



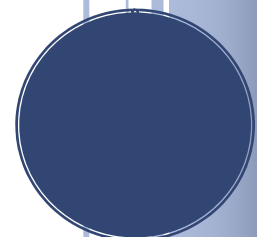
**Liability Claims  
Administration Audit -  
2008**

for

**Authority for  
California Cities  
Excess Liability**

**June 24, 2008**

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June 24, 2008

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Attn: Mr. Mike Simmons  
Account Manager

## 2008 Liability Claims Administration Audit

This report summarizes the results of an audit of general liability claims for the Authority for California Cities Excess Liability (ACCEL). This report documents FCS's findings of all ACCEL members. This project includes the analysis of the following ACCEL members:

- Anaheim
- Bakersfield
- Burbank
- Modesto
- Monterey
- Mountain View
- Ontario
- Palo Alto
- Santa Barbara
- Santa Cruz
- Santa Monica
- Visalia
- ACCEL Administrator (Carl Warren & Company in Glendale)

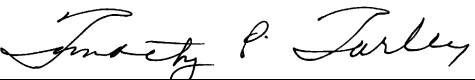
An individual audit of each ACCEL member was conducted either at the member's facility (self-administered) or at the member's third-party administrator (TPA).

The claims handling entity for each member was provided with audit results at the conclusion of its specific review. Each member or its administrator was encouraged to respond to the findings.

FCS appreciates the opportunity to complete this important project for ACCEL and looks forward to discussing the report at the upcoming Board of Directors meeting.

Respectfully submitted,

FARLEY CONSULTING SERVICES

by   
\_\_\_\_\_  
Timothy P. Farley, CPCU  
President

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## I. Executive Summary

### A. General Observations

The audit of liability claims for ACCEL finds that members and their respective administrators continue to be in general compliance with industry standards for public entity liability claims administration. Key to the success of the administration of ACCEL is the timely and compliant reporting to ACCEL of potentially catastrophic claims that will or could penetrate into ACCEL's coverage layer. Some deficiencies continue in this area. Specific findings for this key category are indicated in Section II.C.7 of this report and documented in Exhibit 6 on page 14.

Consistently timely litigation status updates from defense counsel to the member or the administrator are also deficient for nearly all members. Exhibit 4 on page 10 provides each member's findings and compares performance observed this year with last year's (2007) audit findings.

Where possible, this report provides a comparison of performance in key claims administration categories with observations generated by the similar audit conducted in 2007.

Specific findings and observations are:

1. Many of the individuals assigned to the claims administration function also have other risk management related duties. Nearly all of the members delegate primary claims handling duties to defense attorneys/City Attorneys once the claim becomes litigated. FCS recommends a maximum caseload of 180 claims for claims handling technicians on municipal liability exposures, but due to the cessation of responsibility when the claim is litigated, FCS concludes that caseloads are generally reasonable. A list of adjustor caseloads appears in Exhibit 1 – Caseload Analysis on page 5.
2. Case reserves are generally accurate for all member entities. FCS concludes that members have improved performance in this area since last year's audit. Exhibit 2 on page 7 lists each member's reserve accuracy and findings and provides a comparison to the findings presented in the 2007 audit report. The Cities of Monterey and Modesto had multiple findings.
3. Most of the cities exhibit minor deviations from accepted claims handling standards for investigation, but this year's audit identified improvement in this key area of claims administration. No particular member exhibits significant deficiencies.

Exhibit 3 – Investigation Deficiency Analysis on page 9 lists the claims exhibiting a specific investigation deficiency for each ACCEL member and provides a comparison of findings presented in 2007.

4. ACCEL members are generally adhering to industry standards for diary. The analysis of diary includes those instances where the claims handling technician failed to respond to file closure potential. FCS deems the failure to adhere to diary as a primary catalyst of the failure to close claims timely. Exhibit 5 – Diary Performance Analysis on page 6 lists

the files exhibiting ineffective diary activity for each ACCEL member and compares performance with 2007 findings.

