

Protecting Public Funds

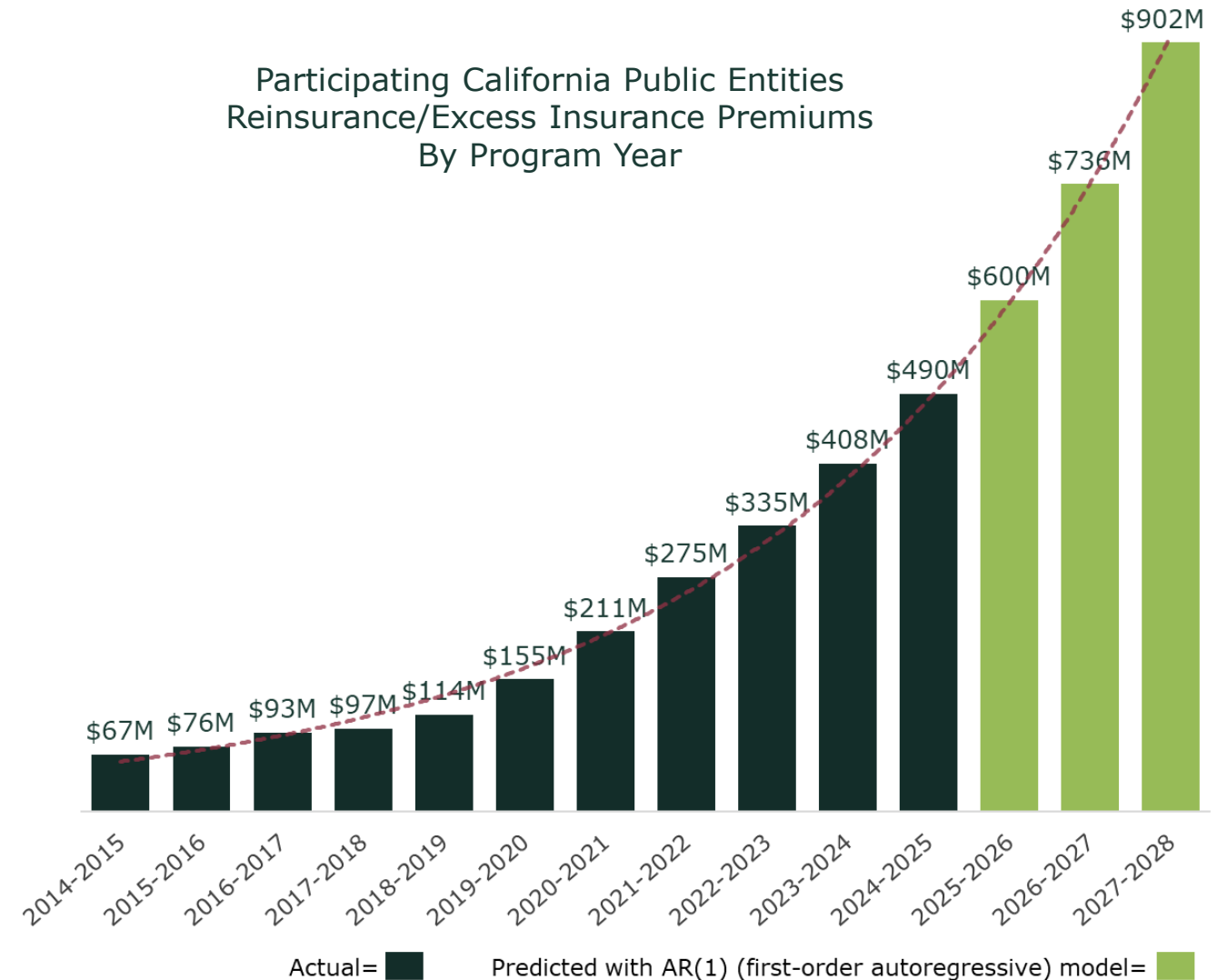
Data valued as of 9/30/2024

Multiple public entities participated in this project due to concerns about the unsustainable increase in the cost of liability claims and insurance coverage.

Type of organization	Organizations		
	N Submitted Data	N that exist in California	% Submitted
County	49	58	84%
Municipality	311	483	64%
School or school district	300	934	32%
Other schools/education-related orgs	137		
Other agencies*	489		
Total	1,340		

**Other agencies include special districts (e.g. water, cemetery, vector control), county fairs or expositions.*

- In addition to the escalating loss payments, public entities are struggling to find insurance coverage.
- The premiums are escalating at an unsustainable pace, forcing many agencies to self-insure to \$5M or more.

