

The City of Riverside has been self-insured and self-administered since January 1, 1979. The main purpose of the program is to ensure that injured workers and their eligible dependents, in the event of their death, receive the full measure of compensation promptly and accurately according to state laws.

On September 25, 2017, the Finance Committee, with Chair Adams, Vice Chair Conder, and Member Soubirous present, following discussion, unanimously received the annual report on the City's Workers' Compensation claims and costs for the period of July 1, 2016, to June 30, 2017.

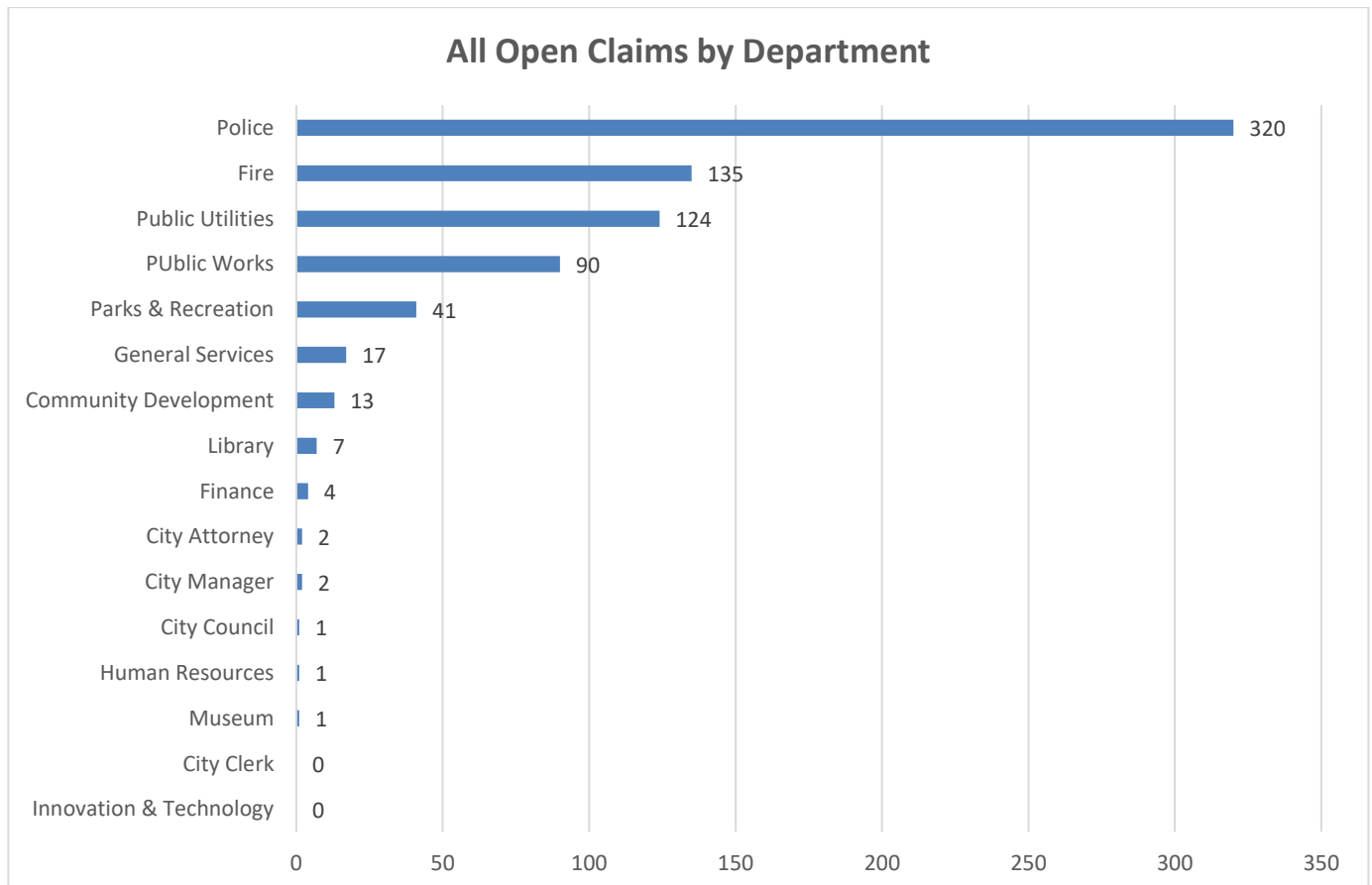
The Human Resources Department administers the City's Workers' Compensation program for employees and volunteers. This report reflects the most recent Workers' Compensation claims experience from July 1, 2017 through June 30, 2018, along with the related outside legal counsel and litigation costs.

