

CITY OF NEW YORK
OFFICE OF THE COMPTROLLER

CLAIMS REPORT

Fiscal Years 2005-2006

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COMPTROLLER

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Claims Report

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II. EXECUTIVE SUMMARY

This report provides an examination of data regarding claims filed against the City during Fiscal Years 2005 and 2006 and an analysis of recent claims trends.

In Fiscal Year 2005, the cost of claims totaled \$529.8 million. In Fiscal Year 2006, the cost of claims totaled \$496.4 million. This represents a decline of 10 percent and 16 percent respectively from the historic high of \$589 million in Fiscal Year 2001.

This downward trend in the City's payout reflects a number of encouraging results associated with the City's adoption of new practices and the implementation of several innovative claims reduction initiatives.

In addition to using fundamental cost reduction initiatives such as early claims settlement, fraud detection and the collection of funds owed by individuals who have damaged City property, the Comptroller's Office continues to employ and expand its use of innovative technologies that have magnified cost savings.

The Office has expanded its use of Cybersettle—an internet-based settlement tool that matches monetary offers between claimants and the City. Similarly, the Comptroller's Office has reaped substantial savings while using geographically-based data mining to reduce investigative costs associated with personal injury claims.

In addition, the Comptroller's Office has created several new units and implemented early intervention initiatives to specifically target cost reductions in key areas. These newly created units include the Risk Management Division, the Motor Vehicle Personal Injury Division, the Medical Malpractice Early Intervention Unit, the Police Action Early Intervention Unit and the Fraud Unit.

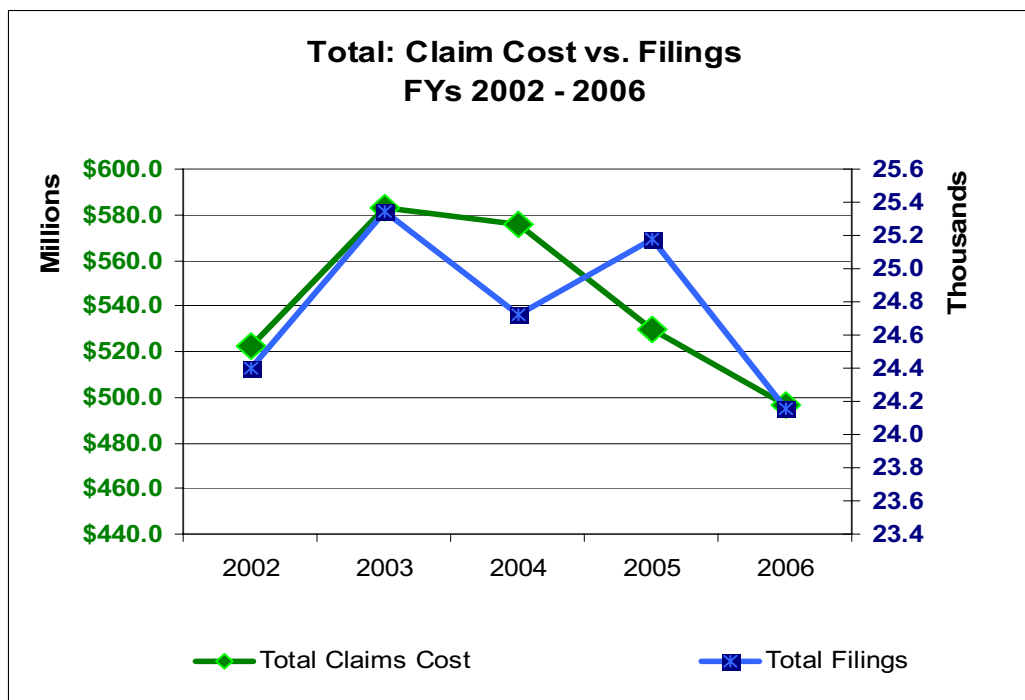
While the City's overall costs have decreased over the last five fiscal years and the City experienced its second lowest numbers of claims filed in Fiscal Year 2004, there have been some troubling trends as well. Medical malpractice continues to be an

area of particular concern, as these claims represent the largest payouts made by the City. These settlement costs increased in Fiscal Year 2006; 36 separate cases were each resolved for more than \$1 million.

Another concern is claims filed against the Police Department. In Fiscal Year 2006, a record high of 5,634 claims were filed as a result of Police Department activities. The Police Department, unlike every other agency, has experienced a rise in claims during each of the last five fiscal years.

The claims information presented in this report provides an overview of the three categories of claims filed (Personal Injury, Property Damage and Law Claims) and their costs for the ten year period from Fiscal Year 1997 through Fiscal Year 2006.

Sections III and IV provide highlights and an overview of the Comptroller's recent initiatives. Sections V, VI and VII present trends in personal injury claims, separated by claim type, agency and borough. Personal injury claims are analyzed separately because they account for the greatest cost and largest number of new claims filed.



III. HIGHLIGHTS OF COMPTROLLER INITIATIVES

The following initiatives were implemented by the Comptroller's Bureau of Law and Adjustment in an effort to reduce the cost of the City's settlements and judgments.

A. 21st Century Settlement Demonstration Project

In February 2004, the New York City Comptroller's Office created a pilot program, the "21st Century Settlements Project," by contracting with Cybersettle Inc., an on-line claims settlement company. The pilot project was developed to evaluate whether the Comptroller's Office could better enable its claims adjusters to cost-effectively settle claims against the City.

Program Description

Cybersettle, Inc. is an internet-based settlement tool that uses patented technology to support a double-blind negotiation process (neither party can ascertain the dollar amount the other is offering). The on-line settlement system is available twenty four hours per day, seven days per week, and matches offers and demands. The technology assists parties in resolving claims by eliminating the typical posturing between adversaries and allows both parties to identify their highest or lowest settlement offers without compromising their respective negotiating positions.

Cybersettle's technology was integrated into the Comptroller's claim data processing system, the Omnibus Automated Image Storage Information System (OAISIS), enabling claims adjusters to send claims to Cybersettle with the click of a mouse. The technology also allows for automatic updates to OAISIS regarding claims status and settlements and provides immediate access to numerous claims reports. Both Cybersettle and OAISIS are protected by state of the art firewalls and other preventative intrusion technologies which virtually eliminates the risk of unauthorized viewing or hacking.

Further, this integration with the Office's computer system allows for the automatic generation of personalized letters, faxes and e-mails that are sent to the claimant at various stages of the claims process thereby permitting adjusters more time to focus on actual settlement efforts rather than on administrative tasks.

Program Outcomes

During the "21st Century Settlements Project" pilot that was used from February 12, 2004 through June 30, 2005, the Comptroller's Office settled a total of 998 claims using the on-line settlement technology. These settlements were comprised of motor vehicle, sidewalk, school and miscellaneous personal injury claims. The average length of time from the filing of a claim to settlement was 278 days and the average settlement amount was \$11,252. In contrast, the average non-Cybersettle settlement amount for the same time period was \$38,809 with an average settlement length of 1,629 days, or nearly four and a half years.

The "21st Century Settlements Project" pilot resulted in significant savings. First, the average settlement cost of the City's three largest claim types was cut by \$27,241. In addition to these savings, administrative costs for each of these claim types was reduced by another \$11,622 for a combined estimated savings of \$38,863 per claim. This translates to a savings of more than \$36 million per year.

The Comptroller has recently entered into a new contract with Cybersettle and anticipates an expansion of the on-line settlement process to include additional types of claims. The goal of this expansion is to provide the Office with an opportunity to settle more serious and complex claims earlier and less expensively.

B. Creation of a Risk Management Division

The Risk Management Division focuses on City-wide loss prevention efforts and provides litigation support for the Comptroller's Early Intervention Units. Most importantly, by reviewing the notices of claim filed with the Office,¹ the Division seeks to identify patterns in claims at an earlier stage in order to implement risk prevention strategies.

The Risk Management Division also provides City agencies with risk management training and risk reduction programs; one such initiative involves auto safety. Because vehicular accident claims are one of the City's largest claim types, the Division arranged for a free three month pilot program for the Department of Sanitation during the Fall of 2006. This program utilized a risk management software package that continuously monitors, in real-time, driver license activity such as suspensions, revocations, or other license terminations. Real-time monitoring reduces the risk of unlicensed operators driving City vehicles. Drivers with multiple accidents, suspensions or drug or alcohol related charges are more quickly brought to the attention of fleet managers who are able to take appropriate supervisory measures.

Another important program begun by the Risk Management Division focuses on claims of alleged sexual abuse against New York City students by employees of the Department of Education. The Division works closely with the agencies that investigate sexual abuse allegations in the schools: the Office of the Special Commissioner of Investigation, the Department of Education's Investigation Unit, as well as the City's District Attorneys. These highly sensitive cases are given special attention and appropriate settlements are sought at the very early stages of such claims.

¹ In 2001, 26,330 new claims were filed with the Comptroller's Office, as compared to 24,155 new claims filed in 2006.

Finally, the Division created a risk management award program that recognizes agency programs which reduce claims payouts, increase safety and show the best potential for replication among other agencies. Previous winners of the annual award include the Department of Design and Construction and the NYC Housing Authority.

C. Creation of Motor Vehicle Personal Injury Division

Prior to 1998, the Comptroller's Office rarely settled claims involving personal injuries. Unlike most insurers, the City (through the Law Department and the Comptroller's Office) settled virtually all personal injury claims only *after* litigation commenced. This resulted in significant increases in the City's litigation backlog (which reached approximately 70,000 cases) and a doubling of claim expenses from 1990 to 1998.

A pilot program, introduced in 1998, focused exclusively on negotiating early settlements of claims arising from injuries allegedly sustained because of defective sidewalks and Board of Education operations. As a result of that pilot program, the time needed to investigate a claim decreased and enabled the Comptroller's Office to make settlement offers for appropriate claims prior to costly litigation. The initiative resulted in significant savings to the City. From January 1998 to January 2002, the pilot saved \$65.2 million in settlement costs alone, not including savings related to lower litigation and administrative costs.

