

CALIFORNIA JPIA

AGENDA ITEM

To: EXECUTIVE COMMITTEE

From: Jonathan Shull, Chief Executive Officer

By: Norman Lefmann, Assistant Executive Officer

Date: August 23, 2017

Subject: Notice of Intent to Exclude Employment Practices Liability Protection for the City of Port Hueneme

Background

As part of the Authority's Healthy Member Protocol, staff is charged with monitoring individual members for "red flags" that may indicate a member is experiencing difficulties in its risk management practices. Upon the observation of these indicators, Authority staff is expected to engage with the member in working toward resolution of the issues. Appropriate resolution of the issues serves to reduce the risk posed by the member to the remainder of the self-insurance pool.

Such was the case with the City of Port Hueneme, where several areas of concern were identified. These included numerous employment practices claims, potential litigation, the sudden departure of the city manager, morale problems, and an unusual amount of resignations. Furthermore, the city council was adversarial when carrying out its business, affecting public perception of its officials.

For these reasons, on May 31, 2016, the city and the Authority entered into a Performance Improvement Agreement, which included specific actions the city must undertake in order to improve its governance and risk management practices by November of this year. The agreed upon actions are as follows:

- City Council to adopt the Performance Improvement Agreement by resolution no later than thirty days after its adoption by the Executive Committee.
- Meet with Authority staff no later than 30 days after the adoption of the Performance Improvement Plan to establish timelines for completion of the City's LossCAP Action Plan. Dates for completion for all items shall not be beyond the term of the Performance Improvement Plan.
- Hire a permanent, full-time City Manager who has a demonstrated ability to manage the City, particularly with respect to its current challenges. It is expected that the successful candidate will have executive management experience of at least five years as a

Department Head and three years as an Assistant City Manager or above. Candidate should be a member of ICMA in good standing. The City Manager should be hired within six months.

- Hire a permanent, full-time Finance Director who has a demonstrated ability to oversee and manage the City's finance department, particularly with respect to its current challenges. Candidate should have a minimum of five years of increasingly responsible experience working in local government financial management including two years of administrative and supervisory responsibility. The permanent City Manager shall hire the Finance Director within three months of his or her appointment.
- All Councilmembers are required to complete specific training on council relations, the City Council/City Manager form of government, appropriate interaction with city staff, the Brown Act, leadership, and cooperation as identified and provided by the Authority no later than 60 days after the adoption of the Performance Improvement Plan.
- All Councilmembers and appointed officials are required to complete preventing discrimination and harassment and workplace violence prevention training. Training sessions will also address gender sensitivity. The training shall be provided by the Authority and must be completed no later than 90 days after the adoption of the Performance Improvement Plan. The city's training registrar shall also ensure that city staff have received this training according to the recommended training frequency guidelines.
- All city staff is required to complete team building and team communication training. Managers and supervisors will participate in one session and general employees will participate in a separate session. Training will address the challenges currently facing the city.
- All managers and supervisors will complete a series of training sessions addressing workers' compensation claims (Workers' Compensation 101 and 201, Management's Guide to Safety, etc.)
- All managers and supervisors will complete Human Resources training addressing topics such as social media for public agencies, dealing successfully with employees, employee accountability, effective performance evaluations, disciplinary procedures, and creating effective documentation. Training will address the challenges currently facing the city and address other necessary topics.
- All Councilmembers, executive staff, and other applicable staff (as determined by City Manager) are required to complete Public Relations: Communicating Successfully with the Public training. Training will address the challenges currently facing the city.
- Notify the Authority immediately of any complaints that involve allegations of harassment, discrimination, or retaliation. City is required to submit a plan of action in writing to the Authority no later than 30 days from receipt of the allegation as to how the City will respond to the complaint. The Authority will review and provide feedback on the plan of action.
- Notify the Authority of any proposed adverse personnel action (discipline) before it is administered to any employee of the City. The Authority will review and provide feedback on the proposed discipline.
- Interim Police Chief shall schedule a meeting with Lexipol to discuss a plan of action to update police manual and implementation of daily training bulletins.

- Meet quarterly with Authority staff in order to review the status and progress of the City’s Performance Improvement Plan. Quarterly dates to be established after the adoption of the Performance Improvement Plan.

Discussion

During the past 14 months, the Authority has worked diligently with the city. This included several occasions to train and instruct the city on behaviors that are illegal or harmful to the organization. In more than one instance, the Authority staff and panel attorneys privately addressed these actions in the strongest of terms, even as the offenders ignored them or bristled in response.

Given the city’s actions or inactions, staff looked to the Authority’s Healthy Members Protocol for guidance. Section 12 of the protocol states:

- 12. For any member that was unsuccessful in completing the performance improvement plan, or at any time during the plan period when it is determined that the member has defaulted on one or more of the plan elements or poses an emerging and adverse risk to the pool, the Chief Executive Officer may recommend to the Executive Committee any of the following:*
- a) Imposition of specific copayments or deductibles*
 - b) Coverage exclusions for specific activities or conditions*
 - c) Elimination from participation in a joint protection program*
 - d) Cancellation of the performance improvement plan*
 - e) Initiation of procedures to cancel membership in the Authority*

Each of these approaches would produce a different outcome. Imposing deductibles or copayments, or issuing a coverage exclusion would be effective in reducing the exposure but is narrow in application. Eliminating participation or cancelling membership would also be effective, but would eliminate any last opportunity for the city to reform itself.

