

FISCAL YEAR 2020



Risk
Management

The City of San Diego Risk Management Annual Report



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EXECUTIVE SUMMARY

The Risk Management Annual Report provides the City Council and management with an overview of the Risk Management Department's programs. The purpose of this report is to provide City of San Diego (City) leadership with information regarding City exposures and losses for Fiscal Year (FY) 2020 with the intent of implementing loss prevention measures that will help control or eliminate identified risks. The report contains summaries of workers' compensation, public liabilities, loss recovery, and insurance premiums by fiscal year, as well as relevant safety and benefits information for City employees.

The time covered in this FY 2020 report includes the unprecedented challenges for the department as the City and Nation grappled with COVID-19. COVID-19 caused the Risk Management Department to shift its operations. The Department was successful in transitioning most of its employees to teleworking. This was a huge undertaking by its internal Information Technology staff and the department was able to continue to provide services after implementing COVID-19 related modifications for service delivery. Modifications included restricting the delivery of services to Public Liability claimants to virtual, e-mail or telephone. Trainings provided by the Safety and Environmental Health Division were delivered virtually and for circumstances requiring in person participation, safety protocols such as social distancing, employee health screenings, and required face coverings were adhered to. The Workers' Compensation Division experienced the biggest operational impact as it responded and adjusted to COVID-19; additional detail is provided in the Workers' Compensation section of this report.

The Risk Management Department is dedicated to preventing, controlling, and minimizing the City's financial risks while providing optimum services to City employees and the public through the centralized administration of employee benefits, loss control, claims administration, and safety.

The Risk Management Administration Fund is an Internal Service Fund that captures administrative costs related to workers' compensation claims management, employee benefits administration, safety and environmental health oversight, public liability claims management, loss recovery, and oversight of the insurance program for the City. Funding is a component of the citywide fringe allocation. Each City department is allocated a portion of the Risk Management Administration Fund's overall expenditures based on the number of full-time equivalent (FTE) positions in the department.

In FY 2020 as part of the City's performance management effort, the department participated in several Balanced Scorecard Work Sessions which focused on improving department operations by transforming performance data into action. Through these working sessions, the department worked with the City's Operational Framework Team (OFT) and developed a balanced scorecard for the department with initiatives and associated measures and targets. Each one of these initiatives is intended to improve operational efficiency and aid in making data-informed decision as it relates to the services provided by the department.

Public Liability and Loss Recovery Division

The number of new public liability claims in FY 2020 was 1,711, a decrease of 724 claims or 34 percent from FY 2019. This decrease is primarily attributed to a decrease in water-main break and pothole related claims. The public liability claim costs for FY 2020 was \$22.5 million, a decrease of \$10.2 million from FY 2019. In addition, Appendix A, Public Liability – Five Year History (FY 2016 – FY 2020), provides the number of public liability reported claims and claim

expenditures paid in those particular fiscal years, including specific department detail for each of the top five cost incurring City departments.

In FY 2020, the Office of the City Auditor conducted a Performance Audit of the City's Public Liability Management and City management has committed to implementing all resulting recommendations. In response to the audit findings, the annual Risk Management report will incorporate information from the department of Performance and Analytics (Panda) related to department specific public liability risk assessments and monitoring efforts of mitigation plans to ensure risks are effectively identified and mitigation measures are effective. The City, through the Operational Framework, has implemented the use of Balanced Scorecards. Currently, 14 City departments are participating in Cohort One (launched February 2020) of the City's PerformSD Balanced Scorecard work sessions. Additional departments are anticipated to participate via Cohort Two starting July 2021, with the balance of Mayoral departments added annually through FY 2025. In these monthly work sessions, departments work with the Panda to develop performance metrics from the perspectives of Stakeholders, Internal Processes, Organizational Capacity, and Financial Stewardship. Metric baselines and targets are identified, and subsequently monitored. Any negative performance variations are flagged as potential risk areas for departments. Status meetings are held with the departments' respective Deputy Chief Operating Officers (DCOOs) on a quarterly basis. Concurrently, the Performance and Analytics Department is conducting thematic exploratory analyses of Citywide data sets; potential risk findings from those analyses are shared with departments and the City's Risk Oversight Committee to determine paths forward to mitigate any risks. More information regarding department measures and their effectiveness will be included in future reports upon development and completion of department scorecards.

The Public Liability and Loss Recovery Division also administers the City's Loss Recovery Program, which pursues claims against third parties that cause damage to City property or injury to City employees. The Division staff works closely with departments to quickly set up claims, determine costs, and identify possible insurers. The program invoiced \$3.3 million in FY 2020, an increase of \$1.0 million from FY 2019. The total revenue received on outstanding invoices was \$1.8 million in FY 2020, an increase of \$0.1 million. The General Fund portion of revenue received was \$0.4 million in FY 2020.

Insurance Program

The Risk Management Department oversees the insurance programs for the City. The City currently participates in pooled purchasing with counties and public entities in California through the Public Risk Innovation, Solutions, and Management or "PRISM" (formerly known as CSAC-Excess Insurance Authority). Beginning in FY 2019, and outside of PRISM, the City purchases Excess Workers' Compensation Insurance coverage above its Self-Insured Retention of \$5.0 million. In FY 2020, total insurance premiums costs were \$19.9 million, an increase of \$3.3 million or 20 percent from FY 2019 which is attributed to a \$2.2 million increase in General Liability premiums. Insurance market conditions and a shift towards a hardening market is the primary factor for the increase.

Workers' Compensation Division

The number of new workers' compensation claims reported in FY 2020 was 1,622, a decrease of 15 claims from the 1,637 claims reported in FY 2019. The workers' compensation claim expenditures for FY 2020 was \$40.5 million. This is an increase of \$1.5 million, or 4 percent from FY 2019. The increase in expenditures is due to a \$0.9 million increase in workers' compensation medical cost, and \$0.6 million increase in permanent disability benefits. Departments that had a significant increase of industrial leave hours have been required to

submit a corrective action plan and/or to describe special circumstances that contributed to the increases. In addition, Appendix B, Workers' Compensation – Five Year History (FY 2016 – FY 2020), provides the number of workers' compensation opened claims and claim expenditures paid each fiscal year.

Safety and Environmental Health Division

The Safety and Environmental Health Division is responsible for the creation and oversight of citywide safety practices and policies. Staff assists and works with management in all City departments to prevent and reduce injuries and illnesses. In FY 2020, the Division trained over 1,100 City employees on safety related topics (Cal/OSHA required programs, Ergonomics, RM Driver related courses, First Aid Classes, Supervisors Academy, Library Safety, City Attorney Accident Processing, Department of Transportation Regulations).

Employee Benefits Division

The Employee Benefits Division manages the citywide administration of the Flexible Benefits Plan, Retiree Medical Trust, Long-Term Disability (LTD) Plan, and Employee Savings Plans. In FY 2020, the administration of the Transportation Alternatives Program (TAP) was transferred to the Risk Management Department. The Division implemented online enrollment and automated payroll deductions for transit passes as part of this transition.

The Division also released a request for proposal (RFP) for the City-sponsored group dental insurance services. With this solicitation, the Risk Management Department found the best value for City participants, which includes both active employees and retirees, while maintaining high quality dental insurance services.



RISK MANAGEMENT DEPARTMENT

Mission

Our mission is to effectively prevent, control, and minimize the City's financial risk and provide optimum services to the City's employees and the public through the centralized administration of employee benefits, loss control, and safety.

Vision

To continue to improve the City's risk management program through close collaboration with City departments in identifying, analyzing, and implementing risk prevention and safety programs that reduce or mitigate exposure for the City.

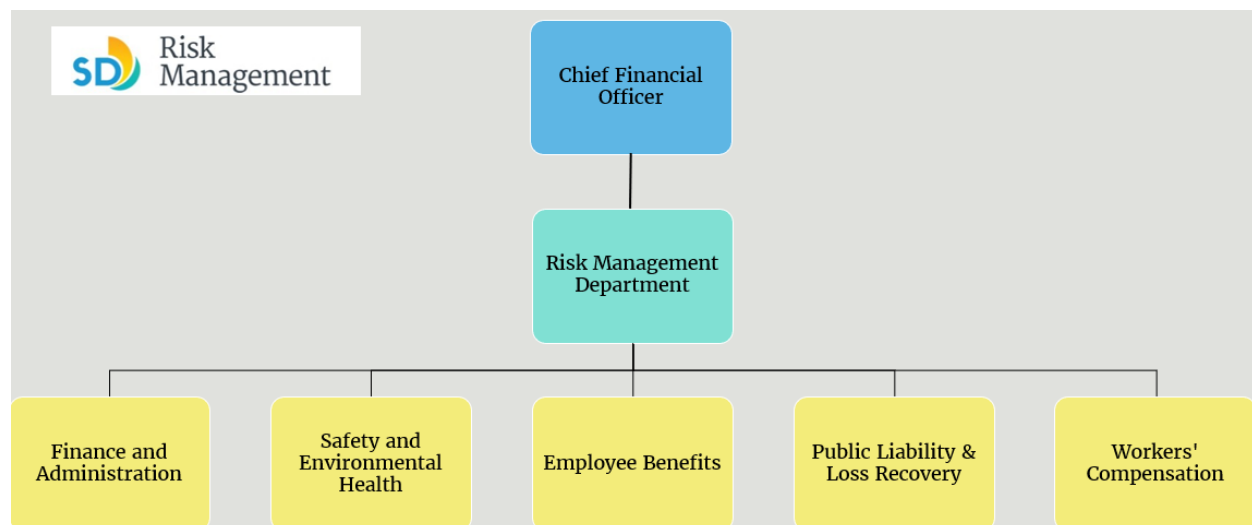
Overview

The Risk Management Department provides central risk management services to City residents, visitors, and employees to limit the risk exposure of the City's network of departments and infrastructure. We are proud to be a part of the City of San Diego organization and are dedicated to advancing the practice of risk management through ongoing program development and education.

Central risk services provided by the Risk Management Department include workers' compensation claims management, flexible benefits, employee savings plan administration, safety and environmental health oversight, public liability claims management, loss recovery, and oversight of the insurance program for the City which are administered through the following five divisions, as reflected in **Figure 1**, Risk Management Department Organizational Chart:

- ❖ Finance and Administration
- ❖ Safety and Environmental Health
- ❖ Employee Benefits
- ❖ Public Liability and Loss Recovery
- ❖ Workers' Compensation

Figure 1: Risk Management Department Organizational Chart



RISK MANAGEMENT DEPARTMENT ACTIVITIES AND FUNDING SOURCES

The Risk Management Department activities are funded by the following sources:

Public Liability Fund: Supported solely by the General Fund to provide a funding source for the City's General Fund liability claim expenditures. An annual operating and reserve transfer is budgeted in the Citywide Program Expenditures Department.

Non-General Funds: Water, Wastewater, and other Non-General Funds provide funding for the City's Non-General Fund liability claim expenditures. An annual operating budget is included in the Water and Sewer Funds. All other Non-General Funds reimburse the Public Liability Fund per the Appropriation Ordinance, Section E.4.

Flexible Benefits: An Internal Revenue Service (IRS) qualified cafeteria-style benefits program offered to all eligible employees. This program is a component of the citywide fringe allocation and represents the City's portion of the benefit expense. This program is supported by the revenues collected by the City of San Diego.

Employee Savings Plans: Tax-deferred defined contribution retirement savings plans to help employees achieve a financially secure retirement. This program is a component of the citywide fringe allocation and represents the City's portion of the benefit expense. This program is supported by the revenues collected by the City of San Diego.

Workers' Compensation Fund: Established to ensure that employees who suffer work-related accidents or illnesses are provided with medical treatment and indemnity benefits as mandated by the State.

Long-Term Disability Fund: An employee benefit plan designed to provide partial salary replacement to eligible employees who are unable to work due to a non-work-related injury or illness. This benefit is also available for eligible employees on pregnancy leave.

Risk Management Administration Fund: An Internal Service Fund to support the Risk Management Department personnel and non-personnel expenditures for the administration of the activities listed above.

The Workers' Compensation, Long-Term Disability, and Risk Management Administration Funds are supported by all City funds with FTE positions. A fringe allocation is budgeted in every City fund to support the annual operating expenditures and reserve contributions. **Figure 2, Risk Management Department Funding Sources,** presents the operating amount and reserve fund balance for each of the funds described above for FY 2020.

Figure 2: FY 2020 Risk Management Department Funding Sources

(in millions)

Funding Sources¹	Operating Amount	Reserve Fund Balance
Employee Savings Plans ²	\$ 41.7	\$ -
Flexible Benefits ³	129.0	0.0
Long-Term Disability Fund ⁴	9.4	4.1
Public Liability Fund ⁵	32.1	33.8
Risk Management Administration Fund	11.9	0.0
Workers' Compensation Fund	34.4	32.1
Total⁶	\$ 258.5	\$ 70.0

¹ Fund Balance as of June 30, 2020.

² FY 2020 Adopted Budget for Employee Savings Plans- SPSP, 401, RMT.

³ FY 2020 Adopted Budget for Flexible Benefits.

⁴ Includes \$6.4 million transfer in excess reserves back to the contributing funds.

⁵ Includes \$11.5 million to support insurance premiums.

