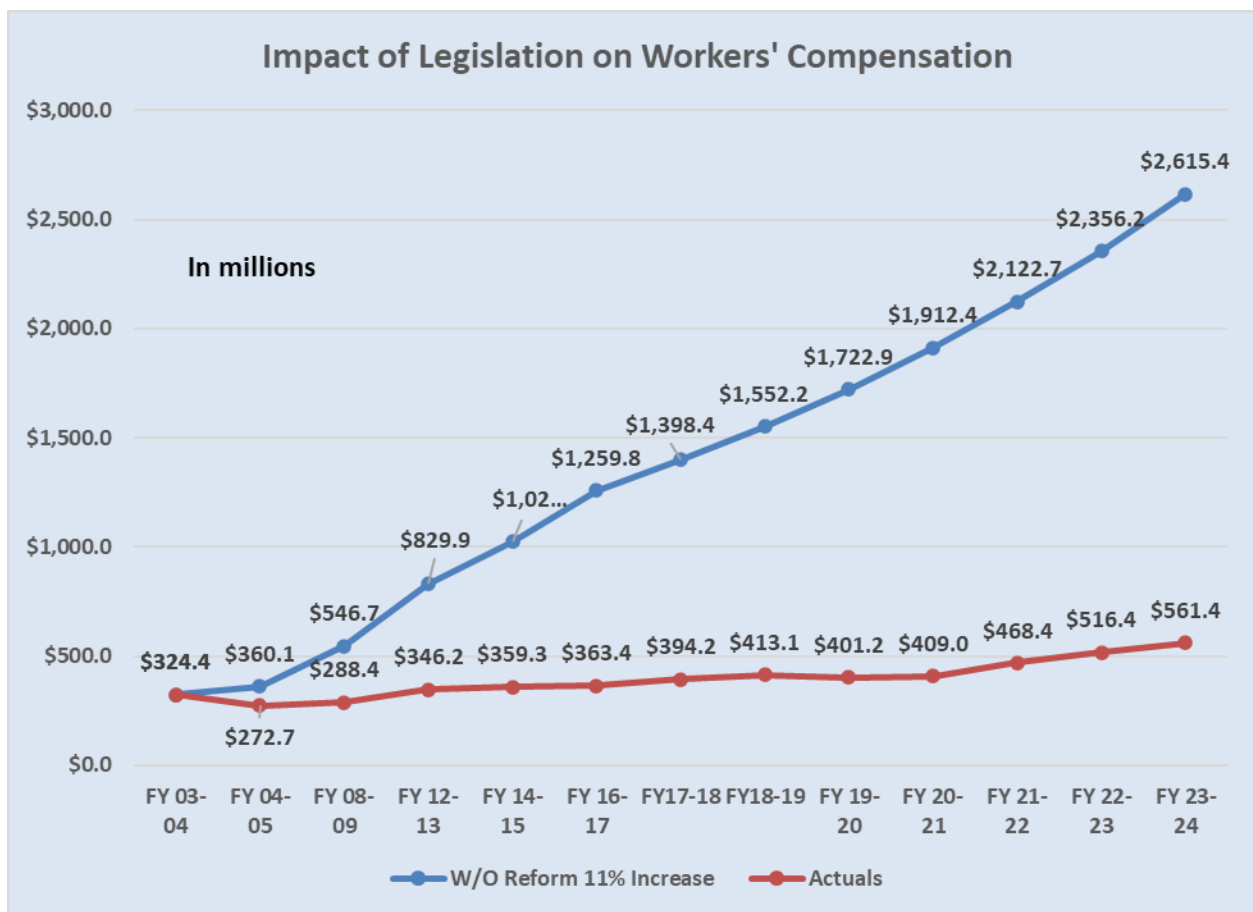


## WORKERS' COMPENSATION — EXPENSES (CONTINUED)

From FY 98-99 through FY 2002-03, the County workers' compensation medical costs increased 133.8%. During that period, County workers' compensation program costs, excluding salary continuation and LC 4850 benefits, experienced double-digit inflation.

The following chart estimates that escalation absent cost avoidance strategies afforded under the 2003-04 legislation compared to actual costs. FY 2201-22 actual costs contain a premium payment for excess insurance that did not exist in fiscal years prior to FY 2016-17. Regardless of the cost of this additional protection and the FY 2023-24 increase, the workers' compensation program's annual increase since FY 2003-04 calculates to approximately 3%.

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



## **WORKERS' COMPENSATION — MEDICAL MANAGEMENT COST CONTAINMENT AND OUTSTANDING LIABILITIES**

### **Medical Management Cost Containment**

In FY 23-24, medical expenses were the largest single component of the County workers' compensation program costs. During FY 2023-24, the Program received approximately 538,849 (increase of 3.7% over FY 2022-23) bills accounting for 1,670,302 lines of procedures, services, or supplies from medical providers. Such 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 State Official Medical Fee Schedule. Total medical charges billed were approximately \$684 million with recommended allowances of slightly over \$191 million.

The County workers' compensation program applies utilization review (UR) processes to assess certain physician treatment requests. UR is the process used by California workers' compensation insurers and administrators to determine if requested medical care is consistent with the California Medical Treatment Utilization Schedule. CEO-RMB 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 an ongoing process and protocols are assessed periodically and influenced by physician prescribing patterns.

### **Outstanding Liabilities**

As reflected in the Workers' Compensation Actuarial Study, the Program's outstanding liabilities, as of June 30, 2024, were approximately \$3.71 billion (at a 50% confidence level). This represents an increase of 5.4% over the estimated outstanding liabilities of \$3.52 billion as of June 30, 2023.

As of June 30, 2004, the actuarial study established future outstanding liabilities were \$2.63 billion (including the Courts) and as June 30, 2024 the outstanding liabilities were \$3.76 billion (including the Courts). This equates to an increase of under 2% annually over a 20 year period. CEO-RMB continues to evaluate various alternate risk techniques to stabilize exposures and expenses, including lump-sum settlements for high exposure workers' compensation claims. During the last seven fiscal years, the County workers' compensation program processed approximately \$150 million in such settlements, which impacted approximately 4,700 claims, and resolved an estimated \$322 million in ultimate potential exposure (that includes the settlement amount).

Actuarial analysis of the County workers' compensation program's last twenty-years of loss distribution reflects approximately 17.6% of workers' compensation claims account for 83.3% of the total incurred (paid to date and remaining reserves). Additionally, 17% of payments (excluding salary continuation/LC 4850) in FY 2023/24 were issued from claims older than 10 years. Overall, the actuarial study underscores the long-tail nature of workers' compensation exposures and expenses.

On January 15, 2024, the County entered into a Special Excess Workers' Compensation Insurance Policy with Swiss Re Corporate Solutions Insurance Company expunging workers' compensation obligation for claims opened between July 1, 1969 through September 30, 1988 (over 220,000 open and closed workers' compensation claims). CEO-RMB will continue to explore and implement risk techniques to reduce the County's unfunded long-term workers' compensation liabilities.

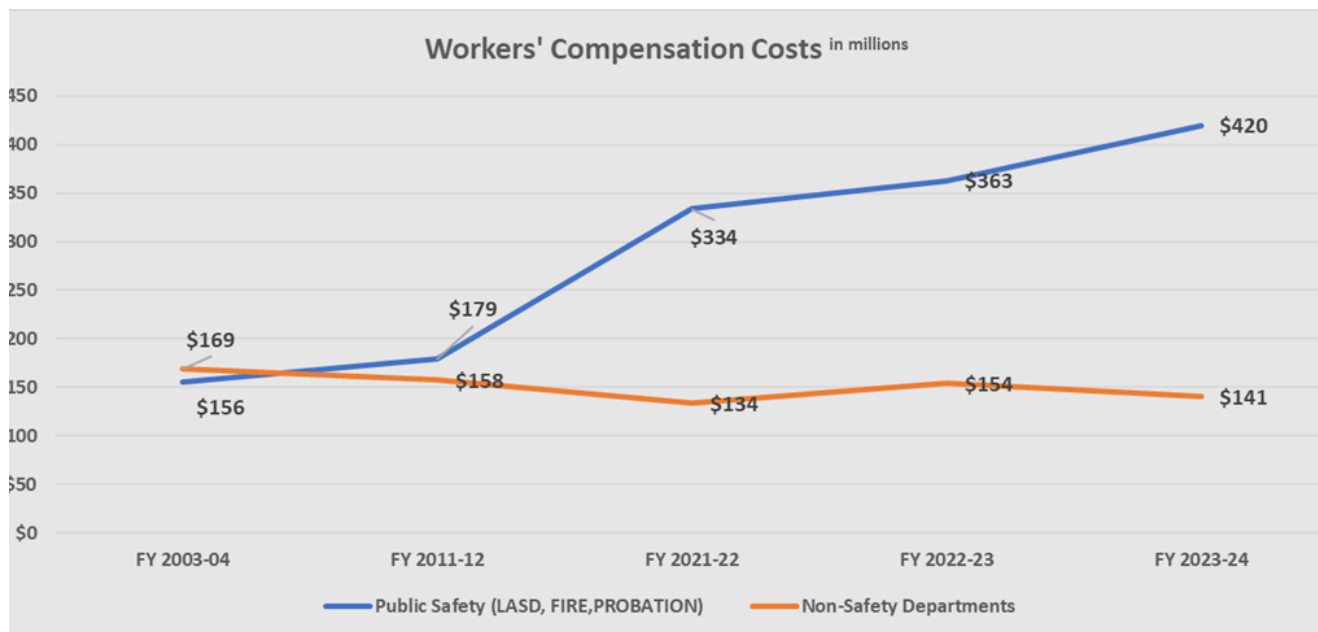


## WORKERS' COMPENSATION — PUBLIC SAFETY DEPARTMENTS

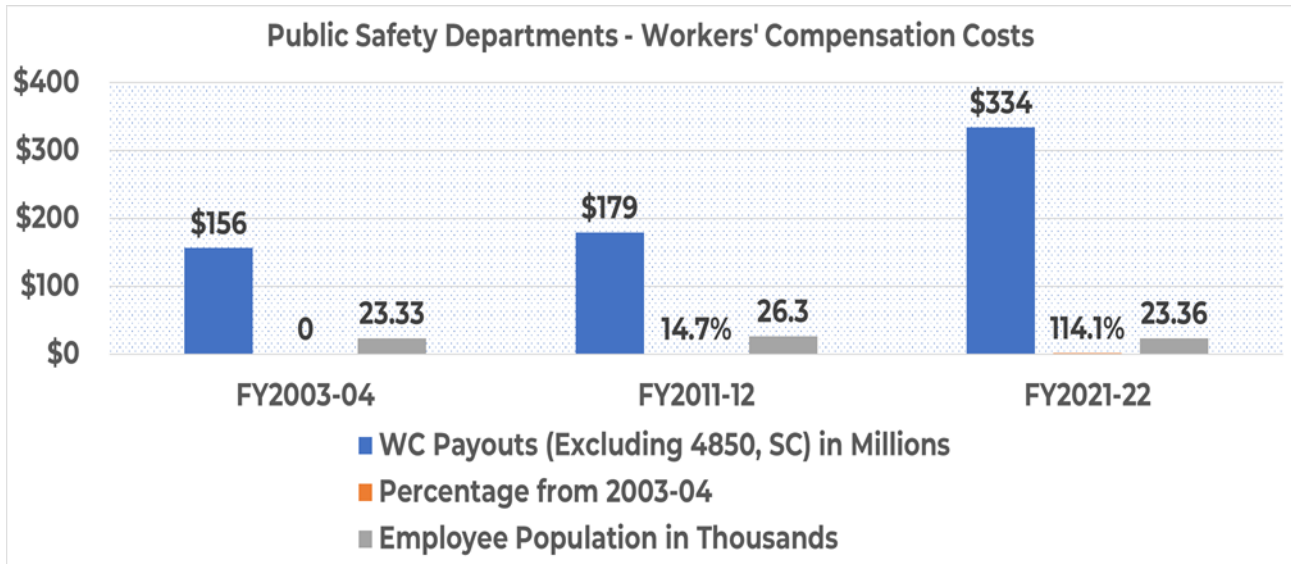
The nature of the job duties County employees perform significantly impacts workers' compensation program expenses. Many County employees subject themselves to dangerous situations on behalf on the public. Those exposures and some of the presumptions afforded to public safety employees because of such are reflected in Countywide workers' compensation expenses.

The charts below demonstrate the association between County public safety departments (defined as Probation, Fire, and Sheriff Departments) and rising workers' compensation costs. As previously indicated, FYs 2003-04 and 2011-12 are notable because of the passage of significant legislation that impacted the California workers' compensation system. Those fiscal years were selected to show how such legislation impacted workers' compensation costs to County public safety and non-public safety departments.

While non-public safety departments (including Courts) saw a 16.6% decrease in workers' compensation payouts over the last 20 years, safety departments saw a 169.2% increase. Those increases were significant enough to drive overall workers' compensation program payout increases.



## WORKERS' COMPENSATION — PUBLIC SAFETY DEPARTMENTS (CONTINUED)



CEO-RMB believes public safety workers' compensation expense increases are driven, in part, by an aging workforce that maximizes benefit utilization. For example, the number of Fire Department staff reporting workers' compensation claims between FYs 2019-20 and 2021-22 was 5,175. Of these workers' compensation claims, approximately 47% were filed by individuals 50 years old or older. In the three-year period between FYs 2004-05 and 2006-07, the number of reported workers' compensation claims was 3,952 with approximately 28% filed by individuals 50 years old or older. In FY 2023-24, the trend continued with approximately 47% of all Fire Department reported workers' compensation claims being filed by employees 50 years old or older.

The relationship between age and workers' compensation benefit utilization is demonstrated by a review of Fire Department data. In FY 2023-24, approximately 88% of workers' compensation expenses (excluding LC 4850 and Unallocated Loss Adjustment Expenses) were paid on claims where the injured worker was 50 years old or older (as of October 23, 2024).

## WORKERS' COMPENSATION — IMPACT OF COVID-19 PANDEMIC

Like many programs and operations, the pandemic has significantly impacted the County workers' compensation program. Traditionally, operations were brick and mortar with claims staff working on-site. Due to the pandemic and social distancing requirements, most claims staff and County On-Site Representatives teleworked during FY 2022-23. This arrangement has promoted a movement away from paper processes and implementation of document management systems that enable staff to work remotely. Internal control processes have been maintained and the impact on injured workers and benefit delivery have been minimal.

As of October 23, 2024, there were 7,117 COVID workers' compensation claims filed. The total payout on those claims exceeded \$40 million with estimated total incurred costs of \$77 million.

HEALTH



CARE

### Workers' Compensation Cost Trends and Influencing Factors

- Future cost escalation will be driven by several factors. Those factors include the following:
- Regulatory increase to the medical-legal fee schedule
- Significant increase to certain indemnity payments effective January 1, 2022. Such increases will continue to have an inflationary impact on workers' compensation program costs. The Labor code requires the maximum and minimum weekly earnings upon which certain indemnity payments are based to increase by an amount equal to percentage increase in the State Average Weekly Wage (SAWW) compared to the prior year. In CYs 2022 and 2023, the SAWW increase was calculated at an unprecedented 13.5% and 5.2%, respectively (usual increases are 2%-4%). On January 1, 2025, an additional increase of approximately 3.8% will apply to such indemnity payments. These increases influence future costs related to some temporary disability, life pension, permanent total disability, and death benefits.
- Labor Code Sections 62.5 and 62.6 authorize the Department of Industrial Relations to assess employers for the costs of the administration of the workers' compensation, health and safety and labor standards enforcement programs. The cost of the assessments has grown from \$11.81 million in FY 2013-14 to \$31.59 million. This equates to a 167.5% increase over the 10-year period. Much of the increase has been driven by an increase assessment to fund the Subsequent Injury Benefit Trust Fund (SIBTF), which saw a 1,178.6% increase over the same 10-year period.

## WORKERS' COMPENSATION — ACCOMPLISHMENTS FY 2023-24

- Continued to collaborate with the Office of County Counsel Workers' Compensation Division to mitigate costs associated with high exposure workers' compensation claims.
- Continued to partner with the Third-Party Administrators to improve communication and customer satisfaction to injured workers.
- Continued to evaluate, test, and recommend enhancements to the workers' compensation claim module (CE) of the comprehensive Risk Management Information Platform.
- Continued to work with public and private sector employers to evaluate and influence workers' compensation legislation and regulation development to ensure such promotes the timely provision of benefits that is balanced with employee and employer needs.
- Executed a Loss Portfolio Transfer transferring select workers' compensation liabilities to an approved and qualified excess insurance carrier. The effective date of the transfer of liability for all workers' compensation claims opened between July 1, 1969 through September 30, 1988 was January 15, 2024.
- Assisted in evaluating the feasibility of implementing a second Loss Portfolio Transfer of select workers' compensation liabilities.