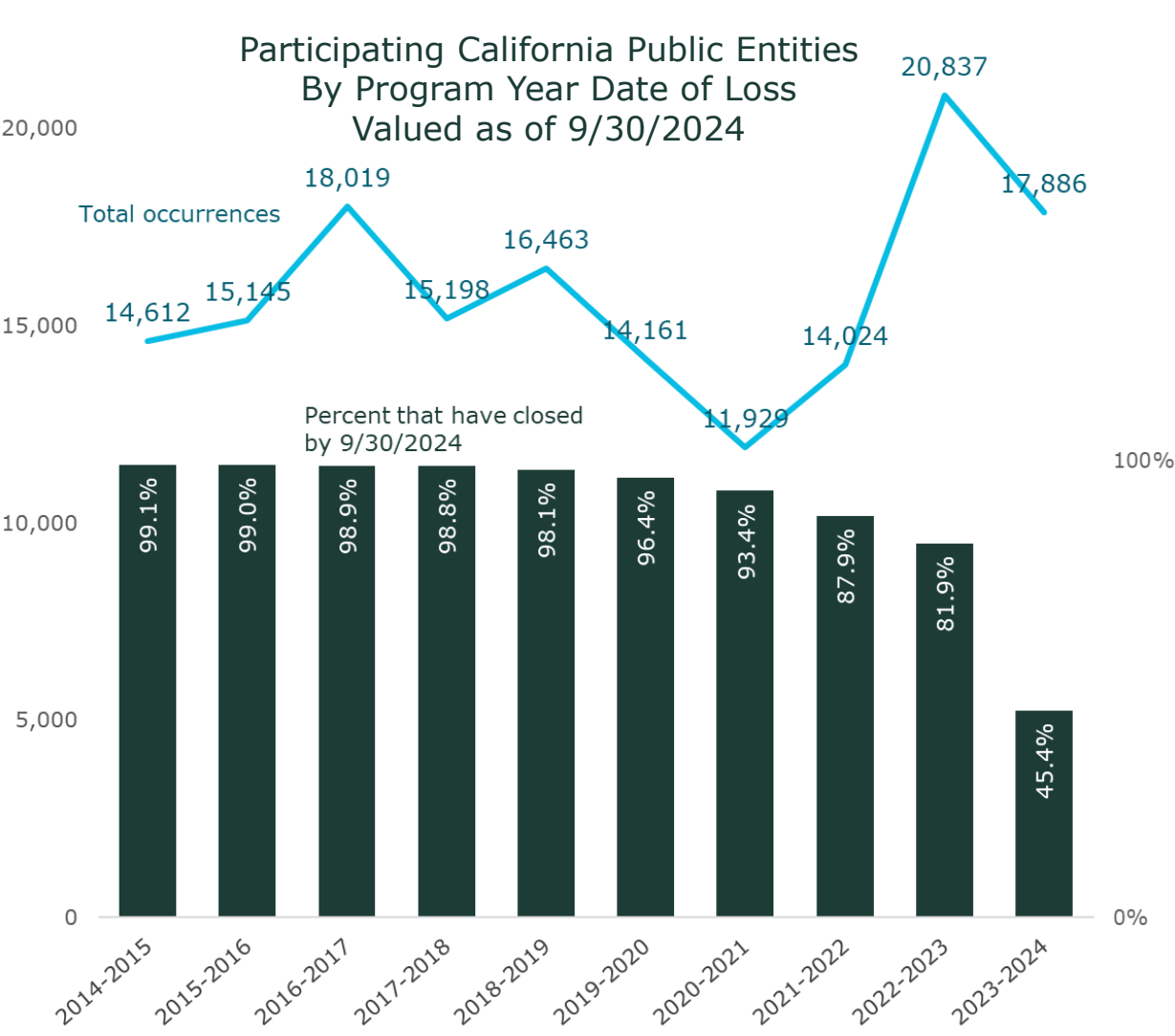




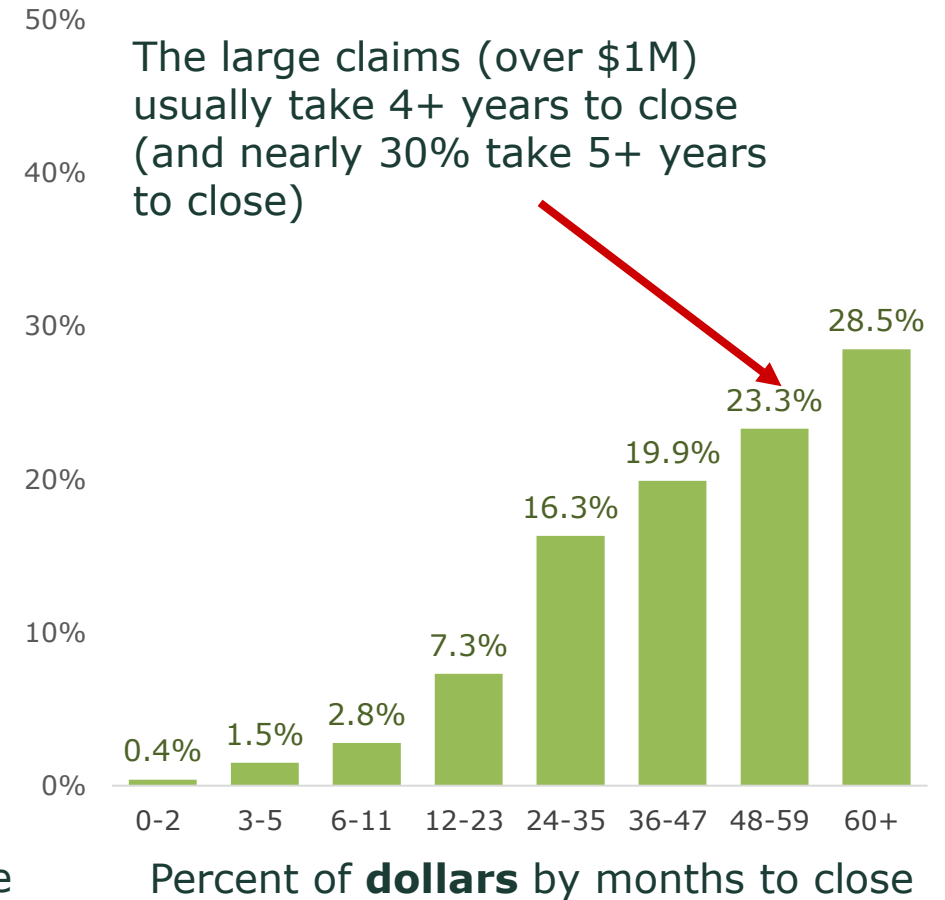
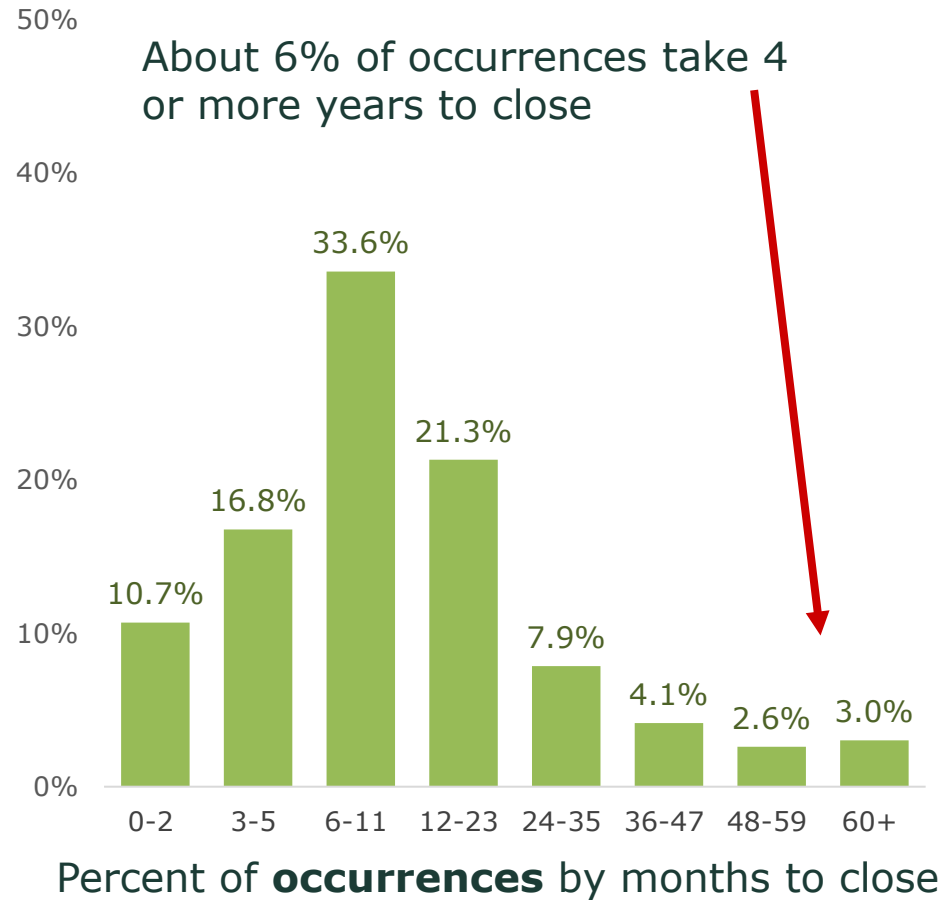
Claims filed against CA public entities have increased 23% over the past 10 years.