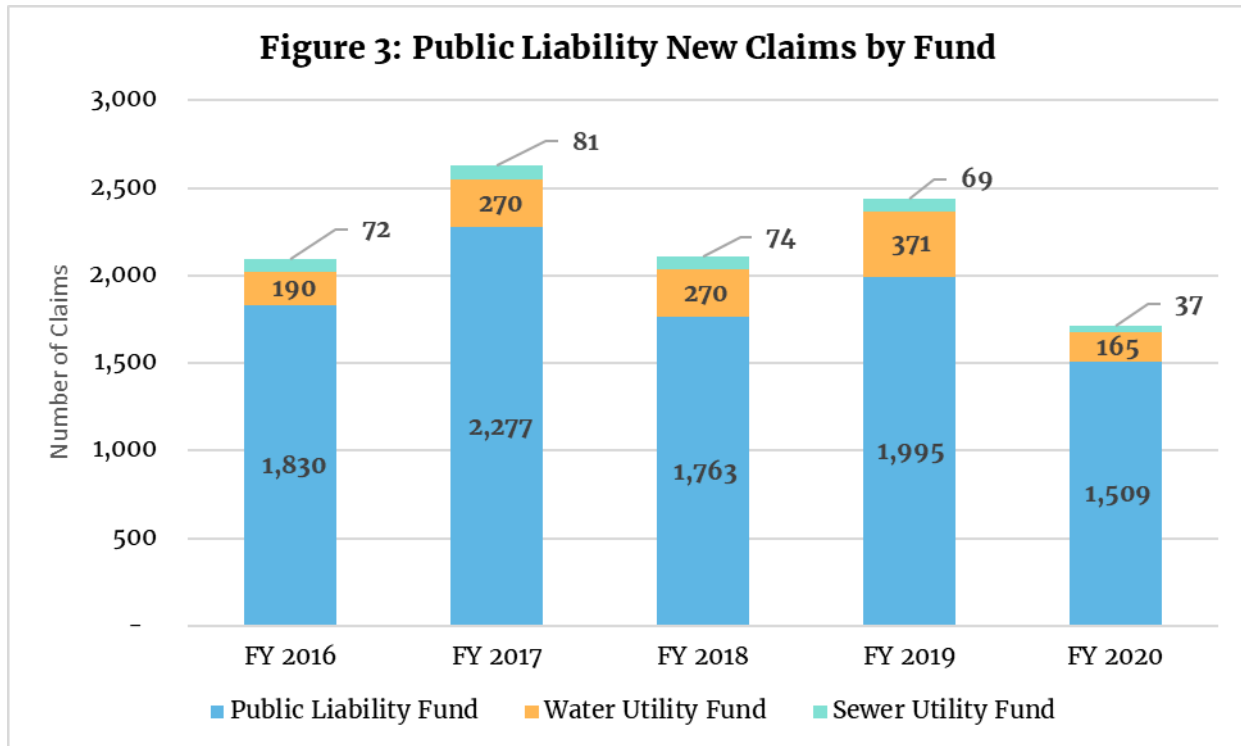
⁶ Totals may not foot due to rounding.

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PUBLIC LIABILITY AND LOSS RECOVERY DIVISION

The Public Liability and Loss Recovery Division is a self-administered, self-insured, program for public liability (torts) risks, which is supplemented by excess liability insurance purchased through Public Risk Innovation, Solutions, and Management or “PRISM” (formerly known as CSAC-Excess Insurance Authority). The City’s self-insured retention (SIR) is \$3.0 million with a one-time aggregate individual member corridor deductible of \$2.5 million. The Division supports the investigation, settlement or defense of all claims arising from the City's municipal operations; collaborates with the City Attorney's Office on litigated claims and lawsuits; services citizens and special event promoters to ensure the public's interests are protected with appropriate insurance; provides guidance related to insurance requirements in City contracts; manages the City’s insurance portfolio; and investigates and recovers costs associated with damages to City assets or injury to City personnel caused by third parties.

In FY 2020, the number of new public liability claims was 1,711, a decrease of 724 claims or 34 percent from FY 2019 as shown in **Figure 3**, Public Liability Claims by Fund. This is primarily due to a decrease in overall water main-break and pothole related claims.



The public liability claim costs for FY 2020 was \$22.5 million, a decrease of \$10.2 million from FY 2019. **Figure 4**, Public Liability Claim Costs by Loss Code, presents the costs for public liability claims by loss code over the past five fiscal years.

Figure 4: Public Liability Claim Costs By Loss Code (in millions)					
Loss Code	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Water Main ¹	\$ 2.1	\$ 3.4	\$ 5.3	\$ 8.9	\$ 3.4
City Vehicle Accident ²	7.2	2.1	1.9	3.5	5.0
Design Of Roadway (Sight Distance) ³	0.0	0.1	12.5	0.0	0.0
Storm Drains ⁴	6.6	1.3	0.7	2.3	0.3
Employment(Civil Rights) ⁵	1.5	1.0	1.6	1.2	3.4
Trip & Fall ⁶	2.0	1.0	2.0	1.0	2.0
Maintenance Of Sidewalk ⁷	0.1	5.1	0.3	0.3	1.5
Maint Of Road (Potholes) ⁸	0.1	0.6	1.8	1.2	0.6
Assault/Batt (Physical Assault) ⁹	1.1	0.5	0.6	0.3	0.3
Other (Liability) - Aglio	16.8	2.4	0.2	0.0	0.0
Other (Liability) - De Anza	14.1	0.3	(0.0)	0.1	0.0
Other (Liability) - De La Fuente ¹⁰	25.1	0.0	-	-	-
Other (Liability) - Fifth Avenue Landing ¹¹	-	-	0.0	5.3	(0.2)
Other (Liability) - San Diego Bay	3.8	0.0	0.2	0.1	0.0
All Other Loss Codes ¹²	5.0	7.6	7.6	8.4	6.1
Total¹³	\$ 85.6	\$ 25.3	\$ 34.6	\$ 32.6	\$ 22.5

¹ FY 2016 includes \$1.3M in expenditures for Farmer, Chad and Glassman, Jami (claim number 8738). North Park (various claims) had expenditures of \$2.8M, \$1.7M, and \$5.0M in FY 2017, FY 2018, and FY 2019, respectively. FY 2018 includes \$1.8M in expenditures for Little Italy (various claims).

² FY 2016 includes \$5.9M in expenditures for McCaffrey, Conceicao (claim number 8799). FY 2017 includes \$1.0M in expenditures for Marable, Derrick (claim number 10821). FY 2019 includes \$1.8M in expenditures for Gleboff, James (claim number 13502). FY 2020 includes \$3.0M in expenditures for DiSenso, Michael (claim number 13277).

³ FY 2018 includes \$12.5M in expenditures for Aavang, John (claim number 10880).

⁴ FY 2016 includes \$5.0M in expenditures for La Jolla Alta Master Council (claim number LP0405340724).

⁵ FY 2016 includes \$0.8M in expenditures for Santos-Hunter, Benelia (claim number 8781).

⁶ FY 2018 includes expenditures of \$1.0M for Grubbs, Mary Jo (claim number 13201).

⁷ FY 2017 includes \$4.9M in expenditures for Brown, Clifford (claim number 10877). FY 2020 includes \$1.3M in expenditures for Nguyen, Van (claim number 14320).

⁸ FY 2018 includes \$1.5M in expenditures for Capobianco, Regina (claim number 12249).

⁹ FY 2016 includes \$1.0M in expenditures for Hays (various claims).

¹⁰ Scottsdale Insurance Company (claim number LP0801300903) had expenditures of \$0.7M, \$0.7M, and \$0.8M in FY 2016, FY 2017, and FY 2018, respectively.

¹¹ FY 2020 includes \$248K escrow refund for Fifth Avenue Landing California LLC a CA Limited Liability (claim number 17775).

¹² FY 2017 includes \$1.3M in expenditures for Lowe San Diego (claim number 11360). FY 2017 includes \$0.9M in expenditures for Sialoi, Edward (claim number 4298). FY 2019 includes \$1.5M in expenditures for Du, Sheng (claim number 18473). FY 2019 includes \$1.4M in expenditures for Armes, Tanya (claim number 9267). FY 2020 Includes \$1.5M in expenditures for claim number 14413 (various claimants).

¹³ Totals may not foot due to rounding.

In FY20, the Loss Recovery Program of the Public Liability and Loss Recovery Division invoiced \$3.3 million, an increase of \$1.0 million from FY 2019. **Figure 5, Loss Recovery Invoiced**, presents invoicing activity over the past five fiscal years.

Figure 5: Loss Recovery Invoiced (in millions)					
Fund Title	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Fleet Services Operating Fund	0.4	0.4	0.3	0.4	0.5
General Fund	0.7	1.1	0.8	1.2	1.0
Other	0.2	0.4	0.1	0.2	0.9
Public Liability Fund	2.0	0.2	0.0	0.1	0.2
Water Utility Fund	0.4	0.6	0.3	0.2	0.4
Workers' Compensation Fund	0.5	0.5	0.1	0.1	0.3
Total¹	\$ 4.2	\$ 3.1	\$ 1.6	\$ 2.3	\$ 3.3

¹ Totals may not foot due to rounding.

Note: FY 2016, FY2017, and FY 2018 figures have been revised from the FY 2019 Risk Management Annual Report.

The total revenue received on outstanding invoices in FY 2020 was \$1.8 million, an increase of \$0.1 from FY 2019. As shown in **Figure 6, Loss Recovery Revenue**, the General Fund portion of revenue was \$0.4 million in FY 2020. Revenues for the past five fiscal years are also presented.

Figure 6: Loss Recovery Revenue (in millions)					
Fund Title	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Fleet Services Operating Fund	\$ 0.3	\$ 0.3	\$ 0.2	\$ 0.3	\$ 0.3
General Fund	0.5	0.7	0.6	0.9	0.4
Other	0.2	0.2	0.1	0.1	0.9
Public Liability Fund	0.1	0.1	0.0	0.1	0.0
Water Utility Fund	0.3	0.4	0.3	0.2	0.2
Workers' Compensation Fund	0.4	0.2	0.1	0.1	0.0
Total¹	\$ 1.9	\$ 1.9	\$ 1.3	\$ 1.7	\$ 1.8

¹ Totals may not foot due to rounding.

Note: FY 2016, FY 2017, FY 2018 and FY 2019 figures have been revised from the FY 2019 Risk Management Annual Report.

Accomplishments and Highlights

The Public Liability and Loss Recovery Division continued to collaborate with the Performance and Analytics Department in the development and launching of ClaimStat for additional City Departments. ClaimStat is a data driven mapping system that depicts claims activity by geographic location and identifies areas of concern tied to specific exposures or increased loss experience for certain operations. It also provides dashboard claims trending per department which shows loss frequency and severity. ClaimStat serves as an additional tool for departments to recognize their loss experience and implement corresponding corrective measures to reduce future liability. The Transportation and Storm Water Department started using this program in FY 2020. The Police Department was introduced to the program in FY 2020 and plans to start using it in FY 2021.

The City's Claims Management System underwent an upgrade that enhances the claims management functions and improves workflow for Public Liability and Loss Recovery staff. The upgrade allows the Division to provide City departments with claim loss trending information allowing City departments to develop measures that reduce public liability costs and mitigate risk to their operations.

The Division hired an Insurance Coordinator whose role is dedicated to managing the City's insurance portfolio to ensure the broadest and most cost-effective coverage and programs are in place throughout the year. The Insurance Coordinator assists with evaluating the City's exposure to loss and potential risks from its operations and activities and analyzes insurance coverage information and documents in City contracts, agreements and permits to determine whether insurance documentation submitted to the City are in conformance with City requirements. In addition, the Insurance Coordinator conducts presentations and provides training to departments related to insurance and works with contractors, vendors, insurance brokers, and carriers to resolve difficult coverage issues. Lastly, the Insurance Coordinator interacts with City departments to provide essential underwriting data for insurance carriers, maintains extensive property schedules, and assists with insurer appraisals and inspections.

Due to COVID-19, the Division shifted to telework. Claims review and customer service provided to claimants was limited to virtual, telephone or e-mail communication. The Division experienced an increase in e-mail traffic and experienced an increase in e-mail claim submittals. Due to Court closures, several trial dates were rescheduled.

The City's membership renewal and continued participation in PRISM was completed in June 2020 for another five-year term. PRISM, formerly known as CSAC – EIA, is the joint-powers authority through which the City purchases Property, General Liability, Crime, Cyber Liability, Aircraft and Airport Liability and Watercraft Liability insurance. Broad and competitively priced insurance coverage is made available through this Joint Power Authority (JPA) pool.

The Department's Loss Recovery section met with the Police, Fire-Rescue, Library and, Fleet Operations Departments to provide information of the section's functions and to outline the process used by Loss Recovery to pursue third parties responsible for causing damage to City property or injury to its employees. Raising awareness of the services rendered by Loss Recovery promotes the reporting of cases to the section.

Loss Recovery staff completed training on the Workers' Compensation Division's new medical bill review database, Medata, which allows Loss Recovery staff to obtain medical bills and records related to City employee injuries resulting from responsible third party.

The Loss Recovery section collaborated with the City Attorney's Office–Civil Division and City Treasurers–Collections Division to develop a notification process regarding juvenile vandalism restitution cases. Loss Recovery continues to work together with the City Attorney's Office to pursue court awards/judgments in favor of the City.

The Loss Recovery section worked together with the Public Utilities Department (PUD)–Water Construction Division to review material and labor rates in order to ensure that the most current and accurate City costs are reflected on the PUD cost schedules sent to responsible third parties.

The Loss Recovery section and Fleet Operations Department developed a streamlined notification process related to vehicle "totaled losses". This process includes use of an independent appraiser who provides necessary supporting documents to pursue third party claims and/ or first party claims with the City's insurance company.