## Workers' Compensation Program — Objectives FY 2024-25

- Assist Fire Department's Disability Management and Compliance Section (Fire DM) complete the retirement of their current workers' compensation tracking system and leverage the economies and capabilities of the Riskonnect Claims Enterprise system (CE).
- Continue to evaluate CE robotic process automation and business rule capabilities to reduce resources and auditing related to claims management tasks.
- Continue to work with public and private sector employers to evaluate workers' compensation legislation, regulation development, and critical issues impacting the County workers' compensation program.
- Complete the second Loss Portfolio Transfer and transfer the included workers' compensation claims to the takeover administrator.
- Evaluate implementing data analytic tools to identify medical providers demonstrating "abusive" billing patterns using network modeling and relationship centrality visualization.
- Monitor the use of GLP-1 medications on the workers' compensation program. Such medications are used for diabetes and weight loss. Drugs such as Ozempic, Wegovy, Mounjaro, and Trulicity are seeing a significant rise in utilization in the non-occupation medicine. There is the expectation that increased utilization will also occur on the workers' compensation program.

## LIABILITY CLAIMS AND RECOVERY

The Liability Claims and Recovery Unit (LCRU) assists in overseeing administration services for incidents, claims, and lawsuits, for automobile, employment, general liability, medical malpractice, and hospital liability matters. These services are performed under contract by two TPAs. In addition, CEO-RMB staff represents the County in cases that are filed in the Superior Court Small Claims Division.

During FY 2023-24, Carl Warren and Company (Carl Warren) provided administration services for incidents, claims, and lawsuits, for automobile, employment, and general liability matters. In addition, Carl Warren provided the Office of County Counsel (County Counsel) with litigation management and support services for automobile, general liability, employment, and social services matters. These services included tracking litigation costs and expenses, participating in Roundtable meetings, and attending and/or monitoring legal proceedings. Carl Warren's contract expired on June 30, 2024, and as a result of the County's solicitation process, these responsibilities were transferred to George Hills Company on July 1, 2024.

Sedgwick Claims Management Services, Inc. (Sedgwick) is responsible for medical malpractice, hospital liability, and limited general liability incident reporting, claim administration, and litigation management support services. These services include early investigation that is defined as contractor-initiated activity resulting from the decision to set up a claim file, or the immediate recognition of extraordinary case circumstances. The activities include immediate contact with those employees, witnesses, and other individuals having any involvement in, or knowledge about, an incident. Additionally, Sedgwick staff participates in Roundtable meetings, provides medical and legal analyses on claims and incidents, and advises on best resolution opportunities.

LCRU works closely with County Council to ensure litigation management processes are operating efficiently and that TPAs are providing attorneys with required services. Units within CEO-RMB meets bi-weekly for Triage Meetings, where LCRU staff shares updates on high profile or high exposure liability and medical malpractice claims. These units include RMIG, Finance, and Loss Control and Prevention (LCP).

Recovery is a critical component of the LCRU. Recovery staff focus efforts on identifying, analyzing, and implementing plans of actions necessary to pursue recoveries. These recoveries can result from asserting subrogation rights, protections afforded under contractual indemnification provisions, insurance contracts, contribution obligations, or identifying and pursuing responsible parties for damages and costs.

**ACTIONS**



## LIABILITY CLAIMS AND RECOVERY (Continued)

### LIABILITY CLAIMS

The County experienced a decrease in claim frequency in all areas except vehicle liability which experienced an increase of 13.9%. However, the growth of vehicle liability claims declined when comparing FY 2021-22 to FY 2022-23 (+30.5%) and FY 2022-23 to FY 2023-24 (+13.9%). As addressed in the previous annual report, the large increase in general liability claims over the last two fiscal years were the result of an unprecedented incident that occurred in September 2021 in the Dominguez Channel near the City of Carson. The filing of Dominguez Channel claims has since diminished, and General Liability claims decreased by 76%.

## RECOVERY



## COST

Claim Type Frequency	FY 2021-22	FY 2022-23	FY 2023-24
Vehicle Liability	819	1,069	1,218
Law Enforcement Liability	574	764	746
Employment Practices Liability	189	206	184
Other General Liability	10,540	15,292	3,665
Medical Malpractice	90	165	143
<b>TOTAL</b>	<b>12,212</b>	<b>17,496</b>	<b>5,956</b>

Medical malpractice claims experienced a decrease of reported claims from 165 in FY 2022-23 to 143 in FY 2023-24, representing a decrease of approximately 13.3%. The communication and optimal resolution process (CANDOR) was implemented on 8 claims. Four CANDOR claims settled with legal and cost expense avoidance estimated between \$50,000 to \$100,000 per claim.

Primary Cause	Claim Count	Medical Malpractice Liability Causes
Bodily Injury Only Accident	47	32.87%
Procedure (incl surgery)	25	17.48%
Diagnostic cases	21	14.69%
Wrongful Death	9	6.29%
Other	41	28.67%
<b>Total</b>	<b>143</b>	<b>100.00%</b>

## LIABILITY CLAIMS AND RECOVERY (Continued)

### SMALL CLAIMS UNIT

The Small Claims Unit (SCU) represents the County in cases filed in the Superior Court Small Claims Division. SCU also administers lost or stolen property claims filed against DHS and LASD. In FY 2023-24, SCU represented the County in 52 small claims court actions and prevailed in 90% of those.

SCU staff administers recovery efforts made on behalf of DPW and assists in large property claims made against the County. In addition, SCU provides reimbursement recommendations to line departments on claims related to the County's mileage permittee program.

### RECOVERY UNIT

A fundamental function of the Recovery Unit (RU) is to identify opportunities to recover funds from various sources. As indicated, those sources include parties that are totally or partially responsible for the loss, insurance, and contractual indemnification obligation. To maximize outcomes, RU partners with third-party administrators, insurance claims experts, and County Counsel staff to ensure the County's recovery rights are protected.

Workers' compensation subrogation rights are outlined in the California Labor Code. RU developed procedures to maximize subrogation identification and recovery. This includes coordinating efforts with the workers' compensation third party administrator, contract law firms, and CEO-RMB WC staff. In FY 2023-24, there was \$2,588,389 in workers' compensation recovery, which includes, but is not limited to, excess workers' compensation insurance recovery.

In FY 2023-24, there were combined recoveries of \$6,152,361 on the Liability Program. This was driven, in part, by property insurance recoveries totaling \$3,716,576 (includes recovery of \$2,860,561 from the fire which occurred at 2615 S. Grand Ave on March 8, 2023).

## RESOLUTION



ACTION

## LIABILITY CLAIMS AND RECOVERY—ACCOMPLISHMENTS FY 2023-24

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- Continued to assist in the administration and management of liability and medical malpractice/hospital liability claims.
- Continued to monitor and enhance Riskonnect Claims Enterprise Module 1 – Liability Claims, as needed.
- Continued to collaborate with RMIG staff to ensure costly and sensitive claims are identified as early as possible.
- Continued to work with County Counsel staff to ensure litigation management processes are robust and effective.
- Collaborated with CEO-Contracts and finalized the selection of the new TPA for Automobile and General Liability and Litigation Management Services and successfully facilitated the new TPA.
- Responded to urgent claims administration and litigation management needs caused by the Dominguez Channel noxious odor incident and AB 218 related claims.
- Collaborated with County Counsel staff to leverage existing processes related to County excess insurance recovery identification and pursuit.

## LIABILITY CLAIMS AND RECOVERY—OBJECTIVES FY 2024-25

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- Continue cross-training staff in commercial insurance claims and mileage permit program to optimize unit resources, efficiency, and effectiveness.
- Continue working with CEO-RMB Finance to ensure sound fiscal policies are implemented and improve the estimation of future outstanding liabilities.
- Continue collaborating with County Counsel staff to leverage existing processes related to County excess insurance recovery identification and pursuit.
- Develop a framework for TPA auditing purposes by identifying measurable objectives based on contract terms.
- Complete development of the Property Insurance Claim Manual.



## TREND ANALYSIS

### **WORKERS' COMPENSATION**

#### **CAUSES OF INCIDENTS**

The County employs over 100,000 employees with diverse occupational exposures and thousands of job descriptions. While each department has hazards that pose specific risks to its employees, the overall exposure in FY 2023-24 can be summarized into the following six classifications for approximately 86.7% of the injuries sustained by County employees.

#### **ASSAULT** (13.0% of all claims)

Assaults include all aspects of a third party combating with County employees. Departments with the majority of assaults include: Sheriff (54.0%), Probation (22.8%), and Health Services (17.8%).

#### **CUMULATIVE TRAUMA/BODILY INJURY**

(19.2% of all claims)

Cumulative trauma and bodily injury include injuries that are sustained over time due to the repetitive motion of the work performed on the job. Departments with the most cases include: Sheriff (34.5%), Fire (15.6%), Health Services (13.7%), and Public Social Services (8.4%)

#### **EXPOSURE** (9.0% of all claims)

This category includes exposure to physical hazards which involves particulates, fumes, and chemicals; environmental exposure including heat, cold, sun, and noise; and biological hazards including blood, body fluids, viral, and bacterial exposures. Departments with the most exposure cases include: Sheriff (38.9%), Fire (22.4%), and Health Services

#### **OVEREXERTION** (24.1% of all claims)

Overexertion includes those that involve strain or injuries due to lifting, carrying, pushing, or pulling. Departments with the most cases include: Sheriff (39.5%), Fire (26.7%), Public Social Services (7.5%), and Health Services (6.0%).

#### **STRUCK BY/OR AGAINST** (6.2% of all claims)

This category includes injuries resulting from being struck/crushed by a human, animal, or inanimate object, or by force that is not vehicle related. Additionally, this can include injuries caused by striking against something or someone, or from flying or falling objects. Major Injury Cause categories include: Struck or Injured By, Rub or Abraded By, and Struck Against or Stepping On. Departments with the most cases include: Health Services (26.6%), Sheriff (24.3%), and Animal Care and Control (9.5%).

#### **FALL, SLIP, OR TRIP** (11.0% of all claims)

This category includes falling down in the office environment which includes stairs, chairs, escalators, elevators, and over various floor surfaces. Externally, this includes falling from vehicles, ladders, rooftops, and surfaces in parking lots, sidewalks, and in rough terrain. Departments with the most cases include: Sheriff (31.0%), Health Services (23.2%), and Probation (8.2%).

#### **OTHER** (17.3% of all claims)

This category includes all other causes, including, but not limited to: presumptive injuries, cardio-vascular-related injuries, caught in or between injuries, and transportation-related injuries. Departments with the most cases include: Sheriff (49.3%), Health Services (22.7%), and Fire (5.3%).

**TYPES OF WORKERS' COMPENSATION CLAIMS BY DEPARTMENT**

Types of Claims by Department:					
	Fire	Health Services	Probation	Public Social Services	Sheriff
Assault	0.3%	14.2%	37.0%	2.1%	17.5%
Cumulative Trauma	21.7%	16.3%	19.8%	29.1%	16.6%
Exposure	14.4%	10.3%	4.9%	2.6%	8.7%
Fall, Slip, or Trip	5.4%	15.7%	11.3%	15.2%	8.4%
Overexertion	46.4%	9.0%	13.1%	32.7%	23.8%
Struck By/Or Against	4.8%	9.6%	4.4%	5.3%	2.9%
All Other Claims	7.1%	24.8%	9.4%	13.0%	22.0%
	100.0%	100.0%	100.0%	100.0%	100.0%

Top six types of claims account for 82.1% of all claims in FY 2023-24.

**PREVENTION**

MEDICAL



CARE

AVOIDANCE

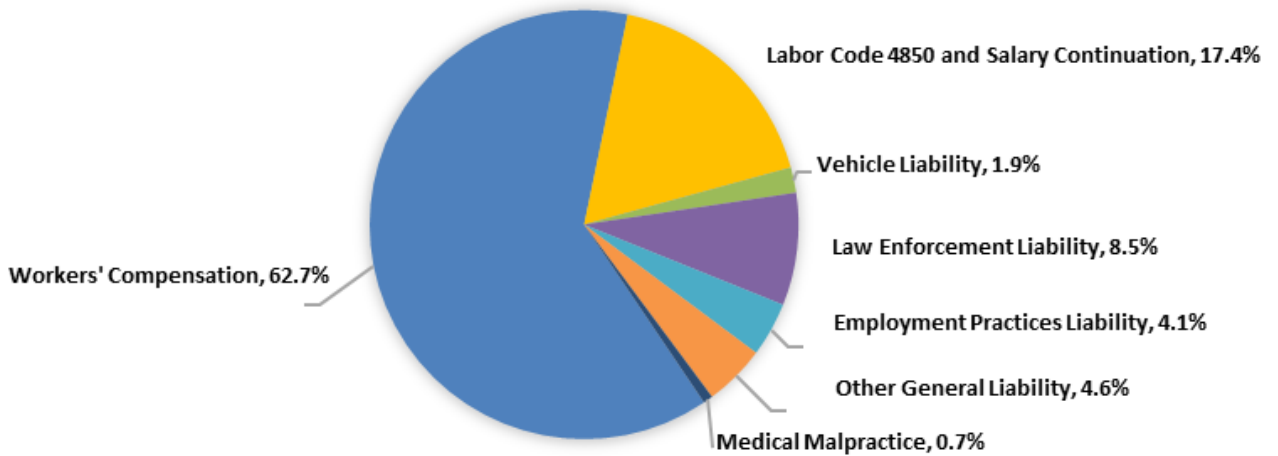
## LIABILITY CAUSE ANALYSIS

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

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

The chart below illustrates the County's cost associated to all liabilities paid by claim type.

## PERCENTAGE OF TOTAL COST PAID BY CLAIM TYPE FY 2023-24

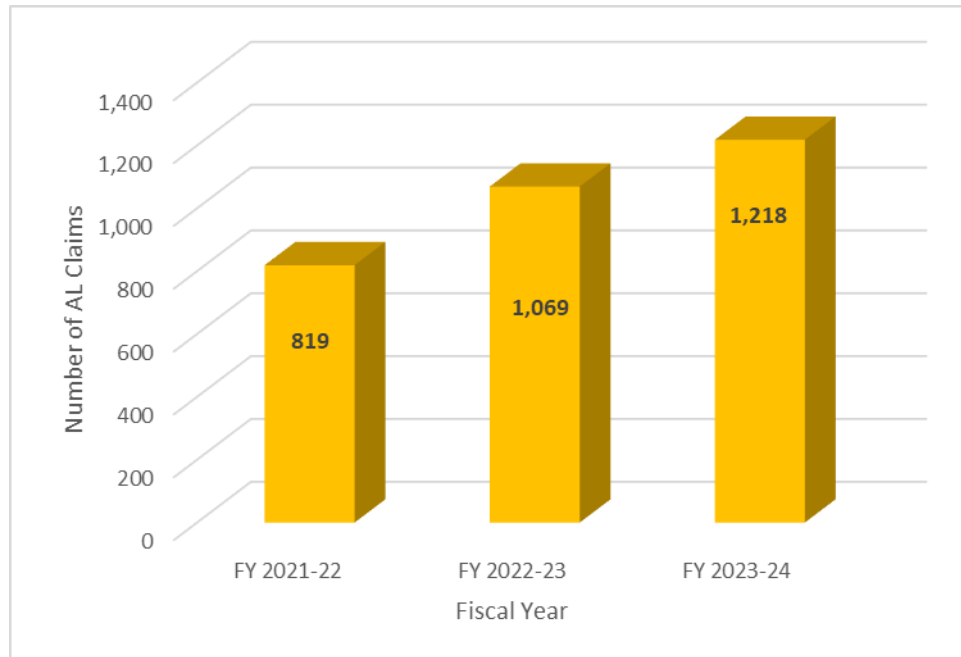


## VEHICLE LIABILITY CLAIMS

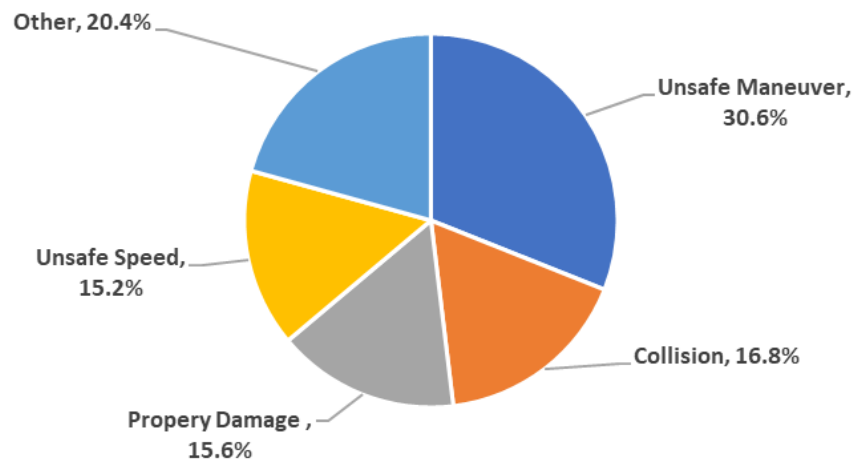
The County's vehicle liability frequency increased 13.9% from FY 2022-23 to FY 2023-24. The cost of vehicle liability claims increased by approximately 15.5% during the same time period.

