



CITY OF SACRAMENTO

DEPARTMENT OF GENERAL SERVICES

16

OFFICE OF THE DIRECTOR

May 22, 1986

FACILITY MAINTENANCE DIVISION
FLEET MANAGEMENT DIVISION
RISK MANAGEMENT & INS. DIVISION
SUPPORT SERVICES DIVISION

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: RISK MANAGEMENT BUDGET FOLLOW-UP REPORT

SUMMARY

This informational report is in response to Councilman Doug Pope's questions regarding the Automobile and General Liability and Workers' Compensation Program elements of the 1986-87 Proposed Risk Management Budget.

BACKGROUND

It is most important we recognize that projecting/forecasting the potential number, as well as the dollar value of claims that may be made in 1986-87 is not scientific. The amounts budgeted are based on the City's most recent three (3) years experience along with adjustments for premium rate increases, increases for medical care, etc.

The Workers' Compensation Program continues to function in the same manner as it has over the past years. The City self-insures the first \$1.0 million loss on any claim and obtains Excess Insurance Coverage in the amount of \$5.0 million excess of the \$1.0 million Self Insured Retention (SIR).

Unfortunately, at the present time the City is unable to obtain Excess Comprehensive Automobile and General Liability Insurance Coverage above its \$1.9 million SIR, thereby leaving the City involuntarily uninsured. Prior to November 20, 1986, the City maintained coverage of \$50.0 million excess of its SIR.

Staff continues to explore its options to minimize the City's exposures above the SIR level until excess Comprehensive Automobile and General Liability Insurance Coverage becomes available (i.e. Public Entity Pools - JPA's, Captive Insurance Markets, etc).

PROGRAM OVERVIEW

The information provided below addresses the questions regarding the Automobile and General Liability and Workers' Compensation Program elements -

° Budget Comparison 85-86 vs 86-87:

	<u>Approved 85-86</u>	<u>Proposed 86-87</u>	<u>Change</u>	
			\$	%
Auto & General Liability Program	\$1,721,000	\$2,130,000	+\$ 409K	23.8%
Workers' Compensation Program	\$4,180,000	\$5,500,000	+\$1,320K	31.6%

° Program Detail

Comprehensive Auto & General Liability - \$2,130,000

\$ 90,000	Claims Administration (LJR Co.)
640,000	Est. Excess Liability Program
<u>1,400,000</u>	Est. Claims Expense (See Exhibit I)
<u>\$2,130,000</u>	Est. Total

Workers' Compensation - \$5,500,000

\$ 40,000	Est. Excess Liability Program
<u>5,460,000</u>	Est. Claims Expense
<u>\$5,500,000</u>	Est. Total

- NOTES: 1. Estimated claims expense based on current trend with adjustment pending Workers' Claims Review audit (see Exhibit II).
2. In addition to the \$5.5 million provided herein, funding of \$666,000 for the Workers' Compensation Administrative Division of the Personnel Department that provides in-house claims services, brings the total estimated funding requirement for the total program to \$6,166,000.
3. Source of Revenue -

\$5,500,000	W.C. Payroll Rates (72% of X-MOD)
500,000	Interest Income on Reserves
<u>100,000</u>	SB 90 Recovered
<u>\$6,100,000</u>	

° Program Reserves

The reserves for open claim liabilities are as follows:

Auto & General Liability (as of 4/1/86) \$2,421,528 for 375 claims.

Workers' Compensation Liability (as of 5/1/86) \$6,594,253 for 858 claims.

May 22, 1986

The Contingency Liability and Reserve Fund for unanticipated losses above those forecasted in the Budget are as follows:

<u>Exposure</u>	<u>Authorization</u>		<u>Maximum Auth Funds</u>
	<u>Resn #</u>	<u>Dtd</u>	
Comprehensive Auto & Gen Lia	78-609	9/5/78	\$2,527,122
	85-793	9/3/85	
	85-887	11/19/85	
Workers' Compensation	82-032	1/2/82	1,500,000
Property & Equipment	86-313	4/29/86	350,000
Money exposure	77-430	7/26/77	100,000
Unemployment Insurance	86-313	4/29/86	<u>350,000</u>
		Total	<u>\$4,827,122</u>

In addition to the above information, enclosed are: 1) Exhibit III - Annual SIR Comprehensive Auto & General Liability Program Status Report, provided to the Council September 3, 1985; 2) Exhibit IV - 1985-86 Risk Management Fund Summary Table; and 3) Exhibit V - Detail of 1986-87 Revenues, Appropriations, and Changes in Fund Balances, which should provide you additional insight into the subject program elements.

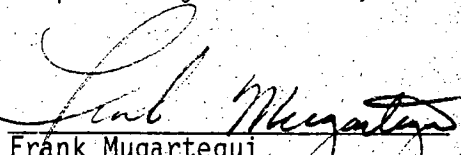
FINANCIAL DATA

With the City's policy of fully funding its open case liabilities and the established contingency liability and reserve fund, the deficit position of the Risk Management Fund Balance, reflected in Exhibits IV and V, is not of significant concern at this time, since the open case liabilities of \$9,015,781 will be paid over the next several years. However, we need to be extremely concerned that the City is fully uninsured for its Comprehensive Auto and General Liability Program.

RECOMMENDATION

This informational report requires no committee action.

