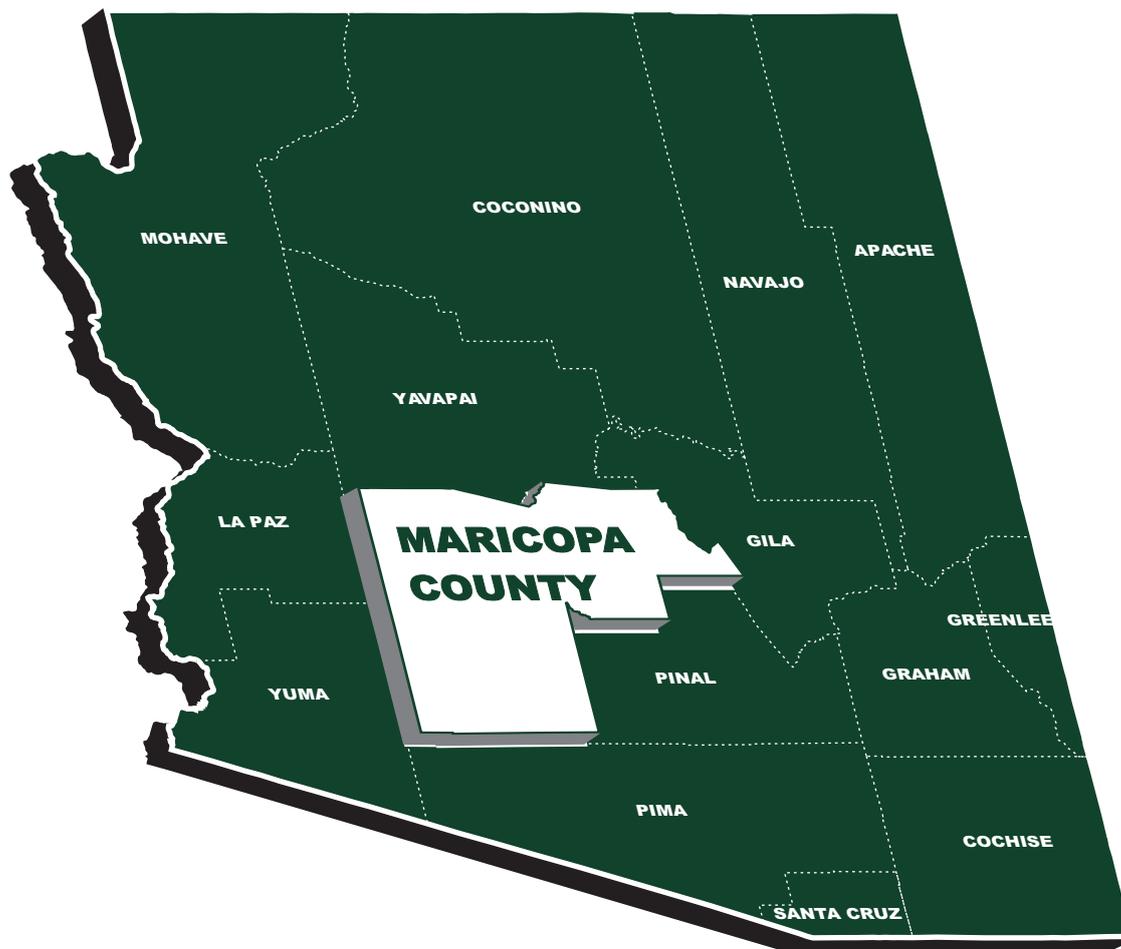


Risk Management Annual Report

Fiscal Year Ended June 30, 2009



Maricopa County, Arizona

www.maricopa.gov

**MARICOPA COUNTY
RISK MANAGEMENT ANNUAL REPORT
FISCAL YEAR 2008-09**

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EXECUTIVE SUMMARY

RISK MANAGEMENT ANNUAL REPORT EXECUTIVE SUMMARY

Presented herein is the *Maricopa County Risk Management Annual Report*, for the fiscal year July 1, 2008 through June 30, 2009.

This report contains summaries of the fiscal year's losses and costs for Maricopa County's auto liability, auto physical damage, general liability, medical malpractice, property damage, workers' compensation, and unemployment exposures. This report, along with ongoing quarterly reports to County departments during the year, are intended to assist departments in recognizing the nature and extent of their losses, and to lead departments to consider implementation of effective loss control and prevention programs.

Structure and Mission

As of June 30, 2009, the Risk Management Department completed its **28th year** administering the County's self-insurance program. Risk Management's mission is to provide claim management, safety consultations and training, environmental consultations and insurance coverage services to Maricopa County departments, districts, and Trust members so they can reduce or eliminate losses. Its vision is to be recognized as a leader, and to be relied upon for a Countywide risk management philosophy and culture. 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 of third party administrators' adjusting workers' compensation and unemployment claims
- Investigation and disposition of casualty and property 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. Highlights for each division are contained in this report. In this fiscal year, the Department strived to accomplish its mission with assistance and direction from the Maricopa County Board of Supervisors, the Maricopa County Self-Insured Trust Fund Board of Trustees, initially the Office of County Attorney, and later outside legal counsel. The Risk Manager initially reported to the Chief Financial Officer of Maricopa County, but now reports to the Deputy County Manager.

Self-Insured Trust Fund

Arizona law (ARS § 11-981) authorizes Maricopa County to self-insure, 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, auto liability, auto physical damage, general liability, medical malpractice, property, workers' compensation, 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 the Trust's 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 Manager. During FY08-09, the following individuals were members of the Board of Trustees:

<u>Trustee District/Appointment</u>	<u>Trustee</u>
BOS District One	Les Clark
BOS District Two	Joel Sterrett, Chairman
BOS District Three	Vacant
BOS District Four	Steven Beeghley
BOS District Five	Richard "Joe" Lugo
BOS Chairman	BOS Chairman
County Manager	Vacant

FY08-09 Results

Maricopa County enjoyed excellent results this fiscal year in the risk/exposure area. Total dollars paid plus open reserves were \$8,200,701, down 46.52% for this fiscal year compared to the prior fiscal year (see page VI-1). The Cost of Risk also decreased. Risk Management's costs decreased \$4,315,777 or 15.04%, resulting in the Cost of Risk (Risk Management's costs compared to total County and MIHS expenditures) for this fiscal year coming in at an acceptable 0.93%. (Note that the total number of claims filed this fiscal year decreased 11.38%, from 2,681 to 2,376. These claims figures represent the number of claims filed or reopened in this fiscal year. These figures are not based on event date, and do not include unemployment claims.) The County realized \$1,701,977 in net savings this fiscal year through the use of in-network medical providers and a medical bill review service, and collected \$804,543 through subrogation, restitution, and deductible recovery efforts of the Claims and Safety divisions, and our Third Party Administrator for Workers' Compensation.

Maricopa County has a population of over 3.9 million people. It is the 4th most populous County in the United States. According to the U.S. Census Bureau, more than half of the state's population resides in Maricopa County. The County has seen some significant growth rate in population,

though this growth rate has receded somewhat due to the negative economical conditions nationwide. Size and growth, while economically positive, can result in an increase in the number of claims. Risk Management's emphasis on responsible claim handling and a strong proactive loss prevention and safety program is designed to keep any increase to a minimum.

The number of Maricopa County and MIHS employees varies from month to month. For FY07-08 and FY08-09, the numbers of actual positions were 19,155 and 18,522, respectively. Workers' compensation claims with an event date in FY07-08 were 1,423, while Workers' Compensation claims with an event date in FY08-09 were 1,209. (Note, here we use event dates for these claims as these figures better reflect safety issues within the fiscal year.) This reflects a decrease in the number of actual positions of 3.30% over the previous fiscal year, and a decrease in the number of workers' compensation claims of 15.04% over this period. This highlights improvement with safety concerns in the County this fiscal year.

Cost of Risk

Cost of Risk is a comparison of the County's expenditures of the risk management program to the County's overall expenditures in the fiscal year. The effectiveness of a risk management program can be reflected in this comparison since the cost of a risk management program includes paid claims (amounts paid in the fiscal year without regard to the year the claim arose), insurance premiums, safety and loss control programs, and operational and administrative expenses, against total County's expenditures. During the past three fiscal years, Cost of Risk for the County has decreased from 1.24% to the present 0.93%. This hits Risk Management's commitment to reduce this measure to below 1%.

