

**MARICOPA COUNTY
RISK MANAGEMENT ANNUAL REPORT
FISCAL YEAR 2001-02**

TABLE OF CONTENTS



- I. EXECUTIVE SUMMARY**
- II. CLAIMS DIVISION**
- III. SAFETY DIVISION**
- IV. ENVIRONMENTAL DIVISION**
- V. ADMINISTRATIVE DIVISION**
- VI. STATISTICS AND COVERAGE**

RISK MANAGEMENT ANNUAL REPORT EXECUTIVE SUMMARY

We are pleased to present the *Maricopa County Risk Management Annual Report*, for the fiscal year July 1, 2001 to June 30, 2002.

This report contains summaries of the fiscal year's losses and costs for Maricopa County's workers' compensation, general liability, auto liability, auto physical damage, property, medical malpractice, and unemployment exposures. We hope this report will assist departments in recognizing the nature and extent of their losses, and will lead to an implementation of effective loss control and prevention programs.

Structure and Mission

On June 30, 2002, the Risk Management Department completed its **21st year** administering the County's self-insurance program. Risk Management's mission statement is, "Provide loss prevention and control and insurance and claims management services for Maricopa County Government, so they can reduce or eliminate their losses." Its vision is to be recognized as a leader, and to be relied upon for a Countywide risk management philosophy, culture and direction. Risk Management's primary activities are:

- Risk consulting
- Insurance procurement above self-insured retention levels
- Maricopa County Self-Insured Trust Fund management and financing
- Administration and monitoring third party administrators' adjusting of workers' compensation and unemployment claims
- Investigation and disposition of casualty claims and lawsuits
- Safety training, reporting, and compliance
- Loss control programs
- Environmental investigation, remediation, and reporting
- Contractual indemnification and insurance requirement language drafting and review

The Risk Management Department is divided into three operating divisions, Claims, Safety, and Environmental, and one Administration division. Some of the highlights for each division are contained in this report. The staff strives to accomplish its mission with assistance and direction from the Maricopa County Board of Supervisors, Maricopa County Self-Insured Trust Fund Board of Trustees, and Office of the County Attorney. The Risk Manager reports to the Chief Financial Officer of Maricopa County.

Self-Insured Trust Fund

Arizona law (ARS § 11-981) authorizes Maricopa County to self-insure or procure insurance from any insurer authorized by the State of Arizona Department of Insurance, or both. Insurance (defined in Title 20 Arizona Revised Statutes) includes, but is not limited to, workers' compensation, general liability, auto liability, auto physical damage, property, medical malpractice, and unemployment insurance.

Upon establishment of a self-insurance program, Maricopa County is required to designate a Trust Administrator (Risk Manager), and establish a Trust. The Trust is funded by an allocation of funds from General Fund and Non-General Fund departments and Special Districts, or such other funding techniques permitted by state statute and authorized by the Trust's Board of Trustees.

A Board of Trustees manages and directs Trust activities and affairs. Trustees must be United States citizens and residents of Maricopa County, and are appointed by the Maricopa County Board of Supervisors (BOS) and County Administrative Officer. During FY01-02, the following individuals were members of the Board of Trustees:

<u>Trustee District/Appointment</u>	<u>Trustee</u>
BOS District One	To Be Appointed
BOS District Two	Joel Sterrett
BOS District Three	Rocky Armfield
BOS District Four	David C. Tierney, Chairman
BOS District Five	To Be Appointed
BOS Chairman	BOS Chairman
County Administrator	Tom Manos

FY01-02 Results

In the risk management area, Maricopa County enjoyed good results this fiscal year. Total claim count was down for this fiscal year to date, though a percentage reduction would be misleading since the figures do not include Incurred But Not Reported (IBNR) claims which will affect the ultimate total. A truer picture of fiscal year results is the Cost of Risk, which evidences a \$437,118, or a 2.4% reduction in total Risk Management expenses. The County realized \$95,776 in savings during the year through the use of in-network medical providers. The total amount recovered through subrogation efforts was \$226,692. These positive results need to be viewed in light of the County's growth in the number of people served within the County, in number of employees, and in services rendered.

Maricopa County continues to be one of the fastest growing counties in the nation with a population over 3.1 million. It is larger in population than 21 states, and larger geographically than 7 states. The County gained 74,927 citizens in the past year, reflecting a 2.48% increase in population. Such size and growth, while economically positive, could result in an increase in the number of casualty claims. However, Maricopa County experienced a decrease in claims occurring in this fiscal year

compared to last fiscal year. Risk Management's emphasis on a strong proactive loss prevention and safety program is certainly a material factor in this reduction in claims.

The number of Maricopa County employees varies from month to month. For FY00-01 and FY01-02, the numbers of actual budgeted positions were 16,166 and 16,578, respectively. Workers' compensation claims for FY00-01 and FY01-02 were 877 and 780, respectively. This reflects an increase in number of budgeted positions of 2.5% over the previous fiscal year, with a decrease in the number of claims of 11.1% over this period. (It should be noted that IBNR claims for this fiscal year might increase the number of claims and affect this percentage reduction somewhat.)

Cost of Risk

Cost of Risk compares the County's expenditures of the risk management program to the County's overall expenditures. The effectiveness of a risk management program can be reflected in this comparison of the total annual cost of the program, including paid claims (amounts paid in the fiscal year without regard to the year the claim arose), insurance premiums, and operational and administrative expenses, against total County's expenditures.

During the past three year period, Cost of Risk for the County fluctuated from 1.00% to 0.87%. This fluctuation reflects an acceptable, stable result.

	FY99-00	FY00-01	FY01-02
Claims and Premiums			
Auto Liability	\$410,456	\$133,405	\$252,503
General Liability	\$2,691,063	\$680,693	\$1,606,340
Workers' Compensation	\$2,900,655	\$3,275,854	\$3,478,198
Medical Malpractice	\$2,249,380	\$4,304,303	\$1,756,845
Property/Auto Physical Damage	\$269,101	\$249,282	\$208,631
Environmental Contingency	\$0	\$225,000	\$20,295
Unemployment	\$339,966	\$435,338	\$649,152
Premiums	\$1,519,643	\$1,791,892	\$3,445,481
Subtotal	\$10,380,264	\$11,095,767	\$11,417,445
Other Costs			
Legal Expenses	\$4,395,331	\$5,594,105	\$4,564,323
Broker Fees	\$39,000	\$39,000	\$42,000
Consulting and Mngt Fees	\$314,856	\$324,525	\$317,606
Claims Admin Fees	\$201,828	\$207,751	\$426,583
Administrative	\$1,435,592	\$1,534,028	\$1,591,785
Subtotal	\$6,386,607	\$7,699,409	\$6,942,297
Total Risk Management Costs	\$16,766,871	\$18,795,176	\$18,359,742
Total County Expenditures	\$1,683,472,019	\$1,742,210,490	\$2,116,470,340
TOTAL COST AS A PERCENTAGE OF COUNTY EXPENDITURES	1.00%	1.08%	0.87%

- Notes:
1. Paid claims represents the amount paid in the fiscal year regardless of occurrence date and does not include Reported but not Paid (RBNP) or IBNR reserves.
 2. Amounts as valued on June 30, 2002, as reported in the Advantage Financial System.

Acknowledgment

The Risk Management Department would like to thank the Maricopa County Board of Supervisors; Elected Officials; County Administrative Officer; Chief Financial Officer; Self-Insured Trust Fund Board of Trustees; County Attorney's Office; County departmental management, employees, and volunteers for their demonstrated interest in reducing casualty claims and lawsuits.

Respectfully submitted,

Peter Crowley
Risk Manager

Bill Warren, Assistant Risk Manager, Safety Division
Samantha Wright, Administration Manager
Hugh Larkin, Environmental Consultant
Rita Neill, Environmental Consultant
Sara Latin, Administrative/Insurance Coordinator
Valerie Ruelas, Claims Coordinator
and the Entire Risk Management Staff

Notes: 1. For presentation purposes only, the dollar amounts and associated percentages in all of the charts and tables presented herein, have been rounded to the nearest whole dollar or percent.

CLAIMS DIVISION

The Claims Division of Risk Management handles all claims filed against Maricopa County. For workers compensation and unemployment claims, the Division oversees adjustment of these claims by a Third Party Administrator, with input from Human Resources. Claims are reviewed on their merits and either paid or denied. Litigated claims are assigned to either the County Attorney's Office or outside counsel. The Division works with assigned attorneys to obtain the most favorable result possible for the County.

New claims arising in FY01-02 filed against the County to date reflect a continuing decrease in number over the past three fiscal years (see page VI-3 of the statistics and coverage section). The Division's closure ratio for claims remained at or above 100%. Seven claims went to trial, resulting in 3 defense verdicts and 4 plaintiff verdicts. Of the 4 plaintiff verdicts, 3 verdicts came in at or below the Division's initial evaluation.

