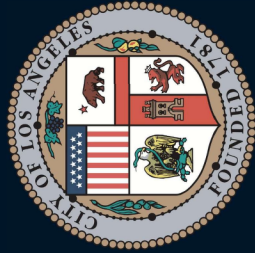


Strategies to Mitigate Liability Claims Payments

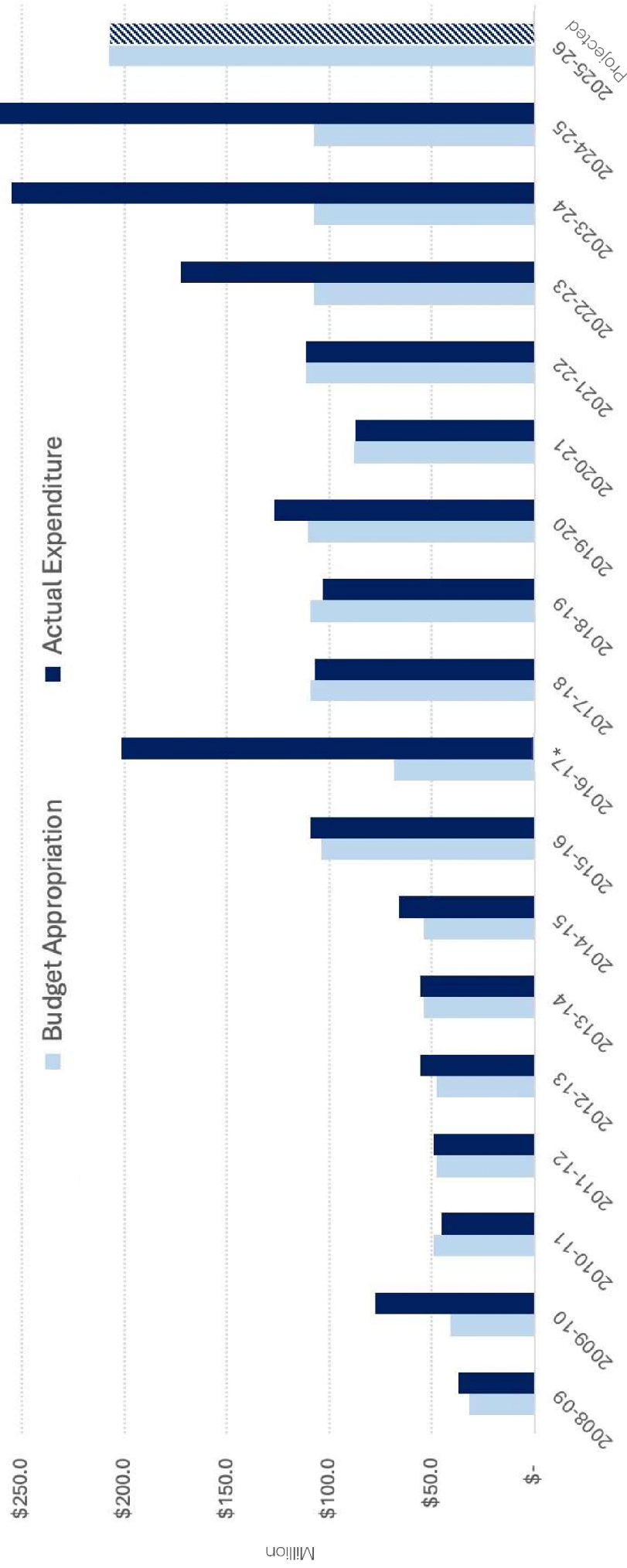


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Context

Context | Budgeted vs Actual Payouts

**\$280.6
Million**



*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

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35%
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Chicago

14%

Context | Rate of Increase

High Value Claims (\$1M+)



2024



2022



Mitigation Strategies

Mitigation Strategies | Key Recommendations

**Improve
Budget
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**Stabilize
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**Departmental
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**Centralize
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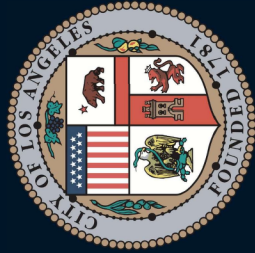
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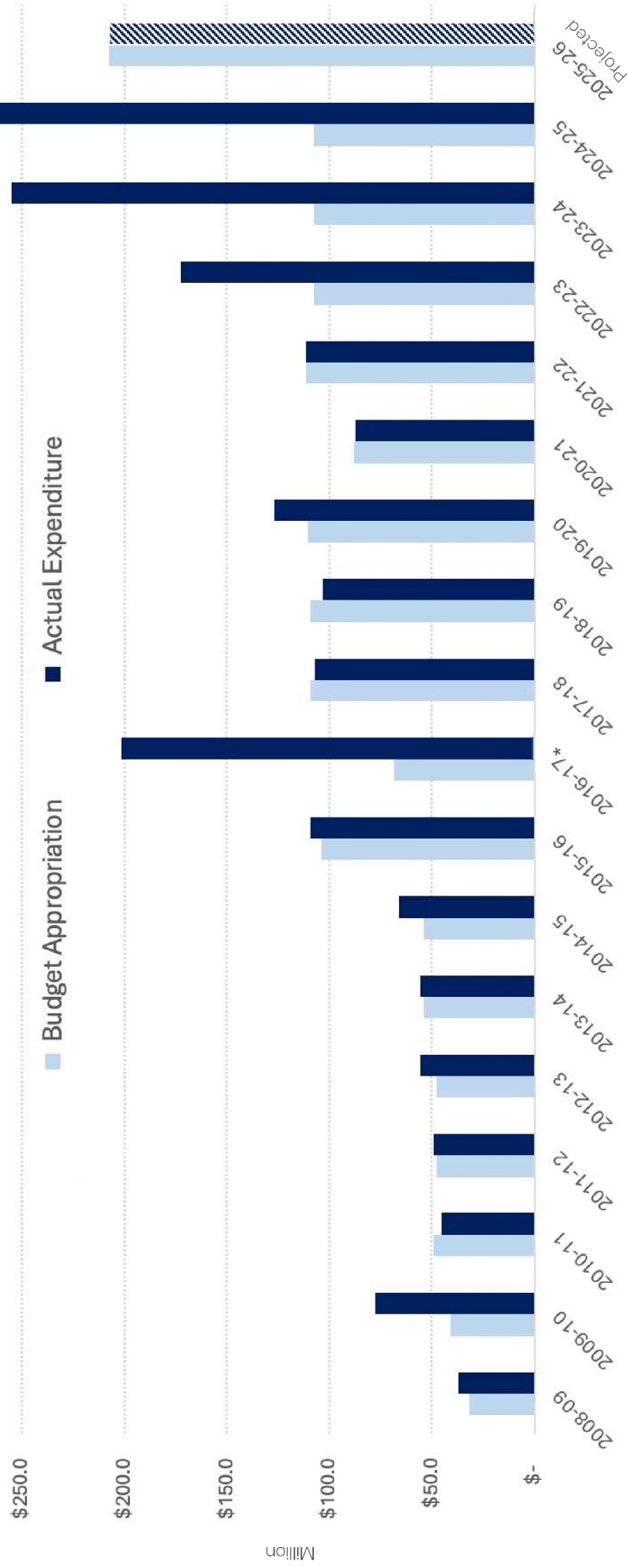


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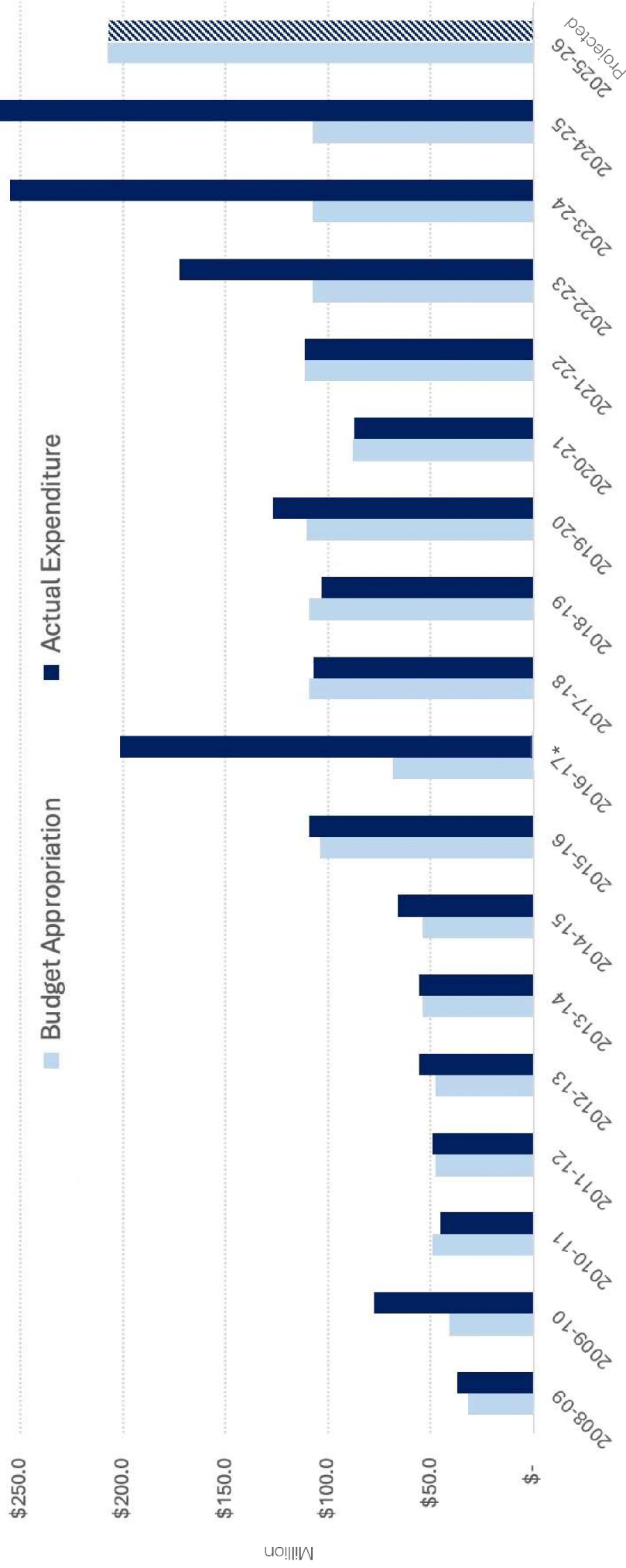