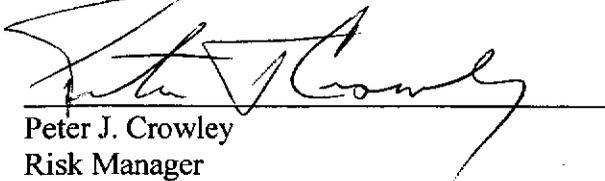
	FY06-07	FY07-08	FY08-09
Claims and Premiums			
Auto Liability	\$1,275,627	\$1,245,872	\$398,229
General Liability	\$4,072,737	\$3,168,264	\$2,576,246
Medical Malpractice	\$4,242,501	\$3,675,378	\$966,588
Property/Auto Physical Damage	\$1,169,794	\$608,084	\$483,644
Workers' Compensation	\$3,756,153	\$4,420,652	\$4,402,818
Unemployment	\$633,685	\$769,150	\$1,088,164
Premiums	\$4,308,288	\$4,069,441	\$3,737,971
Subtotal	\$19,458,785	\$17,956,841	\$13,653,660
Legal Expenses	\$8,407,981	\$7,329,475	\$7,201,470
Actuary Fees	\$42,253	\$44,366	\$39,900
Broker Fees	\$145,000	\$54,575	\$57,000
Consulting and Management Fees	\$284,036	\$212,109	\$197,150
Claims Administration Service Fees	\$556,856	\$601,337	\$555,248
Workers' Compensation Taxes	\$526,586	\$404,940	\$604,137
Administrative	\$1,821,241	\$2,084,536	\$2,063,837
Subtotal	\$11,783,953	\$10,731,338	\$10,718,742
Total Risk Management Costs	\$31,242,738	\$28,688,179	\$24,372,402
Total County Expenditures	\$2,529,353,568	\$2,557,866,240	\$2,610,316,043
TOTAL COST AS A PERCENTAGE OF COUNTY EXPENDITURES	1.24%	1.12%	0.93%

- 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 Incurred But Not Reported (IBNR) reserves.
 2. Amounts as valued on June 30, 2009, as reported in the Advantage Financial System.
 3. By the printing of this report, the Maricopa County Comprehensive Annual Financial Report (CAFR) and the Risk Management and Employee Benefits Trust Report on Audit of Financial Statements for June 30, 2009 have been audited. The Special Health Care District (SHCD) audited financial statements as of June 30, 2009 had not been finalized.

Acknowledgment

The Risk Management Department would like to thank the Maricopa County Board of Supervisors, Elected Officials, County Manager, Deputy County Manager, Chief Financial Officer, Self-Insured Trust Fund Board of Trustees, County departmental management and all County employees, and volunteers for their demonstrated interest in reducing claims and lawsuits, and their commitment to safety.

Respectfully submitted,



Peter J. Crowley
Risk Manager

Bill Warren, Assistant Risk Manager, Safety Division
Ted Howard, Claims Manager
Samantha Wright-Sprague, Manager, Administration Division
Rita Neill, Manager, Environmental Division
Elena Yniguez, Administrative/Insurance Coordinator
Jenny Durda, Information Specialist
and the entire Risk Management Staff

Notes: 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

CLAIMS
DIVISION

CLAIMS DIVISION

The Claims Division of Risk Management handles all property and liability claims filed against Maricopa County and its employees. The Division is staffed with four full time adjusters, a manager and support staff. In addition to handling the claims described above, the Division oversees the adjustment of workers' compensation and unemployment claims by third party administrators. These claims are handled by Pinnacle Risk and Talx Employer Services.

Claims are investigated and evaluated, then either paid or denied on their merits. Litigated claims are assigned to either in-house or outside counsel. This Division works with assigned attorneys to obtain the most favorable result possible for the County. We are committed to reducing the cost of risk to the County through proper claims management.

FY08-09 Summary

The Claims Division handled 2,383 new worker's compensation, general liability, medical malpractice, automobile and property claims in FY08-09, a very slight decrease over the previous fiscal year. This is the third consecutive fiscal year decrease in new claims.

Due to the efforts of the Claims Division, the County continues to realize substantial savings from its property and liability exposures. The Division is committed to work to further improve in these areas and help reduce the cost of risk to the taxpayers of Maricopa County.

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

- Subrogation, restitution, and deductible recoveries also decreased slightly for FY08-09. The Division collected \$728,117 from parties at fault for damage to County personnel and/or property.
- Consultation services: We report to and consult with County departments on coverage issues, pending claims, and litigation. This is done as both an informational tool and as a means to find ways to reduce claims or exposures.
- Review and management of the third party administrator providing adjustment of workers' compensation claims for County employees: For FY08-09, 1,252 worker's compensation claims were filed by County employees, which also represents a decrease in new claims over the previous fiscal year. In addition to adjustment of these claims, Pinnacle Risk Management Services and its affiliated vendors conduct bill reviews, and employ discounts available to the County for participation in a PPO network. The County realized a net savings of \$1,701,977 over billed amounts as a result of network discounts and bill review services for FY08-09.
- Review of indemnity and insurance language in County contracts.
- Oversight of outside contractors providing automobile and property appraisal services, vehicle repair services, and structured settlement services to the County.
- Coordinate recovery for County agencies from our excess property and liability insurance policies.



SAFETY DIVISION

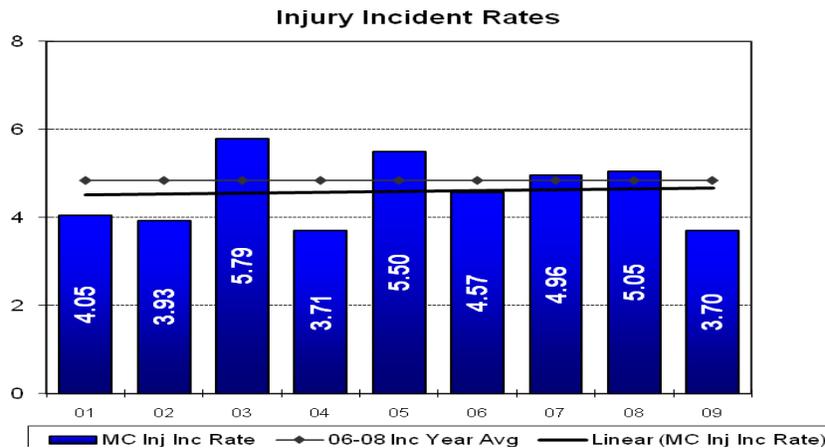
SAFETY
DIVISION

SAFETY DIVISION

The Occupational Safety Division of Risk Management continued to focus on a countywide initiative ensuring safety compliance and loss prevention throughout the organization. With continuing reductions in departmental budgets it was imperative that we minimized exposure to injury and loss to personnel and property. The objective improved safety compliance and loss prevention continues to be accomplished through:

1. Full management support of our safety policies.
2. Maintaining an effective, comprehensive safety program.
3. Identifying potential risks and hazard awareness.
4. Training employees in safe work practices.

The establishment of effective safety programs continues to be crucial in reducing accidents and injuries in the workplace. As a clear example of its efforts to improve departmental safety performance, workers compensation data this fiscal year evidences an overall decrease in claims of 17.70% (1,423 claims in FY07-08, and 1,209 claims in FY08-09, see page VI-3 of the statistics and coverage section). Workers Compensation payments and reserves (see page VI-1 of the statistics and coverage section) were decreased from \$3,279,867 in FY07-08 to \$2,596,927 in FY08-09, a \$682,940 or a 26.30% decrease in cost. This resulted in a reduction of the injury incident rate from 5.05 injuries per 100 employees to 3.70 injuries per 100 employees, a 36.48% reduction in recordable injuries.



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

- Conducted 639 workplace inspection, 168 facility safety inspections, 280 safety classes, 125 safety consultations, and reviewed 4,560 MVD driving records.
- Conducted a countywide four-day Employee Safety Fair, with over 400 employees participating in 91 safety classes.

As Maricopa County continues to develop its future strategies in safety management systems, it is necessary that each level of management must take a proactive role in safety development. Management commitment and front line supervision accountability is the key to sustaining the safety process and reducing unsafe work practices. Safety is a corporate effort!



ENVIRONMENTAL DIVISION

ENVIRONMENTAL
DIVISION

ENVIRONMENTAL DIVISION

The Environmental Division of Risk Management conducts remedial investigations and takes action to minimize 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 \$6.9 million for FY08-09.