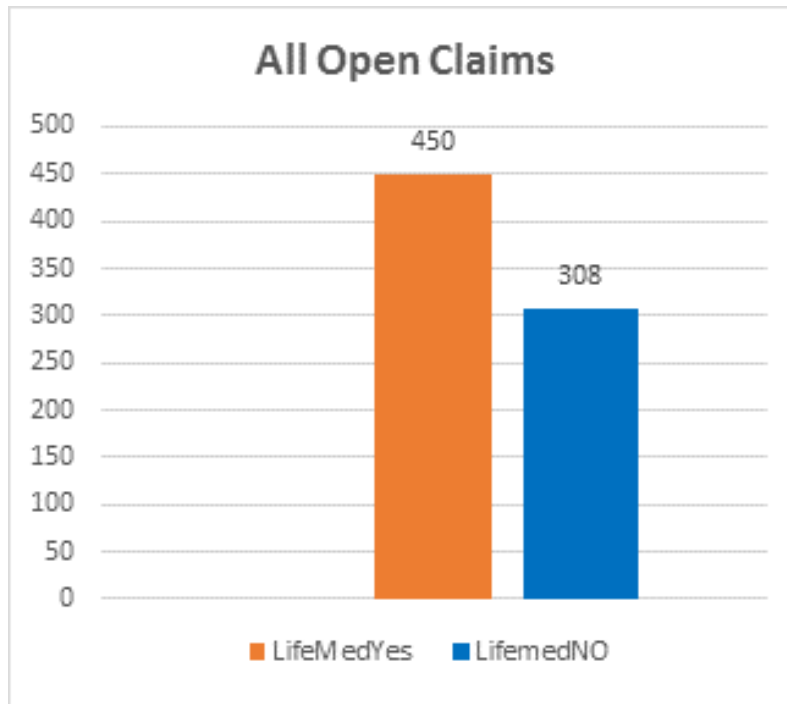
DISCUSSION:

A. Overview of Open Claims as of June 30, 2018

The Workers' Compensation division in the Human Resources Department currently has 758 open claims. The claims are distributed among various City departments as follows:

CLAIM INFORMATION
July 1, 2017 through June 30, 2018





Of the claims shown above, 279 are new claims filed during July 1, 2017 – June 30, 2018.

The program's expenditures for the same time period total \$7,679,631, of which \$2,889,338 is related to permanent disability. Over the last three years, the Division has settled the following claims through Stipulations or Compromise and Release Agreements:

Fiscal Year Ending	Number of Open Claims (not including future medical)	Number of Settlements	Percentage of Total Claims Settled
2016	358	79	22%
2017	316	71	23%
2018	304	94	31%