Respectfully submitted,


 Frank Mugartegui
 Director of General Services

FOR COMMITTEE INFORMATION

Solon Wisham, Jr.
 Assistant City Manager

May 27, 1986

cc: Risk Management Committee

EXHIBIT I

CITY OF SACRAMENTO
S.I.R. AUTO & GENERAL LIABILITY
1986-87 WORK PAPER

Fixed Costs	1/20/82-83	1/20/83-84	1/20/84-85	Total 3 Years	As of 6/30/85 Use For FY 1986-87
XS Insurance Premium	\$ 51,500	\$ 51,500	\$ 83,933	\$ 186,933	\$ 640,000 *
Broker's Fee	15,000	15,000	16,000	46,000	19,800 **
Claim Administrator	56,457	65,118	68,086	189,661	90,000
Total Fixed Costs	\$ 122,957	\$ 131,618	\$ 168,019	\$ 422,594	\$ 749,800
Incurred Claims	\$ 2,143,428	\$ 1,226,405	\$ 1,219,286	\$ 4,589,119	\$ 1,529,706
IBNR - Tower & Perrin				\$ 305,000	\$ 101,667
Total				\$ 5,316,713	\$ 2,381,173
Less Interest Income	\$ (290,423)	\$ (126,495)	\$ (250,708)	\$ (667,626)	\$ (222,542)
BUDGET FOR 1986					\$ 2,158,631

* Increase Contingency Reserve to a Level of Expected XS Premium Cost

** Contracted Agreement for Broker of Record

12/4/85 RM:DI1A:L:AGCOST1

CITY OF SACRAMENTO
 WORKERS' COMPENSATION
 TOTAL INCURRED CLAIMS COST YEAR ENDING
 (TOTAL PAID AND RESERVED)

PROGRAM YEAR	06/30/83	07/05/84	6/30/85	EST. 6/30/86*
1971/72	\$ 28,769	\$ (1,886)	\$ 4,350	\$ 54
1972/73	46,881	3,068	4,439	23,448
1973/74	2,222	4,815	16,981	12,270
1974/75	36,214	3,808	32,500	46,071
1975/76	89,505	105,849	30,803	82,356
1976/77	108,419	17,340	6,539	22,500
1977/78	183,167	112,981	150,664	75,240
1978/79	403,335	212,712	47,174	89,115
1979/80	289,543	102,958	116,847	360,093
1980/81	112,612	204,056	132,763	250,098
1981/82	334,266	227,798	211,992	455,034
1982/83	854,876	475,852	594,174	681,972
1983/84	-	1,321,030	1,003,216	902,304
1984/85	-	-	1,375,832	2,551,557
1985/86	-	-	-	1,203,300
Total	\$2,489,809 =====	\$2,790,381 =====	\$3,728,274 =====	\$6,755,412 =====

* Estimate Based on 4 Months Actuals From 7/1/85 to 10/31/85

12/03/85 RM:OV1A:L:WCYE2

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CITY OF SACRAMENTO

DEPARTMENT OF GENERAL SERVICES

OFFICE OF THE DIRECTOR

 FACILITY MAINTENANCE DIVISION
 FLEET MANAGEMENT DIVISION
 RISK MANAGEMENT & INS. DIVISION
 SUPPORT SERVICES DIVISION

 August 21, 1985
 RM: 25050:EM/WR/eb

 CITY MANAGER'S OFFICE
RECEIVED
 AUG 27 1985

 City Council
 Sacramento, California

Honorable Members in Session:

 SUBJECT: ANNUAL SELF-INSURED RETENTION (SIR) COMPREHENSIVE AUTOMOBILE AND
 GENERAL LIABILITY PROGRAM STATUS REPORT
SUMMARY

Presented herewith is the ninth Annual Report to the City Council providing an overview of the subject program, together with comparative financial and loss experience data.

BACKGROUND

Over the years public entities have typically protected themselves by purchasing first dollar coverage insurance. However, their ability to do this changed drastically during the 1970's. This was due to legal, social, and economic developments which affected the availability by the courts of the common law "Doctrine of Sovereign Immunity", which meant that citizens who considered themselves wronged by the actions of the Government could now sue the Government for damages.

In January 1976, the City of Sacramento began its SIR Program for Automobile and General Liability Coverage assuming a SIR of \$250,000 per occurrence, with a maximum liability limit of \$20 million; thereafter, increasing the City's retention and coverage limits as follows:

<u>Effective Date</u>	<u>Level of Retention Per Occurrence</u>	<u>Limits of Coverage</u>	<u>Premium Cost</u>
01/20/77	\$300,000	\$20 Million	\$226,900
09/07/77	\$500,000	\$20 Million	\$377,450
09/07/78	\$1 Million	\$20 Million	\$205,200
09/07/81	\$1 Million	\$50 Million	\$59,500
10/07/84	\$1 Million	\$50 Million	\$148,800

PROGRAM OVERVIEW

The City's SIR Comprehensive Automobile and General Liability Program is a fully funded program, as opposed to a "pay-as-you-go" system. Annual projected program costs are received from the General Fund, Enterprise Funds, and Internal Service Funds based on the "averaging method" (a running average of incurred losses and other associated costs for the past three year). This is a somewhat indirect way to charge losses and other costs; however, it is more predictable than the direct cost method, helps smooth the fluctuations which may occur from year to year, avoids retroactive reimbursement fee paid claims and facilitates allocation of costs back to the various operation funds.

The City contracts with an independent company not affiliated with an insurance company for claims administration. Minor property damage claims are handled by in-house staff.

Claims reserves and paid losses are reviewed annually and a reevaluation is made of the SIR programs cost effectiveness.

In addition to the reserves set aside for open cases, the City maintains a Contingency Reserve of \$1 million, which was established to cover the \$1 million SIR from an unanticipated catastrophic claim or occurrence.