This fiscal year the Division:

- Continued to cooperate with ADEQ in conducting site characterization of groundwater contamination at the Cave Creek Landfill.
- Conducted a storm water liability audit of all County-owned facilities to determine site issues, deficiencies and liabilities. Continued to work on Stormwater Pollution Prevention Plans (SPPPs) for 15 County properties. Worked with departments to make corrections to storm water issues identified during audit.
- Prepared an orphan tank assessment and application to ADEQ for a citizen qualifying for the Orphan Tank program.
- Continued to participate with the Hassayampa Steering Committee in working towards the remediation of the Hassayampa Superfund Site.
- Completed Phase I and additional environmental assessments for 4 facilities. Completed in-house assessments for industrial hygiene and indoor air quality (22), asbestos (15), lead paint (40) and mold (7) at additional facilities.
- Created and provided 2-hour OSHA Awareness Training of Asbestos and Lead for FMD field personnel. Created and provided EPA NESHAPS and Lead-Based Paint training seminars for FMD and MCDOT. Provided Respirator Fit Testing and Program for FMD.
- Coordinating with FMD to organize and collaborate with report libraries for MCRM and FMD.
- Assisted MCSO with ADOSH Complaints, FMD with NESHAPS violations and OET with hazardous waste abatement and Public Health with hazardous waste disposal.
- Provided deposition regarding IAQ in County Jails for ACLU lawsuit versus MCSO.
- Reviewed and awarded the 08044S Environmental Contract with delineation of 46 contractors in 13 sub-sections.
- Assisted Parks and Recreation, Facilities Management, Superior Courts, Real Estate, MCSO, MCDOT, Juvenile Probation, Flood Control, Legal Defender, Environmental Services, Animal Control, MCAO, Assessor, Agricultural Exchange, WIC, Solid Waste, Air Quality and the Library District in preparing Requests for Proposals for environmental studies, and conducting indoor air quality review, asbestos and lead paint surveys, and air permit reviews.
- Continued to work with APS to allow continued access to County property to conduct USEPA mandated sampling to characterize contamination from APS facility.

- 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

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 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, 2009.

Self-Insured Trust Fund Combined Balance Sheet Comparison FY06-07, FY07-08, and FY08-09

	<u>FY06-07</u>	<u>FY07-08</u>	<u>FY08-09</u>
Assets	\$33,194,501	\$44,847,793	\$56,920,496
Liabilities	\$59,207,749	\$59,277,021	\$63,774,675
Net assets (deficit)	(\$26,013,248)	(\$14,429,228)	(\$6,854,179)

During the FY06-07 through FY08-09 period, the Trust's assets increased \$23,725,995, or 71.47%, from \$33,194,501 to \$56,920,496. During the same period, the Trust's liabilities increased \$4,566,926, or 7.71%, from \$59,207,749 to \$63,774,675. The deficit in Trust net assets is a result of a spend down of the Trust fund in fiscal years 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.

The Trust began billing user departments for the full costs of claims and insurance, along with administrative costs in FY99-00. On an annual basis, the trust funding plan is used to calculate the total Risk Management's expenses for the fiscal year and the next year's claims and claims related expenses. The County does not fund the Trust for reserves; however, the reserves are part of the liability calculation. It is not the intent of the funding plan to decrease the deficit, but to continue to fund for the next year's claims and claims related expenses. FY08-09 balance sheet details are provided in the financial section.

Insurance Policies

Risk Management continues to analyze current insurance market trends. It is expected that insurance premiums in all lines of coverage will increase somewhat, but the "hard" market of the last few years may be abating. It is projected that potential increases in annual premium costs will not be as great as in the past years. 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)	3/1/09 – 3/1/10	\$5 million \$25 million	\$5 million SIR
Medical Malpractice	12/4/08 – 12/4/09	\$25 million	\$5 million SIR
Workers’ Compensation	7/1/08 – 7/1/09	\$25 million	\$2 million SIR
Property Damage	7/1/08 – 7/1/09	\$300 million	\$100,000 per occ.

Budget Summary

The expenditure budget for the Risk Management Department for FY08-09 was \$38,624,228. Of this amount, \$1,755,783 was for personnel costs, \$1,496,166 was for supplies and services, and \$35,372,279 was for insurance, legal, and claims and claims related expenditures. On a percentage basis, 91.58% of Risk Management’s budget is for insurance, legal, and claims and claim related expenditures.

The revenue budget for the Risk Management Department for FY08-09 was \$36,172,043. Of this amount, \$35,172,043 was from user charges and \$1,000,000 was from interest earnings. On a percentage basis, 97.23% of the revenue is from 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 actual expenditures for the Risk Management Department for FY08-09 were \$28,729,428. Of this amount, \$1,733,991 was for personnel costs, \$1,179,144 was for supplies and services, and \$25,816,293 was for insurance, legal, and claims and claims related expenditures. On a percentage basis, 89.86% of Risk Management’s actual expenditures are for insurance, legal, and claims and claims related expenditures.

The actual revenue for the Risk Management Department for FY08-09 was \$36,304,477. Of this amount, \$35,172,048 was from user charges and \$1,132,429 was from interest earnings. On a percentage basis, 96.88% of the revenue was from user charges.

Notes: 1. The financial statements presented in this section have been audited and are included in the Maricopa County Comprehensive Annual Financial Report (CAFR) and the Risk Management and Employee Benefits Trust Report on Audit of Financial Statements for FY08-09. The auditors have not reviewed and are not providing an opinion as to the information disclosed in the annual report with the exception of the audited financial statements.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Statements of Net Assets (Deficit)—Internal Service Funds
June 30, 2009

	Risk Management	Employee Benefits
Assets		
Cash and cash equivalents	\$ 55,524,869	\$ 59,849,493
Interest receivable	114,548	122,011
Accounts receivable		1,240,120
Prepaid insurance	1,261,618	108,154
Capital assets, net	19,461	6,283
Total assets	56,920,496	61,326,061
Liabilities		
Accounts payable	1,213,024	4,747,476
Employee compensation payable	132,531	138,949
Reserve for losses and loss expenses	62,429,120	11,497,701
Total liabilities	63,774,675	16,384,126
Net Assets		
Invested in capital assets	19,461	6,283
Unrestricted (deficit)	(6,873,640)	44,935,652
Total net assets (deficit)	\$ (6,854,179)	\$ 44,941,935

The accompanying notes are an integral part of the financial statements.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Statements of Revenues, Expenses, and
Changes in Net Assets (Deficit)—Internal Service Funds
Year Ended June 30, 2009

	Risk Management	Employee Benefits
Operating revenues:		
Charges for services	\$ 35,172,048	\$ 5,072,815
County and employee premiums		124,534,983
Other income		54,131
Total operating revenues	35,172,048	129,661,929
Operating expenses:		
Personal services	1,733,991	2,095,194
Supplies and services	1,175,588	9,228,499
Legal expenses	7,201,470	
Workers compensation self-insurance tax	604,137	
Losses and loss expenses	18,010,686	113,956,701
Depreciation	3,556	3,379
Total operating expenses	28,729,428	125,283,773
Operating income	6,442,620	4,378,156
Nonoperating revenues:		
Investment income	1,132,429	1,354,252
Total nonoperating revenues	1,132,429	1,354,252
Increase in net assets	7,575,049	5,732,408
Total net assets (deficit), July 1, 2008	(14,429,228)	39,209,527
Total net assets (deficit), June 30, 2009	\$ (6,854,179)	\$ 44,941,935

The accompanying notes are an integral part of the financial statements.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Statements of Cash Flows—Internal Service Funds
Year Ended June 30, 2009

	Risk Management	Employee Benefits
Cash flows from operating activities:		
Receipts from employees and other funds	\$ 35,172,048	\$ 130,523,672
Other receipts		54,131
Payments for goods and services	(22,280,121)	(122,284,501)
Payments to employees	(1,727,023)	(2,138,424)
Net cash provided by operating activities	11,164,904	6,154,878
Cash flows from investing activities:		
Interest received on investments	1,274,161	1,543,041
Net increase in cash and cash equivalents	12,439,065	7,697,919
Cash and cash equivalents, July 1, 2008	43,085,804	52,151,574
Cash and cash equivalents, June 30, 2009	\$ 55,524,869	\$ 59,849,493
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 6,442,620	\$ 4,378,156
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,556	3,379
Changes in assets and liabilities:		
Increase in:		
Accounts payable	133,660	
Employee compensation payable	6,968	
Reserve for losses and loss expenses	4,357,026	1,032,703
Decrease in:		
Prepaid insurance	221,074	7,116
Accounts payable		(139,121)
Accounts receivable		915,874
Employee compensation payable		(43,229)
Net cash provided by operating activities	\$ 11,164,904	\$ 6,154,878

The accompanying notes are an integral part of the financial statements.

