



Office of the City Manager

10

CONSENT CALENDAR
September 24, 2019

To: Honorable Mayor and Members of the City Council
 From: Dee Williams-Ridley, City Manager
 Submitted by: LaTanya Bellow, Director, Human Resources
 Subject: Settlement Authority of City Manager for Workers' Compensation Claims

RECOMMENDATION

Adopt a Resolution to establish and grant authority to the City Manager or his/her designee to settle workers' compensation claims up to \$75,000 per employee claim, and establish and grant authority to the Human Resources Director to settle workers' compensation claims up to \$50,000 per employee claim.

FISCAL IMPACTS OF RECOMMENDATION

There are no fiscal impacts association with this resolution.

CURRENT SITUATION AND ITS EFFECTS

Currently the City Manager has authority to purchase goods and services up to \$50,000. However, City Council has not granted authority to the City Manager or the Human Resources Director to settle workers' compensation claims nor set parameters for when City Council approval is required. The purpose of the attached resolution is to establish clear settlement authority for the City Manager or his/her designee and the Human Resources Director to allow for adequate oversight and efficient management of workers compensation claims.

BACKGROUND

There are two different methods for which a workers' compensation claim may be settled. Claims are settled by either Stipulations with Request for Award (Stips) or Compromise and Release (C&R). Stipulated settlements involve agreement on the amount of temporary or permanent disability payments the injured employee receives including payment for medical care. C&R settlements involve agreement on the amount to resolve the claim in a lump sum payment including estimated cost for future medical care. C&R settlements release the City from paying future medical expenses.

The City has established contractual guidelines with our Third Party Administrator (TPA). Our TPA has authority to expend up to \$10,000 for settlement authority and any amount that exceeds \$10,000 requires City authorization. The TPA currently submits to the Human Resources Department (HR) a Settlement Authority Request (SAR) for all claims including claims which settlement amounts are below the \$10,000 threshold.

The SAR received from our TPA includes a summary of the claim history, applicable medical reports, Workers' Compensation Appeal Board findings and awards, and all other documentation relevant to the claim such as liens or demand letters from attorneys. The Human Resources Department will review the request and either deny or grant approval by way of Department Head signature. Upon receipt of a signed SAR, the TPA will proceed with settling the workers' compensation claim with the injured employee.

The Human Resources Department current settlement authorization procedures state HR may authorize settlement for all claims up to \$100,000. This level of authority is not appropriate and not aligned with City Manager and other Department Head level of authority. City Council will receive a formal Workers' Compensation report annually to strengthen the process.

Many surrounding cities have established authority levels for their workers' compensation programs. The following table summarizes the authorization levels of surrounding jurisdictions:

Agency	Threshold
City of Richmond	Up to \$19,999 for Risk Manager. Over \$20,000 requires City Manager approval.
City of Oakland	Risk Manager has up to \$99,999. Director approval required over \$100,000.
City of San Leandro	HR Manager and Analyst up to \$5,000. City Manager approved up to \$49,999. City Council approval over \$50,000.
City of Hayward	Human Resources staff approval up to \$99,999. City Council approval required over \$100,000.
City and County of San Francisco	Claims Adjuster approval 25% for stipulated awards and compromise & release

	<p>up to \$20,000 per claimant.</p> <p>Claims Supervisor 50% for stipulated awards and up to \$50,000 for compromise and release.</p> <p>Claims Manager 100% for stipulated awards and compromise and release up to \$150,000.</p> <p>Director – Unlimited settlement authority.</p>
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ENVIRONMENTAL SUSTAINABILITY

None.

RATIONALE FOR RECOMMENDATION

Based on authorization limits in other jurisdictions, HR recommends that City Council adopt the attached resolution providing the City Manager or his/her designee with authority to settle claims up to \$75,000 per employee claim, and establish and grant authority to the Human Resources Director to settle workers' compensation claims up to \$50,000 per employee claim. Claims that exceed \$75,000 will require City Council approval. This recommendation will allow the City Manager and Human Resources Director to have increased oversight and improved tracking of the City's workers' compensation program. This recommendation will also establish clear guidelines and procedures for staff managing the workers' compensation program to follow. Establishing a settlement authority ensures consistency and that equity is applied to the settlement process. The goal is to settle claims judiciously so that City workers' compensation funds are protected and monitored

CONTACT PERSON

LaTanya Bellow, Director, Human Resources, 981-6807

Attachments:

1: Resolution

Exhibit A: [Title or Description of Exhibit]

RESOLUTION NO. ##,###-N.S.

Settlement Authority of City Manager for Workers' Compensation

WHEREAS, the City of Berkeley is Self-Insured for Workers' Compensation since 1979; and

WHEREAS, the Workers' Compensation insurance industry is regulated by the State of California, Department of Industrial Relations; and

WHEREAS, the State of California, Labor Code Sections 5000 to 5106 and 5702 establishes regulations for settlement of workers' compensation claims by stipulation or compromise and release; and

WHEREAS, the City of Berkeley must authorize settlement authority of claims through the workers' compensation claim process; and

WHEREAS, the City of Berkeley currently does not have established settlement authority for the City Manager nor the Human Resources Director.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager or his/her designee is authorized to settle workers' compensation claims in an amount not to exceed \$75,000 per claim, and the Human Resources Director is authorized to settle workers' compensation employee claims in the an amount not to exceed \$50,000 per employee claim.



Office of the City Manager

ACTION CALENDAR

October 3, 2017

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Sarah Reynoso, Director of Human Resources

Subject: Bi-Annual Report on Workers' Compensation

RECOMMENDATION

Review and discuss the presentation on Workers' Compensation for claims activity covering the first half of Fiscal Year 2017 (July 1, 2016 to December 31, 2016).

SUMMARY

The April 25, 2017 Information Report details the City's Workers' Compensation Program and related costs. The Information Report, restated herein, focuses on the Workers' Compensation claims activity for the first half of Fiscal Year 2017 (July 1, 2016 to December 31, 2016).

FISCAL IMPACTS OF RECOMMENDATION

None

CURRENT SITUATION AND ITS EFFECTS

The first half of FY 2017 reflects a significant decrease of 18 new workers' compensation injury claims from the second half of FY 2016 - from 107 to 89 new claims. This is significant since the total number of claims reported for all employees with a date of injury in FY 2016 increased by one (1) claim from FY 2015 (from 200 to 201). The decrease in claims in the first half of FY 2017 should translate into cost containment for the City's Workers' Compensation Program (hereinafter "Program"). This is because the average life of an open Workers' Compensation Claim is three to five years (six to seven years for serious, complex, or litigated claims), and maintaining a low claim rate generally results in controlled future costs.

Human Resources Department staff continue to monitor, evaluate, and implement practices to improve the effectiveness and efficiency of the Program. The sustained focus on safety, injury prevention, early medical intervention, ergonomics, claims management, as well as supervisor and employee responsibilities will enable the City to continue to control the claim volume and related costs.

Workers' Compensation Program

1. Safety and Training: The City's Occupational Health and Safety staff, in cooperation with staff from the Department of Public Works, developed a comprehensive safety training calendar to ensure all employees participate in safety training that is relevant to daily operations. Since 2014, the City has added or revised/updated training courses in the following areas: Forklift; Confined Space; Trenching/Shoring and Excavation; Heat/Illness Prevention Training; Pre- and Post-Vehicle Inspection; Industrial Truck Safety; Supervisor Safety Responsibility; Blood Borne Pathogen; Portable Ladder Safety and Fall Protection. New courses are added as needed, when determined by the the Citywide Safety Committee, departmental managers, or as recommended by the Occupational Health and Safety Officer.
2. Cal OSHA: On January 11, 2016, a City of Berkeley Public Works Zero Waste Division employee was fatally injured while performing his regular duties (collection route service). The City immediately notified the California Occupational Safety and Health Administration (Cal OSHA) of the fatality. Cal OSHA investigated the fatality and issued the City eight (8) citations based upon its inspection and investigation of the incident. Citations related to haulage vehicles and the use of parking brakes on inclines, and the inspection of vehicles for conditions that could cause failures in operating systems were the most significant citations. The maximum exposure for the citations totaled \$98,425. The City's Occupational Health and Safety Officer along with Zero Waste managers and supervisors worked closely with Cal OSHA, refining and implementing safety protocols. As part of a post-appeal settlement order, Cal OSHA reduced the City's fines, with total fines reduced by 62%.
3. Claims and Lost Time (Indemnity Days): A day's absence from work related to a Workers' Compensation related injury is categorized as an "Indemnity Day". Indemnity days can severely impact the operation of the work unit as well as impact the total cost of the Program.

The City experienced a decrease in lost time (indemnity days) for the first half of the FY 2017 as compared to the same period in FY 2016 for all claims. There were 4,811 indemnity days in the first half of FY 2016 compared to 4,639 indemnity days in FY 2017, which is an overall reduction of 172 days. The indemnity days noted below are partial and full calendar days off due to the injury. The significant reduction in indemnity days is primarily related to the efforts by Parks, Recreation and Waterfront; Health Housing & Community Services; and City Manager whose focus on workplace safety resulted in the greatest amount of reduction in lost time. Staff continue to focus on safety, ergonomics, administrative return to work efforts and supervisor/employee communication to minimize lost time due to injuries.

Department	Indemnity Days 7/1/15-12/31/15	Indemnity Days 7/1/16-12/31/16	Increase (Decrease)
City Manager	392	165	(227)
Finance	0	16	16
Fire	1,480	1,737	257
HHCS	268	2	(266)
Library	15	51	36
Human Resources	0	0	0
Information Systems	0	0	0
Parks & Waterfront	401	32	(369)
Planning	0	0	0
Police	1,571	1,661	90
Public Works	665	975	310
Rent Board	19	0	(19)
Total Increase/(Decrease)	4,811	4,639	(172)

4. Prior Year Claim Costs: The cost for claims filed in prior years (since 1979) continue to contribute substantially to the overall cost of the City's Program. As noted in the chart below, the City paid \$5,082,852 in FY 2016 and \$2,655,087 for the first half of FY 2017. Given the increased health care costs and increases to State Mandated Temporary Disability Rates, the City continues to work hard to control claim costs. This information is provided in further detail later in this report.

Fiscal Year of Reported Injury	Amount Paid on Claims in FY 2013	Amount Paid on Claims in FY 2014	Amount Paid on Claims in FY 2015	Amount Paid on Claims in FY 2016	Amount Paid on Claims in 1 st half of FY 2017
<i># of Claims Paid</i>	690	640	594	575	446
Total Amount Paid on Claims	\$6,055,515	\$4,966,315	\$4,929,238	\$5,082,852	\$2,655,087

5. Claim Volume:

Total Claims: The City experienced an overall decrease in total claim volume, with a notable decrease in claims with a date of injury in FY 2017 as compared to the same time period in FY 2016 (from 94 in FY 2016 to 89 in FY 2017). This decrease occurred despite a slight increase of four (4) claims filed by Non-Sworn employees, as noted below:

All Claims – July 1 to December 31			
	FY 2016	FY 2017	Increase/(Decrease)
Fire Safety Employees	22	19	(3)
Police Safety Employees	25	19	(6)
Non-Sworn Employees	47	51	4
Total	94	89	(5)

Indemnity Claims: Indemnity claims have exposure beyond medical treatment, with one or more of the following components present: lost time, permanent disability, litigation, and surgery. These claims tend to be the most severe and pose a greater liability to the City than Medical Only claims. Therefore, a reduction in Indemnity claims is a positive step in controlling the City's overall Workers' Compensation liability. There was a reduction in Citywide (Fire, Police and Non-Sworn employees) Indemnity claims in the first half of FY 2017 as compared to the same time period in FY 2016, with a total reduction of nine (9) claims (from 48 in FY 2016 to 39 in FY 2017).

Indemnity Claims – July 1 to December 31			
	FY 2016	FY 2017	Increase/(Decrease)
Fire Safety Employees	13	10	(3)
Police Safety Employees	14	11	(3)
Non-Sworn Employees	21	18	(3)
Total	48	39	(9)

Medical Only: For Medical Only claims (injuries that require minimal medical treatment and do not incur any lost time, permanent disability, or litigation), the City experienced an decrease in Police Safety claims offset by an increase in claims filed by Non-Sworn employees, resulting in a net increase of four (4) claims as noted below:

Medical Only Claims - July 1 to December 31			
	FY 2016	FY 2017	Increase/(Decrease)
Fire Safety Employees	9	9	0
Police Safety Employees	11	8	(3)
Non-Sworn Employees	26	33	7
Total	46	50	4

Although it is difficult to predict whether Indemnity or Medical Only claims will remain at these levels during the remainder of FY 2017, early medical intervention for reported injuries, continuous efforts on increasing safety awareness, and improved efficiencies in claims management should directly impact the number of injuries in the workplace.