The Comptroller's Office has expanded this program to include other costlier claims. Because motor vehicle accidents are currently the second costliest claim type after medical malpractice, a separate Motor Vehicle Personal Injury Division was created in 2003. This Division is dedicated to the appropriate and early settlement of claims involving personal injuries sustained from accidents involving the operation of New York City-owned motor vehicles.

D. Creation of Early Intervention Units for Medical Malpractice and Police Action Cases

These units, focused on two of the costliest claim types, are comprised of both Comptroller and Corporation Counsel staff (Police Action cases) and Comptroller and HHC staff (medical malpractice claims). The units, handling carefully selected claims, strive to negotiate reasonable and fair settlements prior to extensive discovery and before expensive legal and expert witness fees have accumulated. The units also develop risk management and loss prevention programs from the information gathered through these cases. The compilation and analysis of this data allows the Comptroller's Office to gauge the effectiveness of its early intervention efforts.

E. Affirmative Claims

In FY 2000, the Office of the Comptroller collected nearly \$522,000 in affirmative claims,² mainly for damages caused to NYPD vehicles. As a result of the Comptroller's enhanced efforts in this area, \$1,019,292 in affirmative claims was collected during Fiscal Year 2006. This represents an increase of 95 percent in affirmative claims from Fiscal Year 2000.

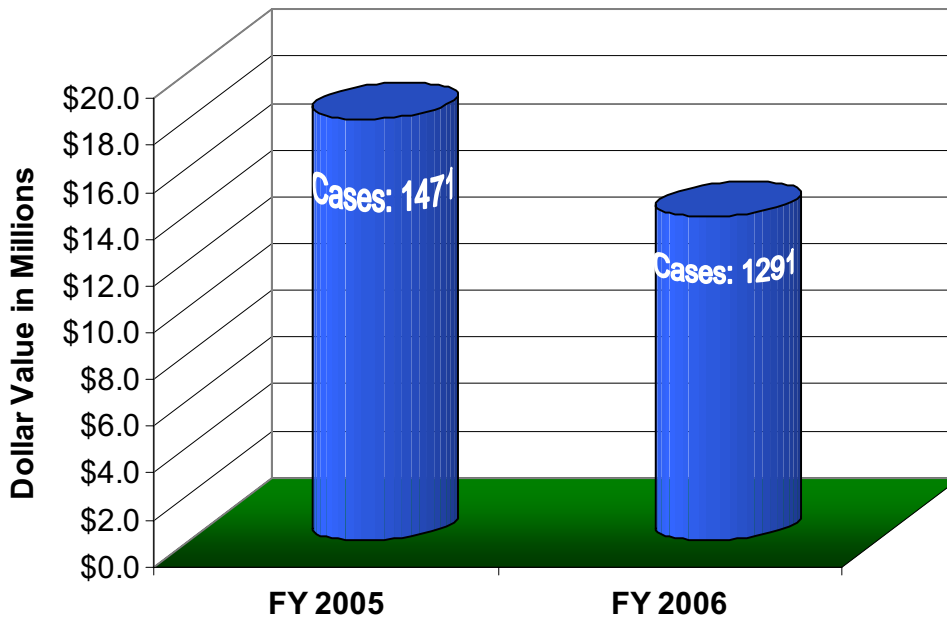
² An affirmative claim is a claim brought by the City, to collect for damage or harm done to City property.

IV. OVERVIEW OF COMPTROLLER'S INITIATIVES TO MANAGE RISK AND IMPLEMENT BEST PRACTICES

Pre-Litigation Settlement: In Fiscal Year 2006, the Comptroller's Office settled 1,291 personal injury claims prior to litigation. This effort saved the City approximately \$24 million in settlement costs. The average pre-litigation settlement was \$10,706, whereas the average settlement for similar claims after litigation commenced was \$29,694.

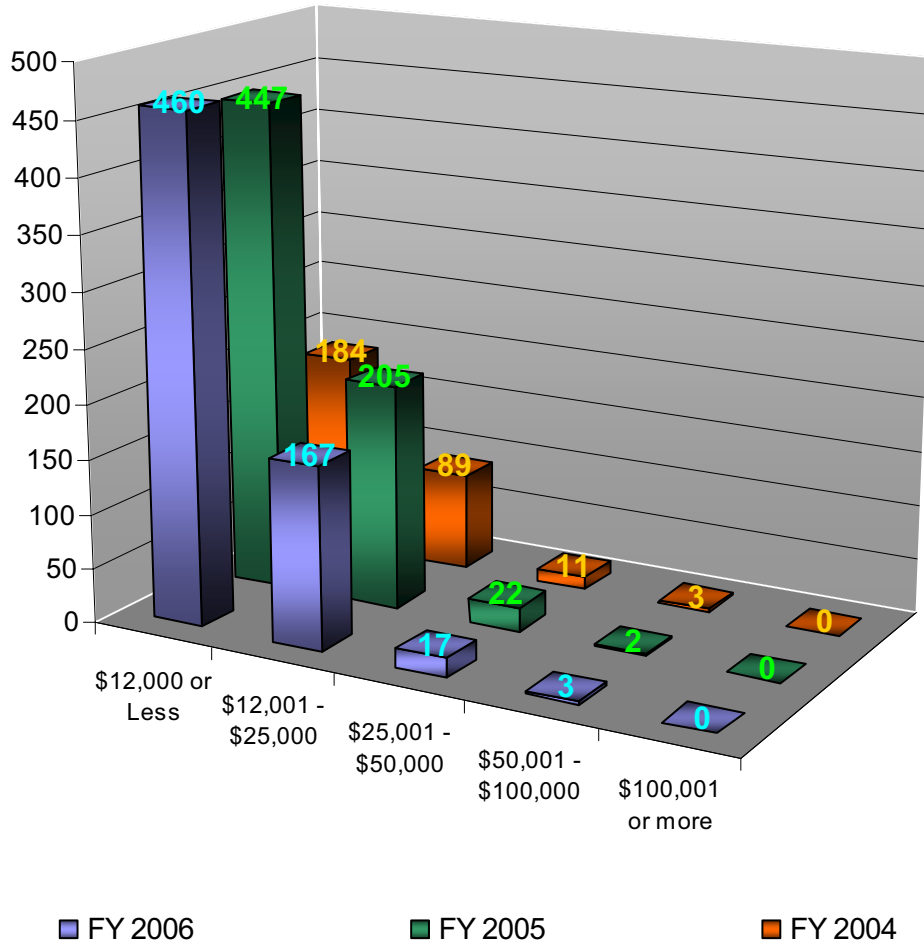
CHART 1

Pre-Litigation Settlements



Cybersettle: Since February 2004, the Comptroller's Office has utilized Cybersettle, an Internet-based settlement tool that uses a double-blind negotiation process. During that time, the Office settled more than 1,610 personal injury and property damage claims using this technology, with an average settlement of \$10,522 per claim, saving the City approximately \$33 million in settlement costs alone. Plans include the expanded use of Cybersettle for all claim types whether or not settlement discussions are initiated by the City.

CHART 2
Number of Cybersettlements by Fiscal Year and Settlement Ranges



Cybersettle Activity
February 12, 2004 to June 30, 2006

	FY 2004	FY 2005	FY 2006	Total
Total Settlements	287	676	647	1,610
Total Dollar Value (Millions)	\$3.4	\$7.5	\$6.2	\$17.1
Average Settlement Amount	\$11,530	\$11,136	\$9,438	\$10,522

Cybersettlements by Claim Category

	FY 2004	FY 2005	FY 2006	Total
Automobile Accident	38	63	37	138
Other Personal Injury	8	50	105	163
School	123	266	224	613
Sidewalk	118	297	155	570
Property Damage	-----	-----	126	126
Total	287	676	647	1,610

Cybersettlements (# millions) by Claim Category

	FY 2004	FY 2005	FY 2006	Total
Automobile Accident	\$0.3	\$0.6	\$0.3	\$1.2
Other Personal Injury	\$0.1	\$0.4	\$1.0	\$1.5
School	\$1.5	\$3.2	\$2.7	\$7.4
Sidewalk	\$1.5	\$3.3	\$1.9	\$6.7
Property Damage	-----	-----	\$0.3	\$0.3
Total	\$3.4	\$7.5	\$6.2	\$17.1

Average Cybersettlements (# millions) by Claim Category

	FY 2004	FY 2005	FY 2006
Automobile Accident	\$7,100	\$9,261	\$7,376
Other Personal Injury	\$14,625	\$8,878	\$9,963
School	\$11,815	\$12,002	\$11,855
Sidewalk	\$12,450	\$11,133	\$12,017
Property Damage	-----	-----	\$2,134
Average	\$11,530	\$11,136	\$9,438

Recovery Program: In Fiscal Year 2006, the Comptroller's Office collected a record \$9.4 million from claimants with outstanding obligations to the City. This represents a 53 percent increase from Fiscal Year 2005. By improving both manual and automated City systems and by working closely with City agencies--particularly with the Human Resources Administration--the Office was able to collect outstanding public assistance, parking tickets, and child support obligations from claimants who received settlements from the City.

Property Damage Affirmative Claim Expansion Efforts: The Comptroller's Office continues to expand efforts to collect money from individuals who have damaged City property. In Fiscal Year 2006, the Office collected \$1,019,292 in affirmative claims.

Geographic Information System (GIS): A new technology initiative has provided geographic overlays of claims data, allowing the Comptroller's Office to identify claims activity by locality. A pilot project implemented this fiscal year, allows sidewalk claim investigators to map the location of each claim filed thus saving valuable investigative resources. As a result, only about two thirds of sidewalk claims filed actually needed to be investigated. Additionally, risk management information is being developed that identifies City sidewalks with defective conditions and helps to determine more efficiently and accurately whether the City is liable.