On average, it takes liability claims 4-5 years to resolve.

While 98% of claims that occurred between 2014-15 and 2018-19 are closed, only 45% of claims in 2023-24 are closed.

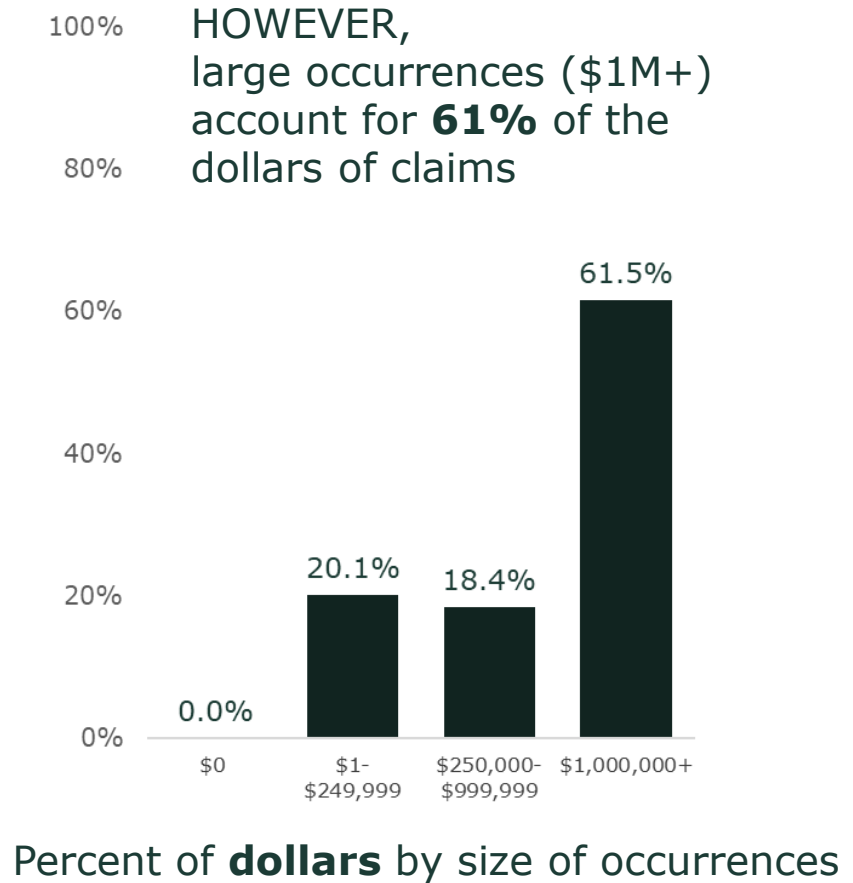
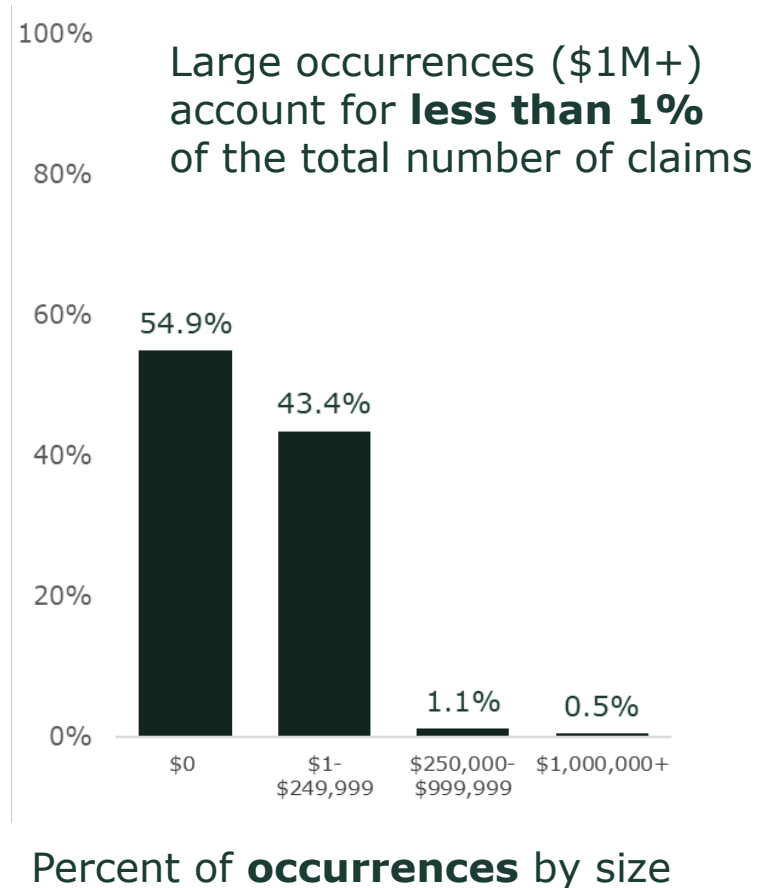


Due to the time it takes for claims to resolve, the taxpayer amount spent on liability claims will continue to grow until all claims in that period are closed.