6. **Case Resolution:** Case resolution is an important aspect of any Workers' Compensation Program. A Workers' Compensation claim can be resolved (settled) and agreed to by the parties (injured employee and the City) either through "Stipulation" or a "Compromise and Release". However, if the parties are unable to resolve and settle a claim with either a Stipulation or Compromise and Release, the matter could be ultimately determined by a Workers' Compensation Appeals Board Judge who would issue a "Findings and Award".
- a. Stipulation: A Stipulated Settlement is an agreement where the parties agree to the findings of a specific medical report(s). A Stipulated Settlement may result in future disability payments and medical treatment. The main components of a Stipulated Settlement are the percentage of disability the injured employee suffered and whether or not the injured employee needs further medical care. The percentage of disability derives from the doctor's medical opinion of the employee's level of disability as a result of the workplace injury. Under Workers' Compensation statutes, there is a set formula for determining the percentage of disability, which is based on the limitations set forth in the medical report, combined with the injured employee's age and occupation. The disability benefits under Stipulated Settlement are paid by the City over time. They are not paid in a lump sum unless the disability payment has already ended.
 - b. Compromise & Release: In contrast, in a Compromise & Release (C&R) Settlement can permanently resolve all or part of the issues for a single claim or multiple claims. C & R settlements are the most cost effective for employers when the agreement terminates the employer's obligation to pay any further expenses incurred after the agreement has been signed, including but not limited to the employee's procurement of further medical treatment for the injury or injuries. However, as with Stipulations, this type of settlement must be approved by a Workers' Compensation Appeals Board Judge if the injured worker is not represented by an Attorney.
 - c. Findings & Award: A Findings & Award (F&A) is the award following a decision made by a Workers' Compensation Appeals Board Judge, either after a trial or after an appeal of a prior decision by a Judge. This type of award is necessary when the parties are unable to reach a settlement on their own by Stipulation or C & R.

During the first half of FY 2017, 12 cases were settled, 10 by Stipulation and two (2) by C & R, with settlement amounts ranging from \$4,350 to \$175,000. Of the 12 cases settled, six (6) claims did not require Applicant Attorney Representation and six (6) did not require Defense Attorney Representation. None of the resolved cases required a Judge's Finding and Award.

7. **Claim Closures:** Innovative Claim Solutions, Inc., (ICS), the City's Workers' Compensation Third Party Administrator, continues to focus on closing new, as well as old claims. During the first half of FY 2017, ICS closed a total of 121 claims, (64 Indemnity and 57 Medical Only claims). The goal of ICS is to reduce the open claim inventory in order to control estimated future costs.

Claims Closed			
Fiscal Year	Indemnity	Medical Only	Total
2013	196	108	298
2014	178	103	281
2015	162	120	282
2016	143	88	231
2017 (to 12/31/16)	64	57	121

8. **Open Claims:** The chart below reflects the City's Open Claim Inventory at the end of each fiscal year. As of December 31, 2016, the City's total open claim inventory continues to remain under 400. Of the total open claims in FY 2017, 366 are Indemnity Claims and 27 are Medical Only Claims. ICS reduced the City's Third Party Administrative Fees for the City's Program for FY 2017 by five percent (5%) because of the reduction in the number of Open Indemnity claims in FY 2015 and FY 2016 (from 390 in FY 2013).

Open Claim Inventory			
Fiscal Year	Indemnity	Medical Only	Total
2013	390	38	428
2014	355	37	392
2015	336	19	355
2016	364	28	392
2017 (to 12/31/16)	366	27	393

9. **Check Volume:** Check volume is directly related to the total number of claims, both for claims closed in the current period (127 in FY 2017 as noted above) and open claims (393 in FY 2017) for as long as the claim remains open. For example, the City's current oldest open claim has an injury date of January 14, 1976. Since this claim was filed, the City has paid a total of \$692,499 as of December 31, 2016, with additional anticipated payments totaling \$154,408, for a total anticipated cost of \$846,907 for the anticipated life of the claim. The following chart details the number of claims, number of checks and amount paid on all claims by fiscal year from FY 2003 through the first half of FY 2017.

Check Volume			
Fiscal Year	# of Claims Paid	# of Checks Paid	Total Payments
2003	810	8,908	\$6,695,782
2004	859	8,337	\$6,240,209

Check Volume			
Fiscal Year	# of Claims Paid	# of Checks Paid	Total Payments
2005	779	7,547	\$6,338,107
2006	733	5,763	\$5,343,914
2007	699	5,338	\$5,726,321
2008	737	5,502	\$6,212,657
2009	698	5,562	\$6,824,448
2010	853	5,831	\$5,398,792
2011	680	5,904	\$5,579,194
2012	692	5,958	\$5,692,912
2013	690	5,620	\$6,055,515
2014	640	5,017	\$4,966,315
2015	594	4,923	\$4,929,238
2016	575	4,612	\$5,082,852
2017 (to 12/31/17)	446	4,653	\$2,655,087

- 10. Bill Review Services:** An essential component of any successful workers' compensation cost containment program is bill review services. Bill review ensures that the fees for services submitted by medical providers comply with the State of California Fee Schedule for Workers' Compensation injuries. Diamond Bill Review, Inc. provides these services for the City of Berkeley.

During the first half of FY 2016, a total of 3,038 bills amounting to \$2,634,111 in billed charges were submitted for review and adjusted to the fee schedule and PPO discounts that resulted in a 61% net savings, or a total of \$1,618,508. During the same period in FY 2017, a total of 3,853 bills amounting to \$2,767,441 in charges were submitted for review and adjusted to the fee schedule and PPO discounts that resulted in a 58% net savings, or a total of \$1,592,612.

- 11. Nurse Case Management Program:** The City continues to utilize Nurse Case Management (NCM) services to encourage appropriate medical intervention, early return to work, increased physician communication, professional nurses and cost containment strategies. Utilizing NCM services reduces unnecessary medical treatment costs and delays, and provides medical advice to injured workers throughout the course of their claim. Because the nurses are licensed clinical professionals, they can provide medical advice to injured employees, facilitate medical treatment and offer realistic expectations for recovery. As of December 31, 2016, the City has no active NCM cases. However, Nurse Case Managers were assigned to four (4) cases during FY 2016 and FY 2017 that resulted in successful intervention.

- 12. Employer's Annual Fee Assessment:** Each Self-Insured Employer is assessed an annual fee by the State of California based upon the number of

open Indemnity claims, number of employees and wages paid at the end of each fiscal year. Annual fees paid by employers help cover the costs of the State's Workers' Compensation Program for each fiscal year after the employer's fees are paid to the State. The City's fee for FY 2016 was \$153,759 based upon 336 open Indemnity claims at the end of FY 2015, and \$156,340 for FY 2017 based upon 364 open Indemnity claims at the end of FY 2016, combined with the number of employees and wages at the end of each Fiscal Year.

13. **Excess Insurance Recoveries:** As of December 31, 2016, \$121,840.28 was successfully recovered by ICS from the City's Excess Carrier for 10 claims covered by Excess Insurance. Of note, the Excess Carrier previously utilized by the City has made it increasingly difficult, repeatedly thwarting efforts to reimburse the City for costs of claims that exceeded the retention level set forth by the Excess Insurance contract. It has taken ICS hundreds of hours of work, systematically researching and reconstructing very old claims with voluminous medical records in an effort to assist the City to force the Excess Insurance Carrier to reimburse the City for costs above retention levels. ICS should be commended for the work they have done on this matter by recovering more than \$1,132,102 in FY 2016 and the first half of FY 2017 with further anticipated recoveries in the remainder of FY 2017. It is important to note that recovery of Excess Insurance money is not part of a Third Party Administrator's contract requirements.
14. **Pharmacy Benefit Management Program (PBMP):** In an effort to reduce pharmacy costs for the City's Program, ICS recommended and the City implemented a PBMP in FY 2016 to offer generic drugs to Injured Workers as an alternative to name brand drugs. We do not yet have sufficient data to determine whether this program is successful; however, staff will provide Council with an assessment in the subsequent Report on Workers' Compensation.

Summary of the City's Workers' Compensation Program as of 12/31/16

- The total number of Indemnity Claims with a date of injury in the 1st half of FY 2017 compared to the 2nd half of FY 2016 decreased from 56 in the 2nd half of FY 2016 to 39 in the 1st half of FY 2017. All employees (both Fire and Police Sworn show a reduction of six (6) Indemnity Claims; and Non-Sworn show a reduction of five (5) claims). Attachment 1 (Appendix I); Attachment 7 (Chart 1).
- The total number of Medical Only claims with a date of injury in the 1st half of FY 2017 compared to the 2nd half of FY 2016 decreased by one (1) claim, from 51 in the 2nd half of FY 2016 to 50 in the 1st half of FY 2017. We anticipate a continued downward trend in the number of claims from 102 in FY 2015 to 97 in FY 2016 and 50 as of December 31, 2016. Attachment 2 (Appendix II); Attachment 7 (Chart 2).

- Overall, the grand total number of Indemnity and Medical Only claims with a date of injury in the 1st half of FY 2017 compared to the 2nd half of FY 2016 decreased by 18 claims, from 107 in the 2nd half of FY 2016 to 89 in the 1st half of FY 2017. Attachment 3 (Appendix III); Attachment 7 (Chart 3).
- On a department-wide basis, the incidence of Workers' Compensation Claims decreased from FY 2015 to FY 2016 in four (4) departments (Auditor a reduction of 1; City Manager a reduction of 7; Library a reduction of 2; and Police a reduction of 16). Five departments incurred increases, including Finance; Fire; Health, Housing and Community Services; Parks, Recreation and Waterfront; and Public Works. See Attachment 4 (Appendix IV). The Occupational Health and Safety Officer and Safety Specialist continue to conduct targeted safety trainings in all major departments in an effort to prevent and/or reduce the severity of future injuries.
- Cost per claim information for all units is subject to great fluctuations based on the nature of the underlying injury and maturity of the claim. As claims mature, they can migrate from Medical Only to Indemnity, depending upon the type and severity of the injury and related medical costs. Although the Indemnity cost per claim for all units decreased substantially in the 1st half of FY 2017 as compared to the same period in FY 2016 (\$24,358 in the 1st half of FY 2016 compared to \$12,643 in the 1st half of FY 2017), these numbers do not reflect the true potential cost of the claims. Ultimately, as referenced above, the true cost of any claim will depend upon the severity of the injury. See Attachment 5 (Appendix V); Attachment 7 (Chart 4).
- As noted above, costs for claims filed in prior years continue to contribute substantially to the overall cost of the City's Program. Although we see an increase in costs for the first half of FY 2017, (\$2,655,087 compared to \$2,396,755 for the same period in FY 2016), when viewed on a fiscal year basis, the City has experienced a reduction, from a high of \$6,055,515 in FY 2013 to \$5,082,852 in FY 2016). See Attachment 6 (Appendix VI).
- On a bi-annual basis, ICS provides the City with comparative statistical analysis of the City's Program. This information is summarized in Attachment 8.

BACKGROUND

Since 2004, the Human Resources Department reports to Council on the City's Program and costs. This has allowed Human Resources Department staff to examine and evaluate work procedures and practices with the goal of improving the effectiveness and efficiency of the Program. For this period, the various approaches taken in injury prevention, claims management, and employee responsibility, contributed to a drop in both City lost time and incidence of injury. However, the continued increased health care and related services costs contribute significantly to overall workers' compensation costs.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

This report responds to Council request for discussion.

ALTERNATIVE ACTION CONSIDERED

None

CONTACT PERSON

Margarita Zamora, Employee Relations Manager, Human Resources, 981-6821
Marge Ann Vrooman, Workers' Compensation Analyst, Human Resources, 981-6816

Attachments:

- 1: Appendix I - Indemnity Claims Activity
- 2: Appendix II – Medical Only Claims Activity
- 3: Appendix III – Grand Total of Indemnity and Medical Only Claim Activity
- 4: Appendix IV – Year to Year Claim Activity by Department
- 5: Appendix V – Cost per Claim
- 6: Appendix VI – Current Year's Expenses from Prior Year Claims
- 7: Chart 1 – Indemnity Claims
Chart 2 – Medical Only Claims
Chart 3 – Grand Total Indemnity and Medical Only Claims
Chart 4 – Indemnity – Cost/Claim
- 8: Innovative Claim Solutions (ICS) Comparative Data

Appendix I
Indemnity Claims Activity
As of December 31, 2016

Indemnity Claims are Workers' Compensation claims with exposure beyond medical treatment. Indemnity claims exposure includes cost associated with lost time, litigation or permanent disability. The tables below identify the number of Indemnity claims with a date of injury over the past five (5) fiscal years. The data is first summarized for all City Indemnity claims, followed by Safety and Non-Safety Employees.

There are approximately 127 Sworn Fire Employees with approximately 13 Non-Sworn Clerical and Administrative Staff in the Fire Department. There are 181 Sworn Police Employees, with 99 Police Department positions with classifications such as Parking Enforcement Officer, Community Service Officer and Public Safety Dispatcher, as well as other Non-Sworn Clerical and Administrative Staff. There are a total of 1,495 Full-Time Equivalent (FTE) budgeted, but not necessarily filled positions, of which 421 positions are for Sworn Employees and 1,073 are Non-Sworn FTE positions.