The Public Liability and Loss Recovery Division completed the following claims management services:

- ❖ 6,072 Transactions processed in the claims management system
- ❖ 2,291 Active claims managed (Public Liability and Loss Recovery claims)
- ❖ 1,711 New Public Liability claims
- ❖ 812 Settled cases
- ❖ 870 New Loss Recovery claims
- ❖ 206 Reviews of insurance for special events permits

Future Year Outlook

The Public Liability and Loss Recovery Division will continue to deploy ClaimStat to additional City departments including the Public Utilities and Fire–Rescue Departments.

Trip and fall claims related to sidewalks and other City owned property are frequently filed with the City. The Division will be forming a team of claims representatives who will be dedicated to handling trip and fall claims. Focus and effort by this team will be dedicated to an expedient investigation and liability evaluation in an effort to resolve the case without litigation and which may include settlement at the claim level or rejection of the claim. Training for Claims Representatives will be provided by the City Attorney's Office staff. Claim representatives will also meet intermittently with Transportation and Storm Water Department management to monitor these claims and seek assistance and information from the department's contacts in order to expedite the claim handling.

The Division's staff will continue to meet with City departments intermittently throughout the year to review claim activity and settlements. Closed claim reports will be generated and distributed each month to departments. During the review meetings, departments will be able to interpret loss trends and financial impacts to the City. Corrective measures are being tracked in order to identify the actions being taken to prevent or mitigate futures claims with the potential for similar causes of loss. For claims that settle with a value of \$25,000 or higher, the measures are being recorded in the City's claims management system. Corrective measures reports will be generated from the claims management system and shared with City departments for review.

The Loss Recovery section will continue its efforts to recover funds due to the City from various liable third parties who have damaged City property and assets as well as from the City's

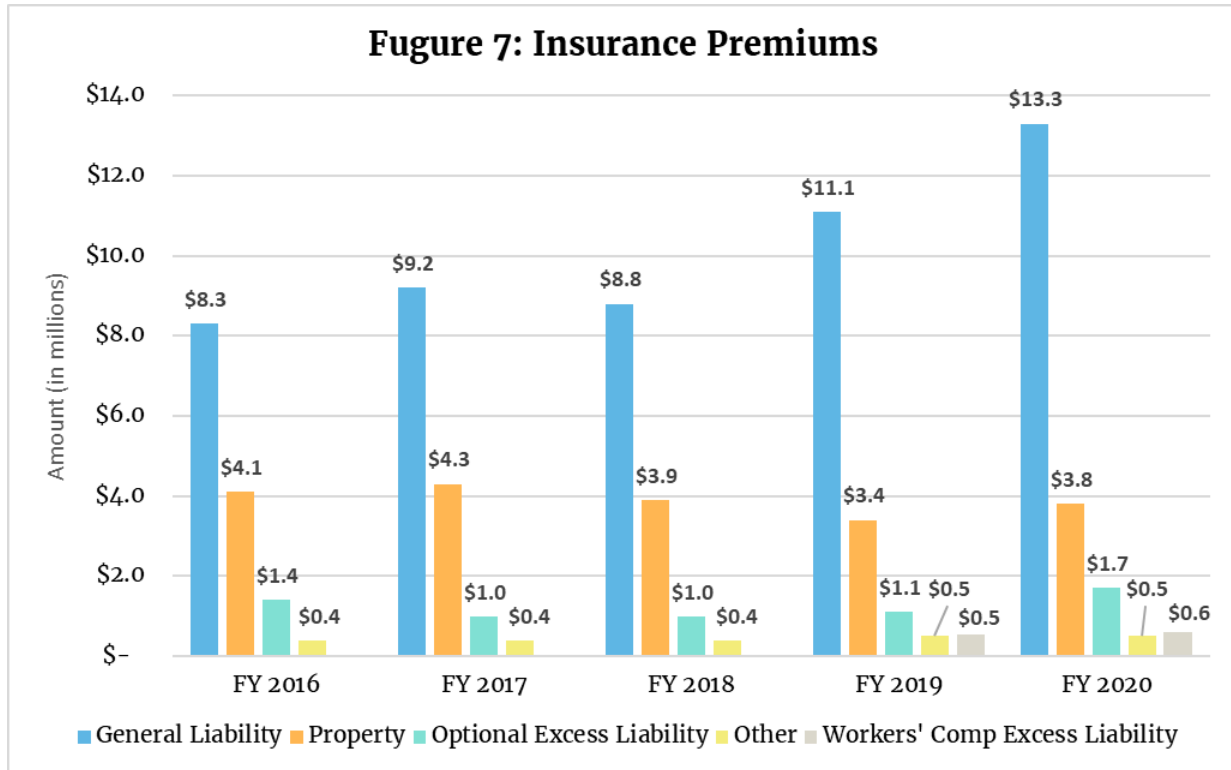
property insurance program for first party claims. The Loss Recovery section will continue to meet with City departments throughout the year to review the section's functions and to provide training to staff to assist the Division's recovery processes.

Insurance Program

As a member of PRISM since 1995, the City has been able to purchase comprehensive property and general liability insurance at favorable market rates, as well as other specialty lines of coverage including airport liability, property coverage for aircraft, pollution liability, and crime bond/employee dishonesty and cyber liability. This membership facilitates the joint purchase of property/earthquake and general liability insurance coverage with the combined purchasing power of 55 counties and 283 non-county public entities. In addition, the City's membership in PRISM enables it to access additional risk management services at a reduced or zero cost. Beginning in FY 2019, the City began purchasing excess workers' compensation insurance coverage that provides statutory limits above its Self-Insured Retention of \$5.0 million. This coverage is outside of PRISM membership via a commercial insurance broker.

Funding for liability and property insurance premiums is budgeted through the annual budget process in the General and Enterprise Funds. Funding for the Excess Workers' Compensation Insurance premium is budgeted through the Workers' Compensation Fund which is supported by all City funds with FTE positions. A fringe allocation is budgeted in every City fund to support the annual workers' compensation operating expenditures. The insurance premiums may vary from year to year due to changing property values, special requirements, liability limits, modification to City assets, risk exposure, and overall market conditions. Total insurance premium costs in FY 2020 were \$19.9 million, an increase of \$3.3 million or 20 percent from FY 2019. The increase is primarily due to the General Liability Program increasing by \$2.2 million. The General Liability Program provides coverage for claims from third parties alleging damages due to negligence on the part of the City. As mentioned, market conditions are a primary factor of cost fluctuations. The cost for the excess workers' compensation insurance coverage for FY 2020 was \$588,438. **Figure 7**, Insurance Premiums, displays the cost breakdown by the various types of insurance purchased for the past five fiscal years.

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Public liability claims are funded by multiple funding sources which include the General Fund, Enterprise Funds, and insurance proceeds. Insurance proceeds for the past five fiscal years are displayed in **Figure 8, Public Liability Insurance Proceeds**.

Figure 8: Public Liability Insurance Proceeds (in millions)					
Case Title	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Abbe	\$ -	\$ 1.2	\$ -	\$ -	\$ -
Clifford Brown	0.0	2.0	0.0	0.0	0.0
Conceicao McCaffrey	3.0	0.0	0.0	0.0	0.0
De Anza Cove Homeowners Assn Inc	3.4	7.8	0.0	0.0	1.8
De La Fuente Business Park ²	30.0	0.0	0.0	0.0	0.0
Jane Doe	0.1	0.0	0.0	0.0	0.0
John Aavang	0.0	0.0	9.7	0.0	0.0
La Jolla Alta Master Council	5.0	0.0	0.0	0.0	0.0
San Diego Bay Insurance	0.0	0.0	0.0	0.0	0.0
Other	0.6	0.0	0.0	0.0	0.0
Total¹	\$ 42.1	\$ 11.0	\$ 9.7	\$ -	\$ 1.8

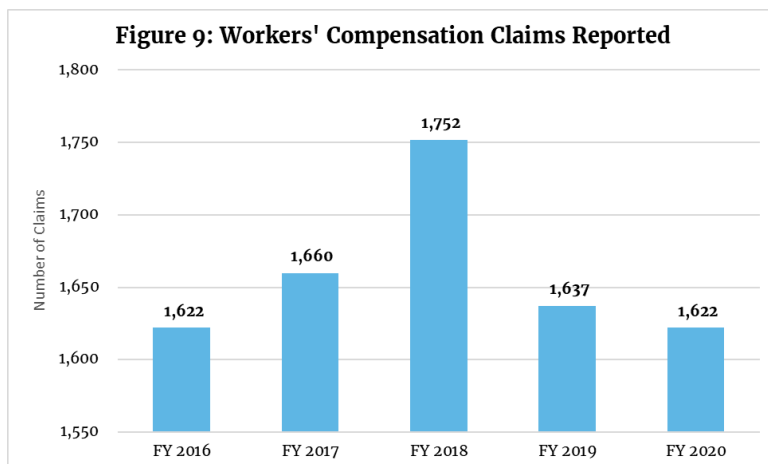
¹ Totals may not foot due to rounding.

² FY 2016 includes \$25.0 million which was paid directly to the claimant from the insurer.

WORKERS' COMPENSATION DIVISION

The City is committed to provide a safe working environment for all its employees. If an employee is injured, the workers' compensation claim is processed by the Risk Management Department in accordance with State laws for self-insured and self-administered agencies. Staff provides information and assistance to injured employees and all City departments. Staff investigates, determines, and delivers appropriate benefits, including all medical and salary continuation benefits (Industrial Leave), temporary disability benefits, permanent disability benefits, death benefits to surviving dependents, and coordination of return to work programs in compliance with State and federal mandates.

The Workers' Compensation Division oversees the City's State approved Medical Provider Network (MPN) contract. The California Labor Code and California Code of Regulations allow for insurers and employers to create a MPN consisting of a variety of physicians where injured workers can be directed for treatment of industrial injuries. These contractual agreements result in cost containment for the City while allowing the City's injured employees to access qualified healthcare providers in the San Diego region who are highly experienced in workers' compensation. In addition, the Division also administers the City's contract for managed care



services which provide medical bill review, a pharmacy benefits network, nurse case management, utilization review, and injury call-in center services. The number of new workers' compensation claims reported in FY 2020 was 1,622, a decrease of 15 claims, or 0.9 percent from FY 2019. **Figure 9** Workers' Compensation Claims Reported.

The workers' compensation claim expenditures for FY 2020

was \$40.6 million. This is an increase of \$1.5 million, or 4 percent from FY 2019. The increase in expenditures is primarily due to a \$857,043 increase in workers' compensation medical cost and \$594,648 increase in permanent disability benefits. **Figure 10**, Workers' Compensation Claim Expenditures, displays the expenditure breakdown by the various categories for the past five fiscal years.

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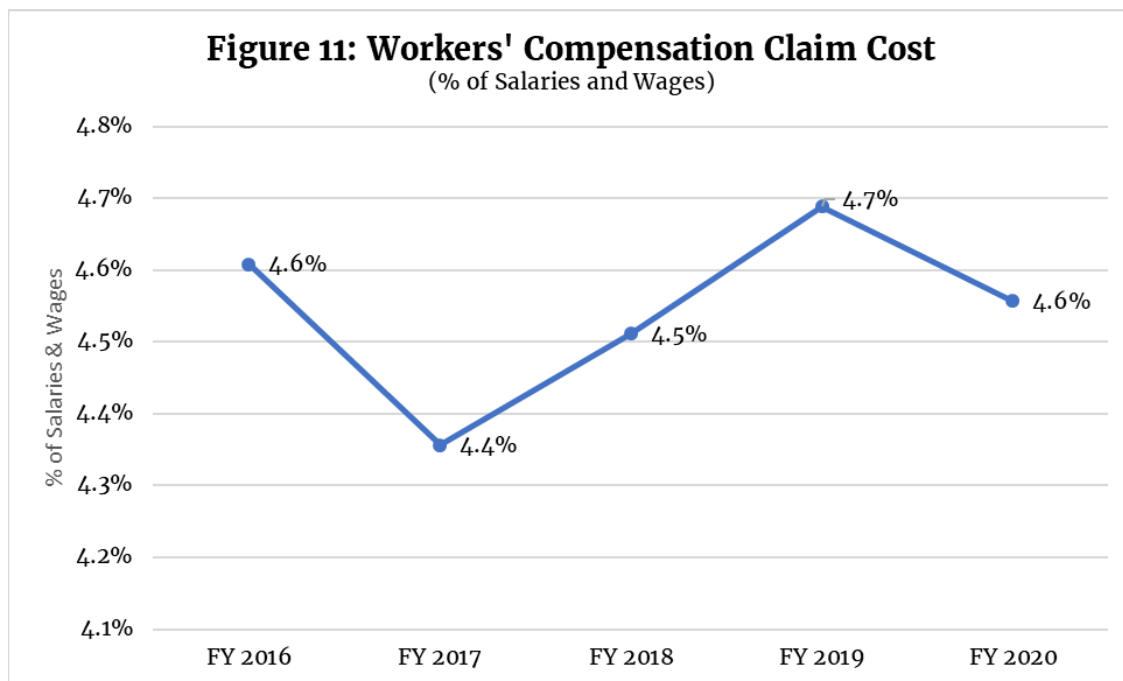
Figure 10: Workers' Compensation Claim Expenditures

(in millions)

Category	FY 2016	FY 2017	FY 2018	FY 2019 ²	FY 2020
Expense	\$ 1.3	\$ 1.8	\$ 1.8	\$ 1.9	\$ 2.2
Medical	17.6	17.5	17.6	19.0	19.8
Permanent Disability	7.6	8.5	8.1	9.0	9.6
Salary Continuance (Industrial Leave)	5.7	5.9	7.4	8.1	8.1
Temporary Disability	1.1	0.8	1.1	1.2	1.0
Total¹	\$ 33.3	\$ 34.5	\$ 36.0	\$ 39.1	\$ 40.6

¹ Totals may not foot due to rounding.² FY 2019 figures have been revised from the FY 2019 Risk Management Annual Report.