In addition to handling claims, the Division provides the following services to the County:

- Subrogation, restitution, and deductible recovery. FY01-02, the Division collected \$226,692 from "at fault" parties that caused damage to County property.
- Report and review with County departments on their pending claims and costs both as an informational tool and to investigate ways and means to reduce claims.
- Review and management of a company conducting reviews of charges received from health providers on workers' compensation claims. The review of medical bill compliance with the Arizona fee schedule and receipt of a discount if the health care provider is part of a PPO network. On average monthly, 522 bills are reviewed, with average monthly savings to the County of \$95,776.00.
- Review of indemnity and insurance language in proposed County contracts.
- Initiation and implementation of contracts for outside automobile, heavy equipment, property appraisals, and repairs.

Due to the efforts of the Claims Division, the County has realized substantial savings in claims payments, subrogation recoveries, and expense costs. The Division is committed to working to further improve in these areas.

SAFETY DIVISION

The Safety Division of Risk Management continues to focus on its countywide initiative to ensure safety standard compliance and loss prevention. The theme for this process is “Safety: It’s the way we work!” Also, the Division consults with departments to establish a safety management system, which includes accountability as a core business function. The establishment of a safety program has been crucial in reducing accidents and losses. As a clear example of its efforts to improve departmental safety performance, workers compensation data this fiscal year evidences an overall reduction in claims of 11.1% (877 claims in FY00-01, 780 claims in FY01-02, see page VI-9 of the statistics and coverage section). Workers compensation payments and reserves (see page VI-1 of the statistics and coverage section) were reduced from \$3,062,376 in FY00-01 to \$3,033,721 in FY01-02, a \$28,655 reduction.

Working to improve workplace safety and ensure compliance with safety standards, the Division:

- Conducted a countywide three-day safety fair, with 600 employees participating, and an Equipment and Truck Rodeo event testing operator skills and knowledge of equipment operations.
- Completed the Loss Prevention Committee presentation outlining a safety and loss prevention plan for Maricopa County.
- Established a comprehensive safety management system within the Sheriff’s Office using the START (Supervisors Training in Accident Reduction Techniques) process as the basis for managing safety internally.
- Established an Emergency Evacuation Policy to ensure safe egress from County high-rise facilities during emergency evacuations, and trained over 200 floor wardens in the proper evacuation procedure.

In addition, the Safety Division provides technical assistance and training to various departments in the areas of occupational safety, fleet safety, drug and alcohol testing, commercial drivers programs, heavy equipment training, hazardous materials management, OSHA compliance, and hazard communication-employee “right-to-know” training. These efforts have had a positive influence on the County’s safety awareness and loss prevention efforts.

To continue Maricopa County’s development of its safety management system, a greater role by each level of management within the County is necessary. Management commitment and front line supervision accountability are the key to sustaining the safety process and reducing unsafe acts or behaviors. Including safety activities and initiatives within the County’s overall work process has a positive impact on employee safety and helps create a safe working environment. Safety should become an integral part of each department’s operation. Safety is a team effort.

ENVIRONMENTAL DIVISION

The Environmental Division of Risk Management conducts remedial investigations and takes action on County environmental liability as determined by law, regulation, statute, and/or court order. The Division provides leadership in the area of pollution prevention and environmental management, and has developed a proactive assessment and action process that mitigates environmental liabilities, saving the County in the cost of remedial action and regulatory penalties. Possible environmental liability costs of known sites have been reduced from previous estimates of over \$500 million for FY95-96 to approximately \$180 million for FY01-02.

This fiscal year the Division:

- Obtained a recovery of \$336,060.77 from insurers, Union Pacific Railroad and Arizona Leaking Underground Storage Tank State Assurance Fund.
- Mitigated County liability for possible groundwater contamination through a consent decree for Materials Warehouse with the State of Arizona and Union Pacific Railroad, and approved by the US District Court.
- Partnered with MCDOT to redesign a vehicle wash water discharge system and initiated spill prevention and stormwater pollution prevention measures to rectify potential violations.
- Assisted MCDOT, Flood Control, and FMD in preparing Requests For Proposals for additional environmental studies.
- Provided Parks Department with assessment information regarding environmental condition at the parks and assisted the Department in addressing environmental problems (regulations for concessionaires, and spill prevention, stormwater pollution prevention, and aquifer protection requirements).
- Mitigated significant environmental and safety liability issues at Parks Department by closure of majority of abandoned mines at the San Tan Regional Park.
- Identified environmental, asbestos and lead paint issues at public housing developments (4 complexes – 197 units and 52 individual houses) for Housing Department. Developed plans to mitigate and manage liabilities identified (after the assessments had begun, we were asked questions specifically about the various Housing properties by our insurance carrier and were able to provide positive answers).
- Continued to provide sound environmental compliance information to requesting departments.

The Division recognizes that environmental risks are capable of being managed through risk control and prevention measures. These measures include separation of hazardous materials, effective pollution prevention and loss control techniques, redundant controls and safety mechanisms, double and triple containment of tanks and flow tubes, emergency response plans, and effective training of employees. The Division will continue to seek to implement these measures.

ADMINISTRATIVE DIVISION

The Administrative Division is responsible for procuring the insurance policies above the County's self-insured retention, providing certificates of insurance to County departments, preparing the annual user charges for services, preparing the annual budget and financial statements for the Trust and providing the administrative support to the other divisions within the department. Included in this report is a comparison of the assets and liabilities of the trust over a three-year period, the trend of the current insurance market, a budget summary and the financial statements through fiscal year ended June 30, 2002.

Self-Insured Trust Fund Combined Balance Sheet Comparison FY99-00, FY00-01, and FY01-02

	<u>FY99-00</u>	<u>FY00-01</u>	<u>FY01-02</u>
Assets	\$20,784,045	\$22,323,496	\$24,275,480
Liabilities	\$43,886,992	\$41,150,595	\$42,295,510
Net assets (deficit)	(\$23,102,947)	(\$18,827,099)	(\$18,020,030)

During the FY99-00 through FY01-02 period, the Trust's assets increased \$3,491,435 or 16.8%, from \$20,784,045 to \$24,275,480. During the same period, the Trust's liabilities decreased \$1,591,482 or 3.6%, from \$43,886,992 to \$42,295,510. Net assets deficits are a result of a spend down of the self-insured trust fund in a prior four year period, where user departments were only charged for administrative costs while claims and insurance were still being paid by Risk Management on behalf of these user departments. FY01-02 balance sheet details are provided in the financial section. The Trust began billing user departments for the full costs of claims and insurance in FY99-00.

Insurance Policies

Risk Management continues to analyze current insurance market trends. It is expected that insurance premiums in all lines of coverage will increase. The "hard" market of last year is expected to continue at least for another year. However, the potential increases in annual premium costs are not expected to be as great as the past year. Risk Management will continue working closely with our insurance broker to aggressively pursue reasonable insurance coverages to protect Maricopa County.

At the close of this fiscal year, the County's major insurance policies are as follows:

<u>Coverage</u>	<u>Policy Period</u>	<u>Limits</u>	<u>Deductible/SIR</u>
General Liability (Excess liability)	3-1-02/3-1-03	\$5 million \$5 million	\$2 million SIR

Medical Malpractice (Excess liability)	12-4-01/12-4-02	\$15 million \$10 million	\$2 million SIR
Workers' Compensation	7-1-02/7-1-03	\$25 million	\$1 million SIR
Property Damage	7-1-02/7-1-03	\$200 million	\$100,000 per occ.

Budget Summary

The expenditure budget for the Risk Management Department for FY01-02 was \$18,848,901. Of this amount \$1,146,102 was for personnel costs, \$399,844 was for supplies and services, \$20,000 was for capital equipment and 17,282,955 was for insurance, legal, and claims and claims related expenditures. On a percentage basis, 91.7% of Risk Management's budget is for insurance, legal, and claims and claim related expenditures.

The revenue budget for the Risk Management Department for FY01-02 was \$20,518,013. Of this amount \$19,119,496 was for user charges, \$1,120,000 was for interest earnings and \$278,517 was for insurance recoveries. On a percentage basis, 93.2% of the revenue is for user charges. These user charges are based on actuarially estimated claims payments and insurance projections for what the Risk Management Department will pay out on behalf of County departments.

Financial Statements

The financial statements presented in this section have been audited by the State of Arizona, Office of the Auditor General, and are included in the *Maricopa County Comprehensive Annual Financial Report* (CAFR) for FY01-02. A separate Maricopa County Self-Insured Trust Fund audit report has also been issued.