5. The review concludes that all members are considering important valuation criteria when resolving claims. This includes obtaining and documenting executed releases and dismissals (litigated claims) after claim resolution. This has been a key finding in all past audits.
6. All claims handling entities are generally maintaining organized and clearly documented claim files. Santa Barbara and Santa Monica are developing a “paperless” system with a significant amount of file material stored in their respective information systems.
7. The administrators are generally complying with ACCEL excess reporting guidelines and communicating the perceived significant exposure to the ACCEL administrator (Carl Warren). Claims that should have been reported to Carl Warren or that were reported to Carl Warren late are listed and discussed in Exhibit 6 on page 14.

The review of excess claims at Carl Warren confirms that Carl Warren continues to effectively monitor ACCEL reportable claims and document its files thoroughly.

## B. Areas of Inconsistency

With the multiple claims handling arrangements involved in the ACCEL program, FCS believes it is imperative that general claims handling guidelines are consistently followed by all claims handling entities. FCS concludes that claims handling is consistent among all claims handling entities and improvement is evident in all areas except the timely updating of case status from defense attorneys to the claims handler. Still, the key areas listed below merit discussion and should be a focus of improvement:

- **Litigation Management (Status Updates).** Exhibit 4 reveals that many member cities continue to experience inconsistency in the delivery of updated status reports from counsel. The Cities of Anaheim, Bakersfield, Burbank, and Modesto generated the highest number of files exhibiting this deficiency. The primary issue is the failure of counsel to consistently copy the member’s claims handler and/or Carl Warren on legal correspondence on litigated claims.
- **Excess Reporting to ACCEL (Carl Warren).** The audit did not identify a large number of files failing to comply with excess reporting requirements, but due to the significant importance of this category, it is listed as an area of inconsistency. Only complete compliance by all members should be considered acceptable for this category. Exhibit 6 (page 14) lists the files deemed deficient.

These and other results of this study are discussed in more detail in the remainder of this report.

## II. Audit Results

### A. Background

This is FCS's third annual audit of ACCEL claims. Member audits were conducted from April 11 (Palo Alto) to May 2 (Burbank). Review of excess files at Carl Warren was conducted on May 7, 2008.

The primary objectives for this audit are:

- To assure all ACCEL members that claims are effectively adjusted according to industry standards.
- To identify inconsistencies in fiscal and technical procedures that could impact the efficiency of the ACCEL program, particularly the timely and accurate reporting of high exposure claims that may penetrate into ACCEL's layer of coverage.
- To assess similarities and differences in reserving practices among the members.
- To ensure that all ACCEL claims handling requirements are complied with.
- To reconcile loss data maintained by Alliant Insurance Services (Alliant) utilized for ACCEL's retrospective rating calculation with loss data maintained by each member. The results of this reconciliation were provided to Alliant in mid-May 2008.

The table below lists the ACCEL members audited, the number of files reviewed for each member, and the claims handling entity where the files were reviewed.

#### ACCEL Audit Composition and Facility - 2008

ACCEL Member	Number of Files Reviewed	Claims Handling Entity (Audit Site)
Anaheim	30 open; 15 closed	City-self administered
Bakersfield	23 open; 10 closed	Gregory Bragg & Associates (Bragg)-Ventura
Burbank	13 open; 10 closed	City-self administered
Modesto	23 open; 10 closed	City-self administered
Monterey	19 open; 5 closed	City-self administered
Mountain View	17 open; 10 closed	City-self administered
Ontario	31 open; 6 closed	Nova Pro Risk (Nova Pro)-Tustin
Palo Alto	20 open; 5 closed	City-self administered
Santa Barbara	18 open; 5 closed	City-self administered
Santa Cruz	15 open; 5 closed	City-self administered
Santa Monica	25 open; 10 closed	City-self administered
Visalia	11 open; 8 closed	City-self administered
ACCEL Excess & Watch List	21 open, including all 6 Watch List files	Carl Warren-Glendale

All members and/or their claims handling entity either provided a list of open liability claims from which a sample could be selected or made all open claims available while on site. All claims with incurred costs of \$25,000 or more were reviewed for each member. FCS also reviewed the loss

description of all open claims regardless of the amount of incurred costs and augmented each member's audit sample by selecting claims that, by description, could develop into reportable claims. Fatalities and civil rights claims were primary candidates for inclusion in the audit sample.

