

July 17, 2012

LOS ANGELES FIRE DEPARTMENT



BRIAN L. CUMMINGS
FIRE CHIEF

June 22, 2012

BOARD OF FIRE COMMISSIONERS
FILE NO. 12-108

TO: Board of Fire Commissioners

FROM: Brian L. Cummings, Fire Chief

SUBJECT: COST OF RISK REPORT FISCAL YEAR 2010-2011

FOR INFORMATION ONLY:	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved w/Corrections	<input type="checkbox"/> Withdrawn
	<input type="checkbox"/> Denied	<input type="checkbox"/> Received & Filed	<input type="checkbox"/> Other

FOR INFORMATION ONLY

Attached, for your review, is the Cost of Risk for Fiscal Year 2010-2011 report dated March 2012 from the City Administrative Officer, Risk Management transmitting the cost risk findings of the Los Angeles Fire Department. The report provides an overview of workers' compensation, City vehicle and general liability claims, and associated costs.

The Department will provide a progress report to the Board of Fire Commissioners at a future meeting.

Board report prepared by Daren Palacios, Chief Deputy, Administrative Operations.

Attachment



City of Los Angeles Los Angeles Fire Department

Cost of Risk Report FY 10-11

Prepared by:
Office of the City Administrative Officer
Risk Management
March 2012

The Following Report

- is intended to assist departments in their efforts to reduce workers' compensation, City vehicle and general liability claims and associated costs
- provides data categorized by frequency (number of claims) and severity (cost of claims)
- contains both pre-litigation and litigation claims data
- contains data that is based upon when the incident actually occurred as opposed to when the claim was paid. This is a better tool for loss control, for it provides a truer picture of losses each year. There are three additional graphs in the "Additional Graphs/Analyses" section that are based solely upon the date the claim/litigation was paid
- includes reserves in the total cost of the claim, when applicable. Total cost of a claim equals amounts already paid plus reserves (expected future claim payments)
- includes both tort (a wrongful act other than a breach of contract for which compensation can be obtained) and non-tort data (breach of contract, tax liability, etc.)
- is generated from data provided by the City Attorney and the Personnel Department
- may contain some data inaccuracies. If you have any questions regarding this report, please contact your department's Risk Manager Liaison
- was produced seven months after completion of the report fiscal year to get a better picture of the liability claims for that year. However, as more information becomes available, liability claims data will change
- will be updated annually and is available for viewing by going to the City Administrative Officer, Risk Management intranet website at caodocs.ci.la.ca.us/riskmgmt

General Liability

**General Liability
Claim/Litigation Frequency
By Type of Accident**
FY's 05/06 to 09/10 average vs. FY 10/11

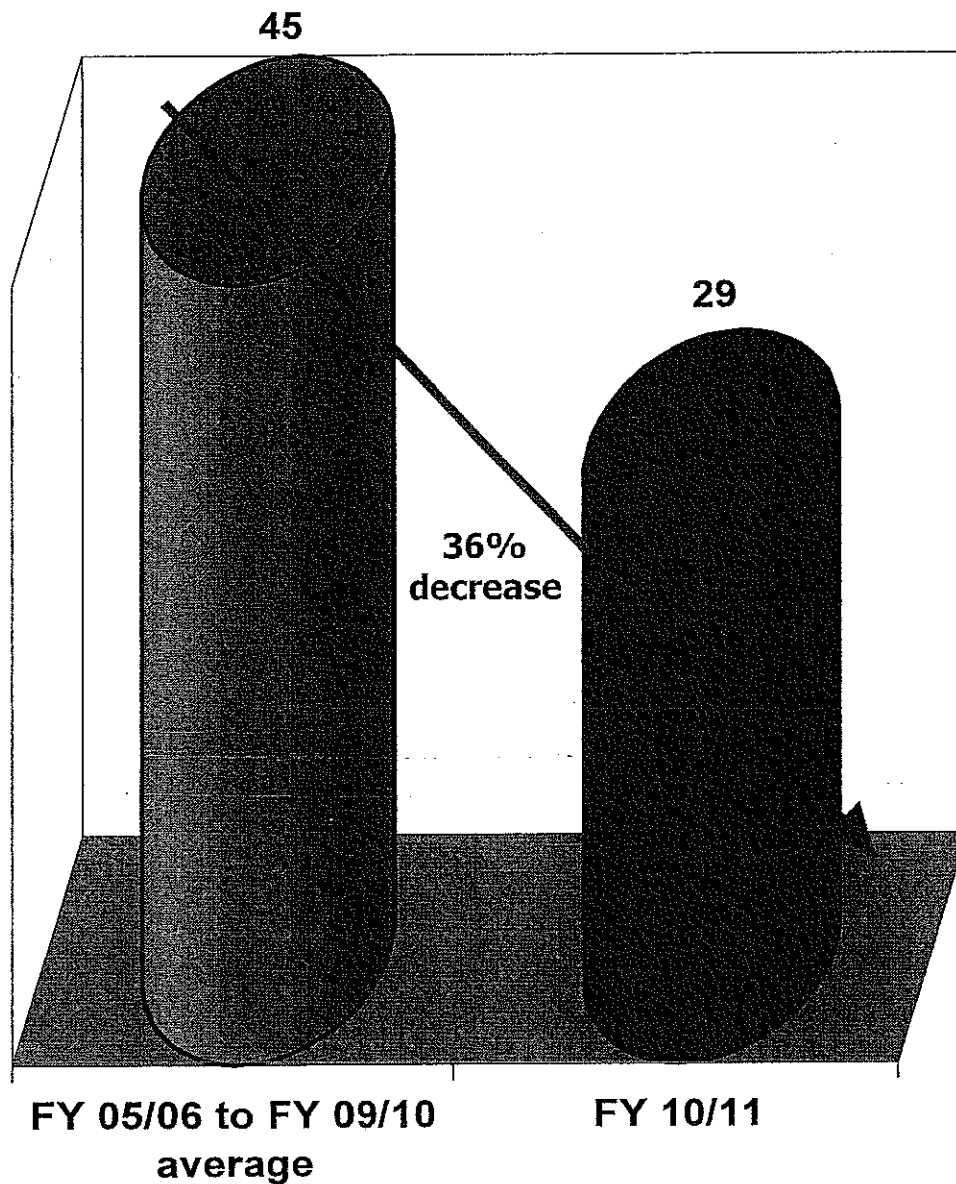
	5-year average FY 06 to FY 10	FY 10/11*	Trend
Equipment Caused	3	0	↓
Personal Property	1	2	↔
General Liability	23	16	↓
Slip, Trip & Fall	1	2	↔
Struck by Object	9	6	↓
Struck by Person	2	0	↓
Employment Practices Liability	4	0	↓
Not Otherwise Classified	1	2	↔
Structure	1	1	↔

Data provided by the City Attorney

Data based on date of occurrence

*Data was run as of 12/2011. Due to the lack of mature data and large number of open claims, FY 10/11 numbers may be understated

**General Liability
Claim/Litigation Frequency
FY's 05/06 to 09/10 average vs. FY 10/11**



Data provided by the City Attorney
Data based on date of occurrence
Data was run as of 12/2011. Due to the lack of mature data and large number of open claims, FY 10/11 numbers may be understated

General Liability
Claim/Litigation Severity Costs
By Type of Accident
FY's 05/06 to 09/10 average vs. FY 10/11

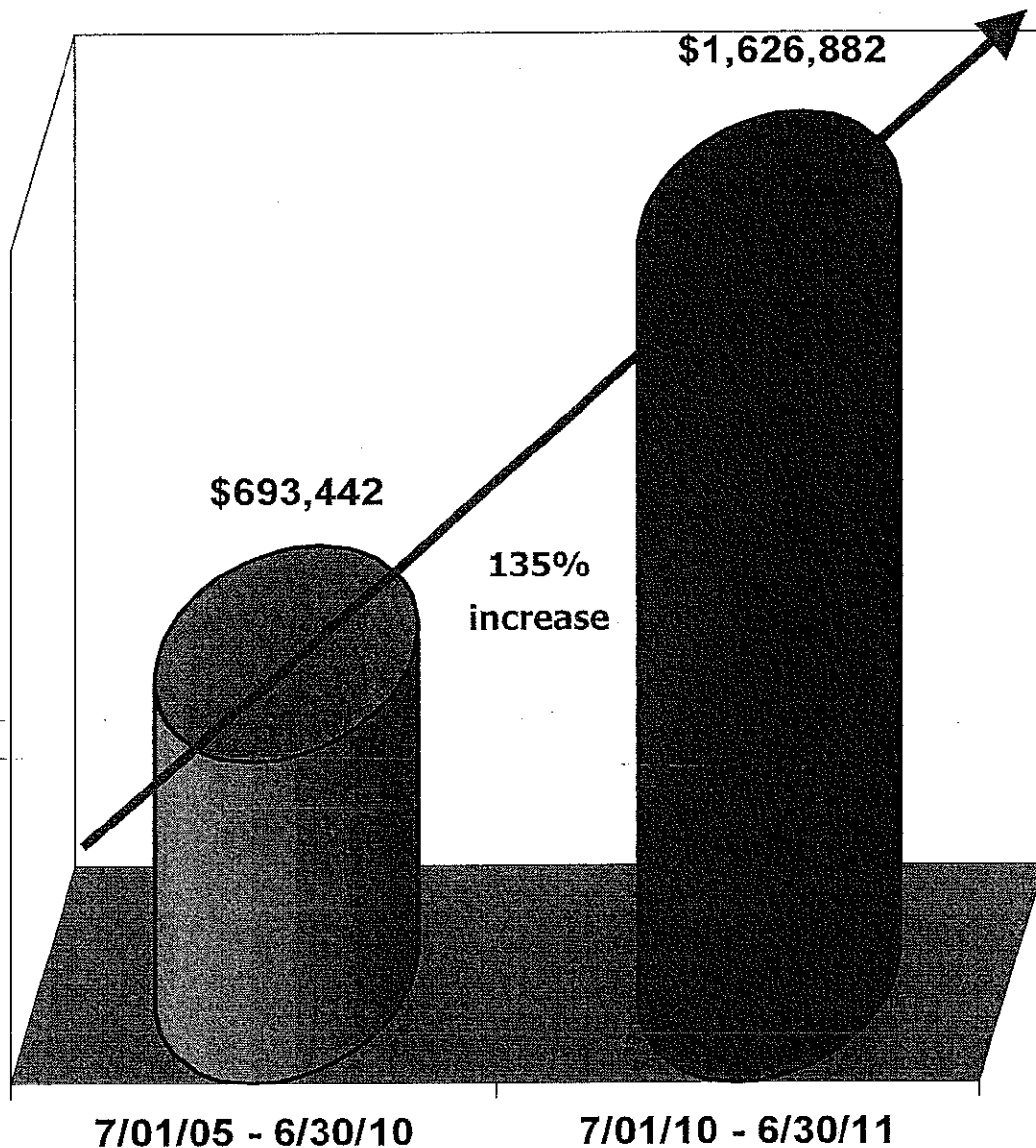
	5-year average FY 06 to FY 10	FY 10/11*	Trend
Equipment Caused	1,872	0	↓
Personal Property	220	1	↓
General Liability	278,392	1,618,150	↑
Slip, Trip & Fall	1	1	↔
Struck by Object	5,090	2,902	↓
Struck by Person	1,497	0	↓
Employment Practices Liability	405,800	0	↓
Not Otherwise Classified	0	1,328	↑
Structure	570	4,500	↑