The actual expenditures for the Risk Management Department for FY01-02 were \$19,468,077. Of this amount, \$1,108,903 was for personnel costs, \$298,447 was for supplies and services and \$18,060,727 was for insurance, legal, and claims and claims related expenditures. On a percentage basis, 92.8% of Risk Management's actual expenditures is for insurance, legal, and claims and claims related expenditures.

The actual revenue for the Risk Management Department for FY01-02 was \$20,275,146. Of this amount, \$19,083,216 was from user charges, \$853,766 was from interest earnings, \$2,103 was miscellaneous revenue and \$336,061 was from insurance recoveries. On a percentage basis, 94.1% of the revenue was from user charges.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Statements of Net Assets—Internal Service Funds
June 30, 2002

	<u>Risk Management</u>	<u>Employee Benefits</u>
Assets		
Current assets:		
Cash and cash equivalents-		
Risk management	\$ 19,758,673	
Environmental insurance claims recovery	1,871,510	
Employee benefits		\$ 9,873,507
Interest receivable	121,892	59,416
Prepaid insurance	<u>2,500,283</u>	<u>2,000</u>
Total current assets	<u>24,252,358</u>	<u>9,934,923</u>
Noncurrent assets:		
Machinery and equipment	74,554	46,108
Less: accumulated depreciation	<u>(51,432)</u>	<u>(24,498)</u>
Total noncurrent assets	<u>23,122</u>	<u>21,610</u>
Total assets	<u>24,275,480</u>	<u>9,956,533</u>
Liabilities		
Current liabilities:		
Accounts payable	529,213	5,139,562
Employee compensation payable	88,918	
Deposits held for others		225,289
Reported and incurred but not reported claims	<u>11,449,440</u>	<u>794,084</u>
Total current liabilities	<u>12,067,571</u>	<u>6,158,935</u>
Noncurrent liabilities:		
Reported and incurred but not reported claims	<u>30,227,939</u>	
Total noncurrent liabilities	<u>30,227,939</u>	
Total liabilities	<u>42,295,510</u>	<u>6,158,935</u>
Net Assets		
Invested in capital assets, net of related debt	23,122	21,610
Restricted for self-insurance (deficit)	<u>(18,043,152)</u>	<u>3,775,988</u>
Total net assets (deficit)	<u>\$ (18,020,030)</u>	<u>\$ 3,797,598</u>

See accompanying notes to financial statements.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Statements of Revenues, Expenses, and
Changes in Fund Net Assets—Internal Service Funds
Year Ended June 30, 2002

	Risk Management	Employee Benefits
Operating revenues:		
Charges for services	\$ 19,083,216	
Insurance recoveries	336,061	
County and employee premiums		\$ 6,755,185
Other income	2,103	21,824
Total operating revenues	19,421,380	6,777,009
Operating expenses:		
Personal services	1,108,903	
Supplies and services	464,376	
Brokers' fees	42,000	
Consulting and management fees	317,606	
Claims administration service fees	426,583	206,553
Legal expenses	4,564,323	
Claims and insurance:		
Auto liability claims paid	252,503	
Auto liability claims reported decrease in estimate	(160,666)	
Auto liability IBNR claims increase in estimate	83,048	
Total auto liability	174,885	
General liability claims paid	1,606,340	
General liability claims reported increase in estimate	847,828	
General liability IBNR claims increase in estimate	147,633	
Total general liability	2,601,801	
Workers' compensation claims paid	3,478,198	
Workers' compensation claims reported increase in estimate	594,799	
Workers' compensation IBNR claims increase in estimate	1,795,126	
Total workers' compensation	5,868,123	
Medical malpractice claims paid	1,756,845	
Medical malpractice claims reported increase in estimate	859,371	
Medical malpractice IBNR claims decrease in estimate	(3,225,889)	
Total medical malpractice	(609,673)	
Auto physical damage claims paid	172,671	
Auto physical damage claims reported increase in estimate	1,865	
Total auto physical damage	174,536	
Property claims paid	35,960	
Property claims reported increase in estimate	165,220	
Total property	201,180	
Employee dental claims paid		3,945,054
Employee dental claims reported increase in estimate		277,852
Employee dental IBNR claims increase in estimate		209,912
Total employee dental		4,432,818
Short-term disability claims paid		1,243,424
Short-term disability IBNR claims increase in estimate		166,433
Total short-term disability		1,409,857
Unemployment claims	649,152	

See accompanying notes to financial statements.

(Continued)

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Statements of Revenues, Expenses, and
Changes in Fund Net Assets—Internal Service Funds
Year Ended June 30, 2002
(Continued)

	Risk Management	Employee Benefits
Environmental contingency	\$ 20,295	
General liability insurance premiums	899,025	
Workers' compensation insurance premiums	267,608	
Individual blanket bonds	26,511	
Property insurance premiums	431,115	
Malpractice insurance premiums	1,821,222	
Health insurance		\$ 312,307
Depreciation	18,506	7,436
Total operating expenses	19,468,077	6,368,971
Operating income (loss)	(46,697)	408,038
Nonoperating revenues (expenses):		
Investment income	853,766	322,408
Loss on disposal of machinery and equipment		(245,425)
Net nonoperating revenues	853,766	76,983
Increase in net assets	807,069	485,021
Total net assets (deficit), July 1, 2001	(18,827,099)	3,312,577
Total net assets (deficit), June 30, 2002	\$ (18,020,030)	\$ 3,797,598

See accompanying notes to financial statements.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Statements of Cash Flows—Internal Service Funds
Year Ended June 30, 2002

	Risk Management	Employee Benefits
Cash flows from operating activities:		
Receipts from other funds	\$ 19,083,216	\$ 6,755,185
Other receipts	338,164	25,139
Payments for fees and services	(6,434,291)	(206,553)
Payments for insurance claims	(7,302,517)	(661,327)
Payments for insurance premiums	(5,268,136)	
Payments to employees	(1,102,072)	
Net cash provided by (used for) operating activities	(685,636)	5,912,444
Cash flows from investing activities:		
Interest received on investments	941,499	306,950
Proceeds from sale of investments held by trustee	2,429,908	
Net cash provided by investing activities	3,371,407	306,950
Net increase in cash and cash equivalents	2,685,771	6,219,394
Cash and cash equivalents, July 1, 2001	18,944,412	3,654,113
Cash and cash equivalents, June 30, 2002	\$ 21,630,183	\$ 9,873,507
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (46,697)	\$ 408,038
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	18,506	7,436
Net change in reported and incurred but not reported claims, noncurrent portion	11,953,924	
Changes in assets and liabilities:		
Increase in:		
Prepaid insurance	(1,802,360)	
Accounts payable	29,946	5,057,763
Employee compensation payable	6,831	
Deposits held for others		3,315
Reported and incurred but not reported claims, current portion		654,197
Decrease in:		
Accrued liabilities	(197)	(218,305)
Reported and incurred but not reported claims, current portion	(10,845,589)	
Net cash provided by (used for) operating activities	\$ (685,636)	\$ 5,912,444
Noncash investing, capital, and noncapital financing activities:		
Disposal of machinery and equipment		\$ (245,425)
Loss on disposal of machinery and equipment		245,425

See accompanying notes to financial statements.

MARICOPA COUNTY
RISK MANAGEMENT TRUST FUND
Statements of Revenues, Expenses, and
Changes in Fund Net Assets—Internal Service Fund
Budget and Actual
Year Ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating revenues:			
Charges for services	\$ 19,119,496	\$ 19,083,216	\$ (36,280)
Insurance recoveries	278,517	336,061	57,544
Other income		2,103	2,103
Total operating revenues	<u>19,398,013</u>	<u>19,421,380</u>	<u>23,367</u>
Operating expenses:			
Personal services	1,146,102	1,108,903	(37,199)
Supplies and services	549,844	464,376	(85,468)
Brokers' fees	55,000	42,000	(13,000)
Consulting and management fees	492,500	317,606	(174,894)
Claims administration service fees	499,600	426,583	(73,017)
Legal expenses	4,677,908	4,564,323	(113,585)
Total auto liability	450,000	174,885	(275,115)
Total general liability	2,600,000	2,601,801	1,801
Total workers' compensation	3,030,476	5,868,123	2,837,647
Total medical malpractice	1,200,000	(609,673)	(1,809,673)
Total auto physical damage	525,358	174,536	(350,822)
Total property	328,873	201,180	(127,693)
Unemployment claims	500,000	649,152	149,152
Environmental contingency	100,000	20,295	(79,705)
General liability insurance premiums	577,680	899,025	321,345
Workers' compensation insurance premiums	244,000	267,608	23,608
Individual blanket bonds	28,360	26,511	(1,849)
Property insurance premiums	431,500	431,115	(385)
Malpractice insurance premiums	1,411,700	1,821,222	409,522
Other insurance	0	0	0
Depreciation		18,506	18,506
Total operating expenses	<u>\$18,848,901</u>	<u>\$19,468,077</u>	<u>\$619,176</u>
Operating loss		(46,697)	
Nonoperating revenues (expenses):			
Investment income	1,120,000	853,766	(266,234)
Loss on disposal of machinery and equipment			
Net nonoperating revenues	<u>1,120,000</u>	<u>853,766</u>	<u>(266,234)</u>
Increase in net assets		807,069	
Total net assets (deficit), July 1, 2001		<u>(18,827,099)</u>	
Total net assets (deficit), June 30, 2002		<u>\$ (18,020,030)</u>	