MARICOPA COUNTY
RISK MANAGEMENT TRUST FUND
Statements of Revenues, Expenses, and
Changes in Fund Net Assets (Deficit)—Internal Service Fund
Budget and Actual
Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating revenues:			
Charges for services	\$ 35,172,043	\$ 35,172,048	\$ 5
Other income			
Total operating revenues	<u>35,172,043</u>	<u>35,172,048</u>	<u>5</u>
Operating expenses:			
Personal services	1,755,783	1,733,991	(21,792)
Supplies and services	1,496,166	1,175,588	(320,578)
Legal expenses	8,579,702	7,201,470	(1,378,232)
Workers' compensation self-insurance tax	650,000	604,137	(45,863)
Losses and loss expenses	26,142,577	18,010,686	(8,131,891)
Depreciation		3,556	3,556
Total operating expenses	<u>38,624,228</u>	<u>28,729,428</u>	<u>(9,894,800)</u>
Operating income		6,442,620	
Nonoperating revenues:			
Investment income	1,000,000	1,132,429	132,429
Total nonoperating revenues	<u>1,000,000</u>	<u>1,132,429</u>	<u>132,429</u>
Increase in net assets		7,575,049	
Total net deficit, July 1, 2008		<u>(14,429,228)</u>	
Total net deficit, June 30, 2009		<u>\$ (6,854,179)</u>	

The accompanying notes are an integral part of the financial statements.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2009

NOTE 1 - Organization and Summary of Significant Accounting Policies

Maricopa County, Arizona (the County), in the exercise of the authority granted by Arizona Revised Statutes (A.R.S.) §11-981, has established trust funds 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 purposes of self-insurance. The Funds' financial statements are prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). The accompanying financial statements are those of the funds and do not represent the financials statements of the County. The Maricopa County, Arizona *Comprehensive Annual Financial Report* as of and for the year ended June 30, 2009, will report the Funds as governmental activities on the government-wide financial statements since they predominantly service the County's governmental funds. A summary of the Funds' significant accounting policies follows.

A. Reporting Entity

The Funds are 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 Funds are 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 risks 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 (medical, dental, pharmacy, short-term disability, medical incentives, behavioral health and vision) to eligible County 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 comprises its assets, liabilities, net assets, revenues, and expenses.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2009

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 unclassified. Invested in capital assets represents the value of capital assets, net of accumulated depreciation. Unrestricted net assets represent the balance of monies held in the Funds.

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 net assets are reported. Generally, charges for services and premiums 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 cost of services, administrative expenses, and depreciation on capital assets are considered to be operating expenses.

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 and related 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 recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

The Funds apply applicable Financial Accounting Standards Board (FASB) 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. The Funds have chosen the option not to follow FASB Statements and Interpretations issued after November 30, 1989.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2009

D. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Cash and Cash Equivalents

For purposes of the statements of cash flows, the Funds consider cash on hand, demand deposits, cash on deposit with the County Treasurer, and highly liquid investments with a maturity of 3 months or less when purchased to be cash equivalents.

F. Capital Assets

Equipment is initially recorded at cost. Depreciation of 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 equipment range from 3 to 10 years.

G. Reserve for Losses and Loss Expenses

The Funds establish claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverages such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other socioeconomic factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

MARICOPA COUNTY
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Notes to Financial Statements
June 30, 2009

H. Employee Compensation Payable

Compensated absences consist of vacation leave and a calculated amount of sick leave earned by employees based on services already rendered. Employees may accumulate up to 240 hours of vacation leave, but any vacation hours in excess of the maximum amount that are unused at calendar year-end convert to sick leave. Upon termination of employment, all unused vacation benefits are paid to employees. Accordingly, vacation benefits are accrued as a liability in the financial statements.

Employees may accumulate an unlimited number of sick leave hours. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but are forfeited upon termination of employment. Because sick leave benefits do not vest with employees, a liability for sick leave benefits is not accrued in the financial statements. However, upon retirement, County employees with accumulated sick leave in excess of 1,000 hours are entitled to a \$10,000 nontaxable investment in a Post Employment Health Plan established pursuant to Internal Revenue Code §501(c)(9). The obligations vested at June 30, 2009, under this policy are accrued as a liability.

Compensated absences are substantially paid within one year from fiscal year-end and, therefore, are reported as a current liability.

I. Income Tax

The Trust Funds are a component unit of Maricopa County, Arizona, a governmental agency, and are exempt from federal and state income taxes.

NOTE 2 - Deposits and Investments

Arizona Revised Statutes (A.R.S.) authorize the Funds to invest public monies in the State Treasurer's investment pool; obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified state and local government bonds; interest earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; and specified commercial paper, bonds, debentures, and notes issued by corporations organized and doing business in the United States. In addition, the County Treasurer may invest trust funds in fixed income securities of corporations doing business in the United States or District of Columbia.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2009

Credit risk

Statutes have the following requirements for credit risk:

1. Commercial paper must be rated P1 by Moody's investors service or A1 or better by Standard and Poor's rating service.
2. Corporate bonds, debentures, and notes must be rated A or better by Moody's investors service or Standard and Poor's rating service.
3. Fixed income securities must carry one of the two highest ratings by Moody's investors service and Standard and Poor's rating service. If only one of the above-mentioned services rates the security, it must carry the highest rating of that service.

Custodial credit risk

Statutes require collateral for demand deposits, certificates of deposit, and repurchase agreements at 101 percent of all deposits not covered by federal depository insurance.

Interest rate risk

Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years and that public operating fund monies invested in securities and deposits have a maximum maturity of 3 years. Investments in repurchase agreements must have a maximum maturity of 180 days.

Deposits—At June 30, 2009, the carrying amount of the Funds' deposits was \$649,920, and the bank balance was \$649,921. The Funds follow the County's policies requiring collateralization of all deposits by at least 101% of the deposits not covered by depository insurance. At a minimum, the collateral is to be held by the pledging financial institution or its agent, but does not have to be held in the County's name.

Investments—The Funds' investments at June 30, 2009, consisted of monies invested in the Maricopa County Treasurer's Investment Pool. The Funds' investments in the pool represent a portion of the County Treasurer's pool portfolio. There is no oversight provided for the County Treasurer's investment pool, and the pool's structure does not provide for shares. The Funds' portion in the pool is not identified with specific investments.

Credit Risk—The Funds follow the County's policy to preserve the principal value and the interest income of an investment. The County can invest in obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, or instrumentalities. The County can also invest in commercial paper and corporate bonds with ratings that meet the statutory requirements specified above. At June 30, 2009, the Funds' investments consisted of monies invested in the Maricopa County Treasurer's Investment Pool which is unrated.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2009

Interest rate risk—It is the County’s policy to hold investments to maturity, where practical, and avoid any loss on investments resulting from an early sale or retirement of an investment. Additionally, securities should be invested for a shorter duration, where applicable. At June 30, 2009, the Funds had investments of \$114,724,140 in the Maricopa County Treasurer’s Investment Pool with a weighted average maturity of 547 days, of which 35% (in excess of \$1 billion) of pooled investments have maturities of 90 days or less. The County invests the pooled investments primarily in U.S. government agency securities.

A reconciliation of cash, deposits, and investments to amounts shown on the Statements of Net Assets follows:

Cash, deposits, and investments:	
Cash on hand	\$ 300
Amount of deposits	649,920
County Treasurer’s Investment Pool	<u>114,724,142</u>
Total	<u>\$115,374,362</u>

NOTE 3 - Reserve for Losses and Loss Expenses

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 unpaid (RBUC), and of claims that have been incurred but not reported (IBNR).

The County is liable for any single claim up to the insurance deductible or self-insurance retention (SIR), whichever is applicable, and the excess over insurance limits. Settled claims have not exceeded the commercial insurance coverage limits over the past 3 years.

Risk Management Trust Fund

Reserve for losses and loss expenses are estimates of the ultimate cost of claims that include the insurance deductible, the SIR, and the excess over insurance limits. The estimates are determined by an independent actuary using the following actuarial methods: reported loss development, paid loss development, Bornhuetter-Ferguson reported loss and paid loss, frequency times severity, expected loss, incremental paid-workers’ compensation, paid allocated loss adjustment expense to paid loss development-automobile liability, 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, 2009

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. Therefore, IBNR 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 2.55 percent annual rate of return on investments.