Data shows there were increases in all types of vehicle liability accidents in FY 2023-24. Unsafe maneuvers and unsafe speeds account for about a third of all accidents.

Vehicle liability represents 1.9% of the County's Total Cost Paid.



## Vehicle Liability Causes

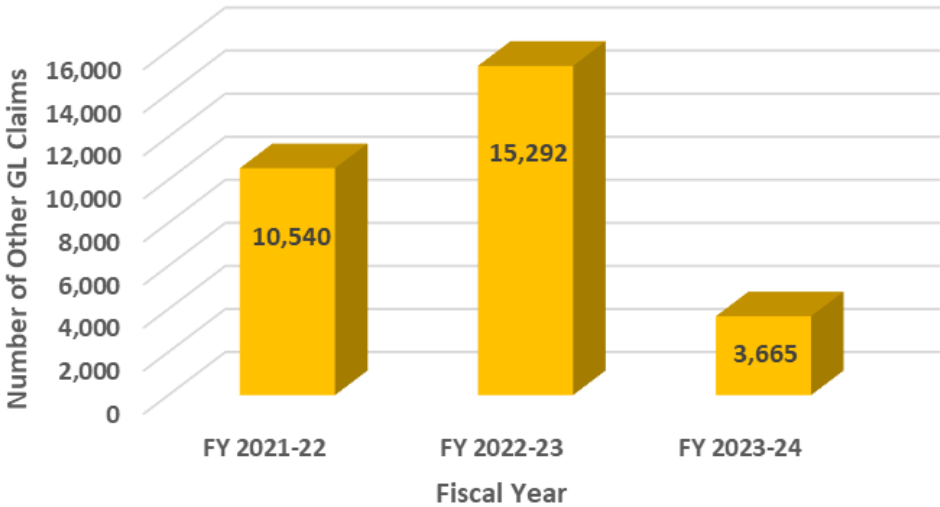


**OTHER GENERAL LIABILITY CLAIMS**

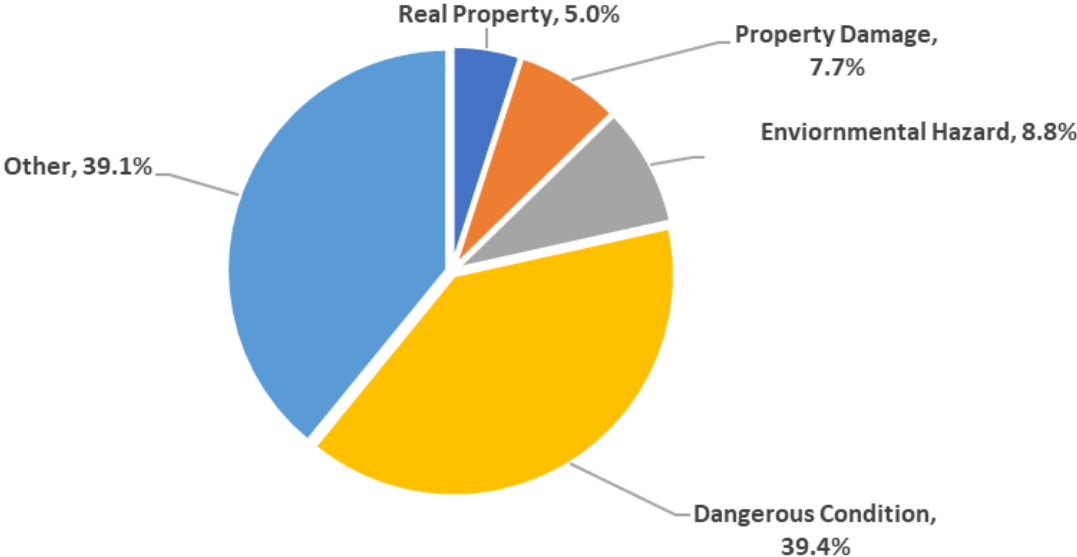
The Other General Liability frequency decreased by approximately 76.0% from FY 2022-23 to FY 2023-24.

Other General Liability represents 4.6% of the County’s Total Cost Paid.

Other General Liability Claims Frequency Trend



Other General Liability Causes

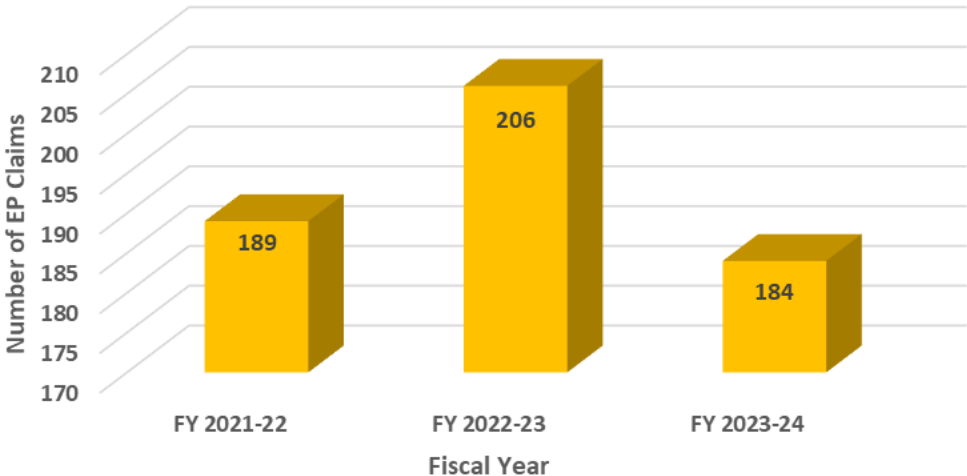


# EMPLOYMENT PRACTICES LIABILITY CLAIMS

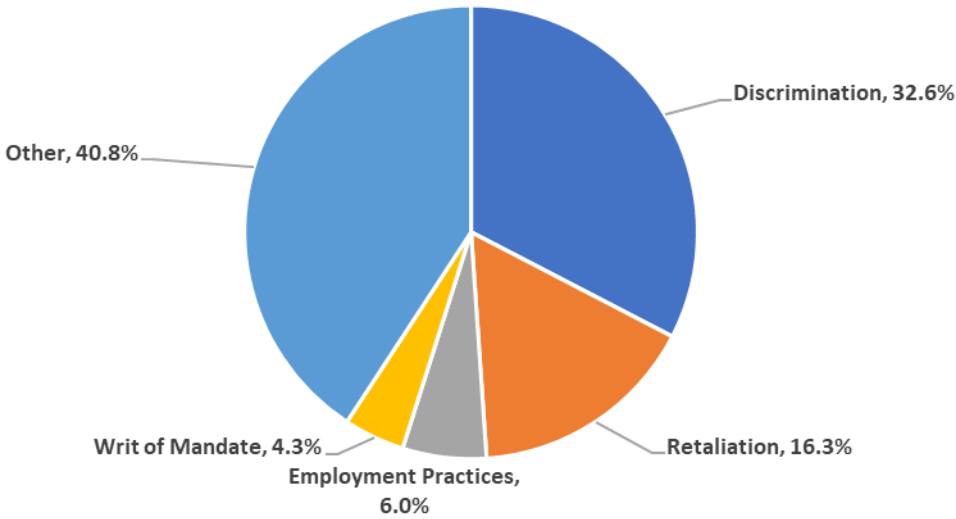
The County’s employment practices liability frequency decreased by 10.7% from FY 2022-23 to FY 2023-24. The County’s overall employment practices liability expenses increased by 2.4%.

Employment practices liability represents 4.1% of the County’s Total Cost Paid.

Employment Practices Liability Claims Frequency Trend



Employment Practices Liability Causes



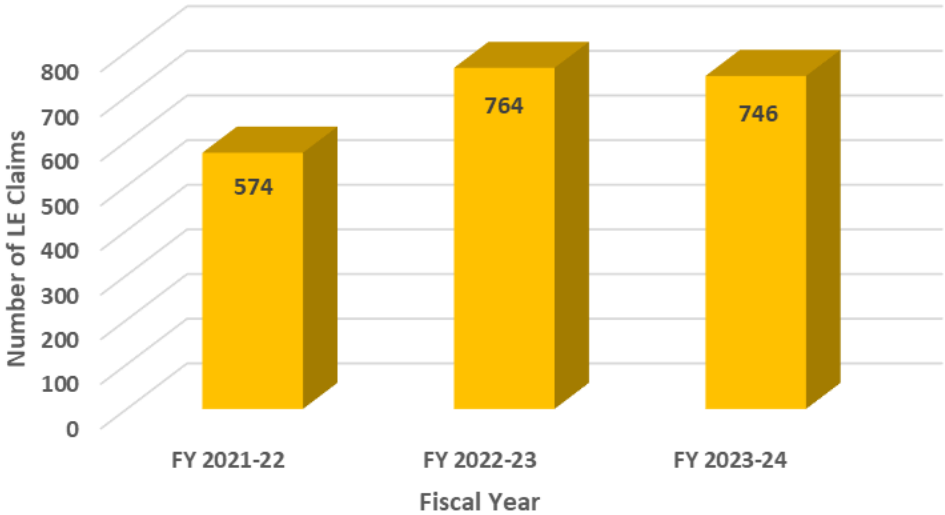
## LAW ENFORCEMENT LIABILITY CLAIMS

The County’s law enforcement liability frequency rate decreased by 2.4% for FY 2023-24, compared to the previous FY, and paid expenses decreased by 26.9%.

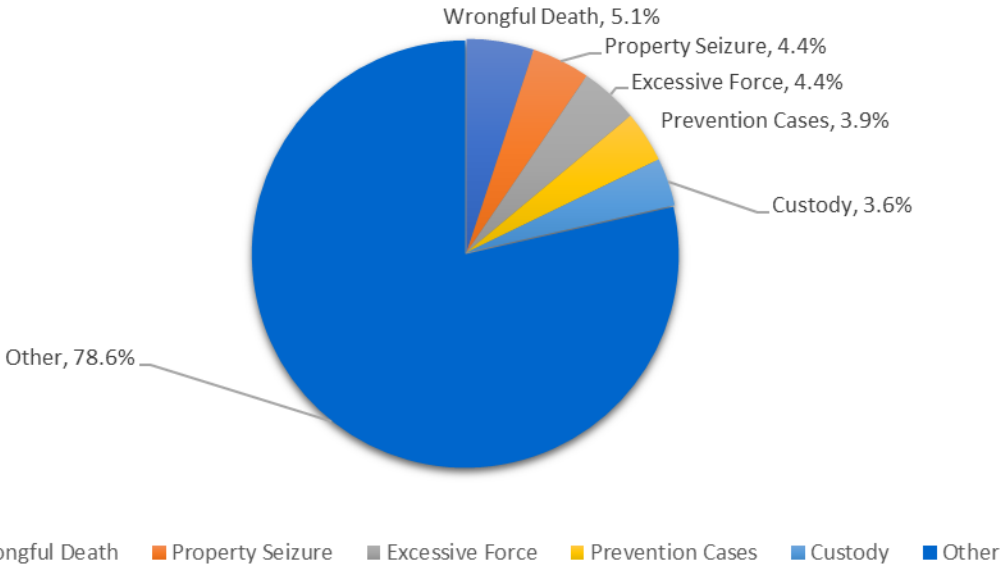
Law enforcement liability represents 8.5% of the County’s Total Cost Paid.

The most prevalent claims were for “Wrongful Death” and “Property Seizure,” which represent 5.1% and 4.5%, respectively.

**Law Enforcement Liability Claims Frequency Trend**



**Law Enforcement Liability Causes**

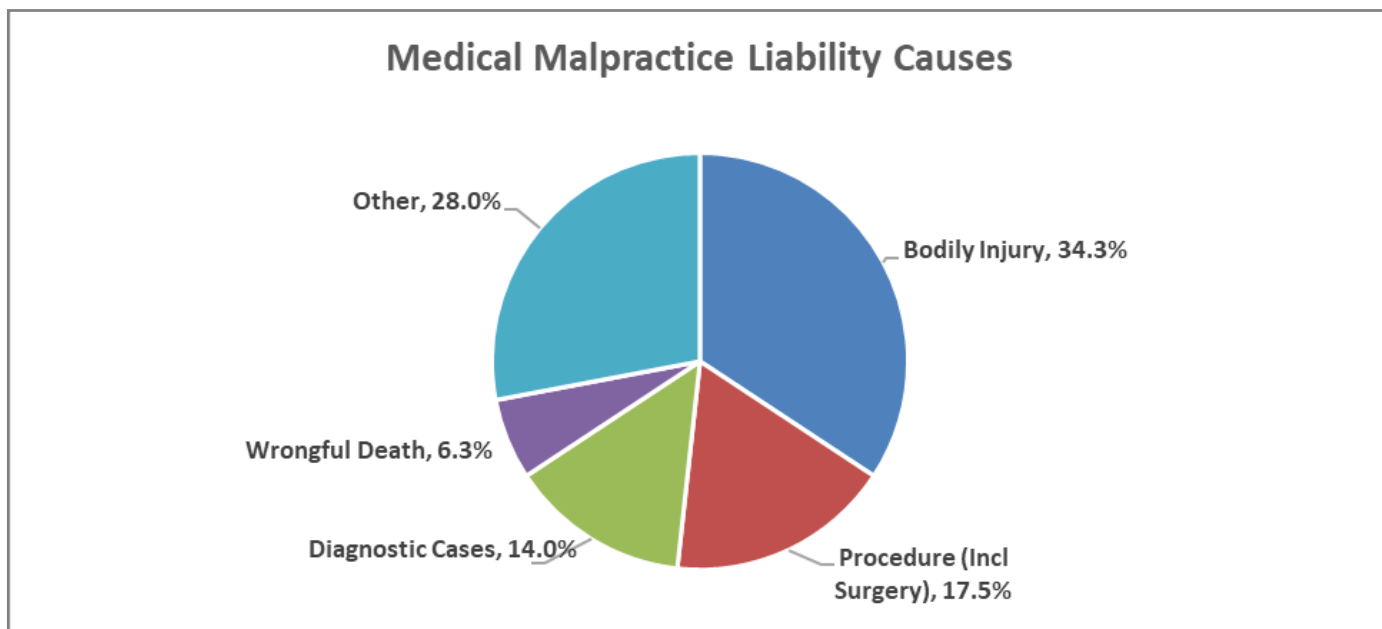
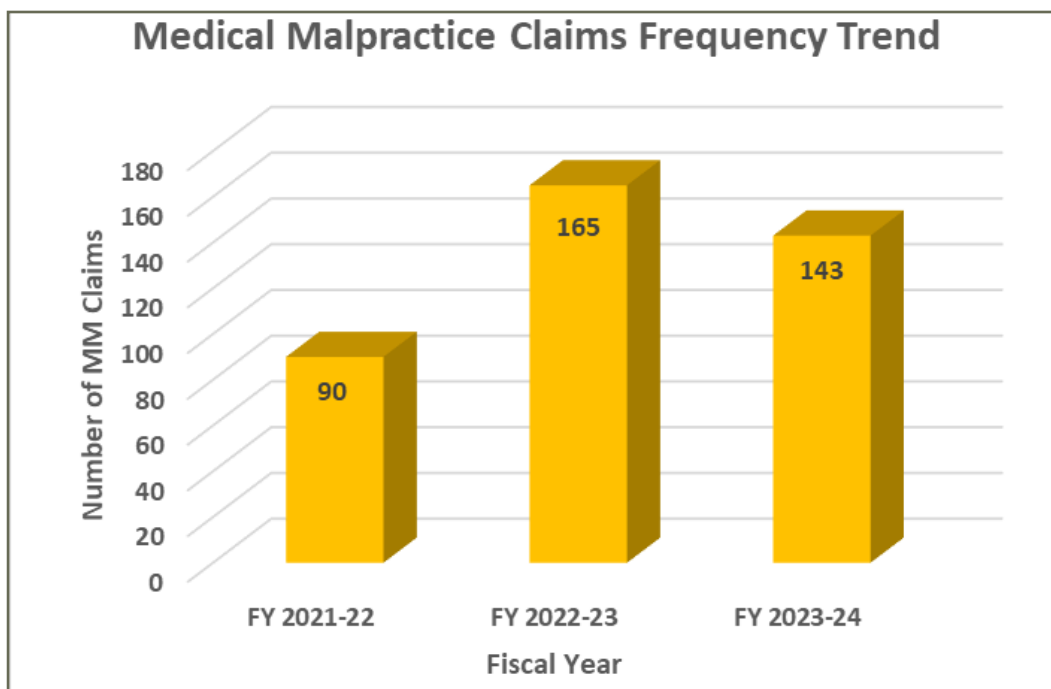


## MEDICAL MALPRACTICE CLAIMS

Medical malpractice liability loss is attributable to various departments; however, the majority of the loss is related to care in hospitals. Hospital exposures are those related to patient contact; therefore, the more patients seen, the more probability that claims will arise.