See accompanying notes to financial statements.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2002

NOTE 1 - Summary of Significant Accounting Policies

The County, in the exercise of the authority granted by Arizona Revised Statutes (A.R.S.) §11-981, has established a trust fund and declares itself self-insured. For financial statement presentation purposes, the Self-insured Trust Fund is reported as Risk Management and Employee Benefits Trust Funds (Funds) and all monies held in these Funds are considered restricted for self-insurance purposes. The Funds' financial statements are prepared in conformity with U.S. generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). During the year ended June 30, 2002, Maricopa County implemented GASB Statement No. 34, as amended by GASB Statement No. 37, which prescribes a new reporting model for state and local governments. As a result, the Funds followed the reporting requirements for business-type activities specified by the pronouncement. The Maricopa County *Comprehensive Annual Financial Report* for the fiscal year ended June 30, 2002, reports the Funds as governmental activities on the government-wide financial statements since they predominantly service the County's governmental funds. The County also implemented GASB Statement No. 38, which prescribes new and revised note disclosures. A summary of the Funds' more significant accounting policies follows.

A. Reporting Entity

The Self-insured Trust Fund is accounted for as internal service funds of Maricopa County, Arizona, under the direction of an administrator appointed by the County Board of Supervisors. In addition, the trust is administered by no less than six joint trustees, all of whom shall be citizens of the United States of America and residents of Maricopa County. The County Board of Supervisors also appoints the trustees. However, the ultimate financial accountability for the Funds remains with the County. The County is responsible for the management and operations of the financing of the uninsured risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and for certain health benefits (short-term disability and dental) to eligible employees and their dependents.

B. Fund Accounting

The Funds' accounts are maintained in accordance with the principles of fund accounting to ensure that limitations and restrictions on the Funds' available resources are observed. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with the activities or objectives specified for those resources. Each fund is considered a separate accounting entity, and its operations are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues, and expenses.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2002

The Funds' financial transactions are recorded and reported as internal service funds since their operations are financed and operated in a manner similar to private business enterprises. The intent of the County Board of Supervisors is that the costs (expenses, including depreciation) of providing goods or services to other departments within the County on a continuing basis be financed or recovered primarily through user charges.

C. Basis of Presentation and Accounting

The financial statements include statements of net assets; statements of revenues, expenses, and changes in fund net assets; and statements of cash flows.

The statements of net assets provide information about the assets, liabilities, and net assets of the Funds at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net assets are classified according to the availability of assets to satisfy the Funds' obligations. Invested in capital assets net of related debt represents the value of capital assets, net of accumulated depreciation less any outstanding debt incurred to acquire or construct the asset. Restricted net assets represent the balance of monies held in the Funds for self-insurance purposes.

The statements of revenues, expenses, and changes in fund net assets provide information about the Funds' financial activities during the year. Revenues and expenses are classified as either operating or nonoperating, and all changes in assets are reported. Generally, charges for services, insurance premiums, and insurance recoveries are considered to be operating revenues. Other revenues such as investment income are not generated from operations and are considered to be nonoperating revenues.

The statements of cash flows provide information about the Funds' sources and uses of cash and cash equivalents during the year. Increases and decreases in cash and cash equivalents are classified as either operating, noncapital financing, capital financing, or investing.

Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied and determines when revenues and expenses are recognized in the accounts and reported in the financial statements. The financial statements of the Funds are presented on the accrual basis of accounting using the economic resources measurement focus. Revenues are recognized when they are earned, and expenses are recognized when they are incurred, regardless of when the related cash flows take place.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2002

The Funds apply only those applicable Financial Accounting Standards Board Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

D. Cash and Cash Equivalents

The Funds' cash and cash equivalents are held by the County Treasurer in its investment pool, and they are reported at fair value. The Funds' investments in the County Treasurer's investment pool represents proportionate interests in that pool's portfolio; however, the Funds' portions are not identified with specific investments and are not subject to custodial credit risk. No oversight is provided for the County Treasurer's investment pool, and the pool's structure does not provide for shares. Interest earned from investments purchased with such pooled monies is allocated to each of the funds based on their average daily cash balance on a quarterly basis. Interest earned and not received prior to June 30, is recorded as interest receivable.

For purposes of the statements of cash flows, cash and cash equivalents consist of the Funds' share of the pooled portfolio of specific investments and repurchase agreements purchased by the Maricopa County Treasurer's Office. The County considers only those highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

E. Machinery and Equipment

Machinery and equipment are capitalized at cost. Depreciation of machinery and equipment is charged as an expense against operations. These assets are depreciated over their estimated useful lives using the straight-line method. The estimated useful lives of machinery and equipment range from 3 to 10 years.

F. Employee Compensation Payable

Employee compensation payable consists of payroll and payroll related costs incurred but not paid at June 30, and personal time off (PTO) earned by employees based on services already rendered. Employees may accumulate up to 240 hours of PTO, but any PTO hours in excess of the maximum amount that are unused at calendar year-end will be transferred to family medical leave (FML). FML benefits are used by employees for FML qualifying events and are cumulative but do not vest with employees and therefore, are not accrued. However, upon retirement, employees of the Funds with accumulated FML in excess of 1,000 hours are entitled to a \$3,000 bonus. The amount of such bonuses is accrued in the liability of employee compensation payable.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2002

NOTE 2 - Reporting Changes

Effective July 1, 2001, as a result of implementing GASB Statement No. 34, the beginning fund equity has been relabeled net assets as of July 1, 2001, on the Statements of Revenues, Expenses, and Changes in Fund Net Assets.

NOTE 3 - Prepaid Insurance

Prepaid insurance for the Risk Management Trust Fund consists of \$2,420,283 of prepaid broker services, workers' compensation, general and auto liability, property, blanket bonds, and malpractice insurance policies. The initial premiums for these policies are amortized pro rata over each policy or contract term using the consumption method. The remaining balance of \$80,000 consists of prepaid deposits to the workers' compensation third party administrator.

Prepaid insurance for the Employee Benefits Trust Fund consists of prepaid deposits to the short-term disability third party administrator.

NOTE 4 - Deposits Held for Others

Deposits held for others consist of employee flexible spending account contributions for health care and dependent care. The balance is composed of the excess of current plan year contributions over withdrawals and forfeitures since program inception.

NOTE 5 - Investment Held by Trustee

In prior years, the County held a U.S. Treasury note with a trustee for unfunded workers' compensation claims as required by the Industrial Commission of Arizona. As of November 2001, the U.S. Treasury note for \$2.4 million was released to the County Treasurer as the County had met the Industrial Commission's self-insurance requirements.

NOTE 6 - Liabilities for Unpaid Claims

The Funds provide for claims liabilities based on estimates of the ultimate cost of claims, including future claims adjustment expenses, that have been reported but not settled, and of claims that have been incurred but not reported.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2002

The County is liable for any single claim up to the insurance deductible or self-insurance retention (SIR), whichever is applicable, and the excess of insurance limits. The following insurance deductibles, self-insurance retentions, and insurance limits were in effect during fiscal year 2001-02:

<u>Policy Type</u>	<u>Deductible</u>	<u>SIR</u>	<u>Limit</u>
General and auto liability		\$ 2,000,000	\$ 5,000,000
Excess general and auto liability		primary	5,000,000
Property/inland marine	\$ 100,000		666,176,639
including boiler and machinery	100,000		100,000,000
Earthquake	100,000		100,000,000
Flood zones B and C	250,000		100,000,000
Flood zone A	250,000		10,000,000
Difference in conditions		primary	40,000,000
Employee dishonesty	50,000+10% *		10,000,000
Theft and robbery	5,000		1,000,000
Computer and wire transfer fraud	50,000+10% *		10,000,000
Forgery alteration/property	5,000		1,000,000
Excess workers' compensation		250,000	statutory
Employer's liability			1,000,000
Self-insurer's guaranty bond	None		250,000
Medical malpractice		2,000,000	15,000,000
Excess medical malpractice		primary	10,000,000
Employee medical		75,000	no limit

* 10% is for claims over \$1,000,000

Settled claims have not exceeded the above commercial insurance coverage limits over the past three years.