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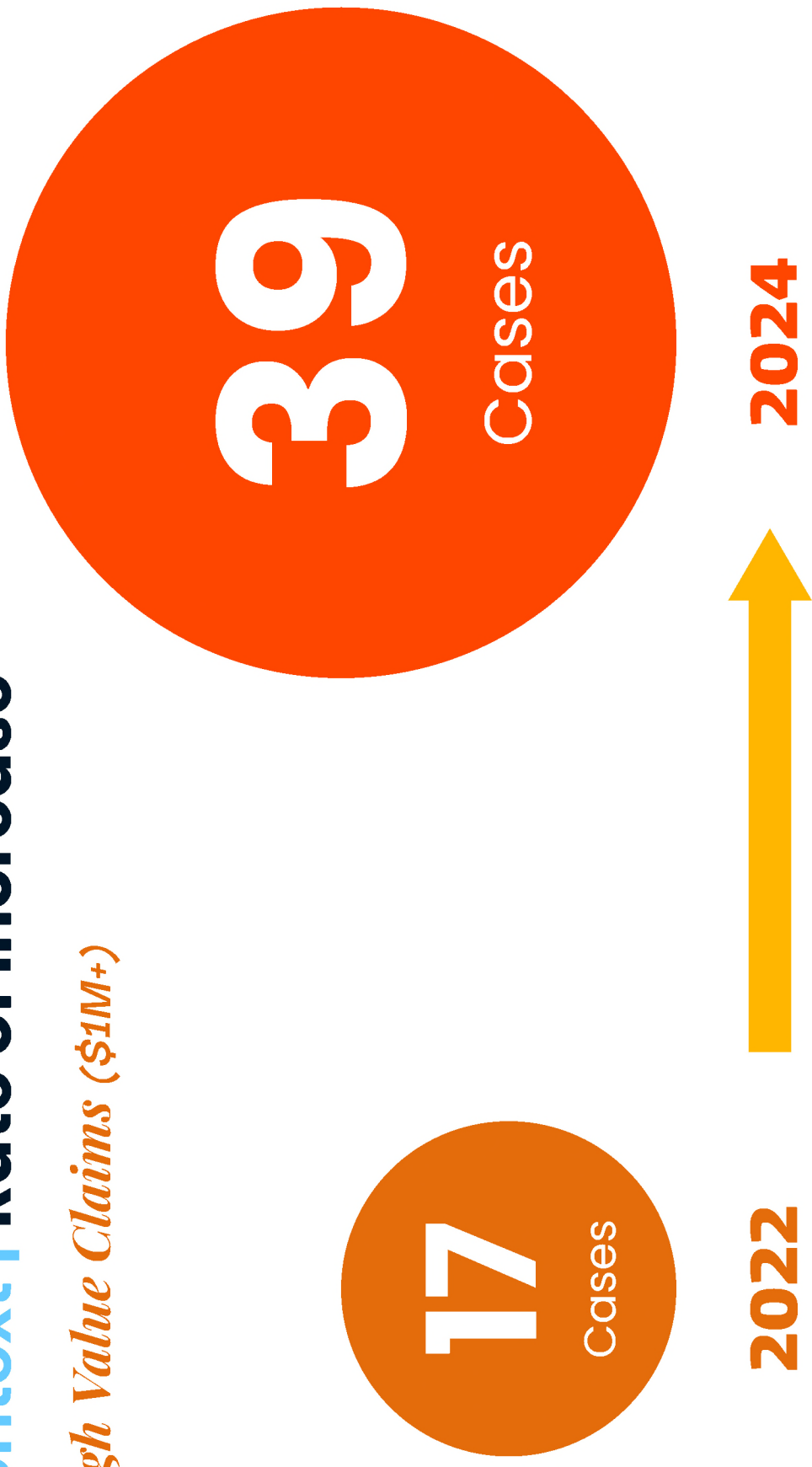
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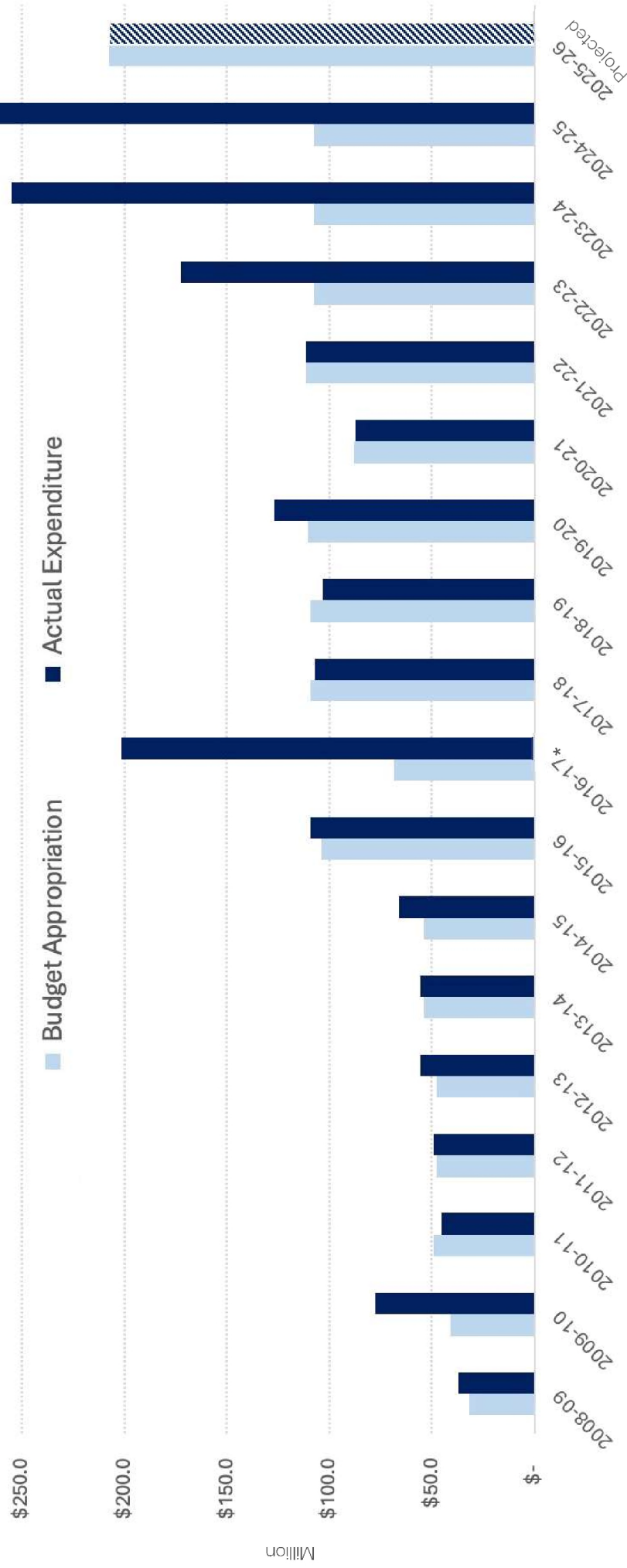


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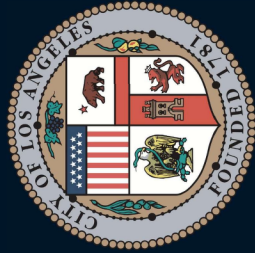
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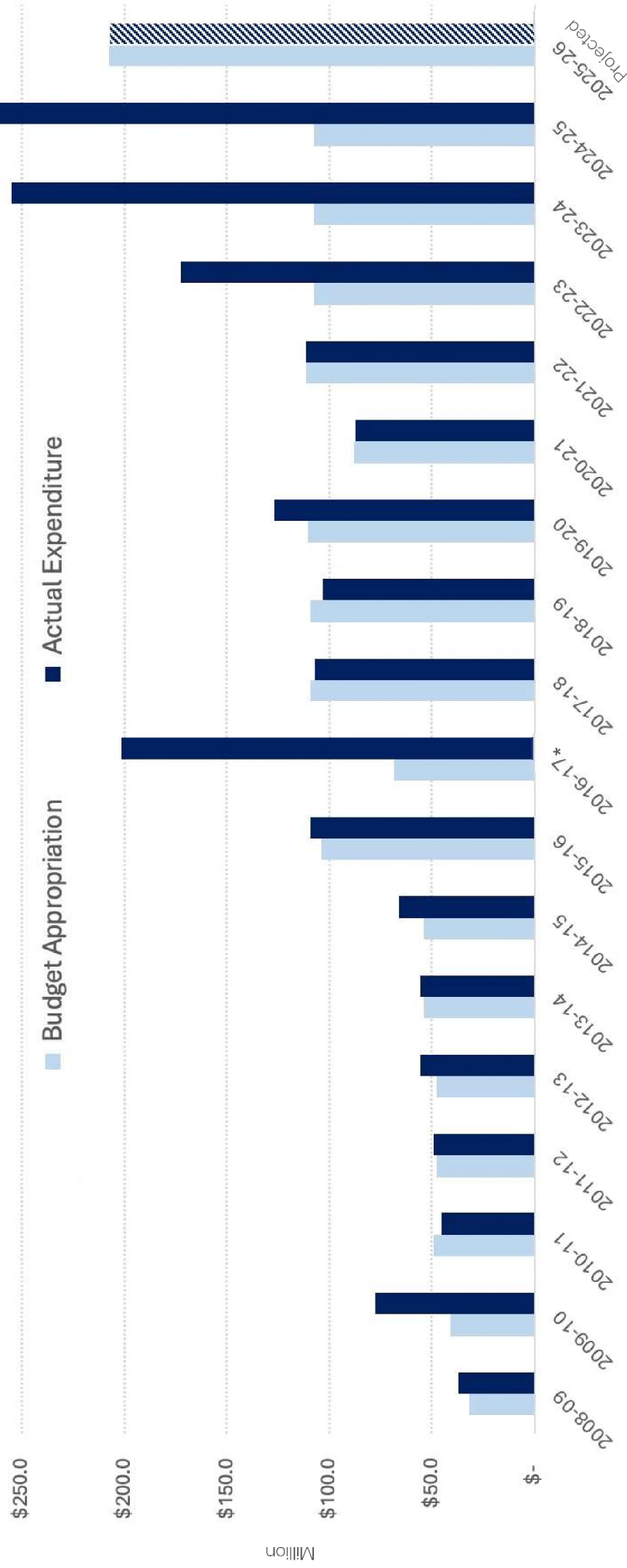