Indemnity Claims / Total for All Employees			
Fiscal Year	1 st Half FY	2 nd Half FY	Total FY
2013	60	48	108
2014	48	47	95
2015	57	41	98
2016	48	56	104
2017	39		39

Indemnity Claims Filed by Sworn <i>Fire</i> Employees (Units A & B)			
Fiscal Year	1 st Half FY	2 nd Half FY	Total FY
2013	12	8	20
2014	5	6	11
2015	17	14	31
2016	13	16	29
2017	10		10

Indemnity Claims Filed by Sworn <i>Police</i> Employees (Units E & F)			
Fiscal Year	1 st Half FY	2 nd Half FY	Total FY
2013	11	11	22
2014	11	17	28
2015	21	10	31
2016	14	17	31
2017	11		11

Indemnity Claims Filed by <i>Non-Sworn</i> Employees			
Fiscal Year	1 st Half FY	2 nd Half FY	Total FY
2013	37	29	66
2014	32	24	56
2015	19	17	36
2016	21	23	44
2017	18		18

Appendix II
Medical Only Claims Activity
 As of December 31, 2016

Medical Only Claims are claims that require medical treatment, but do not incur any lost time, litigation or permanent disability, and therefore the severity of injury is lower. The table below shows the number of Medical Only claims with a date of injury over the past five (5) fiscal years, broken out by Sworn Fire, Sworn Police, Non-Sworn employees and all employees combined, with a Grand Total for Medical Only claims.

Medical Only Claims / Total for All Employees			
Fiscal Year	1 st Half FY	2 nd Half FY	Total FY
2013	40	60	100
2014	47	43	90
2015	65	37	102
2016	46	51	97
2017	50		50

Medical Only Claims Filed by Sworn <i>Fire</i> Employees (Units A & B)			
Fiscal Year	1 st Half FY	2 nd Half FY	Total FY
2013	7	7	14
2014	3	2	5
2015	11	2	13
2016	9	8	17
2017	9		9

Medical Only Claims Filed by Sworn <i>Police</i> Employees (Units E & F)			
Fiscal Year	1 st Half FY	2 nd Half FY	Total FY
2013	18	18	36
2014	10	12	22
2015	26	10	36
2016	11	13	24
2017	8		8

Medical Only Claims Filed by Non-Sworn Employees			
Fiscal Year	1 st Half FY	2 nd Half FY	Total FY
2013	15	35	50
2014	34	29	63
2015	28	25	53
2016	26	30	56
2017	33		33

Appendix III
Grand Total Indemnity and Medical Only Claims Activity
As of December 31, 2016

Fiscal Year	1st Half FY	2nd Half FY	Total FY
2013	100	108	208
2014	95	90	185
2015	122	78	200
2016	94	107	201
2017	89		89

Appendix IV
Claim Activity by Department

The table below shows the number of Indemnity claims and Medical Only claims with a date of injury in FY 2014, FY 2015 and FY 2016, organized by department.

Department	Fiscal Year 2014			Fiscal Year 2015			Fiscal Year 2016		
	Indemnity	Medical	Total	Indemnity	Medical	Total	Indemnity	Medical	Total
City Attorney	0	0	0	0	0	0	0	0	0
City Auditor	0	0	0	1	0	1	0	0	0
City Clerk	0	0	0	0	0	0	0	0	0
City Manager	4	1	5	4	4	8	0	1	1
Economic Development	0	0	0	0	0	0	0	0	0
Finance	1	2	3	0	0	0	2	0	2
Fire*	11	5	16	31	14	45	30	17	47
Health, Housing & Community Services	9	5	14	4	6	10	8	7	15
Human Resources	2	0	2	0	0	0	0	0	0
Information Technology	0	3	3	1	0	1	0	1	1
Library	2	2	4	3	1	4	1	1	2
Mayor and Council	0	0	0	0	0	0	0	0	0
Parks, Rec. & Waterfront	4	26	30	4	6	10	7	12	19
Planning	1	0	1	1	0	1	1	0	1
Police*	36	26	62	35	45	80	34	30	64
Police Review Comm.	1	0	1	0	0	0	0	0	0
Public Works	24	20	44	14	26	40	21	28	49
Rent Board	0	0	0	0	0	0	0	0	0
Grand Total	95	90	185	98	102	200	104	97	201

*Includes Sworn and Non-Sworn employees.

Appendix V
Costs per Claim
As of December 31, 2016

The table below shows the costs associated with Indemnity claims with a date of injury in FY 2013 through FY 2017. The information is broken down by Sworn Fire employees, Sworn Police employees, Non-Sworn Employees and all employees for each fiscal year. The Indemnity claim cost may change over time if additional payments are made for additional services provided in future years, and Medical Only claims may convert to Indemnity claims over time, which is another reason the cost of claims may change.

Fire (Units A & B) Indemnity Claims/Cost				
Fiscal Year		1st Half FY	2nd Half FY	Total
2013	Total Claims	12	8	20
	Paid Total	\$195,459	\$76,797	272,255
	Reserves	\$0	\$0	0
	Incurred Total	\$195,459	\$76,797	272,255
	Cost per Claim	\$16,288	\$9,600	\$13,613
2014	Total Claims	5	6	11
	Paid Total	\$141,555	\$45,701	187,256
	Reserves	\$45,393	\$26,639	72,032
	Incurred Total	\$186,948	\$72,340	259,289
	Cost per Claim	\$37,390	\$12,057	\$23,572
2015	Total Claims	17	14	31
	Paid Total	\$631,642	\$273,212	904,854
	Reserves	\$289,082	\$238,087	527,169
	Incurred Total	\$920,724	\$511,299	1,432,023
	Cost per Claim	\$54,160	\$36,521	\$46,194
2016	Total Claims	13	16	29
	Paid Total	\$145,305	\$246,928	392,233
	Reserves	\$82,873	\$158,274	241,148
	Incurred Total	\$228,178	\$405,202	633,380
	Cost per Claim	\$17,552	\$25,325	\$21,841
2017	Total Claims	10		10
	Paid Total	\$121,009		121,009
	Reserves	\$143,124		143,124
	Incurred Total	\$264,133		264,133
	Cost per Claim	\$26,413		\$26,413

Police (Units E & F) Indemnity Claims/Cost				
Fiscal Year		1st Half		Total
		FY	2nd Half FY	
2013	Total Claims	11	11	22
	Paid Total	\$371,282	\$392,255	763,537
	Reserves	\$103,527	\$174,549	278,077
	Incurred Total	\$474,809	\$566,805	1,041,613
	Cost per Claim	\$43,164	\$51,528	\$47,346
2014	Total Claims	11	17	28
	Paid Total	\$90,535	\$351,043	441,578
	Reserves	\$13,240	\$66,151	79,391
	Incurred Total	\$103,775	\$417,194	520,969
	Cost per Claim	\$9,434	\$24,541	\$18,606
2015	Total Claims	21	10	31
	Paid Total	\$320,192	\$106,573	426,765
	Reserves	\$226,018	\$161,501	387,520
	Incurred Total	\$546,210	\$268,075	814,285
	Cost per Claim	\$26,010	\$26,807	\$26,267
2016	Total Claims	14	17	31
	Paid Total	\$225,283	\$237,015	462,298
	Reserves	\$199,338	\$299,367	498,705
	Incurred Total	\$424,621	\$536,382	961,003
	Cost per Claim	\$30,330	\$31,552	\$31,000
2017	Total Claims	11		11
	Paid Total	\$55,369		55,369
	Reserves	\$65,071		65,071
	Incurred Total	\$120,440		120,440
	Cost per Claim	\$10,949		\$10,949

Non-Safety (Non-Sworn) Employees Indemnity Claims/Cost				
Fiscal Year		1st Half FY	2nd Half FY	Total
2013	Total Claims	37	29	66
	Paid Total	\$1,033,810	\$744,348	1,778,157
	Reserves	\$326,962	\$273,612	600,574
	Incurred Total	\$1,360,772	\$1,017,959	2,378,731
	Cost per Claim	\$36,778	\$35,102	\$36,041
2014	Total Claims	32	24	56
	Paid Total	\$785,643	\$637,522	1,423,165
	Reserves	\$172,345	\$319,017	491,362
	Incurred Total	\$957,989	\$956,539	1,914,527
	Cost per Claim	\$29,937	\$39,856	\$34,188
2015	Total Claims	19	17	36
	Paid Total	\$627,933	\$267,447	895,379
	Reserves	\$356,830	\$218,093	574,923
	Incurred Total	\$984,762	\$485,540	1,470,302
	Cost per Claim	\$51,830	\$28,561	\$40,842
2016	Total Claims	21	23	44
	Paid Total	\$161,187	\$257,116	418,303
	Reserves	\$257,602	\$791,431	1,049,033
	Incurred Total	\$418,789	\$1,048,547	1,467,336
	Cost per Claim	\$19,942	\$45,589	\$33,349
2017	Total Claims	18		18
	Paid Total	\$32,059		32,059
	Reserves	\$143,158		143,158
	Incurred Total	\$175,217		175,217
	Cost per Claim	\$9,734		\$9,734

Grand Total Indemnity Claims/Cost Incurred for All Employees				
Fiscal Year		1st Half FY	2nd Half FY	Total
2013	Total Claims	60	48	108
	Paid Total	\$1,600,550	\$1,213,399	2,813,950
	Reserves	\$430,489	\$448,161	878,651
	Incurred Total	\$2,031,040	\$1,661,561	3,692,600
	Cost per Claim	\$33,851	\$34,616	\$34,191
2014	Total Claims	48	47	95
	Paid Total	\$1,017,733	\$1,034,266	2,051,999
	Reserves	\$230,979	\$411,807	642,785
	Incurred Total	\$1,248,712	\$1,446,073	2,694,785
	Cost per Claim	\$26,015	\$30,768	\$28,366
2015	Total Claims	57	41	98
	Paid Total	\$1,579,766	\$647,232	2,226,998
	Reserves	\$871,930	\$617,681	1,489,612
	Incurred Total	\$2,451,696	\$1,264,913	3,716,610
	Cost per Claim	\$43,012	\$30,852	\$37,925
2016	Total Claims	48	56	104
	Paid Total	\$531,775	\$741,059	1,272,834
	Reserves	\$539,814	\$1,249,072	1,788,886
	Incurred Total	\$1,071,588	\$1,990,131	3,061,719
	Cost per Claim	\$22,325	\$35,538	\$29,440
2017	Total Claims	39		39
	Paid Total	\$208,437		208,437
	Reserves	\$351,353		351,353
	Incurred Total	\$559,790		559,790
	Cost per Claim	\$14,354		\$14,354

Fire (Unit A & B) Medical Only Claims/Cost				
Fiscal Year		1st Half FY	2nd Half FY	Total
2013	Total Claims	7	7	14
	Paid Total	\$2,408	\$3,090	\$5,498
	Reserves	\$0	\$0	\$0
	Incurred Total	\$2,408	\$3,090	\$5,498
	Cost per Claim	\$344	\$441	\$393
2014	Total Claims	3	2	5
	Paid Total	\$2,302	\$2,784	\$5,086
	Reserves	\$0	\$0	\$0
	Incurred Total	\$2,302	\$2,784	\$5,086
	Cost per Claim	\$767	\$1,392	\$1,017
2015	Total Claims	11	2	13
	Paid Total	\$3,191	\$916	\$4,107
	Reserves	\$0	\$0	\$0
	Incurred Total	\$3,191	\$916	\$4,107
	Cost per Claim	\$290	\$458	\$316
2016	Total Claims	9	8	17
	Paid Total	\$5,342	\$3,963	\$9,305
	Reserves	\$688	\$0	\$688
	Incurred Total	\$6,030	\$3,963	\$9,993
	Cost per Claim	\$670	\$495	\$588
2017	Total Claims	9		9
	Paid Total	\$1,183		\$1,183
	Reserves	\$2,093		\$2,093
	Incurred Total	\$3,276		\$3,276
	Cost per Claim	\$364		\$364

Police (Units E & F) Medical Only Claims/Cost				
Fiscal Year		1st Half FY	2nd Half FY	Total
2013	Total Claims	18	18	36
	Paid Total	\$5,941	\$9,151	\$15,092
	Reserves	\$0	\$0	\$0
	Incurred Total	\$5,941	\$9,151	\$15,092
	Cost per Claim	\$330	\$508	\$419
2014	Total Claims	10	12	22
	Paid Total	\$4,412	\$11,967	\$16,379
	Reserves	\$0	\$0	\$0
	Incurred Total	\$4,412	\$11,967	\$16,379
	Cost per Claim	\$441	\$997	\$745
2015	Total Claims	26	10	36
	Paid Total	\$26,989	\$11,316	\$38,305
	Reserves	\$0	\$0	\$0
	Incurred Total	\$26,989	\$11,316	\$38,305
	Cost per Claim	\$1,038	\$1,132	\$1,064
2016	Total Claims	11	13	24
	Paid Total	\$10,901	\$13,272	\$24,173
	Reserves	\$0	\$0	\$0
	Incurred Total	\$10,901	\$13,272	\$24,173
	Cost per Claim	\$991	\$1,021	\$1,007
2017	Total Claims	8		8
	Paid Total	\$9,509		\$9,509
	Reserves	\$1,269		\$1,269
	Incurred Total	\$10,778		\$10,778
	Cost per Claim	\$1,347		\$1,347