Data provided by the City Attorney

Data based on date of occurrence

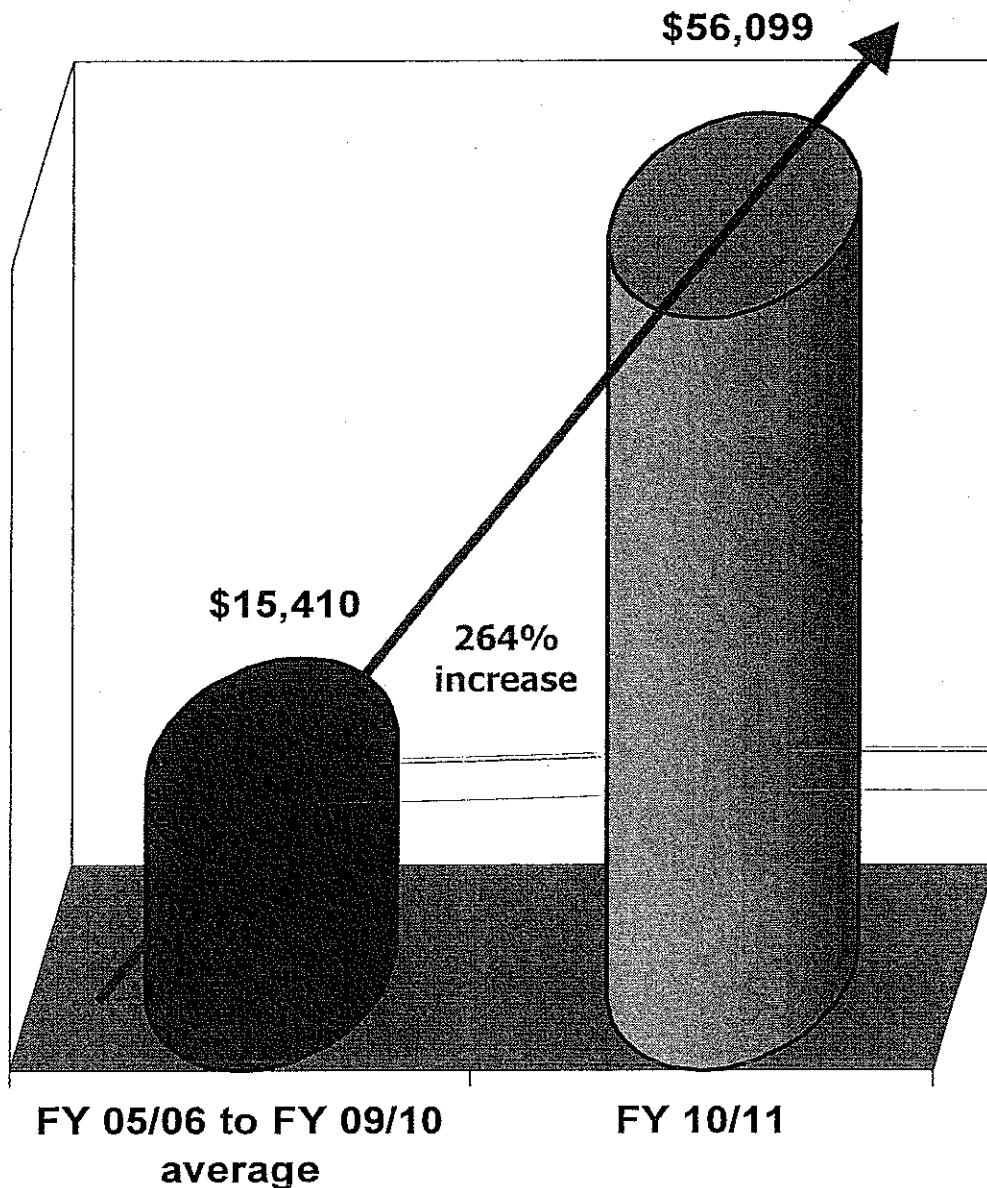
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**General Liability
Claim/Litigation Severity Costs
FY's 05/06 to 09/10 average vs. FY 10/11**



Data provided by the City Attorney
Data based on date of occurrence
Data was run as of 12/2011. Due to the lack of mature data and large number of open claims, FY 10/11 numbers may be understated

General Liability
Average Cost Per Claim/Litigation
FY's 05/06 to 09/10 average vs. FY 10/11



Data provided by the City Attorney
Data based on date of occurrence
Data was run as of 12/2011. Due to the lack of mature data and large number of open claims, FY 10/11 numbers may be understated

Vehicle Liability

Vehicle Liability Claim/Litigation Frequency By Type of Accident

FY's 05/06 to 09/10 average vs. FY 10/11

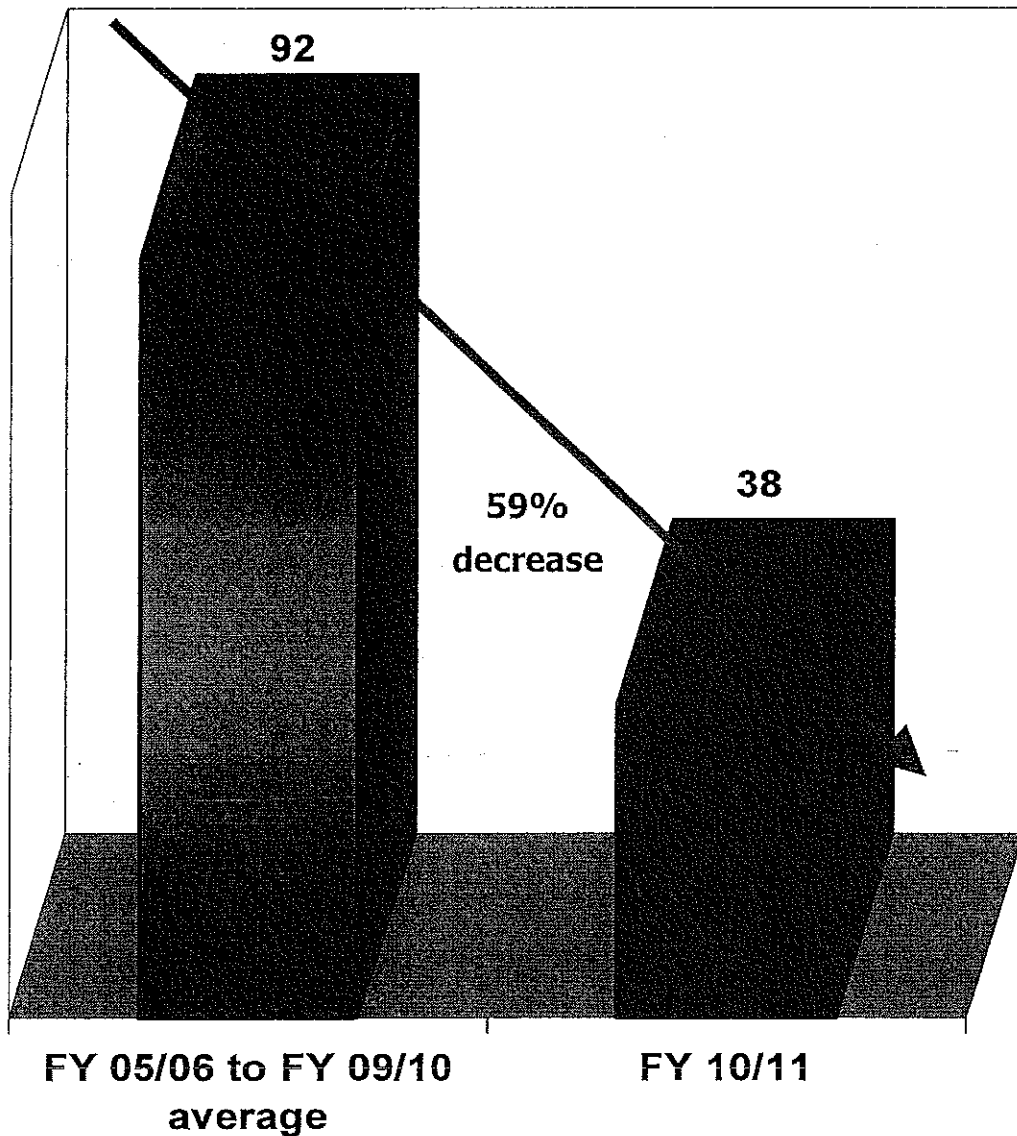
	5-year average FY 06 to FY 10	FY 10/11*	Trend
Auto Liability	3	1	↓
Backing	8	5	↓
Broadside	21	10	↓
Head On Collision	1	1	↔
Failure to stop/yield	3	3	↔
Parked Vehicle	1	1	↔
Rear End	18	2	↓
Sideswipe	31	14	↓
Moving Vehicle	2	0	↓
Turning	1	0	↔
Unsafe lane change	2	0	↓
Single vehicle	1	1	↔
Pedestrian	0	0	N/A

Data provided by the City Attorney

Data based on date of occurrence

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**Vehicle Liability
Claim/Litigation Frequency**
FY's 05/06 to 09/10 average vs. FY 10/11



Data provided by the City Attorney
Data based on date of occurrence
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**Vehicle Liability
Claim/Litigation Severity Costs
By Type of Accident**
FY's 05/06 to 09/10 average vs. FY 10/11