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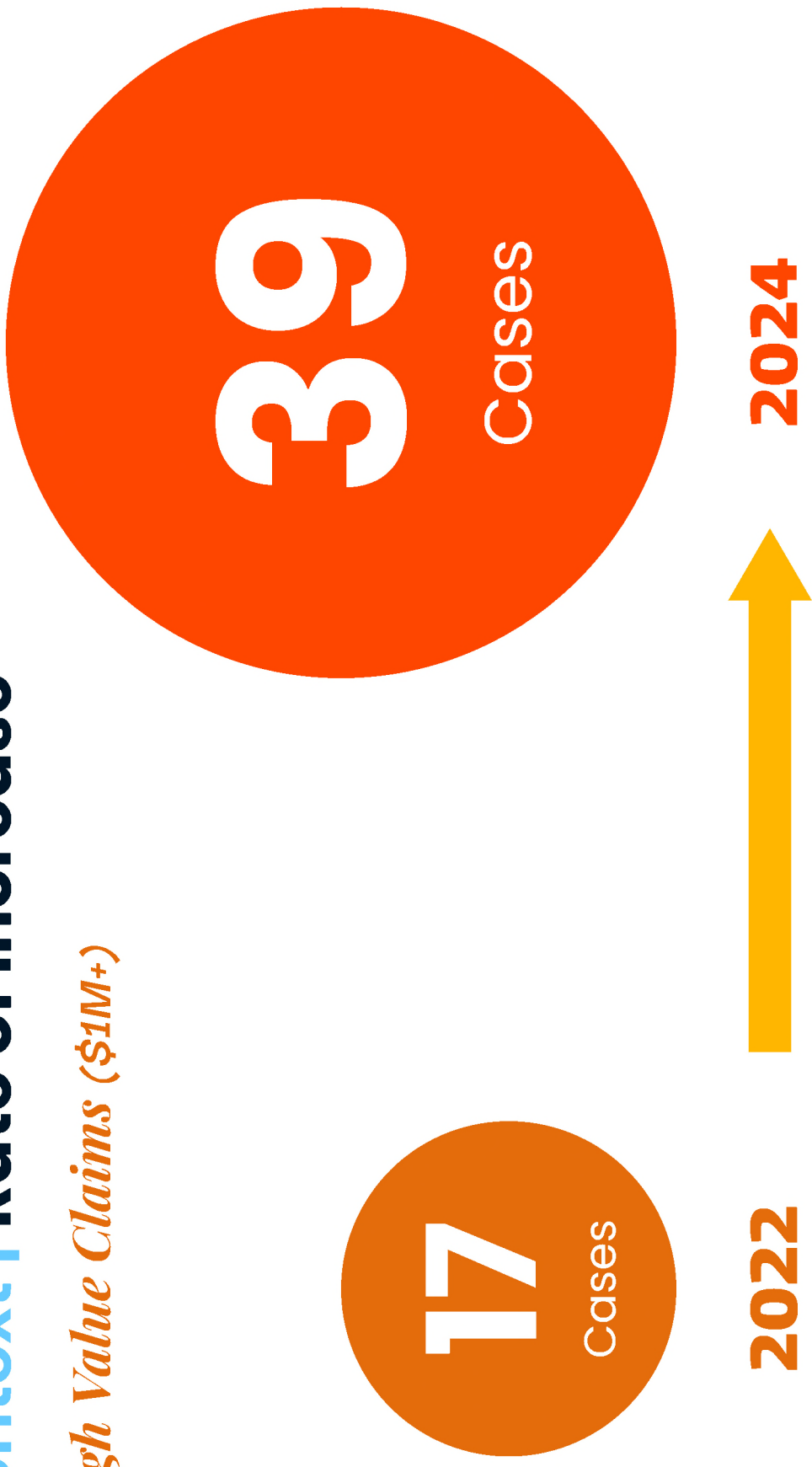
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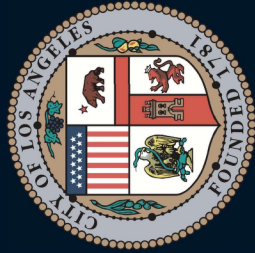
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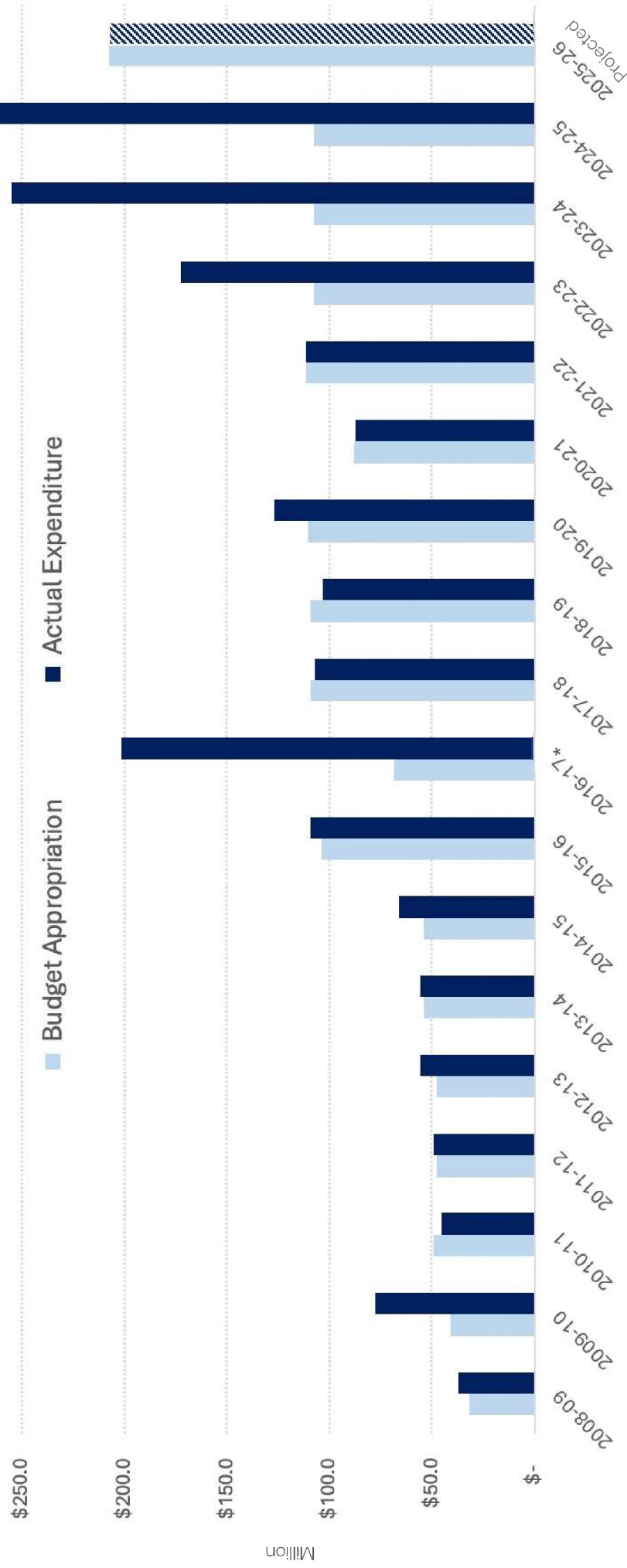


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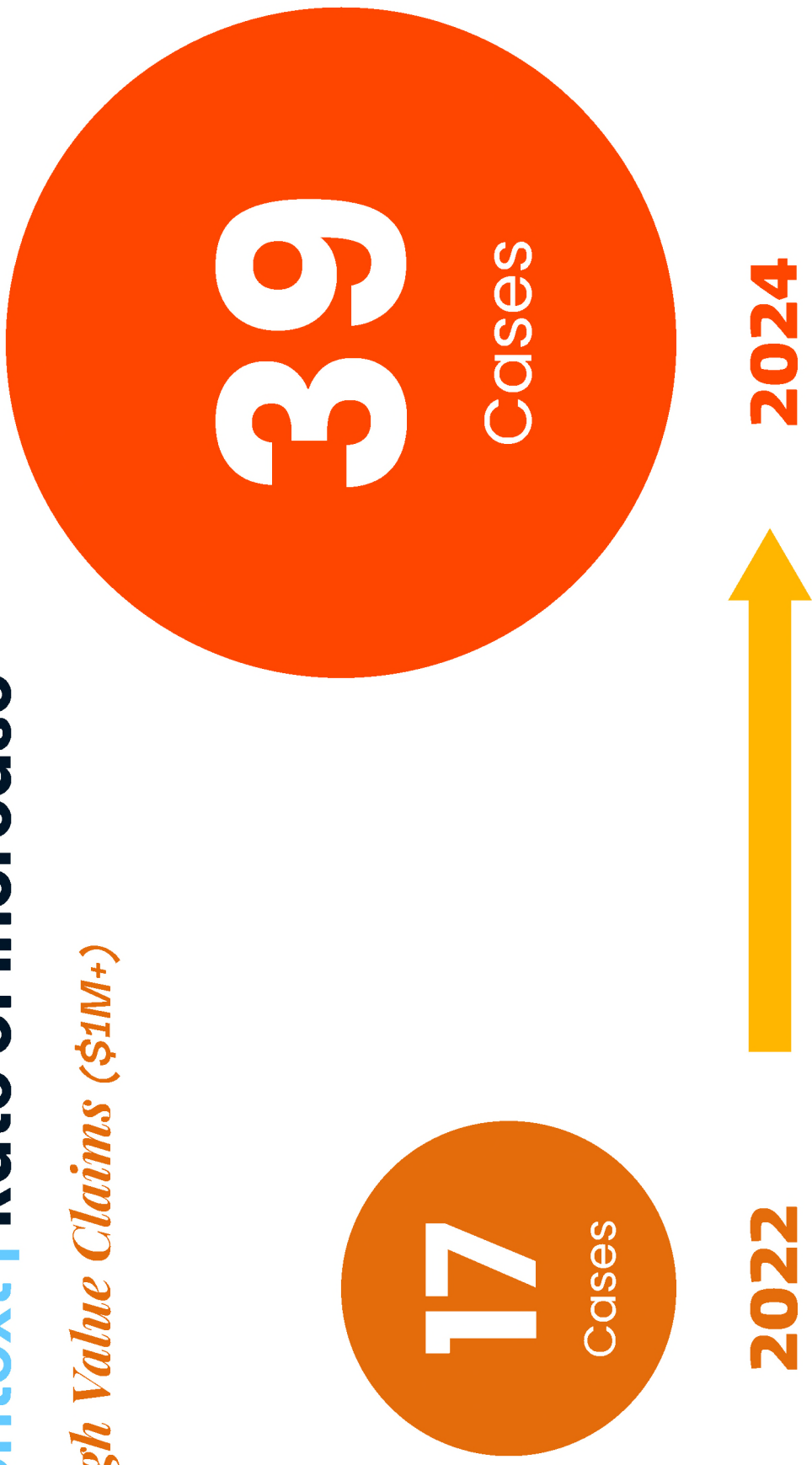
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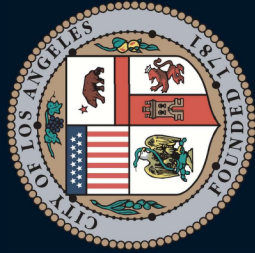
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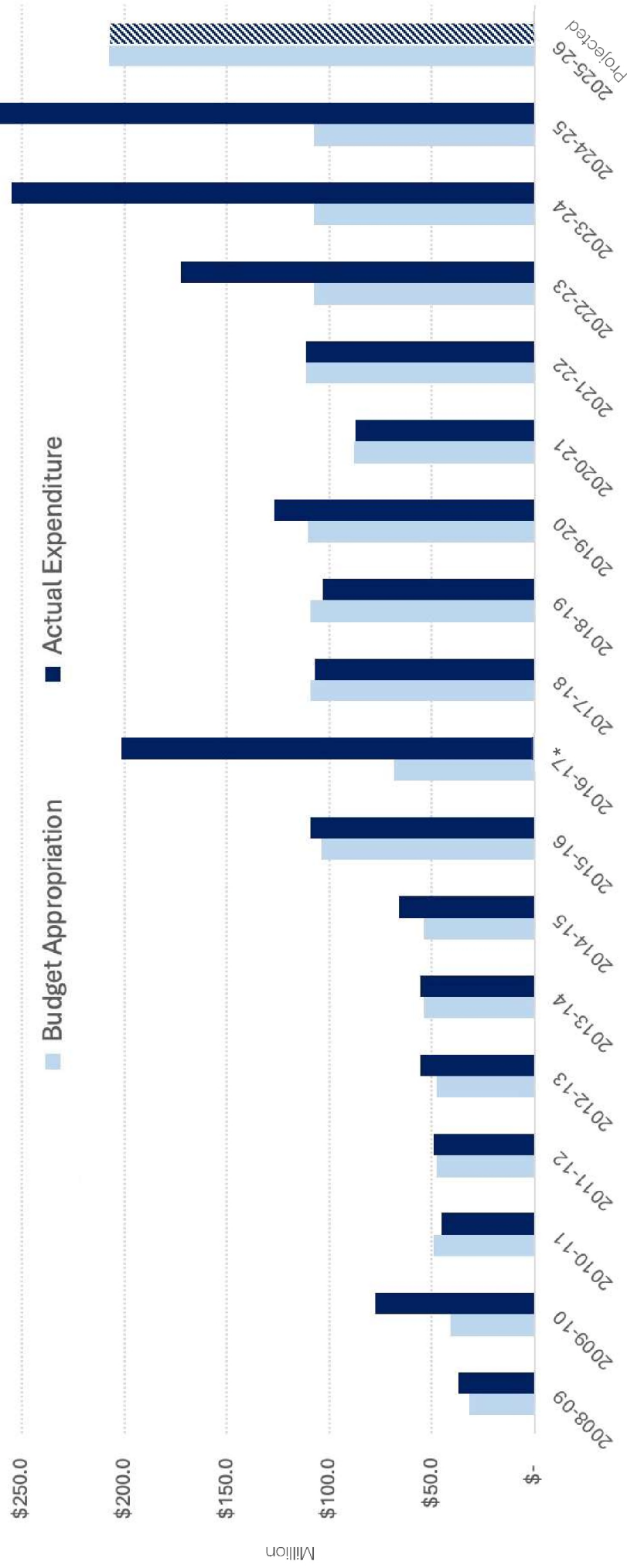