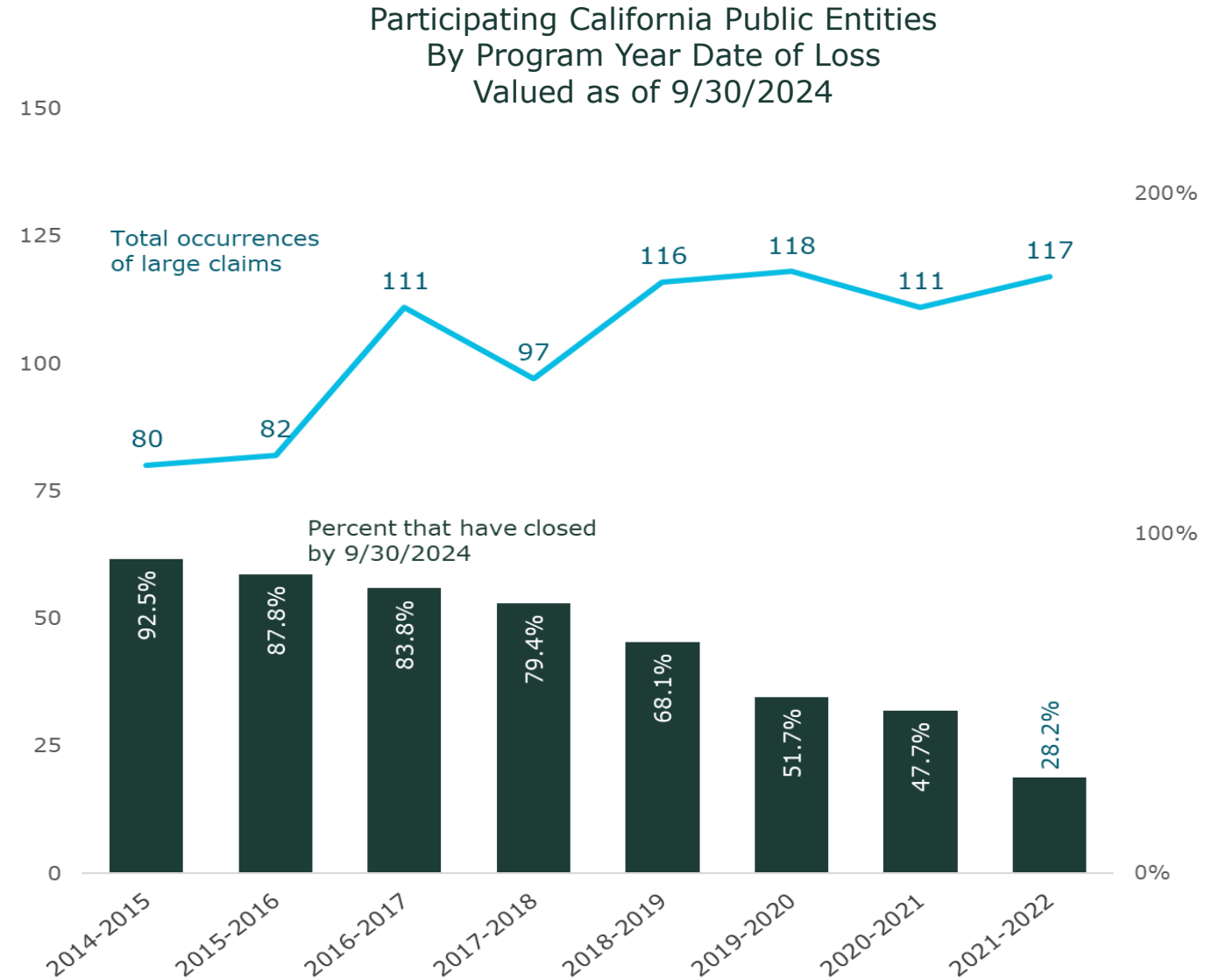
Closed liability losses
(aka occurrences) from
2014-15 to 2019-20

Large losses (\$1M or
more) make up less than
1% of the claims,
however, represent **61%**
of claim funds spent
using taxpayer dollars.