Non-Safety Medical Only Claims/Cost				
Fiscal Year		1st Half FY	2nd Half FY	Total
2013	Total Claims	15	35	50
	Paid Total	\$13,106	\$28,526	\$41,632
	Reserves	\$0	\$11,979	\$11,979
	Incurred Total	\$13,106	\$40,505	\$53,611
	Cost per Claim	\$874	\$1,157	\$1,072
2014	Total Claims	34	29	63
	Paid Total	\$35,577	\$49,135	\$84,711
	Reserves	\$0	\$0	\$0
	Incurred Total	\$35,577	\$49,135	\$84,711
	Cost per Claim	\$1,046	\$1,694	\$1,345
2015	Total Claims	28	25	53
	Paid Total	\$46,043	\$19,934	\$65,977
	Reserves	\$0	\$0	\$0
	Incurred Total	\$46,043	\$19,934	\$65,977
	Cost per Claim	\$1,644	\$797	\$1,245
2016	Total Claims	26	30	56
	Paid Total	\$26,451	\$35,839	\$62,289
	Reserves	\$1,161	\$476	\$1,638
	Incurred Total	\$27,612	\$36,315	\$63,927
	Cost per Claim	\$1,062	\$1,210	\$1,142
2017	Total Claims	33		33
	Paid Total	\$26,805		\$26,805
	Reserves	\$10,977		\$10,977
	Incurred Total	\$37,782		\$37,782
	Cost per Claim	\$1,145		\$1,145

Grand Total Medical Only Claims/Costs Incurred for All Employees				
Fiscal Year		1st Half FY	2nd Half FY	Total
2013	Total Claims	40	60	100
	Paid Total	\$21,455	\$40,767	\$62,222
	Reserves	\$0	\$11,979	\$11,979
	Incurred Total	\$21,455	\$52,746	\$74,201
	Cost per Claim	\$536	\$879	\$742
2014	Total Claims	47	43	90
	Paid Total	\$42,291	\$63,885	\$106,177
	Reserves	\$0	\$0	\$0
	Incurred Total	\$42,291	\$63,885	\$106,177
	Cost per Claim	\$900	\$1,486	\$1,180
2015	Total Claims	65	37	102
	Paid Total	\$76,222	\$32,166	\$108,389
	Reserves	\$0	\$0	\$0
	Incurred Total	\$76,222	\$32,166	\$108,389
	Cost per Claim	\$1,173	\$869	\$1,063
2016	Total Claims	46	51	97
	Paid Total	\$42,693	\$53,074	\$95,767
	Reserves	\$1,849	\$476	\$2,326
	Incurred Total	\$44,543	\$53,550	\$98,092
	Cost per Claim	\$968	\$1,050	\$1,011
2017	Total Claims	50		50
	Paid Total	\$37,498		\$37,498
	Reserves	\$14,339		\$14,339
	Incurred Total	\$51,837		\$51,837
	Cost per Claim	\$1,037		\$1,037

Fire (Unit B) Grand Total Indemnity and Medical Only Claims/Cost				
Fiscal Year		1st Half FY	2nd Half FY	Total
2013	Total Claims	19	15	34
	Paid Total	\$197,867	\$79,887	\$277,754
	Reserves	\$0	\$0	\$0
	Incurred Total	\$197,867	\$79,887	\$277,754
	Cost per Claim	\$20,328	\$9,637	\$8,169
2014	Total Claims	8	8	16
	Paid Total	\$143,857	\$48,485	\$192,342
	Reserves	\$45,393	\$26,639	\$72,032
	Incurred Total	\$189,251	\$75,124	\$264,375
	Cost per Claim	\$28,677	\$18,781	\$16,523
2015	Total Claims	28	16	44
	Paid Total	\$634,833	\$274,128	\$908,961
	Reserves	\$289,082	\$238,087	\$527,169
	Incurred Total	\$923,915	\$512,215	\$1,436,130
	Cost per Claim	\$65,448	\$53,439	\$32,639
2016	Total Claims	22	24	46
	Paid Total	\$150,646	\$250,891	\$401,537
	Reserves	\$83,561	\$158,274	\$241,836
	Incurred Total	\$234,208	\$409,165	\$643,373
	Cost per Claim	\$21,142	\$33,700	\$13,986
2017	Total Claims	19		19
	Paid Total	\$122,192		\$122,192
	Reserves	\$145,217		\$145,217
	Incurred Total	\$267,409		\$267,409
	Cost per Claim	\$23,809		\$14,074

Police (Units E & F) Grand Total Indemnity and Medical Only Claims/Cost				
Fiscal Year		1st Half FY	2nd Half FY	Total
2013	Total Claims	29	29	58
	Paid Total	\$377,223	\$401,406	\$778,629
	Reserves	\$103,527	\$174,549	\$278,077
	Incurred Total	\$480,750	\$575,955	\$1,056,705
	Cost per Claim	\$40,371	\$45,131	\$18,219
2014	Total Claims	21	29	50
	Paid Total	\$94,947	\$363,010	\$457,958
	Reserves	\$13,240	\$66,151	\$79,391
	Incurred Total	\$108,187	\$429,161	\$537,348
	Cost per Claim	\$10,243	\$30,020	\$10,747
2015	Total Claims	47	20	67
	Paid Total	\$347,180	\$117,889	\$465,069
	Reserves	\$226,018	\$161,501	\$387,520
	Incurred Total	\$573,199	\$279,391	\$852,589
	Cost per Claim	\$25,770	\$29,461	\$12,725
2016	Total Claims	25	30	55
	Paid Total	\$236,184	\$250,287	\$486,471
	Reserves	\$199,338	\$299,367	\$498,705
	Incurred Total	\$435,522	\$549,654	\$985,176
	Cost per Claim	\$36,452	\$43,788	\$17,912
2017	Total Claims	19		19
	Paid Total	\$64,878		\$64,878
	Reserves	\$66,340		\$66,340
	Incurred Total	\$131,218		\$131,218
	Cost per Claim	\$14,156		\$6,906

Non-Safety Units Grand Total Indemnity and Medical Only Claims/Cost				
Fiscal Year		1st Half FY	2nd Half FY	Total
2013	Total Claims	52	64	116
	Paid Total	\$1,046,916	\$772,874	\$1,819,789
	Reserves	\$326,962	\$285,591	\$612,553
	Incurred Total	\$1,373,878	\$1,058,465	\$2,432,343
	Cost per Claim	\$53,428	\$33,130	\$20,968
2014	Total Claims	66	53	119
	Paid Total	\$821,220	\$686,656	\$1,507,876
	Reserves	\$172,345	\$319,017	\$491,362
	Incurred Total	\$993,565	\$1,005,673	\$1,999,238
	Cost per Claim	\$28,406	\$38,163	\$16,800
2015	Total Claims	47	42	89
	Paid Total	\$673,975	\$287,381	\$961,356
	Reserves	\$356,830	\$218,093	\$574,923
	Incurred Total	\$1,030,805	\$505,474	\$1,536,279
	Cost per Claim	\$45,266	\$24,553	\$17,262
2016	Total Claims	47	53	100
	Paid Total	\$187,638	\$292,955	\$480,592
	Reserves	\$258,764	\$791,907	\$1,050,670
	Incurred Total	\$446,401	\$1,084,862	\$1,531,263
	Cost per Claim	\$19,935	\$39,448	\$15,313
2017	Total Claims	51		51
	Paid Total	\$58,864		\$58,864
	Reserves	\$154,135		\$154,135
	Incurred Total	\$213,000		\$213,000
	Cost per Claim	\$7,676		\$4,176

Grand Total Indemnity and Medical Only Claims/Cost Incurred for All Employees				
Fiscal Year		1st Half FY	2nd Half FY	Total
2013	Total Claims	100	108	208
	Paid Total	\$1,622,005	\$1,254,167	\$2,876,172
	Reserves	\$430,489	\$460,140	\$890,630
	Incurred Total	\$2,052,495	\$1,714,307	\$3,766,802
	Cost per Claim	\$41,318	\$31,654	\$18,110
2014	Total Claims	95	90	185
	Paid Total	\$1,060,025	\$1,098,151	\$2,158,176
	Reserves	\$230,979	\$411,807	\$642,785
	Incurred Total	\$1,291,003	\$1,509,958	\$2,800,961
	Cost per Claim	\$25,191	\$33,824	\$15,140
2015	Total Claims	122	78	200
	Paid Total	\$1,655,989	\$679,398	\$2,335,387
	Reserves	\$871,930	\$617,681	\$1,489,612
	Incurred Total	\$2,527,919	\$1,297,079	\$3,824,998
	Cost per Claim	\$41,337	\$32,805	\$19,125
2016	Total Claims	94	107	201
	Paid Total	\$574,468	\$794,133	\$1,368,601
	Reserves	\$541,663	\$1,249,548	\$1,791,211
	Incurred Total	\$1,116,131	\$2,043,681	\$3,159,812
	Cost per Claim	\$24,358	\$39,692	\$15,720
2017	Total Claims	89		89
	Paid Total	\$245,935		\$245,935
	Reserves	\$365,692		\$365,692
	Incurred Total	\$611,627		\$611,627
	Cost per Claim	\$12,643		\$6,872

Appendix VI
As of December 31, 2016

As previously reported to the Council, the number of claims filed, particularly Indemnity claims, continue to incur a high level of expense for injuries that occurred in prior years. These expenses include, but are not limited to payments for medical treatment, such as physical therapy, medication and rehabilitation, as well as Temporary Disability for lost time. Also, permanent Disability awards and litigation expenses to adjudicate a claim, are included in the Indemnity costs of a claim. The table below shows Workers' Compensation Payments made by Innovative Claim Solutions over the past five (5) fiscal years by date of entry. This table does not include expenses for the City's 365 Day Salary Continuation Benefit paid by the City's Auditors for time off work and to attend medical appointments, which are in addition to Temporary Disability Payments mandated by the State of California.

Fiscal Year of Reported Injury	Amount Paid on Claims in Fiscal 2013	Amount Paid on Claims in Fiscal 2014	Amount Paid on Claims in Fiscal 2015	Amount Paid on Claims in Fiscal 2016	Amount Paid on Claims in Fiscal 2017 (to 12/31/16)
# of Claims Paid	690	640	594	575	446
1950 to 1979	\$18,058	\$15,653	\$18,663	\$19,387	\$8,510
1980 to 1989	\$9,978	\$17,358	\$113,783	\$23,876	\$16,291
1990 to 1999	\$523,082	\$619,803	\$591,906	\$460,378	\$232,328
2000	\$114,349	\$38,952	\$21,494	\$16,970	\$21,416
2001	\$260,377	\$128,175	\$58,645	\$62,625	\$25,383
2002	\$166,810	\$78,180	\$47,765	\$142,630	\$75,409
2003	\$139,891	\$62,998	\$59,142	\$226,106	-\$21,049
2004	\$208,883	\$91,176	\$112,018	\$128,615	\$55,127
2005	\$467,663	\$68,651	\$18,208	\$23,221	\$29,202
2006	\$200,798	\$78,551	\$52,823	\$55,832	\$23,403
2007	\$54,145	\$51,151	\$25,965	\$47,633	\$12,468
2008	\$357,607	\$154,809	\$198,785	\$62,476	\$63,634
2009	\$345,710	\$197,517	\$400,563	\$139,145	\$253,194
2010	\$353,244	\$243,994	\$156,618	\$178,277	\$49,183
2011	\$649,981	\$409,110	\$440,985	\$366,914	\$110,649
2012	\$1,453,512	\$952,740	\$453,653	\$346,474	\$168,453
2013	\$742,427	\$1,009,918	\$497,914	\$466,357	\$145,291
2014	\$0	\$747,579	\$864,393	\$446,773	\$101,391
2015	\$0	\$0	\$795,907	\$1,121,373	\$418,057
2016	\$0	\$0	\$0	\$747,789	\$620,811
2017	\$0	\$0	\$0	\$0	\$245,935
Total Amount Paid on Claims	\$6,055,515	\$4,966,315	\$4,929,238	\$5,082,852	\$2,655,087