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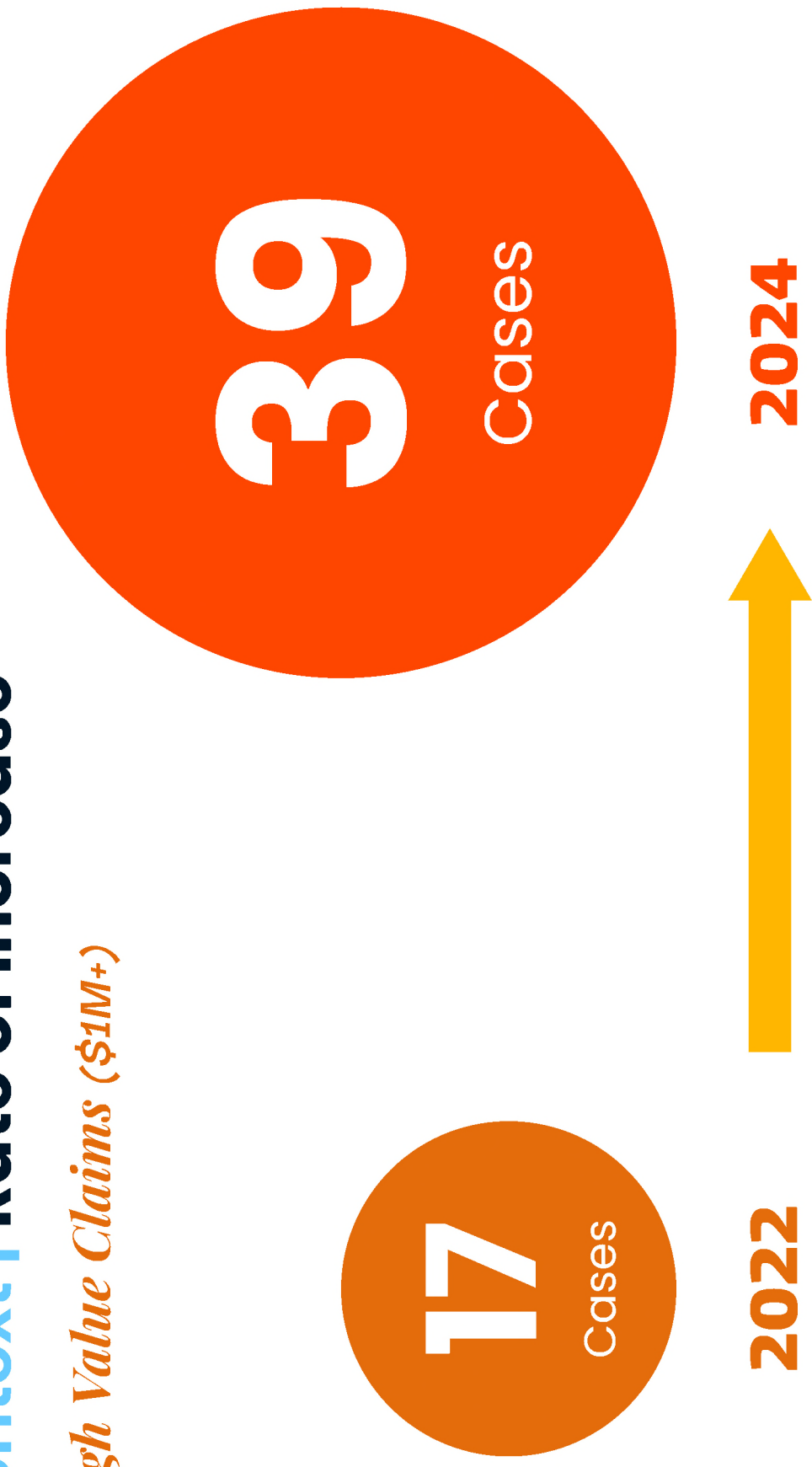
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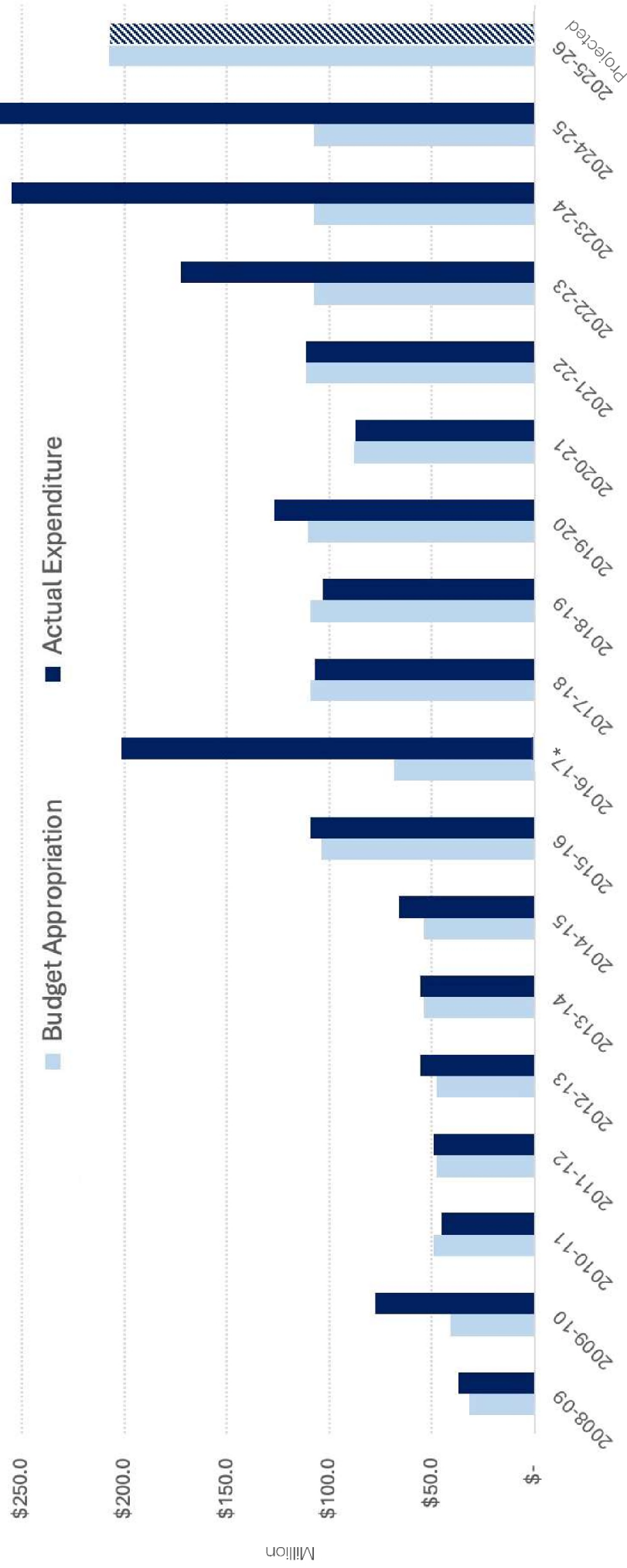


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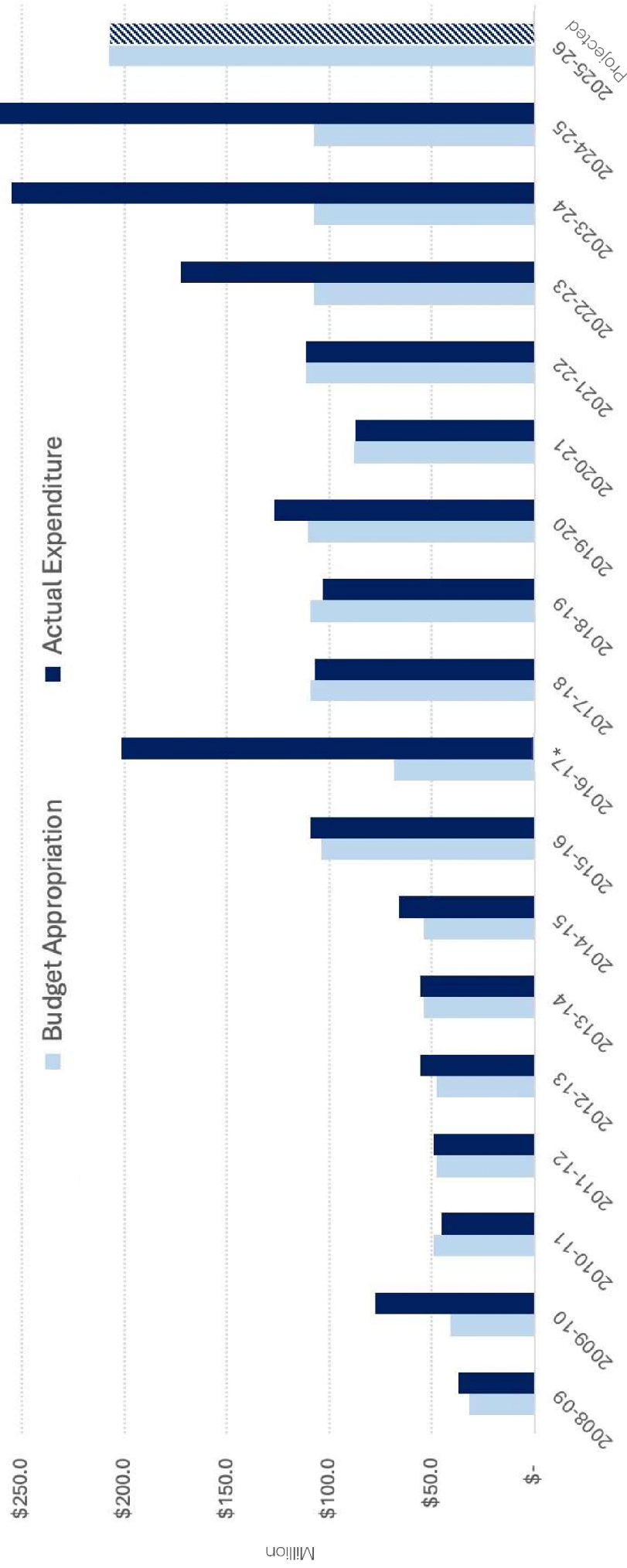