Reserves serve two significant purposes: 1) reserves held by the City are invested by the City, reducing the overall program costs borne by all City activities; and 2) enhance the financial stability of the program.

CURRENT EXPERIENCE

Program year 1984 - (1/20/84-85) reflected a 6.4% increase of costs with a 47% increase in number of claims compared to 1983, as summarized below -

Program Year	Auto		General		Total Incurred Costs ¹		Average Cost/Claim
	# of Claims	\$	# of Claims	\$	# of Claims	\$	
1983	107	\$195,862	194	\$694,313	301	\$1,090,175	\$3,622
1984	162	301,803	280	859,202	442	1,161,005	2,627
Change:	+55	\$105,941	+86	<\$35,111>	+141	\$70,830	<\$995>

As indicated by current experience (i.e. Average Cost/Claim and frequency), the City continues to maintain a pattern of high frequency with low severity (i.e. low dollar cost/claim, as opposed to high dollar value per claim).

The changes of incurred costs compared to the last years annual report are as follows:

¹ "Incurred Cost" - Includes amounts paid and amounts reserved for future payment (See Exhibit II).

	<u>Reported Incurred Costs</u>		<u>Change</u>
	<u>As of 1/31/84</u>	<u>As of 1/31/85</u>	
1st Yr 1976	\$ 496,082	\$ 496,453	\$ +371
2nd Yr 1977	674,867	662,252	<12,615>
3rd Yr 1978	1,300,428	1,343,306	+42,878
4th Yr 1979	1,042,158	1,019,066	<23,092>
5th Yr 1980	710,282	706,389	<3,893>
6th Yr 1981	990,148	996,903	+6,755
7th Yr 1982	1,404,938	2,201,913	+796,975
8th Yr 1983	<u>829,692</u>	<u>1,090,175</u>	<u>+260,483</u>
Total	\$7,448,595	\$8,516,457	+\$1,067,862

It should be noted the incurred cost increase of \$1,067,862 is mainly attributable to several large claims whose reserves were increased in claim years 1981 and 1982. The incurred cost reserve increases these years reflects the settling of several major claims.

Since the inception of the City's SIR Program in 1976, 75% of the incurred costs are attributable to General Fund supported activities (See Exhibit V), and 70 or 2.4% (claims in excess of \$10K/claim) of the settled claims represent \$3,547,815 or 49% of total settlement costs (See Exhibit III).

Exhibits VI, VII, and VIII provide a 10-year overview of the City's experience with its Auto and General Liability exposure.

FINANCIAL

Over the past 9 years the City's SIR Program has resulted in a savings of approximately \$4.3 million, as compared to a fully insured program (See Exhibit I). These are dollars which would have been paid to insurance companies (permanently lost) if the City had not elected to assume some of its exposure, besides reducing available budget resources.

In addition to the savings addressed above, we have set aside and retained the following funds for open cases and the grey area of contingent liabilities -

Contingent Liability Reserves (as of 1/31/85) \$1,000,000

Reserve for Open Cases (as of 1/31/85)

First Year Claims	\$ 0	
Second Year Claims	0	
Third Year Claims	166,000	
Fourth Year Claims	14,000	
Fifth Year Claims	116,500	
Sixth Year Claims	227,710	
Seventh Year Claims	319,026	
Eighth Year Claims	653,128	
Ninth Year Claims	<u>973,660</u>	<u>\$2,470,024</u>

Total SIR Auto & Gen. Liab. Program Cash Reserves \$3,470,024

City Council

- 4 -

August 21, 1965

By using this method of operation, the City has been maintaining a fully funded program which is fiscally sound.

Exhibit IV "Statement of Revenues and Expenditures", comparing Total Program Revenues and Incurred Costs change from the prior to the current period indicates a reduction of the deficit as of 1/19/65. The deficit reflected is attributable to a large increase in reserves for several claims that are now three to four years old, which were substantially under reserved.

CONCLUSION

The City's experience with the subject program has proven that: 1) the decision to self-insure the first million per occurrence to be correct; and 2) that the costs are less than a Fully Insured Program. In addition, the savings derived from this program has enabled the City to utilize the \$4.3 million towards other beneficial programs for the Citizens of Sacramento.

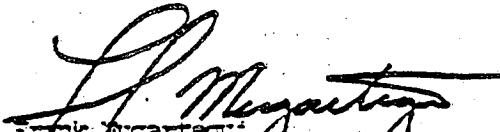
FORTHCOMING PROGRAM WOES

Replacing the City's \$30 million excess of \$1 million SIR comprehensive auto and general liability policy will be extremely difficult when the current coverage expires in October of 1965. Many of the nation's insurance companies are flat out unwilling to write policies for public agencies, and the few that are have upped their premium rates dramatically (300 to 1,000+ percent). In addition to the increase in premiums, the limits of coverage are being reduced, levels of retention (deductible) are being increased up to 333%, and underwriting conditions are much more restrictive (i.e. accidental pollution no longer covered).

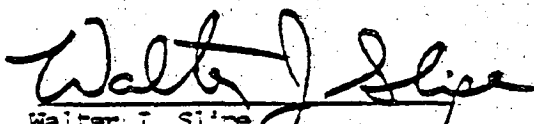
RECOMMENDATION

This is an informational item for City Council review and no further action is required.