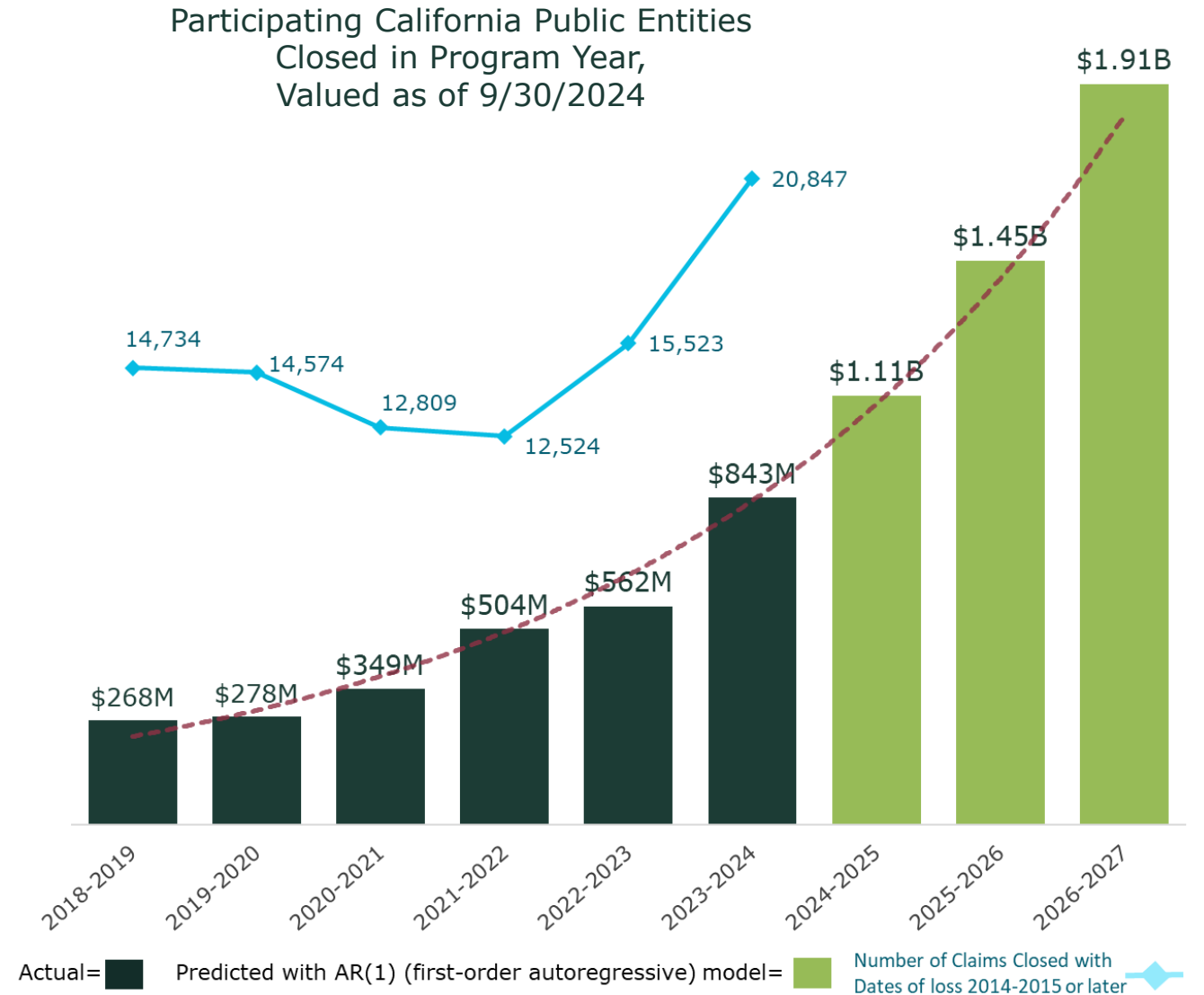


The number of large claims (\$1M or more) are increasing at an alarming rate.

Between 2014-2015 and 2021-2022, the number of large claims increased by 46%.

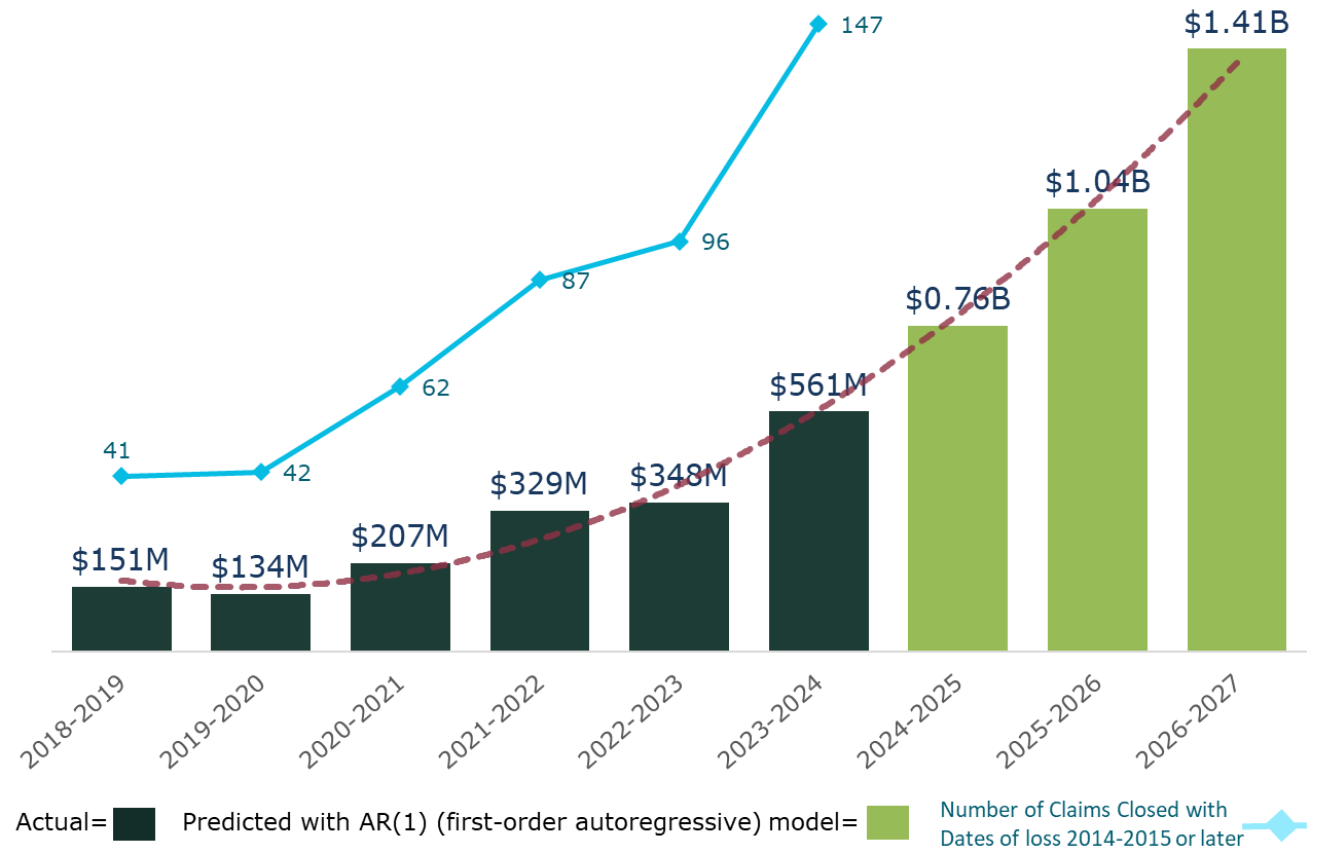


Taxpayer dollars being used to fund claims made against public entities is increasing exponentially, tripling from 2018-2019 to 2023-2024, and is projected to double again by 2026-2027.