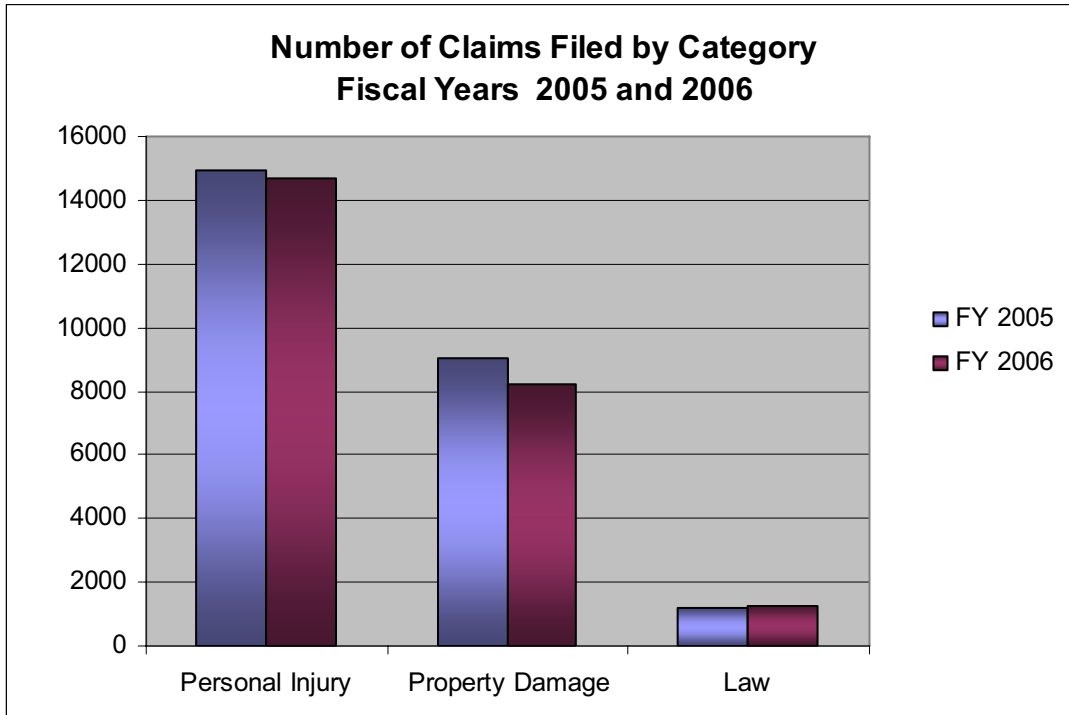
Comptroller's Risk Management Award: To further encourage City agencies to develop innovative approaches to risk management, the Comptroller's Office launched an award initiative that recognizes agency efforts to reduce liability and claims costs. One recipient, the Department of Design and Construction (DDC), submitted a winning proposal for two initiatives that have significantly reduced risk on City construction projects: The Site Safety Review and Audits Program, and the Insurance and Risk Management Unit. A second recipient, the NYC Housing Authority, won for its Injury Repeater Safety Focus Group Studies which identified patterns of injury among the Authority's janitorial staff.

Next Generation OASIS (NGO): The Comptroller's Office has embarked on an ambitious program to significantly enhance the capabilities of its document management and automated workflow system (OASIS) that supports claims administration. Using state of the art technology, the NGO project will give the Office, agencies and the public unparalleled access to claims information which will result in more efficient claims investigation and processing.

V. CLAIMS TRENDS

The number of new claims filed in Fiscal Year 2006 was 24,155, the lowest number in the last ten fiscal years. The number of claims filed represents a decline of 4 percent from Fiscal Year 2005, when 25,176 new claims were filed. Between Fiscal Year 1996, when new claims filed reached a historic high of 30,680, and Fiscal Year 2006, the number of new claim filings has fallen by 21 percent.

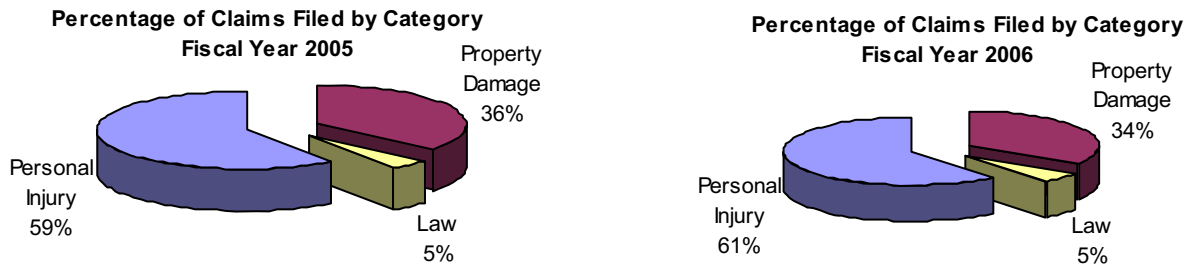
CHART 3



The overall cost to the City of settlements and claims was \$496.4 million in Fiscal Year 2006. This represents a decline of 6 percent from the cost of claims in Fiscal Year 2005 (\$529.8 million) and a 16 percent decline from the historic high of \$589 million in Fiscal Year 2001.

Claims are divided into three main categories: Personal Injury, Property Damage and Law claims.³

CHART 4



PERSONAL INJURY CLAIMS

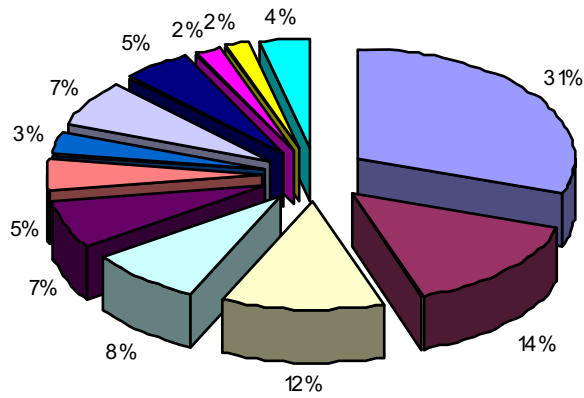
Personal injury claims are the most frequently filed each year and the most costly in total to resolve. Personal injury claims include medical malpractice, sidewalk, motor vehicle, police action, schools and defective roadway claims.

- Personal injury claims accounted for \$458.5 million, or 92 percent, of the \$496.4 million paid in Fiscal Year 2006. During Fiscal Year 2005, personal injury claims accounted for \$481.3 million, or 91 percent of the \$529.8 million paid.
- In Fiscal Year 2006, the costliest personal injury claims category was medical malpractice, which cost the City \$155.2 million. The second costliest category was motor vehicle at \$66.1 million. Defective sidewalk settlements and judgments were the third costliest at \$55.5 million. The fourth costliest category was Civil Rights claims at \$43.7 million.
- The number of new personal injury claims filed in Fiscal Year 2006 was 14,678, the second lowest number in ten years. This represents a 16 percent decrease from Fiscal Year 1997 when 17,371 claims were filed.
- The average settlement/judgment for all personal injury cases in Fiscal Year 2006 was \$68,423, 13 percent higher than the \$60,609 paid in Fiscal Year 2005.

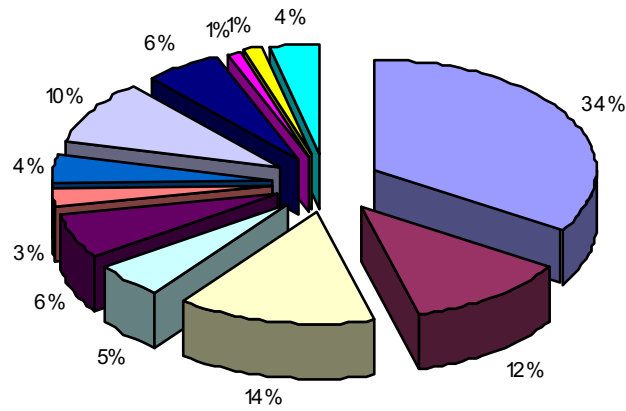
³ Personal Injury claims include allegations of bodily injury and/or Civil Rights violations. Property Damage claims includes allegations of damages to property such as damage to motor vehicles and other physical assets. Law claims include allegations filed by City contractors or City employees as a result of contractual disputes as well as claims filed by private individuals seeking refunds for alleged overpayments of various items such as taxes or fines.

CHART 5

**Personal Injury
Percentage of Total Expenditures Recorded
By Claim Type for FY 2005**



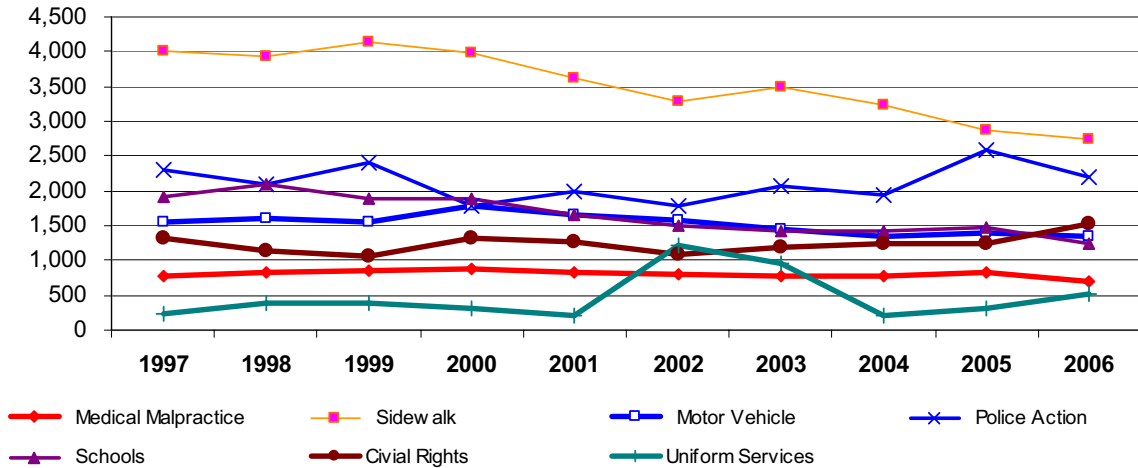
**Personal Injury
Percentage of Total Expenditures Recorded
By Claim Type for FY 2006**



- | | | |
|-----------------------|----------------------|--------------------|
| ■ Medical Malpractice | ■ Sidewalk | ■ Motor Vehicle |
| ■ Police Action | ■ Schools | ■ City Property |
| ■ Roadway | ■ Civil Rights | ■ Uniform Services |
| ■ Corrections | ■ Parks & Recreation | ■ Other |

CHART 6

Claims Types FYs 1997 - 2006 Number of Claims Filed



1. Medical Malpractice

Medical malpractice claims are claims filed against the City or a Health and Hospitals Corporation facility that allege malpractice during treatment.