Chart 1
Indemnity Claims as of 12-31-16

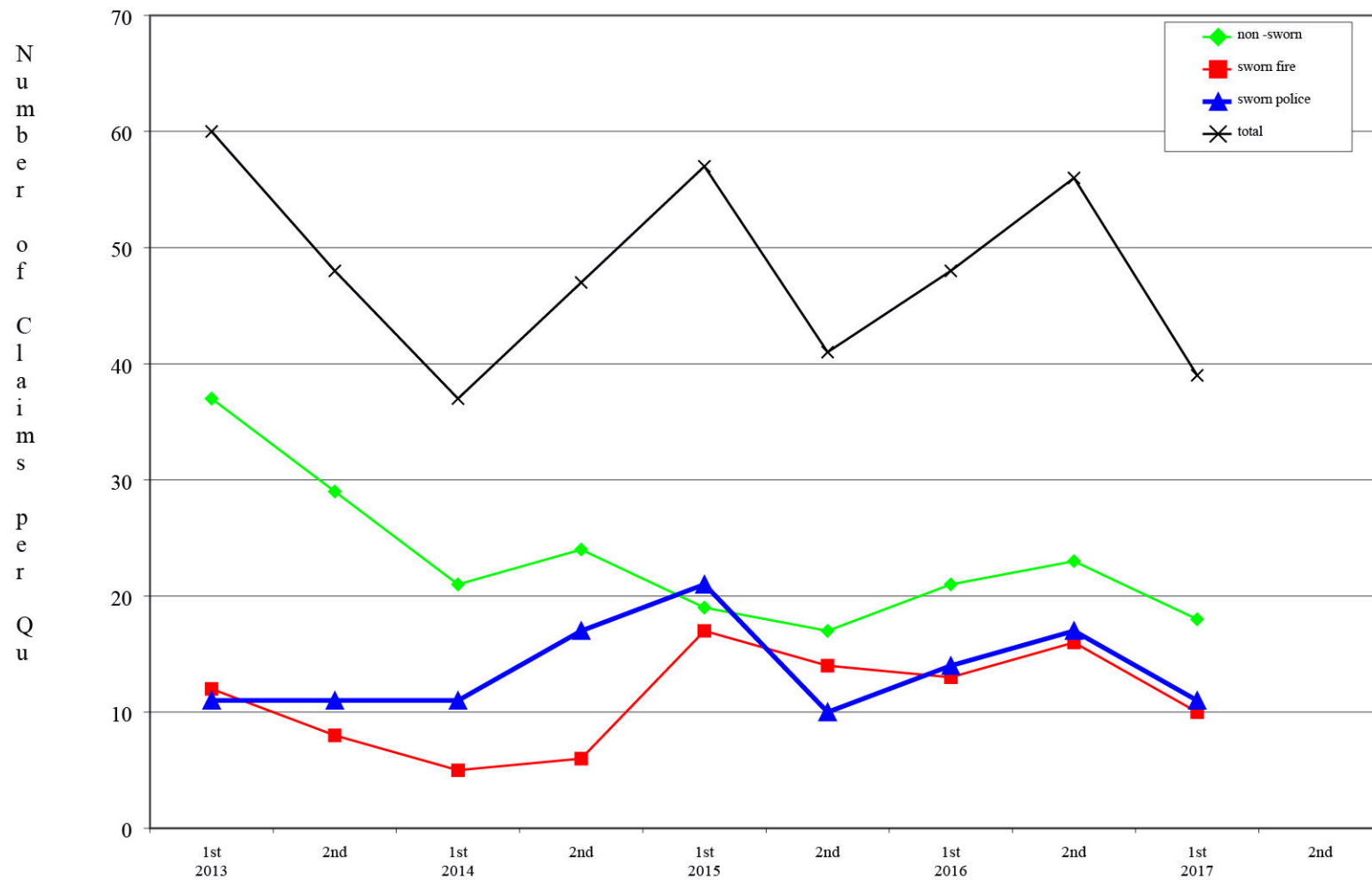


Chart 2
Medical Only Claims as of 12-31-16

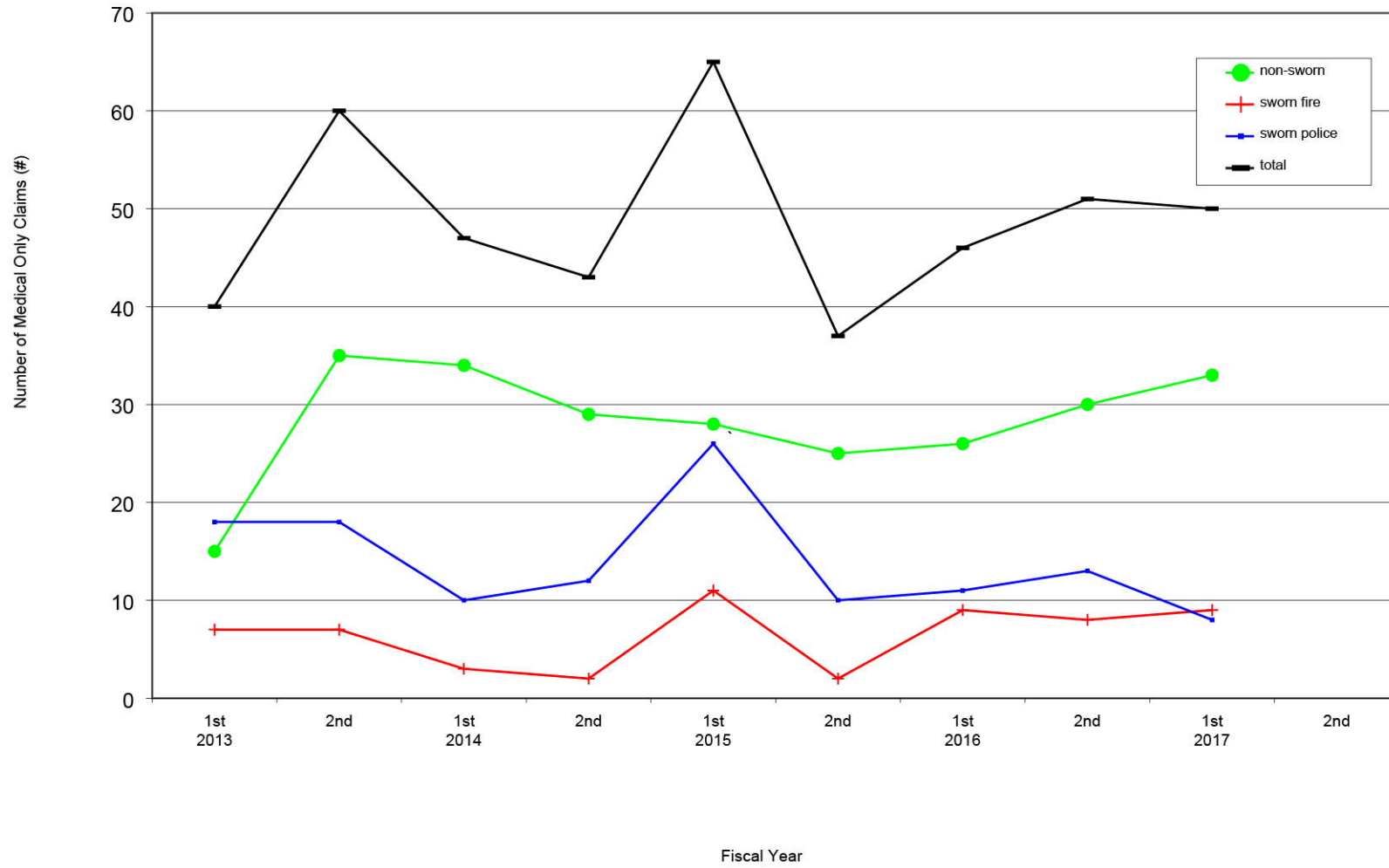


Chart 3
Grand Total Indemnity and Medical Only Claims as of 12-31-16

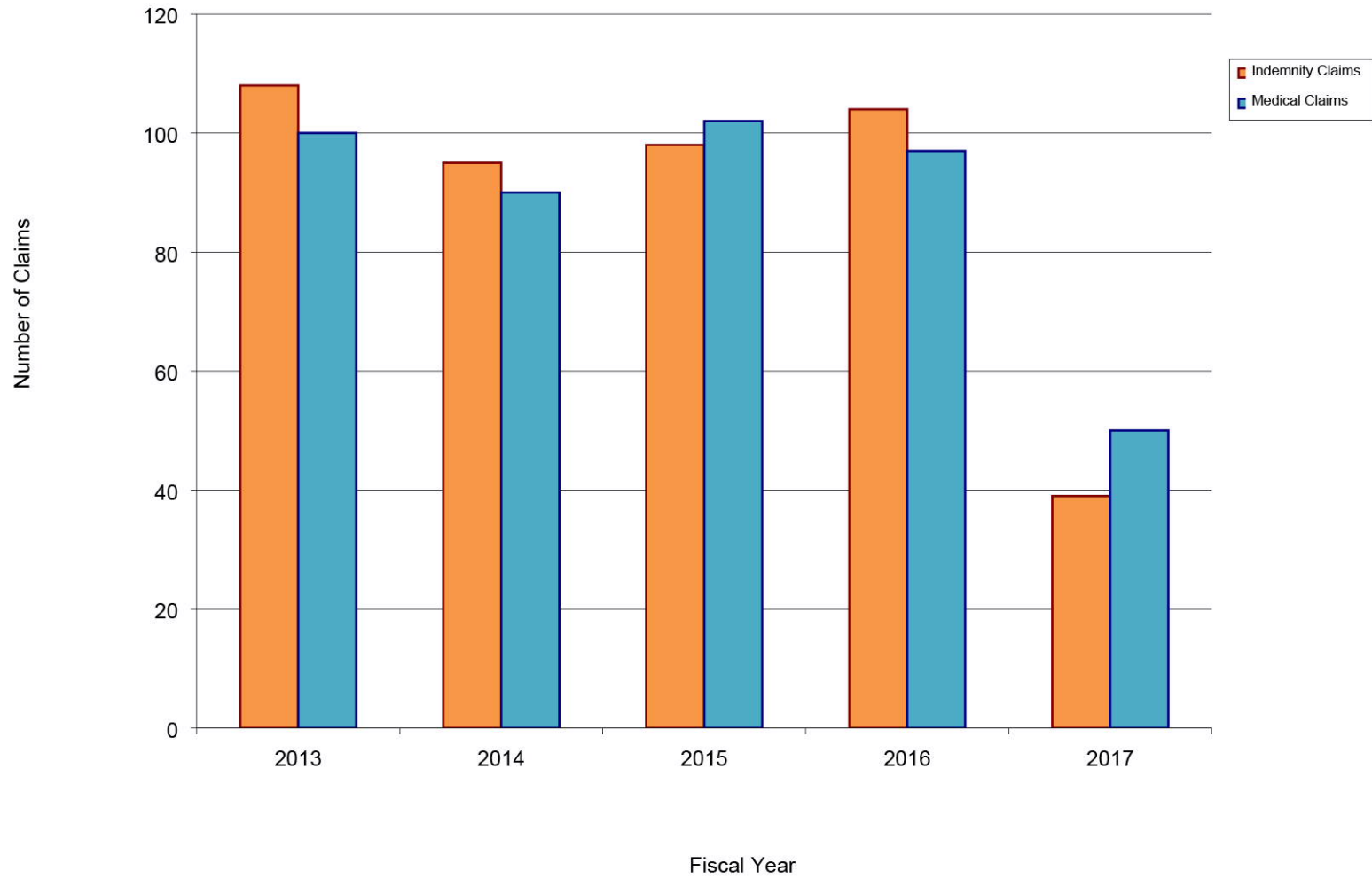
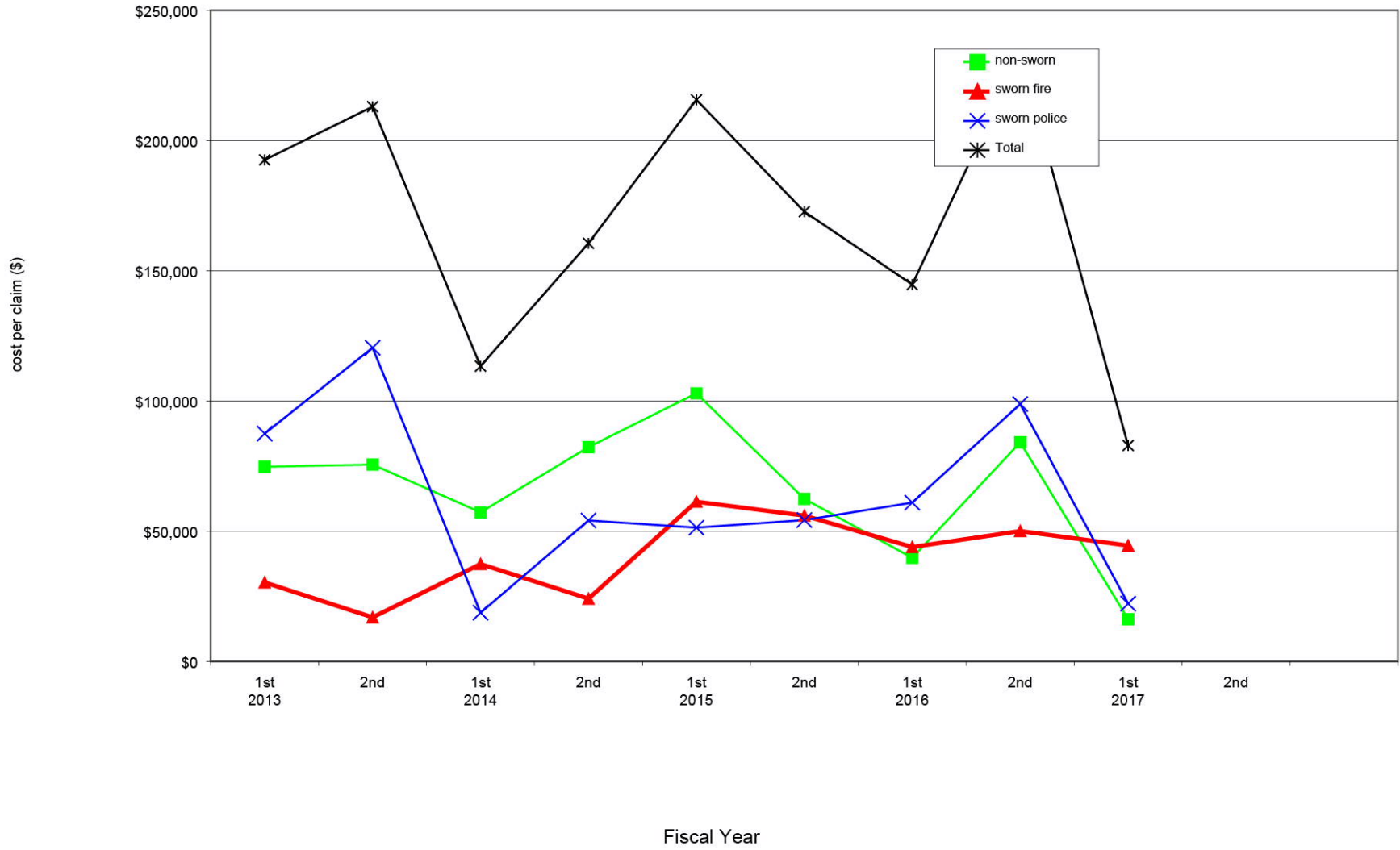


Chart 4
Indemnity - Cost/Claim as of 12-31-16



Innovative Claim Solutions (ICS) Comparative Data**Comparative Payment Analysis – All Claims**

The following chart depicts a comparison of total benefits paid for all claims by pay type for July 1st through December 31st of FY 2016 compared to FY 2017. There was an increase in all categories for medical expenses except hospital payments, which is consistent with the rising costs of health care. Although there was a 331% increase in C & R Indemnity Payments, C & R Settlements for the City of Berkeley, these payments completely dispose of the claim and end the City's obligation to pay future medical, legal, indemnity and other associated claim payments.