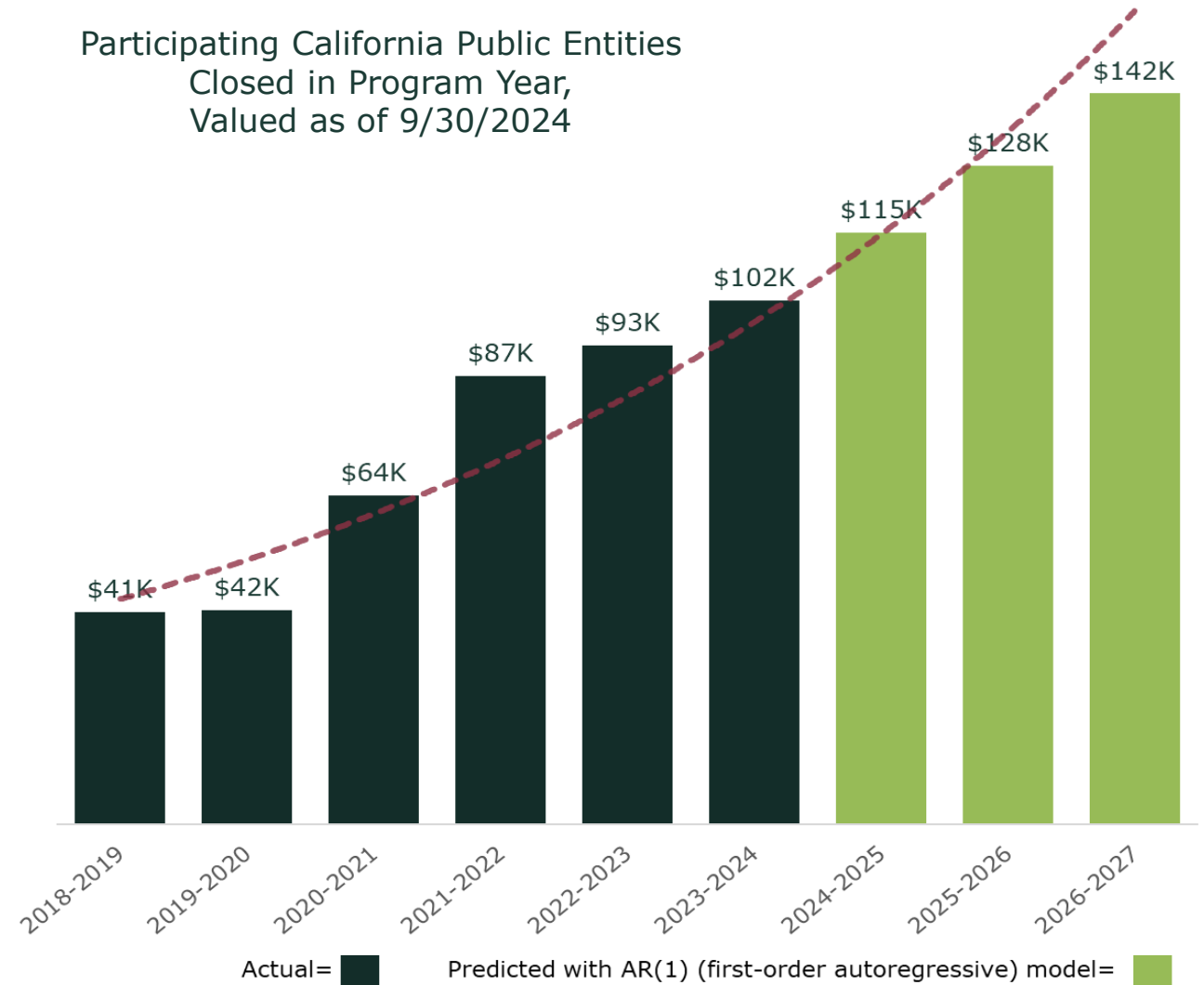
Taxpayer dollars paid to resolve large (over \$1M) claims is increasing exponentially, nearly quadrupling (3.7X) from 2018-2019 to 2023-2024, and is projected to nearly triple by 2026-27.

Participating California Public Entities
Closed in Program Year,
Valued as of 9/30/2024



The average size of closed claims is also increasing incrementally and is outpacing inflation.

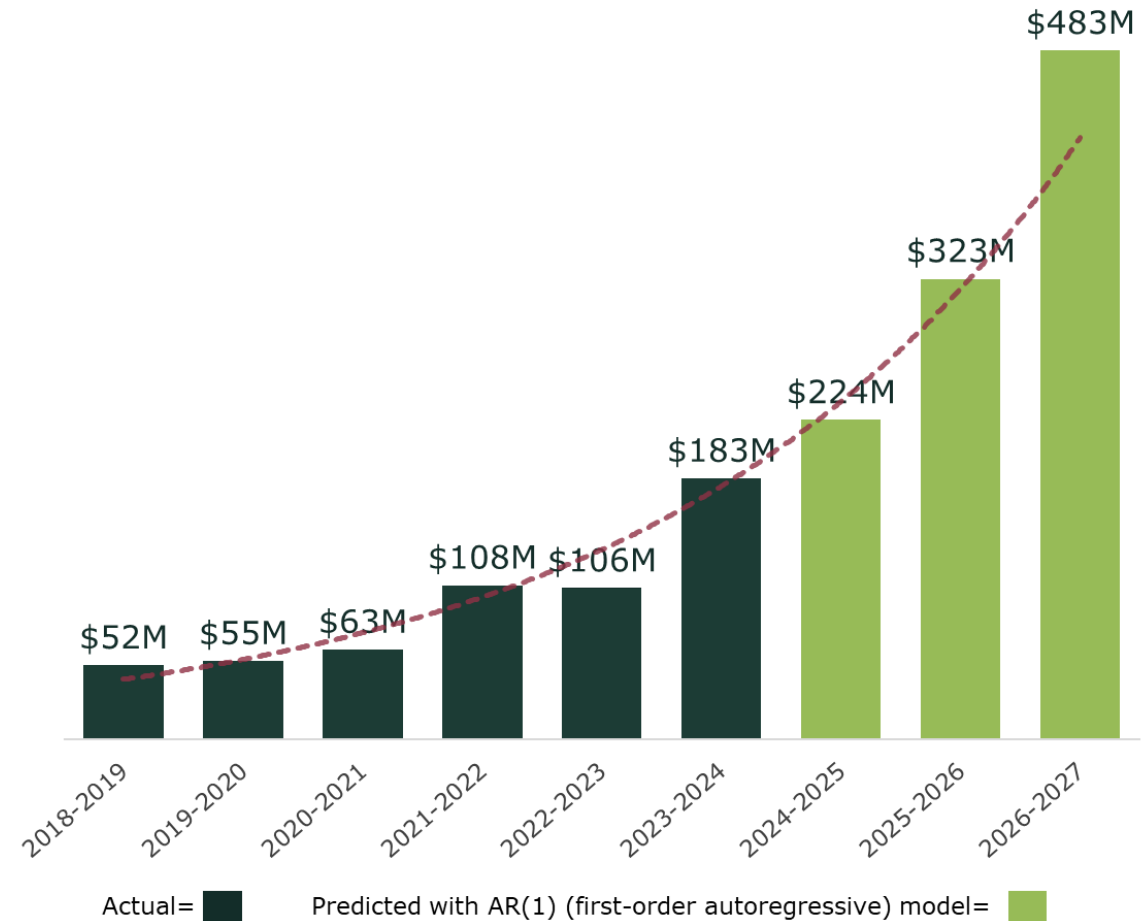
The average more than doubled from 2018-2019 to 2023-2024, and is projected to increase another 50% over the next three years.