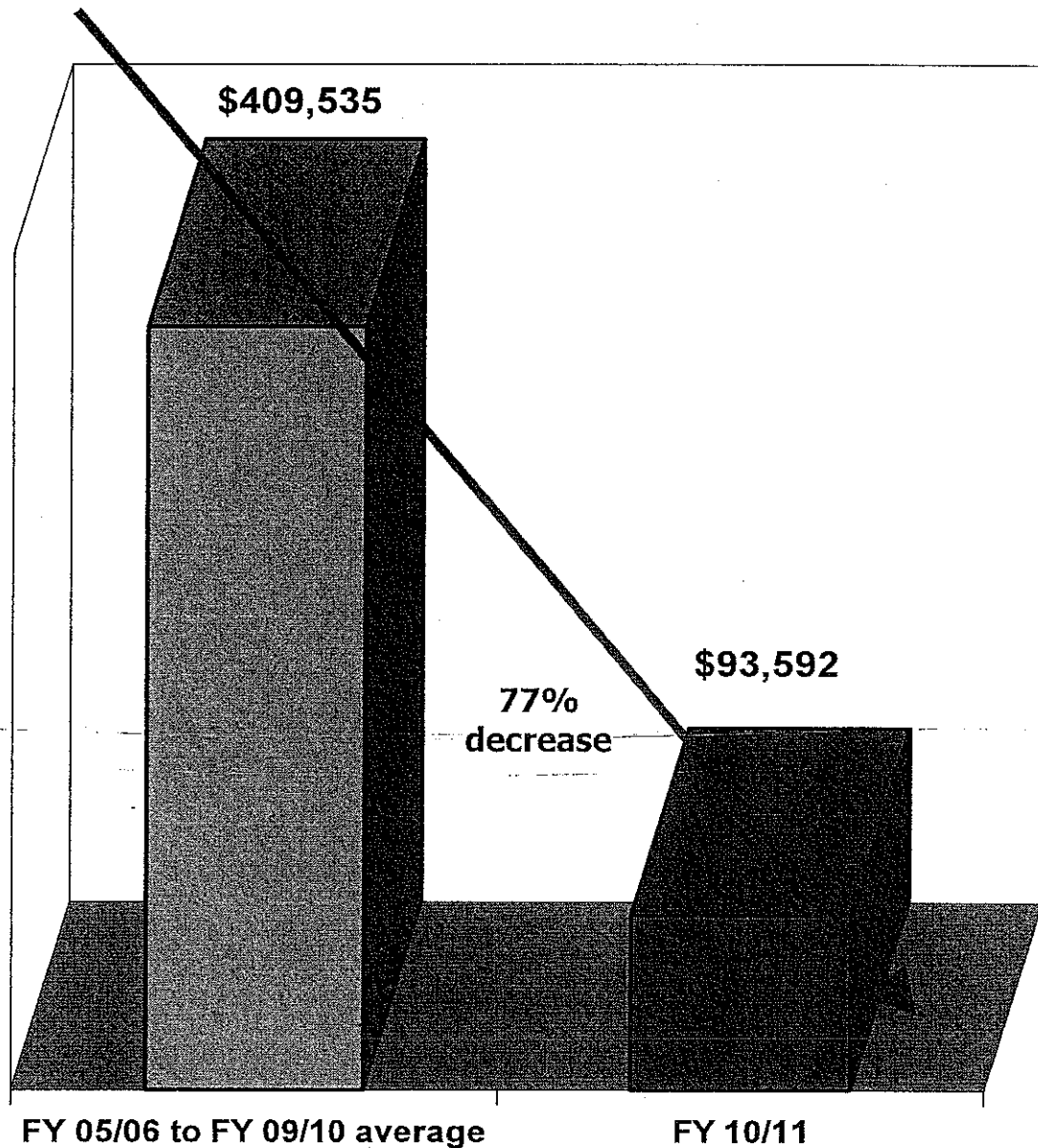
	5-year average FY 06 to FY 10	FY 10/11*	Trend
Auto Liability	10,797	0	↓
Backing	17,808	5,002	↓
Broadside	52,960	23,000	↓
Head On Collision	9,100	500	↓
Failure to stop/yield	40,018	17,000	↓
Parked Vehicle	53,271	9,000	↓
Rear End	117,954	801	↓
Sideswipe	63,855	37,809	↓
Moving Vehicle	4,803	0	↓
Turning	1,230	0	↓
Unsafe lane change	23,386	0	↓
Single vehicle	13,352	1,200	↓
Pedestrian	1,000	0	↓

Data provided by the City Attorney

Data based on date of occurrence

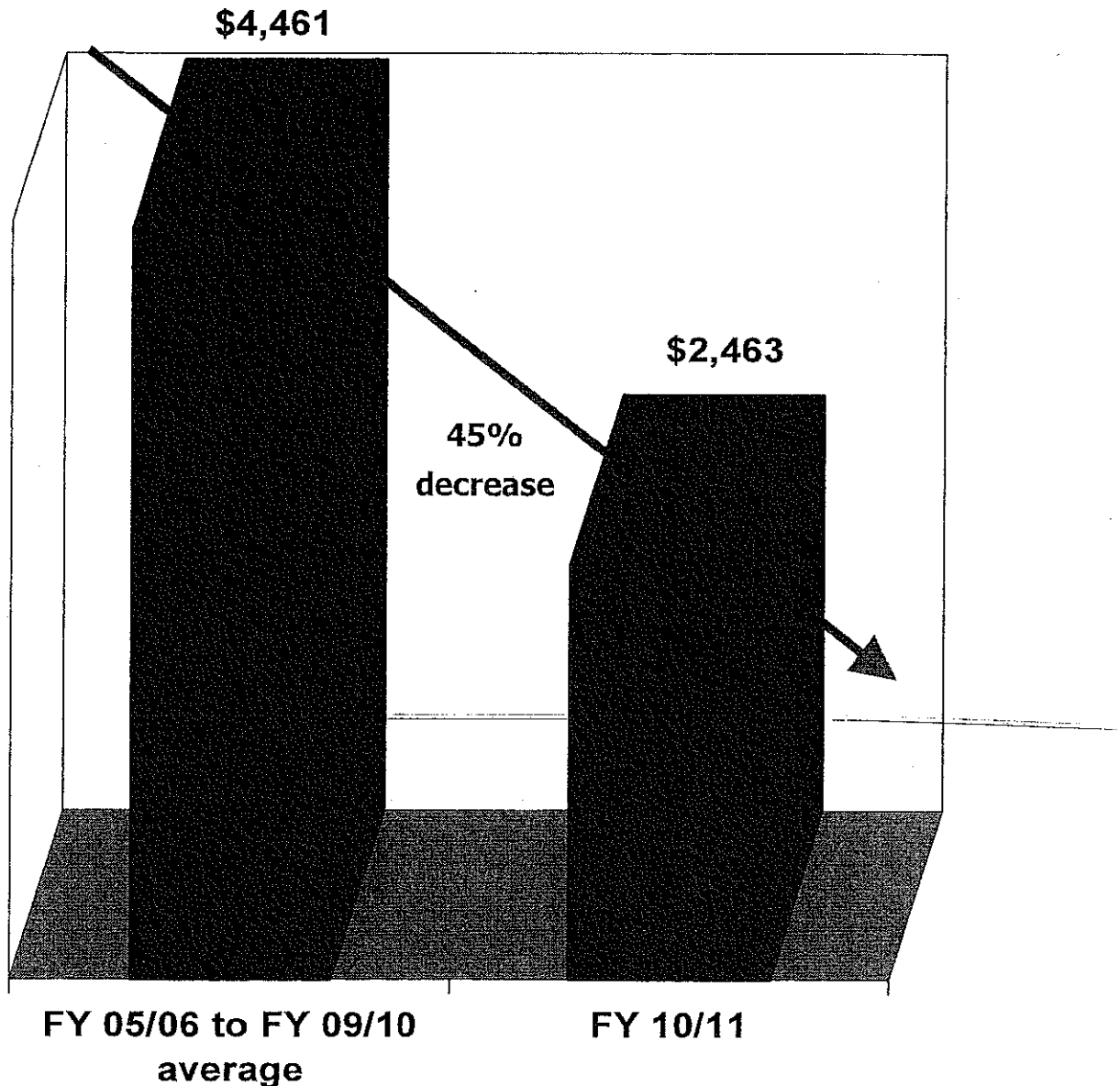
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Vehicle Liability
Claim/Litigation Severity Costs
FY's 05/06 to 09/10 average vs. FY 10/11



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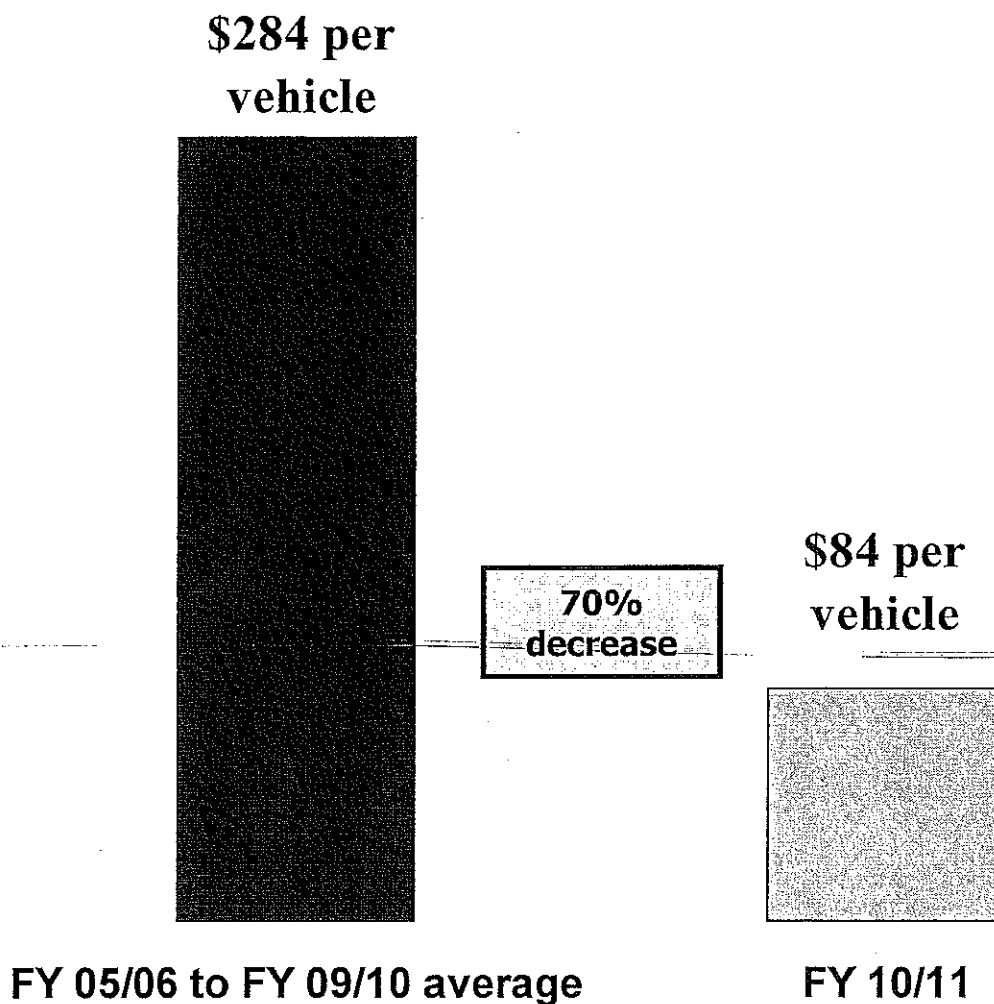
Vehicle Liability
Average Cost per Claim/Litigation
FY's 05/06 to 09/10 average vs. FY 10/11