Risk Management Trust Fund

Liabilities for unpaid claims are estimates of the ultimate cost of claims that include the insurance deductible, the SIR, and the excess of insurance limits. The estimates are determined by an independent actuary using the following actuarial methods: incurred loss development, paid loss development, frequency/severity, incremental paid-workers' compensation, paid allocated loss adjustment expense to paid loss development, and tail liability for medical malpractice. Total liabilities are equal to the sum of:

1. Reported But Unpaid Claims (RBUC), which represent the estimated liability on reported claims established by the Risk Management department and

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2002

2. Incurred But Not Reported (IBNR) reserves, which include known loss events that are expected to become claims and expected future development on claims already reported. IBNR, therefore, is largely an estimate of loss and claim adjustment expenses associated with future likely claims activity based on historical actual results that establish a reliable pattern.

Accrued actuarial liabilities are based on a discounted 55 percent confidence level assuming a 4.69 percent annual rate of return on future investment income.

The total liabilities reported at June 30, 2002, categorized by RBUC and IBNR by insurable area follow:

	<u>RBUC</u>	<u>IBNR</u>	<u>Total Liabilities</u>
Auto liability	\$ 184,794	\$ 234,132	\$ 418,926
General liability	11,808,127	6,806,137	18,614,264
Workers' compensation	8,598,571	1,981,935	10,580,506
Medical malpractice	3,617,132	8,051,729	11,668,861
Auto physical damage	67,786		67,786
Property	327,036		327,036
			<u>\$ 41,677,379</u>

The total estimates of unpaid claim liabilities of \$41.7 million at June 30, 2002, increased by approximately \$1.1 million from last year's balance of \$40.6 million. A significant reason for this increase was due to SIR's and deductibles that increased while coverage limits have decreased for purchased insurance policies.

Changes in the liabilities for unpaid auto, general, workers' compensation, medical malpractice, auto physical damage, and property claims follow:

	<u>Balance</u> <u>July 1</u>	<u>Current-Year</u> <u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claims</u> <u>Payments</u>	<u>Balance</u> <u>June 30</u>
1999-00	\$ 40,772,018	\$ 10,779,261	\$ (8,520,655)	\$ 43,030,624
2000-01	43,030,624	6,181,957	(8,643,537)	40,569,044
2001-02	40,569,044	8,410,852	(7,302,517)	41,677,379

It is estimated that \$11,449,440 of these liabilities will be paid within the next twelve months.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2002

Employee Benefits Trust Fund

The liability for dental, short-term disability, and medical claims as shown below is based on the fiscal year 2001-02 actuarial reports for dental and short-term disability and the actuarial liability from the 1996-97 actuarial report minus the paid claims for medical. Effective January 1, 1998, all employee medical benefits are now provided through commercial insurance. The County is still liable for claims filed under the previous medical coverage.

Accrued actuarial liabilities at June 30, 2002, for each insurable area follow:

Employee dental	\$ 487,764
Short-term disability	253,461
Employee medical	52,859
Total	\$ 794,084

Changes in the liabilities for unpaid dental, short-term disability, and medical claims follow:

	Balance <u>July 1</u>	Current-Year Claims and Changes in <u>Estimates</u>	Claims <u>Payments</u>	Balance <u>June 30</u>
1999-00	\$ 176,119	\$ 696,724	\$ (703,676)	\$ 169,167
2000-01	169,167	924,104	(953,384)	139,887
2001-02	139,887	5,842,675	(5,188,478)	794,084

It is estimated that the June 30, 2002, liabilities balance of \$794,084 will be paid within the next twelve months.

NOTE 7 - Net Assets Deficit

The County Board of Supervisors elected not to fund the Risk Management Trust Fund's unpaid claims in fiscal years 1995-96 through 1998-99. Consequently, the Risk Management Trust Fund only billed user departments for operating costs and administrative expenses for those years. This resulted in a total net assets deficit of \$23,321,519 at June 30, 1999. Starting July 1, 1999, Risk Management began billing user departments for actuarially determined claim estimates that are projected to be paid each fiscal year. As of June 30, 2002, the total net assets deficit has been reduced to \$18,020,030.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2002

NOTE 8 - Retirement Plan

Plan Description—The Funds contribute to a cost-sharing multiple-employer defined benefit pension plan administered by the Arizona State Retirement System (ASRS). Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. The System is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

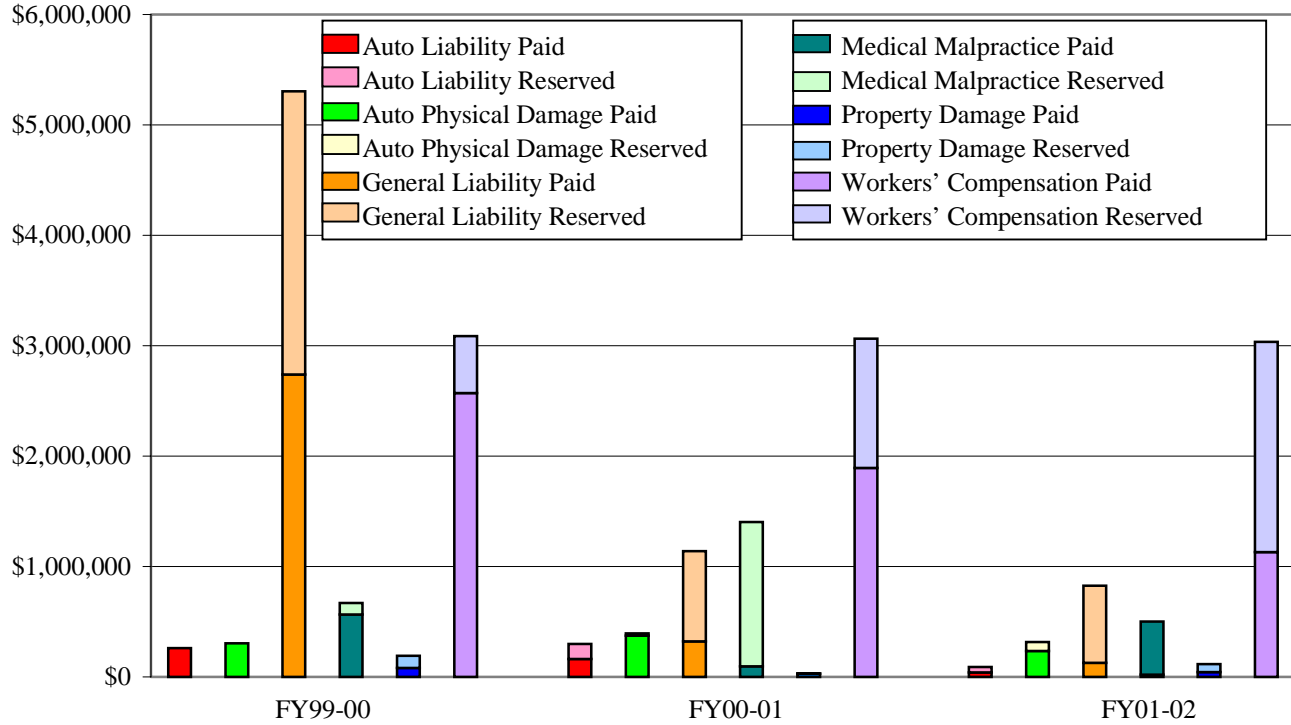
The System issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the ASRS, 3300 North Central Avenue, P.O. Box 33910, Phoenix, AZ 85067-3910 or by calling (602) 240-2000 or (800) 621-3778.

Funding Policy—The Arizona State Legislature establishes and may amend active plan members' and the Funds' contribution rate. For the year ended June 30, 2002, active plan members and the Funds were each required by statute to contribute at the actuarially determined rate of 2.49 percent (2.00 percent retirement and 0.49 percent long-term disability) of the members' annual covered payroll. The Funds' contributions to the System for the years ended June 30, 2002, 2001, and 2000 were \$22,865, \$23,909, and \$31,546, respectively, which were equal to the required contributions for the year.

NOTE 9 - Subsequent Event

On July 1, 2002, the County renewed its workers' compensation insurance and increased its self-insurance retention from \$250,000 to \$1,000,000. As a result, the Industrial Commission of Arizona required the County to secure an irrevocable letter of credit with a financial institution to cover unfunded workers' compensation claims in the amount of \$8.3 million.