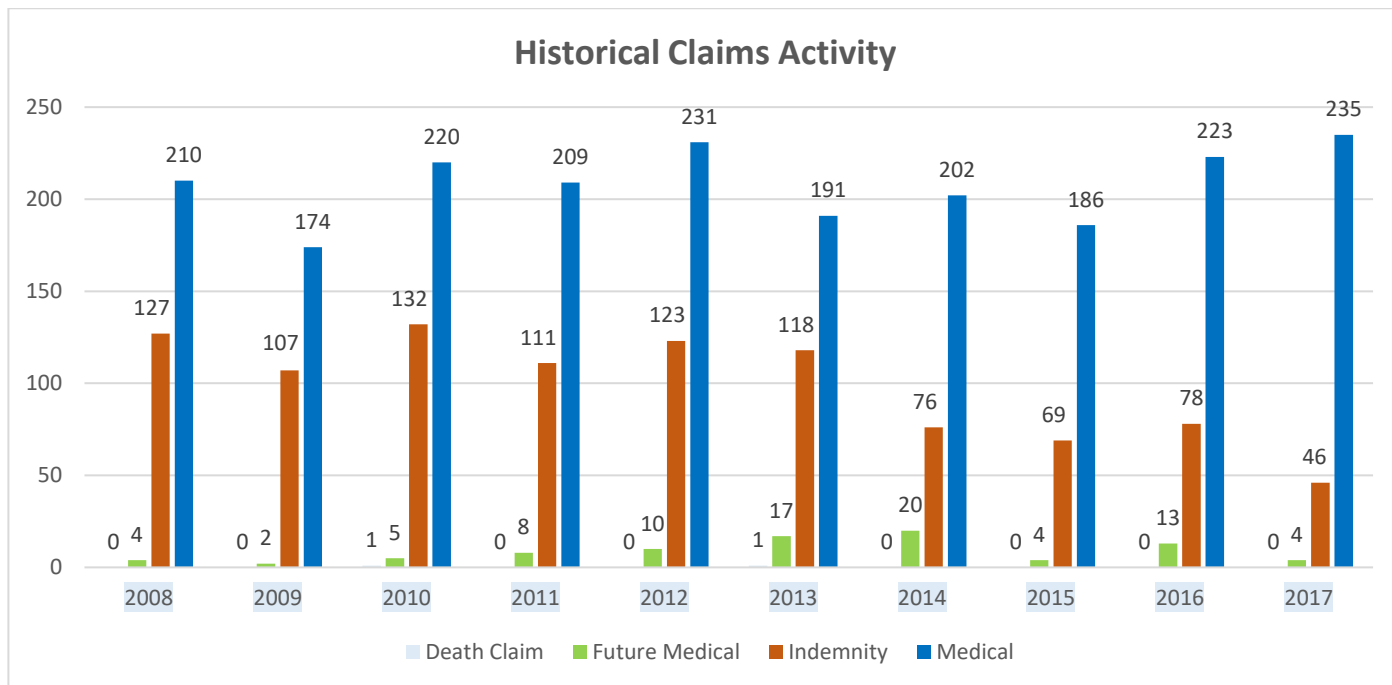
B. Historical Claims Activity

During the period of January 1, 2008 through December 31, 2017, the Workers' Compensation Division received 3,389 claims, an average of 339 claims per calendar year. The chart on the following page shows activity by the type of claims:

1. Medical-only: medical treatment only and no time off from work
2. Indemnity: wage loss due to time off from work because of injury/illness
3. Future medical: on-going right to medical treatment for a work-related injury
4. Death claim: death due to work-related injury/illness

Medical-only claims represent the majority of the claims, accounting for 71% of total claims received during the time period.

JANUARY 1, 2008 through DECEMBER 31, 2017



C. Outside Legal Counsel and Litigation Costs

The City is represented by legal counsel when the injured employee retains his/her own legal representation. Since February, 2018, the City has been represented by the City Attorney’s Office. Once legal counsel is involved, all interaction between the injured employee and the City is through each party’s legal representative. This includes any formal and informal communication as well attending court proceedings. Since February, 2018, the City has not assigned any claims to outside counsel. If, however, it becomes necessary to retain outside legal counsel, this selection is made by the Human Resources Department with approval of the City Attorney’s Office.

The City has accumulated a total of \$333,476 in **outside legal costs** during July 1, 2017 to June 30, 2018. In the past five years, the annual outside legal counsel costs ranged from \$279,767 to \$386,751. Over the same July 2017 to June 2018 period, **litigation** costs totaled \$90,122. In the past five years, these costs ranged from \$89,678 to \$139,230. It is anticipated that the outside legal costs will be greatly reduced in the future due to the handling of these claims by the City Attorney’s Office.

FISCAL IMPACT:

There is no direct fiscal impact associated with this report. For informational purposes, the Workers’ Compensation program’s expenditures during July 1, 2017 - June 30, 2018 totaled

\$7,679,631, of which \$2,889,338 were related to permanent disability claims and \$333,476 were for outside legal counsel.

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Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachment:	Presentation
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