ACCEL directed FCS to evaluate the claims handling performance of each member and the excess administrator to verify compliance with generally accepted industry standards for public entity liability claims handling. Recommendations for improvements are incorporated into the report.

## B. Staffing/Caseloads

The recommended maximum caseload for an individual handling liability claims, including litigated cases similar to those incurred by ACCEL members, is 180. This recommended caseload maximum requires the claims handling entity to assign member claims only to technicians with at least five years of experience adjusting public entity claims. However, this recommend maximum also assumes the technician will be actively involved in the claims administration process until case resolution, even if the claim is litigated. That is not the case with most of the ACCEL claims handlers. Adjustors are routinely relieved of all claims handling responsibilities once the claim becomes litigated. Accordingly, it was either necessary to discuss claim status with defense counsel/City Attorneys or discuss the status with the claims handler at many of the members.

Exhibit 1 lists the claims handling entity, the ACCEL members' claims administration arrangement, and an assessment of caseloads as reported to FCS during the audit process. Exhibit 1 reveals that caseloads at Anaheim, Santa Monica, Ontario (Nova Pro Risk), and Modesto may be excessive.

The caseloads listed for Nova Pro Risk (Ontario), Bragg (Bakersfield), and Carl Warren (Watch List and other excess) in Column 3 of Exhibit 1 are the individual's total caseload, including assignments from other non-ACCEL clients.

Other notable findings pertaining to staffing are:

- City of Mountain View – The City retained the services of John Glenn Adjustors effective 7/2/07, but claims are still primarily handled by City staff. The Mountain View audit was conducted at the City.
- City of Modesto – The City recently hired Ms. Bev Jensen to administer its liability claims.
- City of Monterey – Ms. Sherrell Freeman left employment with the City just prior to the City's audit on April 23. A new claims handling technician will start in mid-May. The City was in transition during the audit process, but this does not seem to have generated any significant claims handling deficiencies.
- City of Palo Alto – The primary claims handler in past audits, Casey O'Neill, left employment with the City prior to the audit. The City is utilizing the services of George Hills Company more extensively, and the audit identified no reduction in claims handling effectiveness.
- City of Santa Barbara – The City replaced Eric Reynolds with John Forner since the last audit. The audit revealed no reduction in claims handling effectiveness.

**Exhibit 1 - Caseload Analysis (as of 4/10/08)**

<b>Claims Handling Entity</b>	<b>ACCEL Members</b>	<b>Caseloads</b>
Gregory Bragg & Associates	Bakersfield	Craig Schweikhard - 165
Carl Warren & Co. – Glendale	ACCEL excess/watch list claims	Keyan Aghili - 200 (plus 400 subrogation files)
Nova Pro Risk – Tustin	Ontario	Joe Klecansky - 250
Self-Administered	Anaheim	Dave Nunley - 200 Bob Santos - 110 Yazmin Lopez - 7
	Burbank	Ann Lozano - 101
	Modesto	Bev Jensen - 233
	Monterey	Toni McDaniel (interim) - 16
	Mountain View	Sue Turner - 66
	Palo Alto	Stacy Lavelle with George Hills assistance - 113
	Santa Barbara	John Forner - 69
	Santa Cruz	Kris Kamandulis-42
	Santa Monica	Jonathan Lackey - 311 Gary Sanchez - 48 Mike Mack - 57, including 44 subrogation
	Visalia	Charlotte Dunn - 43

## C. Claims Handling Components

Specific claims handling activities are analyzed for this section of the report. The objective for this section is to provide ACCEL with general observations of the particular component for the entire program. Individual ACCEL members' findings are detailed in exhibits contained within this section of the report.