The total liabilities reported at June 30, 2009, categorized by insurable area follow:

	Total Liabilities
Auto liability	\$ 3,104,671
General liability	33,495,471
Workers' compensation	11,756,578
Medical malpractice	13,515,891
Auto physical damage	314,319
Property	242,190
Total	\$62,429,120

The total estimates of unpaid claim liabilities of \$62,429,120 at June 30, 2009, increased by \$4,357,026 from last year's balance of \$58,072,094. The areas with the largest increases were auto liability, general liability, workers' compensation, and medical malpractice.

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

	FY 2008-09	FY 2007-08	FY 2006-07
Balance July 1	\$58,072,094	\$57,730,019	\$55,916,393
Current-Year Claims and Changes in Estimates	13,180,821	13,460,325	16,330,438
Claim Payments	<u>(8,823,795)</u>	<u>(13,118,250)</u>	<u>(14,516,812)</u>
Balance June 30	<u>\$62,429,120</u>	<u>\$58,072,094</u>	<u>\$57,730,019</u>

Of these liabilities, \$22,251,844 were actuarially estimated to be payable within the next 12 months.

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2009

Employee Benefits Trust Fund

The liability for medical, dental, pharmacy (Coinsurance), short-term disability, behavioral health and vision claims as shown below is based on the fiscal year 2008-09 actuarial reports. The Consumer Choice Plan portion of the liability for pharmacy is based on the unused portion of the members' pharmacy accounts administered by Walgreens Health Initiatives.

Accrued claims liabilities at June 30, 2009, for each insurable area follow:

Medical	\$8,449,000
Dental	286,000
Pharmacy	2,174,701
Short-term disability	296,000
Behavioral Health	216,000
Vision	76,000
Total	<u>\$11,497,701</u>

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

	<u>FY 2008-09</u>	<u>FY 2007-08</u>	<u>FY 2006-07</u>
Balance July 1	\$10,546,651	\$2,206,068	\$2,771,985
Current-Year Claims and Changes in Estimates	99,512,245	95,933,611	16,022,997
Claim Payments	(98,479,540)	(87,449,314)	(16,588,914)
Other Payments	<u>(81,653)</u>	<u>(143,714)</u>	<u> </u>
Balance June 30	<u>\$11,497,701</u>	<u>\$10,546,651</u>	<u>\$2,206,068</u>

It is estimated that the June 30, 2009, liabilities balance of \$11,497,701 will be paid within the next 12 months.

NOTE 4 - Net Assets Deficit

The County Board of Supervisors elected not to fund the Risk Management Trust Fund's unpaid claims in fiscal years 1996 through 1999. Consequently, the Risk Management Trust Fund only billed user departments for operating costs and administrative expenses for those

MARICOPA COUNTY
RISK MANAGEMENT AND EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 30, 2009

years. This resulted in a total net assets (deficit) of \$23,321,519 at June 30, 1999. Starting July 1, 1999, the Risk Management Trust Fund implemented a funding plan that calls for the fiscal year ending cash balance to equal the next year's estimated claims and claims related expenses. As of June 30, 2009, the total net assets (deficit) was \$6,854,179. This is primarily due to the Risk Management Trust Fund not being funded for noncurrent accrued claim liabilities which are not considered when determining funding for each fiscal year.

NOTE 5 - Letter of Credit

On July 1, 2008, the County renewed its workers' compensation insurance with a self-insured retention of \$2,000,000 for the policy period July 1, 2008 through June 30, 2009. As a result, the Industrial Commission of Arizona required the County to secure an irrevocable letter of credit in the amount of \$4.2 million with a financial institution to cover unfunded workers' compensation claims for that policy period. During fiscal year 2008-09, the letter of credit had not been drawn upon. The letter of credit was renewed on July 1, 2009 to June 30, 2010 for \$5.3 million.

NOTE 6 - 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.

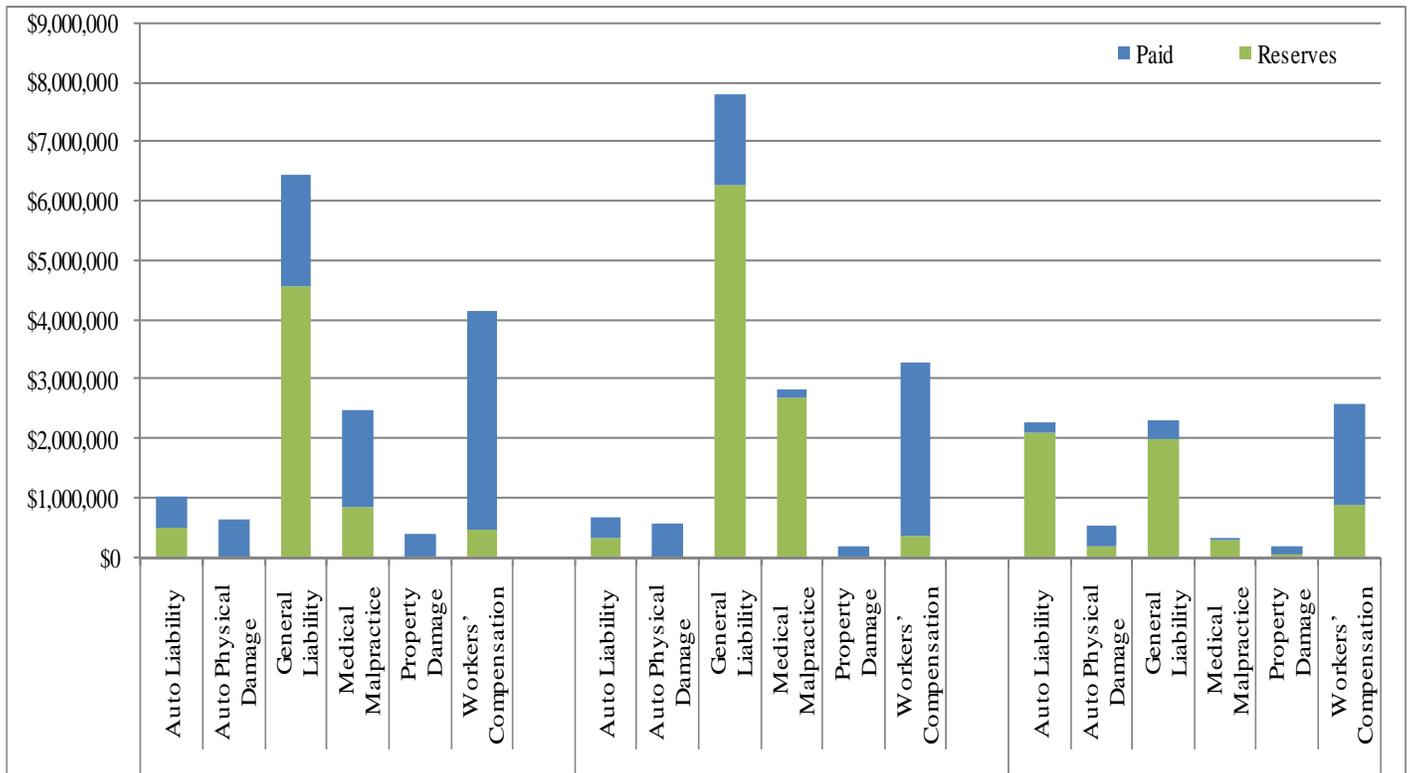
The System issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the ASRS, 3300 North Central Avenue, P.O. Box 33910, Phoenix, AZ 85067-3910 or by calling (602) 240-2000 or (800) 621-3778.

Funding Policy—The Arizona State Legislature establishes and may amend active plan members' and the Fund's contribution rates. For the year ended June 30, 2009, active plan members and the Funds were each required by statute to contribute at the actuarially determined rate of 9.45 percent (8.95 percent retirement and 0.5 percent long-term disability) of the members' annual covered payroll. The Fund's contributions to the System for the years ended June 30, 2009 and 2008 were \$260,993 and \$268,973, respectively. Only the Risk Management Trust Fund recorded personnel costs in fiscal year 2007 with contributions to the System for \$107,105. Each year's contribution was equal to the required contributions for the year.