Respectfully Submitted,


Frank Mugartegui
Director of General Services

FOR CITY COUNCIL INFORMATION:


Walter J. Silpe
City Manager

September 3, 1965
All Districts

- Attachments:
- Exhibit I - 9 Yr SIR Auto & Gen. Liab. Program Costs vs Fully-Insured Program
 - Exhibit II - SIR Auto & Gen. Liab. Program - Incurred Claim Cost Detail
 - Exhibit III - Settled/Closed Claims in Excess of \$10,000 Inception to Date
 - Exhibit IV - SIR Auto & Gen. Liab. Program - Statement of Revenues & Expenses
 - Exhibit V - SIR Auto & Gen. Liab. Program - 9 Yr Summary of Claims by Activity
 - Exhibit VI - Auto & Gen. Liab. Program - 10 Yr Claim Frequency
 - Exhibit VII - Auto & Gen. Liab. Program - 10 Yr Average Cost/Claim
 - Exhibit VIII - Auto & Gen. Liab. Program - 10 Yr Insured Premium vs SIR Program Cost Comparison

cc: Risk Management & Insurance Committee
Department Heads
Corroon & Black/James Burpo Insurance
Fundamental Ins. Services/Adjustco Adjusters
Warren, McVeigh & Griffin

EXHIBIT I

CITY OF SACRAMENTO

SIR AUTOMOBILE AND GENERAL LIABILITY PROGRAM
9-YEAR SIR PROGRAM COSTS VS. FULLY-INSURED PROGRAM COSTS

SIR PROGRAM	1st Year 1/20/76-77	2nd Year 1/20/77-78	3rd Year 1/20/78-79	4th Year 1/20/79-80	5th Year 1/20/80-81	6th Year 1/20/81-82	7th Year 1/20/82-83	8th Year 1/20/83-84	9th Year 1/20/84-85	Total
Fixed Costs -										
Excess Insurance Premium	266,000	377,450	372,045	205,200	114,000	59,500	51,500	51,500	75,825	1,575,620
Brokerage Fee	8,610	6,480	6,400	12,333	13,222	14,025	15,000	15,000	9,000	100,180
Claims Administration	40,000	38,500	42,302	39,200	42,026	44,575	56,457	65,118	68,006	436,261
Miscellaneous	240	0	0	0	0	0	0	0	0	240
Total Fixed Costs	315,780	422,430	421,627	256,733	170,148	118,100	122,957	131,618	152,911	2,112,304
Incurred Claim Cost	496,453	602,252	1,343,306	1,019,066	706,389	996,903	2,201,913	1,090,175	1,161,005	9,677,462
Gross Total SIR Program	812,233	1,024,682	1,764,933	1,275,799	876,537	1,115,003	2,324,870	1,221,793	1,313,916	11,789,766
Less Interest Income	(70,938)	(144,694)	(403,845)	(271,223)	(295,131)	(322,655)	(325,021)	(200,454)	(85,742)	(2,119,703)
Net Total SIR Program Costs	741,295	839,988	1,361,088	1,004,576	581,406	792,348	1,999,849	1,021,339	1,228,174	9,670,063
FULLY-INSURED PROGRAM (FIP)										
Estimated Premium Cost	1,066,000	1,577,450	1,572,815	1,405,200	1,548,250	1,504,250	1,512,636	1,650,000	2,113,000	13,950,531
Savings to City (FIP vs SIR)	325,605	637,462	211,757	400,624	966,844	711,902	(487,213)	628,661	884,826	4,280,468

Note: Incurred costs include paid claims (\$7,207,430) and reserves for open cases (\$2,470,024)
(Ref Exhibit III for details)

08/02/05 RM:WR:DLA:L:AUTGEN10

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CITY OF SACRAMENTO
 SETTLED/CLOSED CLAIMS IN EXCESS OF \$10,000
 INCEPTION THRU JANUARY, 1985

EXHIBIT III

36B

Program Year	Description	Auto	General
1976	Alleged poor lighting		\$ 28,669
	Cross walk maintenance		47,927
	Intersection collision	\$ 54,815	
1977	Falling tree		10,965
	False arrest		13,665*
	False arrest		14,685
	False arrest		15,555*
	Hazardous cond. road		16,432
	Non auto equipment		19,889
	Rear end	24,109	
	Intersection collision	29,671	
	Falling Tree		29,674
	False arrest		31,539*
	Slip and fall		47,275
1978	Right hand turn	71,787	
	Rear end	10,146	
1979	Hazardous cond. road		10,758
	Water damage		11,440
	Hazardous cond. road		12,742
	Sporting event		14,148
	Excessive force		17,093
	Hit pedestrian		20,414
	Slip and fall		27,616
	Hazardous cond. other		34,789
	Rear end	36,830	
	Hazardous cond. road		41,774
	Slip and fall		51,700
	Error and omission		77,703
	Hazardous cond. road		342,805 ✓
1980	Pull from curb	10,000	
	False arrest		12,735
	Street design		12,785
	Assault		14,383
	Slip and fall		27,616
	False arrest		29,058
	Ran lite/sign	31,588*	
	False arrest		43,862
	Bike/cycle	48,096	
	Intersection		59,300
1981	Hazardous cond. road		358,248 ✓
	Hazardous cond. road		10,318
	Excessive force		12,161*
	Intersection		13,275
	Other		26,413
	Slip and fall		26,897*
	Hit pedestrian	35,009	
1982	Falling tree		12,314*
	Excessive force		12,632
	Fall in hole		13,204
	Hazardous cond. road		20,644
	Slip & fall		21,477
	Hazardous cond. other		25,152
	Rear end claimant		26,430
	Claimant turn left		28,724
	Rear end claimant		32,404
	Hazardous cond. road		46,046
	1983	Turning left	13,013
Traffic signal malfunction			13,204
Slip and fall			13,674
Water damage			15,769
Hazardous condition			17,705
Hazardous condition other			21,983
Side swipe		25,732	
Intersection		29,885	
Swimming			36,500
Hit object road			40,000
1983	Street design		65,729
	Street lighting		13,800
Sub - Totals		\$420,681	\$3,127,134
Grand Total		\$3,547,815	
Average Cost/Claim		\$50,683	

MEGULLY Hit Ped.

