



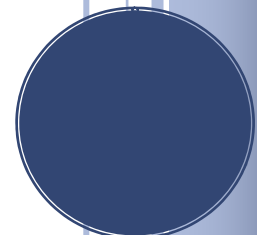
**Liability Claims
Administration Audit -
2007**

for

**Authority for
California Cities
Excess Liability**

September 25, 2007

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September 25, 2007

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2007 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)

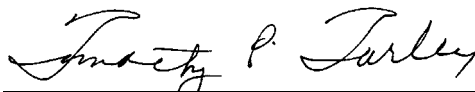
An individual audit of each ACCEL member was conducted either at the member's facility (self-administered) or at the member's third-party administrator (TPA).

The claims handling entity for each member was provided with audit results at the conclusion of its specific review.

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
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Contents

I.	Executive Summary	1
A.	General Observations	1
B.	Areas of Inconsistency	2
II.	Audit Results	3
A.	Background.....	3
B.	Staffing/Caseloads.....	4
C.	Claims Handling Components.....	6
1.	Reserves.....	6
2.	Investigation	6
3.	Litigation Management.....	8
4.	Diary/File Closure	11
5.	Payments/Settlement.....	11
6.	File Organization and Documentation.....	11
7.	Excess Reporting	13
8.	Risk Management Information System (RMIS).....	13

Exhibits

Exhibit 1	– Caseload Analysis (as of 8/31/07)	5
Exhibit 2	– Reserve Analysis.....	7
Exhibit 3	– Investigation Deficiency Analysis	9
Exhibit 4	– Litigation Status Report Analysis	10
Exhibit 5	– Diary Performance Analysis	12
Exhibit 6	– ACCEL Excess Reporting Analysis	14
Exhibit 7	– ACCEL Loss Data Reconciliation Analysis	15

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. There are still some deficiencies 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.

Where possible, this report provides a comparison of performance in key claims administration categories with observations generated by the similar audit conducted in 2006.

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. Exhibit 2 – Reserve Analysis on page 7 lists each member's reserve accuracy and findings. The Cities of Anaheim, Ontario, and Santa Monica had multiple findings.
3. Most of the cities exhibit minor deviations from accepted claims handling standards for investigation. No particular member exhibits significant deficiencies. FCS concludes that overall performance in this area has improved since the 2006 audit.

Exhibit 3 – Investigation Deficiency Analysis on page 9 lists the claims exhibiting a specific investigation deficiency for each ACCEL member.
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.
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 was also a key finding in the 2006 audit.
6. All claims handling entities are generally maintaining clearly documented claim files.

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 discussed in Exhibit 6 on page 14.

The review of excess claims at Carl Warren confirms that Carl Warren is effectively monitoring ACCEL reportable claims and documenting 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, generally, claims handling is consistent among all claims handling entities. 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 are experiencing some inconsistency in the delivery of updated status reports from counsel. The Cities of Modesto, Santa Cruz, and Santa Monica generated the highest number of files exhibiting this deficiency.
- **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.

These and other results of this study are discussed in more detail in the remainder of this report. These same categories were identified as “inconsistent” in last year’s audit as well.

II. Audit Results

A. Background

This is FCS’s second annual audit of ACCEL claims. Audits were conducted from May 15 (Ontario) to September 7 (Bakersfield).

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 utilized for ACCEL’s retrospective rating calculation with loss data maintained by each member. This element of the project is addressed in an adjunct document to this report. That document is titled “Executive Summary.”

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. The total number of claims reviewed is 443.

ACCEL Audit Composition and Facility - 2007

ACCEL Member	Number of Files Reviewed	Claims Handling Entity (Audit Site)
Anaheim	30 open; 15 closed	City-self administered
Bakersfield	25 open; 9 closed	Gregory Bragg & Associates (Bragg)-Ventura
Burbank	29 open; 10 closed	City-self administered
Modesto	27 open; 10 closed	City-self administered
Monterey	17 open (entire inventory); 10 closed	City-self administered
Mountain View	17 open; 10 closed	City-self administered
Ontario	25 open; 8 closed	Nova Pro Risk (Nova Pro)-Tustin
Palo Alto	20 open; 8 closed	City-self administered
Santa Barbara	19 open; 10 closed	City-self administered
Santa Cruz	20 open; 20 closed	City-self administered
Santa Monica	30 open; 10 closed	City-self administered
Visalia	25 open; 10 closed	City-self administered
ACCEL Excess & Watch List	29 open, including all 8 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.