**TOTAL COST-ALL CLAIMS
(PAID OR RESERVED)
FY99-00 TO FY01-02**



		Auto Liability	Auto Physical Damage	General Liability	Medical Malpractice	Property	Workers' Compensation	TOTAL
FY99-00	\$ Paid	\$261,644	\$304,833	\$2,738,502	\$565,222	\$81,457	\$2,569,794	\$6,521,453
	Open Reserves	\$0	\$150	\$2,567,132	\$103,830	\$109,995	\$517,078	\$3,298,185
	Total Incurred	\$261,644	\$304,983	\$5,305,634	\$669,052	\$191,453	\$3,086,873	\$9,819,638
FY00-01	\$ Paid	\$161,765	\$375,263	\$320,820	\$95,521	\$29,927	\$1,892,091	\$2,875,387
	Open Reserves	\$136,308	\$19,040	\$819,666	\$1,306,235	\$2,848	\$1,170,285	\$3,454,382
	Total Incurred	\$298,073	\$394,303	\$1,140,486	\$1,401,755	\$32,775	\$3,062,376	\$6,329,768
FY01-02	\$ Paid	\$40,475	\$235,929	\$127,750	\$20,863	\$42,529	\$1,131,365	\$1,598,911
	Open Reserves	\$48,486	\$79,723	\$698,457	\$480,737	\$73,334	\$1,902,357	\$3,283,094
	Total Incurred	\$88,961	\$315,652	\$826,207	\$501,600	\$115,863	\$3,033,721	\$4,882,004

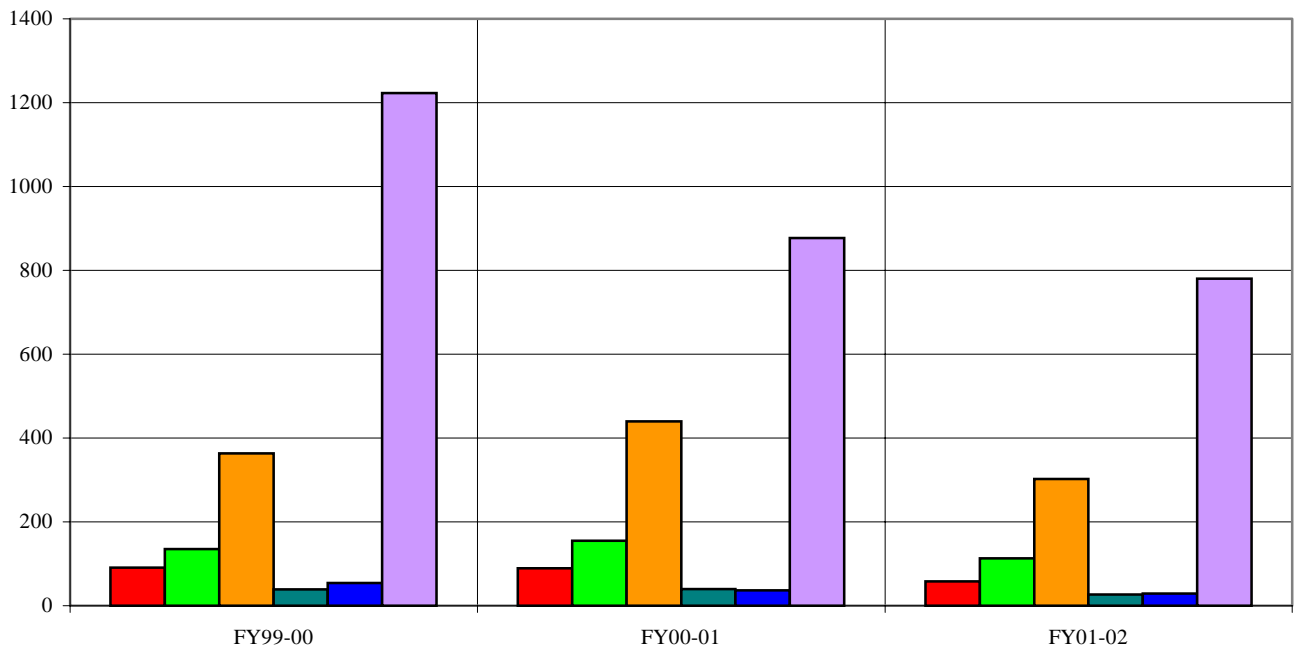
- Notes:
1. Dollars paid represents the amount paid for the year in which the event occurred and does not include RBNP nor IBNR reserves.
 2. Amounts as valued on June 30, 2002, as reported by the Riskmaster system except for Workers' Compensation amounts as valued on June 30, 2002, as reported by the Pinnacle system.
 3. Unemployment not included.

**TOTAL CLAIMS SUMMARY TABLE
FY99-00 TO FY01-02**

Department	FY99-00		FY00-01		FY01-02	
	# Claims	\$ Paid	# Claims	\$ Paid	# Claims	\$ Paid
ADULT PROBATION	46	\$112,533	43	\$51,644	34	\$33,555
ALTCS	7	\$16,708	31	\$25,414	18	\$13,253
ANIMAL CONTROL	48	\$46,143	40	\$35,693	46	\$73,868
CLERK OF SUP. COURT	32	\$60,342	23	\$25,940	18	\$41,922
CORRECTIONAL HEALTH	27	\$654,558	28	\$22,493	32	\$51,503
COUNTY ATTORNEY	41	\$298,255	39	\$84,292	23	\$36,025
ELECTIONS	7	\$2,940	19	\$44,721	2	\$5,613
ENVIRONMENTAL SERVICES	15	\$6,707	26	\$32,613	28	\$33,341
EQUIPMENT SERVICES	13	\$53,875	20	\$75,578	18	\$25,192
FACILITIES MANAGEMENT	19	\$25,635	23	\$51,822	19	\$21,387
FINANCE	1	\$0	2	\$32,013	0	\$0
FLOOD CONTROL	42	\$1,077,025	34	\$60,953	27	\$27,061
HOUSING	12	\$63,967	12	\$10,425	10	\$36,297
HUMAN SERVICES	28	\$11,467	23	\$19,128	29	\$17,527
INDIGENT REPRESENTATION	8	\$460	24	\$14,907	13	\$5,283
JUSTICE COURTS	18	\$17,830	23	\$56,566	10	\$14,842
JUVENILE CRT.	40	\$57,204	33	\$68,384	34	\$12,952
LIBRARY	15	\$14,253	11	\$3,881	2	\$4,603
MARICOPA HEALTH SYSTEM	378	\$781,518	300	\$514,715	233	\$272,764
MCDOT	157	\$227,203	168	\$75,585	119	\$113,302
PARKS & RECREATION	23	\$109,869	19	\$38,800	29	\$9,438
PLANNING & DEVELOPMENT	11	\$22,502	8	\$2,128	7	\$2,177
PUBLIC HEALTH	50	\$109,425	41	\$101,388	30	\$14,103
SHERIFF	747	\$2,635,305	566	\$1,376,706	455	\$647,091
SUPERIOR COURTS	40	\$83,248	29	\$12,241	23	\$30,656
ALL OTHERS	80	\$32,482	53	\$37,356	50	\$55,157
TOTALS	1905	\$6,521,453	1638	\$2,875,387	1309	\$1,598,911

- Notes:
1. Dollars paid represents the amount paid for the year in which the event occurred and does not include RBNP nor IBNR reserves. Due to lag time in resolution and payment of claims, the figures from FY99-00 give a truer picture as these claims have had time to mature.
 2. Amounts as valued on June 30, 2002, as reported by the Riskmaster system except for Workers' Compensation amounts as valued on June 30, 2002, as reported by the Pinnacle system.
 3. Unemployment not included.

**TOTAL NUMBER OF CLAIMS
FY99-00 TO FY01-02**



■ Auto Liability
 ■ Auto Physical Damage
 ■ General Liability
 ■ Medical Malpractice
 ■ Property
 ■ Workers' Compensation

	FY99-00	FY00-01	FY01-02
Auto Liability	91	89	58
Auto Physical Damage	135	155	113
General Liability	363	440	302
Medical Malpractice	39	40	27
Property	54	37	29
Workers' Compensation	1223	877	780
TOTAL	1905	1638	1309

- Notes:
1. Number of claims paid represents the amount of claims for the year in which the event occurred.
 2. Amounts as valued on June 30, 2002, as reported by the Riskmaster system except for Workers' Compensation amounts as valued on June 30, 2002, as reported by the Pinnacle System.
 3. Unemployment not included.