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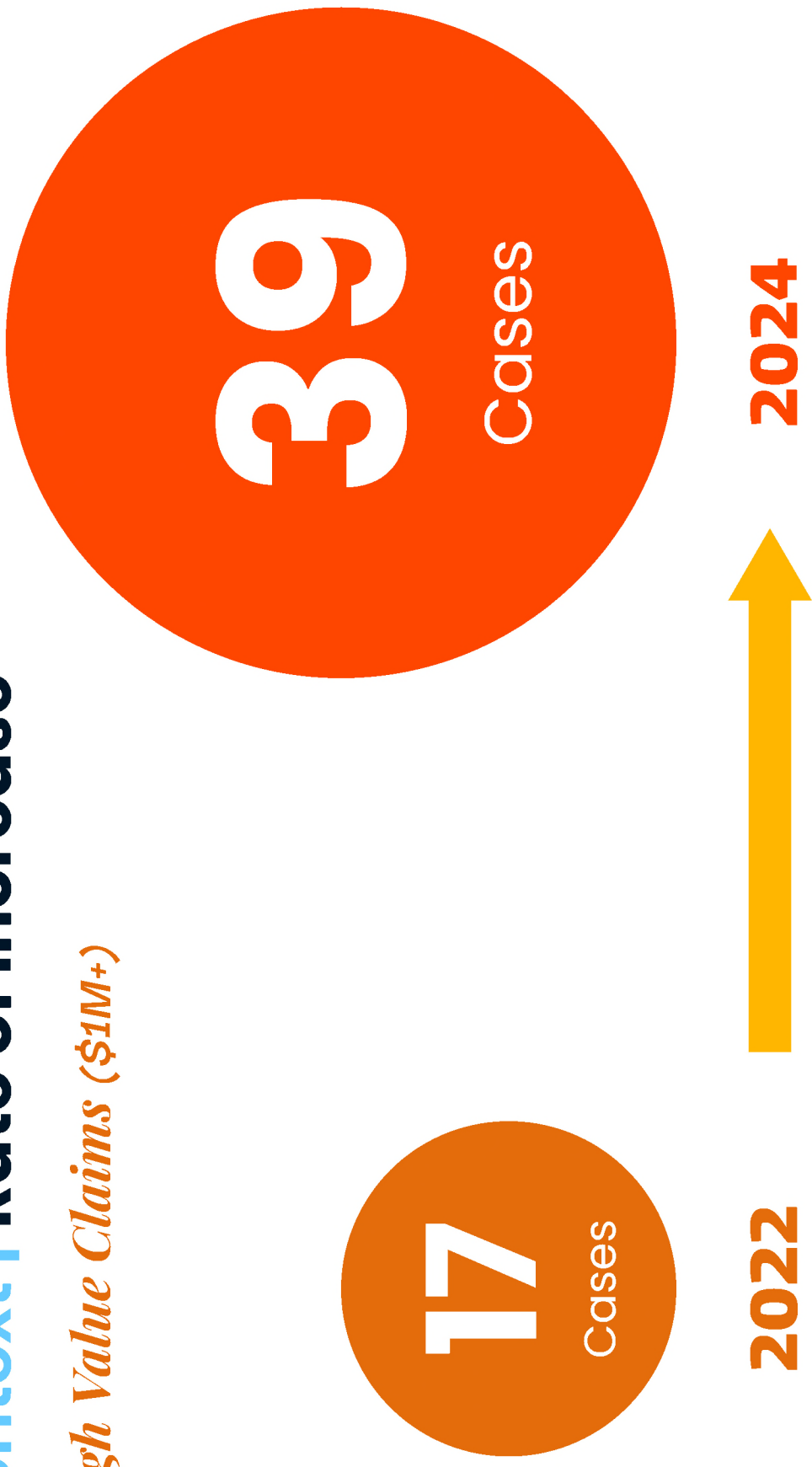
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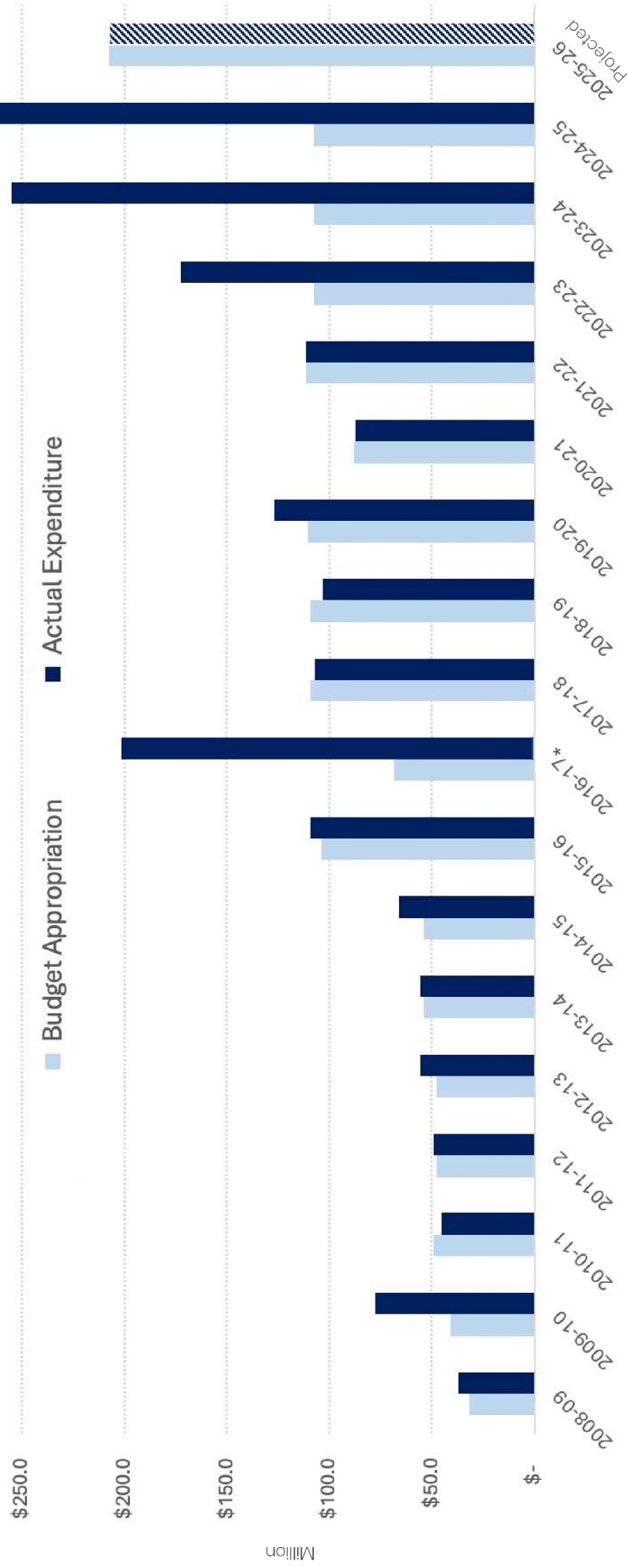


