



County of Mendocino Risk Management California's Liability Landscape

Claims Against Public Entities

The liability market has changed drastically:

- Claims filed against California Public Entities have increased 23% over the past 10 years.
- Premiums are escalating at an unsustainable pace, and self-insured retentions are growing as high as 5 million per claim.
- Large losses (1 million or more) make up less than 1% of claims, but represent 61% of claim funds spent using taxpayer dollars.
- Between 2014-2015 and 2021-2022, the number of large loss claims increased by 46%
- Taxpayer dollars being used to fund claims made against public entities is increasing exponentially, tripling from 2018-2019 to 2023-2024 and is projected to double again by 2026-2027.
- Taxpayer dollars paid to resolve large claims quadrupled from 2018-2019 to 2023-2024 and is projected to triple by 2026-2027.

Data Courtesy of CAJPA – Protecting Public
Funds (09/30/2024)

The Life of a Claim

- On average, it takes 4-5 years for a liability claim to resolve.
- Only 45% of claims filed in 2023-2024 are closed (statewide).
- The County pays on the claim, and only receives reimbursement once the claim is closed, so the County could be paying on multiple large losses at any given time, with years between reimbursement.

What's driving losses?

- Frequency and severity of nuclear verdicts
- AB 218
- Inflation – medical, litigation financing, social
- Decreased # of Insurers willing to participate in California's liability market
- Increased Severity of Workers Compensation Losses
- Increasing Cyber Threats
- Increases in Jail claims from AB 109 and State Prison closures
- Increased natural disasters and catastrophic losses



What Can We Do?

Loss Prevention:

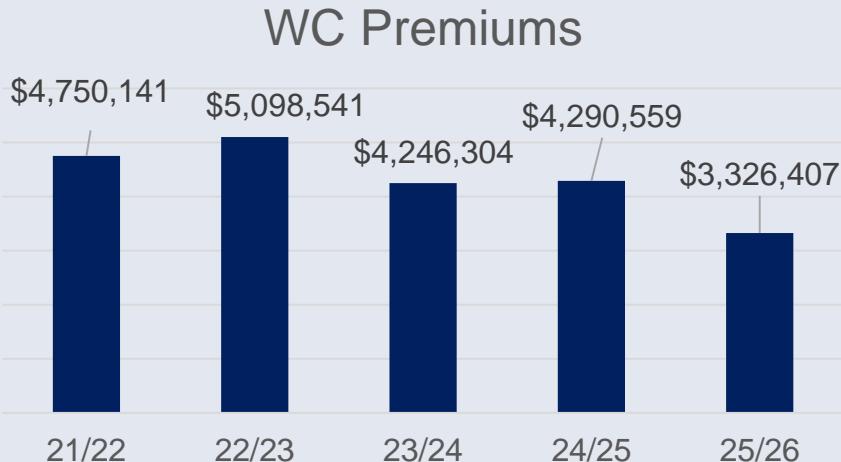
- Encourage Teams meetings to reduce exposures from travel related accidents or injuries.
- Make sure policies and procedures are up to date and compliant with the law.
- Departments should work with the Executive Office, County Counsel and Human Resources on potential liability issues.

Partnerships:

- Work with nearby Counties and public entities to make sure we are handling sensitive matters consistently.
- Maintain our legislative platform and speak with our legislators on the ramifications of new laws.

A few positives:

- Workers' Compensation premiums have been dropping due to advantageous claims development.
- Claim Filing has declined.



Claims Filed By FY