Recommendations

Ultimately, Authority staff recommends issuing a coverage exclusion pertaining to employment practices liability protection, as it would target the most significant exposure facing the pool.

Once again, the Healthy Member Protocol provides procedural guidance should the Executive Committee approve any of the above actions:

- 13. If Executive Committee approval is given to initiate any of the actions under Item 12, staff will issue to the member a Notice of Intent, and will endeavor to provide as much notice as possible, not less than 30 days prior to the intended action.*
- 14. The member will be given an opportunity to formally appeal the intended action before the Executive Committee if such a request is made within 14 days from the date the Notice of Intent is issued.*

15. *The Executive Committee will hear any appeal from the member and then take action to either enforce the Notice of Intent or provide additional direction to the Chief Executive Officer.*
16. *If action is taken to either eliminate the member from participation in a joint protection program or initiate membership cancellation, the Executive Committee will also hear a staff recommendation on any refund due to the member if the termination date is prior to the end of the coverage period.*
17. *If action is taken to initiate membership cancellation, the Chief Executive Officer will distribute written ballots to the at-large Board of Directors, with three-fourths voting in favor required to approve the action.*
18. *Upon receipt of the required vote, the Chief Executive Officer will issue notice of cancellation to the member.*

Should the Executive Committee approve of staff's recommendation, the Chief Executive Officer would issue a notice of intent to exclude employment practices liability protection for the City of Port Hueneme.

When determining an effective date, the Authority's general counsel has outlined four options: a) effective the day the Executive Committee approves the action, b) effective the day the Chief Executive Officer issues the notice of intent, c) effective July 1, 2017, or d) effective some other date during the performance improvement plan when the city has defaulted on one or more elements of the plan.

Authority staff recommends setting the effective date to July 1, 2017. Unfortunately, this will not protect the pool from claims where the occurrence date is before July 1, 2017.

Recommended Action

1. Direct the Chief Executive Officer to issue a notice of intent to exclude employment practices liability protection for the City of Port Hueneme, effective July 1, 2017.
2. Upon receipt of a request to appeal from the City of Port Hueneme, direct the Chief Executive Officer to schedule a hearing to be held on September 27, 2017 at the regularly scheduled Executive Committee meeting

Attachments

Healthy Member Protocol White Paper
Port Hueneme Performance Improvement Plan Matrix
Port Hueneme Notice of Intent to Exclude Employment Practices Liability Coverage
Port Hueneme Endorsement to Exclude Employment Practices Liability Coverage
Port Hueneme Liability Program Overview, March 2016
Port Hueneme Workers' Compensation Program Overview, March 2016
Port Hueneme Liability Program Overview, August 2017
Port Hueneme Workers' Compensation Program Overview, August 2017



Healthy Members

The California JPIA has a responsibility to its pool members to help guard against member actions that can result in adverse claims. Members have the same responsibility to each other and, through the policy setting of the Executive Committee, have entrusted Authority staff to follow specific related procedures.

This paper discusses these procedures, including the Authority's prospective-member underwriting efforts, describing protocols followed to ensure that existing members are held to the same standards of governance and risk management.

Note:

This white paper should not be construed as legal advice. Accordingly, any resulting policy, program or procedure that results from this white paper should always be reviewed and approved as is customary by your agency, including the purview of any necessary legal and/or governing body authorities to ensure the policy being developed meets the unique needs of your jurisdiction. Policies should be implemented after proper training has been provided. This reference material is to be considered proprietary and confidential and may not be disclosed to any person without the express, prior permission of the California JPIA. This reference material is for Authority member use only and does not apply in any criminal or civil proceeding. This reference material should not be construed as a creation of a higher legal standard of safety or care in an evidentiary sense with respect to third party claims.

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	1
PROSPECTIVE MEMBERS.....	1
EXISTING MEMBERS.....	2
HEALTHY MEMBER PROTOCOL	3
CONCLUSION.....	5

EXECUTIVE SUMMARY

By its very definition, a risk-sharing pool means that all members of the pool are apportioned the total cost of risk. Each member of the pool is impacted by the actions of other members, either positively or negatively. In this context, these actions provide general insight into members themselves, including their quality of operations, professional management, risk management importance, and governing body effectiveness.

The Authority has long recognized the need to carefully evaluate prospective members by assessing the agency's potential risk performance in the future. If that risk performance is a net cost to existing members, the Authority is able to decline the prospective member's application for membership.

If prospective members are expected to meet certain risk performance standards before membership is granted, it is reasonable to require existing members to adhere to the same risk performance standards. Since the pool's beginnings, there have been times in which members have experienced significant claims. Others have adopted programs or approved ordinances that reflect poor public policy.