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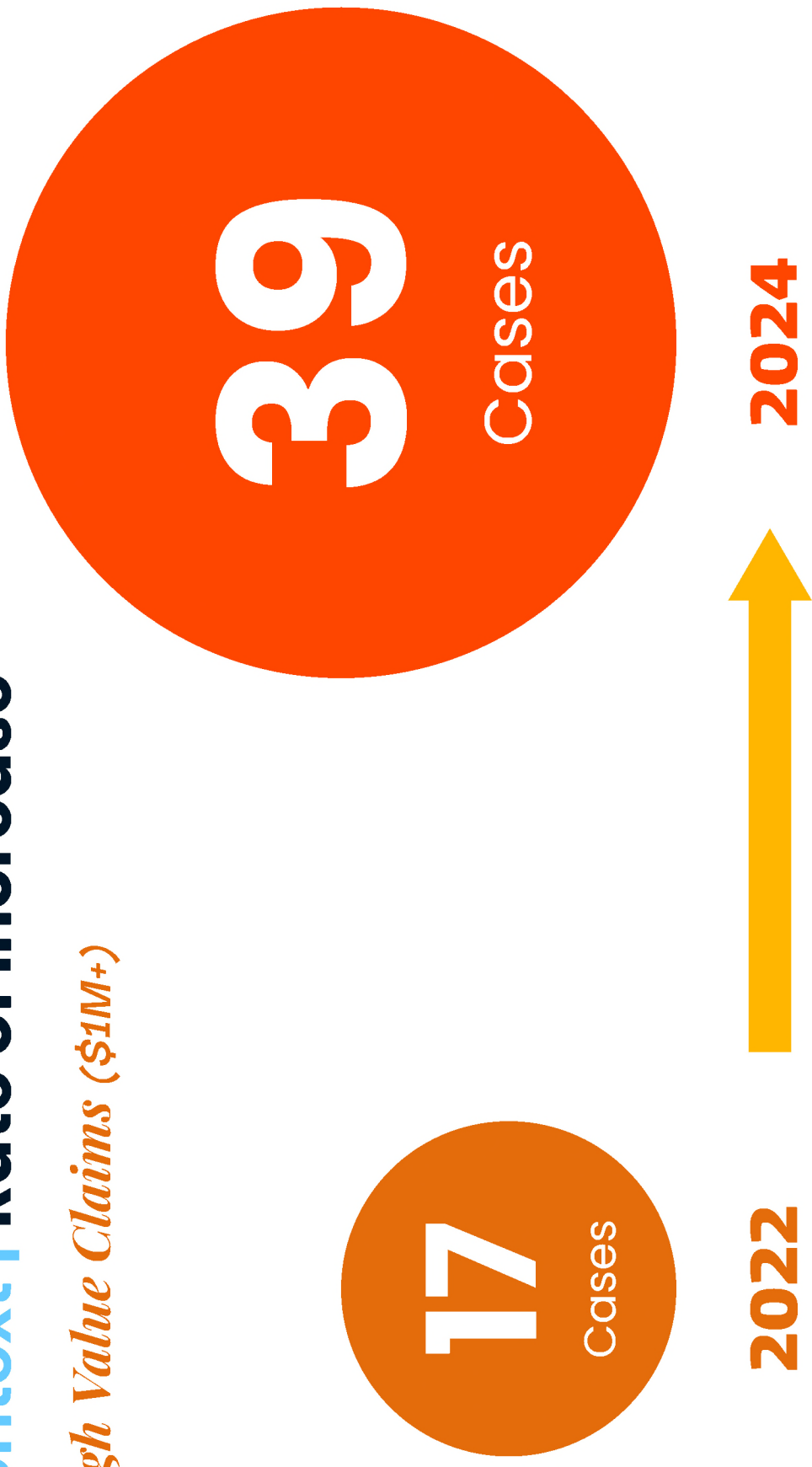
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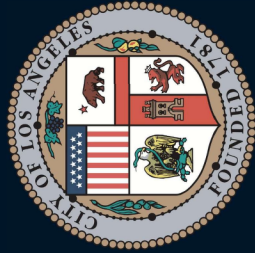
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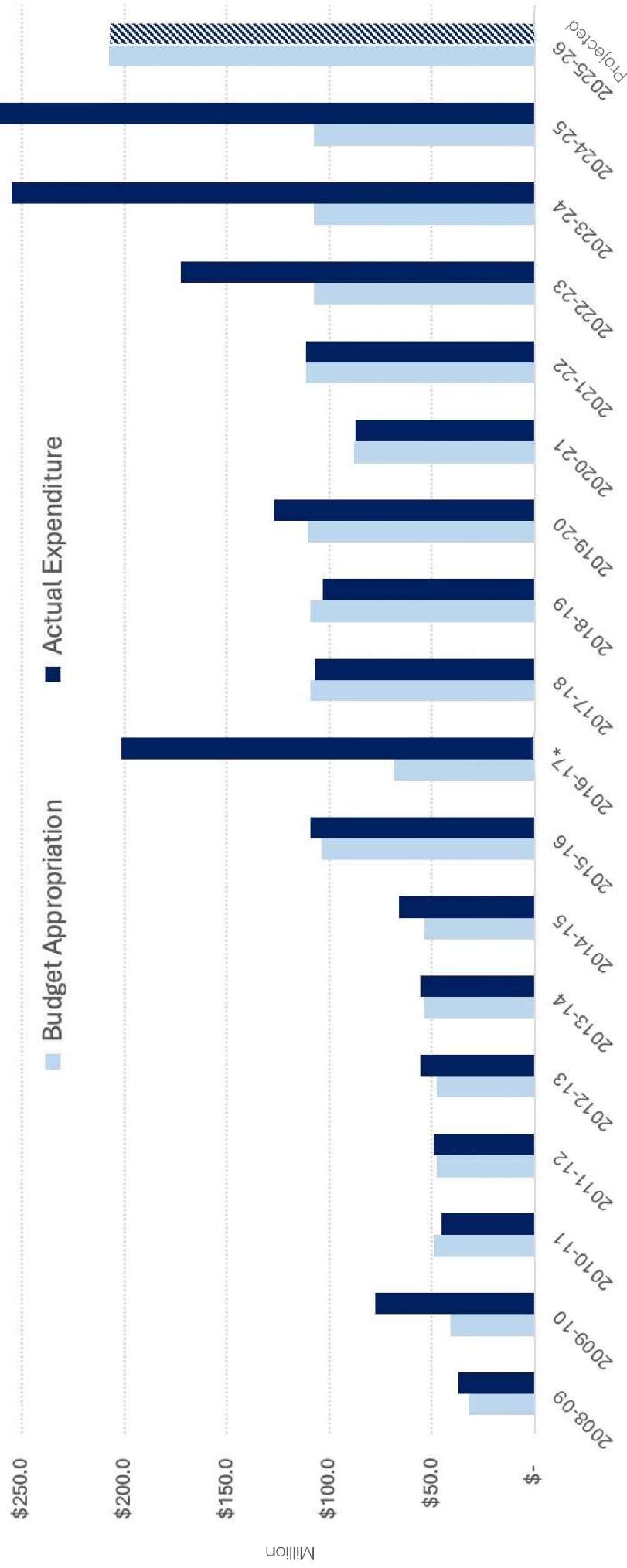


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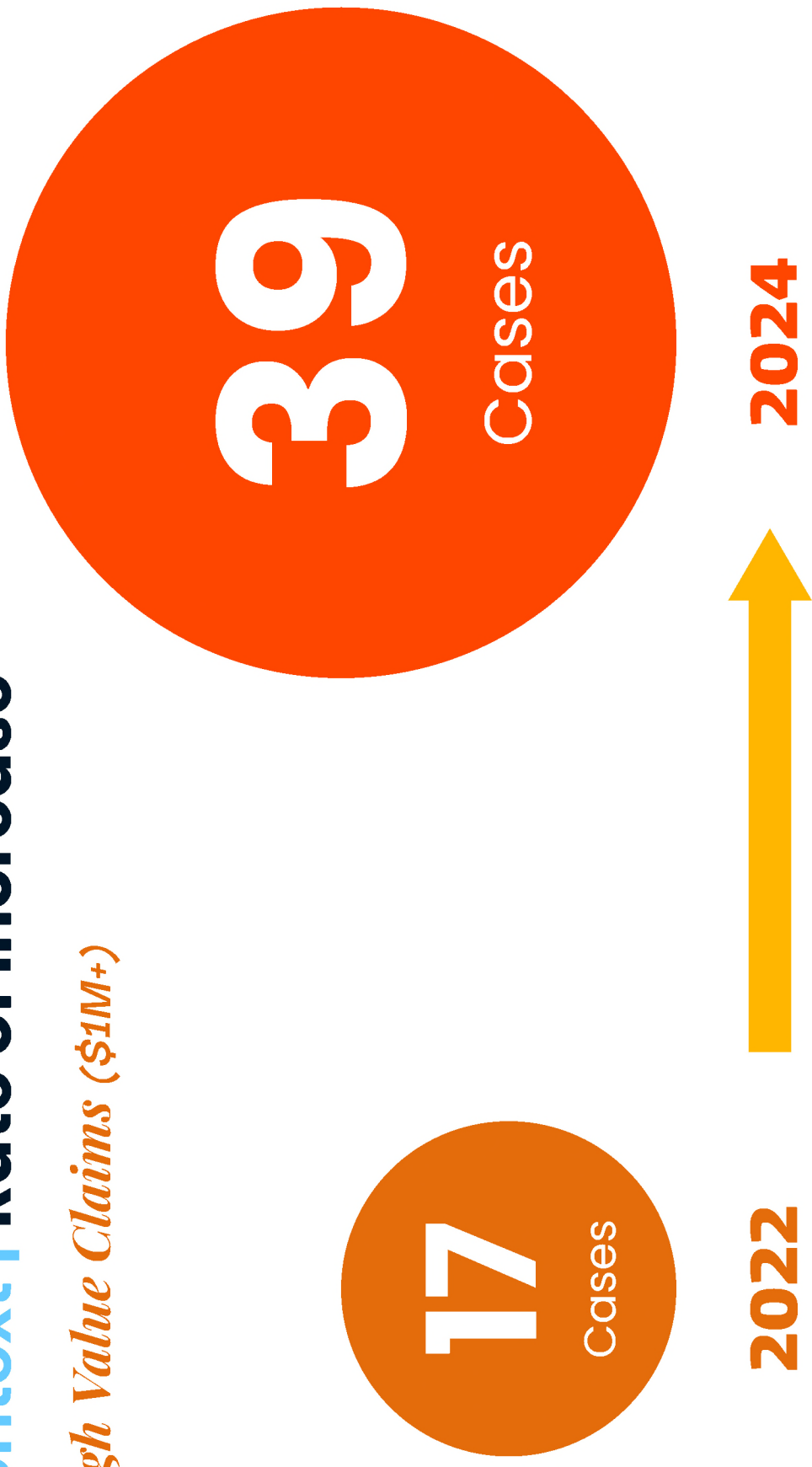
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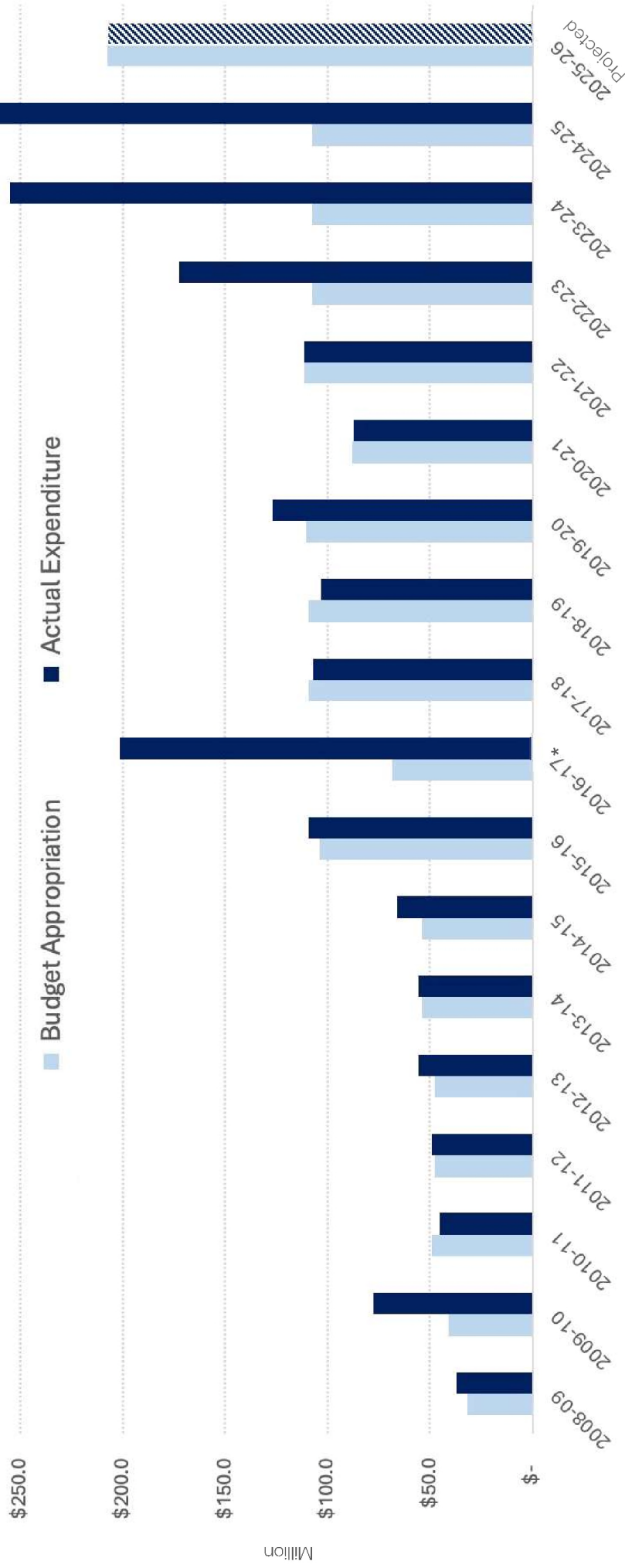