Figure 11, Workers' Compensation Claim Cost as a Percentage of Salary and Wages, displays the City incurred on average 4.5 percent of the total in workers' compensation costs for the past five fiscal years.



Accomplishments and Highlights

The Workers' Compensation Division initiated the Request for Proposal (RFP) process for Industrial Medicine Services including developing the scope of work for multiple Industrial Medicine Services. The RFP process will be completed in FY 2021. Services include treatment of all work-related industrial injuries, respirator clearance testing, safety and industrial training, and hearing conservation.

The Division transitioned to multiple new Managed Care Providers as a result of new contracts entered into at the end of FY 2019 after completion of the RFP process. This included implementation of a new Pharmacy program, and continued cost containment through bill review services ensuring the City is not paying above the California Fee Schedule, review of medical necessity for services requested and Nurse Case Management services which provide injured employees with assistance in obtaining and scheduling of medical appointments and specialty appointments.

The Division put together a working group and identified the required resources to move all claims processes to a paperless environment. The Division was able to successfully implement a paperless process for all new claims and incoming mail. This allowed the Division to have a majority of staff work remotely effective March 2020 when the COVID-19 pandemic necessitated a change in operations. Claims Representatives and Supervisors are now able to access all claims and needed documents electronically. The Division receives approximately 2,000 pieces of mail each week and receives nearly 140 new claims per month. These are now scanned and electronically stored in the claims management system.

The unprecedented COVID-19 pandemic brought about many changes to operations. The Workers' Compensation Division worked closely with Police and Fire-Rescue Departments upon the City activating the Emergency Operation Center (EOC) in March 2020. At the time there was very limited availability of providers who were able to schedule employees for evaluation involving COVID-19 and even more limited COVID-19 testing available. The Division was successful in identifying resources and developing a process for having our first responders triaged to proper care and testing when exposures occurred. The appointment and turn-around times were rapid, within 24 hours, ensuring the safety and care of our first responders.

The Workers' Compensation Division completed the following claims management services in FY 2020:

- ❖ 146,156 Transactions processed in the City's claims management system
- ❖ 4,384 Active claims managed
- ❖ 1,600 New claims received and processed
- ❖ 386 Claims settled

Future Year Outlook

The Workers' Compensation Division will work with the Purchasing & Contracting Department to complete the RFP process for Industrial Medicine and secure new contracts for its Medical Provider Network in order to provide quality industrial medicine care while ensuring cost containment for services.

The Division will continue to move existing claims data into an electronic format as well as move all processes to paperless. Due to the highly regulated Workers' Compensation system, the Division must interact and share information with the State of California and contracted providers for the State. Currently, information is sent and received via US and Overnight mail. This will be moved to a process of uploading and receiving this information electronically from providers including the State of California, Maximus Federal Services and the Court system for workers' compensation, the Workers' Compensation Appeals Board.

The Division is completely revising its policy and procedure manuals due to new processes implemented. This includes developing new workflows, reallocating Division resources and staff, creating an online training manual and training of all staff on changes and updates.

SAFETY AND ENVIRONMENTAL HEALTH DIVISION

The Safety and Environmental Health Division provides oversight of citywide safety practices and policies. The Division collaborates with the following City departments that have in-house safety staff: Environmental Services, Fire-Rescue, Parks and Recreation, Police, Public Utilities, Public Works, Fleet Operations, and Transportation and Storm Water. For all other City departments, the Division provides a centralized safety function. The Division coordinates and conducts safety trainings (Safe Driver Practices, First Aid, CPR, AED, Cal/OSHA Reporting and Recording of Injuries/illnesses, etc.), inspects workplaces, investigates and monitors employee injuries and accident reports, responds to Cal/OSHA inquiries and complaints, compiles and reviews all vehicle/industrial accident reports, and creates and updates safety administrative regulations.

In addition, the Division manages Department of Transportation (DOT), Department of Motor Vehicle (DMV), and all industrial hygiene activities for the City. Also, staff oversees the City safety footwear and eyewear, ergonomic chairs contracts, and the agreements for safety personal protection equipment (PPE). Lastly, staff throughout the fiscal year perform ergonomic assessments for employees including workers' compensation and reasonable accommodations cases and works with City departments to develop safety and environmental health procedures.



To achieve the goal of a safe and healthy work environment, the City has developed an Injury and Illness Prevention Program (IIPP), as mandated by Cal/OSHA. The day-to-day operations of the citywide IIPP are administered by the Safety and Environmental Health Division. The

City's IIPP provides guidance on complying with the safe work practices and principles identified in the California Code of Regulations, Title 8, and Section 3203.

In accordance with the IIPP, the Risk Management Department publishes the Workers' Compensation and Safety Performance Report. This report supports the Cal/OSHA required communication and record keeping elements by providing the above-mentioned City departments with the year-to-date number of workers' compensation claims and costs and associated industrial leave costs. The information is summarized to allow departments the ability to quickly identify potential areas of concerns due to a high number of a type of injury or high claim costs. In addition, the report includes Cal/OSHA Injury, Illness Incident Rates (the total number of recordable injuries/illnesses per 100 FTEs) and Days Away Restricted or Transferred (DART) Rates (number of recordable DART cases divided by total hours worked) which assist departments in identifying problems in the workplace or progress made in preventing work related injuries and illnesses.

While the Safety and Environmental Health Division provides guidance citywide, City departments must take an active role in implementing strategies to enhance the safety culture of the organization, not only as it relates to a safe and healthful workplace, but also as it relates to public safety and public liability losses. City departments are also responsible for coordinating the implementation of the IIPP and other safety and health programs with assistance from the Division.

Accomplishments and Highlights

In FY 2020, the Safety and Environmental Health Division continued its effort to revise Administrative Regulation (A.R.) 75.12, Vehicle and Industrial Incident Reporting, Review and Discipline Program. Adoption and implementation of the revised A.R. is subject to meet and confer with all Recognized Employee Organizations (REO). Although negotiations continue with some REOs, implementation is expected in the Spring of FY 2021 for membership of the REOs that have approved the A.R. revisions.

The US Department of Transportation Federal Motor Carrier Safety Administration implemented a Clearinghouse for all commercial drivers for drug and alcohol violations. This program includes both pre-employment screening, an annual query of all commercial drivers, and changes to the process of positive results for all positive drug and alcohol tests by these drivers. The Division was responsible for the implementation of each of the components including but not limited to signing up all relevant City departments, managing the Clearinghouse actions, creating training materials for all drivers, and obtaining approvals for all documents being distributed. The Division generated the first required annual query of the City's more than 800 commercial drivers in December 2020.

The California Department of Industrial Relations' Occupational Safety and Health Standards Board (Cal/OSHA) adopted an emergency rule to provide respiratory protection to all employees working outside for longer than one hour when the air quality index (AQI) reaches 151 or greater, also known as the Wildfire Smoke Protection Plan. The Division created informational and training packages, worked with the affected departments on creating department specific plans, and coordinated with the Human Resources Department (HR) on the approval of the department plans by the REO's.

The Division also worked on the implementation of the Driver Operator Manual (DOM), which sets City expectations for employees who drive on City business and includes applicable driver

related Administrative Regulations, rules, and policies. The City's DOM was finished and approved by the departments and REO's. This update was a major undertaking by the Division and the Accident Review Board. The Division worked with the Human Resources Department (HR) to distribute the DOM in SuccessFactors and ensure all employees who drive on City business concluded review of the DOM.

In response to COVID-19, the Safety Division developed specialized ergonomics trainings and created informational flyers for staff working from home. The Division shifted to virtual ergonomics consultations and offered assistance to employees seeking tips on how to set up their home workstation. Additional trainings provided included proper use of a face covering and in-house training for Risk Management employees related to the Department's adopted COVID-19 Workplace Response Plan. The Division also assisted the City's effort in creating a training video on workstation cleaning standards. In person driver discipline trainings were redesigned to adhere to COVID-19 related safety protocols.

The Division began the process of updating several required OSHA programs. This includes the Injury Illness Protection Program, Bloodborne Pathogens Exposure Control Plan, Aerosol Transmissible Diseases Exposure Control Standard Plan, and Hazard Communication Program. The finalization, approval, and implementation of those plans will take place in FY 2021.

The Safety and Environmental Health Division completed the following to prevent injury and illness in the workplace:

- ❖ 653 Department of Transportation Drug and Alcohol Tests coordinated
- ❖ 1,400 Department of Motor Vehicle records reviewed
- ❖ 183 Ergonomic assessments/lab appointments and evaluations for Workers' Compensation Claims and Reasonable Accommodations Requests
- ❖ 35 - 40% of staff time devoted to safety inquiries and consultations
- ❖ 179 Chair fittings to ascertain the appropriate chair model
- ❖ 733 Vehicle/Industrial Accident Reports processed

Future Year Outlook

The Division will be providing training on A.R. 75.12 to all affected employees who drive on City business as well as individualized trainings for those employees processing the incidents. Supervisors will also receive specialized training on incident investigation.

Focus will continue on driver safety and incident reduction and prevention by developing a required driver course for all new hires. Drivers will also be assigned driver training by their Supervisor through *Target Solutions*, an online training platform, and Risk Management's "Being Safe for the City of San Diego" driver course. The Division will also assist in creating a Citywide driver rewards program to recognize employees who carry out their driving functions safely.

In addition to the trainings and the revisions to A.R. 75.12, the Division is exploring options to transition vehicle accident tracking from a paper-based model to an electronic one. Some of the benefits of implementing an Electronic Vehicle Incident Tracking System are; expeditious vehicle incident processing, elimination of paper files and manual tracking, department access to their employee vehicle accident data, and elimination of data entry by multiple sources. In addition, an electronic vehicle incident tracking system will provide data mining capabilities

to better identify vehicle accident trends that will assist the department in developing preventive measures to reduce vehicle incidents.

The Division will focus on the update of the City's IIPP. Upon approval of the IIPP, the Division will assist departments in updating their department specific IIPPs.

The Division will finalize the following: Bloodborne Pathogens Exposure Control Plan, Aerosol Transmissible Diseases Exposure Control Standard Plan, and Hazard Communication Program and proceed with implementation which will include training.

Lastly, the division will finalize the process for Tuberculosis (TB) testing of assigned employees in the Parks and Recreation and Public Utilities Departments.

EMPLOYEE BENEFITS DIVISION

The Employee Benefits Division manages the citywide administration of the Flexible Benefits Plan, Retiree Medical Trust, Long-Term Disability (LTD) Plan, and Employee Retirement Savings Plans.

In support of the City's Flexible Benefits Plan, the Division provides benefits orientations to new, newly eligible, or rehired City employees. The Division also publishes the Flexible Benefits Open Enrollment Information and Costs Booklet annually to provide all City employees with benefits information and premium costs for open enrollment. Throughout the fiscal year, staff processes requests for changes to employee benefits when there is a qualifying event (e.g. marriage, divorce, birth or adoption of a child, gain or loss of coverage, job class change or court order, etc.). The Division is also responsible for all of the reporting requirements related to the Affordable Care Act (ACA).

The Employee Benefits Division also administers the LTD Plan which was established in 1981 for the purpose of providing income to eligible employees while unable to work as a result of non-industrial injury, illness, or pregnancy. The LTD Plan is a self-insured and self-administered plan.

In addition, the Employee Benefits Division oversees the Employee Savings Plans which allow employees to enhance retirement income by participating in tax-deferred defined contribution plans such as the Supplemental Pension Savings Plan (SPSP), 2009 401(a) Plan, 401(k) Plan, Deferred Compensation 457(b) Plan, and Retiree Medical Trust Plan. These plans had a combined trust asset value of approximately \$1.6 billion as of June 30, 2020. **Figure 12**, Employee Saving Plans, displays a summary of each tax-deferred plan including the number of participants and asset value of each plan.

Figure 12: Employee Saving Plans²

As of June 30, 2020

Savings Plan	Number of Participants	Asset Value (in millions)
SPSP	5,923	\$ 696.5
401(k)	9,744	443.4
457(b)	3,544	168.4
SPSP-H	9,020	212.9
Option C HRA ³	454	36.8
401(a)	638	8.4
Retiree Medical Trust Plan	5,137	8.3
Total¹		\$ 1,574.6

¹ Totals may not foot due to rounding.² Includes active employees and retirees with balances.³ The Option C HRA participants listed are employees that are inactive or active who are enrolled in the plan. These participants consist of employees that are unclassified/unrepresented and deferred vested.

Accomplishments and Highlights

In FY 2020, the Employee Benefits Division released an RFP for City-sponsored group dental insurance services. With this solicitation, the Risk Management Department found the best value for City participants, which includes both active employees and retirees, while maintaining high quality dental insurance services. A new dental service provider was brought on-board on August 1, 2020.

In order to comply with an Audit Recommendation, administration of the Transportation Alternatives Program (TAP) was transferred to the Risk Management Department in FY 2020. The Division implemented online enrollment and automated payroll deductions for transit passes as part of this transition.

The Division continued to improve Long-Term-Disability (LTD) materials and communications, with LTD webpage enhancements being a primary focus. The enhancements to the website included grouping information by LTD category and outlining the LTD process step-by-step for claimants by category.

All six of the current Memoranda of Understandings (MOUs) with the City's REOs expired on June 30, 2020. The Division participated in collective bargaining with the REOs regarding terms and conditions of employment as part of the City's negotiation team. The Division will continue participating on the City's negotiation team in FY 2021.