*FOOTE
 ROB.
 REYNOLDS
 FONG
 BERSUM*

*Cases won by City - \$143,719 for attorney fees, plaintiffs received nothing.

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EXHIBIT II

CITY OF SACRAMENTO

Incurred Claim Cost Detail

Reserves for Open Claims		Closed Claims		Total Incurred		Average Incurred Cost/Claim
# of Claims	Amount	# of Claims	Amount	# of Claims	Amount	
0	\$ 0	318	\$ 496,453	318	\$ 496,453	\$ 1,561
0	0	435	562,252	435	662,252	1,522
6	166,000	365	1,177,306	371	1,343,306	3,621
3	14,000	292	1,005,066	295	1,019,066	3,454
13	116,500	200	589,889	213	706,389	3,316
16	227,710	209	769,193	225	996,903	4,431
32	319,026	252	1,862,887	284	2,201,913	7,753
71	653,128	215	437,647	301	1,090,175	3,622
209	973,660	133	167,345	442	1,161,005	2,627
\$2,470,024		\$7,207,436		2,884	\$9,677,462	\$ 3,356

06/C2/95 RM.WR.D1A.L:AUTOGENS

CITY OF SACRAMENTO
 9 YEARS S.I.R. PROGRAM
 SUMMARY OF LOSS EXPERIENCE BY ACTIVITY
 JANUARY 20, 1976 THROUGH JANUARY 20, 1985

AUTO & GENERAL LIABILITY LOSSES

Activity	No. of Claims	Incurred Costs	Average Cost/Claim	% of Claims	Total Costs
-----	-----	-----	-----	-----	-----
ORGAN Depart	No.	Amount	Amount		
0100 Mayor	1	\$ 2,500	\$ 2,500	0.03%	0.03%
1100 Finance	6	1,661	277	0.21%	0.02%
1300 SOP	1	0	0	0.00%	0.00%
1500 Personnel	2	4,159	2,080	0.07%	0.04%
1900 Gen Svcs	33	166,266	5,038	1.14%	1.72%
1940 Fleet Mgt	13	7,792	599	0.45%	0.08%
2111 Police	649	2,583,354	3,981	22.50%	26.69%
2500 Fire	109	301,653	2,767	3.78%	3.12%
3110 Eng	69	1,205,854	17,476	2.39%	12.46%
3122 Traf Eng	113	673,770	5,963	3.92%	6.96%
3123 Parking	179	189,503	1,059	6.21%	1.96%
3125 Traf Sig.	7	45,460	6,494	0.24%	0.47%
3126 St. Maint	306	1,078,547	3,525	10.61%	11.14%
3140 Waste Rem	391	457,159	1,169	13.56%	4.72%
3144 GardenRef	140	151,040	1,079	4.85%	1.56%
3143 St. Clean	25	76,276	3,051	0.87%	0.79%
3151 Water	87	157,296	1,808	3.02%	1.63%
3154 Sewer	153	298,434	1,951	5.31%	3.03%
3155 W/S Adm	7	22,463	3,209	0.24%	0.23%
3170 Anim Cont	29	56,605	1,952	1.01%	0.58%
3520 Planning	0	0	0	0.00%	0.00%
3531 Inspect.	26	161,341	6,205	0.90%	1.67%
4110 Library	3	2,026	675	0.10%	0.02%
4310 Com Ctr.	26	35,357	1,360	0.90%	0.37%
4500 Com serv	308	1,609,705	5,226	10.48%	16.63%
4560 Camp Sec.	3	1,730	577	0.10%	0.02%
4570 Boat Har	2	5,762	2,881	0.07%	0.06%
4590 Tree Serv	85	83,619	984	2.95%	0.86%
4610 Golf	22	43,622	1,983	0.76%	0.45%
5000 Non-Dept	88	253,894	2,885	3.05%	2.62%
8100 MVL Sys	2	614	307	0.07%	0.01%
Total	2,884	\$9,677,462	\$ 3,356	100.00%	100.00%

CITY OF SACRAMENTO

EXHIBIT IV

SIR AUTO AND GENERAL LIABILITY PROGRAM
STATEMENT OF REVENUES AND EXPENDITURES

	Current Period Jan. 20, 1976 thru Jan. 19, 1984	Prior Period Jan. 20, 1976 thru Jan. 19, 1984
Revenues —		
Premium Income	\$ 7,009,009	\$ 6,009,009
	2,119,703	1,868,995
Interest Income from Revenues & Reserves to Date	\$10,028,712	\$ 8,778,004
Total Revenues		
Expenditures & Potential Liability (Open Cases)		
Excess Insurance Premium	\$1,575,620	\$1,499,795
Brokerage Fee	100,100	91,180
Claims Administration	437,749	368,178
Miscellaneous	240	240
Paid Claims	7,207,431	5,116,761
	\$ 9,321,227	\$7,076,154
Reserve for Open Cases	2,470,024 *	2,331,832
Total Expenditures and Potential Liability	\$11,791,251	\$ 9,407,986
Excess (Deficit) of Revenues Over Expenditures	\$ (1,752,539)*	\$ (629,982)

*The reserves for several claims, that are three to five years old, have been increased to cover potential settlement costs.