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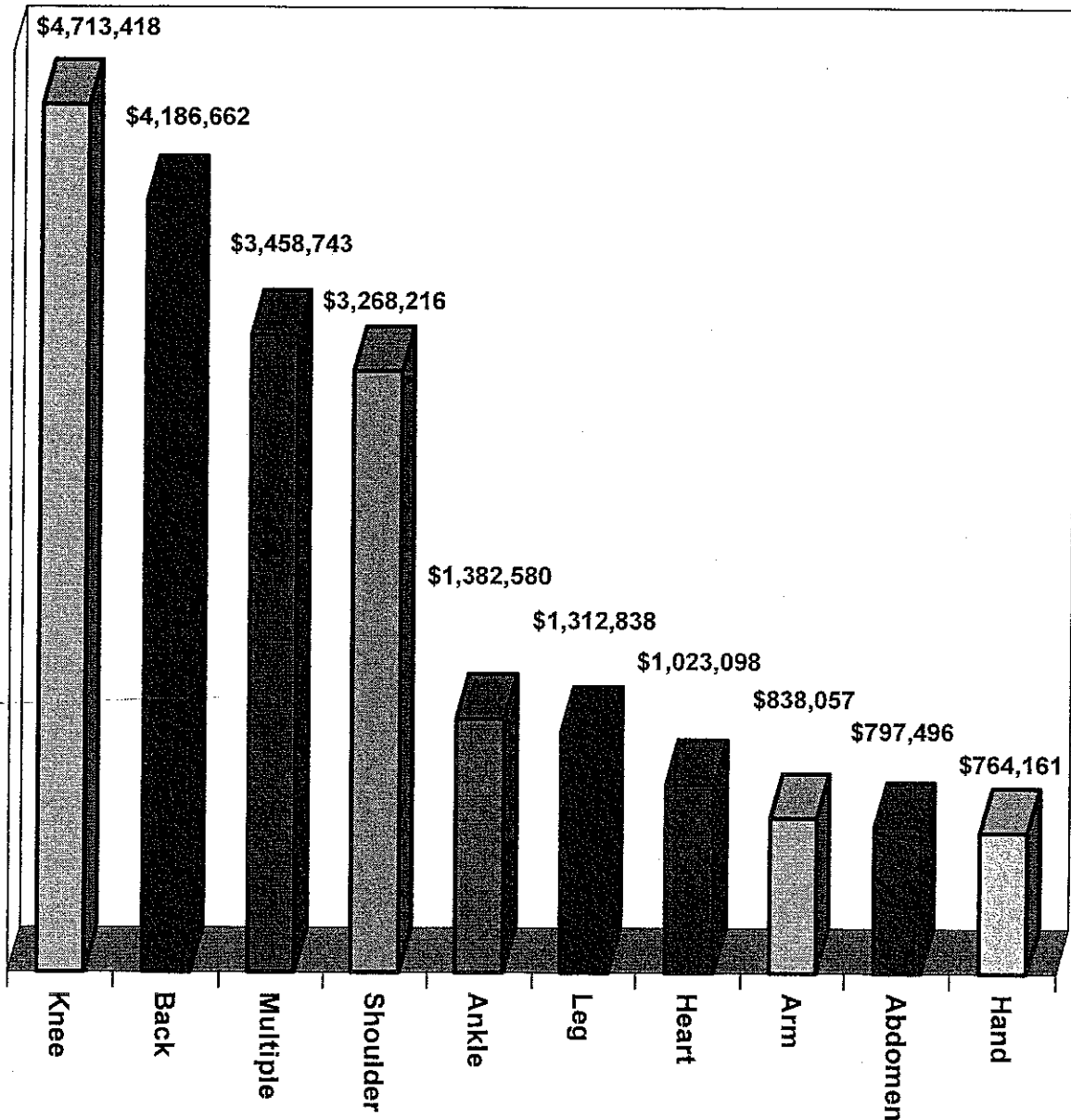
Claim Costs Per Vehicle



Data provided by the City Attorney
Data based on date of occurrence
Data was run as of 12/2011. Due to the lack of mature data and large number of open claims, FY 10/11 numbers may be understated

Workers' Compensation

Workers' Compensation Top 10 Injuries FY 10/11



Data provided by the Personnel Department

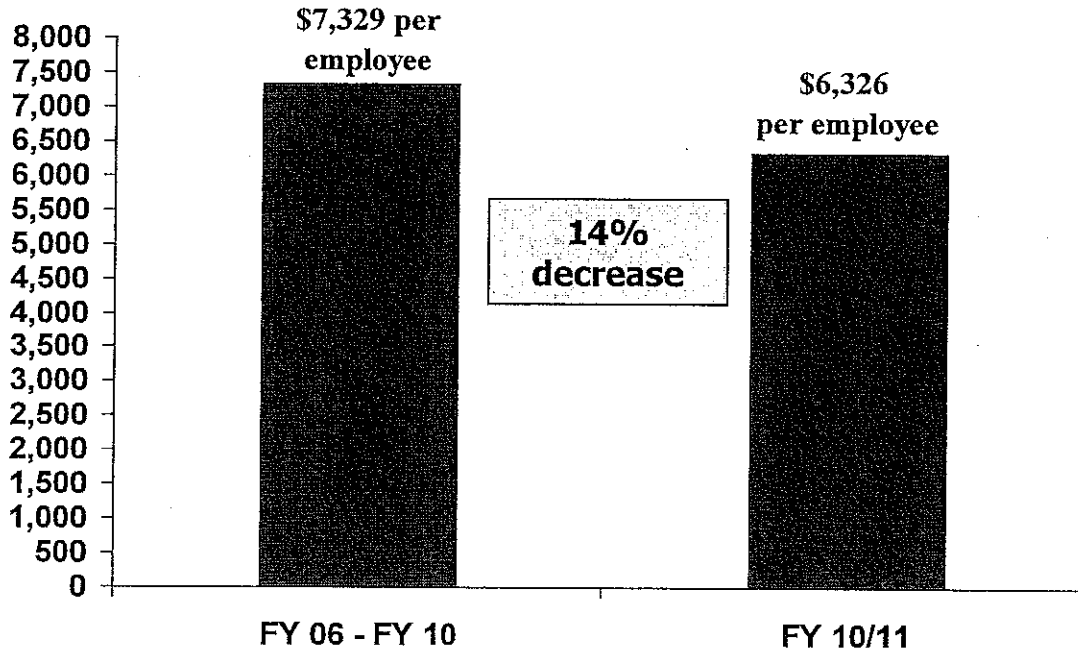
Data based on date of occurrence

Data was run as of 12/2011. Due to the lack of mature data and large number of open claims, FY 10/11 numbers may be understated

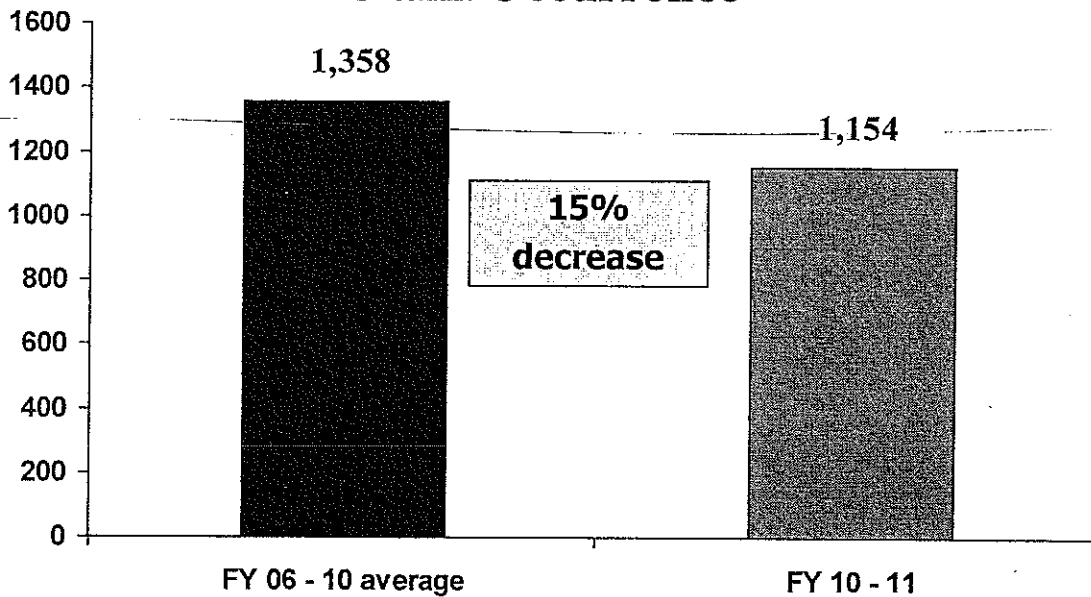
Workers' Compensation Annual Comparison

FY's 05/06 to 09/10 average vs. FY 10/11

Claim Cost Per Employee



Claim Occurrence



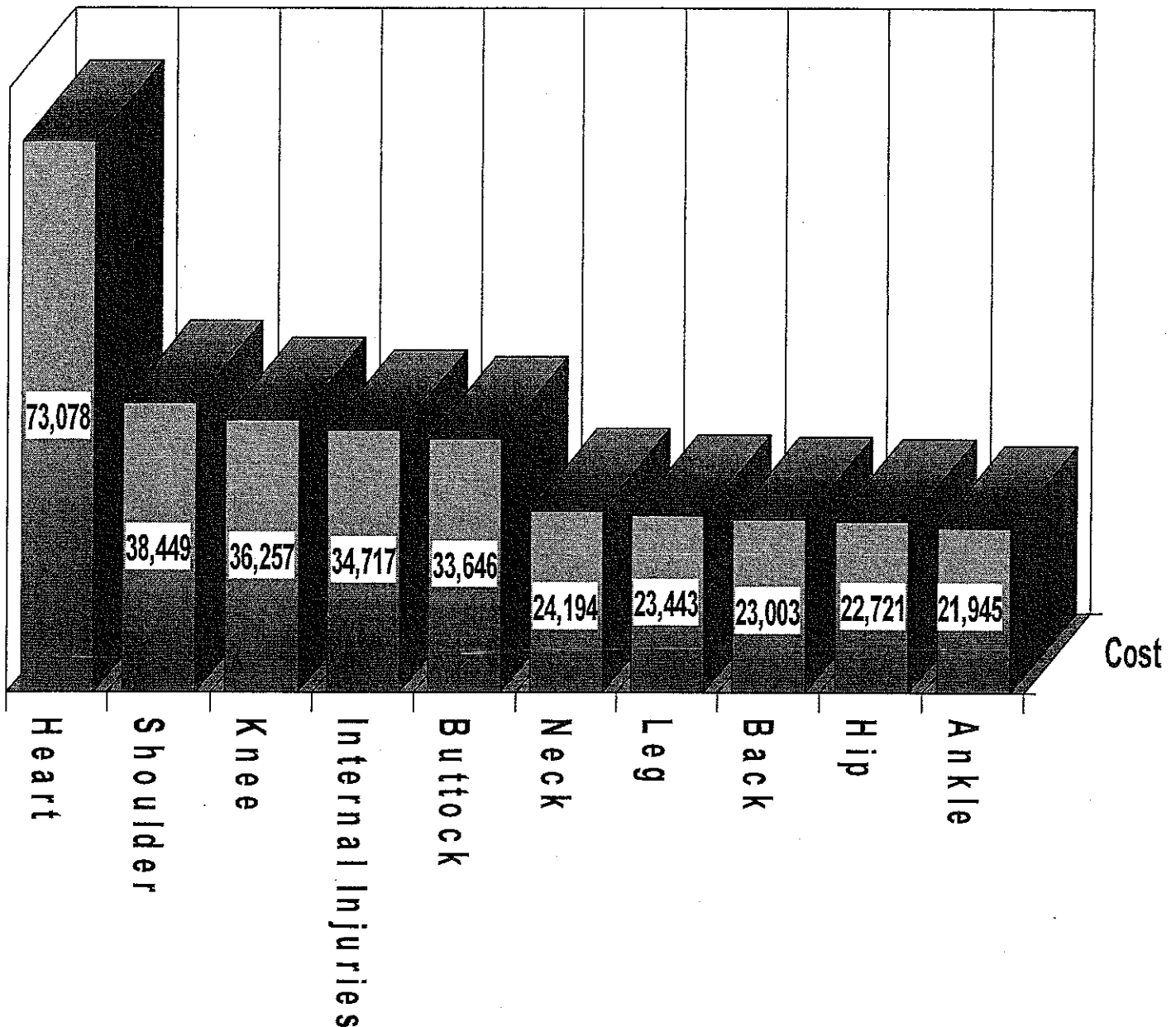
In FY 10/11 1 out of every 3.4 employees filed a workers compensation claim with an average cost per claim of \$21,347.