**AUTO LIABILITY LOSS SUMMARY
FY99-00 TO FY01-02**

Department	FY99-00		FY00-01		FY01-02	
	# Claims	\$ Paid	# Claims	\$ Paid	# Claims	\$ Paid
ALTCS	0	\$0	1	\$0	0	\$0
ANIMAL CONTROL	6	\$1,377	1	\$0	2	\$992
CONSTABLES	1	\$1,006	2	\$6,453	0	\$0
COUNTY ATTORNEY	2	\$1,903	3	\$13,994	1	\$674
ELECTIONS	1	\$0	1	\$0	0	\$0
ENVIRONMENTAL SERVICES	0	\$0	5	\$7,601	1	\$2,453
EQUIPMENT SERVICES	0	\$0	0	\$0	1	\$0
FACILITIES MANAGEMENT	1	\$500	2	\$3,360	1	\$3,111
FLOOD CONTROL	9	\$15,072	2	\$8,128	2	\$1,830
HOUSING	1	\$622	0	\$0	0	\$0
HUMAN SERVICES	1	\$0	2	\$1,128	2	\$2,010
INDIGENT REPRESENTATION	0	\$0	1	\$2,000	0	\$0
JUVENILE CRT.	0	\$0	2	\$0	1	\$0
LIBRARY	1	\$1,443	0	\$0	0	\$0
MARICOPA HEALTH SYSTEM	3	\$12,220	0	\$0	1	\$477
MCDOT	13	\$130,372	10	\$12,861	5	\$2,772
MEDICAL ELIGIBILITY	0	\$0	0	\$0	1	\$1,406
MEDICAL EXAMINER	1	\$826	1	\$767	0	\$0
PARKS & RECREATION	1	\$1,101	4	\$3,842	1	\$733
PLANNING & DEVELOPMENT	3	\$13,346	1	\$458	1	\$698
PUBLIC HEALTH	2	\$1,409	1	\$0	0	\$0
SHERIFF	43	\$79,696	48	\$101,173	38	\$23,318
SOLID WASTE MANAGEMENT	1	\$750	0	\$0	0	\$0
SUPER. OF SCHOOLS	0	\$0	1	\$0	0	\$0
SUPERIOR COURTS	1	\$0	1	\$0	0	\$0
TOTALS	91	\$261,644	89	\$161,765	58	\$40,475

- Notes: 1. Dollars paid represents the amount paid for the year in which the event occurred and does not include RBNP nor IBNR reserves. Due to lag time in resolution and payment of claims, the figures from FY99-00 give a truer picture as these claims have had time to mature.
2. Amounts as valued on June 30, 2002, as reported by the Riskmaster system.

**AUTO PHYSICAL DAMAGE LOSS SUMMARY
FY99-00 TO FY01-02**

Department	FY99-00		FY00-01		FY01-02	
	# Claims	\$ Paid	# Claims	\$ Paid	# Claims	\$ Paid
ADULT PROBATION	3	\$5,125	4	\$5,380	3	\$6,711
ALTCS	0	\$0	1	\$100	0	\$0
ANIMAL CONTROL	5	\$3,057	3	\$1,945	1	\$1,262
CLERK OF SUP. COURT	0	\$0	0	\$0	2	\$411
CONSTABLES	1	\$5,247	0	\$0	3	\$411
CORRECTIONAL HEALTH	0	\$0	0	\$0	1	\$856
COUNTY ASSESSOR	1	\$60	0	\$0	1	\$2,541
COUNTY ATTORNEY	7	\$19,666	4	\$4,327	3	\$2,420
ELECTIONS	2	\$1,413	0	\$0	0	\$0
ENVIRONMENTAL SERVICES	3	\$4,797	6	\$8,108	3	\$132
EQUIPMENT SERVICES	3	\$14,042	3	\$5,822	2	\$8,776
FACILITIES MANAGEMENT	2	\$1,531	5	\$9,288	3	\$8,664
FLOOD CONTROL	5	\$11,933	4	\$17,018	3	\$1,269
HOUSING	1	\$3,965	1	\$2,142	1	\$729
HUMAN SERVICES	0	\$0	3	\$7,167	0	\$0
INDIGENT REPRESENTATION	0	\$0	3	\$1,216	1	\$1,655
JUSTICE COURTS	0	\$0	1	\$50	1	\$2,658
JUVENILE CRT.	0	\$0	6	\$4,306	3	\$2,063
LIBRARY	1	\$60	0	\$0	0	\$0
MARICOPA HEALTH SYSTEM	6	\$4,162	8	\$11,383	2	\$361
MCDOT	14	\$24,515	13	\$10,185	12	\$86,635
MEDICAL ELIGIBILITY	1	\$1,524	1	\$499	0	\$0
PARKS & RECREATION	4	\$7,630	1	\$780	3	\$0
PLANNING & DEVELOPMENT	2	\$5,746	1	\$536	1	\$458
PUBLIC FIDUCIARY	0	\$0	0	\$0	1	\$283
PUBLIC HEALTH	3	\$3,067	5	\$3,980	2	\$2,016
SHERIFF	69	\$184,573	81	\$279,496	61	\$105,620
SOLID WASTE MANAGEMENT	1	\$2,371	0	\$0	0	\$0
SUPERIOR COURTS	1	\$347	0	\$0	0	\$0
TELECOM	0	\$0	1	\$1,536	0	\$0
TOTALS	135	\$304,833	155	\$375,263	113	\$235,929

- Notes: 1. Dollars paid represents the amount paid for the year in which the event occurred and does not include RBNP nor IBNR reserves. Due to lag time in resolution and payment of claims, the figures from FY99-00 give a truer picture as these claims have had time to mature.
2. Amounts as valued on June 30, 2002, as reported by the Riskmaster system.

**GENERAL LIABILITY LOSS SUMMARY
FY99-00 TO FY01-02**

Department	FY99-00		FY00-01		FY01-02	
	# Claims	\$ Paid	# Claims	\$ Paid	# Claims	\$ Paid
ADULT PROBATION	5	\$0	5	\$0	2	\$0
ALTCS	0	\$0	1	\$0	0	\$0
ANIMAL CONTROL	4	\$375	8	\$0	8	\$1,509
CLERK OF SUP. COURT	2	\$0	1	\$0	1	\$0
CORRECTIONAL HEALTH	12	\$100,903	8	\$10,645	12	\$0
COUNTY ASSESSOR	1	\$0	0	\$0	0	\$0
COUNTY ATTORNEY	16	\$235,999	17	\$44,443	4	\$13,752
ELECTIONS	1	\$193	3	\$125	0	\$0
ENVIRONMENTAL SERVICES	1	\$0	1	\$667	4	\$0
EQUIPMENT SERVICES	0	\$0	3	\$3,706	1	\$0
FACILITIES MANAGEMENT	3	\$3,048	3	\$15,995	8	\$0
FINANCE	0	\$0	2	\$32,013	0	\$0
FLOOD CONTROL	13	\$1,002,639	18	\$2,926	2	\$0
HOUSING	3	\$199	2	\$0	1	\$0
HUMAN SERVICES	1	\$0	0	\$0	1	\$0
INDIGENT REPRESENTATION	4	\$94	10	\$919	4	\$19
JUSTICE COURTS	11	\$461	6	\$0	1	\$0
JUVENILE CRT.	3	\$0	2	\$0	1	\$60
LIBRARY	0	\$0	1	\$0	0	\$0
MARICOPA HEALTH SYSTEM	13	\$89,077	23	\$49,551	13	\$296
MATERIALS MANAGEMENT	1	\$0	0	\$0	1	\$0
MCDOT	101	\$41,853	123	\$5,151	79	\$12,683
MEDICAL ELIGIBILITY	0	\$0	1	\$0	1	\$10,234
MEDICAL EXAMINER	2	\$0	3	\$0	3	\$250
PARKS & RECREATION	5	\$19,190	4	\$0	13	\$80
PLANNING & DEVELOPMENT	2	\$432	2	\$0	3	\$0
PUBLIC HEALTH	1	\$0	5	\$32,573	7	\$324
RISK MANAGEMENT	0	\$0	0	\$0	1	\$6,825
SHERIFF	143	\$1,243,947	179	\$122,107	123	\$81,719
SOLID WASTE MANAGEMENT	1	\$0	0	\$0	1	\$0
STADIUM DISTRICT	1	\$0	2	\$0	1	\$0
SUPER. OF SCHOOLS	1	\$0	0	\$0	0	\$0
SUPERIOR COURTS	11	\$91	7	\$0	5	\$0
TREASURER	1	\$0	0	\$0	1	\$0
TOTALS	363	\$2,738,502	440	\$320,820	302	\$127,750

- Notes: 1. Dollars paid represents the amount paid for the year in which the event occurred and does not include RBNP nor IBNR reserves. Due to lag time in resolution and payment of claims, the figures from FY99-00 give a truer picture as these claims have had time to mature.
2. Amounts as valued on June 30, 2002, as reported by the Riskmaster system.