In FY 2020, the Employee Benefits Division completed the following in service of City employees:

- ❖ 10,250 Employees receiving flexible benefits
- ❖ 1,126 New hires, re-hires, and newly benefitted employees who were enrolled in their flexible benefits and mandatory savings plans
- ❖ 175 New LTD claims
- ❖ 32 Non-Standard Hour employees met the qualifications and were offered medical coverage under the ACA

Future Year Outlook

In Fiscal Year 2021, the Employee Benefits Division will enhance the educational materials provided through the development of a series of videos focused on informing and clarifying the benefits available to City employees.

The Division will also incorporate an electronic Qualifying Events Form into the Benefits Enrollment Application in the SAP Portal. This will allow for guided instructions that are dynamic and adaptive to the specific event an employee is submitting. In addition, by incorporating the form into the SAP Portal, data may be automatically written to the Benefits Module, creating efficiencies in the processing of qualifying events.

Finally, the Division will work to develop Total Compensation Statements for employees. These statements will include information on the complete pay package awarded to employees, incorporating all pay and benefits whether direct or indirect. These will show current and prospective employees the total value of City benefits. The Division will work in collaboration with the Department of Finance, Personnel, and Human Resources to ensure all City benefits and compensation are incorporated. The Division will also work with the Department of IT from a systems perspective to make the statements accessible to employees online.

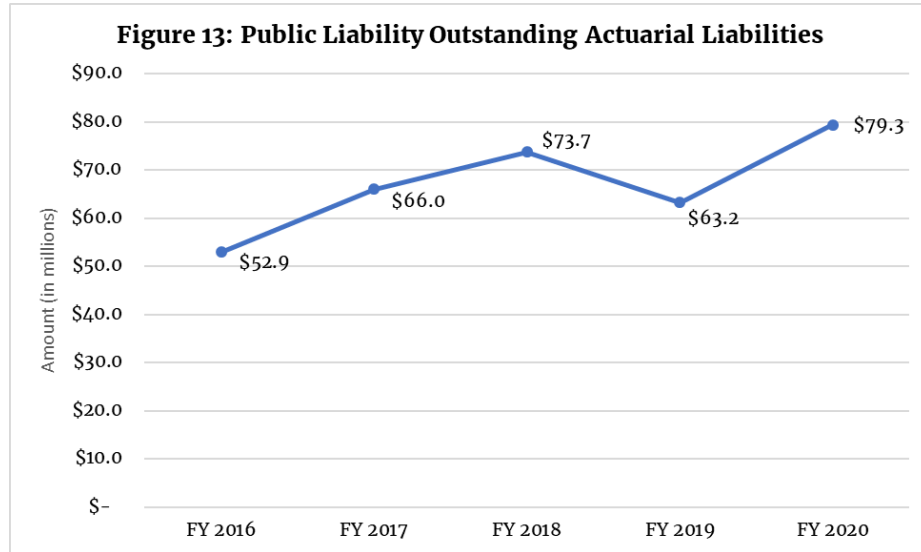
RISK MANAGEMENT RESERVES

The Public Liability, Workers' Compensation, and LTD Funds provide funding sources for certain claims made against the City. The Public Liability Fund is funded by the General Fund to support claims arising from real or alleged acts on the part of the City, including claims for bodily injury, property damage, inverse condemnation, false arrest, and errors and omissions. The Workers' Compensation Fund is a citywide fund that covers medical and disability costs for industrial injury claims, while the LTD Fund provides non-industrially disabled City employees with income and flexible benefits coverage. The reserve requirements for all these funds are outlined in the City's Reserve Policy (Council Policy 100-20). For purposes of the policy, cash on hand is used to identify the projected reserve balance.

Public Liability Reserve Status

The Public Liability Reserve is funded by the General Fund to support claims arising from real or alleged acts on the part of the City, including claims for bodily injury, property damage, and errors and omissions. This Fund is included in the City's Reserve Policy to ensure financial stability. Per the policy, the City will maintain reserves equal to 50.0 percent of the average value of the annual actuarial liability (AVAAL) by the end of FY 2020.

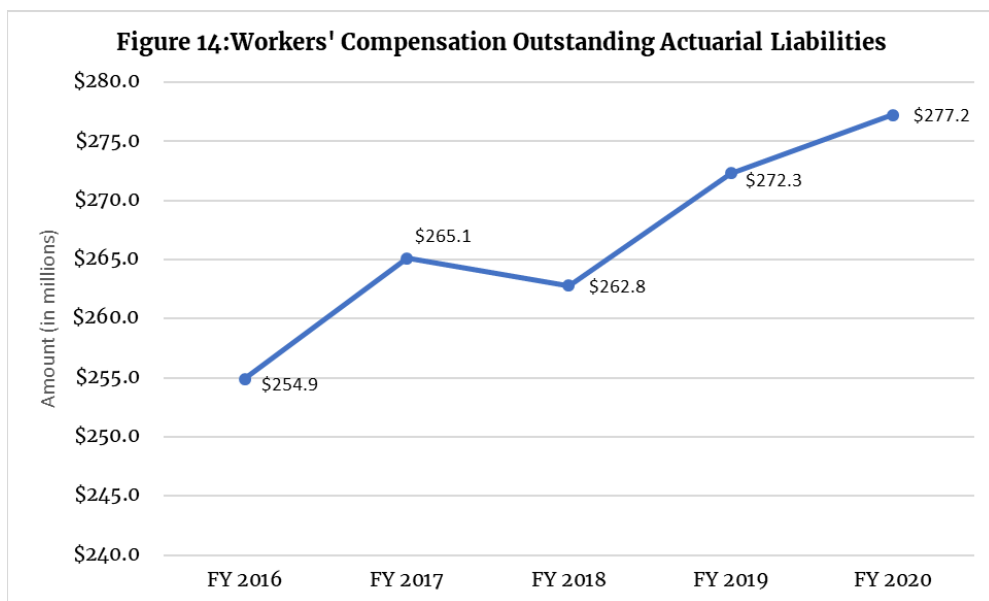
For FY 2020, the City's Reserve Policy requires that the Public Liability Fund Reserve equals 50.0 percent of the AVAAL for the three most recent years, or \$33.8 million. The ending fund balance of the Public Liability Fund Reserve is approximately \$33.8 million or 50.0 percent of the three-year average of the annual actuarial liability. **Figure 13**, Public Liability Outstanding Actuarial Liabilities, displays the public liability outstanding actuarial liabilities for the past five fiscal years.



Workers' Compensation Reserve Status

The Workers' Compensation Reserve provides funding for medical and disability costs for injuries and illnesses occurring in the workplace. This Fund is included in the City's Reserve Policy to ensure financial stability. Per the policy, the City will maintain reserves equal to 12.0 percent of the average value of the annual actuarial liability (AVAAL).

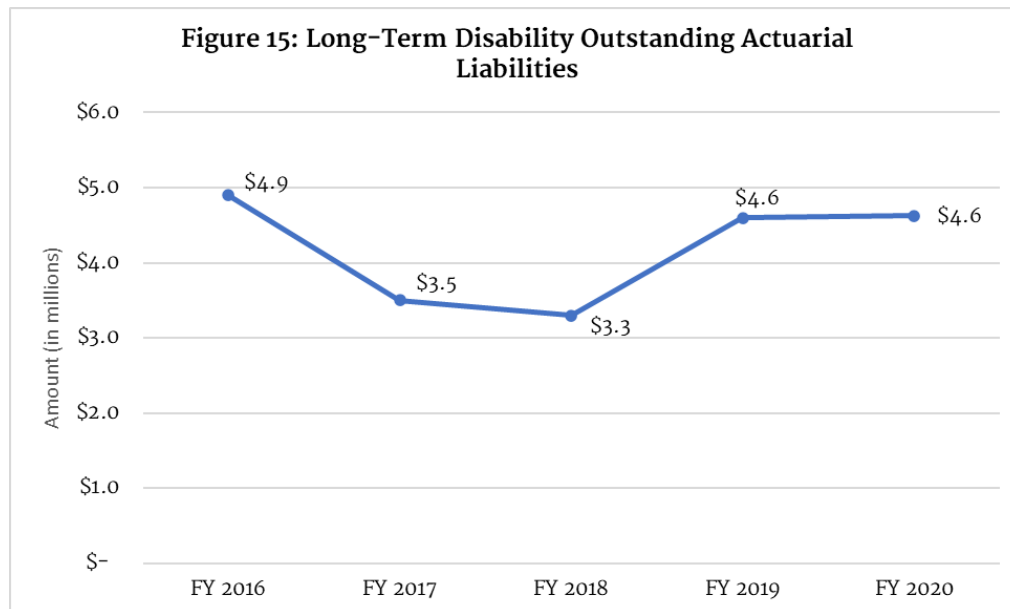
For FY 2020, the City's Reserve Policy requires that the Workers' Compensation Reserve equals 12.0 percent of the AVAAL for the three most recent years, or \$32.0 million. The ending fund balance of the Workers' Compensation Reserve is approximately \$32.0 million or 12.0 percent of the three-year average of the annual actuarial liability. **Figure 14**, Workers' Compensation Outstanding Actuarial Liabilities, displays the workers' compensation outstanding actuarial liabilities for the past five fiscal years.



Long-Term Disability Reserve Status

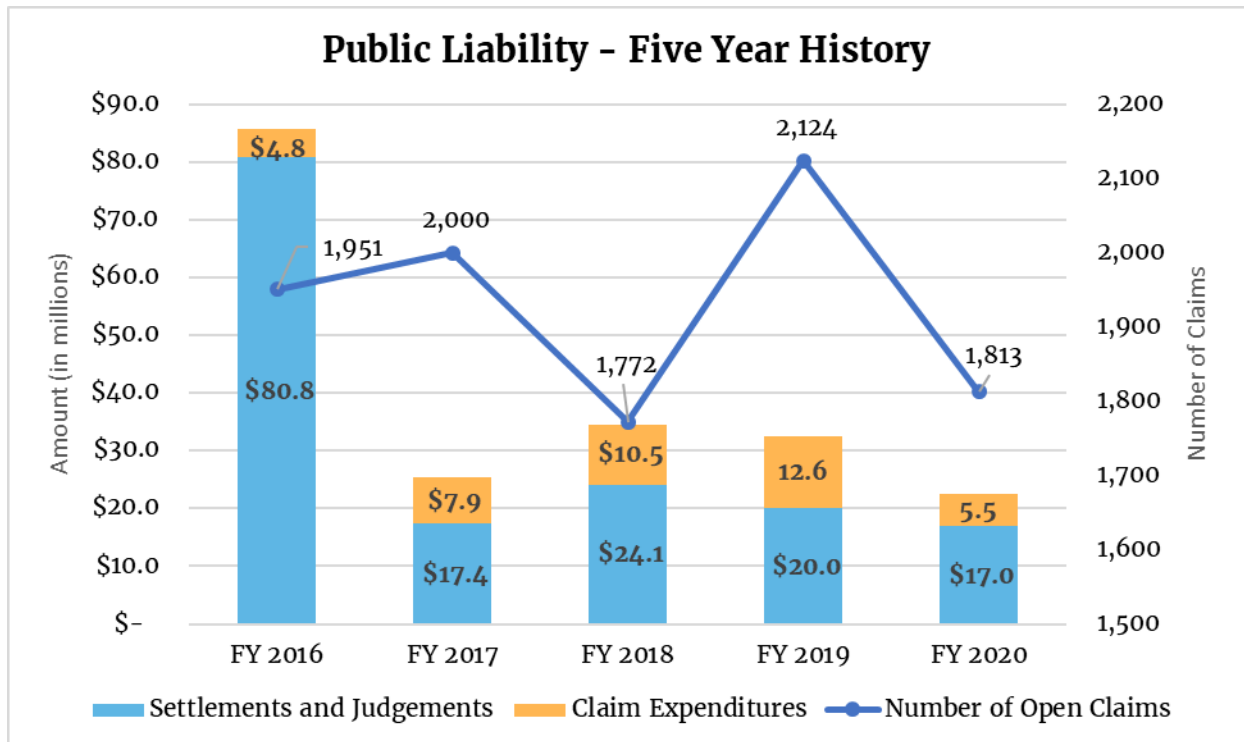
The Long-Term Disability Reserve provides non-industrially disabled City employees with income and flexible benefits coverage. This Fund is included in the City's Reserve Policy to ensure financial stability. Per the policy, the City will maintain reserves equal to 100.0 percent of the average value of the annual actuarial liability (AVAAL).

For FY 2020, the City's Reserve Policy requires that the Long-Term Disability Reserve equals 100.0 percent of the AVAAL for the three most recent years, or \$3.8 million. The ending fund balance of the Long-Term Disability Reserve is approximately \$3.8 million or 100.0 percent of the three-year average of the annual actuarial liability. **Figure 15**, LTD Outstanding Actuarial Liabilities, displays the LTD outstanding actuarial liabilities for the past five fiscal years.