Data provided by the Personnel Department

Data based on date of occurrence

Data was run as of 12/2011. Due to the lack of mature data and large number of open claims, FY 10/11 numbers may be understated

Workers' Compensation Annual Cost Per Claim FY 10/11



Data provided by the Personnel Department

Data based on date of occurrence

Data was run as of 12/2011. Due to the lack of mature data and large number of open claims, FY 10/11 numbers may be understated

Workers' Compensation Claim Frequency By Type of Injury

FY's 05/06 to 09/10 average vs. FY 10/11

	5-year average FY 06 to FY 10	FY 10/11*	Trend
Abdomen	40	48	↑
Ankle	67	63	↓
Arm	71	67	↓
Back	212	182	↓
Chest	17	20	↑
Eyes	61	36	↓
Face	46	36	↓
Feet	45	31	↓
Hand	114	90	↓
Heart	36	14	↓
Internal Injuries	20	9	↓
Knee	156	130	↓
Leg	58	56	↔
Multiple	173	174	↔
Neck	20	15	↓
Respiratory	31	18	↓
Shoulder	94	85	↓
Wrist	20	15	↓
Miscellaneous	95	65	↓

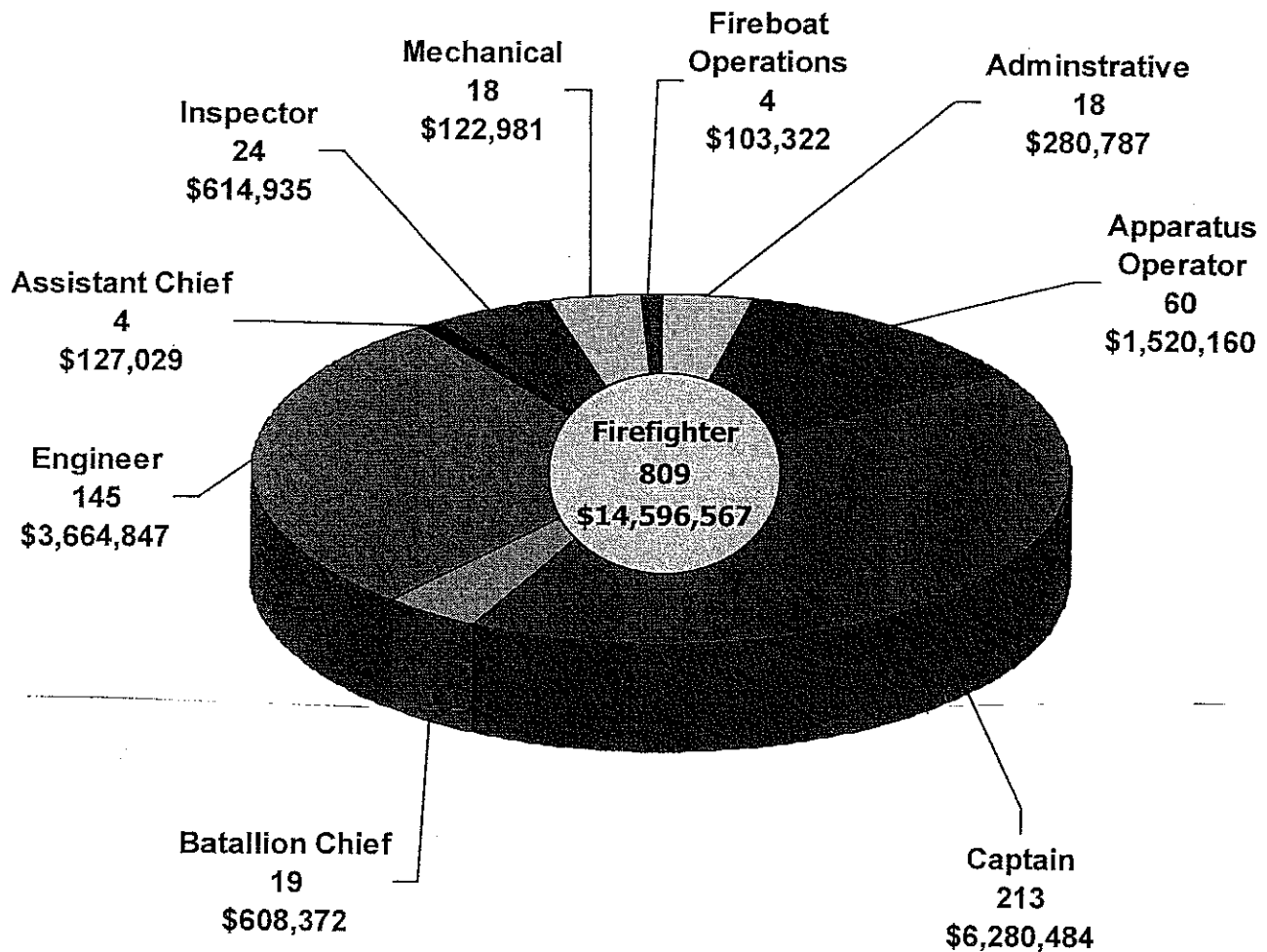
Miscellaneous category includes each types of injury with an average frequency of less than 20

Data provided by the Personnel Department

Data based on date of occurrence

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Workers' Compensation Claim Frequency by Worker Classification Top 10 by Annual Average Frequency FY 05/06 to FY 10/11 (includes claim severity costs and claim frequency)



Data provided by the Personnel Department

Data based on date of occurrence

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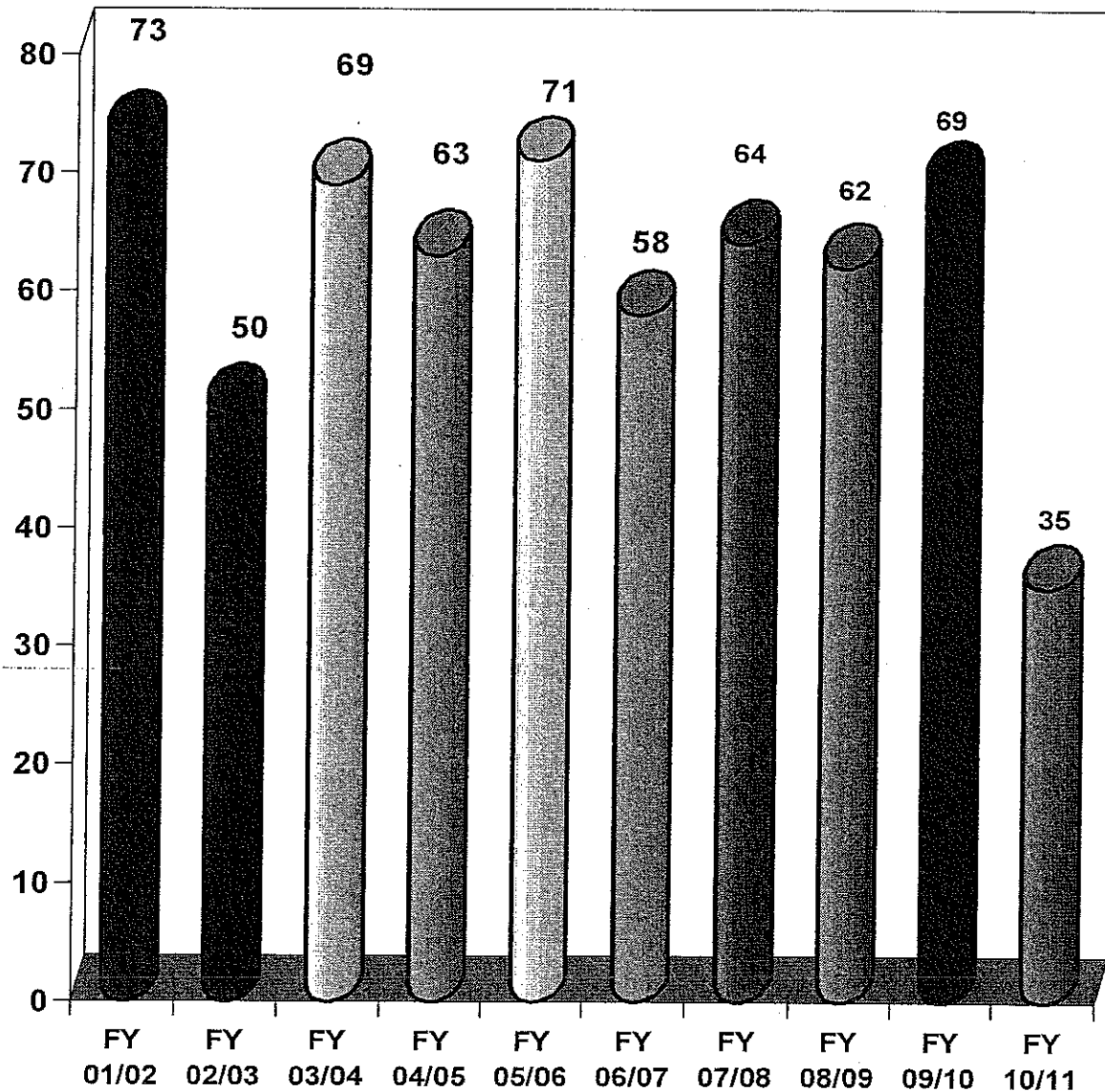
Additional
Graphs/Analyses
Based on Payouts of
Workers' Compensation and
Liability Claims

