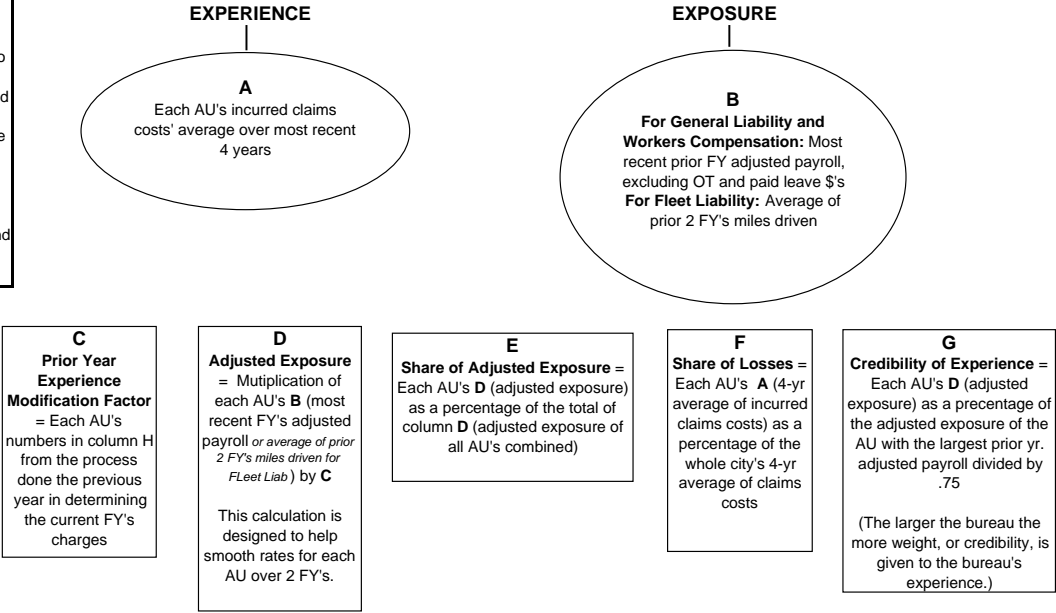


This allocation methodology was developed in 1989 in consultation with an independent insurance consulting firm, the Wyatt Company. It applies insurance industry standard techniques to smooth charges between years and to weigh experience against exposure. It was reviewed and adjusted in 2003, at the recommendation of another independent consultant (ARMTech). The eighteen year City experience with this overall methodology, which is consistent with current insurance industry practices, meets the goals of: maintaining the City's self-insurance funds as actuarially sound; rate stability, loss sensitivity and equitable allocation of risk costs among bureaus.

Risk Allocation of Self-Insurance Totals



Weighting of Claims Experience by Exposure