- Although medical malpractice claims comprise a comparatively small percentage of personal injury claims filed, they remain the costliest type of personal injury claim during each of the past ten fiscal years.
- The number of new medical malpractice claims filed was 699 in Fiscal Year 2006 the lowest number in the last ten years and 15 percent less than in Fiscal Year 2005.
- Medical malpractice cases cost the City \$155.2 million for 293 cases in Fiscal Year 2006, representing an overall increase from Fiscal Year 2005, when the cost was \$145.9 million for 327 cases, but still below the high of \$195.4 million for Fiscal Year 2003 representing 345 cases. Medical malpractice claims accounted for 34 percent of the total \$458.5 million Fiscal Year 2006 personal injury payout, making them the most expensive of all personal injury claims. Fiscal Year 2005 medical malpractice claims accounted for 30 percent of the total \$481.3 million personal injury payout.

CHART 7

**Medical Malpractice
FYs 1997 - 2006
Number of Claims Filed**

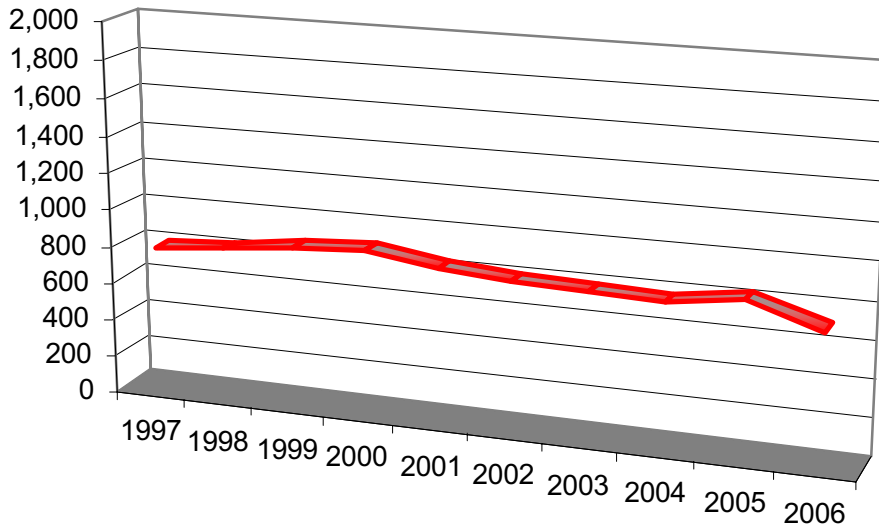
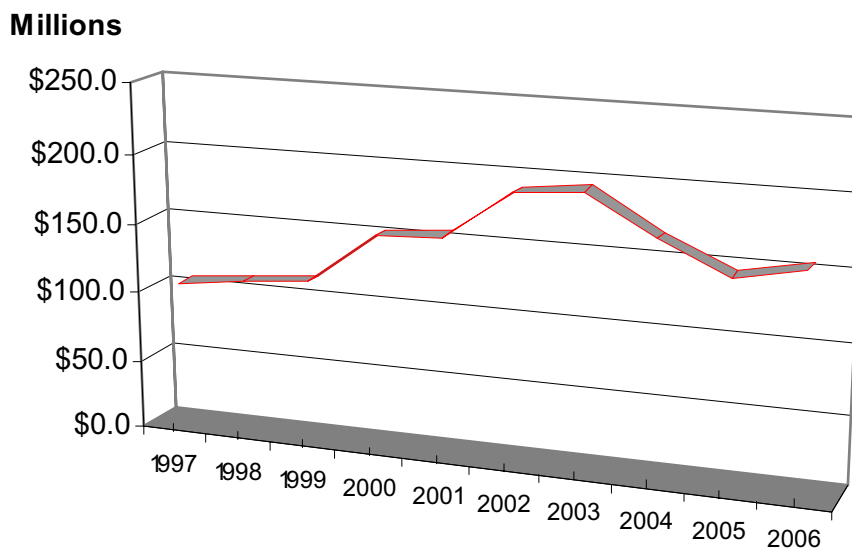


CHART 8

**Medical Malpractice
FYs 1997 - 2006
Dollar Value of Settlements & Judgments**



- The three hospitals for which the City paid the highest total amount for medical malpractice claims in Fiscal Year 2006 were Kings County (\$33.6 million), Elmhurst (\$25.7 million), and Woodhull (\$15.1 million).
- Six hospitals had a greater than 10 percent decrease in the number of medical malpractice claims filed. Claims filed against Jacobi/Bronx Municipal Hospital fell from 81 in Fiscal Year 2005 to 70 in Fiscal Year 2006. North Central Bronx Hospital's claims decreased from 26 in Fiscal Year 2005 to 16 in Fiscal Year 2006. New claims filed against Lincoln Hospital declined from 89 in Fiscal Year 2005 to 72 in Fiscal Year 2006. Claims filed against Bellevue Hospital dropped from 79 in Fiscal year 2005 to 64 in Fiscal Year 2006. Claims filed against Coney Island Hospital dropped from 51 in Fiscal Year 2005 to 45 in Fiscal Year 2006. Metropolitan Hospital's claims decreased from 49 in Fiscal Year 2005 to 32 in Fiscal Year 2006.
- Three hospitals (Elmhurst, Kings County and Queens) had increases in the number of medical malpractice claims filed from Fiscal Year 2005 to Fiscal Year 2006.
- Nine hospitals experienced increases and two hospitals experienced decreases in medical malpractice payouts from Fiscal Year 2005 to Fiscal Year 2006. Among the most significant increases in Medical Malpractice payouts were: Elmhurst Hospital (176 percent), Queens Hospital (78 percent), North Central Bronx Hospital (68 percent), Coney Island Hospital (69 percent) and Woodhull Hospital (47 percent). It should be noted, however, that medical malpractice claims often take five to ten years to resolve. Thus, the number of claims filed is a better indicator of current hospital activity than the dollar amount paid out in any one year.

HEALTH & HOSPITALS MEDICAL MALPRACTICE SETTLEMENT ACTIVITY

Hospital	Number Resolved FY 2005	Amount Paid FY 2005 (millions)	Average Amount Per Claim FY 2005	Number Resolved FY 2006	Amount Paid FY 2006 (millions)	Average Amount Per Claim FY 2006
Bellevue	26	\$13.4	\$515,000	21	\$14.4	\$686,000
Coney Island	14	\$3.9	\$279,000	22	\$6.6	\$300,000
Elmhurst	29	\$9.3	\$321,000	30	\$25.7	\$857,000
Harlem	21	\$8.6	\$410,000	22	\$7.0	\$318,000
Jacobi / Bronx Municipal	29	\$10.9	\$376,000	32	\$13.1	\$409,000
Kings County	54	\$26.6	\$493,000	44	\$33.6	\$764,000
Lincoln	41	\$8.7	\$212,000	29	\$12.1	\$417,000
Metropolitan	16	\$22.6	\$1,412,000	18	\$3.5	\$194,000
No. Central Bronx	12	\$7.6	\$633,000	13	\$12.8	\$985,000
Queens	10	\$4.6	\$460,000	14	\$8.2	\$586,000
Woodhull	20	\$10.3	\$515,000	17	\$15.1	\$888,000
Total	272	\$126.5	Total Average: \$465,000	262	\$152.0	Total Average: \$580,000

HEALTH & HOSPITALS MEDICAL MALPRACTICE CLAIM FILING ACTIVITY

Hospital	Claims Filed FY 2005	Claims Filed FY 2006
Bellevue	79	64
Coney Island	51	45
Elmhurst	55	59
Harlem	46	42
Jacobi / Bronx Municipal	81	70
Kings County	93	98
Lincoln	89	72
Metropolitan	49	32
North Central Bronx	26	16
Queens	27	28
Woodhull	43	41
Total	639	567

2. Motor Vehicle Accident Claims

Motor vehicle accident claims consist of cases involving City vehicles.

- The number of new personal injury motor vehicle accident claims filed in Fiscal Year 2006 was 1,351. This represents a decrease of 3 percent from Fiscal Year 2005, when 1,396 claims were filed.
- Personal injury motor vehicle accident claims cost \$66.1 million in Fiscal Year 2006, up from \$58.8 million in Fiscal Year 2005.