### 1. Reserves

All liability case reserves should be based primarily on:

- Anticipated extent of damages/injuries sustained.
- Degree of liability attributable to the ACCEL member.
- Existence of additional tortfeasors (responsible parties that may share in the application of liability).
- Application of statutory defenses or immunities available to ACCEL and its members.
- History of settlement trends of the involved venue.

Generally, all ACCEL claims administration entities are utilizing these criteria when establishing and amending case reserves. Exhibit 2 lists each member, the member's claims requiring reserve adjustment, and FCS's analysis as to why adjustment is needed.

The exhibit also lists the number of claims requiring reserve adjustment identified during last year's audit for comparison.

### 2. Investigation

Proper investigation of ACCEL member liability claims includes:

- Making prompt contact with the injured claimant.
- Verifying the extent of the ACCEL member's liability.
- Accounting for injury history to determine any pre-existing condition or concurrent causation.
- Canvassing for possible witnesses to the incident.
- Obtaining recorded or written statements regarding the incident from the claimant and witnesses, when possible.
- Follow-up contact with medical providers to gain a clear understanding of the severity of the injury.
- Obtaining police accident reports when the damage or injury is the result of a traffic accident.

**Exhibit 2 - Reserve Analysis**

ACCEL Member (Administrator)	Claim Requiring Reserve Adjustment in 2008 (Claim Number)	Reserve Adjustment Analysis		Deviation from Accuracy	Claims Requiring Reserve Adjustment in 2007
		Current Reserve	Recommended Reserve (Rationale)		
Anaheim (Self Administered)	9672	\$0 (legal expense)	\$5,000 (legal expense). Defense counsel has been retained for this civil rights claim. A legal reserve is necessary. Trial is scheduled for 8/8/08.	\$5,000 under reserved	2
Bakersfield (Bragg)	No adjustments necessary	n/a	n/a	n/a	No adjustments necessary
Burbank (Self-Administered)	No adjustments necessary	n/a	n/a	n/a	1
Modesto (Self-Administered)	07-5143	\$0 (legal expense)	\$5,000 (legal expense) This claim is litigated having been referred to defense counsel in March 2008.	\$48,977 under reserved	1
	07-4560	\$6,023 (loss)	\$50,000 (loss) Liability is questionable on this claim where a bicyclist collided with a motorcycle, but due to the severity of the injury and even anticipating partial liability, the City should be prepared to pay this amount.		
Monterey (Self-Administered)	08020	\$0 (loss)	\$10,000 (loss) The claimant alleges about \$3700 in medical costs from this vehicle accident. Her injury is clearly exaggerated, but some loss reserve is necessary.	\$12,500 under reserved	1
	07030	\$0 (loss)	\$2500 (loss) A City vehicle backed into the claimant's vehicle. Some loss reserve is necessary.		
Mountain View (Self-Administered)	No adjustments necessary	n/a	n/a	n/a	no adjustments necessary
Ontario (Nova Pro Risk-Tustin)	No adjustments necessary	n/a	n/a	n/a	2
Palo Alto (Self Administered)	No adjustments necessary	n/a	n/a	n/a	1
Santa Barbara (Self Administered)	No adjustments necessary	n/a	n/a	n/a	no adjustments necessary
Santa Cruz (Self Administered)	1	\$250,000 (loss)	\$100,000 (loss) The claimant sustained a fractured leg during arrest. He was clearly inebriated and tripped over his own doorway. City police made no contact with him. Liability is highly questionable.	\$150,000 over reserved.	no adjustments necessary
	07-G-051				
Santa Monica (Self Administered)	07-2770	\$30,000 (loss)	\$100,000 (loss) The claimant fell on a bus and incurred approximately \$88,000 in medical costs. Even though there is some indication of a pre-existing injury, the extent of liability attributable to the City (estimated at 75%) and the amount of medical costs warrant the recommended increase.	\$70,000 under reserved	2
Visalia (Self-Administered)	no adjustments needed	n/a	n/a	n/a	No adjustments necessary
ACCEL excess/watch list (Carl Warren)	no adjustments needed	n/a	n/a	n/a	1