The County's medical malpractice liability overall frequency decreased 13.3% from FY 2022-23 to FY 2023-24. The primary type of claim filed against the County was for procedures (including surgeries) and diagnostic cases.

Medical Malpractice Liability represents 0.7% of the County's Total Cost Paid.





## LOSS CONTROL AND PREVENTION

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

- Enhancing loss control and prevention knowledge and capabilities within County departments through Health and Safety Coordinator meetings, participation in departmental safety and risk management committees, and Countywide education and training efforts, which include:
  - o Creating model guidance documents, policies, best practices, and safety bulletins on pertinent loss control issues, including new or amended regulations, or current issues affecting the County.
  - o Development and acquisition of training videos, courses, and related content for placement and distribution through the Learning Link and the online Risk Management University.
- Serving as subject matter experts for departments in responding to California Occupational Safety and Health (Cal/OSHA) complaint letters, citations, and informal conferences.
- Establishing County loss control and prevention standards and assisting departments with their risk management related needs.
- Evaluating proposed legislation involving liability and safety for applicability to County department operations including workplace violence and heat illness prevention.
- Addressing cost drivers associated with issues driving workers' compensation and tort liability costs, including vehicle, general, employment practices, and medical malpractice liability.
- Coordinating Countywide risk management training efforts through quarterly risk management, health and safety meetings where forthcoming legislation and other issues are presented and discussed with affected County departments.
- Providing statistical risk management information to departments and assisting with the interpretation of the statistics.
- Enhancing and maintaining the CEO-RMB Internet site and the Joint Labor-Management Committee on Office Ergonomics Intranet site with new and updated material.

## LOSS CONTROL AND PREVENTION — ACCOMPLISHMENTS FY 2023-24

LCP focused efforts on assisting County departments in compliance with new/emergency standards, regulations, and Senate Bill requirements as well existing standards in a more diverse and dynamic work environment. Other significant accomplishments include:

### **Regulatory Compliance and Operational Effectiveness**

- Focused 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.
- Monitored new or revised safety-related regulations and provided County departments with regular updates through emails, webinars, safety bulletins, trainings, and other related meetings to ensure compliance.
- Provided over 500 consultations to departments on a variety of issues, including workplace violence prevention, heat illness prevention, ergonomics and telework, risk assessments, data analysis and interpretation, Cal/OSHA compliance, and occupational health, safety, and liability.
- Coordinated Quarterly Health and Safety Coordinator meetings attended by over 250 County risk managers, safety officers, human resources personnel, and others with safety responsibilities. The meetings covered:
  - Cal/OSHA's Wildfire Smoke Regulation
  - Safety Inspections
  - Cal/OSHA's Covid-19 Requirements
- Facilitated the acquisition of automated external defibrillators (AED) and the delivery of hands-only CPR and AED use training modules for County departments to ensure compliance with Board of Supervisor motions.

- Facilitated the use of virtual/video-based property assessments to assist the County's property insurer to survey County establishments for potential sources of loss and worked with County departments to resolve deficiencies when identified.

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

Provided guidance on the County's responsibilities for providing ergonomic-related equipment in telework assignments.

- Developed and gathered resources for County departments to utilize to ensure employees performed their work-related duties in a safe and healthful manner in telework assignments.
- Worked with County departments through meetings, webinars, and other opportunities to ensure telework and ergonomics policies, procedures and guidelines are in adherence with regulatory requirements and established best practices.
- Enhanced the CEO-RMB and the Joint Labor-Management Committee on Office Ergonomics websites to include information on self-assessment evaluation software and training opportunities.

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

- Enhanced the standard product list for ergonomic equipment used by departments and the County's workers' compensation TPAs as part of an integrated cost containment strategy related to ergonomic evaluations for workers' compensation cases.

## LOSS CONTROL AND PREVENTION — OBJECTIVES FY 2024-25

- Participated in Countywide and department safety and risk management committees which provided networking opportunities for risk management personnel in social service departments.
- Utilized the Health and Safety Coordinator Meetings to provide County risk management personnel with regulatory updates and pending legislation, departmental cost drivers and County claim frequency and severity performance.
- Actively worked with County departments, subject matter experts and vendors to coordinate training video development to enhance the educational opportunities on Risk Management’s education library.

### **Regulatory Compliance and Operational Effectiveness**

- Monitor new or revised safety-related regulations and provide impacted County departments with regular updates through safety bulletins, trainings, and other related meetings to ensure compliance.
- Continue to advise departments on regulatory compliance related to new or revised standards, Senate Bills, or other related legislation including workplace violence and indoor heat illness prevention.
- Work with departments to ensure their occupational safety and health programs are revised and effective through regular meetings with department risk management staff and analysis of risk management related loss data.

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

- Enhance training opportunities at the Health and Safety Coordinator Meetings through a combination of training topics presented by subject matter experts from both inside and outside the County as well

as providing discussions on current and upcoming risk management issues and roundtable discussion opportunities.

- Continue to utilize client resources available through County insurance programs to develop and offer risk management-related training videos and other related content for use by County employees.
- Utilize the Health and Safety Coordinator Meetings to provide County risk management personnel with regulatory updates and pending legislation, departmental cost drivers, and County claim frequency and severity performance.

### **Telework and Ergonomics Compliance**

- Provide departments with guidance on the County’s responsibilities related to ergonomics and telework assignments.
- Continue enhancement of the CEO-RMB and Joint Labor-Management Committee on Office Ergonomics website to include information on telework, self-assessment evaluation software and training opportunities.

EFFECTIVENESS

EFFICIENCY

SCOPE

## RISK MANAGEMENT INSPECTOR GENERAL

The role of RMIG is multi-faceted; first, it is responsible for assisting County departments in the development and approval of Corrective Action Plans (CAPs) and Summary Corrective Action Plans (SCAPs); second, it uses the information from the CAPs and SCAPs to foster liability loss control measures. Finally, RMIG collaborates with departments, CEO Liability Claims Management, and County Counsel to meet the mandates established by the Board of Supervisors (Board). This includes the requirement of all County departments to include a SCAP approved by RMIG as part of any claim settlement over \$100,000.

Accordingly, RMIG manages CAPs and SCAPs through the following processes that incorporate all of the elements of loss control, claims management and Board mandates, as follows:

- Weekly review of all liability claims entered in the claims management system to determine early intervention, prevention, and containment efforts.
- Conduct detailed analysis of liability incident reports, claims, significant incidents, and adverse events, including monitoring adverse verdicts and items reported through various sources.
- Consult with departments and assist with their development of remedial corrections, CAPs and SCAPs.
- Pre-approve all CAPs and SCAPs prior to submission to the County Claims Board or Contract Cities Liability Trust Fund Claims Board, and/or the Board to expedite settlement payments.

- Escalate requests for CAP and SCAP information through department management and the Board, as necessary.
- Facilitate in obtaining and providing the CEO, Board, and Board staff with additional information as requested.
- Conduct audits and investigations of liability issues at the direction of the Board, and/or those issues which RMIG deems appropriate.

RMIG participates in all cluster meetings (agenda and policy committees) which involve in-depth discussions of CAPs/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.

The number of CAPs approved by the Board during FY 2023-24 is illustrated on the next page.

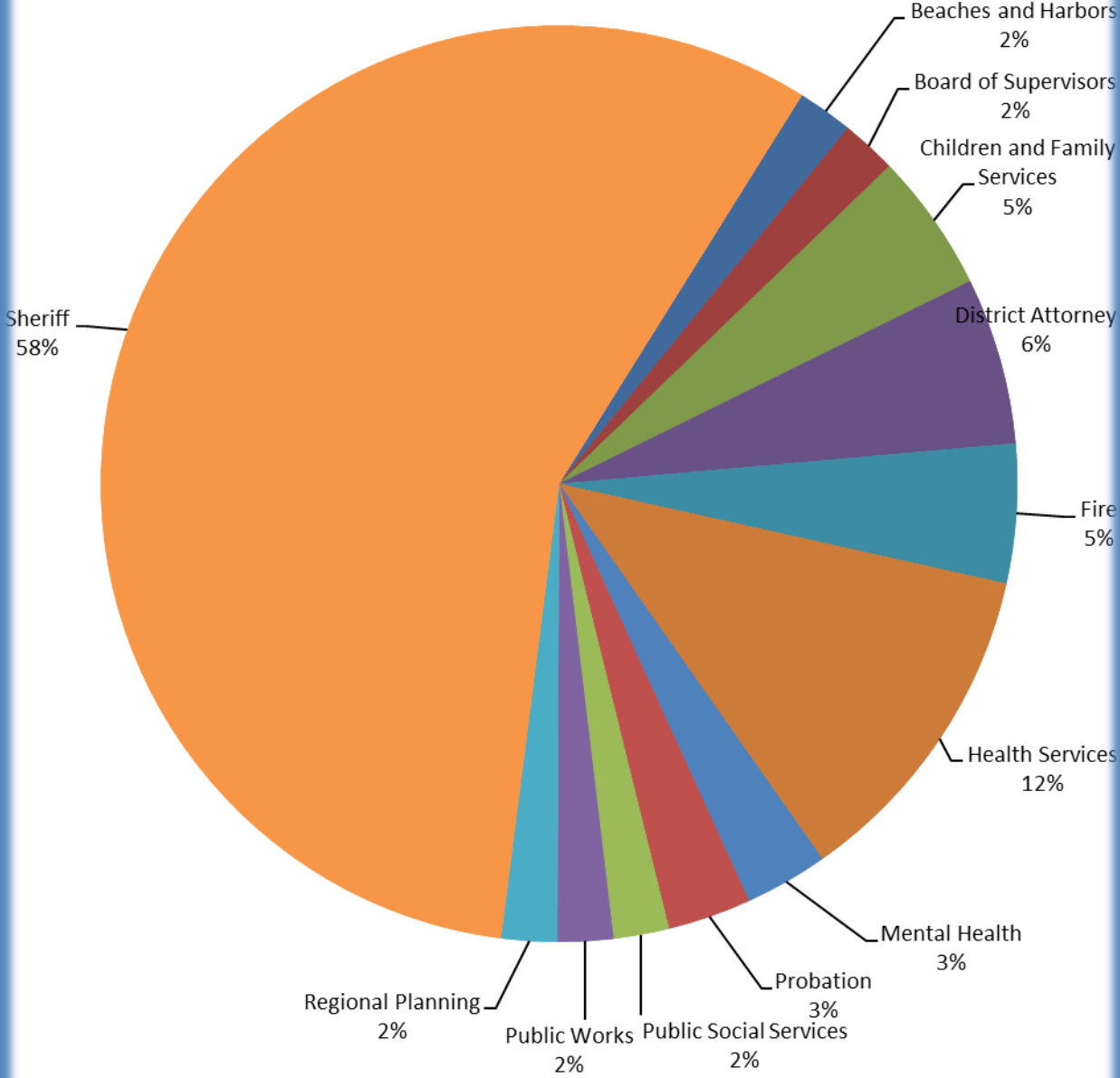
### AVOIDANCE



ACTIONS

CORRECTIVE

CAPs Approved During FY 2023-24



Total Number of Approved CAPs:  
65

**RISK MANAGEMENT INSPECTOR GENERAL — ACCOMPLISHMENTS FY 2023-24**

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

The chart below illustrates the number of CAPs completed within 90 days for FY 2023-24.

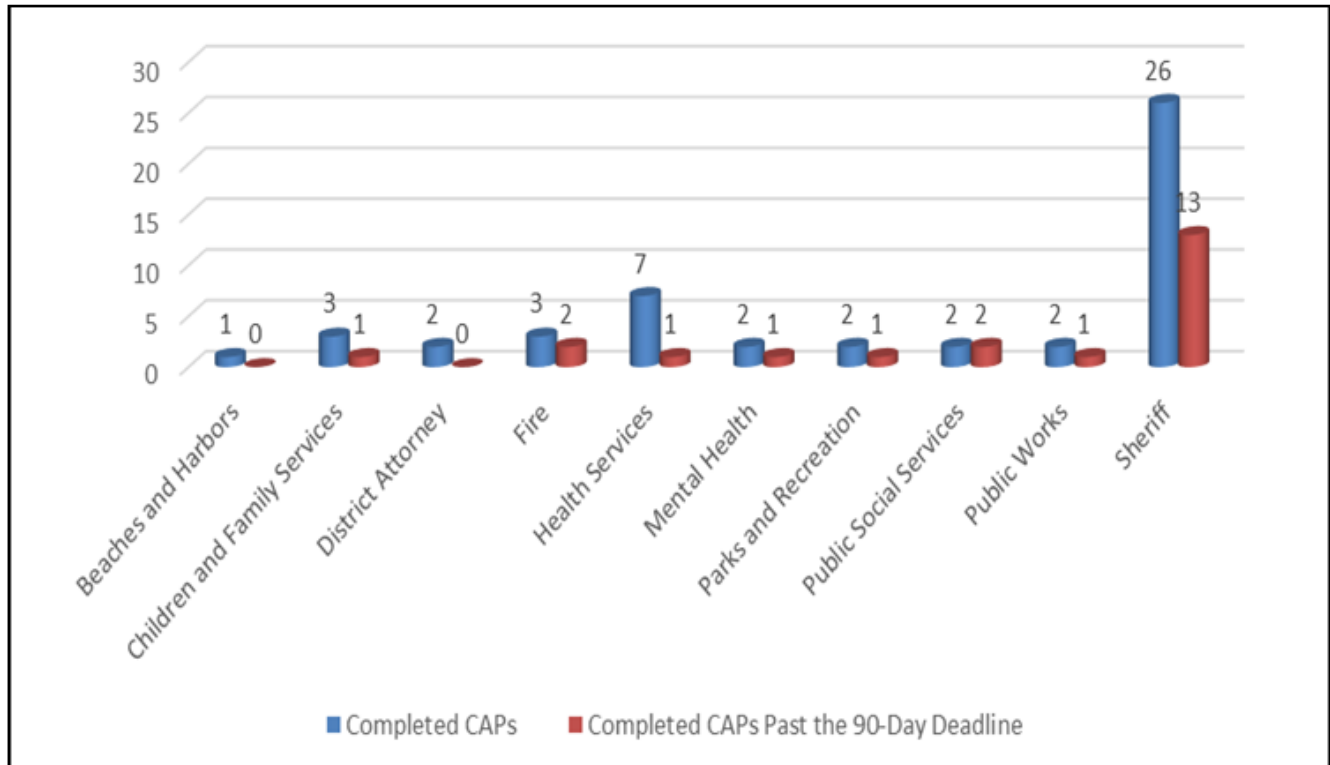


ANALYZE

**RESOLUTION**

Department	Completed CAPs	Completed CAPs Past the 90-Day Deadline
Beaches and Harbors	1	0
Children and Family Services	3	1
District Attorney	2	0
Fire	3	2
Health Services	7	1
Mental Health	2	1
Parks and Recreation	2	1
Public Social Services	2	2
Public Works	2	1
Sheriff	26	13
<b>TOTAL</b>	<b>50</b>	<b>22</b>

**RISK MANAGEMENT INSPECTOR GENERAL — ACCOMPLISHMENTS FY 2023-24 (CONTINUED)**



The quality of CAPs has significantly improved since 2015. CAPs now include more robust descriptions, supporting documentation, exhibits, and contain in-depth discussions as to the violations and/or system issues that occurred and how suggested corrective actions will address the problems in the present and into the future.