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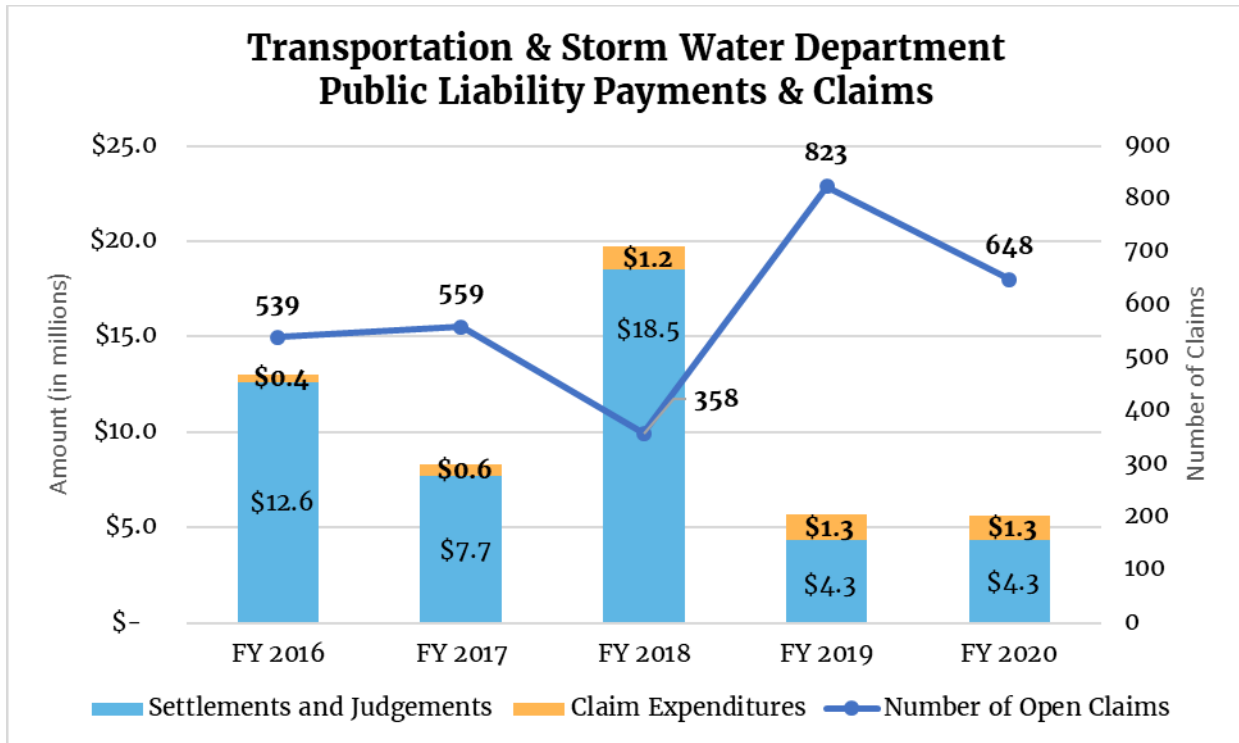
Appendix A



Citywide—FY 2020 total claim expenses decreased \$10.1 million, or 31 percent, from FY 2019. Of this total, settlements and judgments decreased \$3.0 million, or 15 percent, and claim expenditures decreased \$7.1 million, or 56 percent from FY 2019. The decrease in claims expenditures is attributed to the administration transfer from Risk Management to the Public Utilities Department of the City’s remediation contract. FY 2020 reported claims decreased by 311, or 15 percent, from reported claims in FY 2019, mainly due to a decrease in potholes, water main breaks, and storm drains related claims.

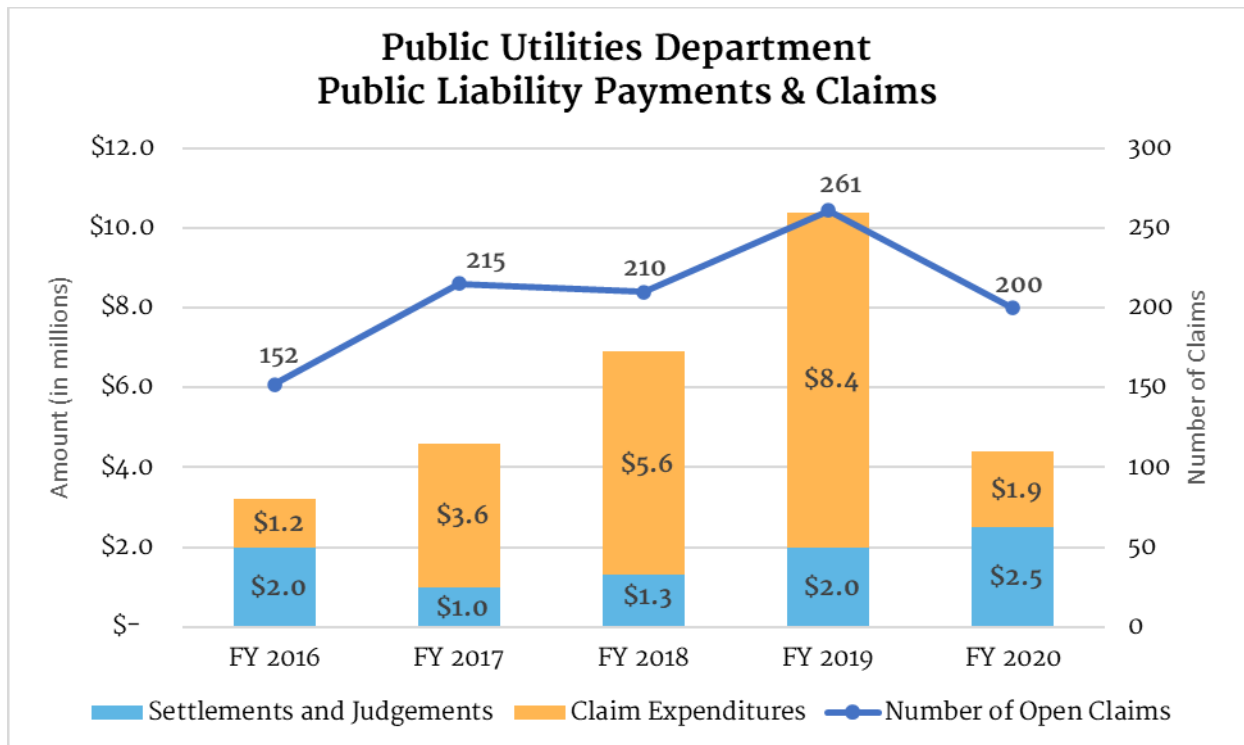
The following graphs reflect number of claims and payments detail for the top five liability incurring departments and all other combined departments.

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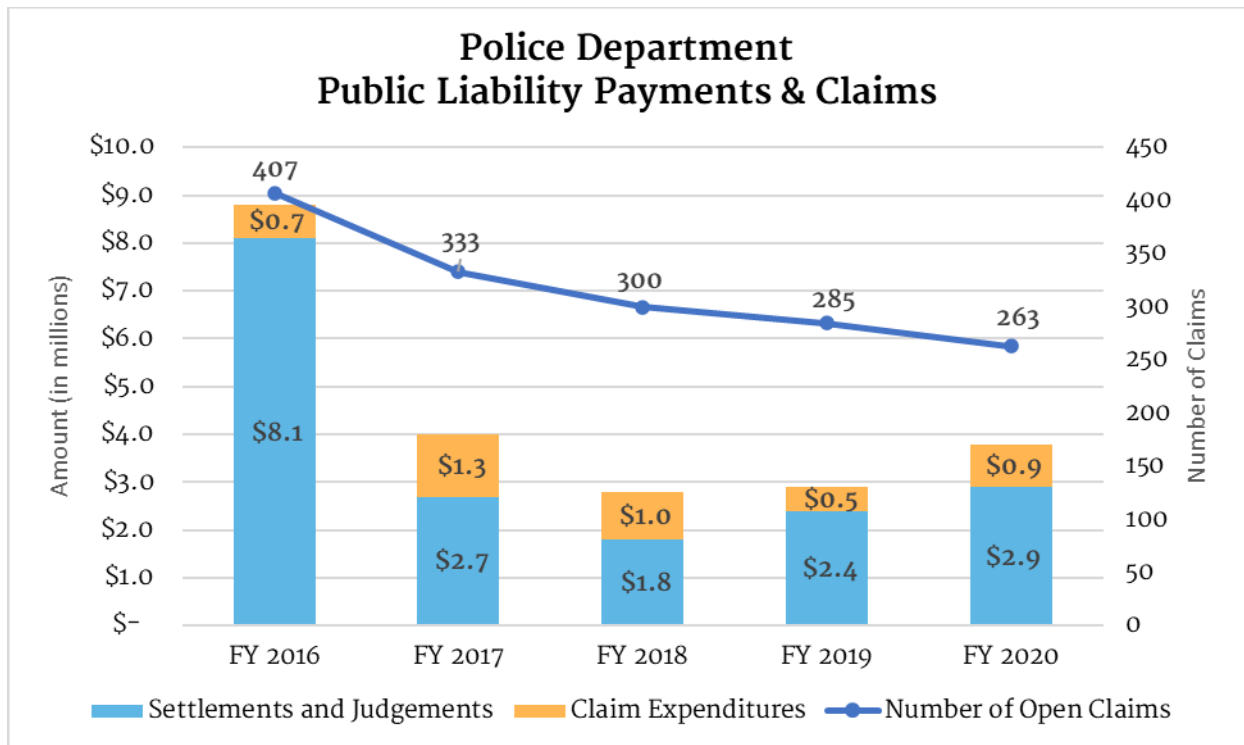
Transportation & Storm Water Department (T&SW)—FY 2020 total claim expenses did not change significantly from FY 2019. Of this total, settlements and judgments remained at \$4.3 million and claim expenditures remained at \$1.3 million. FY 2020 reported claims decreased by 175, or 21 percent, from reported claims in FY 2019. The decrease in claims is primarily due to potholes and storm drains related claims.

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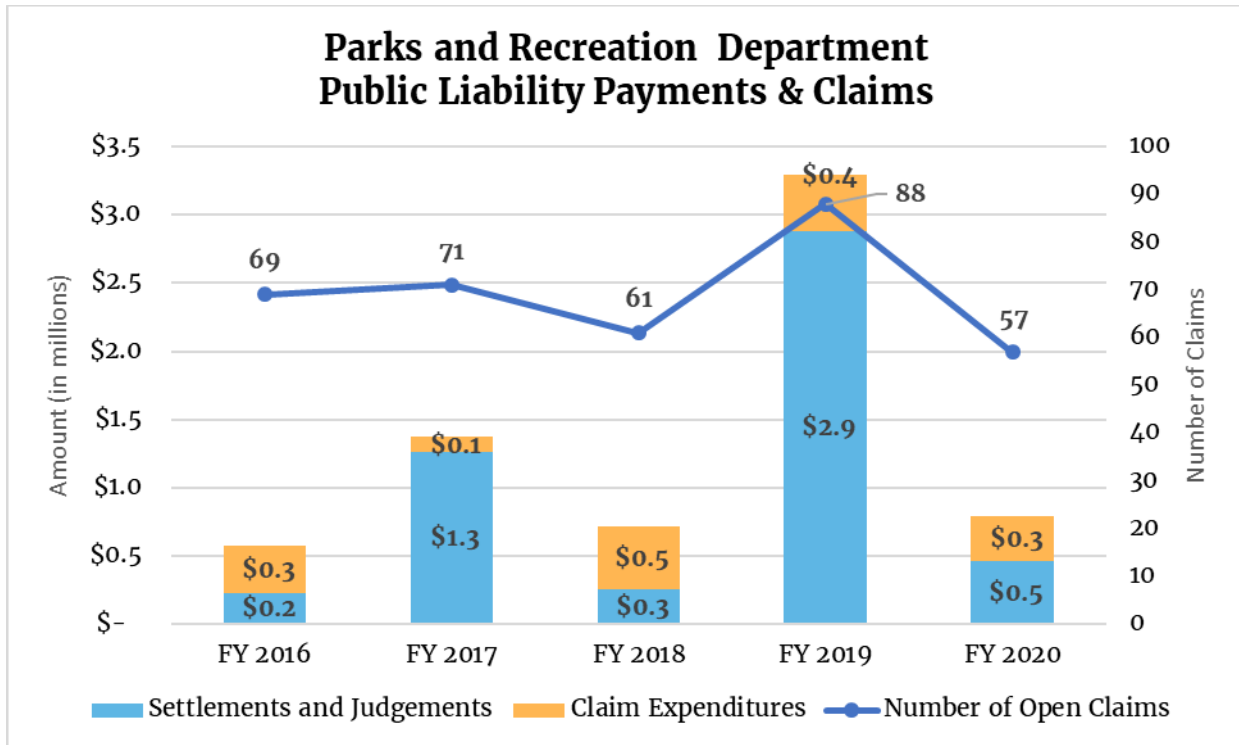
Public Utilities Department –FY 2020 total claim expenses decreased \$6.0 million, or 58 percent, from FY 2019. Of this total, settlements and judgments increased \$0.5 million, or 25 percent, and claim expenditures decreased \$6.5 million, or 77 percent, from FY 2019. FY 2020 open claims decreased by 63, or 24 percent, from open claims in FY 2019. The decrease in claims expenditures is attributed to the administration transfer from Risk Management to the Public Utilities Department of the City's remediation contract.