08/02/85 RM:WR:DT1A:L:AUTOGEN

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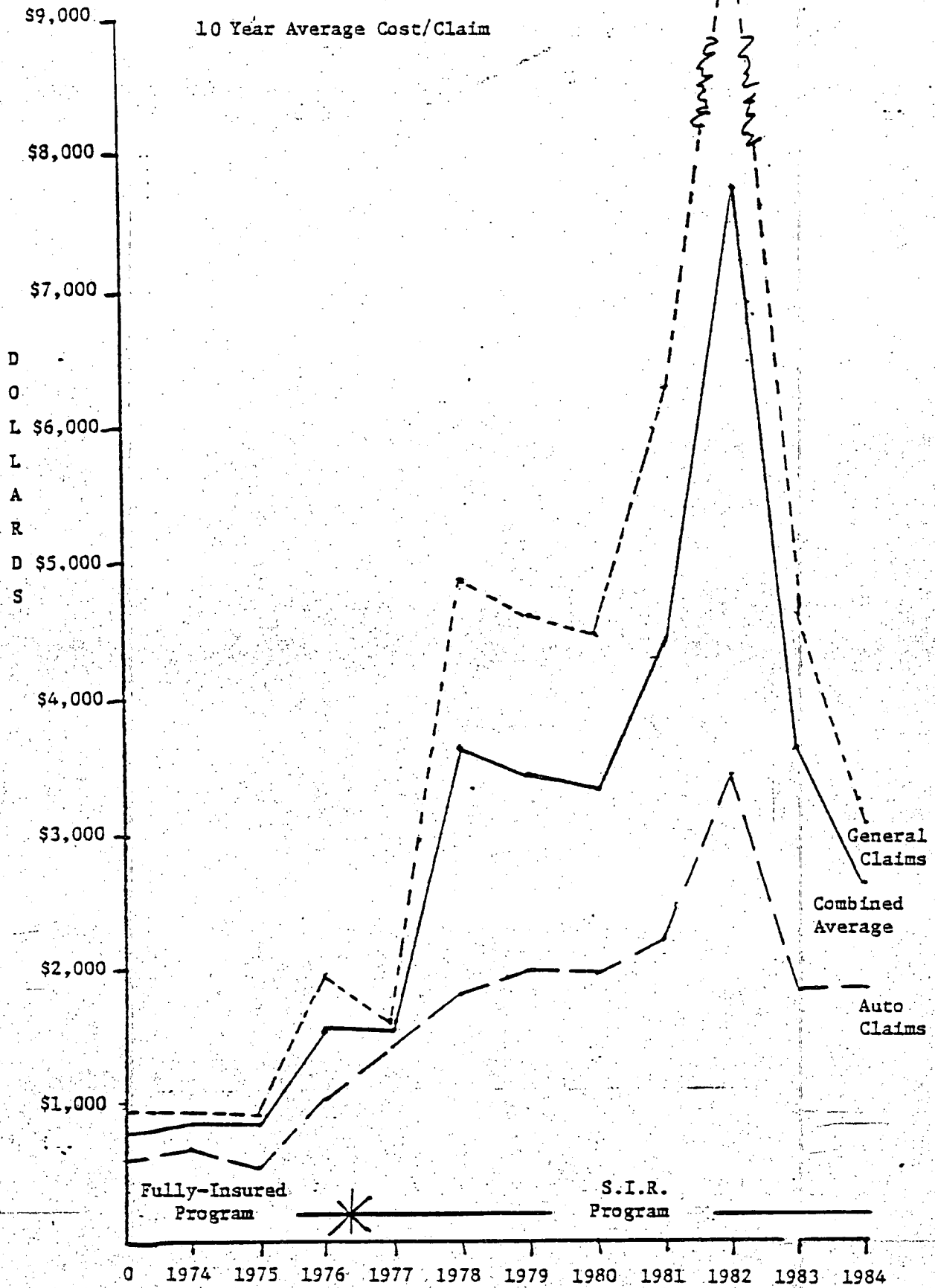
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CITY OF SACRAMENTO

