

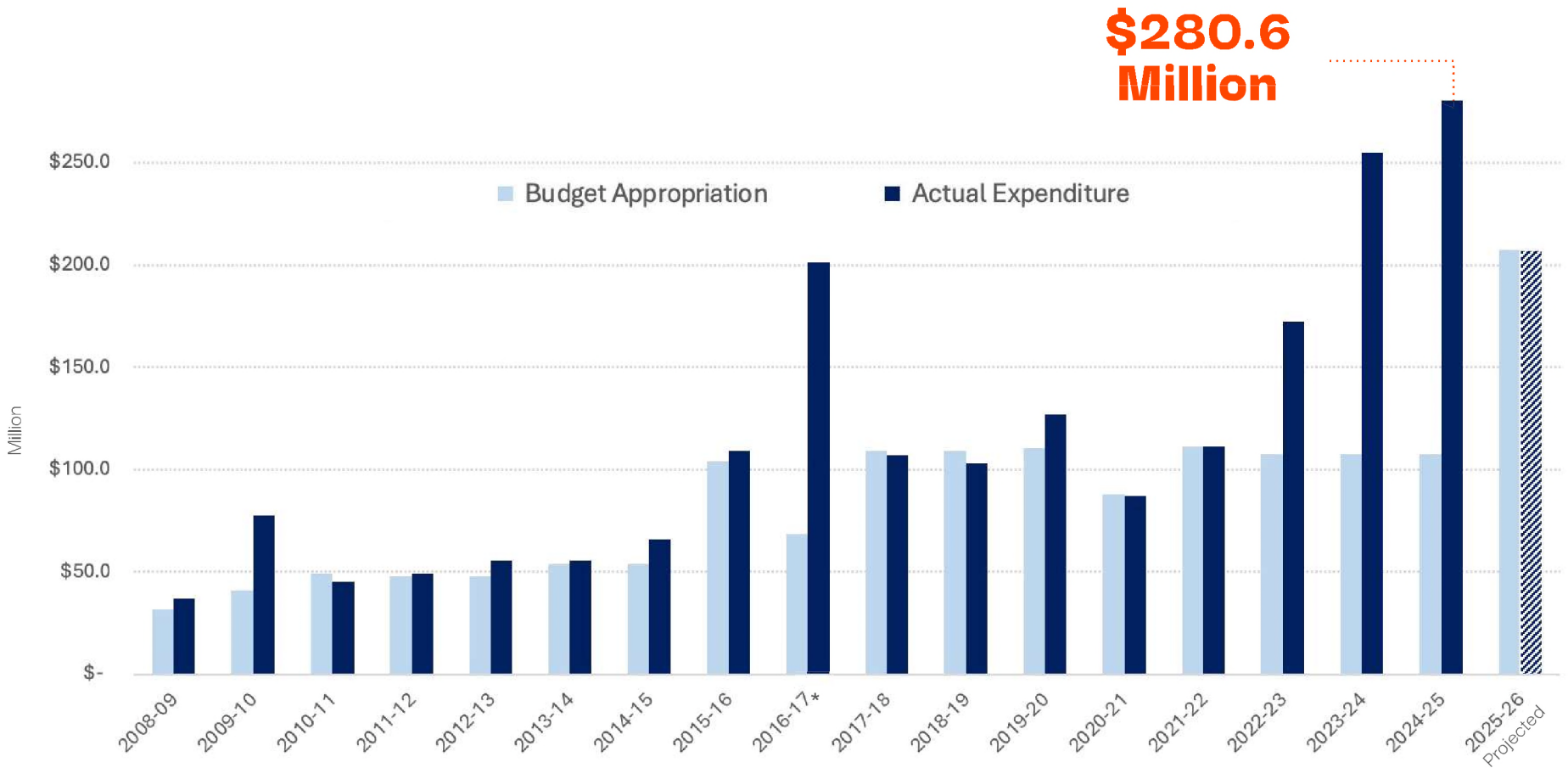
Strategies to Mitigate Liability Claims Payments



C.F. 24-0600-S37
March 25, 2026

Context

Context | Budgeted vs Actual Payouts

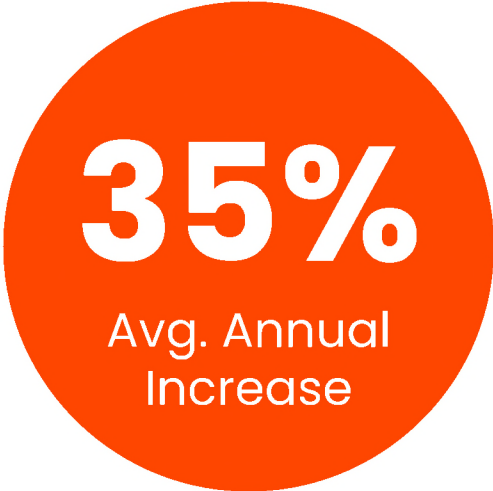


*2016-17 amount was due to extraordinary liabilities related to the communications

Context | Rate of Increase

Liability Payouts Since 2021-22

Los Angeles



Context | Rate of Increase

Liability Payouts Since 2021-22

Los Angeles



New York



Chicago



Context | Rate of Increase

High Value Claims (\$1M+)



2022



2024



Mitigation Strategies

Mitigation Strategies | Key Recommendations

**Improve
Budget
Projections**

**Stabilize
Annual
Payouts**

**Departmental
Accountability**

**Centralize
Liability
Management**



Mitigation Strategies | Budget Projections

- CAO & City Attorney to work with an actuary to increase the report's confidence level
- Annual reports instead of every two years
- CAO to release biennial actuarial studies



Mitigation Strategies | Stabilize Payouts

● Insurance

- **General Liability:** Sidewalk hazards, public property injuries.
- **Public Officials Liability:** Claims against officials for mismanagement or wrongful decisions.
- **Law Enforcement Liability:** Misconduct or negligence claims.
- **Auto Liability:** Accidents involving city vehicles



Mitigation Strategies | Departmental Accountability

- Increase transparency and reporting
- Follow with targeted strategies to mitigate known liabilities
- Include some liability claims spending in departmental budgets instead of entirely within the Liability Claims Account



Mitigation Strategies | Centralize Liability Management

- CAO & City Attorney to develop staffing plans to allow them to provide liability mitigation oversight