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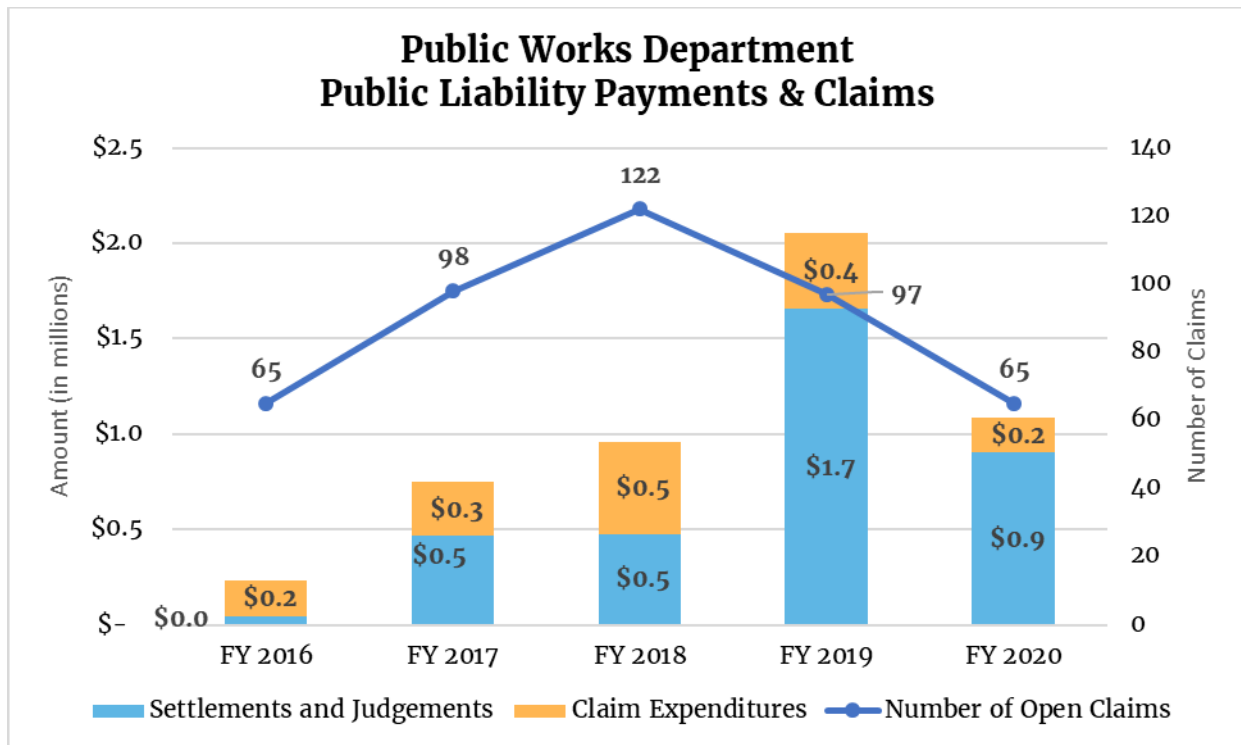
Police Department—FY 2020 total claim expenses increased \$0.9 million, or 31 percent, from FY 2019. Of this total, settlements and judgments increased \$0.5 million, or 21 percent, and claim expenditures increased \$0.4 million, or 80 percent, from FY 2019. FY 2020 open claims decreased by 22, or 8 percent, from open claims in FY 2019.

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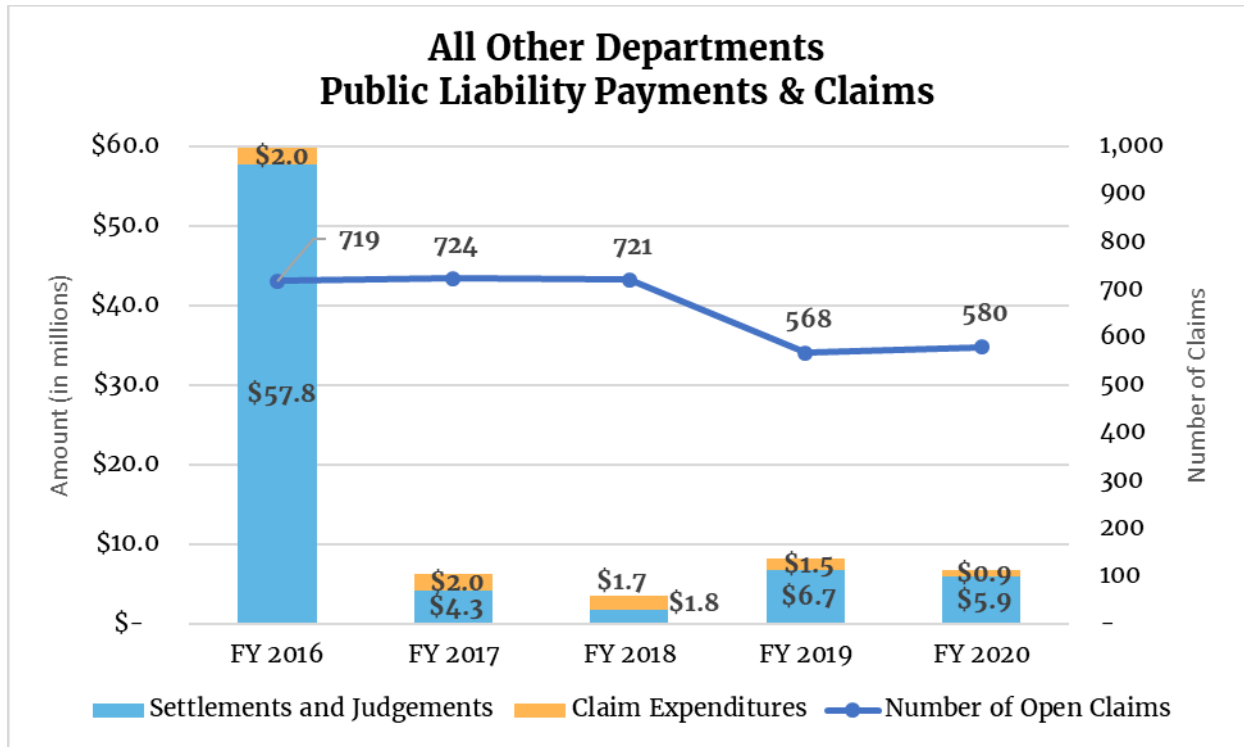
Parks and Recreation Department—FY 2020 total claim expenses decreased \$2.5 million, or 76 percent, from FY 2019. Of this total, settlements and judgments decreased \$2.4 million, or 84 percent, and claim expenditures increased \$0.1 million, or 21 percent, from FY 2019. FY 2020 open claims decreased by 31, or 35 percent, from open claims in FY 2019. The decrease in expenditures is primarily due to city vehicle accidents related claims.

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Public Works Department—FY 2020 total claim expenses decreased \$1.0 million, or 47 percent, from FY 2019. Of this total, settlements and judgments decreased \$0.8 million, or 45 percent, and claim expenditures increased \$0.2 million, or 54 percent, from FY 2019. FY 2020 reported claims decreased by 30, or 32 percent, from reported claims in FY 2019.

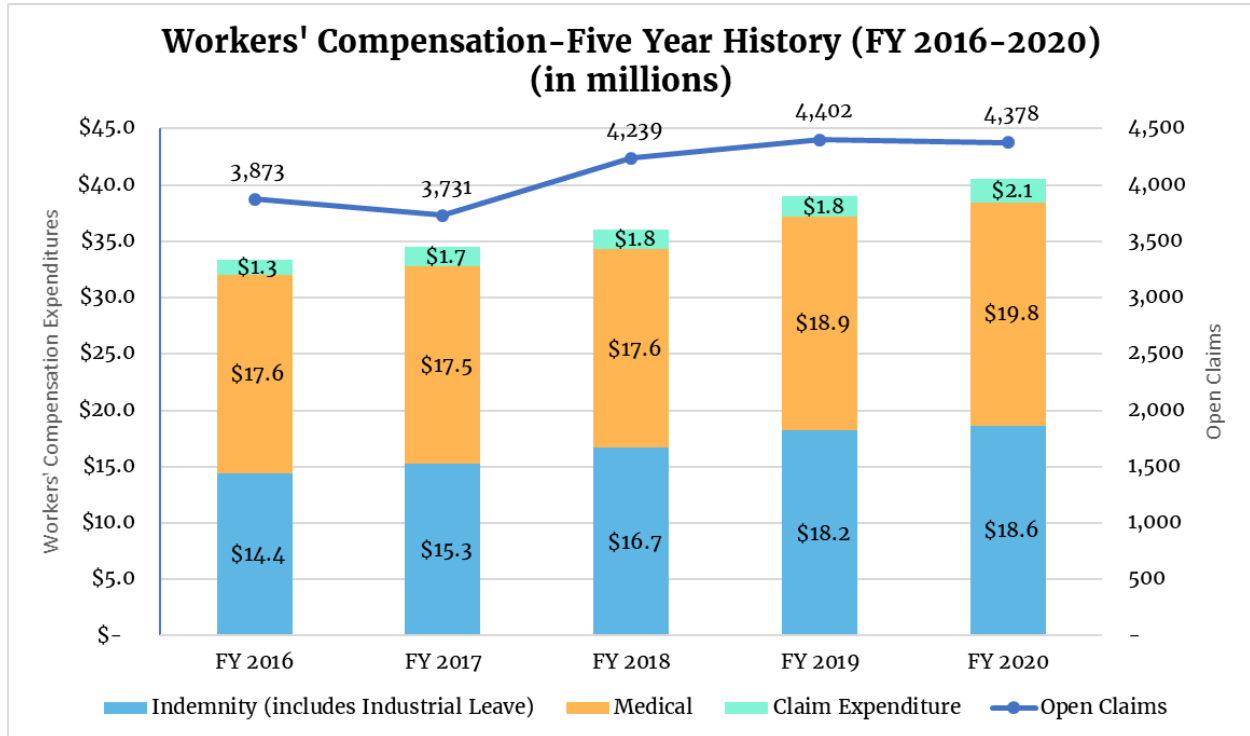
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All Other Departments- FY 2020 total claim expenses decreased \$1.5 million, or 18 percent, from FY 2019. Of this total, settlements and judgments decreased \$0.8 million, or 12 percent, and claim expenditures decreased \$0.7 million, or 44 percent, from FY 2019. FY 2020 reported claims increased by 12, or 2 percent, from reported claims in FY 2019. Note FY 2016 includes \$25.0 million for Del La Fuente Business Park (claim number LP9601300009) which was paid directly to the claimant from the insurer.

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Appendix B

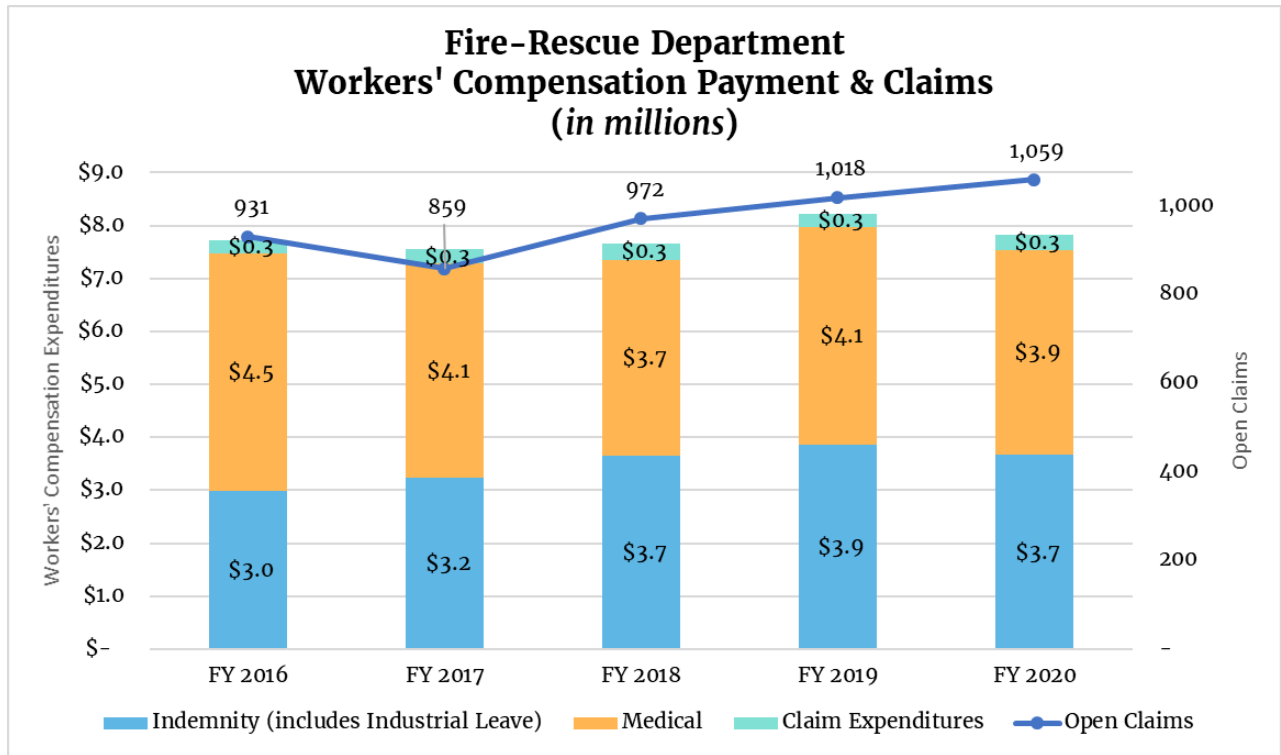


Note: Indemnity includes: permanent disability, salary continuance (industrial leave), and temporary disability

Citywide—FY 2020 total claim expenses increased \$1.5 million, or 4 percent, from the FY 2019. Of this total, \$0.4 million, or 2 percent, increased in indemnity, \$0.9 million, or 5 percent, increased in medical, and \$0.2 million, or 13 percent, increased in claim expenditures from FY 2019. FY 2020 open claims decreased by 24, or 0.5 percent, from open claims in FY 2019.