Amount paid in Six Months	7/1/15 - 12/31/15	7/1/16 - 12/31/16	Absolute Change	Percent Change
Temporary Disability / 4850 Paid	\$630,401	\$732,475	\$102,074	16%
Permanent Disability	\$478,808	\$435,150	-\$43,657	-9%
C & R Indemnity	\$23,009	\$67,870	\$44,861	195%
C & R Medical	\$25,041	\$108,000	\$82,959	331%
Hospital Paid	\$281,665	\$230,341	-\$51,324	-18%
Doctor Paid	\$205,846	\$270,745	\$64,899	32%
Pharmacy Paid	\$168,441	\$531,805	\$72,702	16%
All other Medical Paid	\$290,663	\$5,000	\$5,000	100%
Defense Attorney Paid	\$128,732	\$88,865	-\$39,867	-31%
Other Legal Paid	\$164,150	\$184,835	\$20,686	13%
Total Paid:	\$2,396,755	\$2,655,087	\$258,332	11%

Temporary Disability/Labor Code (LC) 4850 Benefits Paid – FY 2017

Fire and Police Sworn employees receive benefits under the California Labor Code (LC) Section 4850 (also known as 4850 Time or Benefits). LC 4850 provides up to one (1) year of full salary payments, without tax deduction, for police officers, firefighters and other safety personnel when temporarily totally disabled due to an industrial injury.

The chart below depicts all LC 4850 Benefits paid to Sworn Fire and Sworn Police employees, Temporary Disability Benefits paid to Non-Sworn employees and Sworn employees who exhausted their one (1) year of 4850 benefits but were still off work for their injury in the first half of FY 2016 compared to the first half of FY2017. (Does not include City Salary Continuation payments).

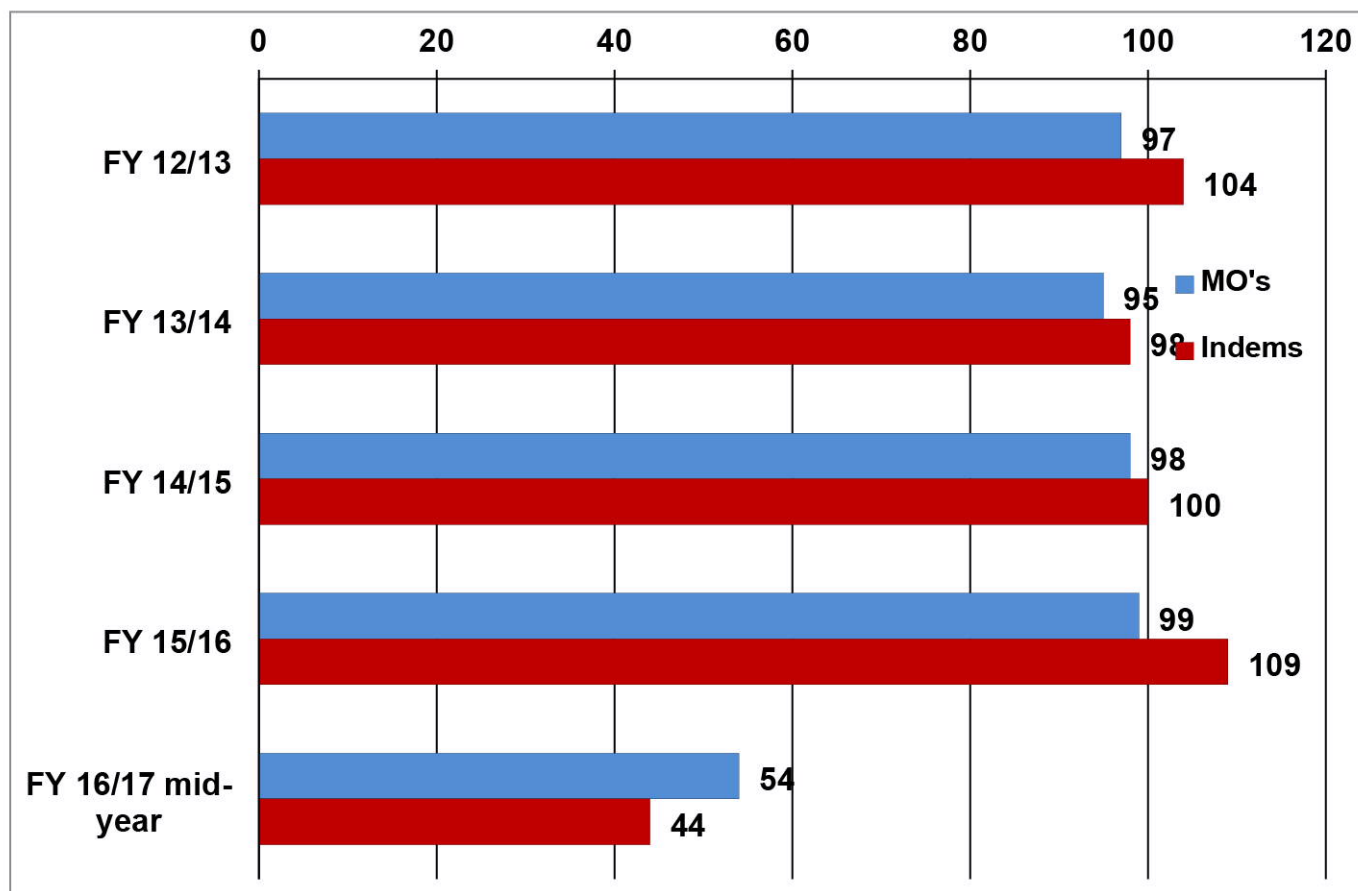
Department	Paid 7/1/15 – 12/31/15	Paid 7/1/16 – 12/31/16	Difference
CITY MANAGER	\$40,530	\$16,494	-\$24,037
FINANCE	\$0	\$1,844	\$1,844
FIRE	\$231,144	\$278,101	\$46,956
HHCS	\$8,995	\$0	-\$8,995
HOUSING	\$0	\$322	\$322
LIBRARY	\$588	\$5,328	\$4,741
PARKS & WATERFRONT	\$22,923	\$2,792	-\$20,130
POLICE	\$237,918	\$265,123	\$27,205
PUBLIC WORKS	\$86,309	\$162,469	\$76,161
RENT BOARD	\$1,993	\$0	-\$1,993
Net Total Paid	\$630,401	\$732,475	\$102,074

Claims by Date Entered

The data below reflects the number of Indemnity and Medical Only claims by fiscal year for FY 2013 through mid-year FY 2017 based upon the date they were entered into the ICS System, as opposed to the date of injury. The number of claims for each fiscal year may change by date entered because an employee has up to one year from the date they “know” about the injury to file a claim.

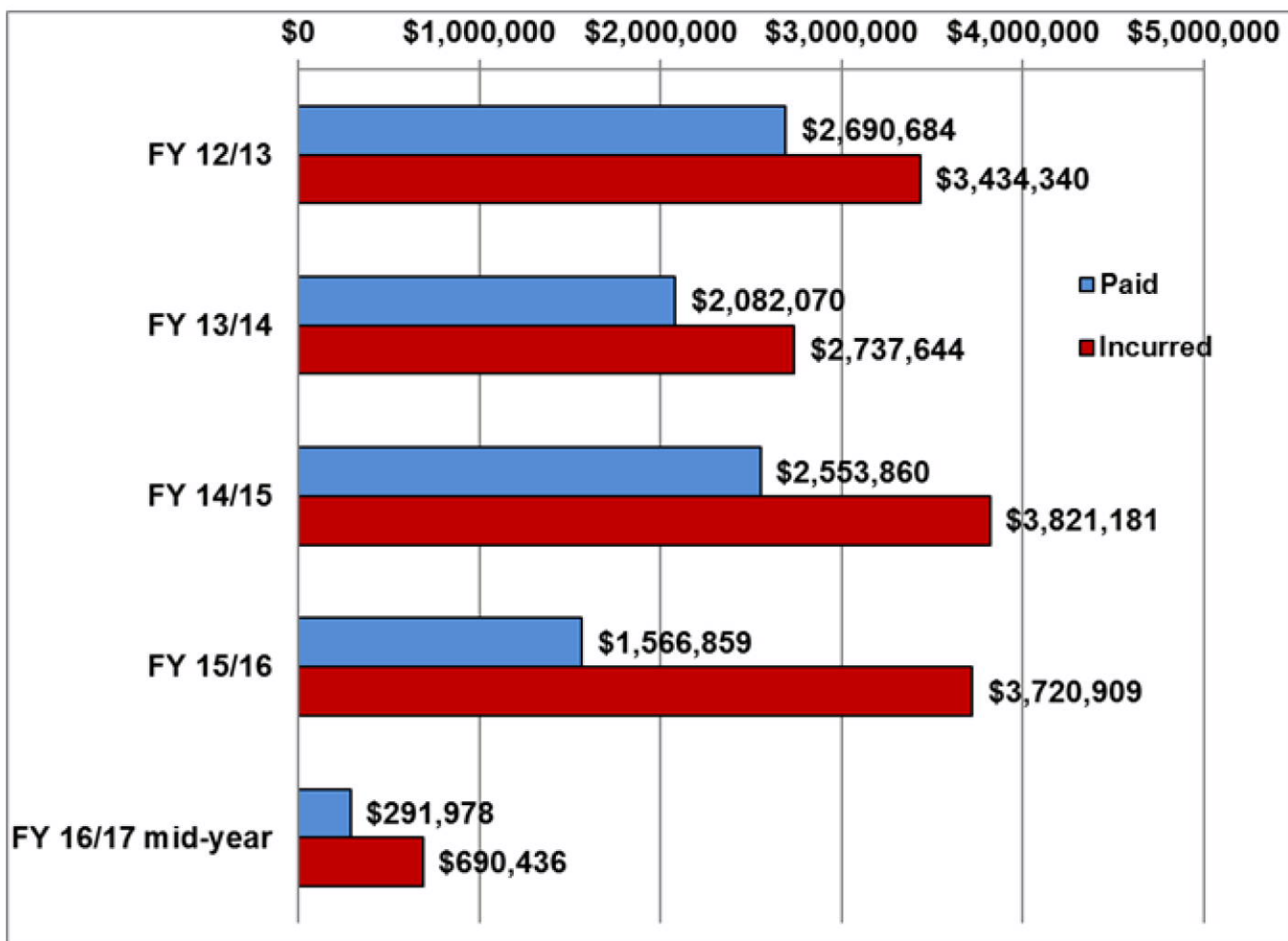
Fiscal Year Entered	Medical Only	Indemnity	Total
FY 12/13	97	104	201
FY 13/14	95	98	193
FY 14/15	98	100	198
FY 15/16	99	109	208
FY 16/17 mid-year	54	44	98

The following graphs depict claims entered from July 1st through December 31st of each fiscal year, from FY 2013 to FY 2017. The number of claims entered will differ from the number of claims by date of injury for each fiscal year because as noted above, an employee may report an injury up to one year from the date they have knowledge of the injury.