CHART 9

**Motor Vehicle
FYs 1997 -2006
Number of Claims Filed**

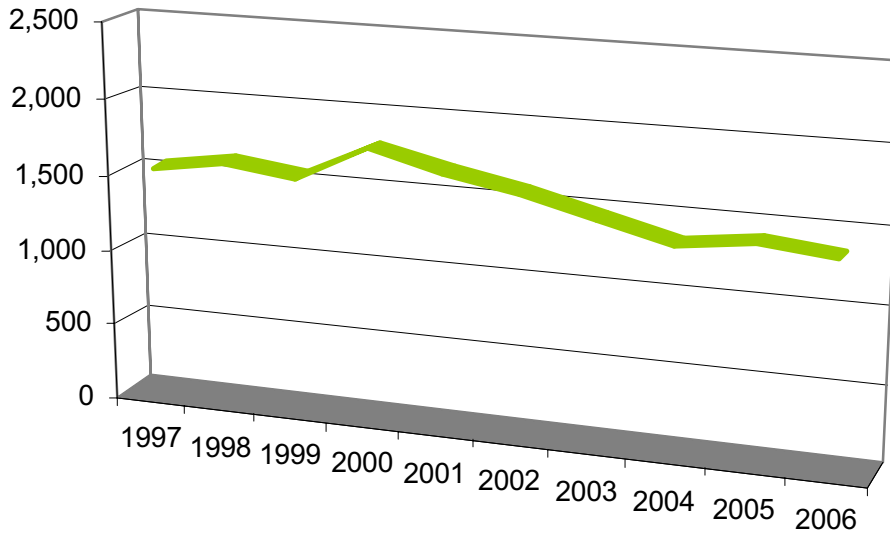
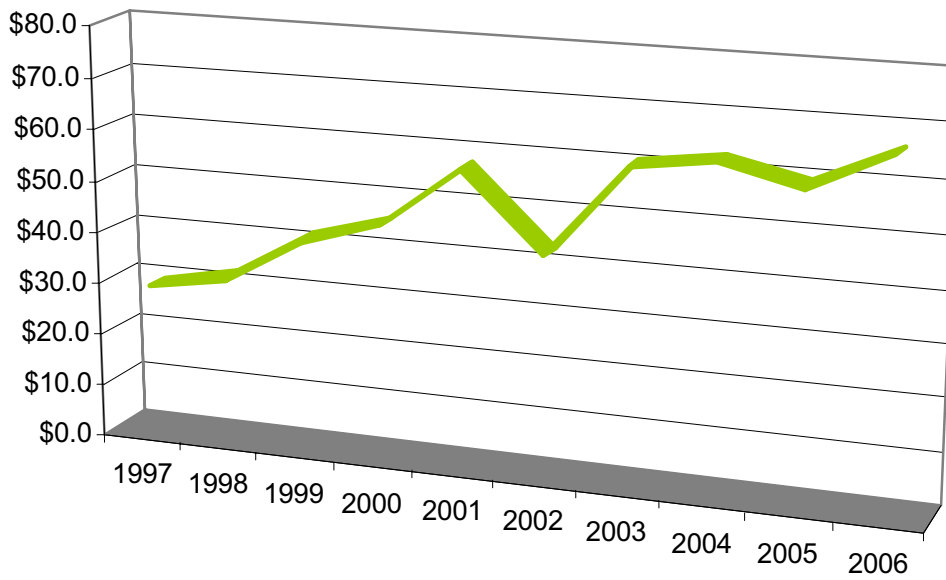


CHART 10

**Motor Vehicle
FYs 1997 - 2006
Dollar Value of Settlements & Judgments**

Millions



3. Defective Sidewalk Claims

Sidewalk claims arise from alleged defects, such as cracked or uneven surfaces, on public sidewalks. This type of claim includes personal injuries for “trip and fall” accidents resulting from such defects, as well as incidents on snow and ice-covered sidewalks.

- In Fiscal Year 2006, 2,729 sidewalk claims were filed against the City, the lowest number of sidewalk claims in ten years. This represents a 5 percent decrease from the 2,876 sidewalk claims filed during Fiscal Year 2005.
- The total cost of sidewalk claims was \$55.5 million in Fiscal Year 2006. In Fiscal Year 2005, sidewalk claims cost \$68.8 million.
- During the past ten fiscal years, sidewalk claims were the most frequently filed personal injury claim.
- As a result of new legislation,⁴ the Comptroller’s Office disallowed 939 or 34 percent of the 2,729 sidewalk claims filed in Fiscal Year 2006.

CHART 11

**Sidewalk
FYs 1997 - 2006
Number of Claims Filed**

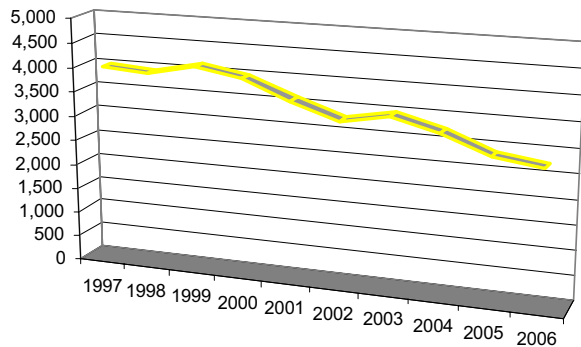
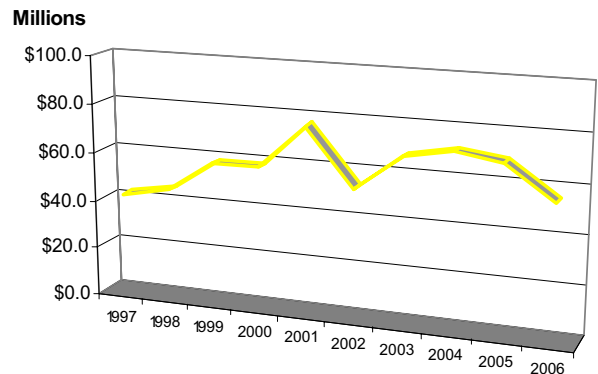


CHART 12

**Sidewalk
FYs 1997 - 2006
Dollar Value of Settlements & Judgments**



⁴ Local Law 49 generally limits the City’s liability to sidewalks adjoining City-owned property or to owner-occupied residential property having no more than three units.

4. Civil Rights Claims

Civil Rights claims generally result from alleged statutory or constitutional violations.

- There were 1,537 new Civil Rights claims filed in Fiscal Year 2006. This represents a 35 percent increase from the 1,243 claims filed in Fiscal Year 2005.
- The cost of Civil Rights claims was \$43.7 million in Fiscal Year 2006, an increase of 35 percent from \$32.3 million in Fiscal Year 2005.

CHART 13

**Civil Rights
FYs 1997 - 2006
Number of Claims Filed**

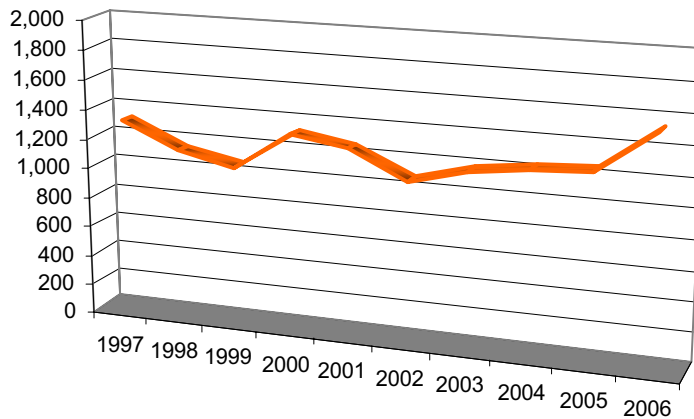
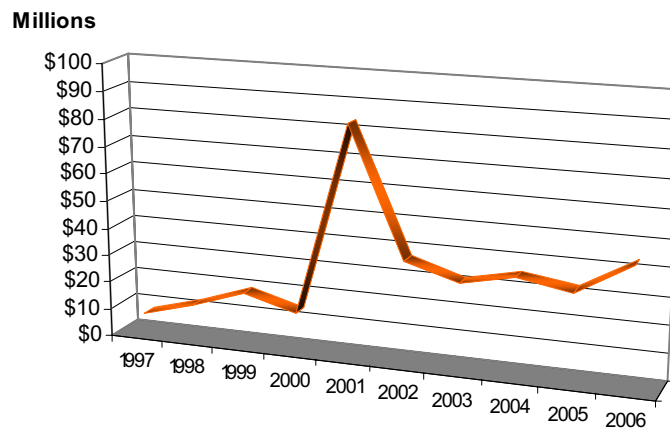


CHART 14

**Civil Rights
FYs 1997 - 2006
Dollar Value of Settlements & Judgments**



5. School Claims

School claims are those filed against the Department of Education by students, teachers, other Department of Education staff, and parents or visitors to Department of Education facilities.

- The number of new School claims filed was 1,235 in Fiscal Year 2006. This was a decrease of 16 percent from 1,465 claims in Fiscal Year 2005.
- The cost of School claims during Fiscal Year 2006 was \$28.9 million, down from \$35.3 million in Fiscal Year 2005.
- School claims are the sixth most frequently filed personal injury claim.

CHART 15

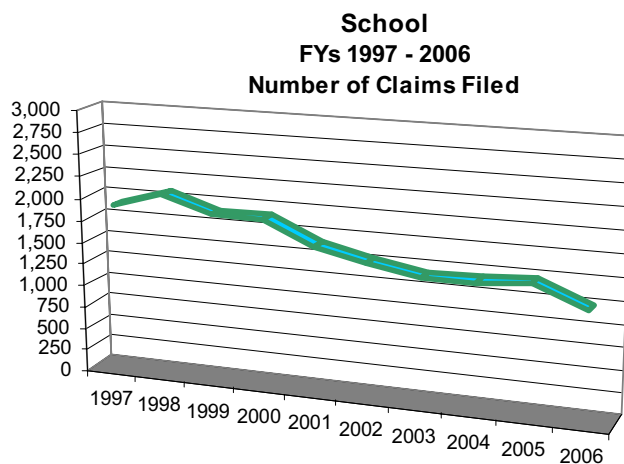
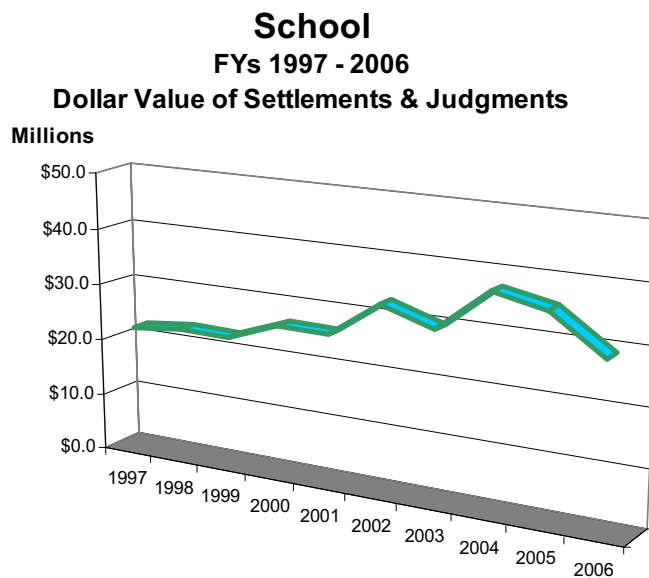


CHART 16



6. Uniform Services Claims

Uniform Services claims are claims that allege injuries to City employees who are not covered by workers' compensation that are injured on the job. These employees include Police Officers, Firefighters, Sanitation workers and Teachers. They were the sixth costliest category of cases in Fiscal Year 2006.