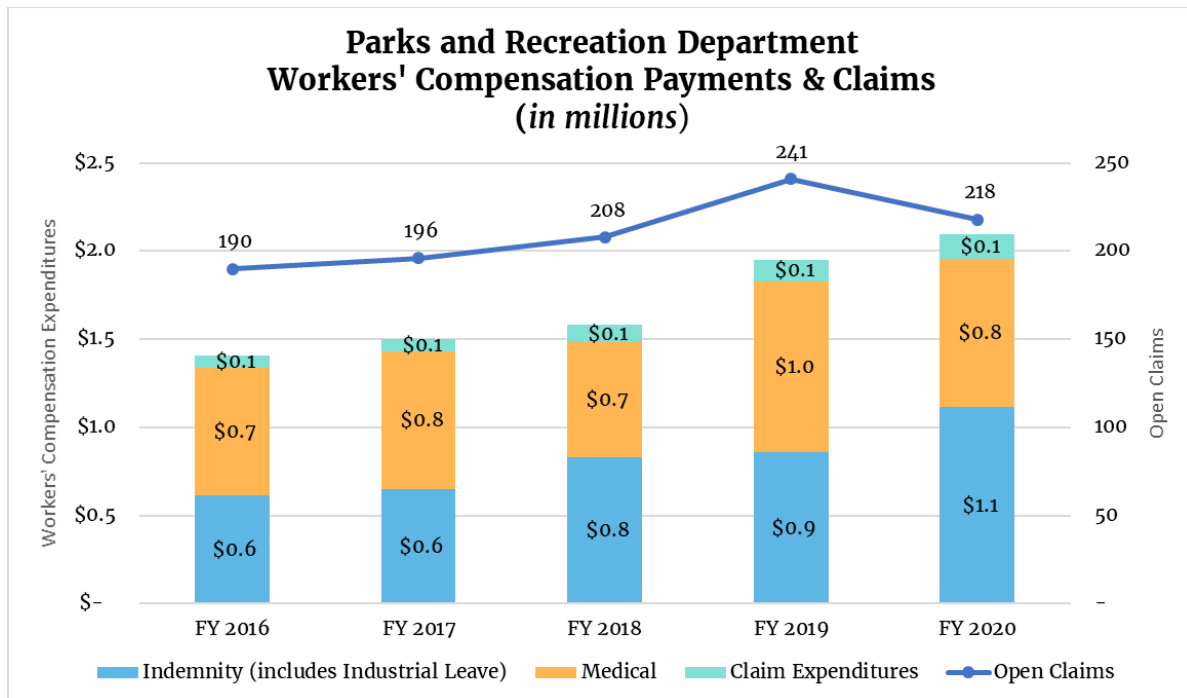
The following graphs break out the top four and other departments.

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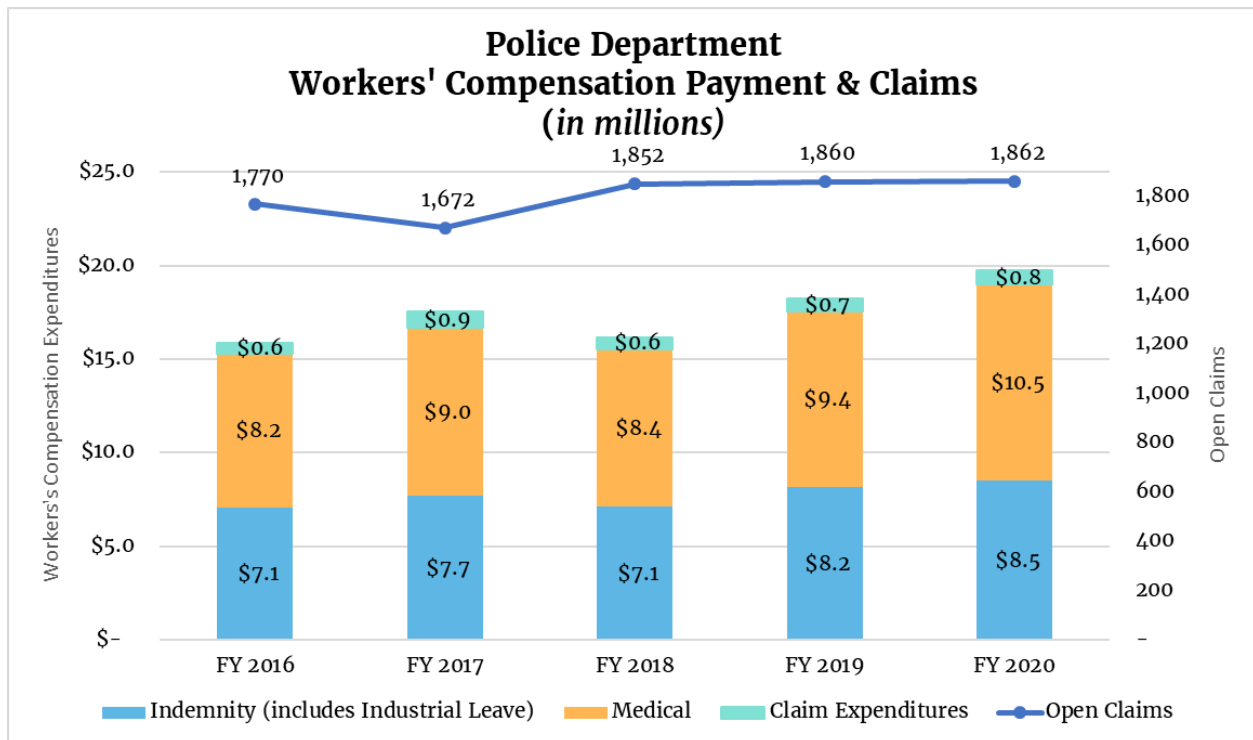
Fire-Rescue Department (includes Fire, Lifeguards, and Emergency Medical Services)–FY 2020 total claim expenses decreased \$0.4 million, or 5 percent, from the FY 2019. Of this total, \$0.2 million, or 5 percent, decreased in indemnity, \$0.3 million, or 7 percent, decreased in medical, and \$0.1 million, or 20 percent, increase in claims expenditures from FY 2019. FY 2020 open claims increased 41, or 4 percent, from open claims in FY 2019.

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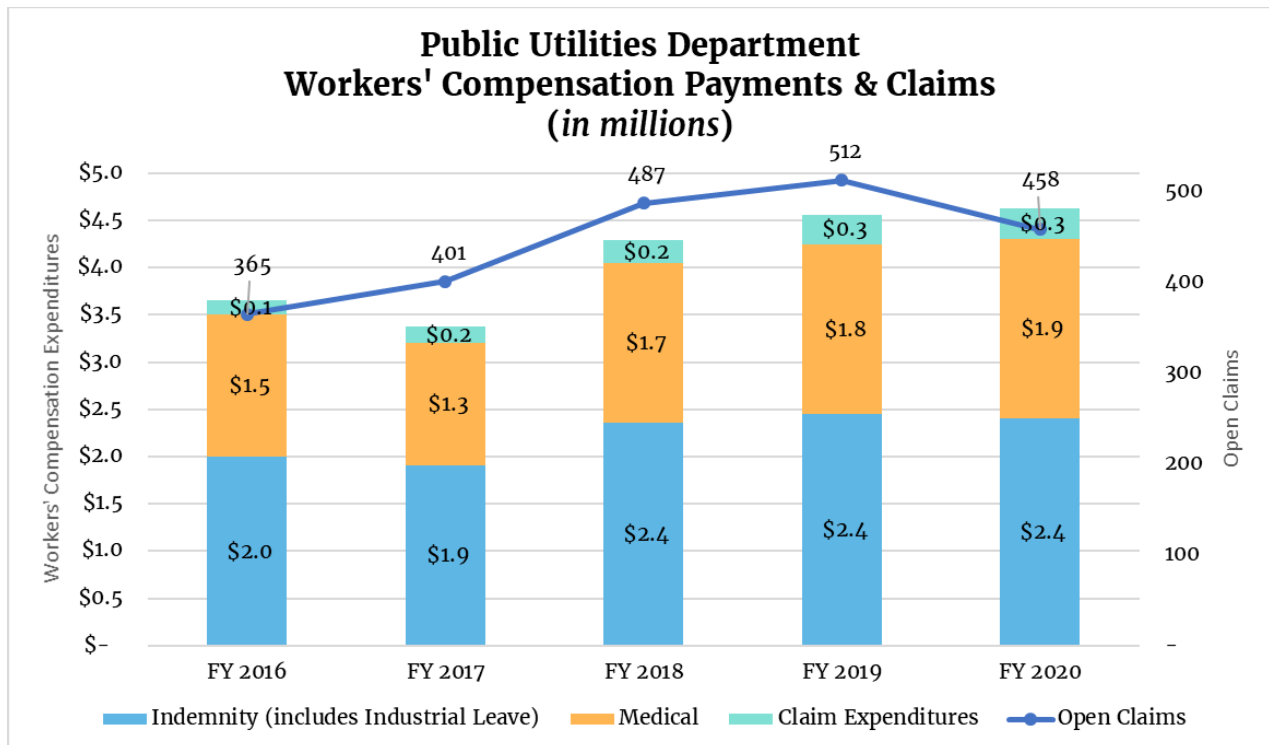
Park and Recreation Department—FY 2020 total claim expenses increased \$0.1 million, or 7 percent, from the FY 2019. Of this total, \$0.3 million, or 30 percent, increased in indemnity payments, \$0.1 million, or 13 percent, decreased in medical, and \$22,000, or 14 percent, increased in claim expenditures from FY 2019. FY 2020 open claims decreased 23, or 10 percent, from open claims in FY 2019.

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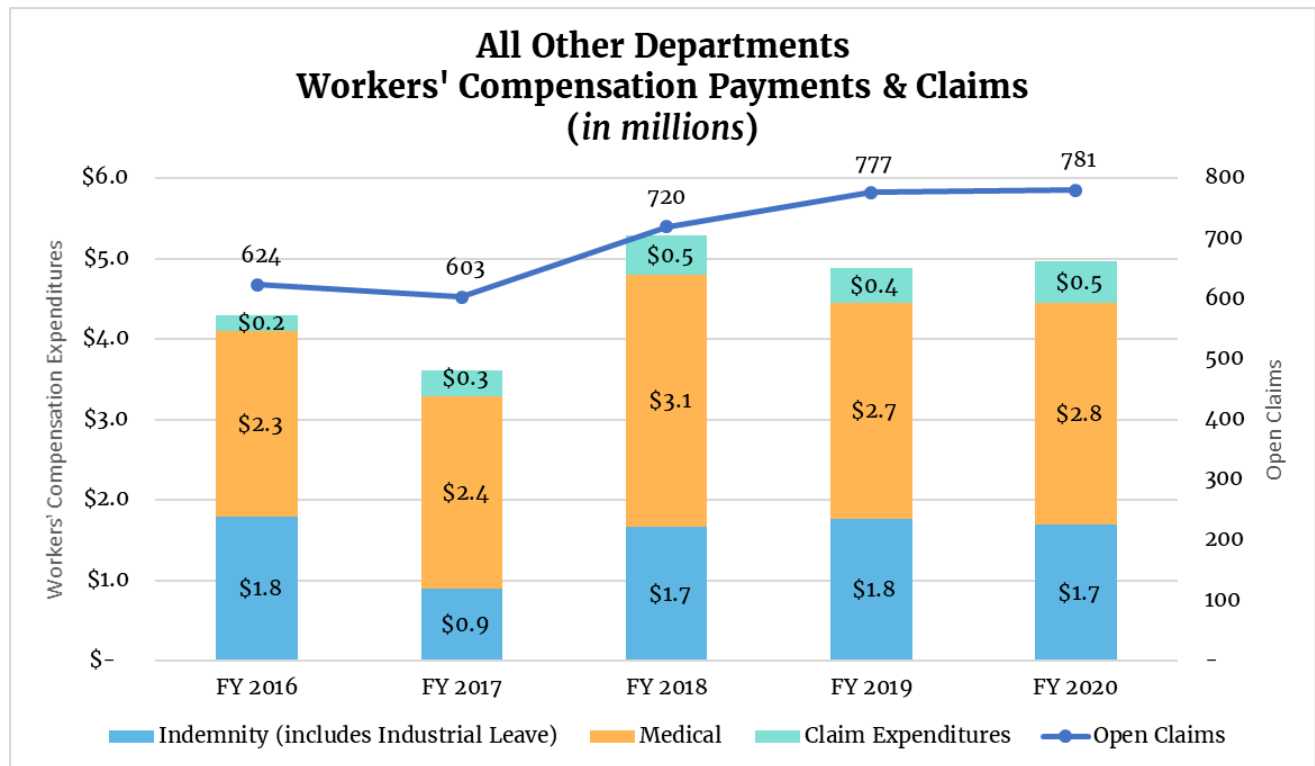
Police Department—FY 2020 total claim expenses increased \$1.5 million, or 8 percent, from the FY 2019. Of this total, \$0.3 million, or 4 percent, increased in indemnity, \$1.1 million, or 12 percent, increased in medical, and \$0.1 million, or 11 percent, increased in claim expenditures from FY 2019. FY 2020 open claims increased 2, or 0.1 percent, from open claims in FY 2019.

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Public Utilities Department—FY 2020 total claim expenses increased \$0.1 million, or 1 percent, from the FY 2019. Of this total, \$46,000 or 2 percent, decreased in indemnity, \$0.1, or 6 percent, increased in medical, \$7,000 or 2 percent, increased in claim expenditures from FY 2019. FY 2020 open claims decreased 54, or 11 percent, from open claims in FY 2019.

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All Other Departments—FY 2020 total claim expenses increased \$0.1 million, or 2 percent, from the FY 2019. Of this total, \$0.1 million, or 4 percent, decreased in indemnity, \$0.1 million, or 3 percent, increased in medical, and \$0.1 million or 17%, increased in claim expenditures from FY 2019. FY 2020 open claims increased 4, or 1 percent, from open claims in FY 2019.

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