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 necessary to discuss claims status with defense counsel/City Attorneys 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 Santa Monica, Ontario (Nova Pro Risk), and Modesto may be excessive.

The caseloads listed for Nova Pro Risk (Ontario) 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 (subsequent to this year's audit). The 2008 audit will be conducted at John Glenn.
- City of Modesto – The City is currently under a hiring freeze. The use of an outside administrator has been considered, but City management has not approved it. Bragg provides the City with adjusting help for about 15 hours per week.
- City of Bakersfield – Personnel at Bragg have indicated that City claims may be handled out of a Bragg location in Bakersfield rather than Ventura. This is clearly advantageous to the City.

Exhibit 1 - Caseload Analysis (as of 8/31/07)

Claims Handling Entity	ACCEL Members	Caseloads
Gregory Bragg & Associates	Bakersfield	Craig Schweikhard - 169
Carl Warren & Co. - Glendale	ACCEL excess/watch list claims	Keyan Aghili - 200 (plus 400 subrogation files)
Nova Pro Risk - Tustin	Ontario	Joe Klecansky - 253
Self Administered	Anaheim	Dave Nunley - 143 Bob Santos - 86 Yazmin Lopez - 4
	Burbank	Ann Lozano - 130
	Modesto	Mary Akin - 239
	Monterey	Sherrell Freeman - 17
	Mountain View	Sue Turner - 35
	Palo Alto	Casey O'Neill - 104 total claims Stacy Lavelle - split between them
	Santa Barbara	Eric Reynolds - 82
	Santa Cruz	Kris Kamandulis-43
	Santa Monica	Jonathan Lackey - 277 Gary Sanchez -57 Mike Mack- 28
	Visalia	Charlotte Dunn -38

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 particular member's claims requiring reserve adjustment, FCS's analysis as to why adjustment is needed, and each member's percent deviation from complete reserve accuracy. The deviation is the percentage that the member's claims are under- or over-reserved.

The second column lists the number of files requiring reserve change and the deviation identified in the 2006 audit.

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.

Exhibit 2 - Reserve Analysis

ACCEL Member (administrator)	Claims Requiring Adjustment and Deviation – 2006	Claim Requiring Reserve Adjustment in 2007 (Claim Number)	Reserve Adjustment Analysis		Deviation from Accuracy
			Current Reserve	Recommended Reserve (Rationale)	
Anaheim (Self Administered)	1 (1%)	Allee, Lauren (10001)	\$0 (legal expense)	\$25,000 (legal expense). Defense counsel has been retained for this civil rights claim. A legal reserve is necessary.	\$50,000 under reserved (1%)
		Hedgpeth, Marcus (9957)	\$0 (legal expense)	\$25,000 (legal expense). Litigation activity is evident. A trial was scheduled for July 2007	
Bakersfield (Bragg)	1 (1%)	No adjustments necessary	n/a	n/a	n/a
Burbank (Self-Administered)	2 (1.1%)	Oregon Mutual Insurance (Harrison); (06114)	\$30,000 (loss) \$15,000 (expense)	\$1,000 (loss) \$1,000 (expense) A tender to a contractor has been accepted by the contractor	\$43,000 over reserved (5.3%)
Modesto (Self-Administered)	3 (8.5%)	White, Randy (04-3953)	\$830 (legal expense)	\$15,000 (legal expense) This claim is apparently actively litigated with ongoing discovery. Granted, the claimant is imprisoned, but legal expenses will continue	\$14,170 under reserved (less than 1%)
Monterey (Self-Administered)	no adjustments necessary	McMahon, Stephen (07007)	\$10,000 (legal expense)	\$0 (legal expense) This is a claim for wrongful termination. The City received a favorable ruling and the only activity is the pursuit of expenses incurred	\$10,000 over reserved (14%)
Mountain View (Self-Administered)	1 (6.3%)	no adjustments necessary	n/a	n/a/	n/a
Ontario (Nova Pro Risk-Tustin)	3 (20.8%)	Haifly, Sara (A01053)	\$50,000 (loss)	\$10,000 (loss) It appears the City is an additional insured on a contract with an entity whose faulty work product caused property damage.	\$25,000 over reserved (2.1%)
		Ramirez, Monica (A01090)	\$50,000 (loss)	\$65,000 (loss) File documentation indicates this claim will settle for around \$65,000.	
Palo Alto (Self Administered)	2 (2.4%)	Howe, Roberta (C06112)	\$200 (loss)	\$2,500 (loss) The claimant tripped and fell over a parking berm. The file indicates the City may pay for her medical costs (roughly \$2,500).	\$2300 under reserved (less than 1%)
Santa Barbara (Self Administered)	2 (5.3%)	no adjustments necessary	n/a	n/a	n/a
Santa Cruz (Self Administered)	4 (5.3%)	no adjustments necessary	n/a	n/a	n/a
Santa Monica (Self Administered)	3 (2.3%)	Harris, Wynona (05-0076)	\$633 (legal expense)	\$15,000 (legal expense) This discrimination claim is under appeal. Significant additional legal expense is likely.	\$19,180 under reserved (less than 1%)
		Aron, Lore (06-0641)	\$187 (legal expense)	\$5000 (legal expense) This claim is actively litigated.	
Visalia (Self-Administered)	no adjustments needed	No adjustments necessary	n/a	n/a	n/a
ACCEL excess/watch list (Carl Warren)	no adjustments needed	Rodriguez, et al (1440703-City of Modesto)	\$426 (legal expense)	\$50,000 (legal expense) This gender discrimination claim has penetrated into ACCEL's coverage layer. Litigation is active.	\$50,000 under reserved (1.1%)