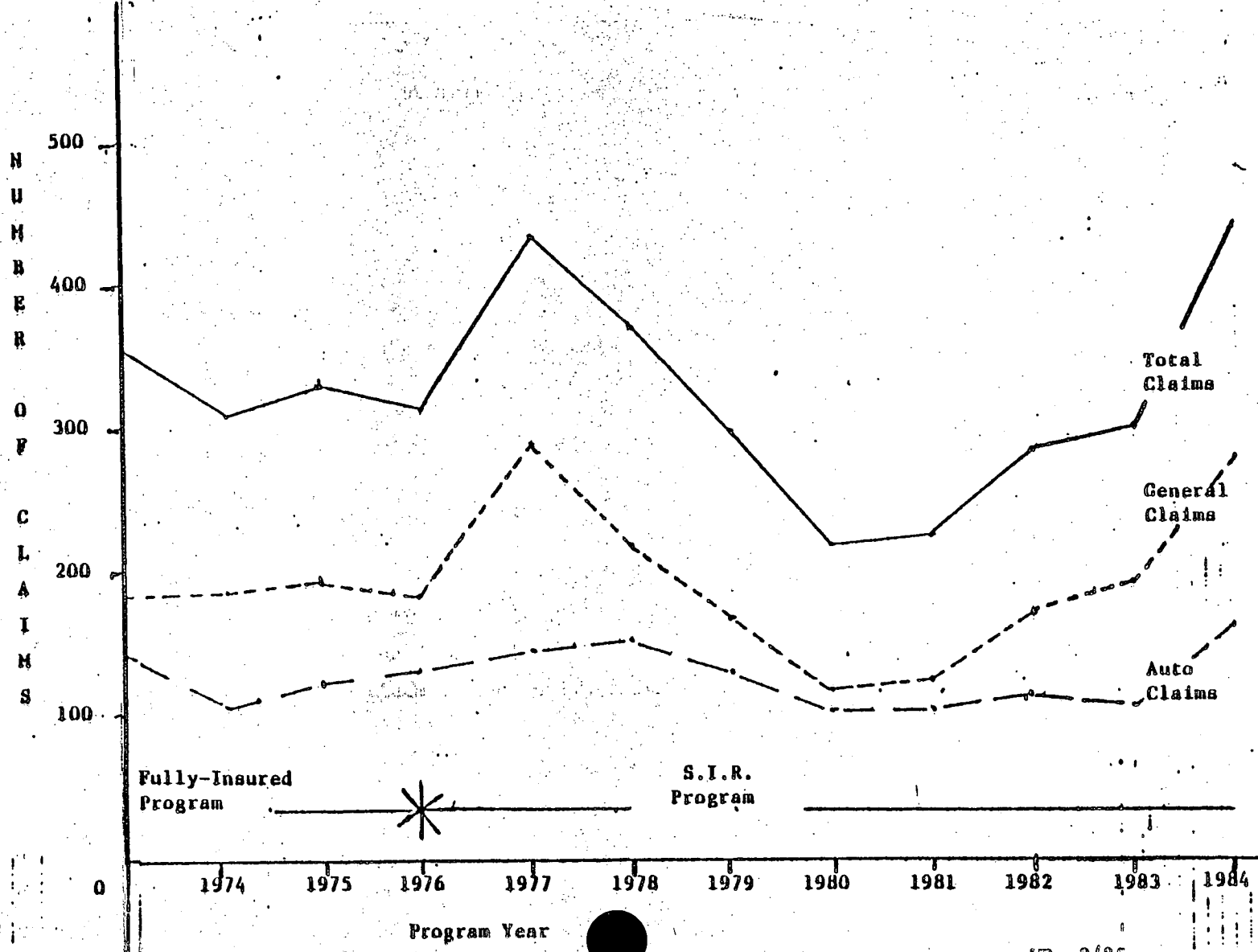
\$10,695

Auto and General Liability Program

10 Year Average Cost/Claim



CITY OF SACRAMENTO
Automobile and General Liability Program
10 Year - Claim Frequency Experience



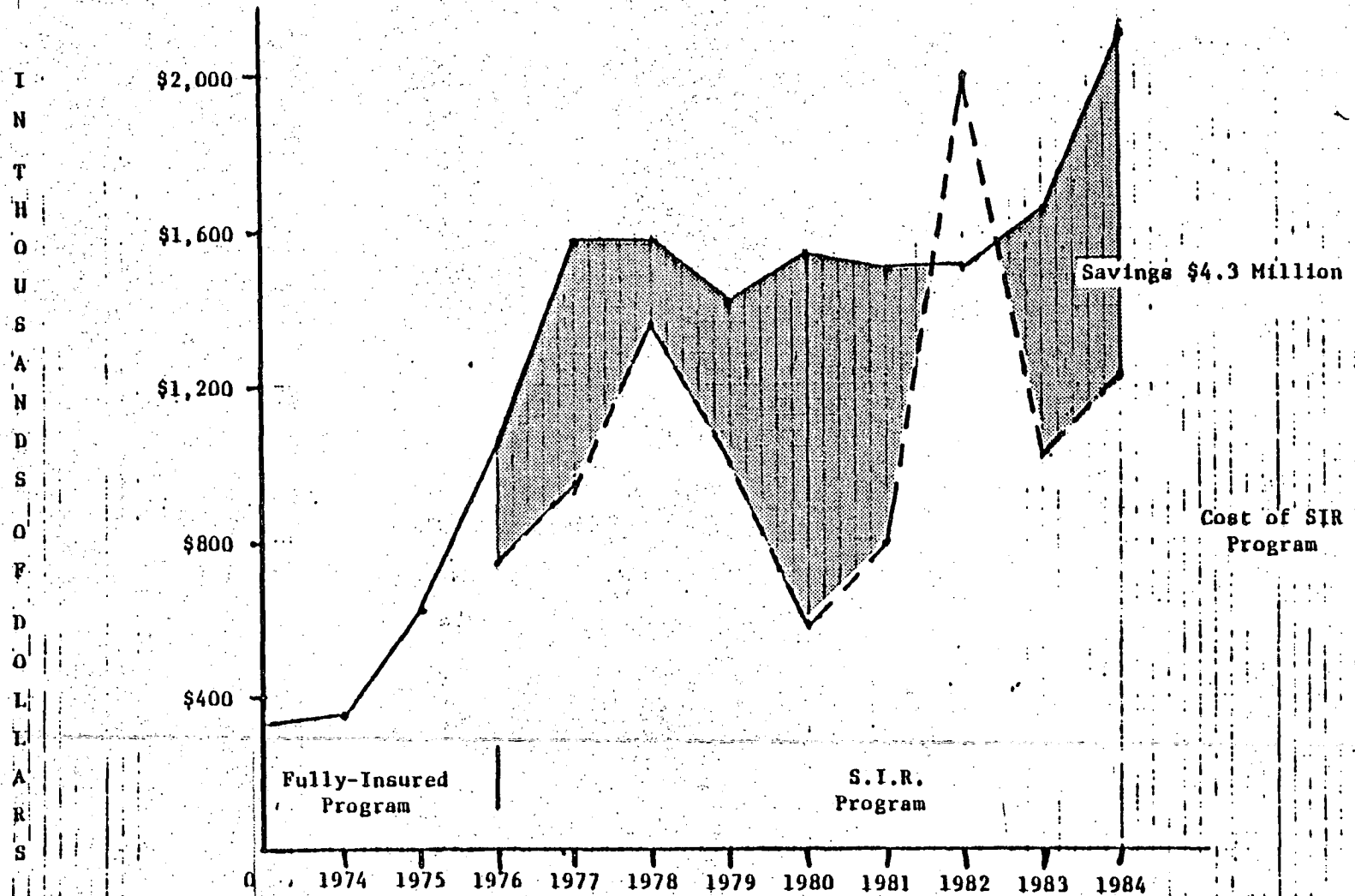
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CITY OF SACRAMENTO