- The number of new Uniform Services claims filed was 510 in Fiscal Year 2006. This was an increase of 62 percent from 315 claims filed in Fiscal Year 2005.
- The City was liable for \$25.6 million in settlements and judgments in 116 cases in Fiscal Year 2006. This liability represents a slight decrease from the \$25.8 million paid in Fiscal Year 2005 for 163 resolved cases.

CHART 17

**Uniform Services
FYs 1997 - 2006
Number of Claims Filed**

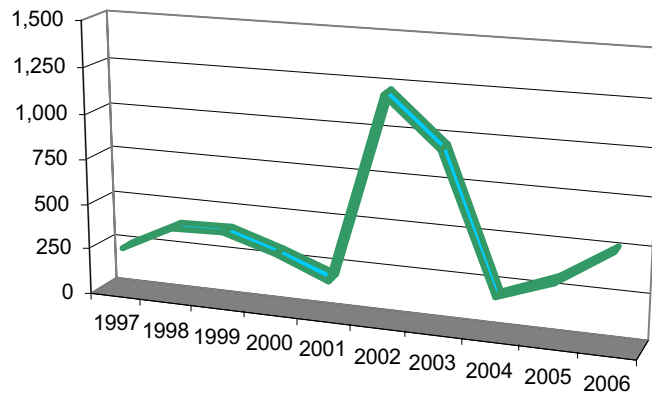
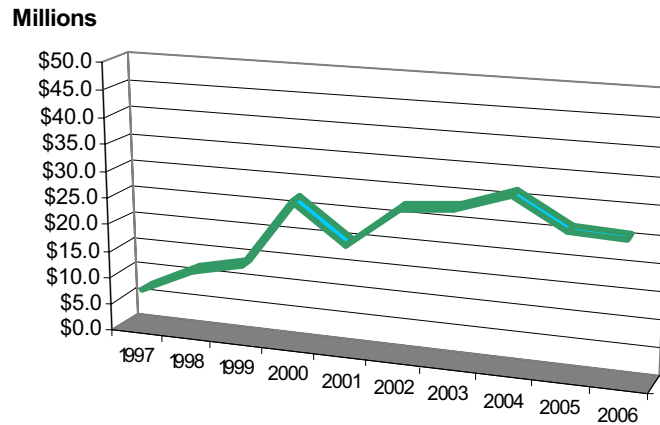


CHART 18

**Uniform Services
FYs 1997 - 2006
Dollar Value of Settlements & Judgments**



7. Police Action Claims

Police Action claims result from alleged improper police action such as false arrest, excessive force or assault.

- There were 2,211 new Police Action claims filed in Fiscal Year 2006. This represents a decrease of 15 percent from the 2,588 claims filed in Fiscal Year 2005.
- The cost of Police Action claims was \$24.6 million in Fiscal Year 2006, a decrease of 39 percent from \$40.4 million in Fiscal Year 2005.

CHART 19

**Police Action
FYs 1997 - 2006
Number of Claims Filed**

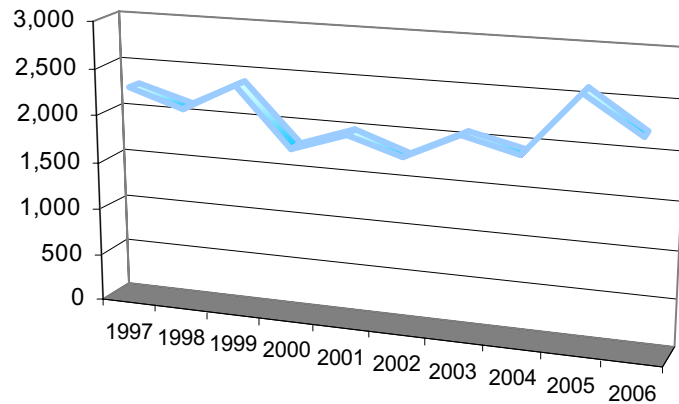
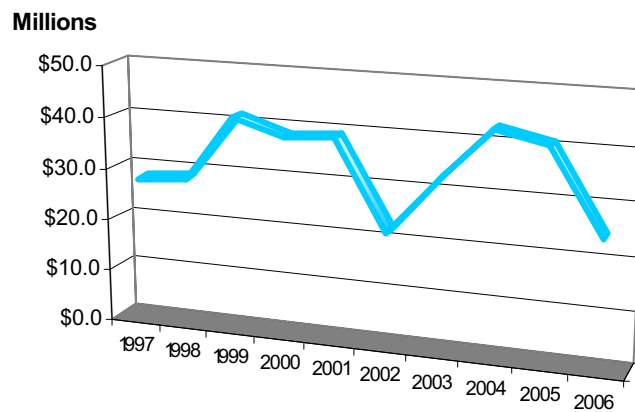


CHART 20

**Police Action
FYs 1997 - 2006
Dollar Value of Settlements & Judgments**



PROPERTY DAMAGE CLAIMS

Property Damage claims are claims that allege damage to personal property or loss as a result of the City's negligence.

- The number of Property Damage claims filed was 8,192 in Fiscal Year 2006, a decrease of 9 percent from the 9,017 filed in Fiscal Year 2005.
- Property Damage claims cost \$11.1 million in Fiscal Year 2006 and \$7.3 million in Fiscal Year 2005, representing a 52 percent increase from Fiscal Year 2005.
- Resolved Property Damage claims comprised 2 percent of the total claims payout in Fiscal Year 2006.

CHART 21

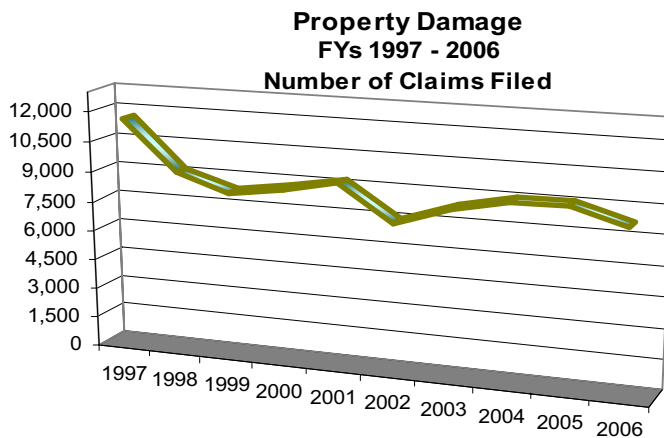
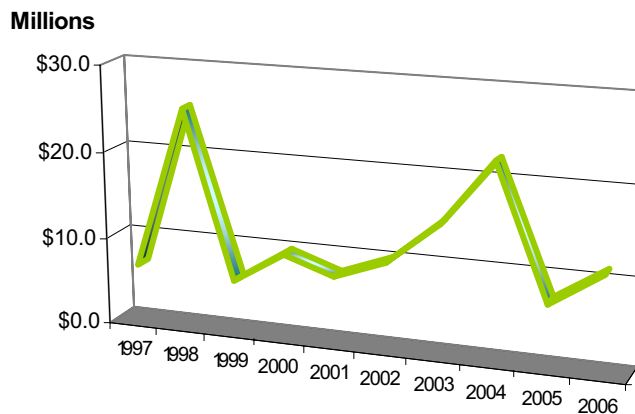


CHART 22

**Property Damage
FYs 1997 - 2006
Dollar Value of Settlements & Judgments**



LAW CLAIMS⁵

Law claims arise primarily from disputes concerning implied or actual contracts between City agencies and their contractors or employees.

- The number of new Law claims filed was 1,285, an increase in Fiscal Year 2006 from the 1,223 claims filed in Fiscal Year 2005.
- Law claims accounted for a payout of \$26.8 million in Fiscal Year 2006, a 35 percent decrease from Fiscal Year 2005.
- The total cost for Law claims was 5 percent of all claims in Fiscal Year 2006.

CHART 23

**Law Claims
FYs 1997 - 2006
Number of Claims Filed**

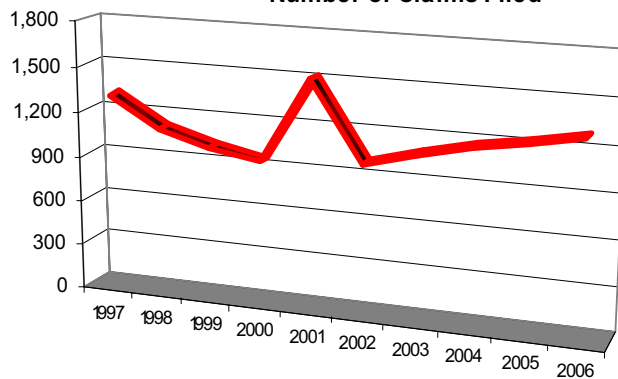
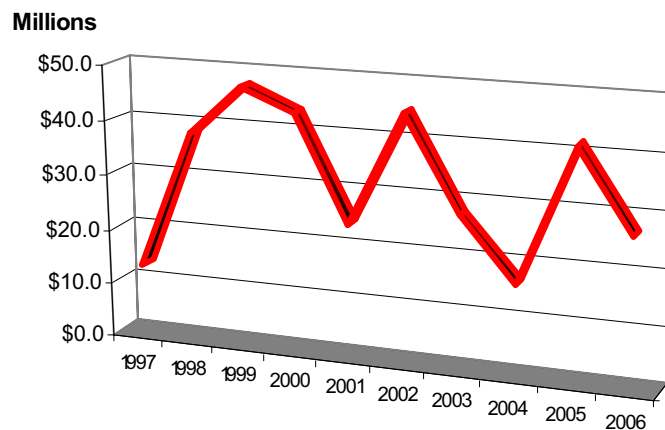


CHART 24

**Law Claims
FYs 1997 - 2006
Dollar Value Settlements & Judgements**



⁵ Also known as Contract claims, which may include disputes with City contractors and claims relating to wages and sidewalk assessments.