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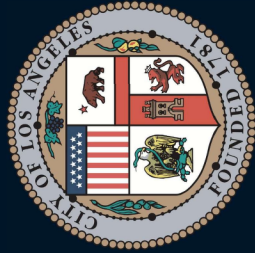
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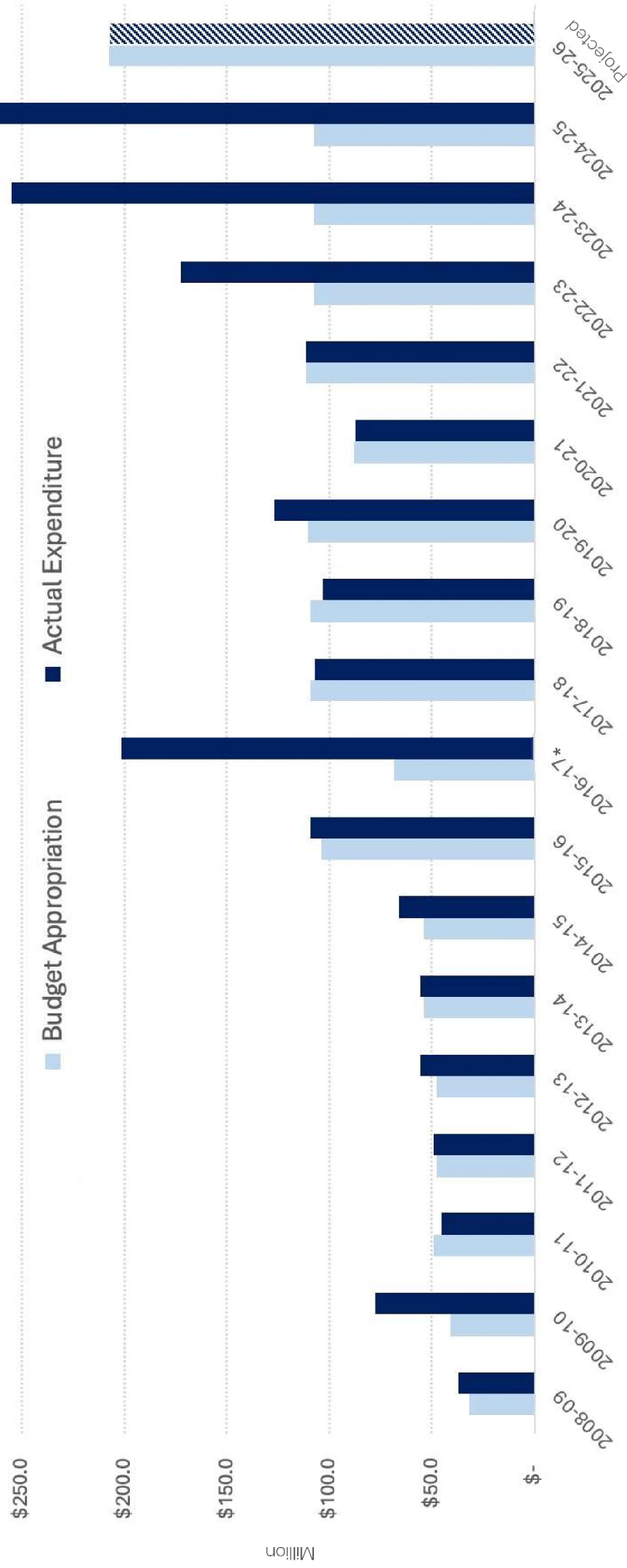


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**\$280.6
Million**



*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

35%
Avg. Annual
Increase

New York

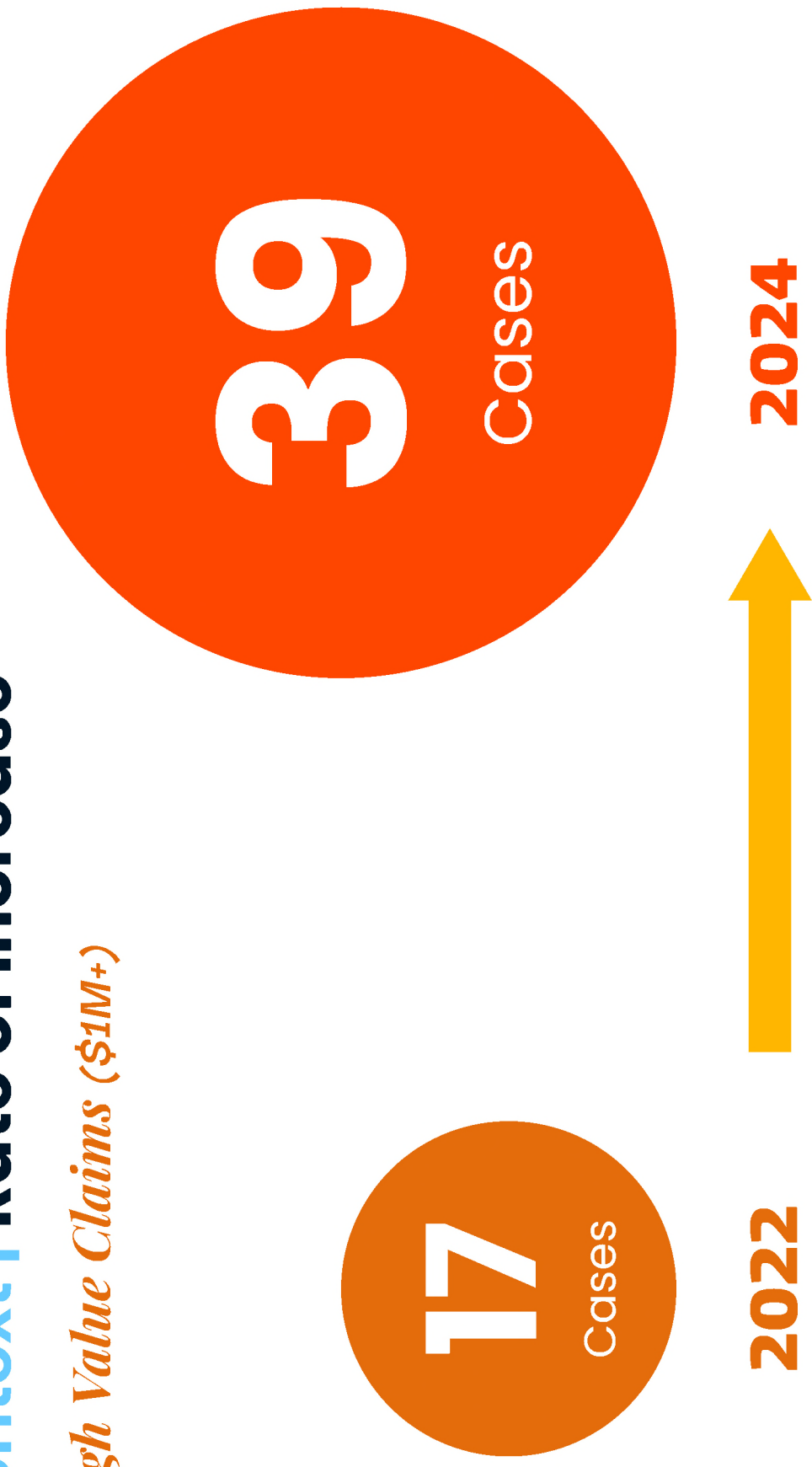
20%

Chicago

14%

Context | Rate of Increase

High Value Claims (\$1M+)



Mitigation Strategies

Mitigation Strategies | Key Recommendations

**Improve
Budget
Projections**

**Stabilize
Annual
Payouts**

**Departmental
Accountability**

**Centralize
Liability
Management**

Mitigation Strategies | Budget Projections

- CAO and City Attorney to work with an actuary to increase the report's confidence level by:
 - City Attorney working on replacing its claims management system
 - 2026–27 Budget includes funding for the CAO to conduct an annual actuarial study instead of every two years

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

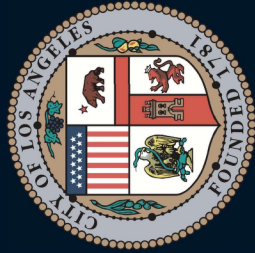
- Increase transparency and reporting
- Follow with targeted strategies to mitigate known liabilities
- Include some liability claims spending in departmental budgets instead of entirely within the Liability Claims Account

Mitigation Strategies | Centralize Liability Management

- 2026-27 Budget includes two positions for both the CAO and City Attorney to provide liability mitigation oversight



Strategies to Mitigate Liability Claims Payments

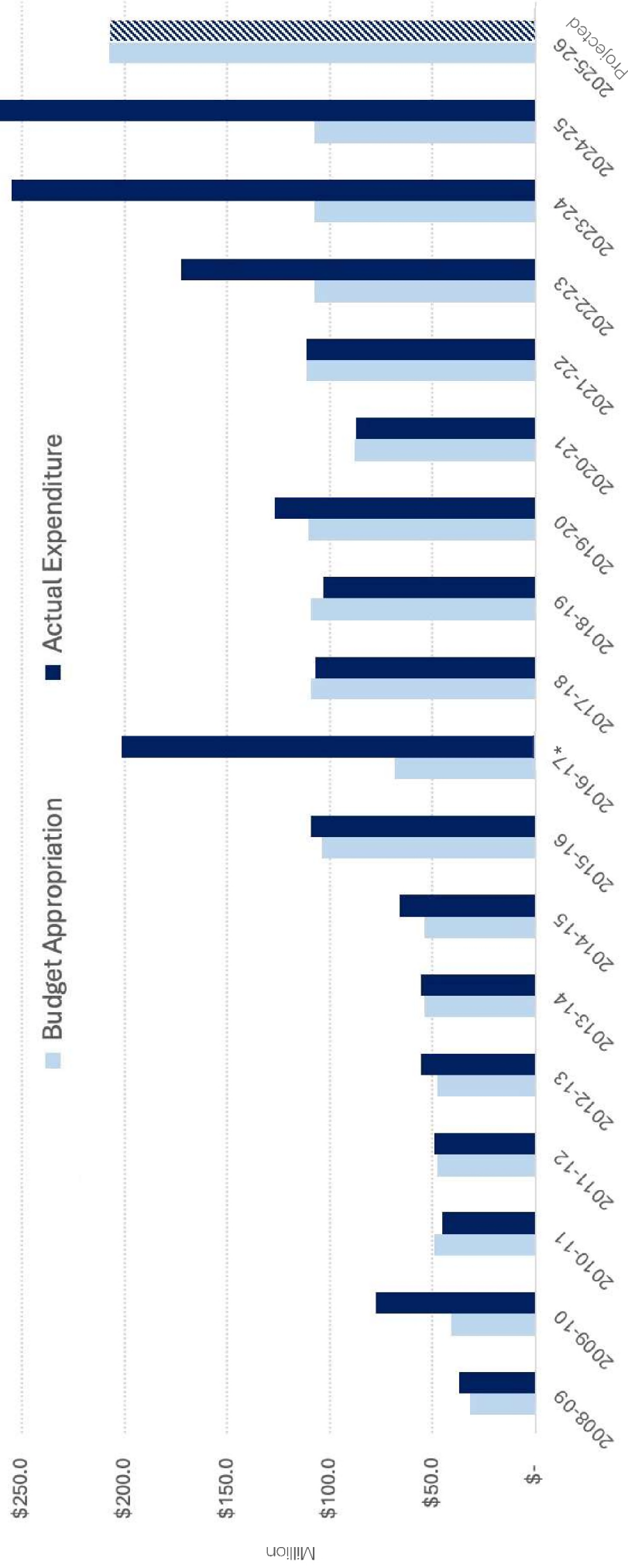


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August 7, 2026
Jacob Wexler, Assistant City Administrative Officer