These patterns repeat themselves over time, so it is appropriate for the Authority to actively intervene in the member's risk management efforts, or even require the member to address serious operational issues. In both instances, a balanced approach to evaluating a member must be built around fundamental areas of concern that, in total, rise to the level where the Authority is justified in taking action on behalf of all other members.

PROSPECTIVE MEMBERS

In satisfaction surveys conducted by the Authority, members have indicated that they are amenable to the concept of pool growth. A willingness to grow, however, is predicated on the fact that it must take place in a controlled fashion, in a manner that protects existing members from high exposure or increased claims, and only be pursued if there are greater pooling advantages.

Accordingly, maintaining healthy members begins during the prospective member process. Generally, agencies are thought desirable if risk exposures are similar in operations to existing members. What is learned during the prospective member process tells much about current or planned operations of a prospective member, and it also helps the Authority understand potential risks to the pool.

Key steps in the prospective-member underwriting process are as follows:

1. Agency claim analysis of the last five years
2. Agency management interview

3. Agency site visit and field evaluation, including:
 - a) Employee manual/handbook, including policies related to employment practices, discrimination, harassment, and workplace violence
 - b) Occupational safety and health policies and programs
 - c) Roadways and streets, including inspection records, if applicable
 - d) Facilities, including inspection reports
 - e) Injury and illness prevention program
 - f) Contract instructor agreements, if applicable
 - g) Playground inspection records, if applicable
 - h) Contracts management practices
 - i) Recreational waiver forms, if applicable
 - j) Records retention
 - k) Training records
4. Financial pro forma
5. Governance review
6. Reputation review

Upon conclusion of this work, the Authority prepares a report to summarize the analysis. If staff recommends consideration of membership, the report is presented to the Authority's Underwriting Committee. The report may include conditions of membership, if significant items are identified that must be addressed before granting coverage. If the Committee recommends membership approval, the application for membership is forwarded to the California JPIA's at-large Board of Directors for comment. Any comments are then forwarded to the Authority's Executive Committee, which then votes on the recommendation.

EXISTING MEMBERS

As early as 2005, staff began looking into ways of working more closely with members in order to support risk management and good governance. In fact, early efforts led to the creation of the California JPIA's Loss Control Action Plan (LossCAP) program; the purpose of which is to integrate the delivery of various Authority programs and services in a manner that reduces frequency and severity of member losses.

In 2008, the Executive Committee heard recommendations on how to transform these practices into a formal policy. Remedies for members in distress included limiting or cancelling coverage, or terminating membership altogether. Based upon these

recommendations, the Executive Committee supported changes to the Joint Powers Agreement. Articles 26 and 27 were both added by the Board of Directors in order to recognize the importance of good governance; first, by providing a framework for helping members who are facing cancellation of participation in joint protection programs; and, second, by providing a last resort option where a three-fourths vote of the entire membership will cancel membership altogether.

HEALTHY MEMBER PROTOCOL

Poor governance by one member does represent a very real risk to other members, and it is something that cannot be left to work itself out. As such, the Authority has worked to position itself in order to intervene in a member's operations effectively and at the appropriate point in time. To do so, staff relies on information and analysis coming from three primary activities. First, the Authority's risk managers each manage a portfolio of members participating in the LossCAP program. This puts them on the front lines of contact with member staff, and affords them access and insight into how the member is doing; second, the Authority routinely monitors newsfeeds for stories and events concerning the membership; and third, the Authority has developed a database that provides robust analytics of member performance.

The Executive Committee has approved practices and procedures that have come to be known as the California JPIA Healthy Member Protocol. At the root of such efforts is the Authority's stated goal of helping restore members to good governance and sound operation. The policy and process is as follows:

1. Regardless of their origin, concerns regarding member governance or activity will generally be measured against one or more of the six following criteria:
 - Increases in member claim frequency or severity;
 - Frequency and severity of claims involving libel/slander, civil rights, employment, or class action;
 - Allegations or reports of bribery, conflicts of interest, unfairness, dishonesty, or fraud;
 - Actions that negatively affect employee morale and performance, including allegations or reports of harassment or discrimination, or nepotism;
 - Adverse public policy, including actions or inactions that create legal liability; and
 - Inability to pay owed contributions or other cost allocation fees.
2. Upon authorization of the Chief Executive Officer, staff will arrange a meeting with the member of concern, explaining the process to the

member and collecting additional relevant information needed for the development of a performance improvement plan.