EXHIBIT VIII

Comprehensive Automobile and General Liability
Insured Premium vs SIR Program Cost Comparison

Premium Cost
Fully Insured
Program



WR 8/85

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Table 5-3

1985-86 RISK MANAGEMENT FUND SUMMARY

(\$ in 000's)	1985-86 Approved	1985-86 Midyear	Variance: Favorable (Unfavorable)
Beginning Fund Balance (Deficit)	\$265	(\$1,899)	(\$2,164)
Current Resources:			
Revenues			
Use of Money & Property	1,050	1,044	(6)
Miscellaneous Revenue	20	20	0
Subtotal Revenues	1,070	1,064	(6)
Internal Service Billings	17,047	15,533	(1,514)
Total Current Resources	18,117	16,597	(1,520)
Current Requirements			
Current Operations:			
Employee Services	496	477	19
Other Services & Supplies	17,850	14,234	3,616
Equipment	8	8	0
Debt Service			
Operating Transfers Out			
Subtotal Current Operations	18,354	14,719	3,635
Capital Improvements:	0	0	0
Subtotal Capital Improvements	0	0	0
Total Current Requirements	18,354	14,719	3,635
Total Current Surplus (Deficit)	(237)	1,878	2,115
Other Fund Sources (Uses)		(640)	(640)
Ending Fund Balance (Deficit)	\$28	(\$661)	(\$689)

Source: 1985-86 Midyear Review
Presented to Budget & Finance
Committee 2/5/86.

SCHEDULE 2B (Continued)

DETAIL OF 1986-87 REVENUES, APPROPRIATIONS AND CHANGES IN FUND BALANCES
(\$ in 000's)

	<-INTERNAL SERVICE->		← RECAP BY FUND TYPE →				GROSS TOTAL	NET TOTAL
	Fleet * Management	Risk Management	GENERAL	OTHER GOVT FUNDS	ENTERPRISE	INTERNAL SERVICE		
Beginning Fund Balance (Deficit)	\$2,191	(\$667)	\$3,307	\$6,043	\$10,609	\$1,524	\$21,483	\$21,483
Current Resources:								
Revenues								
Taxes			100,102	2,950	6,958	0	110,010	109,345
Licenses & Permits			3,602	115	314	0	4,031	4,031
Fines, Forfeitures & Penalties			1,622	983	0	0	2,605	2,605
Use of Money & Property	300	1,000	3,792	1,366	5,423	1,300	11,881	11,881
Intergovernmental			14,994	11,727	1,318	0	28,039	28,039
Charges for Current Services			8,453	2,190	53,334	0	63,977	63,060
Miscellaneous Revenue	200	20	602	596	2,100	220	3,518	3,518
Subtotal Revenues	500	1,020	133,167	19,927	69,447	1,520	224,061	222,479
Operating Transfers In			13,149	0	1,042	0	14,191	0
Internal Service Billings	11,855	20,678				32,533	32,533	0
Total Current Resources	12,355	21,698	146,316	19,927	70,489	34,053	270,785	222,479
Current Requirements								
Current Operations:								
Employee Services	3,224	560	112,236	0	26,473	3,784	142,493	142,493
Other Services & Supplies	5,166	21,389	32,147	1,044	27,031	26,555	86,777	47,569
Equipment	3,786		1,487	3	1,000	3,786	6,276	6,276
Debt Service			4,032	0	3,149	0	7,181	7,181
CIP Labor/Supply Offset			(2,334)	0	(110)	0	(2,444)	(2,444)
Operating Transfers Out	30		98	8,032	938	30	9,098	0
Subtotal Current Operations	12,206	21,949	147,666	9,079	58,481	34,155	249,381	201,075
Capital Improvements:								
General Government			935	0	0	0	935	935
Public Safety			428	0	0	0	428	428
Public Facilities/Development	612		138	11,045	25,020	612	36,815	36,815
Culture & Leisure			887	2,722	3,862	0	7,491	7,491
Subtotal Capital Improvements	612	0	2,388	13,767	28,902	612	45,669	45,669
Total Current Requirements	12,818	21,949	150,054	22,846	87,383	34,767	295,050	246,744
Total Current Surplus (Deficit)	(463)	(251)	(3,738)	(2,919)	(16,894)	(714)	(24,265)	(24,265)
Other Fund Sources (Uses)			1,431	0	16,403	0	17,834	17,834
Ending Fund Balance (Deficit)	\$1,728	(\$918)	\$1,000	\$3,124	\$10,118	\$810	\$15,052	\$15,052

* Fund balance excludes the value of supply parts inventory

Source: 1986-87 Proposed Budget