- Obtaining police accident reports when the damage or injury is the result of a traffic accident.
- Obtaining photographs of accident scenes, when applicable.
- 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 2006 audit. Lack of any number in parentheses indicates no findings in the 2006 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 2006 audit.

FCS points out that this area of evaluation is consistently deficient for other municipal entities it has audited that utilize its own City Attorney's office for legal defense. FCS encourages ACCEL and the members to address this. This recommendation was made in last year's audit as well.

Industry standards require some status update from counsel at least every 60 days on actively litigated claims.

Exhibit 3 - Investigation Deficiency Analysis

ACCEL Member	Number of Files Exhibiting Deficiency (blank categories mean no deficiencies) (Numbers in parentheses are 2006 results)						
	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 (2)	(1)		
Bakersfield				1 (1)			
Burbank	(1)			2			(1)
Modesto	(1)			2 (4)			
Monterey				(1)			
Mountain View							
Ontario				1			
Palo Alto	1						
Santa Barbara							
Santa Cruz				(1)			
Santa Monica	(1)			(1)			1
Visalia	(1)			1 (1)			(1)
Excess/watch list							

Anaheim

- Index – Valenzuela, Griselda; 9672
- Police report – Valenzuela, Griselda; 9672
- Photos – Muellenberg, Erin; 9739

Bakersfield

- Photos – Stone, Marilyn; 07061430

Burbank

- Photos – Cooley, James; 06096; Nohre, Dale; 06131

Modesto

- Photos – Winters, Merry; 05-3957; Vindiola, Summer; 05-3885

Monterey

- No investigation deficiencies

Mountain View

- No investigation deficiencies

Ontario

- Photos – Leonides, Celestino; A01083

Palo Alto

- Obregon, Silvio; C06018

Santa Barbara

- No investigation deficiencies

Santa Cruz

- No investigation deficiencies

Santa Monica

- Estimate – Hachigan, Donna; 03-6063 (The damages claimed are clearly inflated. An independent medical exam is necessary.)

Visalia

- Photos – Flores, Virginia; 07-045

Exhibit 4 - Litigation Status Report Analysis

ACCEL Member	Number of Files Lacking Status Reports or Exhibiting Late Status Reports from Defense Counsel
Anaheim	5 21.7% of the litigated files reviewed (3)
Bakersfield	4 25% of the litigated files reviewed (0)
Burbank	4 25% of the litigated files reviewed (0)
Modesto	1 6.3% of the litigated files reviewed (5)
Monterey	1 12.5% of the litigated files reviewed (0)
Mountain View	1 12.5% of the litigated files reviewed (1)
Ontario	3 10% of the litigated files reviewed (0)
Palo Alto	No deficiencies identified (2)
Santa Barbara	2 10.5% of the litigated files reviewed (0)
Santa Cruz	No deficiencies identified (2)
Santa Monica	No deficiencies identified (5)
Visalia	1 7.1% of the litigated files reviewed (0)
Watch list/excess	No deficiencies identified (0)

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 2006 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 was a conclusion in the 2006 audit as well.