STATISTICS AND COVERAGE

**TOTAL COST SUMMARY
FY06-07 TO FY08-09**



		Auto Liability	Auto Physical Damage	General Liability	Medical Malpractice	Property	Workers' Compensation	Total
FY 06-07	\$ Paid	\$536,131	\$618,010	\$1,872,227	\$1,628,208	\$378,170	\$3,696,921	\$8,729,666
	Open Reserves	\$480,252	\$2,844	\$4,576,080	\$854,588	\$0	\$451,596	\$6,365,360
	Total Incurred ⁴	\$1,016,383	\$620,854	\$6,448,306	\$2,482,796	\$378,170	\$4,148,517	\$15,095,026
FY 07-08	\$ Paid	\$355,996	\$549,487	\$1,532,934	\$161,779	\$170,553	\$2,936,174	\$5,706,924
	Open Reserves	\$324,727	\$16,421	\$6,269,637	\$2,673,131	\$0	\$343,693	\$9,627,608
	Total Incurred ⁴	\$680,723	\$565,907	\$7,802,572	\$2,834,910	\$170,553	\$3,279,867	\$15,334,532
FY 08-09	\$ Paid	\$183,113	\$337,625	\$308,684	\$3,804	\$151,934	\$1,723,148	\$2,708,308
	Open Reserves	\$2,095,668	\$196,937	\$1,984,390	\$302,010	\$39,608	\$873,779	\$5,492,392
	Total Incurred ⁴	\$2,278,782	\$534,562	\$2,293,074	\$305,814	\$191,542	\$2,596,927	\$8,200,701

Notes:

1. Dollars paid listed above represents payments on claims by event date, not actual payment date, and does not include RBNP or IBNR reserves. Due to lag time in resolution and payment of claims, the figures from FY06-07 give a truer picture as these claims have had time to mature.
2. Amounts as valued on June 30, 2009, as reported by the RiskMaster system except for Workers' Compensation amounts as valued on June 30, 2009, as reported by the Pinnacle system.
3. Unemployment not included.
4. Total Incurred = \$ Paid plus Open Reserves, minus Total Recoveries.
5. Small dollar amounts may not be visible on the chart, but they are included in the data.
6. The totals are derived using both dollars and cents. The cents are removed for presentation purposes and all dollar amounts are rounded to the nearest dollar.

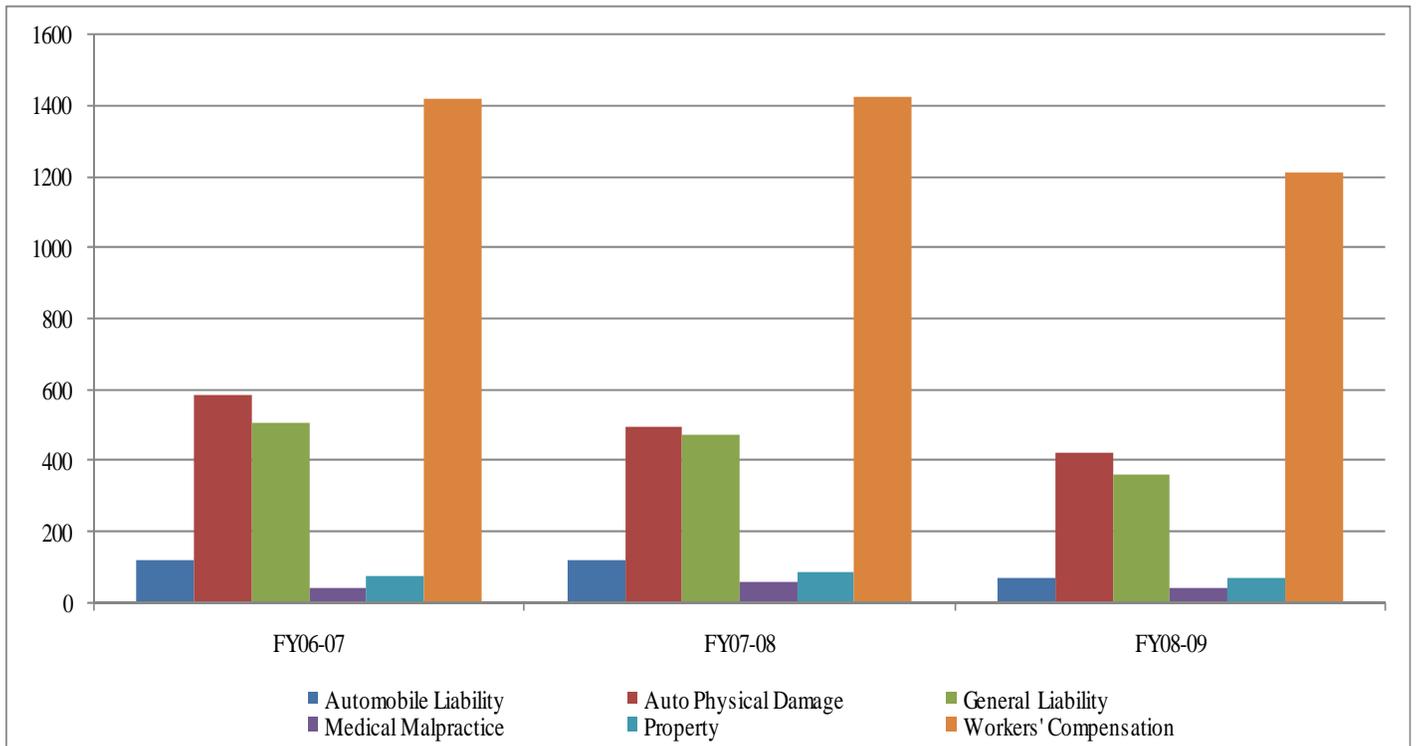
**TOTAL CLAIMS SUMMARY TABLE
FY06-07 TO FY08-09**

Department	FY06-07		FY07-08		FY08-09	
	# Claims	\$ Paid	# Claims	\$ Paid	# Claims	\$ Paid
ADULT PROBATION	121	\$231,013	92	\$117,631	64	\$75,195
AIR QUALITY	25	\$122,610	35	\$32,665	48	\$16,646
ANIMAL CONTROL	124	\$118,183	122	\$57,223	102	\$65,855
CLERK OF SUPERIOR COURT	29	\$17,044	21	\$17,482	15	\$7,154
CORRECTIONAL HEALTH	62	\$813,843	79	\$149,977	69	\$25,065
COUNTY ATTORNEY	52	\$171,157	45	\$242,294	24	\$18,997
ELECTIONS DEPARTMENT	20	\$154,408	7	\$7,892	15	\$14,428
ENVIRONMENTAL SERVICES	53	\$105,170	45	\$50,553	37	\$55,617
FACILITIES MANAGEMENT	40	\$54,779	44	\$77,239	26	\$16,243
FLOOD CONTROL	45	\$48,735	44	\$94,883	9	\$9,271
HUMAN SERVICES	56	\$55,367	67	\$73,493	34	\$21,112
JUSTICE COURTS	29	\$23,029	12	\$32,506	14	\$17,367
JUVENILE PROBATION	107	\$395,994	90	\$244,180	67	\$71,302
MARICOPA MEDICAL CENTER	421	\$2,082,462	532	\$959,301	386	\$499,845
MEDICAL EXAMINER	21	\$38,506	16	\$17,310	16	\$13,955
PARKS & RECREATION	24	\$120,978	28	\$118,056	14	\$6,481
PLANNING & DEVELOPMENT	20	\$37,560	17	\$36,619	11	\$13,604
PUBLIC DEFENDER	13	\$44,734	27	\$59,761	11	\$15,427
PUBLIC HEALTH	83	\$272,194	56	\$57,948	40	\$76,881
PUBLIC WORKS	195	\$216,070	176	\$189,136	146	\$96,972
RISK MANAGEMENT	24	\$16,702	14	\$4,152	23	\$21,874
SHERIFF	1043	\$3,252,348	927	\$2,612,719	875	\$1,310,582
TRANSPORTATION	22	\$89,493	25	\$71,547	2	\$1,262
TRIAL COURTS	49	\$125,367	58	\$145,327	48	\$72,563
ALL OTHERS	64	\$121,919	73	\$237,031	71	\$164,611
TOTALS	2742	\$8,729,666	2652	\$5,706,924	2167	\$2,708,308

Notes:

1. Dollars paid listed above represents payments on claims by event date, not actual payment date, and does not include RBNP or IBNR reserves. Due to lag time in resolution and payment of claims, the figures from FY06-07 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. Unemployment not included.
4. Amounts as valued on June 30, 2009, as reported by the RiskMaster system and the Pinnacle system.
5. The totals are derived using both dollars and cents. The cents are removed for presentation purposes and all dollar amounts are rounded to the nearest dollar.