- Obtaining photographs of accident scenes, when applicable. This requires the documentation and description of vital accident scene photographs to the file. Photographs stored on a disc are not sufficient.
- Aggressive pursuit of additional responsible parties to offset the member's contribution to damage/injury awards.
- Obtaining signed releases, including court approved releases when minors are involved, prior to final claim resolution.
- Invoking risk transfer devices available to the members (e.g., hold harmless, indemnification, or additional insured agreements).

ACCEL member files reviewed generally exhibit thorough investigation activity. Still, minor investigation deficiencies unique to specific claims are evident. The audit identified no system-wide investigation deficiency.

Exhibit 3 lists the claims exhibiting a specific investigation deficiency for each ACCEL member. Numbers appearing in parentheses are the number of deficiencies identified in the 2007 audit. Lack of any number in parentheses indicates no findings in the 2007 audit.

### **3. Litigation Management**

The control of litigation activity and its associated expense is vital to the fiscal performance of any public entity.

A primary performance measure for litigation management is the timeliness and clarity of information provided by handling counsel in status reports to the claims handler. Exhibit 4 lists the files exhibiting late litigation status reports or no status reports at all from defense counsel. The number in parentheses is the number of deficiencies identified in the 2007 audit.

Despite the identification of deficient performance in this area presented in past audit reports, this year's audit finds no improvement. Several members are actually experiencing less compliance from defense counsel.

Industry standards require some status update from counsel at least every 60 days on actively litigated claims. These litigation status updates need not be elaborate or inclusive of discovery documentation such as deposition transcripts or interrogatory responses. A simple written status (e.g., email) is sufficient.

### Exhibit 3 - Investigation Deficiency Analysis

ACCEL Member	Number of Files Exhibiting Deficiency (blank categories mean no deficiencies) Numbers in parentheses are 2007 findings						
	Failure to Index	Failure to Obtain Statement	Failure to Obtain Police Report	Failure to Obtain Photos	Failure to Obtain Release	Failure to Invoke Risk Transfer	Failure to Obtain Estimates
Anaheim	(1)		(1)	(1)			
Bakersfield				1 (1)			
Burbank			1	2(2)			
Modesto				1 (2)			
Monterey	2						
Mountain View							
Ontario				4 (1)			
Palo Alto	1			1			
Santa Barbara							
Santa Cruz							
Santa Monica	(1)			(1)			
Visalia				2 (1)			
Excess/watch list							

**Anaheim**

- No investigation deficiencies

**Bakersfield**

- Photos – 07060134

**Burbank**

- Photos – 07099; 07112
- Police report-08076

**Modesto**

- Photos – 07-4736

**Monterey**

- Index-06019; 06034

**Mountain View**

- No investigation deficiencies

**Ontario**

- Photos – 1379; 1078; 1237; 1102

**Palo Alto**

- Indexing – L06018
- Photos-L06018

**Santa Barbara**

- No investigation deficiencies

**Santa Cruz**

- No investigation deficiencies

**Santa Monica**

- No investigation deficiencies

**Visalia**

- Photos – 08-001; 08-018 (inspection of a swing necessary)

**Exhibit 4 - Litigation Status Report Analysis**

ACCEL Member	Number of Files Lacking Status Reports or Exhibiting Late Status Reports from Defense Counsel
Anaheim	5 20% of the litigated files reviewed (5)
Bakersfield	4 22.2% of the litigated files reviewed (4)
Burbank	4 30.1% of the litigated files reviewed (4)
Modesto	8 44.4% of the litigated files reviewed (1)
Monterey	2 66.7% of the litigated files reviewed (1)
Mountain View	No deficiencies identified (1)
Ontario	2 7.1% of the litigated files reviewed (3)
Palo Alto	No deficiencies identified (0)
Santa Barbara	2 16.7% of the litigated files reviewed (2)
Santa Cruz	1 12.5% of the litigated files reviewed (0)
Santa Monica	1 5.9% of the litigated files reviewed (0)
Visalia	2 50% of the litigated files reviewed (1)
Watch list/excess	No deficiencies identified (0)

All numbers in parentheses in this exhibit are 2007 results

#### 4. Diary/File Closure

Industry standards require documented adjusting activity every 30 days on open active cases. The failure to adhere to an aggressive, timely diary routinely results in the failure to respond to settlement/resolution opportunities and the failure to close claims timely.