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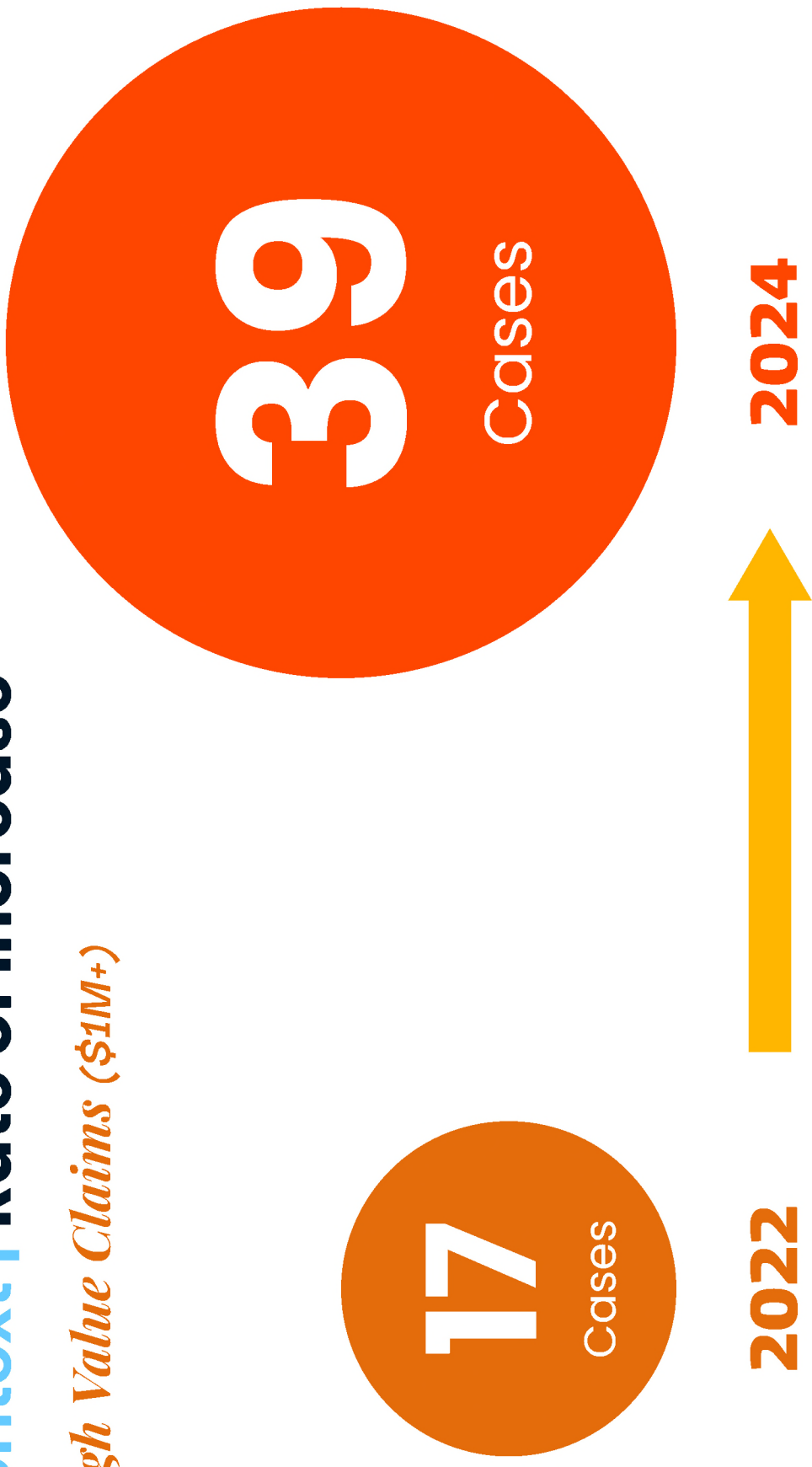
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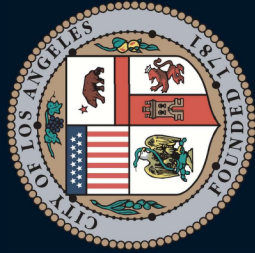
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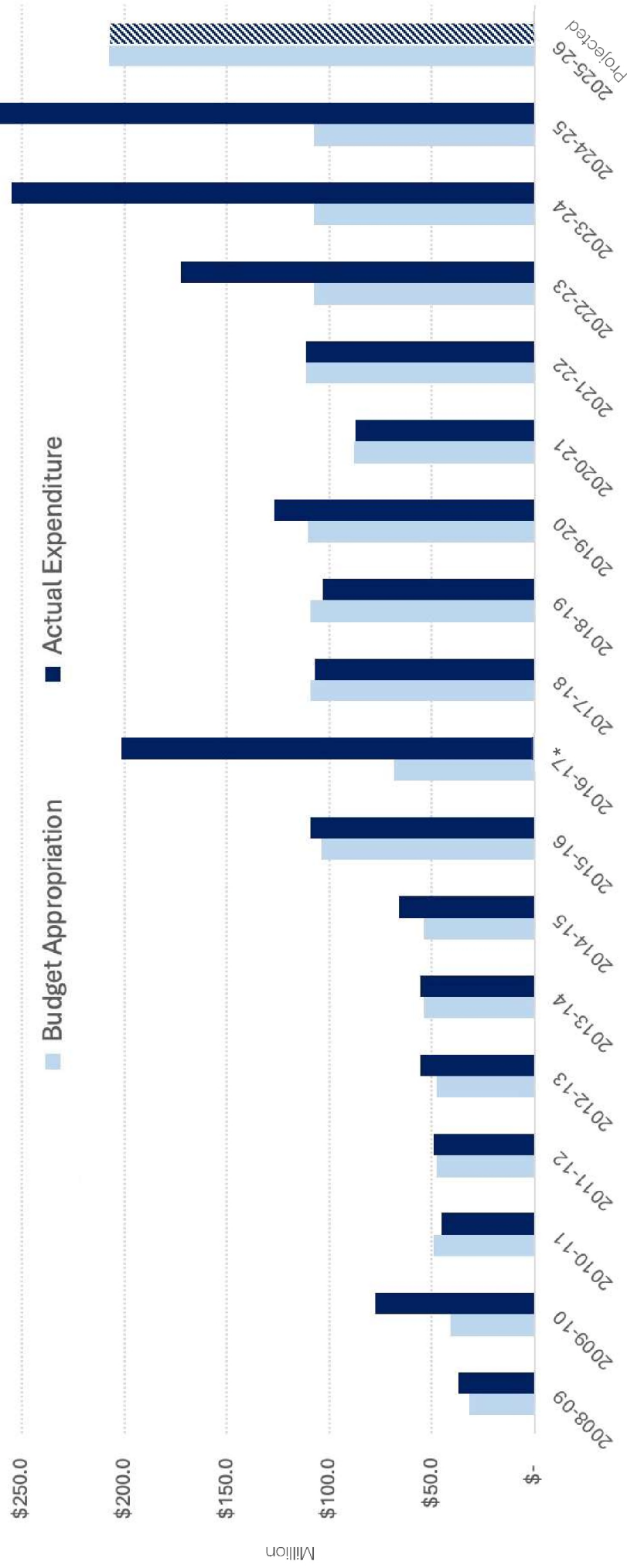


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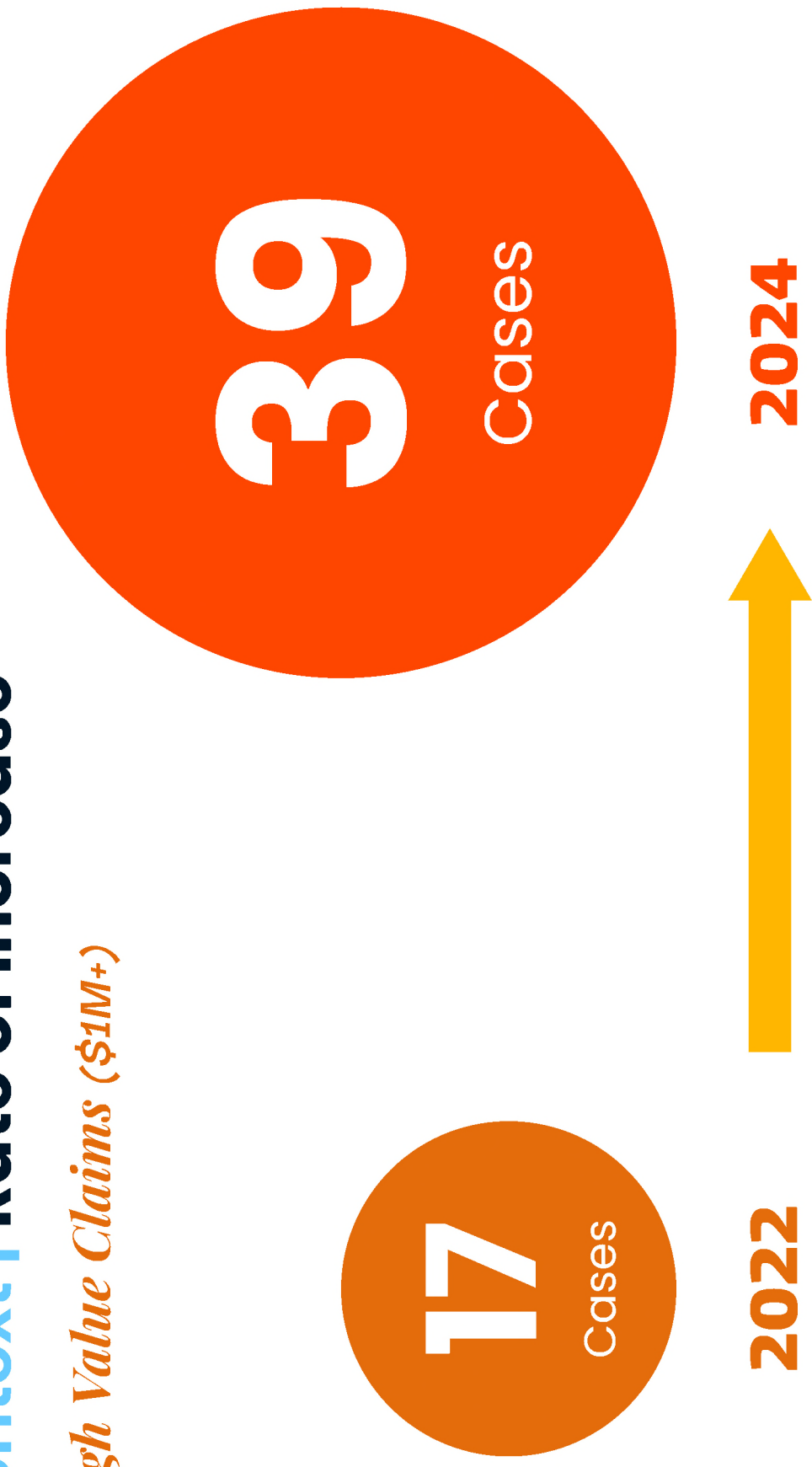
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