**TOTAL NUMBER OF CLAIMS SUMMARY
FY06-07 TO FY08-09**



	FY06-07	FY07-08	FY08-09
Automobile Liability	118	121	70
Auto Physical Damage	583	492	421
General Liability	508	473	358
Medical Malpractice	40	56	41
Property	72	87	68
Workers' Compensation	1421	1423	1209
TOTAL	2742	2652	2167

Notes:

1. Number of claims represents the number of claims for the year in which the event occurred.
2. Unemployment not included.

**AUTO LIABILITY LOSS SUMMARY
FY06-07 TO FY08-09**

Department	FY06-07		FY07-08		FY08-09	
	# Claims	\$ Paid	# Claims	\$ Paid	# Claims	\$ Paid
ADULT PROBATION	3	\$0	2	\$0	2	\$0
AIR QUALITY	3	\$98,330	7	\$15,465	3	\$1,232
ANIMAL CONTROL	7	\$46,334	7	\$8,656	6	\$19,027
CLERK OF SUPERIOR COURT	3	\$0	0	\$0	0	\$0
COUNTY ATTORNEY	0	\$0	4	\$5,606	0	\$0
ELECTIONS DEPARTMENT	2	\$0	0	\$0	1	\$0
ENVIRONMENTAL SERVICES	4	\$4,377	4	\$2,737	0	\$0
EQUIPMENT SERVICES	0	\$0	2	\$12,386	2	\$2,790
FACILITIES MANAGEMENT	2	\$26,766	2	\$22,906	2	\$6,880
FLOOD CONTROL	0	\$0	3	\$6,837	0	\$0
HUMAN SERVICES	3	\$20,951	7	\$6,235	2	\$0
JUVENILE PROBATION	3	\$0	0	\$0	0	\$0
MARICOPA MEDICAL CENTER	0	\$0	1	\$0	1	\$0
PARKS & RECREATION	1	\$10,570	1	\$1,137	1	\$1,055
PLANNING & DEVELOPMENT	3	\$12,102	2	\$8,701	1	\$3,975
PUBLIC HEALTH	0	\$0	2	\$2,233	2	\$2,105
PUBLIC WORKS	23	\$18,705	15	\$62,167	3	\$1,181
RISK MANAGEMENT	4	\$494	2	\$0	4	\$0
SHERIFF	57	\$297,502	60	\$200,930	40	\$144,868
TOTALS	118	\$536,131	121	\$355,996	70	\$183,113

Notes:

1. Dollars paid listed above represents payments on claims by event date, not actual payment date, and does not include RBNP or IBNR reserves. Due to lag time in resolution and payment of claims, the figures from FY06-07 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, 2009, as reported by the RiskMaster system.
4. The totals are derived using both dollars and cents. The cents are removed for presentation purposes and all dollar amounts are rounded to the nearest dollar.

**AUTO PHYSICAL DAMAGE LOSS SUMMARY
FY06-07 TO FY08-09**

Department	FY06-07		FY07-08		FY08-09	
	# Claims	\$ Paid	# Claims	\$ Paid	# Claims	\$ Paid
ADULT PROBATION	24	\$47,093	22	\$12,457	15	\$7,212
AIR QUALITY	16	\$20,738	14	\$5,865	29	\$7,444
ANIMAL CONTROL	37	\$18,699	31	\$7,498	31	\$1,902
CLERK OF SUPERIOR COURT	4	\$0	1	\$2,328	2	\$475
COUNTY ASSESSOR	2	\$250	1	\$250	1	\$0
COUNTY ATTORNEY	6	\$4,980	8	\$4,543	7	\$2,499
ELECTIONS DEPARTMENT	8	\$1,261	0	\$0	2	\$1,264
ENVIRONMENTAL SERVICES	23	\$2,000	24	\$12,004	18	\$17,853
EQUIPMENT SERVICES	1	\$0	7	\$58,029	5	\$10,452
FACILITIES MANAGEMENT	10	\$3,559	10	\$1,103	8	\$0
FLOOD CONTROL	26	\$8,152	28	\$20,926	6	\$4,627
HUMAN SERVICES	21	\$3,075	22	\$5,136	11	\$2,935
JUVENILE PROBATION	9	\$3,911	10	\$7,750	4	\$9,874
MARICOPA MEDICAL CENTER	1	\$0	2	\$0	1	\$0
MEDICAL EXAMINER	1	\$982	3	\$2,336	4	\$0
OFFICE OF ENTERPRISE TECH	1	\$144	1	\$551	0	\$0
OFFICE OF LEGAL ADVOCATE	1	\$0	1	\$2,660	0	\$0
PARKS & RECREATION	4	\$1,205	6	\$2,882	3	\$0
PLANNING & DEVELOPMENT	12	\$21,639	9	\$7,611	5	\$0
PUBLIC DEFENDER	2	\$11,023	0	\$0	0	\$0
PUBLIC HEALTH	10	\$4,877	10	\$750	6	\$4,583
PUBLIC WORKS	62	\$61,758	41	\$90,348	48	\$55,334
RISK MANAGEMENT	3	\$0	0	\$0	2	\$0
SHERIFF	296	\$400,893	237	\$303,958	210	\$206,853
ALL OTHERS	3	\$1,771	4	\$500	3	\$4,319
TOTALS	583	\$618,010	492	\$549,487	421	\$337,625

Notes:

1. Dollars paid listed above represents payments on claims by event date, not actual payment date, and does not include RBNP or IBNR reserves. Due to lag time in resolution and payment of claims, the figures from FY06-07 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, 2009, as reported by the RiskMaster System.
4. The totals are derived using both dollars and cents. The cents are removed for presentation purposes and all dollar amounts are rounded to the nearest dollar.

**GENERAL LIABILITY LOSS SUMMARY
FY06-07 TO FY08-09**

Department	FY06-07		FY07-08		FY08-09	
	# Claims	\$ Paid	# Claims	\$ Paid	# Claims	\$ Paid
ADULT PROBATION	4	\$0	7	\$0	1	\$0
ANIMAL CONTROL	20	\$462	24	\$11,693	21	\$1,574
CORRECTIONAL HEALTH	3	\$9,519	4	\$0	2	\$960
COUNTY ASSESSOR	3	\$0	5	\$0	2	\$375
COUNTY ATTORNEY	22	\$121,254	18	\$212,066	8	\$10,181
ELECTIONS DEPARTMENT	1	\$0	1	\$0	1	\$0
ENVIRONMENTAL SERVICES	5	\$21,114	0	\$0	0	\$0
FACILITIES MANAGEMENT	5	\$1,668	12	\$0	7	\$2,667
FLOOD CONTROL	3	\$0	4	\$7,331	0	\$0
JUSTICE COURTS	8	\$843	4	\$0	7	\$7,803
LEGAL DEFENDER	1	\$12,173	2	\$29,466	1	\$0
MARICOPA MEDICAL CENTER	26	\$73,237	29	\$62,600	16	\$0
MEDICAL EXAMINER	3	\$24,459	0	\$0	0	\$0
OFFICE OF LEGAL ADVOCATE	2	\$0	0	\$0	1	\$2,688
PARKS & RECREATION	5	\$0	5	\$4,342	0	\$0
PUBLIC DEFENDER	3	\$7,990	10	\$26,693	5	\$0
PUBLIC FIDUCIARY	1	\$344	1	\$0	1	\$0
PUBLIC HEALTH	17	\$67,236	2	\$0	2	\$0
PUBLIC WORKS	96	\$84,917	101	\$8,550	67	\$2,406
RISK MANAGEMENT	16	\$16,208	12	\$4,152	17	\$21,874
SHERIFF	239	\$1,360,269	209	\$1,142,734	161	\$253,483
SUPERINTENDENT OF SCHOOLS	2	\$34,284	3	\$6,904	2	\$0
TREASURER	5	\$0	2	\$0	1	\$0
TRIAL COURTS	11	\$21,250	7	\$40	15	\$0
ALL OTHERS	6	\$15,000	11	\$16,365	20	\$4,672
TOTALS	507	\$1,872,227	473	\$1,532,934	358	\$308,684

Notes:

1. Dollars paid listed above represents payments on claims by event date, not actual payment date, and does not include RBNP or IBNR reserves. Due to lag time in resolution and payment of claims, the figures from FY06-07 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, 2009, as reported by the RiskMaster System.
4. The totals are derived using both dollars and cents. The cents are removed for presentation purposes and all dollar amounts are rounded to the nearest dollar.