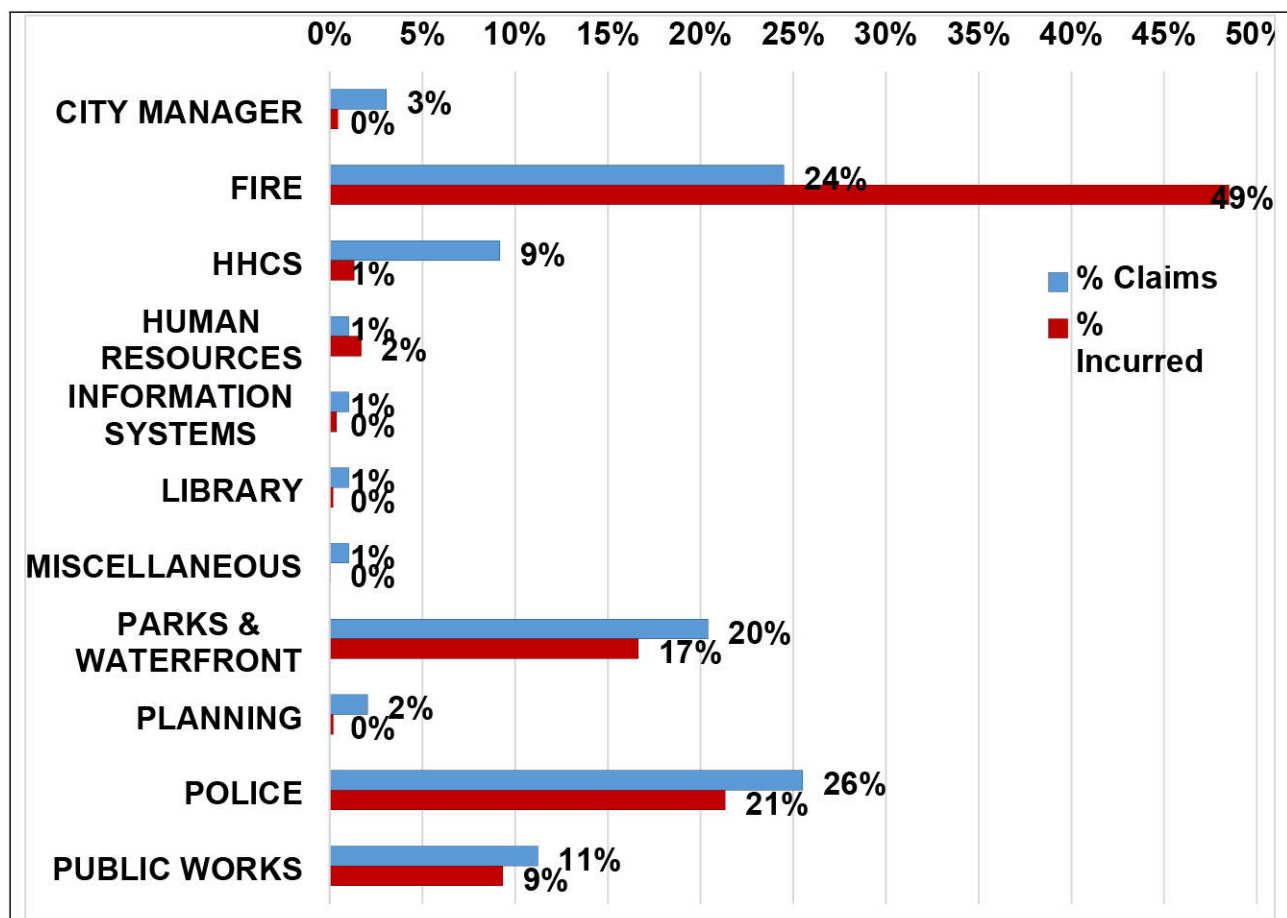
Total Paid and Incurred* - FY 2017 (through December 31, 2016)

Fiscal year entered	Paid	Estimated Future Liability	Incurred
FY 12/13	\$2,690,684	\$743,656	\$3,434,340
FY 13/14	\$2,082,070	\$655,574	\$2,737,644
FY 14/15	\$2,553,860	\$1,267,321	\$3,821,181
FY 15/16	\$1,566,859	\$2,154,050	\$3,720,909
FY 16/17 mid-year	\$291,978	\$398,458	\$690,436



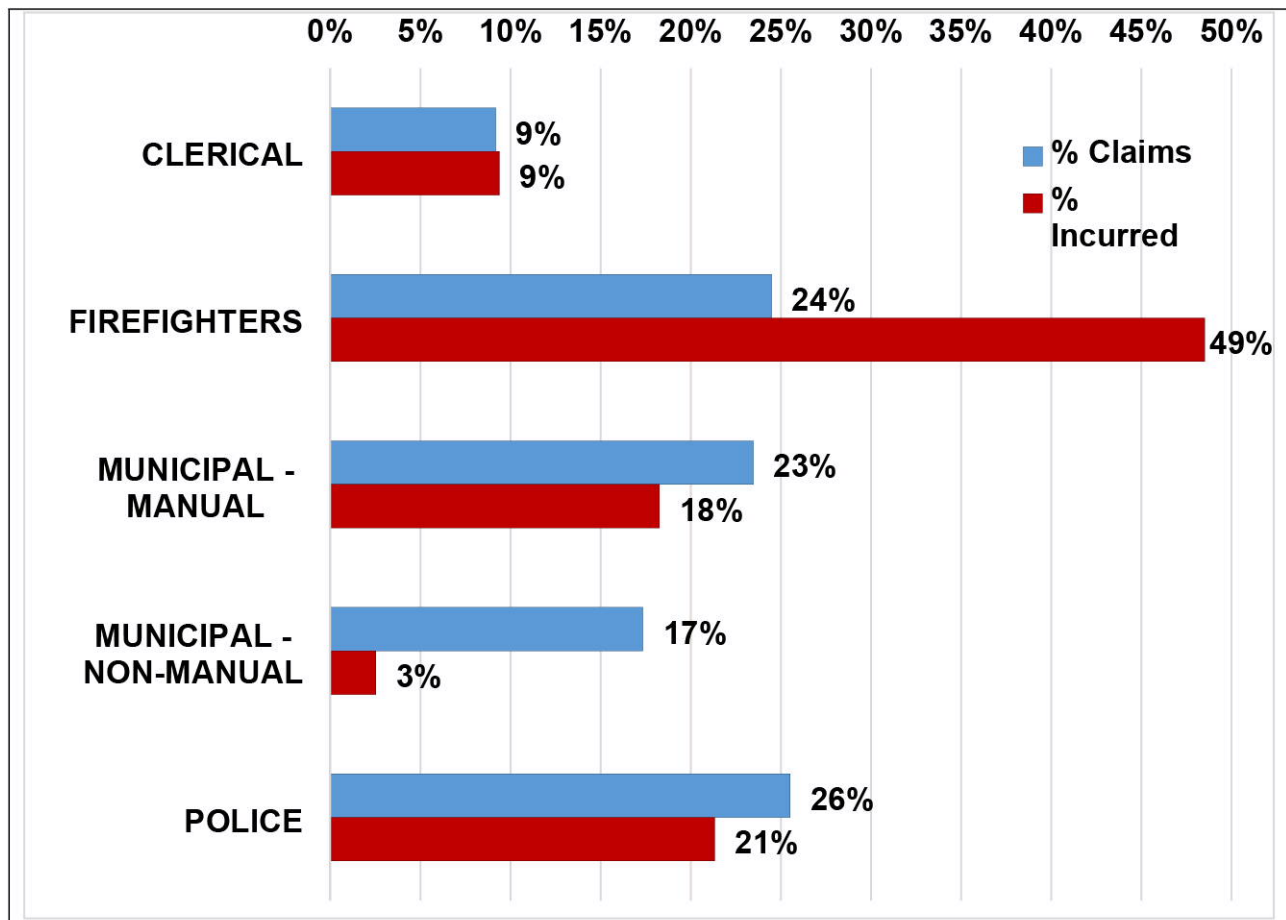
Claim Frequency by Department – FY 2017 (through December 31, 2016)

Department	Claims	% Claims	Incurred	% Incurred
CITY MANAGER	3	3%	\$2,997.56	0%
FIRE	24	24%	\$334,875.16	49%
HHCS	9	9%	\$9,013.18	1%
HUMAN RESOURCES	1	1%	\$11,706.86	2%
INFORMATION SYSTEMS	1	1%	\$2,557.27	0%
LIBRARY	1	1%	\$1,200.00	0%
MISCELLANEOUS	1	1%	\$185.39	0%
PARKS & WATERFRONT	20	20%	\$114,948.40	17%
PLANNING	2	2%	\$1,259.20	0%
POLICE	25	26%	\$147,227.32	21%
PUBLIC WORKS	11	11%	\$64,465.93	9%
Totals	98	100%	\$690,436.27	100%



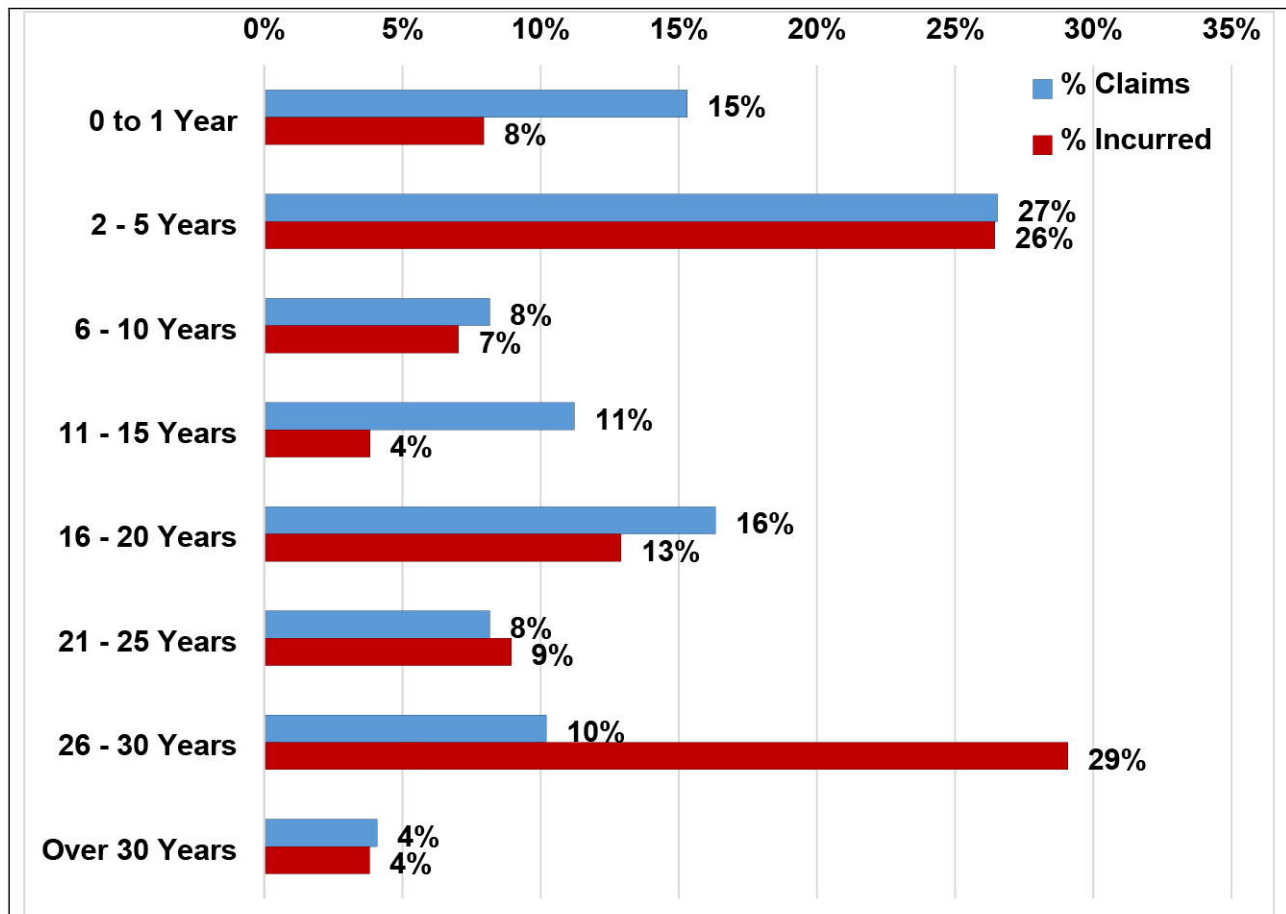
Claim Frequency by Occupation – FY 2017 (through December 31, 2016)

Occupation	Claims	% Claims	Incurred Total	% Incurred
CLERICAL	9	9%	\$64,802.65	9%
FIREFIGHTERS	24	24%	\$334,875.16	49%
MUNICIPAL - MANUAL	23	23%	\$126,047.94	18%
MUNICIPAL - NON-MANUAL	17	17%	\$17,483.20	3%
POLICE	25	26%	\$147,227.32	21%
Total	98	100%	\$690,436.27	100%