3. After meeting with the member, a report will be prepared for Executive Committee consideration that will include identified concerns and a proposed member performance improvement plan. The proposed plan will include a list of action items, the due date for completing the action item, indicate who is responsible for completing the action item, and define what constitutes completion.
4. The Chief Executive Officer may also recommend excluding coverage, copayments, or deductibles for activities or conditions of the member that are deemed to be a risk to the pool. Such exclusions, copayments, or deductibles may be imposed immediately upon adoption, or as a consequence of failing to adhere to an approved performance improvement plan. The member's manager or chief executive will be given an opportunity to present a written or oral response to the Executive Committee.
5. Upon the Executive Committee's approval of any performance improvement plan, the member must formally agree to the performance improvement plan by adopting a resolution by action of its governing body.
6. Approval of any member performance improvement plan will authorize the Authority's Chief Executive Officer to administer the plan.
7. The member will have appropriate time, as determined by the Chief Executive Officer, to improve governance through the completion of action items established in the plan. In no instance should the time period provided exceed two years, unless determined otherwise by the Chief Executive Officer. If concerns arise over egregious actions or solvency of the member, this timeline may be modified accordingly.
8. Periodic meetings between Authority staff and the member will be maintained to address challenges and progress.
9. Subsequent modifications to the performance improvement plan must be approved by the Authority's Chief Executive Officer.
10. The Chief Executive Officer will provide progress reports to the Executive Committee on a quarterly basis, and more frequently when action or inaction of the member warrants such report. The Chief Executive Officer will report upon conclusion of the established period in which a member was placed on a performance improvement plan.
11. For any member that completed the action items specified in the performance improvement plan, a recommendation will be made to formally dissolve the performance improvement plan and restore the member to good standing.

12. For any member that was unsuccessful in completing the performance improvement plan, or at any time during the plan period when it is determined that the member has defaulted on one or more of the plan elements or poses an emerging and adverse risk to the pool, the Chief Executive Officer may recommend to the Executive Committee any of the following:
 - a) Imposition of specific copayments or deductibles
 - b) Coverage exclusions for specific activities or conditions
 - c) Elimination from participation in a joint protection program
 - d) Cancellation of the performance improvement plan
 - e) Initiation of procedures to cancel membership in the Authority
13. If Executive Committee approval is given to initiate any of the actions under Item 12, staff will issue to the member a Notice of Intent, and will endeavor to provide as much notice as possible, not less than 30 days prior to the intended action.
14. The member will be given an opportunity to formally appeal the intended action before the Executive Committee if such a request is made within 14 days from the date the Notice of Intent is issued.
15. The Executive Committee will hear any appeal from the member and then take action to either enforce the Notice of Intent or provide additional direction to the Chief Executive Officer.
16. If action is taken to either eliminate the member from participation in a joint protection program or initiate membership cancellation, the Executive Committee will also hear a staff recommendation on any refund due to the member if the termination date is prior to the end of the coverage period.
17. If action is taken to initiate membership cancellation, the Chief Executive Officer will distribute written ballots to the at-large Board of Directors, with three-fourths voting in favor required to approve the action.
18. Upon receipt of the required vote, the Chief Executive Officer will issue notice of cancellation to the member.

CONCLUSION

The California JPIA has a responsibility to its pool members to help guard against member actions that can result in adverse claims. Members have the same responsibility to each other and, through the policy setting of the Executive Committee, have entrusted Authority staff to follow certain procedures. These begin with a stringent and careful prospective member process and continue through

monitoring existing members; carrying the same standards for what constitutes sound operations, management attitudes and beliefs, risk management profile, and actions of the governing body.

The Authority and its members are well-served by this, which has proven its effectiveness in making sure that the Authority does all it can to support healthy pool members before decisions are made regarding coverage and membership.

No.	Due Date	Responsible Person	Area	Performance Standard	Status
1	04/23/16	City Council	Risk Management	City Council to adopt the Performance Improvement Agreement by resolution no later than thirty days after its adoption by the Executive Committee.	
2	05/23/16	City Manager	Risk Management	Meet with Authority staff no later than 30 days after the adoption of the Performance Improvement Plan to establish timelines for completion of the City's LossCAP Action Plan. Dates for completion for all items shall not be beyond the term of the Performance Improvement Plan.	
3	10/20/16	City Council	Human Resources	Hire a permanent, full-time City Manager who has a demonstrated ability to manage the City, particularly with respect to its current challenges. It is expected that the successful candidate will have executive management experience of at least five years as a Department Head and three years as an Assistant City Manager or above. Candidate should be a member of ICMA in good standing. The City Manager should be hired within six months.	
4	01/23/17	City Manager	Human Resources	Hire a permanent, full-time Finance Director who has a demonstrated ability to oversee and manage the City's finance department, particularly with respect to its current challenges. Candidate should have a minimum of five years of increasingly responsible experience working in local government financial management including two years of administrative and supervisory responsibility. The permanent City Manager shall hire the Finance Director within three months of his or her appointment.	
5	06/23/16	City Council	Risk Management	All Councilmembers are required to complete specific training on council relations, the City Council/City Manager form of government, appropriate interaction with city staff, the Brown Act, leadership, and cooperation as identified and provided by the Authority no later than 60 days after the adoption of the Performance Improvement Plan.	