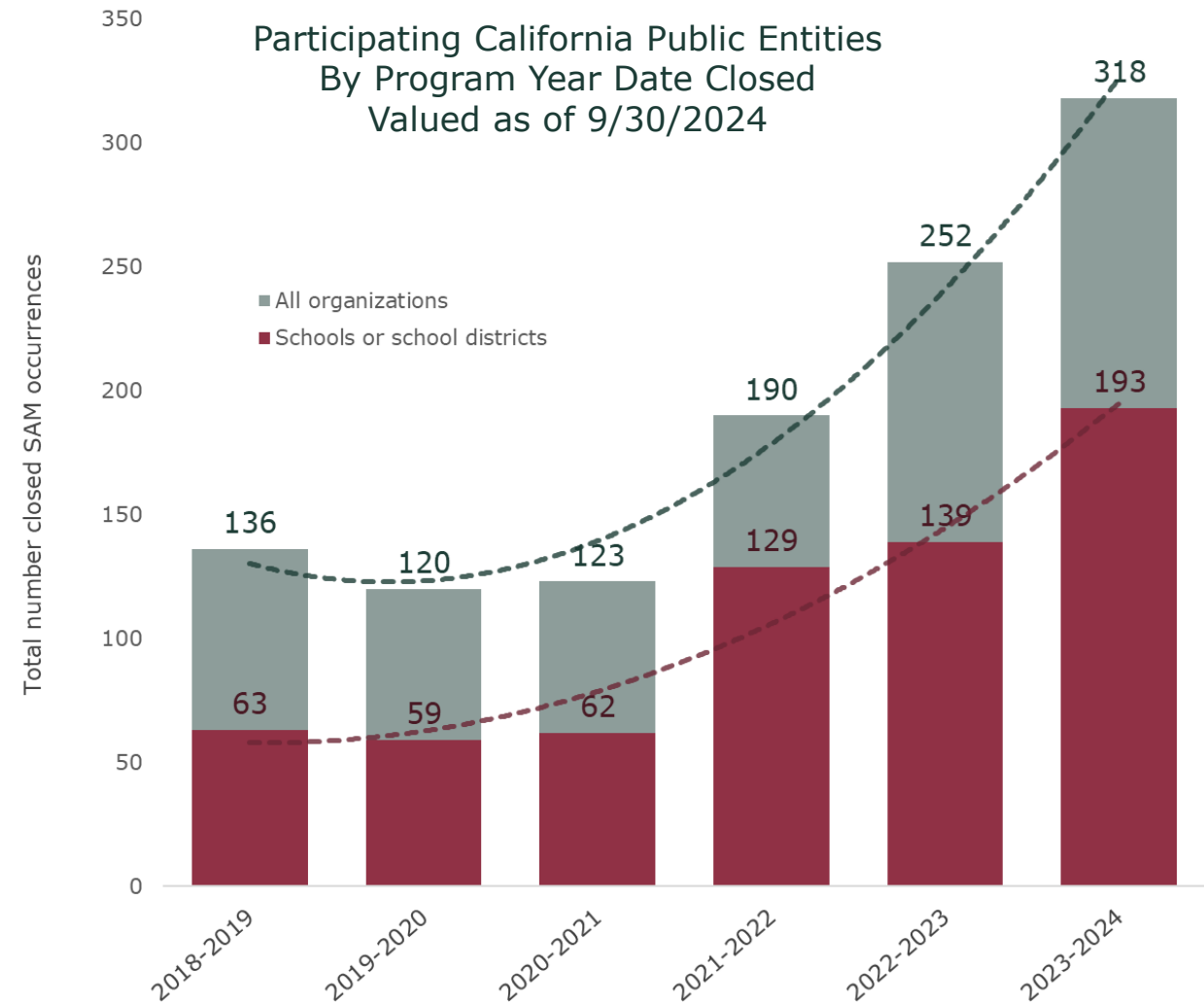
The amount of taxpayer money being paid to plaintiff attorneys to resolve claims against public entities is also increasing exponentially.

Note: This assumes plaintiff attorney fees account for 30% of the total settlement.

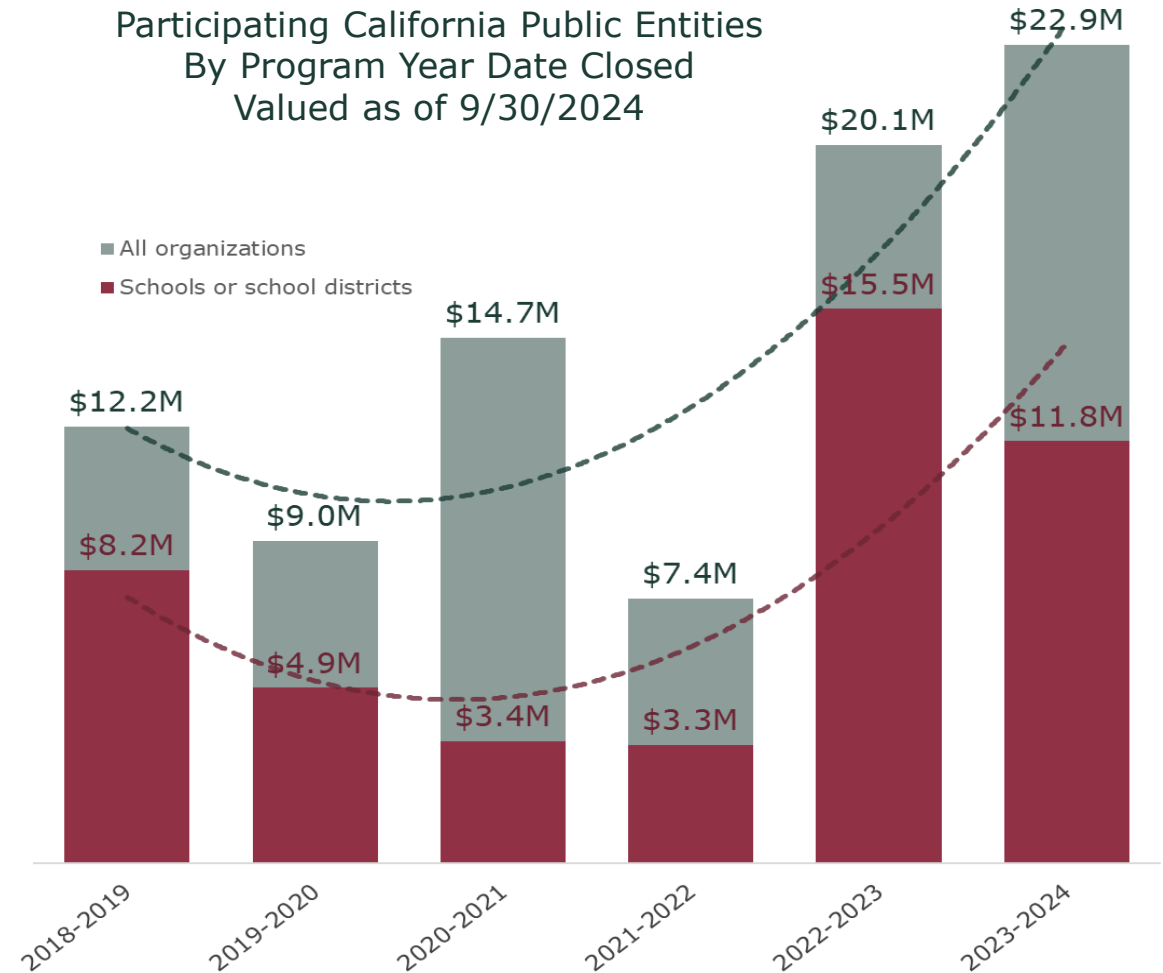
Participating California Public Entities
By Program Year Date Closed
Valued as of 9/30/2024