ACCEL members are generally adhering to industry standards for diary. The analysis of diary includes those instances where the claims handling entity failed to respond to file closure potential. FCS deems the failure to adhere to diary as a primary catalyst of the failure to close claims timely. Exhibit 5 lists the files exhibiting ineffective diary activity for each ACCEL member. The number in parentheses represents the number of deficiencies identified in the 2007 audit.

Certain files may maintain a longer diary. For example, claims that have been rejected and for which the only remaining activity is the monitoring for potential receipt of legal action may maintain a six-month diary. FCS considered these criteria when evaluating diary performance.

#### 5. Payments/Settlement

FCS concludes that ACCEL members and their claims handling entities are generally considering the following important criteria when resolving claims:

- The extent of liability attributable to the ACCEL member.
- The existence of additional tortfeasors.
- The existence of risk transfer devices (e.g., indemnification language or contractual hold harmless agreements) that allow the member to tender the responsibility to the responsible party.

The evaluation also seeks to confirm that claims handling entities are securing and documenting release/dismissal documents in instances when a claim settlement is effected.

This area of claims handling also exhibits general compliance with industry standard. This has been a conclusion in all past audits.

#### 6. File Organization and Documentation

FCS encourages the consistent and chronologically accurate documentation of claim files. This ensures that the file will be clearly interpreted upon review by a party other than the handling adjustor. It also ensures that important documents such as settlement demands, release/dismissal documents, and important investigation items are not misplaced.

Generally, all claims handling entities are maintaining clearly documented claim files.

Minor documentation deficiencies such as unsecured or disorganized file contents exist in a small percentage of the files.

## Exhibit 5 - Diary Performance Analysis

ACCEL Member	Files Exhibiting Diary Deficiency
Anaheim	1 (0)
Bakersfield	0 (2)
Burbank	0 (6)
Modesto	2 (1)
Monterey	1 (1)
Mountain View	0 (0)
Ontario	1 (0)
Palo Alto	1 (0)
Santa Barbara	0 (1)
Santa Cruz	0 (0)
Santa Monica	0 (0)
Visalia	1 (0)
Watch list/excess	0 (0)

All numbers in parentheses in this exhibit are 2006 results

### Anaheim

- 10073

### Bakersfield

- -No deficiencies identified

### Burbank

- No deficiencies identified

### Modesto

- 04-3053
- 06-4256

### Monterey

- 07030

### Mountain View

- No deficiencies identified

### Ontario

- 1237

### Palo Alto

- C06112

### Santa Barbara

- No deficiencies identified

### Santa Cruz

- No deficiencies identified

### Santa Monica

- No deficiencies identified

### Visalia

- 08-001

## 7. Excess Reporting

This is a vital element of this study. The very nature of this project and the composition of ACCEL as an excess pool make the timely and consistent reporting of serious claims to the excess provider a main indicator of efficiency.

When selecting audit samples for each member, FCS focused primarily on higher valued claims (e.g. cases with incurred costs of \$25,000 or more), since these would logically have the greatest potential for excess exposure. All claims reaching this threshold were reviewed for each member.

The audits confirm that most ACCEL members are consistently complying with ACCEL excess reporting guidelines and communicating the perceived significant exposure to ACCEL and the Watch List administrator (Carl Warren). NovaPro-Tustin failed to report three reportable claims. This was discussed with Mr. Klecansky at NovaPro. It is his policy to not report high exposure claims until they are litigated. FCS advised Mr. Klecansky that this is contrary to ACCEL reporting guidelines. He indicated that he will now report all excess reportable claims to Carl Warren, regardless of litigation status.