No.	Due Date	Responsible Person	Area	Performance Standard	Status
6	07/21/16	City Council	Risk Management	All Councilmembers and appointed officials are required to complete preventing discrimination and harassment and workplace violence prevention training. Training sessions will also address gender sensitivity. The training shall be provided by the Authority and must be completed no later than 90 days after the adoption of the Performance Improvement Plan. The city's training registrar shall also ensure that city staff have received this training according to the recommended training frequency guidelines.	
7	01/27/17	All Staff	Risk Management	All city staff is required to complete team building and team communication training. Managers and supervisors will participate in one session and general employees will participate in a separate session. Training will address the challenges currently facing the city.	
8	11/24/16	Managers and Supervisors	Risk Management	All managers and supervisors will complete a series of training sessions addressing workers' compensation claims (Workers' Compensation 101 and 201, Management's Guide to Safety, etc.)	
9	12/16/16	Managers and Supervisors	Risk Management	All managers and supervisors will complete Human Resources training addressing topics such as social media for public agencies, dealing successfully with employees, employee accountability, effective performance evaluations, disciplinary procedures, and creating effective documentation. Training will address the challenges currently facing the city and address other necessary topics.	

No.	Due Date	Responsible Person	Area	Performance Standard	Status
10	10/27/16	City Council and Executive Staff	Risk Management	All Councilmembers, executive staff, and other applicable staff (as determined by City Manager) are required to complete Public Relations: Communicating Successfully with the Public training. Training will address the challenges currently facing the city.	
11	Ongoing	City Manager	Human Resources	Notify the Authority immediately of any complaints that involve allegations of harassment, discrimination, or retaliation. City is required to submit a plan of action in writing to the Authority no later than 30 days from receipt of the allegation as to how the City will respond to the complaint. The Authority will review and provide feedback on the plan of action.	
12	Ongoing	City Manager	Human Resources	Notify the Authority of any proposed adverse personnel action (discipline) before it is administered to any employee of the City. The Authority will review and provide feedback on the proposed discipline.	Ongoing
13	06/30/16	Police Chief	Risk Management	Interim Police Chief shall schedule a meeting with Lexipol to discuss a plan of action to update police manual and implementation of daily training bulletins.	
14	Ongoing	City Manager	City Management	Meet quarterly with Authority staff in order to review the status and progress of the City's Performance Improvement Plan. Quarterly dates to be established after the adoption of the Performance Improvement Plan.	Ongoing

The City is required to notify the Authority via the City Attorney of any personnel changes involving the City Manager during the term of the Performance Improvement Plan.

August 24, 2017

Mr. Rod Butler, City Manager
City of Port Hueneme
250 North Ventura Road
Port Hueneme, CA 93041

Dear Mr. Butler:

Re: Notice of Intent to Exclude Employment Practices Liability Coverage

At its meeting of Wednesday, August 23, 2017, the Executive Committee of the California Joint Powers Insurance Authority directed staff to issue notice to the City of Port Hueneme that the Authority intends to exclude employment practices liability coverage, effective July 1, 2017.

In accordance with Article 26 of the Joint Powers Agreement and Sections 12 and 13 of the Healthy Members Protocol, this Notice of Intent is provided with as much notice as possible and not less than 30 days prior to the intended action.

Per Section 14 of the Healthy Members Protocol, the City may request, within 14 days of the Notice of Intent being issued, an opportunity to formally appeal the intended action at the next regularly scheduled meeting of the Executive Committee on September 27, 2017.

The Executive Committee, at its own discretion, reserves the right to rescind the Notice of Intent. Such rescission, if any, will be promptly reported to the City. If not rescinded, the effective date of the exclusion will remain as July 1, 2017.

Please contact me if you have any questions.

Sincerely,

Jonathan Shull
Chief Executive Officer

**ENDORSEMENT
TO THE
MEMORANDUM OF COVERAGE – PRIMARY LIABILITY
PROGRAM
FOR THE
CALIFORNIA JOINT POWERS INSURANCE AUTHORITY**

MEMBER: City of Port Hueneme

MAILING ADDRESS: 250 North Ventura Road
Port Hueneme, CA 93041

PROTECTION PERIOD: From July 1, 2017 at 12:01 a.m. Pacific Time until July 1, 2018 at 12:01 a.m. Pacific Time.

ENDORSEMENT:

The Memorandum of Liability Coverage for 2017-2018 is hereby modified to add the following exclusion.

Notwithstanding any other Provision of the Memorandum, the Memorandum, including any obligation to pay Damages or Defense Costs, shall not apply to:

Any Claim, Suit, liability, alleged liability, loss, cost or expense caused by or arising out of employment-related practices, policies, acts or omissions, including any violation of civil rights, termination, coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination claimed by any current, past or prospective employee.

This endorsement is effective for Occurrences on or after July 1, 2017.