Liability Payout Frequency

FY 01/02 to FY 10/11

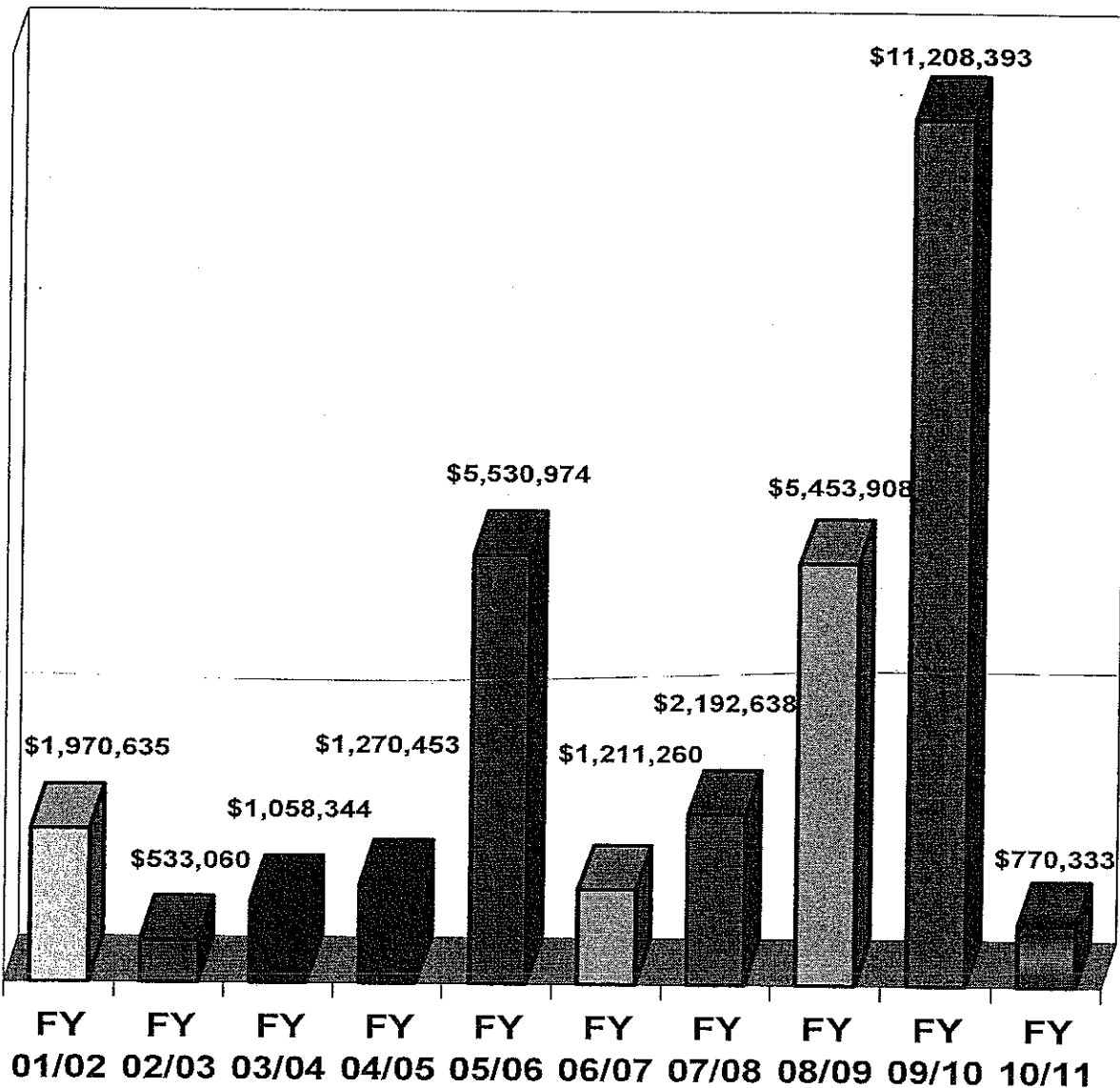
Auto and General Liability

(by date claim was paid)



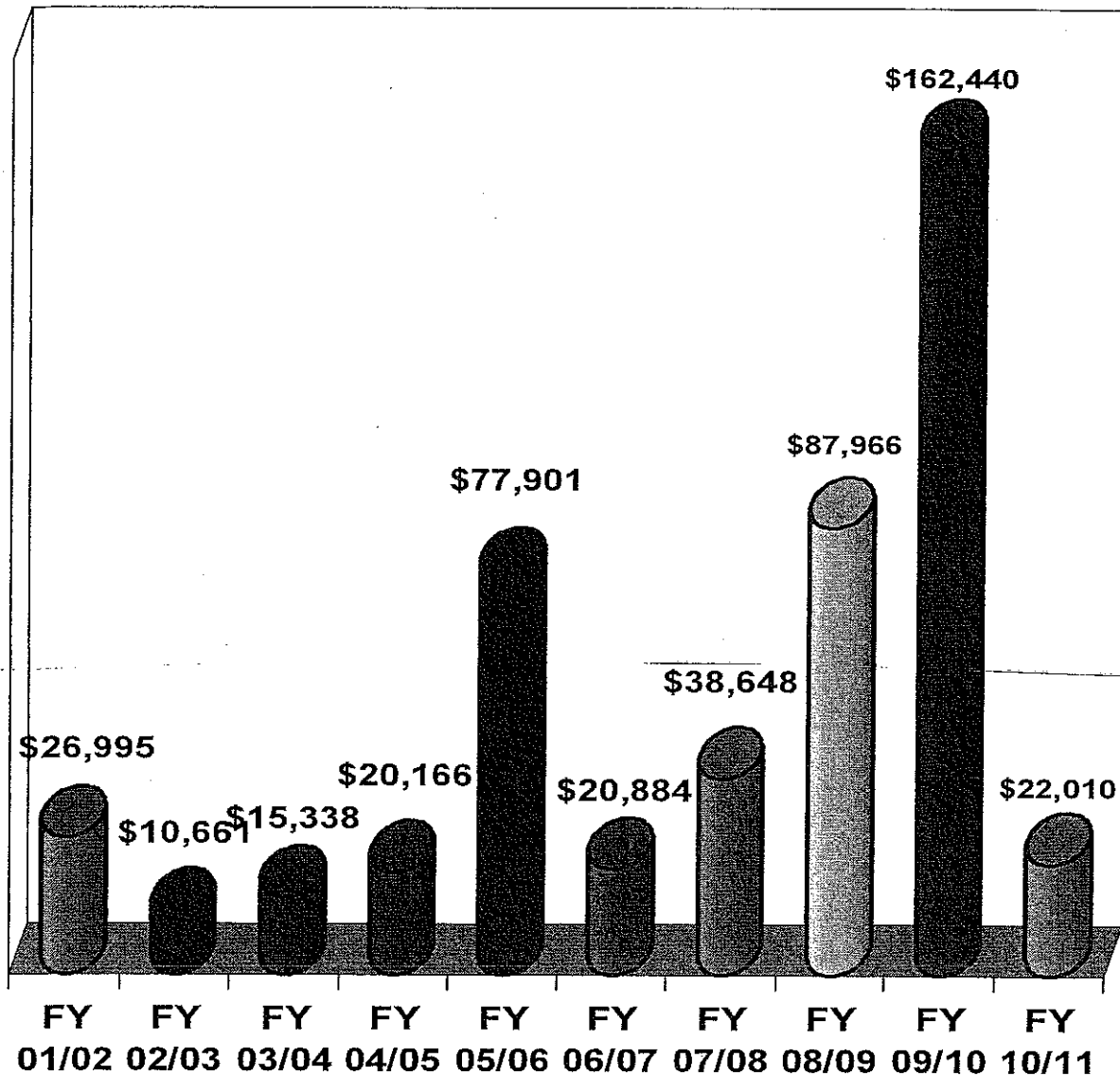
Data provided by the City Attorney
Data based on date claim was paid

Liability Payouts Per Year
FY 01/02 to FY 10/11
Auto and General Liability
(by date claim was paid)



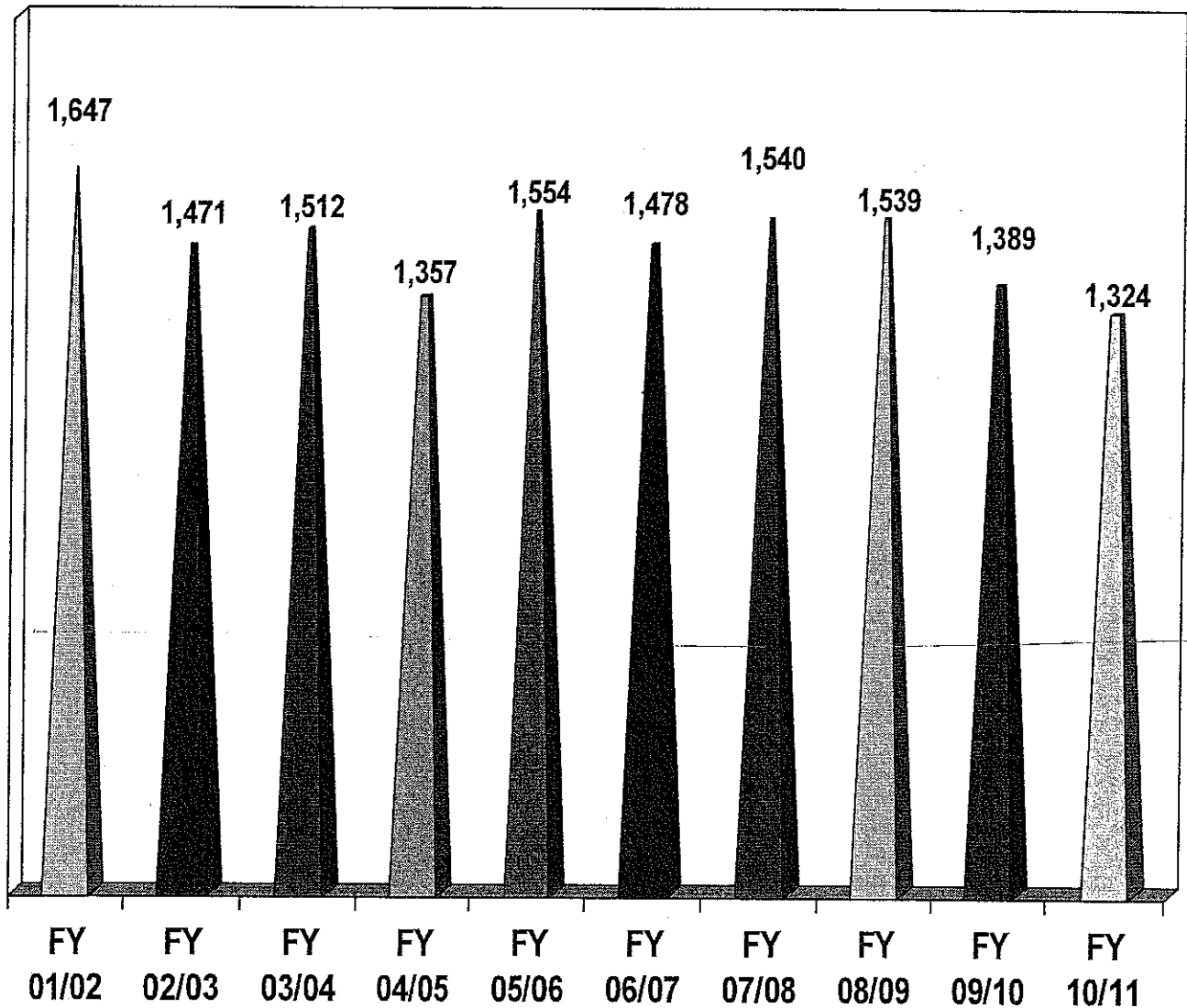
Data provided by the City Attorney
Data based on date claim was paid