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 exist in specific files. The most common error identified this year is the failure to consistently document case resolution material (e.g., releases and dismissals) in the claim file.

Exhibit 5 - Diary Performance Analysis

ACCEL Member	Files Exhibiting Diary Deficiency
Anaheim	0 (2)
Bakersfield	2 (1)
Burbank	6 (3)
Modesto	1 (0)
Monterey	1 (0)
Mountain View	0 (3)
Ontario	0 (0)
Palo Alto	0 (2)
Santa Barbara	1 (0)
Santa Cruz	0 (1)
Santa Monica	0 (1)
Visalia	0 (0)
Watch list/excess	0 (0)

Bakersfield:

- Welchen, Erson (06046147); Mauro, Alejandro (06047749)

Burbank:

- Baker, Duayne (07081); Lithgow, Frances (06084); Nohre, Dale (06131); Osborn, James (06174); Ciccarelli, Stacey (07028); Nashalian, Maral (07046)

Modesto:

- Galvan, Susan (05-3808)

Monterey:

- Penebre, Katherine (06016)

Santa Barbara:

- McGee, Elizabeth (05-162)

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.

The audits confirm that some ACCEL members are not consistently complying with ACCEL excess reporting guidelines and communicating the perceived significant exposure to ACCEL and the Watch List administrator (Carl Warren).

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 not reported to Carl Warren timely even though it appears claim characteristics qualify for excess reporting. 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 was also provided and will be used to develop the Loss Data Reconciliation Report (separate document) 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	Claimant (Claim Number)	Discussion
Anaheim	Whitaker, Kensington (9730)	The claimant, a pedestrian, was killed by a motor vehicle. Liability against the City is highly doubtful. The claim has been reported to Carl Warren, but it does not appear that defense counsel is copying Carl Warren on correspondence.
Bakersfield	Matthews, Elizabeth (06049074)	The prior administrator received this claim in May 2006, but did not report it to Carl Warren until July 2007. It involves a fatality.
	McBride, Channel (06050084)	This claim was received in June 2006 but was not reported to Carl Warren until May 2007. It involves a fatality.
Burbank	All excess claims reported timely.	
Modesto	Eggerman, Debra (05-3989)	This gender discrimination claim was received by the City in May 2005, but was not reported to Carl Warren until October 2006.
Monterey	All excess claims reported timely.	
Mountain View	All excess claims reported timely.	
Ontario	All excess claims reported timely.	
Palo Alto	Annan, Albert (L04078)	This is a wrongful death claim alleging negligent EMT services on the City. Carl Warren has been notified, but defense counsel is not copying Carl Warren on correspondence.
Santa Barbara	All excess claims reported timely.	
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	Claimant (Claim Number)	Discussion
Anaheim	No RMIS deficiencies identified.	
Bakersfield	No RMIS deficiencies identified.	
Burbank	Stevens, Gary (07036)	The loss run provided lists no payments, yet the file confirms that a \$9000 payment has been made. A copy of the check is in the file.
	Reyes, Lancel (07089) Gazarian, Curcer (07055) Gerbracht, Jeremiah (07069)	These 3 files are still listed as "open" even though they have been closed for some time.
Modesto	No RMIS deficiencies identified.	
Monterey	No RMIS deficiencies identified.	
Mountain View	No RMIS deficiencies identified.	
Ontario	Abuan, Krystle (A01165)	The loss run provided lists no payments, yet the file confirms that \$10,000 was paid in February. The check and a release appear in the file.
Palo Alto	No RMIS deficiencies identified.	
Santa Barbara	No RMIS deficiencies identified.	
Santa Cruz	No RMIS deficiencies identified.	
Santa Monica	No RMIS deficiencies identified.	
Visalia	No RMIS deficiencies identified.	
Watch List	Schneider, Richard (City of Santa Monica; 1426290)	The Watch List report indicates a \$250,000 reserve has been established, but the loss run lists no reserve.