California JPIA



President

Port Hueneme

LP Overview

3/15/2016

Loss Run Date: 2/29/2016

Coverage Period	Freq \$0 Paid		Frequency Paid				Total Severity			Average Severity		
	Closed		Closed	Open	Legal	Total	Legal	Paid	Reserved	Total	Member	Pool
2010-11	17		7	1		8		\$22,495.42	\$168,625.00	\$191,120.42	\$23,890	\$43,043
2011-12	11		5			5	1	\$1,330,903.29	\$0.00	\$1,330,903.29	\$266,181	\$44,822
2012-13	7		7	1		8	1	\$10,109.26	\$167,583.64	\$177,692.90	\$22,212	\$46,614
2013-14	13		6	4	3	10	3	\$1,006,442.29	\$294,157.97	\$1,300,600.26	\$130,060	\$42,170
2014-15	5		10	6		16		\$92,992.98	\$495,072.00	\$588,064.98	\$36,754	\$58,323
Totals:	53		35	12	3	47	5	\$2,462,943.24	\$1,125,438.61	\$3,588,381.85		

Cause Comparison	Frequency Paid				Highest Severity	Average Severity	
	Total	Legal	Pool	% (1)		Member	Member
Use of Force	3	2	55		\$1,302,617.92	\$756,592	\$220,128
Employment Retaliation	3	1	12	25%	\$175,000.00	\$173,458	\$174,476
Employment Harassment	1		9	11%	\$168,625.00	\$168,625	\$137,438
Employment Discrimination	2		19	11%	\$172,125.00	\$123,563	\$169,733
Employment Termination	1		32		\$100,000.00	\$100,000	\$194,512
Medical Treatment	1	1	5	20%	\$82,975.00	\$82,975	\$369,779
Slip/Trip	1		469		\$25,111.27	\$25,111	\$33,786
Errors and Omissions	1		20		\$22,500.00	\$22,500	\$14,501
Falls	1		79		\$22,000.00	\$22,000	\$37,949
Flooding	2		82		\$10,500.00	\$10,485	\$290,271
Hit Another Vehicle	8		374		\$50,000.00	\$8,637	\$25,500
Root Intrusion	3		556		\$13,527.88	\$7,731	\$6,369
Vehicle Accident	8		360		\$4,065.00	\$1,319	\$100,414
Falling Object	1		74		\$864.68	\$865	\$10,881
Forced Entry	1		33		\$850.00	\$850	\$2,399
Pothole Damage	2		151		\$1,408.75	\$746	\$11,330
Falling Objects	2		41		\$683.00	\$523	\$13,540
Equipment Use	2		213		\$480.00	\$401	\$8,321
Impounding	2	1	43		\$504.00	\$393	\$3,459
Lost or Stolen Property	2		23		\$142.61	\$121	\$23,729

(1) When Frequency is 10% or More of Pool Frequency

Normalized Claim Costs and Frequency per Payroll Comparisons			
Payroll	Per \$100	(2)	(3) Member
\$10,942,925	\$6.56	LE	0.9 Port Hueneme
\$12,235,514	\$3.93	LE F	0.5 Seaside
\$9,455,912	\$1.52	LE F	1.1 Brawley
\$11,553,261	\$0.77	LE	0.8 Seal Beach
\$9,479,510	\$0.69	LE F	0.5 San Marino
Pool Averages:	\$3.86		2.3

(2) When Provided, LE and F Represent Law Enforcement and Fire; (3) Frequency per \$1M Payroll

Cost Centers	Per \$100 Payroll (4)			
	Activity	Freq.	Total Severity	Member
Public Safety: Law Enforcement	15	\$2,582,296.43	\$14.83	\$4.74
Admin Services: Human Resources	3	\$450,000.00		
Public Safety: Marine	2	\$245,375.00		
Admin Services: Housing Authority	1	\$172,125.00		
Public Works: Refuse/Trash	12	\$42,682.89		
Public Works: Streets/Roads	3	\$26,091.27		
Admin Services: Community Development	1	\$22,500.00		
Public Works: Flood Control	2	\$20,969.59		
Public Works: General	6	\$20,276.13		
Public Works: Trees/Landscape	1	\$4,165.00		
Public Works: Maintenance	1	\$1,900.54		

(4) For Law Enforcement and Fire Only

Port Hueneme

WCP Overview

3/15/2016

Loss Run Date: 2/29/2016

Coverage Period	Freq \$0 Paid	Frequency Paid					Reporting Lag	Total Severity			Average Severity	
	Closed	Closed	Open	Legal	Total	Legal	Indem	Days	Paid	Reserved	Total	Member
2010-11	1	25	1	26	6	2.2	\$184,387.88	\$22,741.40	\$207,129.28	\$7,967	\$15,633	
2011-12	1	24	2	26	4	3.9	\$83,270.81	\$89,450.40	\$172,721.21	\$6,643	\$18,106	
2012-13	3	19	3	22	6	4.0	\$583,410.04	\$187,879.39	\$771,289.43	\$35,059	\$20,709	
2013-14		13	3	16	5	0.8	\$636,836.03	\$252,142.25	\$888,978.28	\$55,561	\$16,595	
2014-15		10	1	11	4	4.5	\$64,427.58	\$4,879.73	\$69,307.31	\$6,301	\$14,227	
Totals:	5	91	10	0	101	0	25	\$1,552,332.34	\$557,093.17	\$2,109,425.51		