Average Cost Per Liability Payout
FY 01/02 to FY 10/11
Auto and General Liability
(by date claim was paid)



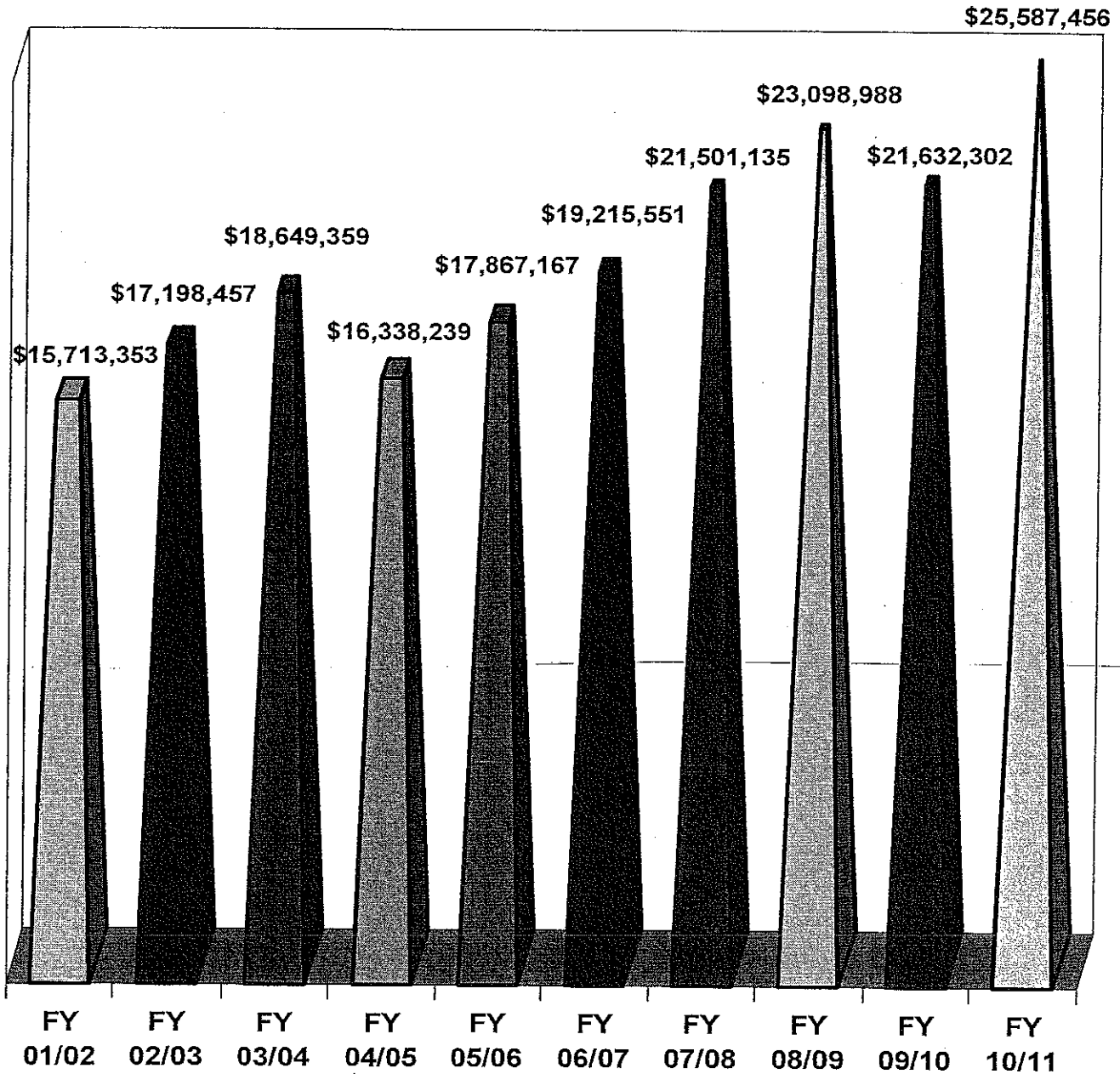
Data provided by the City Attorney
Data based on date claim was paid

Workers' Compensation Annual Claim Frequency FY 01/02 to FY 10/11



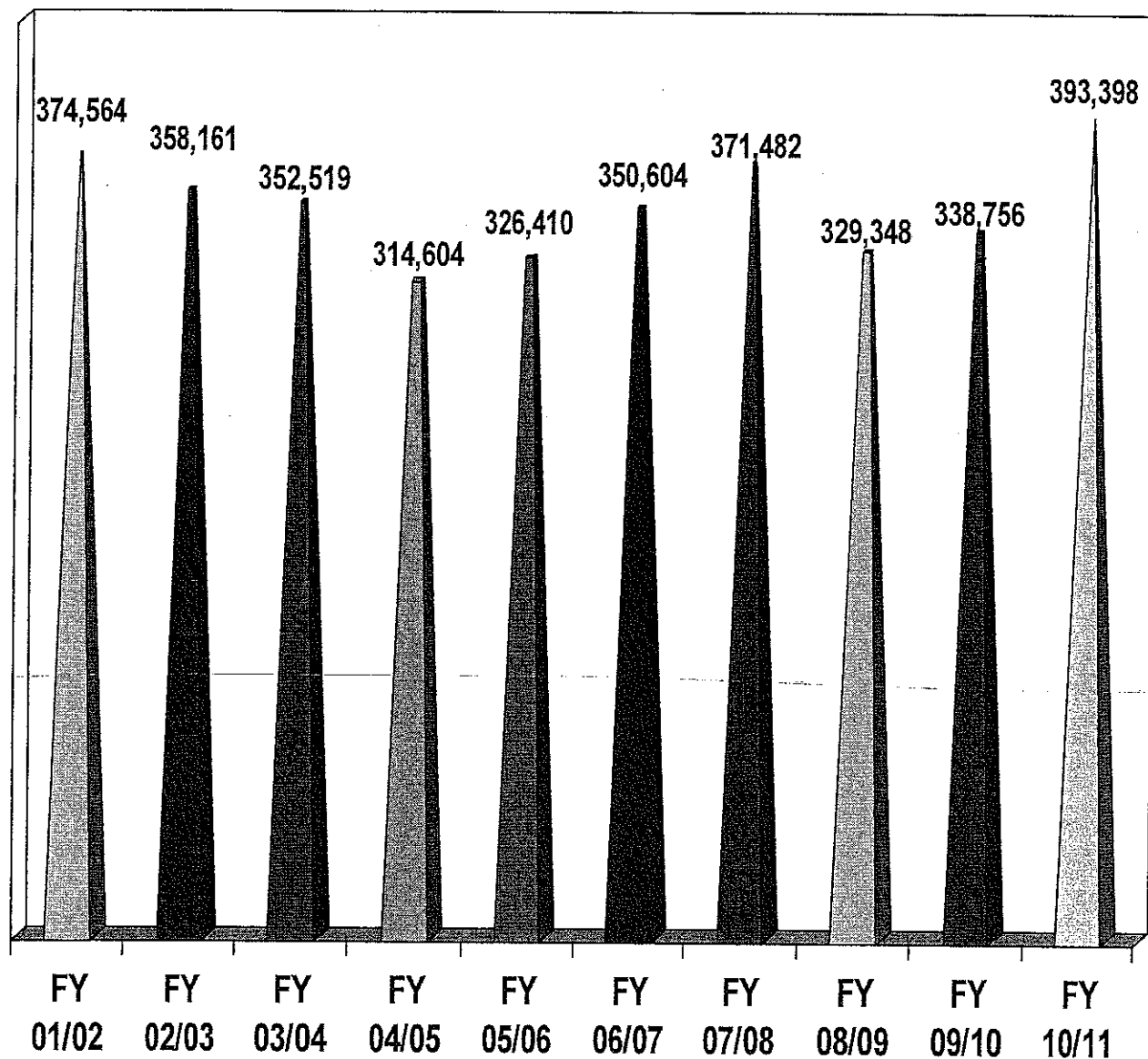
Data provided by the Personnel Department
Data based on date claim was paid