Open communication among departments reached new heights as departments work together on just culture (an approach to management of unintended outcomes in a humane and fair evaluation that identifies and corrects system contributors and human behaviors), CAPs, best practices, and sharing of information. Communication is key to having a strong and healthy organization and RMIG will strive to continually cultivate these open-door discussions.

Over the past several years, RMIG collaborated on the extensive development and implementation of the new RMIP to integrate the Risk Compliance Management System into applicable claims metrics. RMIG identified methods by which electronic communications with departments' litigation and risk management staff can be incorporated into this new system. The system was successfully implemented by CEO and RMIG is actively tracking and working on corrective actions within the new system.

RMIG completed an audit of the CAPs submitted by the five most risk-vulnerable County departments pursuant to a Board of Supervisors' motion issued on June 6, 2023. RMIG reviewed a total of 215 CAPs submitted by the Sheriff's, Health Services, Children and Family Services, Parks and Recreation, and Registrar-Recorder/County Clerk departments. The results of the audit were submitted to the Board of Supervisors on December 8, 2023.

## RISK MANAGEMENT INSPECTOR GENERAL — OBJECTIVES FY 2024-25

Increased caseloads and changes in personnel and review processes at the departments have created a backlog of pending CAPs and SCAPs which has impacted the timely completion of CAPs and SCAPs in the past year. In FY 2023-24, 44% of CAPs and SCAPs were submitted after the 90-day deadline. One explanation for the increased caseload is that cases are now settling for higher amounts than they did before. Since Board Policy 8.020 - Procedures For Including Corrective Follow-Up Reports As Part of The Claims Settlements Presented To The Board has a sunset review date of December 10, 2025, RMIG in consultation with County Counsel will explore modification of the CAP and SCAP trigger amount to account for the impact of inflation on settlement amounts.

RMIG along with Loss Control and Prevention will consult and collaborate with the Sheriff's Department in their development of a traffic collision mitigation plan pursuant to a Board Motion issued on July 9, 2024.

RMIG will continue to research and develop additional automation methods to incorporate reminders and routine processes into the software. Overall, the new system allows for the creation and tracking of CAPs and will automatically assign CAPs to relevant business areas and organizational structures. The new system is expected to generate a variety of status reports based on the progress of corrective actions and will further assist in correlating the impact of the CAP to other loss measurements. Additionally, the system provides a single clearinghouse for the storage of all reference documents and exhibits related to the CAP process.



Pursuant to a Board of Supervisors' motion issued on June 6, 2023, RMIG will explore timeline feasibility of implementing system and software upgrades to incorporate a framework of accountability to include auditing, tracking, and compliance elements of all CAPs after Board of Supervisors approval is obtained. CEO will categorize all CAP steps into types, so that this can be reported back to Department heads and/or their Risk Management designee(s) annually.

RMIG continues to focus on liability loss control and incorporating data integration, tracking, and trending this fiscal year. RMIG will focus on proactive liability loss control measures instead of reactive measures which traditionally has been the practice. This will now also include identification and CAP audits of the five most risk-vulnerable County departments using liability claims data, which will be reported every other year beginning in FY 2023-24. For any CAPs that were not timely implemented by the identified risk-vulnerable departments, those departments will be deemed responsible to provide CEO with a written report back once pending corrective action steps and plans have been fully completed and implemented. RMIG will continue to host presentations on topics of interest to departments.

Finally, RMIG will continue to conduct annual reviews of the departments' Risk Management Plans to determine each departments' risk position from a liability claims perspective. RMIG will score departments based on multiple factors and will work with the departments to mitigate potential damages.





## RISK TRANSFER

The Risk Transfer Unit (RTU) is responsible for purchasing commercial insurance Countywide, handling/issuing certificates of self-insurance Countywide, conducting insurance compliance reviews Countywide, and providing indemnification and insurance expertise to all County departments.

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

### **RISK TRANSFER— SIGNIFICANT ACCOMPLISHMENTS FY 2023-24**

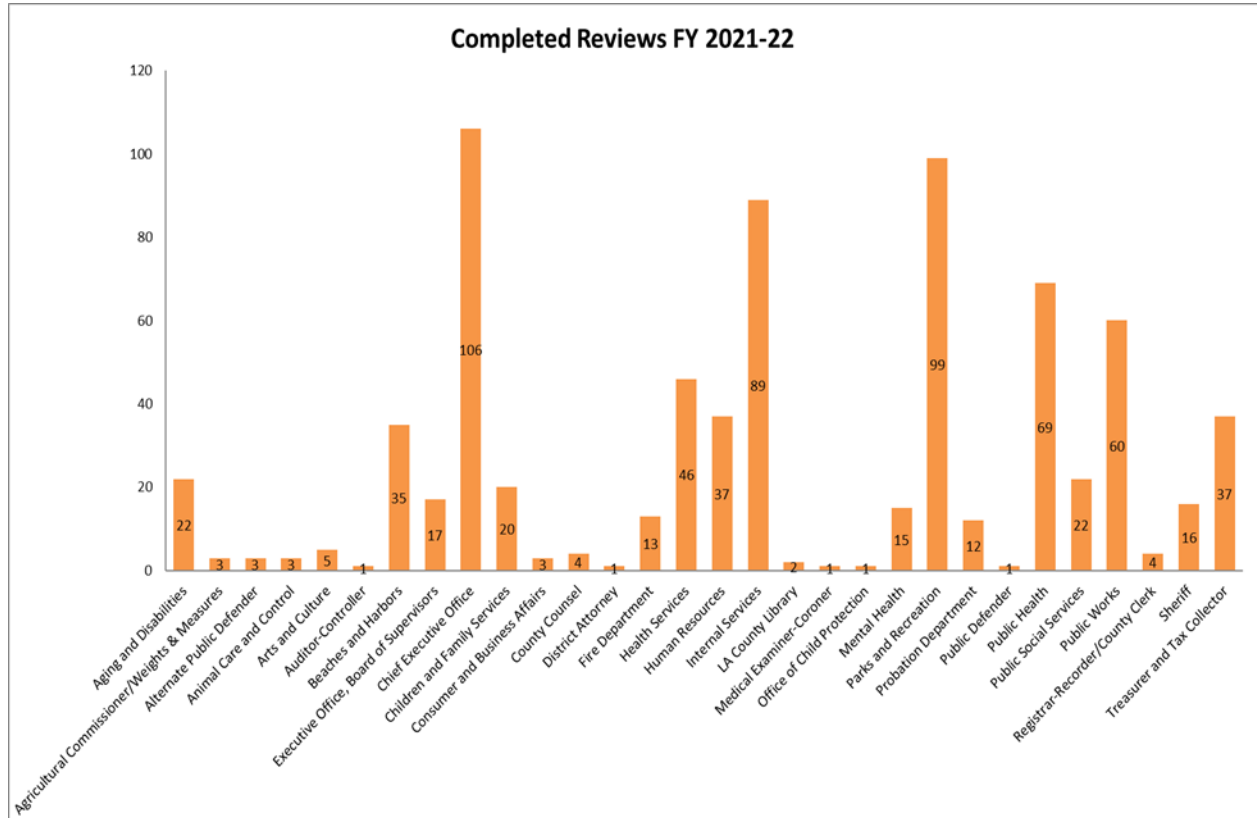
RTU reorganized the various insurance coverages and procured more robust insurance policies to better protect the County from emerging risks and losses caused by catastrophic events. The enhanced policies cover losses emerging from cyber-attacks, fire, flood, earthquake property damage, catastrophic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

RTU created a triage system to determine high risk and essential buildings within the County of Los Angeles to assess the need to cover them with commercial insurance. This was accomplished in partnership with County departments, using the Deferred Maintenance Building Condition Assessments and the Asset Management Database. This fiscal year, the RTU, working in conjunction with the Property Insurance broker and underwriters, continued to assess County properties and update building values.

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

## RISK TRANSFER — ACCOMPLISHMENTS FY 2023-24 (CONTINUED)

RTU conducted 778 indemnification and insurance reviews for departments during Fiscal Year 2023-24. Departments were advised on possible risks associated with various projects and were provided recommendations on how to decrease such risks. The graph below illustrates the number of reviews completed per department.



RTU implemented an online Certificate of Self-Insurance system in January 2017. As a result, the operating costs associated with the County Self-Insurance Certificate program decreased. All County departments can now more efficiently produce Certificates of Self-Insurance to meet their respective departmental needs. Departments are often required to provide these certificates to various public and private entities for the County to conduct business on their property and/or for the public's benefit. Currently, all departments have access to the automated system and can produce their own Certificates of Self-Insurance within the requirements established by the County Risk Manager.

This allows certificates to be expedited as needed and creates a more efficient way of conducting business. Tracking of the certificates is fully automated and certificates can be created and sent via e-mail within minutes.

**RISK TRANSFER — ACCOMPLISHMENTS FY 2023-24 (CONTINUED)**

RTU continues to train departments on the Certificate of Self-Insurance system and provides ongoing technical and administrative support.

The chart below illustrates the number of County Certificates of Self-Insurance completed during Fiscal Year 2023-24. A total of 1,149 certificates were completed by the departments within this timeframe.

<b>Department</b>	<b>Number of Certificates</b>
Aging & Disabilities	9
Agricultural Commissioner/Weights & Measures	1
Animal Care & Control	21
Arts and Culture	2
Assessor	3
Beaches & Harbor	4
Board of Supervisors, Executive Office	25
Chief Executive Office	57
Children & Family Services	59
District Attorney	5
Economic Opportunity	10
Fire	66
Health Services	106
Human Resources	10
Internal Services	9
Justice Care and Opportunities	1
Library	36
Medical Examiner	1
Mental Health	136
Military & Veteran Affairs	2
Parks & Recreation	38
Probation	13
Public Defender	3
Public Health	85
Public Social Services	40
Public Works	95
Regional Planning	6
Registrar-Recorder/County Clerk	199
Sheriff	104
Treasurer and Tax Collector	3
<b>Grand Total</b>	<b>1149</b>

## RISK TRANSFER — ACCOMPLISHMENTS FY 2023-24 (CONTINUED)

During the last fiscal year, RTU participated in two Countywide trainings hosted by the Internal Services Department, with presentations dedicated to insurance and indemnification requirements for County contracts to County departments.

RTU was asked to collaborate with other departments on various projects, including, but not limited to, the following:

- Insurance requirements for Schools Use of Parks Program Memorandum of Agreement for the Department of Parks and Recreation,
- Insurance requirements for Foster Family Agencies for the Department of Children and Family Services, and
- Revisions to Cyber Insurance standard requirements in County contract and solicitation templates.

RTU started drafting a comprehensive Insurance Manual for County Commercial Insurance and collaborating on the implementation of the comprehensive RMIP to integrate insurance policy management and asset management into the system's Loss Prevention module.

COLLABORATION



IDENTIFY

PREDICT

## RISK TRANSFER — OBJECTIVES FY 2024-25

RTU will strive to insure as much County liability as is deemed financially responsible to protect County assets from unforeseen disasters. Continuing with this strategy, RTU is now in the process of obtaining higher limits of commercial excess coverage for Sexual Misconduct Liability and Cyber Liability to further reduce risk to the County. RTU will continue to work in partnership with the Claims Unit on assessing the need for Excess Medical Malpractice insurance. RTU will also continue to collaborate with the departments on their department-specific commercial insurance needs and obtain department-specific insurance policies on an as-needed basis.

RTU will continue evaluating properties to determine high risk and essential County buildings. Decisions to add County buildings to the property insurance policy will be made from a risk management perspective and will consider various factors such as location, population, and function of the buildings to ensure that all properties have the necessary coverage.

RTU will continue to conduct live webinars and online training on topics of interest to departments as part of our ongoing training program. The training objective is to provide holistic risk management and risk transfer perspectives to the departments' contract administrator functions with the goal of mitigating the contractual risks for the County.

RTU will continue to collaborate with other departments on various Countywide projects to help assess potential risks and transfer them using diverse risk transfer techniques. RTU will continue building up a partnership with the County Counsel and the Internal Services Department to combine legal, contracting, and risk management expertise to help the County improve its contracting solicitation, administration, and monitoring practices with small, medium, and minority-owned businesses.

RTU will continue to assist in the development of the insurance module of the comprehensive RMIP by integrating County commercial insurance policies into the system. RTU objectives for the system are:

- To retain all County commercial insurance policies in electronic format for easy location, reference, and complete searchability.
- Maintain a complete list of the County properties covered by hazard insurance, including property values and business interruption values, for easy access related to claims.

RTU will revise and update the Insurance Manual for County Contracts with Vendors and will complete the comprehensive Insurance Manual for County Commercial Insurance.

## OFFICE OF PRIVACY

The Office of Privacy (OOP) is a division within CEO-RMB and oversees the Countywide Privacy Program and privacy risk management activities among the County's 39 departments. OOP is led by the County's Chief Privacy Officer, who manages the development of the Countywide Privacy Program and ensures protection of the County's data and information from unauthorized access, modification, misuse, or destruction. The mission of OOP is to protect the County's data and information through centralized oversight of privacy and cybersecurity risk mitigation protocols, and focused governance over privacy program operations.

Privacy risk management functions depend on a unique interplay between the distinct objectives of OOP, the Internal Services Department's Cybersecurity Governance & Operations Branch (ISD-CGO), and the Office of the Chief Information Office (OCIO): while the OCIO and ISD-CGO are focused on the security of the County's information technology systems, along with cybersecurity infrastructure and operations, OOP is focused on protection of the County's data and information that is processed and stored within those systems. The respective objectives of both OOP and OCIO provide holistic privacy and cybersecurity risk management functions with the goal of mitigating these risks for the County.

OOP oversees the Countywide HIPAA program, regulatory reporting activities and investigations, and coordinates with the County's HIPAA-covered departments to ensure compliance with applicable laws, regulations, and County policies. OOP also ensures Countywide compliance with federal requirements under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act.

## OFFICE OF PRIVACY AND HIPAA

### KEY PRIVACY OBJECTIVES

OOP manages the Countywide Privacy Program operations, with several key objectives:

- **Privacy and HIPAA Program Development** – Responsible for Countywide privacy policy development and program management. The Countywide Privacy Program policies were adopted by the Board of Supervisors in 2022 to establish unified and minimum standards across County departments for protecting County Information and Personal Information. Since then, OOP commenced an extensive contract solicitation to engage a contractor to assist County departments with the implementation of programmatic requirements and confirm compliance with these policy requirements.
- **Centralized Oversight and Compliance** – Provide streamlined guidance to County departments on privacy-focused and HIPAA-focused initiatives, policies, training, risk assessments, audits, and compliance with applicable laws, regulations, and County policies. Coordinate with the County's Risk Manager to procure cyber-liability insurance coverage for the County. Implementation of the County's HIPAA audit plan via ongoing audits of County department's compliance with HIPAA regulations.
- **Countywide Employee Training** – Deployment of enhanced Countywide Privacy Awareness Training and HIPAA Privacy and Security Training for applicable departments.
- **Privacy Incident and Breach Response** – Ongoing development of incident response and breach response protocols for privacy and/or HIPAA-related cybersecurity and privacy incidents, and consulting with the County's Incident Response Teams for timely response actions, to ensure compliance with applicable laws, regulations and policies, and any breach response obligations, as applicable. Coordination of tabletop exercises to train stakeholders on coordinated incident response protocols for cybersecurity and privacy incidents.

## OFFICE OF PRIVACY AND HIPAA KEY PRIVACY OBJECTIVES (CONTINUED)

- **Third-Party Vendor Management** – Provide technical guidance on the County’s contract provisions to ensure the protection of County’s data and Protected Health Information, assist with privacy risk assessments of the County’s third-party vendors, review Business Associate Agreements, and provide guidance on privacy risk assessments of the County’s third-party vendors.

## OFFICE OF PRIVACY—OBJECTIVES FOR FY 2024-25

OOP’s objectives are centered around the ongoing development of a Countywide Privacy Program that provides a foundation for the appropriate management and protection of County Information, including Personal Information and Protected Health Information. The Countywide Privacy Program is guided by the principles of protection of County Information, ethics regarding the use of Personal Information, transparency about the collection and use of County Information. OOP provides key risk management functions associated with privacy and cybersecurity for the County, and collaborates with individual County departments on addressing their specific privacy needs, while maintaining an enterprise-wide perspective on the County’s privacy framework and programs.