The review of Watch List and other excess files at Carl Warren confirms that Carl Warren is effectively monitoring these claims. Exhibit 6 indicates claims that were either not reported to Carl Warren timely – even though it appears that claim characteristics qualify for excess reporting – or lack timely follow-up correspondence from the member or defense counsel. These claims were presented to the particular member or their administrator after that member's audit.

## 8. Risk Management Information System (RMIS)

The objective here is to confirm that loss data captured by the member entities are accurate, allowing ACCEL to assess the potential excess exposure.

FCS was provided a list of all open claims as well as a specific list of open claims with incurred costs of \$25,000 or more for all members. A separate loss run of all open and closed claims with incurred costs of \$25,000 or more that occurred in ACCEL membership years was also provided and will be used to develop the Loss Data Reconciliation Report used for ACCEL's retrospective rating calculation.

Many of the cities utilize Carl Warren to document loss data and generate periodic loss run documents.

Loss information generated generally reconciles with financial information documented in the claim files, but there were exceptions. Exhibit 7 lists and discusses RMIS deficiencies by member.

**Exhibit 6 - ACCEL Excess Reporting Analysis**

Member	Claim Number	Discussion
Anaheim		All excess reportable claims reported timely.
Bakersfield		All excess reportable claims reported timely.
Burbank		All excess reportable claims reported timely.
Modesto	08-5417	A minor drowned in a local waterway. The file documents no report to Carl Warren. The City claims it was reported but documentation confirming this was mistakenly left out of the file. This documentation error should be corrected immediately.
Monterey		All excess reportable claims reported timely.
Mountain View		All excess reportable claims reported timely.
Ontario	1365	This claim pertains to the fatal shooting of the claimant by City police officers.
	1237	This is a claim resulting from a fatality in a motor vehicle accident. The claimant alleges the City created a dangerous condition that caused the accident.
	1307	This is pertains to the fatal shooting of the claimant by City police officers.
Palo Alto	L04078	This is a wrongful death claim alleging negligent EMT services by the City. Carl Warren has been notified, but defense counsel is not copying Carl Warren on correspondence. This was a finding in last year's audit as well.
	C07055	The claimant was killed when a train collided with her vehicle. The claim alleges the City created a dangerous condition that caused the accident.
Santa Barbara	06-029	A bicyclist was struck and killed by a truck. The claim alleges that the City created a dangerous condition causing the accident. Even though the incident did not occur on City property (the City was actually dismissed from this case and awarded costs), Carl Warren should have been notified.
Santa Cruz		All excess claims reported timely.
Santa Monica		All excess claims reported timely.
Visalia		All excess claims reported timely.

**Exhibit 7 - ACCEL Loss Data Reconciliation Analysis**

Member	Claim Number	Discussion
Anaheim	10505	The file contains a status report to Carl Warren that mistakenly lists the loss reserve at \$250,000. The correct reserve is \$110,000.
Bakersfield	07060171	The loss run lists the wrong date of loss.
	06053934	The loss run still lists the loss reserve as \$51,500. The most recent status report lists the reserve as \$100,000.
Burbank	No RMIS deficiencies identified.	
Modesto	No RMIS deficiencies identified.	
Monterey	08004	This claim does not appear on the loss run.
	08009	This claim does not appear on the loss run.
Mountain View	No RMIS deficiencies identified.	
Ontario	No RMIS deficiencies identified.	
Palo Alto	No RMIS deficiencies identified.	
Santa Barbara	No RMIS deficiencies identified.	
Santa Cruz	No RMIS deficiencies identified.	
Santa Monica	06-1971	The loss run lists the \$250,000 reserve for this sewer back up claim under the bodily injury category. It should be under the property damage category.
Visalia	No RMIS deficiencies identified.	
Watch List	No RMIS deficiencies identified.	