Cause Comparison	Frequency Paid					Highest Severity	Average Severity	
	Total	Legal	Indem	Pool	%(1)	Member	Member	Pool
Fracture	3	2	126	\$360,836.42	\$125,345	\$52,027		
	3	1	\$304,212.38	\$103,987				
Other Injury	4	1	245	\$127,380.13	\$32,076	\$11,320		
Cumulative Injuries	5	2	152	\$128,511.28	\$30,914	\$67,657		
Strain	54	15	2,394	\$332,800.66	\$19,931	\$20,030		
Contusion	11	4	666	\$28,873.49	\$4,997	\$6,257		
Multiple Physical Injuries	1	125	\$788.51	\$789	\$38,314			
Crushing	1	59	\$751.76	\$752	\$9,971			
Enucleation	1	1	100%	\$654.88	\$655	\$655		
Dermatitis	1	107	\$454.56	\$455	\$1,291			
Cut	8	717	\$771.87	\$350	\$3,049			
No Physical Injury	5	200	\$852.87	\$180	\$9,250			
Contagious Disease	3	36	\$313.38	\$176	\$353			
Foreign Body	2	124	\$189.57	\$153	\$563			
Respiratory	1	66	\$108.79	\$109	\$2,046			

(1) When Frequency is 10% or More of Pool Frequency

Normalized Claim Costs and Injury/Illness Incidence Comparisons					
Payroll	Per \$100	(2)	(3)	Member	
\$9,235,077	\$6.99	LE F	19.2	Santa Paula	
\$9,455,912	\$4.80	LE F	23.2	Brawley	
\$10,942,925	\$3.86	LE	16.9	Port Hueneme	
\$12,235,514	\$3.29	LE F	15.8	Seaside	
\$11,553,261	\$1.44	LE	10.1	Seal Beach	
Pool Averages:	\$2.74		11.8		

(2) When Provided, LE and F Represent Law Enforcement and Fire; (3) Injury Rate per 100 FTE

Cost Centers				
Activity	Freq.	Per \$100 Payroll (4)		
		Total Severity	Member	Pool
Public Safety: Law Enforcement	56	\$1,816,518.26	\$10.43	\$6.78
Public Works: Utilities	4	\$141,372.13		
Public Works: General	26	\$96,186.93		
Admin Services: General	5	\$22,133.98		
Other: General	5	\$19,141.73		
Public Works: Trees/Landscape	1	\$9,241.05		
Parks/Recreation: General	6	\$4,831.43		

(4) For Law Enforcement and Fire Only

Port Hueneme

LP Overview

8/17/2017

Loss Run Date: 7/31/2017

Coverage Period	Freq \$0 Paid		Frequency Paid				Total Severity			Average Severity		
	Closed		Closed	Open	Legal	Total	Legal	Paid	Reserved	Total	Member	Pool
2012-13	7		7	1	1	8	2	\$134,726.63	\$183,466.27	\$318,192.90	\$39,774	\$36,168
2013-14	13		8	2	2	10	4	\$1,170,108.13	\$513,193.18	\$1,683,301.31	\$168,330	\$43,502
2014-15	6		14	1	1	15	2	\$129,421.46	\$198,899.02	\$328,320.48	\$21,888	\$51,581
2015-16	7		9	1	1	10	1	\$426,340.95	\$6,036.50	\$432,377.45	\$43,238	\$33,190
2016-17	6		2	6	1	8	1	\$14,231.61	\$22,906.64	\$37,138.25	\$4,642	\$15,389
Totals:	39		40	11	6	51	10	\$1,874,828.78	\$924,501.61	\$2,799,330.39		

Cause Comparison	Frequency Paid				Highest Severity	Average Severity	
	Total	Legal	Pool	%(1)		Member	Member
Use of Force	2	1	57		\$954,176.64	\$477,370	\$226,588
Employment Harassment	1		22		\$286,862.50	\$286,863	\$140,564
Employment Discrimination	3	2	23	13%	\$312,625.00	\$221,951	\$125,272
Employment Retaliation	4	4	23	17%	\$374,842.50	\$172,034	\$173,422
Medical Treatment	1	1	8	13%	\$49,115.70	\$49,116	\$83,484
Flooding	2		106		\$10,500.00	\$10,485	\$102,454
Hit Another Vehicle	11		529		\$50,000.00	\$7,054	\$20,879
Employment Termination	2		37		\$10,001.00	\$6,339	\$178,267
Root Intrusion	1		606		\$4,165.00	\$4,165	\$6,888
Vehicle Accident	11	1	383		\$12,198.64	\$2,895	\$62,266
Pothole Damage	1		167		\$1,408.75	\$1,409	\$3,718
Falling Object	1		94		\$864.68	\$865	\$13,698
Forced Entry	1		30		\$850.00	\$850	\$1,954
Equipment Use	3		264		\$966.92	\$732	\$8,437
Slip/Trip	2		460		\$750.00	\$431	\$29,085
Impounding	2	1	47		\$504.00	\$393	\$3,161
Falling Tree/Limb	1		366		\$160.00	\$160	\$4,774
Lost or Stolen Property	2		34		\$142.61	\$121	\$4,008

