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General Liability, Employment Liability and Automobile Programs Funding – 2007/08

Attached are the final actuarial reports for the Campus programs.

The reports are also broken down as follows:

- Campus – General Liability
- Campus – Employment
- Auto includes both Campus and Medical Center claims

We are currently working on the Property Program actuarial reports. This program has not had an actuarial review in over seven years. We hope to have this to you shortly.

The General Liability Program has \$5 million reserve deficit primarily due to the Willled Body Program and increased claims cost (legal expense) related to Employment Practices.

This new breakdown of reports allows us to better understand what types of exposures are driving our costs. It appears that our Employment Liability experience is more favorable for the Medical Centers than the Campuses. It will require some additional analysis to determine whether or not it is a result of better practices and controls. The General Liability experience indicates that the frequency of claims is flat while the severity has severe spikes which indicate that the University may want to consider purchasing lower limits of coverage to smooth out the financial impact of these losses. We will be making a pitch to the carriers during our insurance renewal marketing campaign that they should offer UC split level retentions for the GL/PL policy. We will let you know the outcome of these efforts.

Loss prevention is key to controlling our self-insured and our insured expenses and financial liabilities. For workers' compensation we have the Be Smart About Safety Program, which has reduced the frequency of employee injuries and has resulted in financial savings. In our health care program we have the 4% Prescription which funds loss prevention programs at our Medical Centers. We have tasked the Campus and Medical Risk Managers with developing a similar program for our general liability, auto liability and employment practices liability program. They will be looking to partner with other groups that are interested in developing loss prevention programs. We look forward to seeing the results of their efforts.

If you have questions please contact Cheryl Lloyd at Cheryl.Lloyd@ucop.edu or Karen Vecchi at Karen.Vecchi@ucop.edu.

Grace Crickette
Chief Risk Officer

**GENERAL LIABILITY PROGRAM
2007/08 EXPENSE ALLOCATION
AND FUNDING SCHEDULE**

	EXPENSE					FUNDING
	General Liability	Employment Practices Liability	Automobile Liability	Phys. Damage	Total Allocation ⁽¹⁾	Total Funding ⁽²⁾
Berkeley	\$ 901,000	\$ 1,415,000	\$ 334,000	\$ 110,000	\$ 2,760,000	\$ 2,760,000
Davis	785,000	1,536,000	580,000	220,000	3,121,000	3,121,000
Irvine	455,000	871,000	250,000	69,000	1,645,000	1,645,000
Los Angeles	1,755,000	2,936,000	751,000	199,000	5,641,000	5,641,000
Merced	31,000	56,000	1,000	-	88,000	88,000
Riverside	325,000	489,000	140,000	75,000	1,029,000	1,029,000
San Diego	773,000	1,319,000	252,000	55,000	2,399,000	2,399,000
San Francisco	496,000	1,405,000	183,000	63,000	2,147,000	2,147,000
Santa Barbara	385,000	494,000	180,000	76,000	1,135,000	1,135,000
Santa Cruz	244,000	461,000	260,000	97,000	1,062,000	1,062,000
Office of the President	98,000	259,000	incl.	incl.	357,000	357,000
DANR	<u>106,000</u>	<u>198,000</u>	<u>73,000</u>	<u>26,000</u>	<u>403,000</u>	<u>403,000</u>
GRAND TOTAL	<u>\$6,354,000</u>	<u>\$ 11,439,000</u>	<u>\$3,004,000</u>	<u>\$990,000</u>	<u>\$21,787,000</u>	<u>\$21,787,000</u>

(1) Allocation is based upon actuarial methodology. Includes veterinary medicine for UCD.

(2) Total funding of the annual cost for 2007/08 fiscal year.