Following the Board of Supervisors' recent adoption of a new chapter of Board policies pertaining to Privacy (Chapter 10), in FY 2024-25 OOP will continue overseeing department-wide implementation of these policy requirements. These enterprise-wide protocols include ongoing updates to incident and breach response procedures, deployment of privacy threshold and privacy impact assessment tools, implementation of the HIPAA audit plan, deployment of enhanced privacy awareness training and HIPAA training for employees, coordination of multi-departmental tabletop exercises, and other privacy program initiatives. To ensure compliance with Board Privacy policies and applicable laws and regulations, OOP is also preparing Countywide HIPAA Privacy policies for adoption by the Board of Supervisors. In addition, the County’s HIPAA-covered departments continue to undergo HIPAA audits and compliance reviews, in accordance with the County’s HIPAA audit plan, to ensure that the necessary controls are in place to safeguard the privacy and security of all health information, as mandated by HIPAA regulations.



## RISK MANAGEMENT FINANCE

The Risk Management Finance Unit (Finance) provides general accounting and internal audit services for various programs within CEO-RMB. General accounting services include managing the Workers' Compensation Budget (EB) and Insurance Budget (IB); monitoring contract expenses; billing all County departments; performing reconciliations; processing vendor requests, warrant service requests, invoice payments, County fund transfers; and providing direct deposit assistance to claimants and vendors.

Internal audit services include evaluating financial internal controls, providing recommendations, and performing various fiscal reviews to ensure financial accuracy and safeguarding against financial loss. Additionally, Finance provides accounting services for the County's Disability Management Program, which is overseen by the Department of Human Resources (DHR).

### RISK MANAGEMENT FINANCE — SIGNIFICANT ACCOMPLISHMENTS FY 2023-24

In February 2021, the Workers' Compensation module of Claims Enterprise (formerly known as Ventiv Claims Enterprise) was implemented. This module, used by Finance, has a significant improved functionality over the legacy system. Some of the major benefits are as follows:

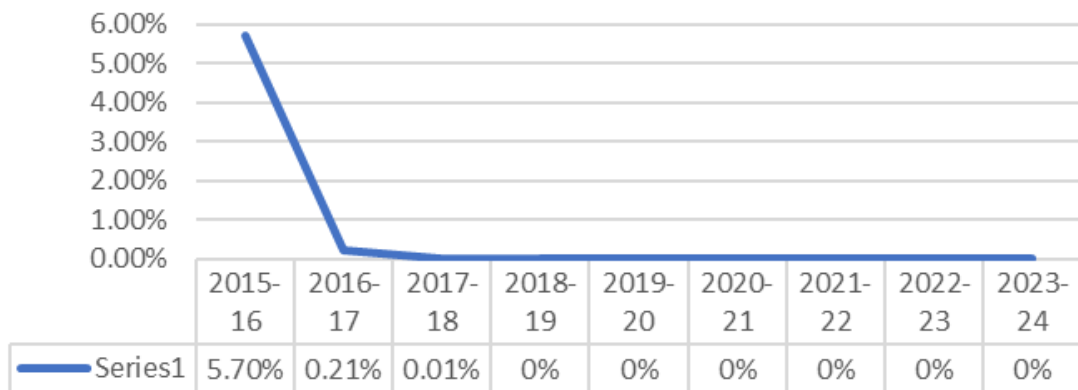
- Continued low error rate of incorrect vendor data entry. Claims Enterprise interfaces with eCAPS, the County's financial system, which eliminated the previous process of duplicate vendor data entry. This provides a time saving benefit and a lower vendor data entry error rate.
- Continued low number of manual 1099 reporting to the Auditor-Controller. A vast majority of 1099 reporting to the Auditor-Controller is performed in Claims Enterprise. Only a small number of manual 1099 reporting was completed in December 2023.
- Vendor table is continually updated. Claims Enterprise successfully receives vendor post-back files, which automatically activates and deactivates vendors resulting in a vendor table that is regularly updated. A current vendor table decreases the risk of fraud and prevents payments from being rejected due to an inactive eCAPS vendor status.
- In FY 2015-16, payments made to the Workers' Compensation program that were categorized as "miscellaneous" and considered IRS 1099-reportable was 5.70%. Since FY 2016-17, Finance has maintained a low percentage. In FY 2023-24, there was 0% IRS 1099-reportable miscellaneous payments. Maintaining a low percentage decreases the risk of fraudulent payments as miscellaneous payments are made to vendors that are not in eCAPS and therefore have not been screened.



**RISK MANAGEMENT FINANCE — ACCOMPLISHMENTS FY 2023-24 (CONTINUED)**

- In collaboration with the Auditor-Controller and CEO-ITS, successfully completed the Fire Department Direct Deposit Pilot Program.
- Resolved an ongoing Sheriff Department billing dispute, which involved collaborating with the Sheriff Department, Liability Claims and Recovery Unit, CEO-ITS, and the TPA. Identified the source of the dispute, created a new and improved workflow, and set up new funding sources in Claims Enterprise to properly reassign claims. This resulted in a reduction of errors and streamlined the processing time.
- Presented the Medicare Interception presentation at the Auditor-Controller’s 2024 Fiscal Forum to assist departments in identifying an interception and the process for collecting funds.
- Streamlined the Annual Excess Liability Insurance payment process for Contract Cities Liability Trust Fund.
- Developed processes to update records associated with the Loss Portfolio Transfer.
- Two Self-Insurance Special District Trust Funds (SK1 for auto liability and TJ1 for general liability) sat dormant for decades and were identified to be closed out. RMB Finance completed the depletion for the Fire Protection District and will begin the depletion of the Public Works portion in the next year. The funds are being allocated to current cases as they occur and if they belong to the appropriate category.
- Enhanced the accuracy of the Liability Claims estimates within the Insurance Budget by collaborating with County Counsel to update the projected fiscal year payout in Claims Enterprise.
- In collaboration with the Risk Analytics Unit, created a report for departments, which identifies all liability claims over \$100,000 to ensure funding sources are properly assigned for budget and billing purposes. This report is sent to departments three times a year.
- Transitioned the finance responsibilities from Liability Claims and Recovery Unit to Finance.

**IRS 1099 - Reportable Miscellaneous Payments**



## RISK MANAGEMENT FINANCE — ACCOMPLISHMENTS FY 2023-24 (CONTINUED)

- Processed 1,869 vendor requests (25% increase from previous year).
- Processed 224 retro Temporary Disability (TD) requests.
- Created workflow charts for operations.
- Completed four workers' compensation third party administrator duplicate/overpayment reviews. No high-priority findings.
- Completed two workers' compensation eCAPS payments internal control plan reviews. No high-priority findings.
- Completed Invoice Payment Reviews for 16 contracts. No high-priority findings.
- Reviewed Claims Enterprise CEO Workers' Compensation Program Staff user access, as well as CEO high-level user access and payment activity reports as part of internal controls.
- Continued reviewing the Provider Suspension List identified by the State of California, Department of Industrial Relations to determine if any of the providers are County vendors.

## RISK MANAGEMENT FINANCE — OBJECTIVES FY 2024-25

- Continue to consolidate and reformat the IB accounting schedules.
- Continue to streamline the IB reconciliation and billing process.
- Continue to assist County departments with erroneous Medicare interceptions and develop procedures to reconcile the TK7 trust fund.
- Continue to integrate the Insurance Budget accounting with the Workers' Compensation Budget accounting.
- Continue creating and refining Claims reports for program analysis.
- Cross train new staff.
- Update procedure manuals.
- Drain Public Works Special District Trust Funds



## RISK ANALYTICS

The Risk Analytics (Analytics) Unit is responsible for overseeing the County of Los Angeles RMIP, a comprehensive claims management system for workers' compensation claims, liability claims, and protected leaves. The Analytics works closely with Riskconnect, Inc., the contractor that hosts and maintains RMIP for the County, and with CEO-ITS on implementing new customizations and enhancements to RMIP, also referred to as Claims Enterprise. Other Analytics responsibilities include:

- Developing reports in Claims Enterprise or running Structured Query Language (SQL) queries in Microsoft SQL Server to obtain data to address the needs of CEO-RMB, other County departments, including County Counsel, TPAs, or legislative analysts.
- Generating data required for the completion of the annual CEO-RMB Annual Report.
- Compiling and distributing data from six sources about each County department's number of claims and expenses as a reference for their annual RMPs.
- Managing requests to Riskconnect from County and TPA users to add new fields or calculations to improve Ad Hoc reporting capabilities in Claims Enterprise.
- Testing and validating data for reports or after data conversion in Claims Enterprise by comparing data stored in Microsoft SQL Server or from other claims management programs.
- Organizing Claims Enterprise Ad Hoc reports and dashboards online trainings by Riskconnect for new County departmental users.
- Meeting weekly with Riskconnect and CEO-ITS to discuss and resolve service tickets that include requests for customized reports and new reporting fields, and technical issues in the user interface or reporting domain.
- Composing Claims Enterprise reference guides on how to create Ad Hoc reports and updating the data dictionary with new fields in the reporting domain.

## RISK ANALYTICS — SIGNIFICANT ACCOMPLISHMENTS FY 2023-24

### First Loss Portfolio Transfer of Workers' Compensation Claims

- Assisted the Workers' Compensation Claims Unit with the transfer of workers' compensation claims with an opened date of 7/1/1969–9/30/1988 to Swiss Re Group.
- Collaborated between Riskconnect, CEO-ITS, and Finance on how to reconcile incoming financial information for LPT claims in Claims Enterprise.

### DISABILITY MANAGEMENT AND COMPLIANCE SYSTEM (DMCS)

- Worked with DHR, Riskconnect, and CEO-ITS to launch a new module in Claims Enterprise in September 2023.
- The module was created for Disability Management coordinators to track coordination efforts with employees, conduct interactive process meetings, and document work restrictions and accommodations.

## RISK ANALYTICS — ACCOMPLISHMENTS FY 2023-24(CONTINUED)

### Enterprise Risk Information Center (ERIC) Dashboards

- Worked with the Riskconnect Analytics team and CEO-RMB Workers' Compensation Claims Unit to test and verify that the dashboards accurately presented data that matched the figures in the CEO-RMB Annual Report.
- Launched the ERIC Dashboards for County departmental user access in August 2023.
- The ERIC Dashboards illustrate open workers' compensation and liability claims data and payments for the past three fiscal years for each County department.

- Reviewed and provided feedback for the ERIC Dashboards online training course and guide designed by Riskconnect.
- Attended four online trainings developed and conducted by Riskconnect and answered questions from departmental managers.

## RISK ANALYTICS — OBJECTIVES FY 2024-25

### Second Loss Portfolio Transfer of Workers' Compensation Claims

- Continue to assist the Workers' Compensation Unit with the second transfer of workers' compensation claims with an opened date of 10/1/1988–4/15/1993 to Swiss Re Group.
- Work with Riskconnect and CEO-ITS on exporting claim data and modifying existing reports and dashboards to remove these claims.

### Future Dashboard Development

- Work with the Workers' Compensation Claims Unit and Riskconnect on developing a dashboard for 4850 and Salary Continuation data.
- Explore new dashboard ideas from DHR and Riskconnect to show data for protected leaves and disability management and compliance records.

### Fire Department Return to Work Administration

- Explore the Fire Department's Return to Work Claims Unit request to track their workers' compensation claim activity in Claims Enterprise instead of in their internal Access Database.
- Oversee the enhancement of Claims Enterprise by Riskconnect, which includes data conversion and reconciliation, data analysis and mapping, and loading reference tables from the Fire Department's Access Database and file server systems.
- Assist with configurations to the letter correspondence templates and develop Ad hoc reports in the reporting domain.
- Assist with organizing training with Riskconnect and the Fire Department for new users.

## RISK MANAGEMENT PERFORMANCE METRICS

On March 9, 2021, the Board directed the Chief Executive Officer (CEO), in collaboration with all County Departments, to establish performance metrics to measure departmental risk management performance, including but not limited to, areas of loss prevention, privacy, and workers' compensation/return-to-work programs.

CEO-RMB and DHR convened to establish performance metrics based on several factors to rank departmental risk management performance. Performance metrics included an aggregate score that integrated WC and liability claim performance (weighted 75%) and departmental risk management efforts and activities as identified in departmental Risk Management Plans (RMP)s (weighted 25%), thereby creating a scoring metric that ranked departments through accrued points. Department arduous ratings were also utilized to normalize WC and liability claim performance across all County departments.

Service clusters were also used to group departments, determine departmental performance, and identify the lower performing department (bottom ten percent) for each cluster. The departments listed below ranked in the bottom ten percent for FY 2022-23. CEO RMB and DHR met regularly with these departments to better focus their risk management efforts. Some of those activities undertaken by these departments are also listed below:

### *Beaches and Harbors (Community and Municipal Services Cluster)*

- Developed a Heat Illness Prevention training program and provided training to staff to assist in mitigating potential exposure of heat-related illnesses for both new and existing staff.
- Revised the Department's Vehicle and Beach Driving policies.

- A vehicle driving training PowerPoint was developed for staff which provides information based on preventable vehicle accident data, cost analysis, good driving habits, and vehicle accident scenarios.

### *Registrar-Recorder/County Clerk (Operations Cluster)*

- Reviewed and modified selection criteria for election training sites to improve and ensure selected sites are free from signs of rodent infestation and other environmental/hazardous material concerns. The project included recommendations for facility features such as regular sprinkler maintenance checks to be part of the site evaluation process.
- Train new temporary employees on proper vehicle inspection protocols, information logging and incident reporting.
- Added three modules to the safe driving training program. Newly added topics included towing preparation, box truck and trailer driving and backing up.
- Sent regular communication to all departmental staff informing them of upcoming heat waves and reminded them to take precautions including drinking plenty of fluids, taking regular breaks, and to complete heat-break logs.
- Conducted Job Hazard Analysis for employees in warehouse areas. Some of the areas reviewed included machinery, forklifts, fall hazards (around pallet racks and docking bays), heat-related concerns, and personal protection equipment necessities.

## RISK MANAGEMENT PERFORMANCE METRICS (CONTINUED)

### *Mental Health (Health and Mental Health Services Cluster)*

- Implemented a system to ensure the safety of their clinical staff by treating clients who have a history of significant security incidents and multiple granted temporary restraining orders via tele-health or video conference until it is determined that it is safe for the individual to return to in-person treatment.
- Procured an ergonomic software system to assist in conducting ergonomic evaluations which enabled them to clear their backlog of ergonomic evaluation request.

### *Children’s and Family Services (Children and Family Cluster)*

- Updated their “How I am Driving” Bumper Sticker program to include the main telephone number of DCFS’ Office of Health and Safety for continuity and ensure follow-up on complaints.
- Revised the ergonomics evaluation process by establishing an automatic email alert system to keep track of the delivery and installation of purchased equipment. It is triggered when a Purchase Order is issued and the recipient is required to submit the packing slip to the Safety Office and their office manager once the equipment is received.
- Provided training to supervisory staff regarding disability management, workers’ compensation claim process, and Family Medical Leave Act process.

### *Sheriff (Public Safety Cluster)*

- The Sheriff’s Department enhanced their Performance Mentoring Program by Microsoft Power Business Intelligence software. The program is used to identify concerns with professional performance of an individual employee to implement corrective action, if necessary.
- The Department developed the Performance Oversight Information Notification Tracker system that is used in conjunction with the Performance Mentoring Program to identify department members who display a pattern of concerning behavior. The system is a data-driven program used to identify deputies whose behavior may be problematic to provide supervisors with an avenue to give those officers timely avenues of intervention, often in the form of counseling or training.

CEO RMB continues to meet regularly with departments to better focus their risk management efforts in minimizing claim frequency and severity.

In continuance with the Board directive, CEO RMB will continue to measure departmental risk management performance. The departments listed below ranked in the bottom ten percent for FY 2023-24. CEO RMB and DHR will meet regularly with these departments through the FY to better focus their risk management efforts in minimizing claim frequency and severity drivers.