Workers' Compensation Payouts Per Year FY 01/02 to FY 10/11



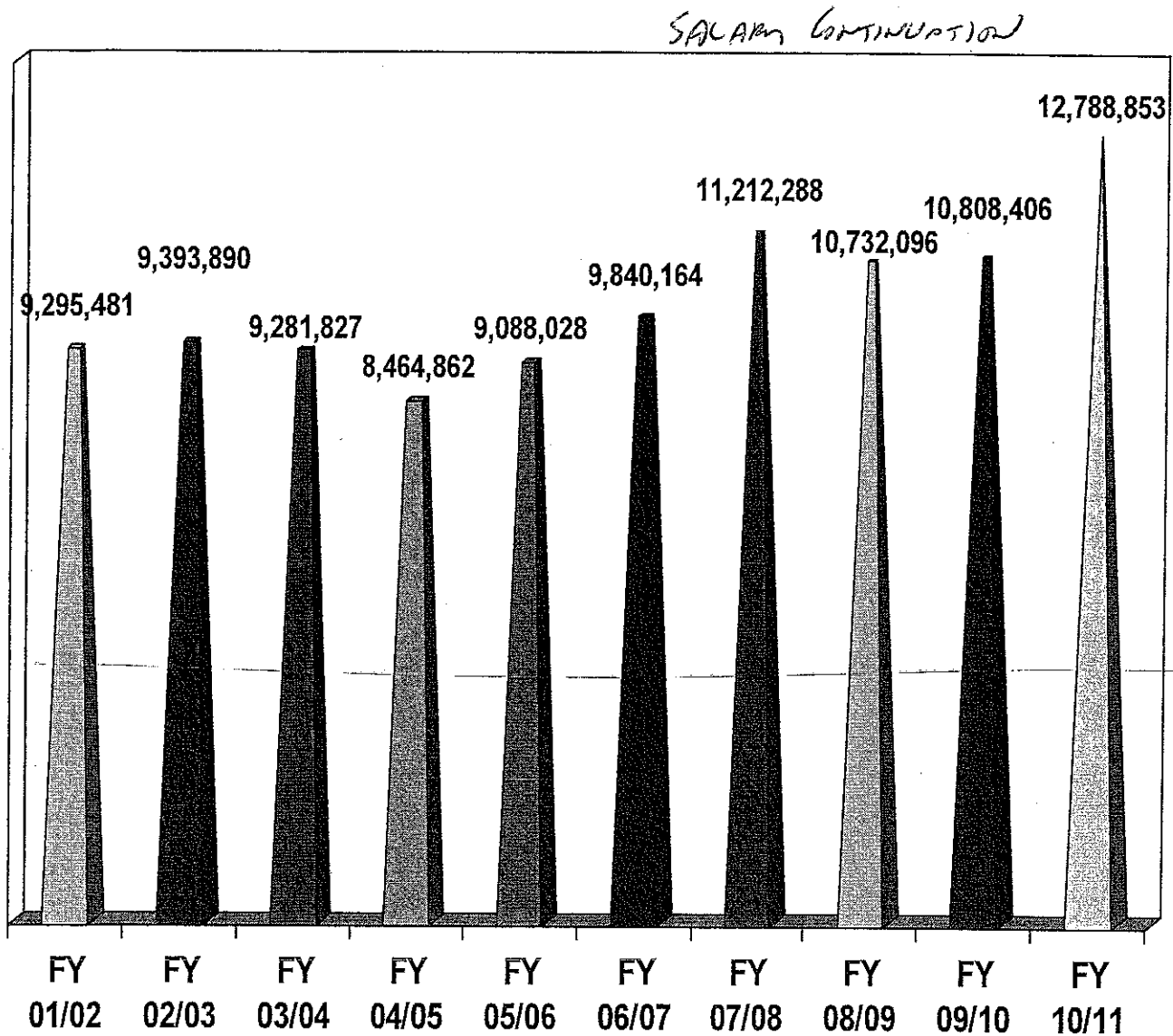
Data provided by the Personnel Department
Data based on date claim was paid

Workers' Compensation Injury On Duty Hours Per Year FY 01/02 to FY 10/11



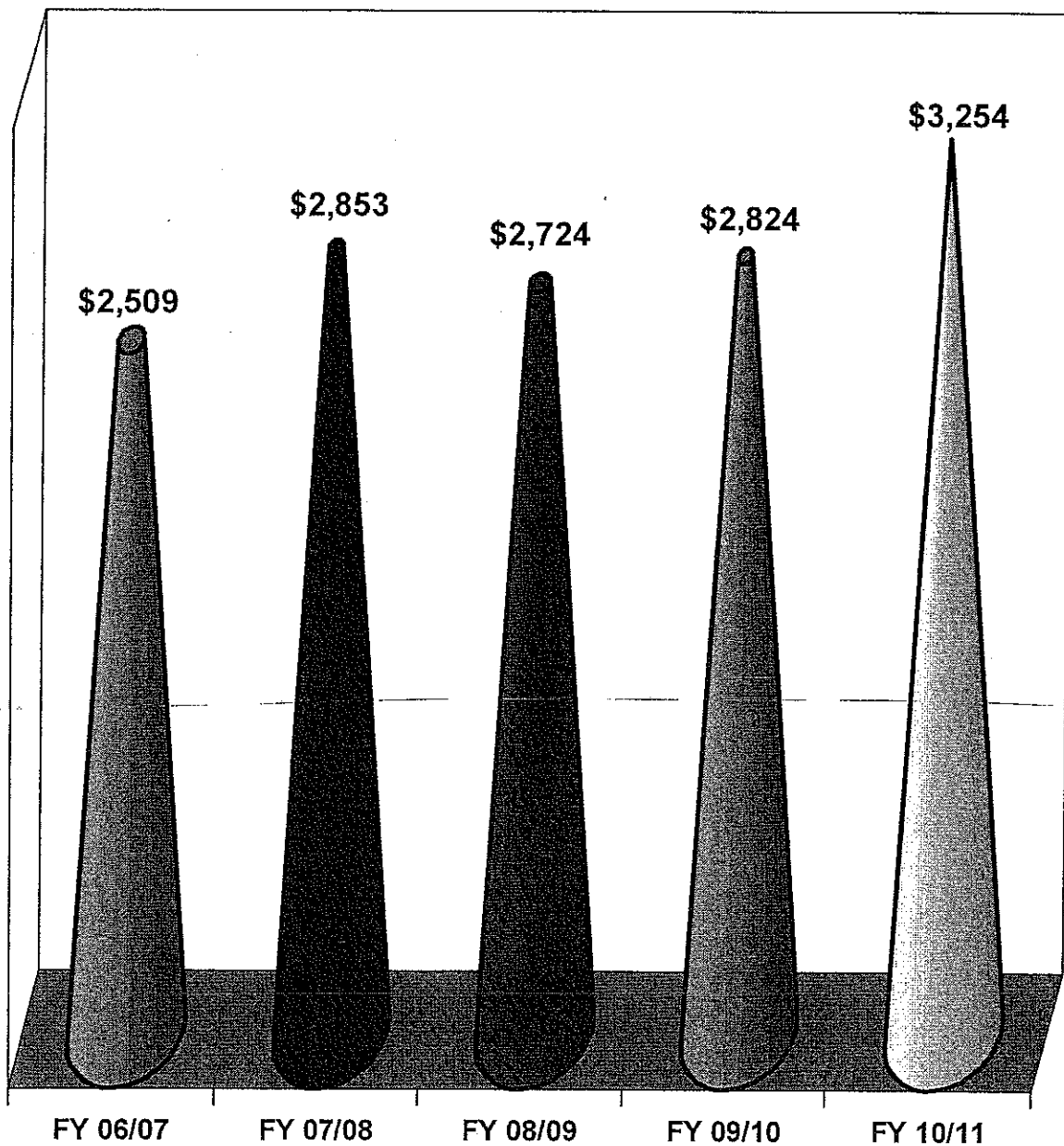
Data provided by the Personnel Department
Data based on date claim was paid

Workers' Compensation Injury On Duty Payouts Per Year FY 01/02 to FY 10/11



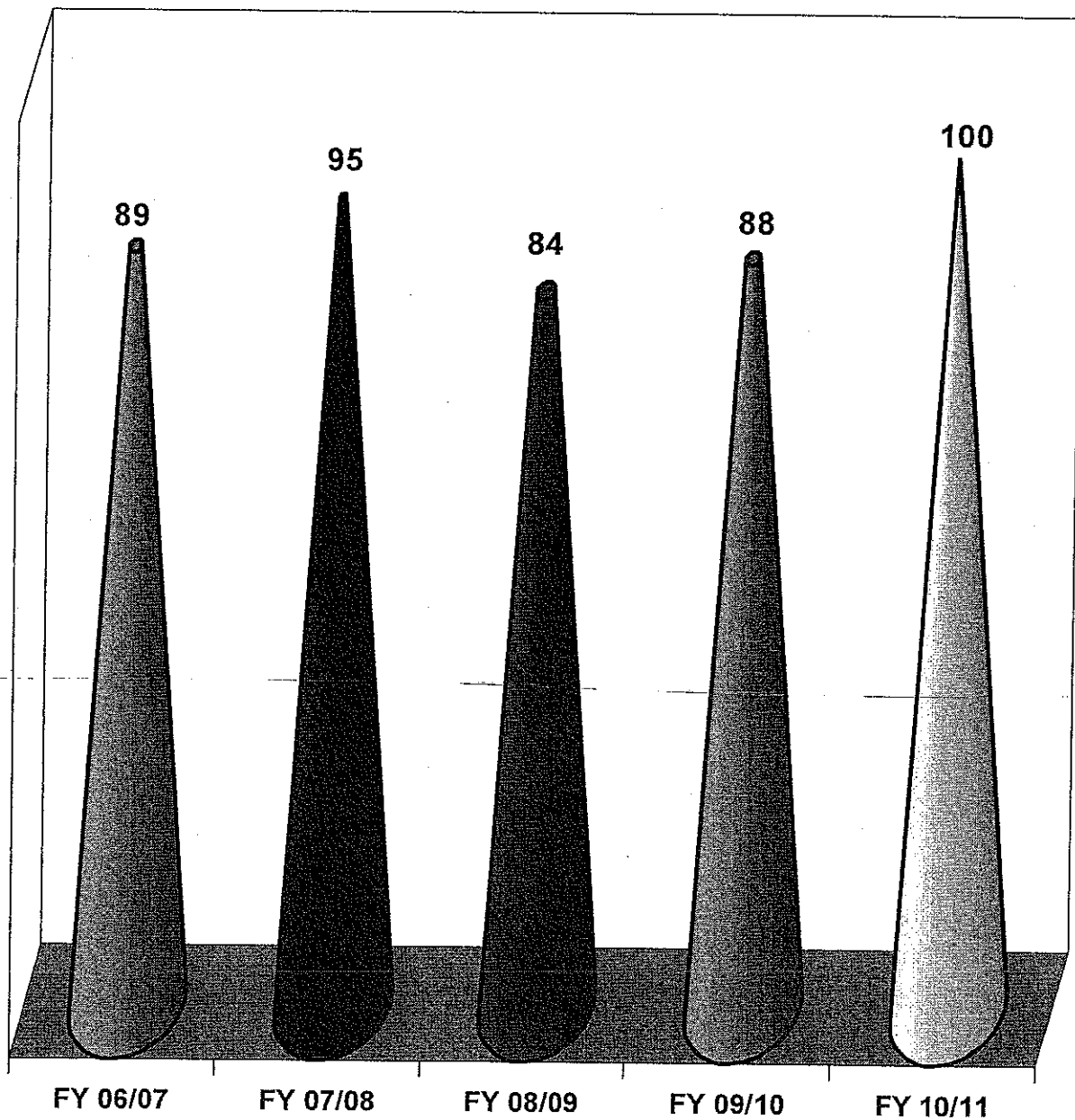
Data provided by the Personnel Department
Data based on date claim was paid

Workers' Compensation IOD Payouts Per Employee Per Year FY 06/07 to FY 10/11



Data provided by the Personnel Department
Data based on date claim was paid

Workers' Compensation IOD Hours Per Employee Per Year FY 06/07 to FY 10/11



Data provided by the Personnel Department
Data based on date claim was paid