**MEDICAL MALPRACTICE LOSS SUMMARY
FY06-07 TO FY08-09**

Department	FY06-07		FY07-08		FY08-09	
	# Claims	\$ Paid	# Claims	\$ Paid	# Claims	\$ Paid
CORRECTIONAL HEALTH	25	\$702,098	39	\$112,099	35	\$3,304
MARICOPA MEDICAL CENTER	15	\$926,110	15	\$41,087	5	\$0
PUBLIC HEALTH	0	\$0	2	\$8,593	1	\$500
TOTALS	40	\$1,628,208	56	\$161,779	41	\$3,804

Notes:

1. Dollars paid listed above represents payments on claims by event date, not actual payment date, and does not include RBNP or IBNR reserves. Due to lag time in resolution and payment of claims, the figures from FY06-07 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, 2009, as reported by the RiskMaster system.
4. The totals are derived using both dollars and cents. The cents are removed for presentation purposes and all dollar amounts are rounded to the nearest dollar.

**PROPERTY DAMAGE LOSS SUMMARY
FY06-07 TO FY08-09**

Department	FY06-07		FY07-08		FY08-09	
	# Claims	\$ Paid	# Claims	\$ Paid	# Claims	\$ Paid
ADULT PROBATION	0	\$0	4	\$1,062	2	\$0
AIR QUALITY	1	\$0	5	\$9,368	6	\$0
ANIMAL CONTROL	7	\$4,167	16	\$0	8	\$5,689
COUNTY ASSESSOR	0	\$0	0	\$0	4	\$0
ELECTIONS DEPARTMENT	3	\$15,134	0	\$0	0	\$0
ENVIRONMENTAL SERVICES	4	\$0	3	\$6,254	2	\$0
EQUIPMENT SERVICES	1	\$3,297	0	\$0	0	\$0
FACILITIES MANAGEMENT	4	\$711	6	\$27,439	6	\$2,854
FLOOD CONTROL	5	\$8,163	2	\$1,865	3	\$4,644
HUMAN SERVICES	2	\$0	1	\$2,010	0	\$0
JUSTICE COURTS	0	\$0	1	\$0	0	\$0
JUVENILE PROBATION	0	\$0	1	\$0	0	\$0
MARICOPA MEDICAL CENTER	6	\$163,934	0	\$0	3	\$15,489
OFFICE OF ENTERPRISE TECH	0	\$0	0	\$0	2	\$104,310
PARKS & RECREATION	6	\$92,894	8	\$9,983	2	\$2,625
PLANNING & DEVELOPMENT	1	\$0	1	\$0	0	\$0
PUBLIC DEFENDER	0	\$0	1	\$0	0	\$0
PUBLIC HEALTH	5	\$5,190	2	\$0	1	\$1,602
PUBLIC WORKS	13	\$50,691	19	\$28,071	7	\$5,483
SHERIFF	13	\$33,988	16	\$84,500	21	\$9,239
TRIAL COURTS	1	\$0	1	\$0	1	\$0
TOTALS	72	\$378,170	87	\$170,553	68	\$151,934

Notes:

1. Dollars paid listed above represents payments on claims by event date, not actual payment date, and does not include RBNP or IBNR reserves. Due to lag time in resolution and payment of claims, the figures from FY06-07 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, 2009, as reported by the RiskMaster System.
4. The totals are derived using both dollars and cents. The cents are removed for presentation purposes and all dollar amounts are rounded to the nearest dollar.

**WORKERS' COMPENSATION LOSS SUMMARY
FY06-07 TO FY08-09**

Department	FY06-07		FY07-08		FY08-09	
	# Claims	\$ Paid	# Claims	\$ Paid	# Claims	\$ Paid
ADULT PROBATION	90	\$183,920	57	\$104,112	44	\$67,983
AIR QUALITY	5	\$3,543	8	\$1,967	9	\$6,868
ANIMAL CONTROL	53	\$48,521	44	\$29,376	36	\$37,663
CLERK OF SUPERIOR COURT	22	\$17,044	20	\$15,153	13	\$6,679
CORRECTIONAL HEALTH	34	\$102,225	35	\$37,377	28	\$20,802
COUNTY ASSESSOR	4	\$1,054	8	\$21,152	9	\$5,794
COUNTY ATTORNEY	24	\$44,923	15	\$20,079	9	\$6,317
ELECTIONS DEPARTMENT	6	\$138,013	6	\$7,892	11	\$13,164
ENVIRONMENTAL SERVICES	17	\$77,678	14	\$29,558	17	\$37,764
EQUIPMENT SERVICES	9	\$43,548	7	\$66,685	7	\$4,688
FACILITIES MANAGEMENT	19	\$22,074	14	\$25,790	3	\$3,843
FLOOD CONTROL	11	\$32,420	7	\$57,924	0	\$0
HEALTH CARE DISTRICT	373	\$919,181	485	\$855,614	360	\$484,357
HUMAN SERVICES	30	\$31,341	35	\$60,111	17	\$18,177
JUSTICE COURTS	21	\$22,186	7	\$32,506	7	\$9,564
JUVENILE PROBATION	95	\$392,083	77	\$236,430	63	\$61,428
LIBRARY DISTRICT	8	\$1,473	10	\$6,102	4	\$3,039
MEDICAL EXAMINER	17	\$13,065	13	\$14,973	16	\$13,955
PARKS & RECREATION	8	\$16,310	8	\$99,713	8	\$2,800
PUBLIC DEFENDER	7	\$25,721	15	\$33,069	6	\$15,427
PUBLIC HEALTH	51	\$194,892	38	\$46,372	28	\$68,091
SHERIFF	438	\$1,159,695	405	\$880,597	443	\$696,139
TRANSPORTATION	22	\$89,493	25	\$71,547	2	\$1,262
TRIAL COURTS	37	\$104,117	50	\$145,287	32	\$72,563
ALL OTHERS	20	\$12,401	20	\$36,788	37	\$64,781
TOTALS	1421	\$3,696,921	1423	\$2,936,174	1209	\$1,723,148

Notes:

1. Dollars paid listed above represents payments on claims by event date, not actual payment date, and does not include RBNP or IBNR reserves. Due to lag time in resolution and payment of claims, the figures from FY06-07 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, 2009, as reported by the Pinnacle system.
4. The totals are derived using both dollars and cents. The cents are removed for presentation purposes and all dollar amounts are rounded to the nearest dollar.

**UNEMPLOYMENT LOSS SUMMARY
FY06-07 TO FY08-09**

Department	FY07-08	FY07-08	FY08-09
	\$ Paid	\$ Paid	\$ Paid
ADULT PROBATION	\$14,774	\$24,087	\$17,083
AIR QUALITY	\$3,893	\$0	\$22,458
CLERK OF SUPERIOR COURT	\$26,147	\$39,768	\$21,905
CORRECTIONAL HEALTH	\$12,154	\$20,183	\$22,180
COUNTY ASSESSOR	\$20,016	\$8,361	\$26,326
COUNTY ATTORNEY	\$6,733	\$19,103	\$12,746
ELECTIONS	\$19,900	\$2,926	\$32,138
ENTERPRISE TECHNOLOGY	\$3,327	\$3,883	\$11,378
ENVIRONMENTAL SERVICES	\$21,157	\$14,712	\$30,053
EQUIPMENT SERVICES	\$3,112	\$0	\$0
FACILITIES MANAGEMENT	\$2,516	\$931	\$3,294
FINANCE	\$6,515	\$0	\$7,143
HEALTH CARE MANDATES	\$16,040	\$0	\$0
HOUSING	\$7,175	\$0	\$0
HUMAN SERVICES	\$94,446	\$137,358	\$198,958
JUVENILE PROBATION	\$32,330	\$39,087	\$41,097
MARICOPA MEDICAL CENTER	\$191,937	\$149,810	\$225,845
PARKS	\$5,520	\$6,240	\$137
PLANNING & DEVELOPEMENT	\$5,524	\$25,410	\$77,716
PUBLIC DEFENDER	\$2,847	\$18,617	\$7,314
PUBLIC HEALTH	\$13,186	\$35,721	\$29,628
SHERIFF	\$54,829	\$49,963	\$39,957
TRANSPORTATION	\$8,983	\$1,234	\$6,675
TRIAL COURTS	\$23,066	\$44,145	\$36,532
ALL OTHERS	\$5,864	\$23,968	\$89,453
TOTALS	\$601,990	\$665,507	\$960,017

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, 2009, as reported by the Advantage Financial System.
3. The totals are derived using both dollars and cents. The cents are removed for presentation purposes and all dollar amounts are rounded to the nearest dollar.