(1) When Frequency is 10% or More of Pool Frequency

Normalized Claim Costs and Frequency per Payroll Comparisons				
Payroll	Per \$100	(2)	(3)	Member
\$10,942,925	\$5.12	LE	0.9	Port Hueneme
\$12,235,514	\$2.44	LE F	0.9	Seaside
\$9,455,912	\$1.95	LE F	1.0	Brawley
\$11,553,261	\$1.24	LE	1.0	Seal Beach
\$9,479,510	\$1.02	LE F	0.6	San Marino
Pool Averages:	\$3.17		2.3	

(2) When Provided, LE and F Represent Law Enforcement and Fire; (3) Frequency per \$1M Payroll

Activity	Per \$100 Payroll (4)			
	Freq.	Total Severity	Member	Pool
Public Safety: Law Enforcement	14	\$1,152,034.63	\$6.62	\$4.91
Public Safety: Marine	2	\$674,842.50		
Admin Services: Housing Authority	1	\$312,625.00		
Admin Services: Human Resources	4	\$290,483.50		
Governing Body: Elected Official	1	\$286,862.50		
Public Works: Refuse/Trash	17	\$52,208.86		
Public Works: Flood Control	2	\$20,969.59		
Public Works: Trees/Landscape	2	\$4,325.00		
Public Works: Streets/Roads	5	\$2,591.27		
Public Works: Maintenance	2	\$1,907.54		
Public Works: General	1	\$480.00		

(4) For Law Enforcement and Fire Only

Port Hueneme

WCP Overview

8/17/2017

Loss Run Date: 7/31/2017

Coverage Period	Freq \$0 Paid	Frequency Paid					Reporting Lag		Total Severity			Average Severity	
	Closed	Closed	Open	Legal	Total	Legal	Indem	Days	Paid	Reserved	Total	Member	Pool
2012-13	3	20	3		23		6	4.0	\$768,935.27	\$322,843.98	\$1,091,779.25	\$47,469	\$22,937
2013-14		14	2		16		6	0.8	\$710,997.01	\$201,622.92	\$912,619.93	\$57,039	\$18,470
2014-15		10	1		11		5	4.5	\$211,148.74	\$49,839.36	\$260,988.10	\$23,726	\$21,228
2015-16		15	5		20		3	3.5	\$126,494.22	\$164,624.69	\$291,118.91	\$14,556	\$14,594
2016-17		14	9		23		3	0.7	\$107,467.10	\$103,216.82	\$210,683.92	\$9,160	\$11,157
Totals:	3	73	20	0	93	0	23		\$1,925,042.34	\$842,147.77	\$2,767,190.11		

Cause Comparison	Total	Frequency Paid			Highest Severity Member	Average Severity	
		Legal	Indem	Pool		Member	Pool
Multiple Physical/Psychological	1		1	23	\$317,178.88	\$317,179	\$42,979
Fracture	3		2	115	\$360,836.42	\$125,345	\$57,616
Dislocation	1		1	28	\$99,798.43	\$99,798	\$42,649
Cumulative Injuries	5		2	189	\$333,858.25	\$88,349	\$71,159
Strain	50		11	2,292	\$324,100.66	\$27,734	\$19,873
Contusion	14		5	724	\$73,160.87	\$8,834	\$5,779
Cut, Puncture, Scrape, Lacerati	10		1	806	\$10,276.44	\$1,925	\$3,368
Physical Injuries	1			137	\$788.51	\$789	\$41,692
Dermatitis	1			103	\$486.56	\$487	\$1,219
Concussion	1			25	\$230.11	\$230	\$5,632
Other	4			296	\$477.59	\$193	\$11,347
Mental Disorder	1			25	\$186.40	\$186	\$23,914
Foreign Body	2			126	\$189.57	\$174	\$842

(1) When Frequency is 10% or More of Pool Frequency

Normalized Claim Costs and Injury/Illness Incidence Comparisons					
Payroll	Per \$100	(2)	(3)	Member	
\$9,235,077	\$8.79	LE F	20.1	Santa Paula	
\$12,235,514	\$5.86	LE F	26.5	Seaside	
\$10,942,925	\$5.06	LE	15.7	Port Hueneme	
\$9,455,912	\$4.83	LE F	23.2	Brawley	
\$11,553,261	\$2.74	LE	11.0	Seal Beach	
Pool Averages:		\$2.75	11.4		

(2) When Provided, LE and F Represent Law Enforcement and Fire; (3) Injury Rate per 100 FTE

Cost Centers		Per \$100 Payroll (4)			
Activity	Freq.	Total Severity	Member	Pool	
Public Safety: Law Enforcement	44	\$2,399,184.68	\$13.78	\$7.27	
Public Works: General	25	\$232,373.43			
Public Works: Trees/Landscape	3	\$45,293.00			
Parks/Recreation: General	5	\$40,072.39			
Other: General	6	\$25,836.71			
Admin Services: General	9	\$19,189.96			
Transportation: General	1	\$4,260.03			
Public Works: Utilities	1	\$979.91			

(4) For Law Enforcement and Fire Only