- Sheriff - Public Safety Cluster
- Beaches and Harbors- Community and Municipal Services Cluster
- Treasurer and Tax Collector - Operations Cluster
- Mental Health - Health and Mental Health Services Cluster
- Children and Family Services - Children and Family Cluster

**REDUCE**



**RESOLUTION**

HIGH-RISK

## STATISTICS

### FY 2021-22 TO FY 2023-24

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

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## EXHIBIT A

### ALL CLAIMS FREQUENCY AND EXPENSE SUMMARY

Department	FY 2021-22		FY 2022-23		FY 2023-24	
	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)
Aging and Disabilities	15	\$866,640	14	\$709,717	20	\$919,941
Agricultural Commissioner/Weights and Measures	43	\$773,094	26	\$775,422	34	\$557,725
Alternate Public Defender	5	\$532,922	4	\$481,072	4	\$323,706
Animal Care and Control	122	\$1,059,813	111	\$1,147,666	155	\$1,487,258
Arts and Culture	0	\$1,939	0	\$1,664	3	\$17,627
Assessor	23	\$3,456,470	43	\$3,271,795	48	\$2,863,699
Auditor-Controller	12	\$461,775	26	\$472,271	12	\$715,143
Beaches and Harbors	41	\$1,001,341	45	\$1,547,063	63	\$1,976,621
Board of Supervisors	89	\$3,313,006	29	\$2,206,033	17	\$4,721,776
Chief Executive Office	11	\$2,258,273	20	\$24,796,894	28	\$1,263,769
Child Support Services	96	\$4,659,428	88	\$4,558,277	92	\$4,720,324
Children and Family Services	419	\$32,598,552	438	\$55,010,610	357	\$25,950,037
Consumer and Business Affairs	5	\$268,500	54	\$616,656	40	\$526,467
County Counsel	12	\$2,339,877	27	\$1,399,447	22	-\$3,570,722
Department of Medical Examiner	88	\$1,779,700	65	\$5,882,881	51	\$1,406,737
District Attorney	122	\$12,342,156	155	\$13,018,392	146	\$33,626,504
Economic Opportunity	0	\$0	2	\$129,468	2	\$215,482
Fire	2,203	\$189,196,729	1,651	\$199,262,724	1,717	\$192,143,509
Health Services	2,138	\$50,784,135	2,197	\$62,798,000	2,116	\$69,607,558
Human Resources	8	\$948,988	9	\$874,699	10	\$931,220
Internal Services	88	\$6,367,994	117	\$8,286,249	113	\$6,866,183
Justice, Care and Opportunities	0	\$0	0	\$0	1	\$138,346
LACERA	5	\$560,034	10	\$436,487	12	\$525,691
LA County Library	32	\$1,862,483	33	\$1,054,017	38	\$2,927,218
Mental Health	182	\$8,820,456	232	\$8,680,725	339	\$10,759,676
Military and Veterans Affairs	0	\$146,603	2	\$174,345	3	\$145,648
Museum of Art	2	\$242,694	2	\$214,853	1	\$158,774
Museum of Natural History	3	\$47,827	0	\$34,663	0	\$28,482
Non-Jurisdictional	1,361	\$1,025,868	1,975	\$3,661	2,209	\$1,798,190
Parks and Recreation	230	\$4,612,524	218	\$5,647,250	230	\$5,576,271
Pending Assignment	69	\$0	62	\$0	279	\$23,900
Probation	680	\$41,691,924	789	\$50,385,712	966	\$53,946,645
Public Defender	50	\$6,567,804	38	\$2,258,151	51	\$2,725,890
Public Health	233	\$11,679,931	192	\$9,884,941	243	\$9,164,463
Public Social Services	670	\$35,217,131	789	\$40,634,770	692	\$33,653,028
Public Works	8,897	\$13,307,162	12,909	\$29,415,099	849	\$24,331,594
Regional Planning	20	\$558,644	38	\$1,139,087	244	\$2,360,029
Registrar-Recorder/County Clerk	83	\$2,999,672	110	\$4,361,538	76	\$3,136,280
Sheriff	8,457	\$407,587,052	6,417	\$430,225,233	5,705	\$426,125,520
Superior Court	153	\$8,387,938	133	\$9,035,014	135	\$9,352,725
Treasurer and Tax Collector	25	\$1,703,045	47	\$1,404,107	37	\$1,327,477
Youth Development	0	\$0	0	\$0	1	\$1,125
<b>TOTAL<sup>4</sup></b>	<b>26,019</b>	<b>\$699,519,896</b>	<b>29,117</b>	<b>\$982,236,652</b>	<b>17,161</b>	<b>\$935,477,534</b>

1. Amount Paid is the total of the transactions paid by coverage code in the fiscal year, regardless of occurrence date plus amounts paid for Workers' Compensation from the Workers' Compensation Status Report. Amount Paid includes indemnity and legal fees and expenses. Does not include Reported But Not Paid (RBNP) or Incurred But Not Reported (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. This information does include County Counsel tort files. County Counsel expenditures are also included.
3. Amounts valued as of June 30, 2024. Amount Paid does not include administrative expenses or purchased insurance.
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. Claim Count includes unassigned claims.



**EXHIBIT B****WORKERS' COMPENSATION CLAIM FREQUENCY AND EXPENSE SUMMARY  
FY 2021-22 THROUGH FY 2023-24**

Department	FY 2021-22		FY 2022-23		FY 2023-24	
	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)
Aging and Disabilities	13	\$623,455	11	\$460,541	17	\$642,615
Agricultural Commissioner/Weights and Measures	30	\$720,705	20	\$693,143	21	\$502,386
Alternate Public Defender	4	\$513,458	0	\$476,535	4	\$319,117
Animal Care and Control	112	\$753,798	101	\$839,501	130	\$1,155,658
Arts and Culture	0	\$1,939	0	\$1,664	3	\$17,627
Assessor	12	\$780,716	15	\$908,085	16	\$827,570
Auditor-Controller	9	\$271,125	8	\$302,409	4	\$328,707
Beaches and Harbors	28	\$689,634	28	\$759,451	31	\$1,107,718
Board of Supervisors	8	\$388,668	13	\$345,053	7	\$368,018
Chief Executive Office	1	\$566,953	5	\$567,120	3	\$482,368
Child Support Services	86	\$4,172,020	69	\$4,183,640	73	\$4,232,979
Children and Family Services	265	\$14,219,485	255	\$15,085,356	238	\$14,900,992
Consumer and Business Affairs	4	\$48,849	2	\$48,388	2	\$49,736
County Counsel	5	\$776,293	11	\$704,616	9	\$709,768
Department of Medical Examiner	72	\$778,660	40	\$824,935	23	\$1,049,786
District Attorney	66	\$6,173,303	71	\$6,467,487	68	\$7,176,336
Economic Opportunity	0	\$0	2	\$113,760	2	\$215,354
Fire	2,047	\$103,115,789	1,476	\$111,806,474	1,553	\$132,326,498
Health Services	1,933	\$39,528,618	1,795	\$41,735,932	1,810	\$49,430,600
Human Resources	8	\$747,513	7	\$704,390	8	\$696,794
Internal Services	67	\$4,255,464	86	\$4,458,050	78	\$4,775,427
Justice, Care and Opportunities	0	\$0	0	\$0	1	\$138,346
LACERA	5	\$560,034	10	\$436,106	12	\$482,456
LA County Library	23	\$845,151	27	\$777,916	27	\$883,791
Mental Health	165	\$7,503,491	192	\$7,479,924	277	\$7,242,180
Military and Veterans Affairs	0	\$146,603	2	\$174,345	2	\$145,648
Museum of Art	1	\$242,694	2	\$188,443	1	\$158,774
Museum of Natural History	0	\$47,827	0	\$34,663	0	\$24,963
Non-Jurisdictional	5	\$0	4	\$0	1	\$0
Parks and Recreation	170	\$3,915,292	152	\$4,142,664	164	\$4,085,246
Pending Assignment	0	\$0	3	\$0	0	\$0
Probation	626	\$28,594,943	729	\$33,261,254	891	\$36,189,495
Public Defender	26	\$1,708,330	23	\$1,676,891	29	\$1,822,409
Public Health	154	\$7,361,887	139	\$8,285,903	189	\$7,447,786
Public Social Services	637	\$31,762,587	719	\$32,522,432	620	\$31,869,885
Public Works	175	\$5,400,730	185	\$6,374,938	164	\$7,213,654
Regional Planning	6	\$133,316	2	\$157,817	2	\$151,071
Registrar-Recorder/County Clerk	58	\$2,552,387	53	\$2,508,564	52	\$1,838,583
Sheriff	6,827	\$190,013,562	5,215	\$217,586,666	4,485	\$256,348,962
Superior Court	153	\$7,726,551	132	\$8,690,211	135	\$8,892,915
Treasurer and Tax Collector	6	\$739,557	7	\$649,546	11	\$336,976
Youth Development	0	\$0	0	\$0	1	\$1,125
<b>TOTAL<sup>4</sup></b>	<b>13,807</b>	<b>\$468,381,386</b>	<b>11,611</b>	<b>\$516,434,811</b>	<b>11,164</b>	<b>\$586,590,317</b>

1. Amount Paid is the total of the transactions paid for Workers' Compensation in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves. Workers' Compensation paid does not include State of California Labor Code 4850, salary continuation payments, purchased insurance, or Administrative Expenses.
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. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2024.
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 C

### STATE LABOR CODE 4850 AND SALARY CONTINUATION EXPENSE SUMMARY FY 2021-22 THROUGH FY 2023-24

Department	FY 2021-22	FY 2022-23	FY 2023-24
	Amount Paid <sup>1</sup>	Amount Paid <sup>1</sup>	Amount Paid <sup>1</sup>
Aging and Disabilities	\$62,119	\$0	\$120,288
Agricultural Commissioner/Weights and Measures	\$16,182	\$39,512	\$29,538
Alternate Public Defender	\$0	\$0	\$2,137
Animal Care and Control	\$55,159	\$69,055	\$45,881
Arts and Culture	\$0	\$0	\$0
Assessor	\$0	\$78,639	\$69,683
Auditor-Controller	\$25,528	\$12,700	\$49,631
Beaches and Harbors	\$17,500	\$44,875	\$89,592
Board of Supervisors	\$68,717	\$28,243	\$2,151
Chief Executive Office	\$63,505	\$56,001	\$10,248
Child Support Services	\$50,579	\$73,015	\$217,640
Children and Family Services	\$717,204	\$1,168,114	\$745,571
Consumer and Business Affairs	\$2,772	\$0	\$835
County Counsel	\$0	\$0	\$24,943
Department of Medical Examiner	\$59,119	\$25,848	\$73,235
District Attorney	\$1,415,121	\$2,351,428	\$1,497,629
Economic Opportunity	\$0	\$0	\$0
Fire	\$61,533,452	\$59,188,984	\$51,100,984
Health Services	\$2,442,860	\$3,140,095	\$2,794,827
Human Resources	\$1,938	\$5,147	\$35,170
Internal Services	\$164,888	\$296,619	\$265,742
Justice, Care and Opportunities	\$0	\$0	\$0
LACERA	\$0	\$381	\$43,235
LA County Library	\$6,027	\$17,901	\$6,988
Mental Health	\$243,294	\$266,567	\$441,239
Military and Veterans Affairs	\$0	\$0	\$0
Museum of Art	\$0	\$23,202	\$0
Museum of Natural History	\$0	\$0	\$0
Parks and Recreation	\$197,084	\$215,274	\$343,132
Pending Assignment	\$0	\$0	\$0
Probation	\$8,411,562	\$12,571,834	\$14,147,593
Public Defender	\$235,817	\$98,580	\$141,234
Public Health	\$357,250	\$283,416	\$405,148
Public Social Services	\$782,775	\$787,692	\$1,439,296
Public Works	\$505,755	\$572,601	\$632,466
Regional Planning	\$0	\$28,545	\$83,461
Registrar-Recorder/County Clerk	\$0	\$8,116	\$5,521
Sheriff	\$84,406,722	\$87,898,986	\$87,918,889
Superior Court	\$642,757	\$284,801	\$425,549
Treasurer and Tax Collector	\$24,544	\$1,153	\$250
Youth Development	\$0	\$0	\$0
<b>TOTAL<sup>4</sup></b>	<b>\$162,510,229</b>	<b>\$169,637,324</b>	<b>\$163,209,727</b>

1. Amount Paid is as reported by the Auditor-Controller based on the sum of 70% IA, 100% IA, and MegalA expense.
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. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2024.
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 D**

**VEHICLE LIABILITY CLAIM FREQUENCY AND EXPENSE SUMMARY  
FY 2021-22 THROUGH FY 2023-24**

Department	FY 2021-22		FY 2022-23		FY 2023-24	
	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)
Aging and Disabilities	0	\$112,435	1	\$53,979	2	\$28,248
Agricultural Commissioner/Weights and Measures	9	\$21,475	6	\$42,768	8	\$25,243
Alternate Public Defender	0	\$0	1	\$0	0	\$0
Animal Care and Control	6	\$7,359	2	\$4,799	2	\$7,883
Arts and Culture	0	\$0	0	\$0	0	\$0
Assessor	0	\$0	2	\$0	0	\$110
Auditor-Controller	0	\$0	0	\$0	0	\$0
Beaches and Harbors	5	\$230	1	\$11,137	3	\$17,669
Board of Supervisors	2	\$0	4	\$25,149	2	\$64,654
Chief Executive Office	0	\$0	2	\$0	2	\$0
Child Support Services	0	\$0	0	\$0	2	\$0
Children and Family Services	14	\$261,510	24	\$356,325	18	\$584,228
Consumer and Business Affairs	0	\$0	0	\$0	0	\$0
County Counsel	0	\$0	0	\$0	0	\$0
Department of Medical Examiner	2	\$3,909	0	\$21,249	0	\$237
District Attorney	2	\$10,099	13	\$157,582	7	\$399,463
Economic Opportunity	0	\$0	0	\$0	0	\$0
Fire	79	\$16,424,617	115	\$955,890	102	\$1,588,659
Health Services	4	\$65,540	8	\$81,030	6	\$44,071
Human Resources	0	\$0	0	\$0	0	\$0
Internal Services	9	\$235,565	9	\$2,502,635	20	\$96,623
Justice, Care and Opportunities	0	\$0	0	\$0	0	\$0
LACERA	0	\$0	0	\$0	0	\$0
LA County Library	1	\$16,864	4	\$7,740	5	\$14,851
Mental Health	7	\$60,218	5	\$42,627	10	\$125,970
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	307	\$119,419	418	\$1,008	488	\$210,690
Parks and Recreation	9	\$76,561	17	\$210,434	24	\$332,556
Pending Assignment	0	\$0	2	\$0	58	\$0
Probation	10	\$102,124	7	\$119,089	12	\$215,202
Public Defender	3	\$84,245	1	\$79,602	1	\$66,019
Public Health	11	\$60,175	16	\$27,196	10	\$140,291
Public Social Services	3	\$3,491	3	\$5,955	4	\$25,000
Public Works	42	\$1,307,836	75	\$2,130,843	94	\$3,417,878
Regional Planning	0	\$0	0	\$0	3	\$4,062
Registrar-Recorder/County Clerk	14	\$72,949	34	\$224,996	16	\$10,469
Sheriff	279	\$7,659,853	299	\$8,417,716	319	\$10,473,076
Superior Court	0	\$0	0	\$0	0	\$0
Treasurer and Tax Collector	1	\$333	0	\$7,390	0	\$0
Youth Development	0	\$0	0	\$0	0	\$0
<b>TOTAL<sup>4</sup></b>	<b>819</b>	<b>\$26,706,807</b>	<b>1,069</b>	<b>\$15,487,137</b>	<b>1,218</b>	<b>\$17,893,153</b>

1. Amount Paid is the total of the transactions paid for vehicle liability claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2024.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