VI. CLAIM TRENDS BY CITY AGENCY

- The Department of Transportation and Police Department accounted for the highest number of new claims filed in each of the last ten fiscal years. These two agencies, along with the Health and Hospitals Corporation, accounted for the highest cost of claims in each of the last ten fiscal years.
- In Fiscal Year 2006, the Department of Transportation and Police Department accounted for 25 percent and 23 percent of all new claims filed, respectively. The Departments of Sanitation and Education accounted for 8 percent and 9 percent respectively of all claims.

CHART 25

**New Claims Filed by Agency
FYs 1997 - 2006**

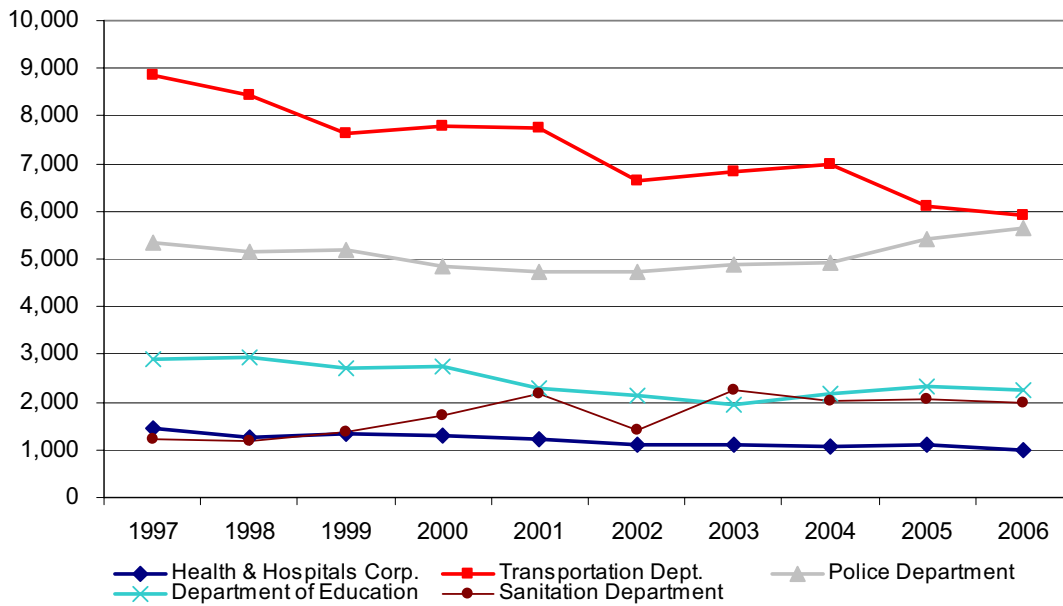
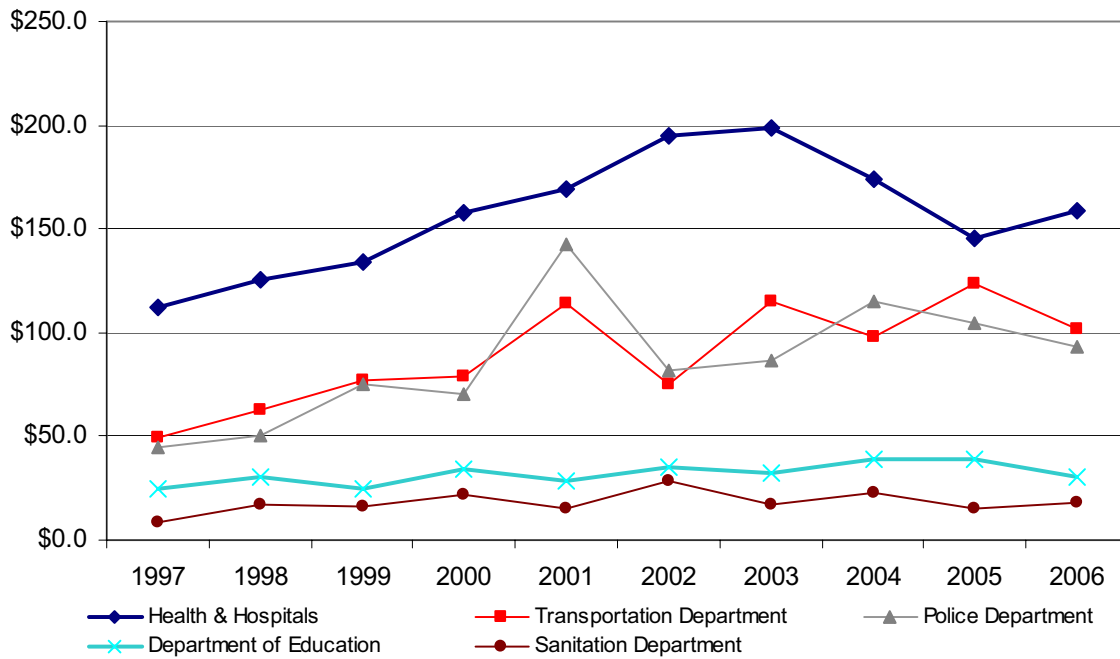


CHART 26

**Dollar Value of Settlements & Judgments by Agency
FYs 1997 - 2006**



- The Department of Transportation, the Police Department, and the Health and Hospitals Corporation accounted for the highest cost of settlements and judgments for claims in Fiscal Year 2006.

CHART 27

Agency Claims Activity
Percent Of Claims Filed, FY 2006

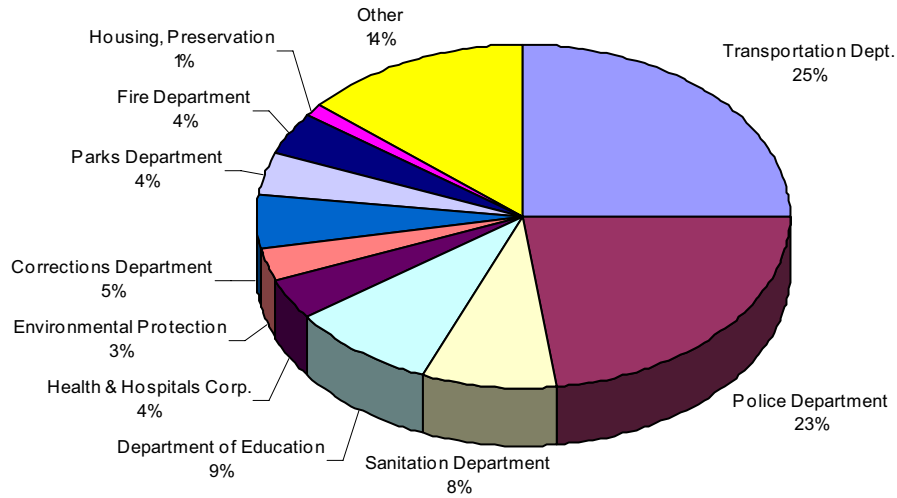
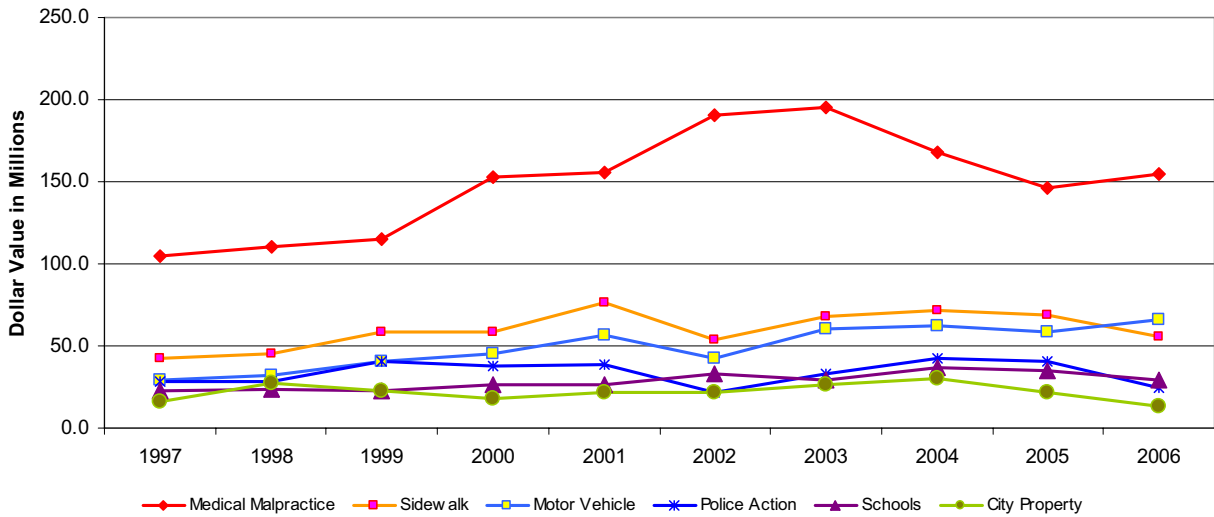