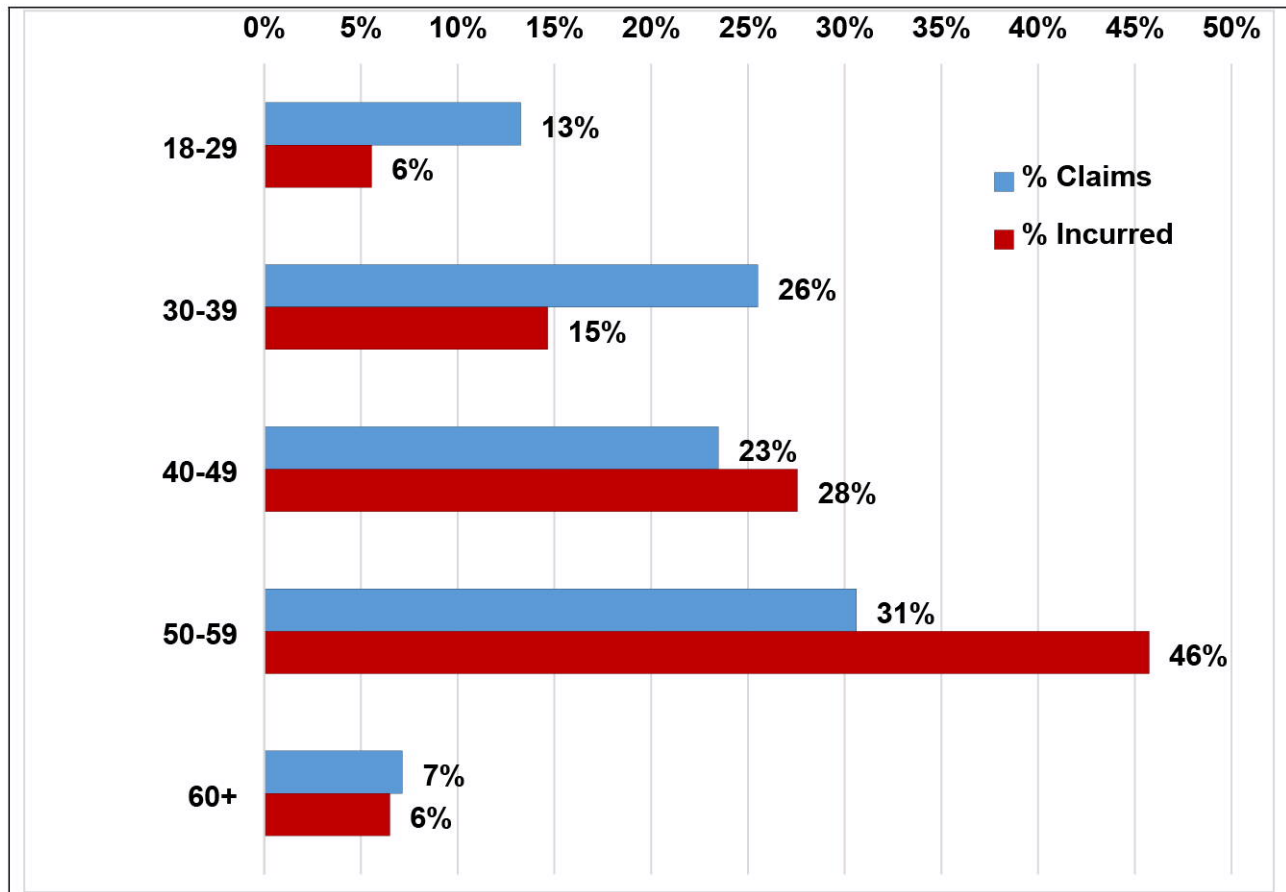
Claim Frequency by Length of Service – FY 2017 (through December 31, 2016)

Length of Service	Claims	% Claims	Incurred	% Incurred
0 to 1 Year	15	15%	\$54,871.56	8%
2 - 5 Years	26	27%	\$182,530.88	26%
6 - 10 Years	8	8%	\$48,574.63	7%
11 - 15 Years	11	11%	\$26,459.01	4%
16 - 20 Years	16	16%	\$89,150.47	13%
21 - 25 Years	8	8%	\$61,742.62	9%
26 - 30 Years	10	10%	\$200,765.36	29%
Over 30 Years	4	4%	\$26,341.74	4%
Totals	98	100%	\$690,436.27	100%



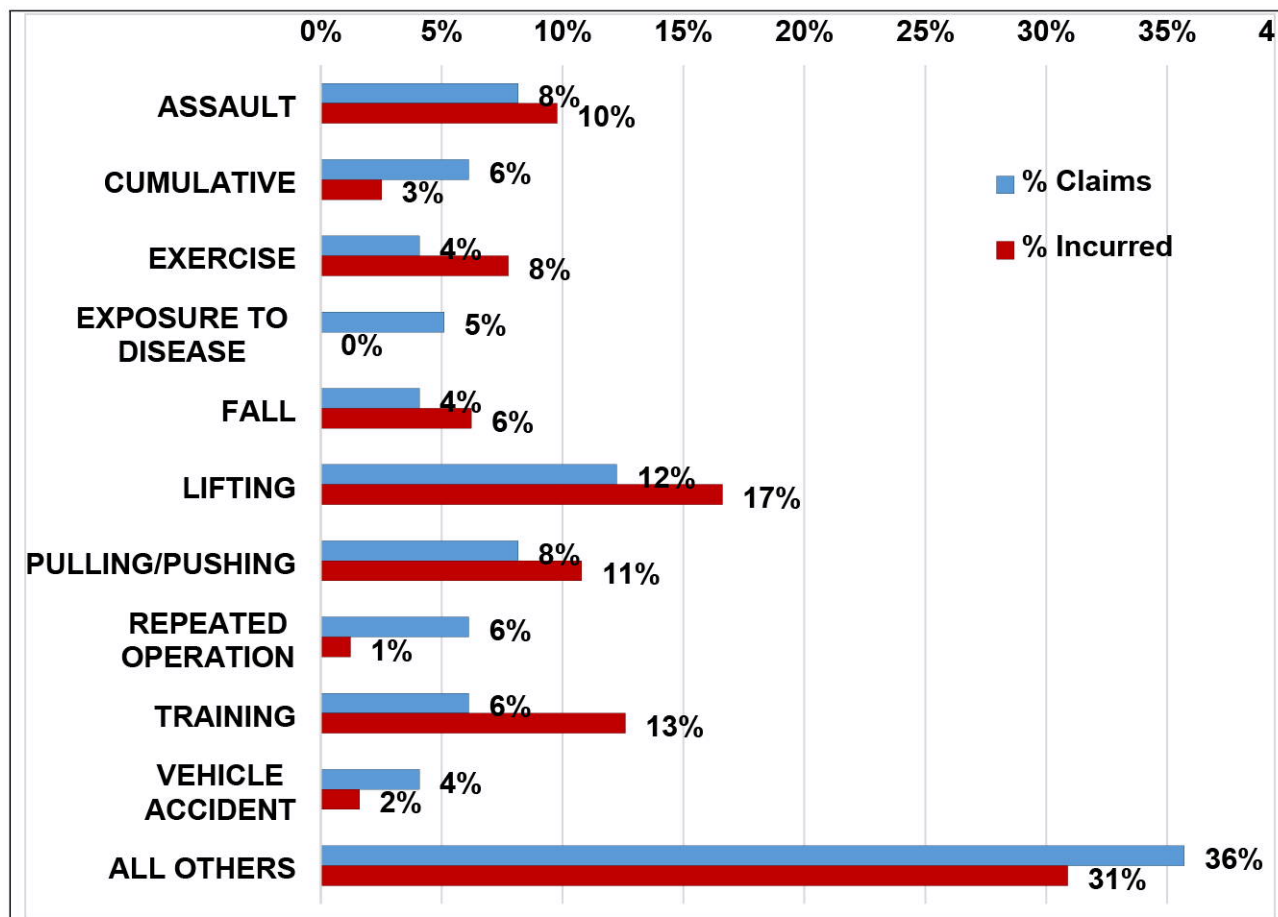
Claim Frequency by Age of Injured Worker – FY 2017 (through December 31, 2016)

Age	Claims	% Claims	Incurred	% Incurred
18-29	13	13%	\$38,304.86	6%
30-39	25	26%	\$101,207.82	15%
40-49	23	23%	\$190,294.58	28%
50-59	30	31%	\$315,826.00	46%
60+	7	7%	\$44,803.01	6%
Total	98	100%	\$690,436.27	100%



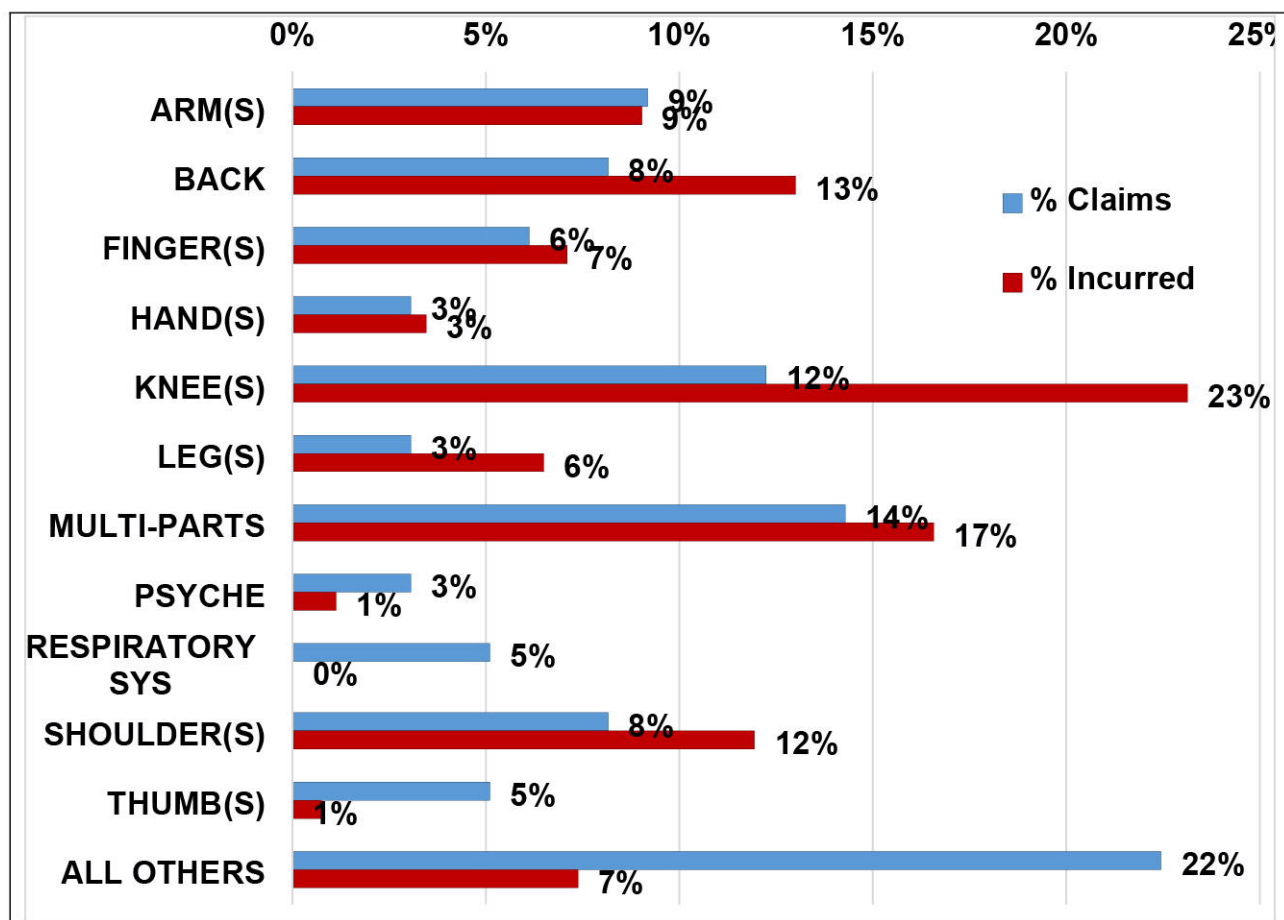
Claim Frequency by Cause of Injury – FY 2017 (through December 31, 2016)

Cause	Claims	% Claims	Incurred	% Incurred
ASSAULT	8	8%	\$67,480.12	10%
CUMULATIVE	6	6%	\$17,394.81	3%
EXERCISE	4	4%	\$53,545.39	8%
EXPOSURE TO DISEASE	5	5%	\$46.00	0%
FALL	4	4%	\$42,979.32	6%
LIFTING	12	12%	\$114,685.82	17%
PULLING/PUSHING	8	8%	\$74,508.08	11%
REPEATED OPERATION	6	6%	\$8,483.37	1%
TRAINING	6	6%	\$86,954.18	13%
VEHICLE ACCIDENT	4	4%	\$11,091.73	2%
ALL OTHERS	35	36%	\$213,267.45	31%
Totals	98	100%	\$690,436.27	100%



Claim Frequency by Part of Body – FY 2017 (through December 31, 2016)

Body part	Claims	% Claims	Incurred	% Incurred
ARM(S)	9	9%	\$62,362.50	9%
BACK	8	8%	\$89,763.51	13%
FINGER(S)	6	6%	\$49,027.40	7%
HAND(S)	3	3%	\$23,871.44	3%
KNEE(S)	12	12%	\$159,710.92	23%
LEG(S)	3	3%	\$44,830.43	6%
MULTI-PARTS	14	14%	\$114,438.77	17%
PSYCHE	3	3%	\$7,809.20	1%
RESPIRATORY SYS	5	5%	\$46.00	0%
SHOULDER(S)	8	8%	\$82,448.75	12%
THUMB(S)	5	5%	\$5,171.48	1%
ALL OTHERS	22	22%	\$50,955.87	7%
Totals	98	100%	\$690,436.27	100%



Claim Frequency by Nature of Injury – FY 2017 (through December 31, 2016)

Nature	Claims	% Claims	Incurred	% Incurred
BITES/STINGS	2	2%	\$176.19	0%
CONTAGIOUS DISEASE	5	5%	\$46.00	0%
CONTUSION	12	12%	\$116,971.66	17%
CUMULATIVE TRAUMA	2	2%	\$13,819.98	2%
LACERATION	5	5%	\$6,693.59	1%
MENTAL DISORDER/STRESS	2	2%	\$1,009.20	0%
PUNCTURE	2	2%	\$1,344.39	0%
SPRAIN	16	16%	\$62,860.87	9%
STRAIN	41	42%	\$404,580.99	59%
ALL OTHERS	11	11%	\$82,933.40	12%
Total	98	100%	\$690,436.27	100%