Sexual Abuse and Molestation (SAM) claims are increasing by 2.3x for all organizations and by 3x for schools or school districts.

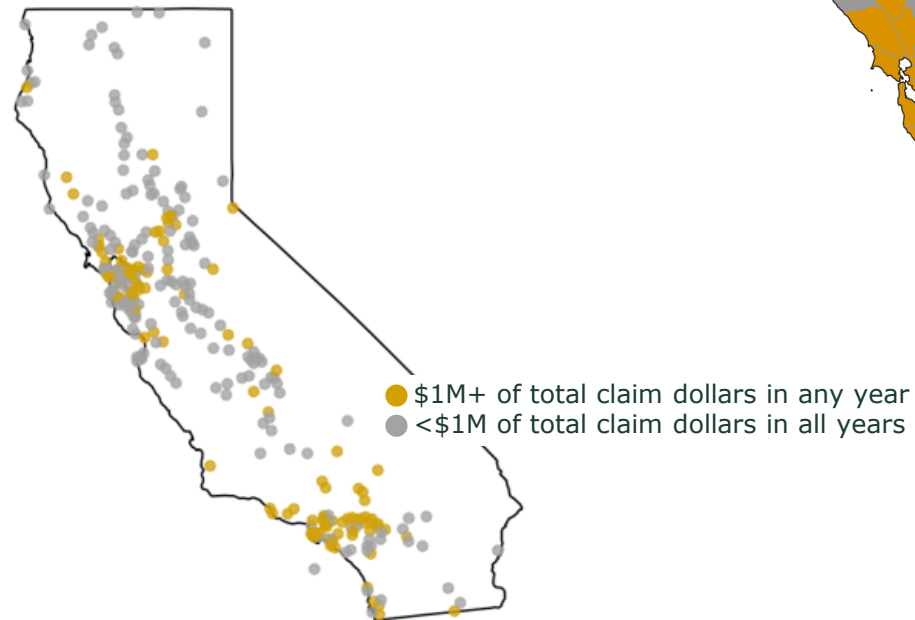


The amount of taxpayer money used to resolve SAM claims increased by about 88% from 2018-2019 to 2023-2024.



- The high cost of claims against public entities is not isolated to a few areas in the state.
- For example, over 75% of counties in California have experienced at least \$1M in claims in any one year during the past 5 years.

Municipal Government Claims (since 2017)



County Government Claims (since 2017)

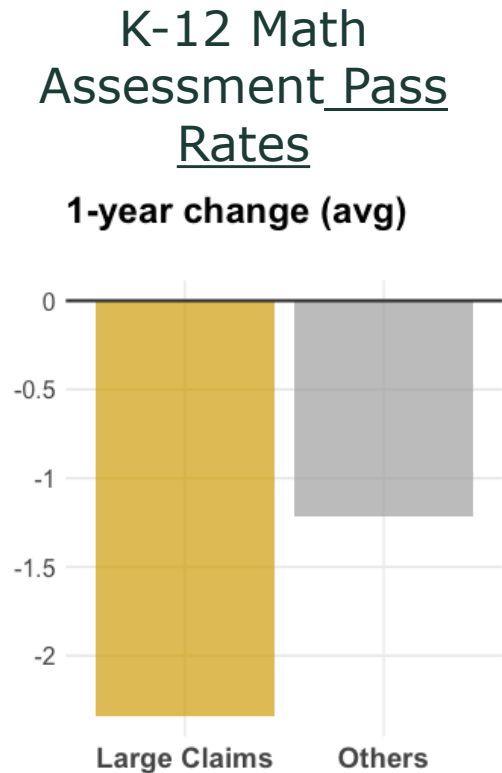


California communities
are negatively impacted
by large claim
payments.

Community outcomes with negative impacts

- Gini income inequality coefficient
- Housing cost burden for homeowners
- Vacant housing units
- Households using SNAP benefits
- K-12 reading assessment pass rate
- High school math assessment pass rate
- High school reading assessment pass rate
- K-12 Math Assessment
- Violent crime rate
- Internet access score

California Communities are negatively impacted by large verdicts and settlements after a year which includes more than \$1M in claim payments.



Child poverty rate	+ 1.0 % points
Gini income inequality coefficient	+ .01
Households using SNAP benefits	+ 10.4%
Housing cost burden for homeowners	+ 1.4 % points
Internet access score	- .01
K-12 math assessment pass rate	- 3.7 % points
K-12 reading assessment pass rate	- 3.4 % points
Poverty rate	+ 4.3%
Unemployment rate	+ 6.1%
Vacant housing units	+ 14.2%