**MEDICAL MALPRACTICE LOSS SUMMARY
FY99-00 TO FY01-02**

Department	FY99-00		FY00-01		FY01-02	
	# Claims	\$ Paid	# Claims	\$ Paid	# Claims	\$ Paid
ALTCS	1	\$55	2	\$110	1	\$0
CORRECTIONAL HEALTH	4	\$531,992	6	\$2,926	5	\$20,863
MARICOPA HEALTH SYSTEM	34	\$33,176	32	\$92,484	21	\$0
TOTALS	39	\$565,222	40	\$95,521	27	\$20,863

- Notes:
1. Dollars paid represent the amount paid for the year in which the event occurred and does not include RBNP nor IBNR reserves. Due to lag time in resolution and payment of claims, the figures from FY99-00 give a truer picture as these claims have had time to mature.
 2. Number of claims paid represents the amount of claims for the year in which the event occurred.
 3. Amounts as valued on June 30, 2002, as reported by the Riskmaster system.

**PROPERTY LOSS SUMMARY
FY99-00 TO FY01-02**

Department	FY99-00		FY00-01		FY01-02	
	# Claims	\$ Paid	# Claims	\$ Paid	# Claims	\$ Paid
ANIMAL CONTROL	3	\$0	1	\$0	0	\$0
CALL CENTER	1	\$0	0	\$0	0	\$0
CHIEF INFORMATION OFFICER	1	\$3,088	0	\$0	0	\$0
CLERK OF SUP. COURT	0	\$0	1	\$0	0	\$0
CLERK OF THE BOARD	0	\$0	1	\$0	0	\$0
COUNTY ATTORNEY	2	\$2,282	0	\$0	0	\$0
EMERGENCY MANAGEMENT	0	\$0	0	\$0	1	\$0
FACILITIES MANAGEMENT	2	\$7,406	4	\$13,228	1	\$0
FLOOD CONTROL	2	\$0	2	\$2,272	7	\$0
HOUSING	5	\$31,296	4	\$2,435	4	\$24,788
INDIGENT REPRESENTATION	0	\$0	1	\$0	0	\$0
JUSTICE COURTS	1	\$0	1	\$0	1	\$0
JUVENILE CRT.	1	\$0	0	\$0	0	\$0
LIBRARY	2	\$0	0	\$0	0	\$0
MARICOPA HEALTH SYSTEM	2	\$5	0	\$0	3	\$10,839
MCDOT	2	\$10,927	6	\$0	5	\$238
MEDICAL ELIGIBILITY	0	\$0	1	\$236	0	\$0
MEDICAL EXAMINER	1	\$343	1	\$0	0	\$0
PARKS & RECREATION	2	\$1,884	2	\$0	1	\$0
PUBLIC FIDUCIARY	1	\$0	0	\$0	0	\$0
PUBLIC HEALTH	0	\$0	1	\$616	1	\$0
SHERIFF	22	\$17,191	10	\$10,956	5	\$6,664
SOLID WASTE	2	\$0	0	\$0	0	\$0
SUPERIOR COURTS	1	\$7,037	1	\$183	0	\$0
TELECOM	1	\$0	0	\$0	0	\$0
TOTALS	54	\$81,457	37	\$29,927	29	\$42,529

- Notes: 1. Dollars paid represents the amount paid for the year in which the event occurred and does not include RBNP nor IBNR reserves. Due to lag time in resolution and payment of claims, the figures from FY99-00 give a truer picture as these claims have had time to mature.
2. Amounts as valued on June 30, 2002, as reported by the Riskmaster system.

**WORKERS' COMPENSATION LOSS SUMMARY
FY99-00 TO FY01-02**

Department	FY99-00		FY00-01		FY01-02	
	# Claims	\$ Paid	# Claims	\$ Paid	# Claims	\$ Paid
ADULT PROBATION	38	\$107,408	34	\$46,264	29	\$26,844
ALTCS	6	\$16,654	26	\$25,203	17	\$13,253
ANIMAL CONTROL	30	\$41,333	27	\$33,748	35	\$70,105
CLERK OF THE SUP. COURT	30	\$60,342	21	\$25,940	15	\$41,511
CORRECTIONAL HEALTH	11	\$21,663	14	\$8,923	14	\$29,784
COUNTY ASSESOR	10	\$963	10	\$10,536	10	\$5,925
COUNTY ATTORNEY	14	\$38,405	15	\$21,528	15	\$19,179
ELECTIONS	3	\$1,334	15	\$44,596	2	\$5,613
ENVIRONMENTAL SERVICES	11	\$1,910	14	\$16,236	20	\$30,756
EQUIPMENT SERVICES	10	\$39,833	14	\$66,051	14	\$16,415
FACILITIES MANAGEMENT	11	\$13,151	9	\$9,950	6	\$9,612
FLOOD CONTROL	13	\$47,380	8	\$30,609	13	\$23,963
HOUSING	2	\$27,885	5	\$5,848	4	\$10,780
HUMAN SERVICES	26	\$11,467	18	\$10,833	26	\$15,517
INDIGENT REPRESENTATION	4	\$366	9	\$10,773	8	\$3,609
JUSTICE COURTS	6	\$17,369	15	\$56,516	7	\$12,184
JUVENILE CRT.	36	\$57,204	23	\$64,078	29	\$10,828
LIBRARY	11	\$12,750	10	\$3,881	2	\$4,603
MARICOPA HEALTH SYSTEM	320	\$642,878	237	\$361,298	193	\$260,791
MCDOT	27	\$19,536	16	\$47,388	18	\$10,974
PARKS & RECREATION	11	\$80,063	8	\$34,179	11	\$8,625
PUBLIC HEALTH	44	\$104,949	29	\$64,219	20	\$11,764
SHERIFF	470	\$1,109,897	248	\$862,973	228	\$429,770
SUPER. OF SCHOOLS	2	\$622	1	\$0	2	\$19,162
SUPERIOR COURTS	26	\$75,773	20	\$12,058	18	\$30,656
ALL OTHERS	51	\$18,659	31	\$18,463	24	\$9,141
TOTALS	1223	\$2,569,795	877	\$1,892,091	780	\$1,131,365

- Notes: 1. Dollars paid represents the amount paid for the year in which the event occurred and does not include RBNP nor IBNR reserves. Due to lag time in resolution and payment of claims, the figures from FY99-00 give a truer picture as these claims have had time to mature.
2. Amounts as valued on June 30, 2002, as reported by the Pinnacle system.

**UNEMPLOYMENT LOSS SUMMARY
FY99-00 TO FY01-02**

Department	FY99-00	FY00-01	FY01-02
	\$ Paid	\$ Paid	\$ Paid
ADULT PROBATION	\$21,792	\$36,923	\$14,657
ANIMAL CONTROL	\$1,600	\$10,637	\$11,090
CHIEF INFORMATION OFFICER	\$241	\$2,536	\$20,988
CLERK OF SUP. COURT	\$7,654	\$24,347	\$29,829
CORRECTIONAL HEALTH	\$1,098	\$4,450	\$8,926
COUNTY ASSESSOR	\$4,718	\$8,694	\$4,699
COUNTY ATTORNEY	\$3,563	\$15,858	\$34,066
ELECTIONS	\$5,381	\$3,753	\$12,634
ENVIRONMENTAL SERVICES	\$1,315	\$7,459	\$14,186
FACILITIES MANAGEMENT	\$2,827	\$4,209	\$7,136
HOUSING	\$632	\$2,876	\$13,066
HUMAN RESOURCES	\$4,380	\$3,485	\$5,338
HUMAN SERVICES	\$65,711	\$73,304	\$45,070
INDIGENT REPRESENTATION	\$131	\$6,258	\$5,712
JUSTICE COURTS	\$14,112	\$11,783	\$11,675
JUVENILE CRT.	\$4,826	\$15,729	\$27,525
LIBRARY	\$1,236	\$6,698	\$4,703
MARICOPA HEALTH SYSTEM	\$58,190	\$73,293	\$151,867
MCDOT	\$11,407	\$13,959	\$24,769
MEDICAL ELIGIBILITY	\$10,485	\$13,186	\$17,019
MEDICAL EXAMINER	\$1,845	\$1,776	\$7,106
PUBLIC HEALTH	\$2,230	\$14,336	\$33,253
RECORDER	\$715	\$4,655	\$5,387
SHERIFF	\$56,672	\$20,888	\$72,299
SUPERIOR COURTS	\$17,448	\$21,368	\$33,884
ALL OTHERS	\$39,755	\$32,879	\$32,266
TOTALS	\$339,965	\$435,339	\$649,151

- Notes: 1. Dollars paid represents the amount paid for the fiscal year. There are no reserves for unemployment.
2. Amounts as valued on June 30, 2002, as reported by the Advantage Financial System.