**EXHIBIT E**

**GENERAL LIABILITY CLAIM FREQUENCY AND EXPENSE SUMMARY  
FY 2021-22 THROUGH FY 2023-24**

Department	FY 2021-22		FY 2022-23		FY 2023-24	
	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)
Aging and Disabilities	0	\$0	1	\$26,261	1	\$85,397
Agricultural Commissioner/Weights and Measures	4	\$14,731	0	\$0	5	\$558
Alternate Public Defender	1	\$10,407	1	\$1,749	0	\$2,022
Animal Care and Control	4	\$170,599	7	\$119,401	22	\$201,441
Arts and Culture	0	\$0	0	\$0	0	\$0
Assessor	10	\$1,965,991	24	\$1,432,000	30	\$1,673,557
Auditor-Controller	3	\$127,122	15	\$104,923	8	\$156,833
Beaches and Harbors	8	\$293,978	16	\$731,599	27	\$754,395
Board of Supervisors	46	\$2,662,502	10	\$1,398,224	5	\$3,838,963
Chief Executive Office	9	\$1,244,735	13	\$23,675,108	23	\$590,072
Child Support Services	8	\$284,581	17	\$294,388	15	\$176,708
Children and Family Services	135	\$10,385,254	148	\$35,849,464	89	\$4,851,048
Consumer and Business Affairs	1	\$216,879	52	\$568,268	38	\$475,897
County Counsel	6	\$1,563,584	13	\$652,568	8	-\$4,436,222
Department of Medical Examiner	14	\$554,581	10	\$565,100	25	\$163,321
District Attorney	34	\$2,794,883	31	\$1,053,957	22	\$3,789,623
Economic Opportunity	0	\$0	0	\$15,708	0	\$129
Fire	51	\$4,196,582	34	\$690,298	29	\$578,308
Health Services	188	\$5,123,646	244	\$5,713,353	165	\$1,216,312
Human Resources	0	\$99,769	1	\$0	0	\$0
Internal Services	12	\$1,432,011	22	\$932,024	14	\$1,633,791
Justice, Care and Opportunities	0	\$0	0	\$0	0	\$0
LACERA	0	\$0	0	\$0	0	\$0
LA County Library	7	\$532,955	1	\$107,206	6	\$18,838
Mental Health	9	\$602,807	13	\$305,374	31	\$886,802
Military and Veterans Affairs	0	\$0	0	\$0	1	\$0
Museum of Art	1	\$0	0	\$3,208	0	\$0
Museum of Natural History	3	\$0	0	\$0	0	\$3,519
Non-Jurisdictional	1,034	\$884,130	1,518	\$2,653	1,670	\$1,523,795
Parks and Recreation	49	\$377,822	48	\$993,305	41	\$670,694
Pending Assignment	59	\$0	44	\$0	194	\$23,900
Probation	33	\$2,714,055	25	\$1,434,441	15	\$1,115,028
Public Defender	15	\$4,123,296	8	\$96,935	9	\$76,683
Public Health	65	\$3,565,315	19	\$872,723	38	\$538,722
Public Social Services	26	\$1,504,183	45	\$987,437	62	\$134,832
Public Works	8,670	\$5,680,161	12,645	\$19,596,463	588	\$12,699,692
Regional Planning	14	\$395,869	35	\$828,723	239	\$1,568,400
Registrar-Recorder/County Clerk	11	\$365,226	23	\$1,168,609	8	\$1,281,706
Sheriff	753	\$66,899,781	169	\$25,172,210	212	\$6,206,960
Superior Court	0	\$9,315	1	\$0	0	\$0
Treasurer and Tax Collector	18	\$624,102	39	\$343,535	25	\$897,174
Youth Development	2	\$39,816	0	\$0	0	\$0
<b>TOTAL<sup>4</sup></b>	<b>11,303</b>	<b>\$121,460,668</b>	<b>15,292</b>	<b>\$125,737,213</b>	<b>3,665</b>	<b>\$43,398,896</b>

1. Amount Paid is the total of the transactions paid for liability claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2024.
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 2021-22 THROUGH FY 2023-24**

Department	FY 2021-22		FY 2022-23		FY 2023-24	
	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)
Aging and Disabilities	0	\$0	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	0	\$0	0	\$0	0	\$0
Alternate Public Defender	0	\$0	0	\$0	0	\$0
Animal Care and Control	0	\$0	0	\$0	1	\$0
Arts and Culture	0	\$0	0	\$0	0	\$0
Assessor	0	\$0	0	\$0	0	\$0
Auditor-Controller	0	\$0	0	\$0	0	\$0
Beaches and Harbors	0	\$0	0	\$0	0	\$0
Board of Supervisors	0	\$9,587	1	\$0	2	\$30,951
Chief Executive Office	0	\$99,303	0	\$0	0	\$0
Child Support Services	0	\$0	0	\$0	0	\$0
Children and Family Services	1	\$23,969	0	\$9,793	1	\$149
Consumer and Business Affairs	0	\$0	0	\$0	0	\$0
County Counsel	0	\$0	0	\$0	1	\$0
Department of Medical Examiner	0	\$16,907	9	\$2,575	1	\$5,646
District Attorney	11	\$211,110	28	\$1,494,125	41	\$18,799,201
Economic Opportunity	0	\$0	0	\$0	0	\$0
Fire	12	\$3,087,248	4	\$24,260,804	5	\$57,896
Health Services	0	\$13,190	1	\$226	5	\$4,655
Human Resources	0	\$0	0	\$0	0	\$0
Internal Services	0	\$0	0	\$0	0	\$0
Justice, Care and Opportunities	0	\$0	0	\$0	0	\$0
LACERA	0	\$0	0	\$0	0	\$0
LA County Library	1	\$0	0	\$153	0	\$0
Mental Health	0	\$4,086	1	\$21,526	2	\$19,950
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	6	\$6,596	3	\$0	12	\$7,733
Parks and Recreation	0	\$0	0	\$0	0	\$0
Pending Assignment	9	\$0	7	\$0	4	\$0
Probation	4	\$207,053	14	\$281,025	28	\$393,854
Public Defender	4	\$142,081	3	\$82,550	7	\$193,204
Public Health	0	\$0	0	\$0	0	\$0
Public Social Services	0	\$0	1	\$0	0	\$0
Public Works	0	\$0	1	\$0	0	\$0
Regional Planning	0	\$0	0	\$0	0	\$0
Registrar-Recorder/County Clerk	0	\$0	0	\$0	0	\$0
Sheriff	526	\$54,252,848	691	\$82,283,514	635	\$59,769,975
Superior Court	0	\$0	0	\$0	0	\$33,269
Treasurer and Tax Collector	0	\$0	0	\$0	1	\$2,314
Youth Development	0	\$0	0	\$0	0	\$0
<b>TOTAL<sup>4</sup></b>	<b>574</b>	<b>\$58,073,978</b>	<b>764</b>	<b>\$108,436,291</b>	<b>746</b>	<b>\$79,318,797</b>

1. Amount Paid is the total of the transactions paid for liability claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2024.
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**

Department	FY 2021-22		FY 2022-23		FY 2023-24	
	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)
Aging and Disabilities	0	\$28,815	1	\$168,936	0	\$43,393
Agricultural Commissioner/Weights and Measures	0	\$0	0	\$0	0	\$0
Alternate Public Defender	0	\$9,058	2	\$2,788	0	\$431
Animal Care and Control	0	\$72,898	1	\$114,911	0	\$76,395
Arts and Culture	0	\$0	0	\$0	0	\$0
Assessor	1	\$709,763	2	\$853,071	2	\$292,780
Auditor-Controller	0	\$38,001	3	\$52,240	0	\$179,972
Beaches and Harbors	0	\$0	0	\$0	2	\$7,247
Board of Supervisors	33	\$183,532	1	\$409,364	1	\$417,038
Chief Executive Office	1	\$283,777	0	\$498,666	0	\$181,082
Child Support Services	2	\$152,247	2	\$7,234	2	\$92,998
Children and Family Services	4	\$6,991,130	11	\$2,541,558	11	\$4,868,049
Consumer and Business Affairs	0	\$0	0	\$0	0	\$0
County Counsel	1	\$0	2	\$42,263	0	\$130,789
Department of Medical Examiner	0	\$366,524	1	\$4,442,982	1	\$106,658
District Attorney	9	\$1,737,640	12	\$1,493,812	8	\$1,964,251
Economic Opportunity	0	\$0	0	\$0	0	\$0
Fire	14	\$839,040	17	\$2,257,301	16	\$6,209,106
Health Services	13	\$3,610,281	35	\$3,262,529	39	\$9,952,559
Human Resources	0	\$99,769	1	\$165,162	2	\$199,256
Internal Services	0	\$280,066	0	\$96,920	1	\$94,600
Justice, Care and Opportunities	0	\$0	0	\$0	0	\$0
LACERA	0	\$0	0	\$0	0	\$0
LA County Library	0	\$461,486	1	\$143,101	0	\$2,002,750
Mental Health	1	\$406,561	9	\$514,202	2	\$1,963,379
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	9	\$15,723	11	\$0	9	\$47,850
Parks and Recreation	2	\$45,766	1	\$85,572	1	\$144,642
Pending Assignment	1	\$0	3	\$0	1	\$0
Probation	7	\$1,662,187	14	\$2,718,069	20	\$1,885,473
Public Defender	2	\$274,035	3	\$223,594	5	\$426,340
Public Health	3	\$335,303	11	\$394,686	3	\$578,730
Public Social Services	4	\$1,164,095	16	\$6,331,254	5	\$184,016
Public Works	10	\$412,680	2	\$740,255	3	\$367,904
Regional Planning	0	\$29,459	1	\$124,002	0	\$553,035
Registrar-Recorder/County Clerk	0	\$9,110	0	\$451,254	0	\$0
Sheriff	72	\$4,354,287	42	\$8,779,808	50	\$5,217,505
Superior Court	0	\$9,315	0	\$60,002	0	\$992
Treasurer and Tax Collector	0	\$314,509	1	\$402,483	0	\$90,763
Youth Development	0	\$0	0	\$0	0	\$0
<b>TOTAL<sup>4</sup></b>	<b>189</b>	<b>\$24,897,057</b>	<b>206</b>	<b>\$37,378,021</b>	<b>184</b>	<b>\$38,279,983</b>

1. Amount Paid is the total of the transactions paid for liability claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.  
 2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit. This information includes County Counsel tort files.  
 3. Amounts valued as of June 30, 2024.  
 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**

Department	FY 2021-22		FY 2022-23		FY 2023-24	
	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)
DHS - Administration	0	\$0	0	\$0	0	\$20,257
DHS – Ambulatory Care Network	5	\$13,436	7	\$299,329	3	\$406,764
DHS – Harbor Care South	4	\$6,037	31	\$4,882,782	33	(\$381,176)
DHS - High Desert	22	\$484,260	6	\$0	2	\$0
DHS – Integrated Correctional Health Services	0	\$0	9	\$62,340	2	\$9,377
DHS – Juvenile Court Health Services	0	\$93,805	0	\$859,123	0	\$90,526
DHS – Los Angeles General Medical Center	28	\$2,524,517	30	\$2,057,962	34	\$1,056,109
DHS – Not Otherwise Classified	0	\$45	14	\$0	3	\$224
DHS – Olive View-UCLA Medical Center	13	\$143,132	8	\$686,909	9	\$4,918,163
DHS – Rancho Los Amigos	1	\$6,980	7	\$16,391	3	\$44,290
<b>Health Services Subtotal<sup>4</sup></b>	<b>73</b>	<b>\$3,272,212</b>	<b>112</b>	<b>\$8,864,836</b>	<b>89</b>	<b>\$6,164,534</b>
District Attorney	1	\$26	0	\$0	0	\$0
Fire	3	\$30,865	5	\$102,973	11	\$282,059
Medical Examiner – Coroner	0	\$0	4	\$191	1	\$7,854
Mental Health	1	\$34,546	12	\$50,504	17	\$80,155
Non-Jurisdictional	7	\$1,296	19	\$0	21	\$8,121
Pending Assignment	0	\$0	1	\$0	1	\$0
Probation	0	\$18,955	0	\$0	0	\$0
Public Health	4	\$18,051	7	\$21,017	3	\$53,785
Public Social Services	0	\$0	5	\$0	0	\$0
Sheriff	1	\$113,963	0	\$86,333	0	\$190,153
<b>TOTAL<sup>4</sup></b>	<b>90</b>	<b>\$3,489,914</b>	<b>165</b>	<b>\$9,125,855</b>	<b>143</b>	<b>\$6,786,661</b>

1. Amount Paid is the total of the transactions paid for medical malpractice claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2024.
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 2021-22	FY 2022-23	FY 2023-24
<b>Workers' Compensation</b>			
Benefit Expense	\$338,543,702	\$366,340,320	\$405,595,291
Loss Expense <sup>1</sup>	\$107,064,590	\$135,789,000	\$126,919,743
Administrative Expense <sup>2</sup>	\$17,790,931	\$20,541,388	\$22,461,647
Purchased Insurance <sup>3</sup>	\$4,982,162	\$5,547,059	\$6,288,636
Loss Portfolio Transfer	\$0	\$0	\$25,325,000
<b>Workers' Compensation Expense Subtotal</b>	<b>\$468,381,386</b>	<b>\$516,434,811</b>	<b>\$586,590,317</b>
<b>Labor Code 4850 / Salary Continuation</b>	<b>\$162,510,229</b>	<b>\$169,637,324</b>	<b>\$163,209,727</b>
<b>Workers' Compensation Expense Total</b>	<b>\$630,891,614</b>	<b>\$686,072,135</b>	<b>\$749,800,044</b>
<b>Liability<sup>3, 4</sup></b>			
Vehicle Liability Expense	\$26,706,807	\$15,487,137	\$17,893,153
General Liability Expense	\$121,460,668	\$271,551,525	\$160,997,676
Medical Malpractice Expense	\$3,489,914	\$9,125,855	\$6,786,661
Liability Expense Subtotal	\$151,657,389	\$296,164,517	\$185,677,490
Liability Administrative Expenses	\$21,984,000	\$24,885,000	\$22,119,107
<b>Liability Expense Total</b>	<b>\$173,641,389</b>	<b>\$321,049,517</b>	<b>\$207,796,597</b>
<b>Purchased Insurance (premiums and fees)</b>	<b>\$28,973,000</b>	<b>\$32,312,000</b>	<b>\$42,201,681</b>
<b>Cost of Risk<sup>6, 7</sup></b>	<b>\$804,533,003</b>	<b>\$1,007,121,652</b>	<b>\$957,596,640</b>
<b>Total County Operating Budget</b>	<b>\$39,576,967,000</b>	<b>\$44,642,000,000</b>	<b>\$47,102,288,000</b>
<b>Cost of Risk (as percentage of County Operating Budget)</b>	<b>2.03%</b>	<b>2.26%</b>	<b>2.03%</b>
Non-County Agencies			
LACERA	\$560,034	\$436,487	\$482,456
Superior Court	\$7,726,551	\$8,975,012	\$8,892,915
Subtotal (Non-County agencies)	<b>\$8,286,584</b>	<b>\$9,411,499</b>	<b>\$9,375,371</b>
<b>Cost of Risk (excluding non-County agencies)</b>	<b>\$796,246,419</b>	<b>\$997,710,154</b>	<b>\$948,221,269</b>
<b>Cost of Risk (Non-County agencies as percentage of County Operating Budget)</b>	<b>2.01%</b>	<b>2.23%</b>	<b>2.01%</b>

1. Loss Expense includes third-party administrator fees, medical management fees, bill review fees, and State User fee.
2. Administrative Expense includes CEO, Auditor-Controller, and County Counsel expenses.
3. Paid claims represent the amount paid for all indemnity (pay type OC) in the fiscal year, regardless of occurrence date and does not include RBNP or 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



**LIST OF ABBREVIATIONS USED IN THIS REPORT (PAGE 1 OF 2)**

Abbreviation	Meaning
ABE	Allocated Benefit Expenses
AED	Automated External Defibrillator
ALAE	Allocated Loss Adjustment Expenses
Board	Board of Supervisors
C&R	Compromise and Release
C&Rs	Compromise and Release Settlements
Cal/OSHA	California Occupational Safety and Health Administration
CAMIS	Countywide Acquisition Management Information System
CAP	Corrective Action Plans
Carl Warren	Carl Warren & Company
CEO	Chief Executive Office
CEO Risk Management	Chief Executive Office - Risk Management Branch
CHSWC	Commission on Health and Safety and Workers' Compensation
County	County of Los Angeles
COVID-19	Coronavirus Disease 2019
CPR	Cardiopulmonary Resuscitation
DHR	County of Los Angeles Department of Human Resources
DHS	County of Los Angeles Department of Health Services
EFT	Electronic Funds Transfer
Finance	Risk Management Finance Unit
FY	Fiscal Year
FYs	Fiscal Years
HIPAA	Health Insurance Portability and Accountability Act
HITECH	Health Information Technology for Economic and Clinical Health
IBNR	Incurred But Not Reported
Intercare	Intercare Holdings, Ltd.
IRS	Internal Revenue Service
ISD	County of Los Angeles Internal Services Department
LASD	County of Los Angeles Sheriff's Department
LC	Labor Code
LCP	Loss Control and Prevention
LERC	Legal Exposure Reduction Committee
MED	Morphine Equivalent Dose
MMCC	Medical Management and Cost Containment
OCIO	Office of Chief Information Office
OOP	Office of Privacy
OSCR	On-Site County Representative
OSCRs	On-Site County Representatives

**LIST OF ABBREVIATIONS USED IN THIS REPORT (PAGE 2 OF 2)**

<b>Abbreviation</b>	<b>Meaning</b>
PBM	Pharmacy Benefit Management
PHI	Protected Health Information
PPE	Personal Protective Equipment
RBNP	Reported But Not Paid
RMIG	Risk Management Inspector General
RMIP	Risk Management Information Platform
SAWW	State Average Weekly Wage
SB	Senate Bill
SCAPs	Summary Corrective Action Plans
TPA	Third Party Administrator
ULAE	Unallocated Loss Adjustment Expenses
UR	Utilization Review

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