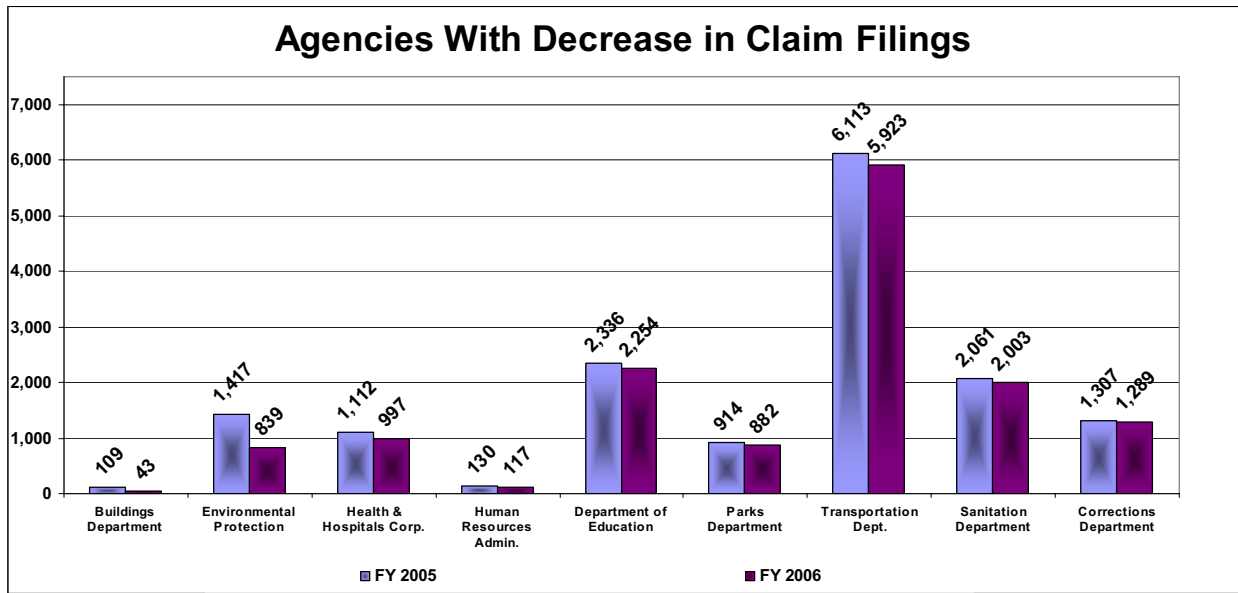
CHART 28

Claim Types
FYs 1997 - 2006
Dollar Value of Settlements



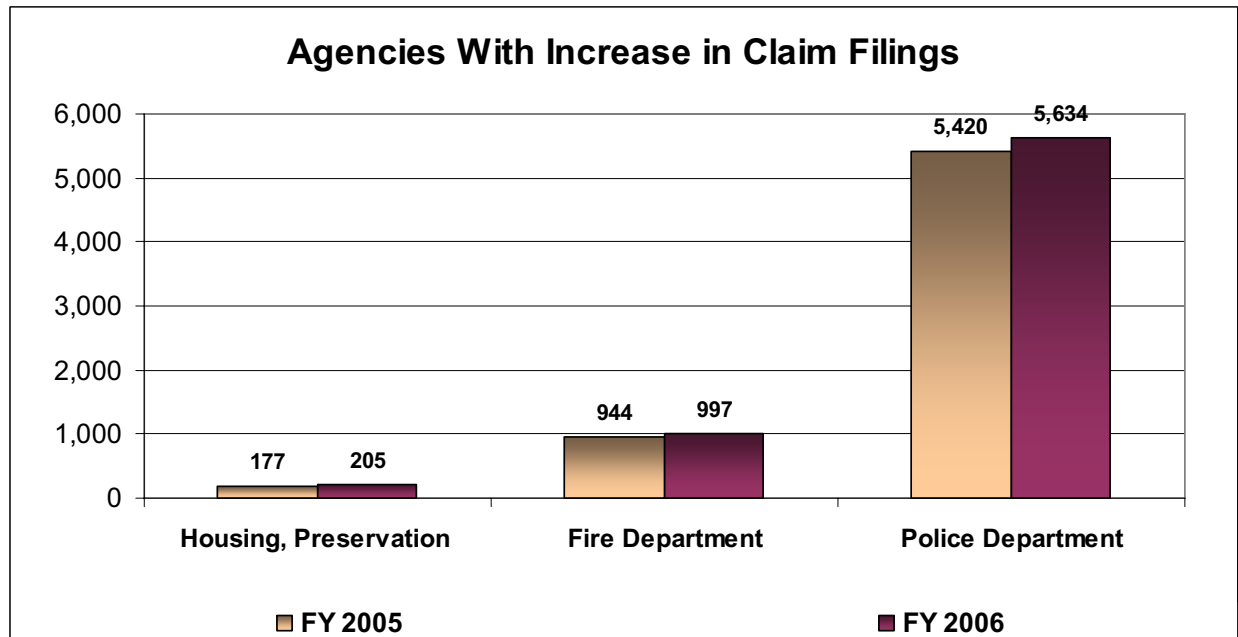
- Nine agencies showed a decrease in the number of claims filed in Fiscal Year 2006. The Department of Buildings experienced the greatest decrease, 60 percent, followed by the Department of Environmental Protection, with a 41 percent decrease. In Fiscal Year 2006, new claim filings against the Health and Hospitals Corporation, the Department of Transportation, Department of Buildings, Department of Corrections, and the Department of Environmental Protection were the lowest for each of those agencies in the last ten fiscal years.

CHART 29



- Three agencies showed increases in the number of claims filed: the Police Department (4 percent), the Fire Department (6 percent), and the Department of Housing Preservation and Development (16 percent).

CHART 30



SETTLEMENT AND JUDGMENT COSTS BY AGENCY

The Health and Hospitals Corporation, the Department of Transportation, the Police Department, and the Department of Education had the highest claim costs in Fiscal Year 2006. Charts 31 - 40 track the number of claims filed and the total annual dollar value of settlements and judgments by agency from Fiscal Year 1997 to Fiscal Year 2006.

1. Health and Hospitals Corporation

Claims against the Health and Hospitals Corporation (HHC) include claims for medical malpractice as well as contract claims and claims for personal injuries or property damage sustained on hospital property.

- In Fiscal Year 2006, 997 claims were filed against HHC, more than 70 percent of which (699 cases) were for medical malpractice. In Fiscal Year 2005, medical malpractice cases accounted for 74 percent (824 cases) of the 1,112 claims filed against HHC.
- As noted earlier in this report, many medical malpractice claims are typically not resolved for five to ten years from the date of filing. Thus, the number of claims filed is a better indicator of current hospital activity than the amount paid out in any one year.
- HHC cases constituted 4 percent of the number of cases resolved in Fiscal Year 2006, but accounted for the highest expenditure (\$158.6 million). This agency was responsible for 32 percent of the total amount paid for all claims in Fiscal Year 2006.

CHART 31

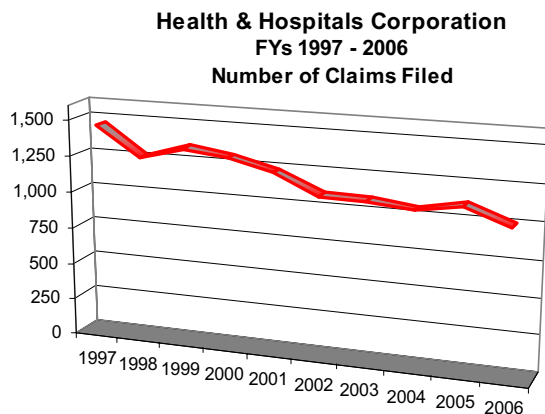
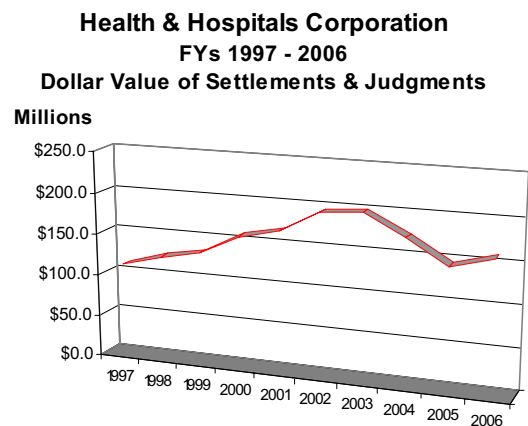


CHART 32

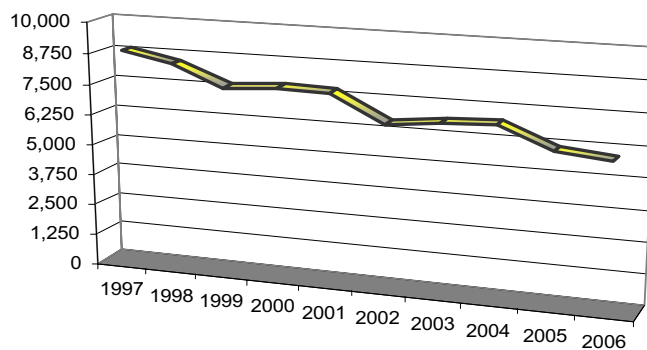


2. Department of Transportation

In each of the last ten Fiscal Years, more claims were filed against the Department of Transportation (DOT) than any other agency. Claims against DOT consist primarily of personal injury claims due to sidewalk trip and fall accidents, or personal injury or property damage due to defective roadways, defective traffic signals, or motor vehicle accidents involving DOT vehicles. In Fiscal Year 2006, the 5,923 claims filed against DOT accounted for 25 percent of all new claims filed, representing a 3 percent decrease from the 6,113 claims filed against DOT in Fiscal Year 2005.

CHART 33

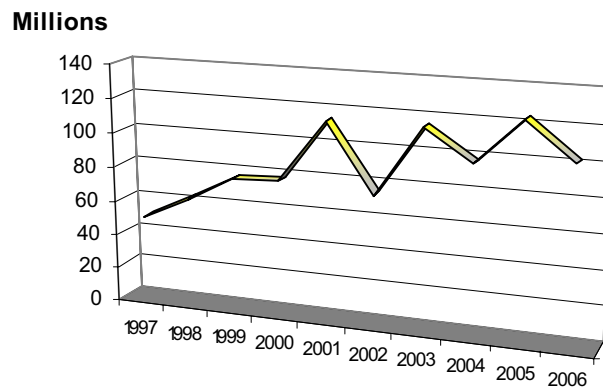
**Department of Transportation
FYs 1997 - 2006
Number of Claims Filed**



The number of cases against DOT that were resolved by settlement or judgment decreased from 3,543 in Fiscal Year 2005 to 2,944 in Fiscal Year 2006. In Fiscal Year 2006, the total dollar amount paid for DOT cases was \$102.1 million, a 17 percent decrease from the \$123.5 million paid in Fiscal Year 2005. DOT cases accounted for 21 percent of the total expenditure for claims in Fiscal Year 2006.

CHART 34

**Department of Transportation
FYs 1997 - 2006
Dollar Value of Settlements & Judgments**

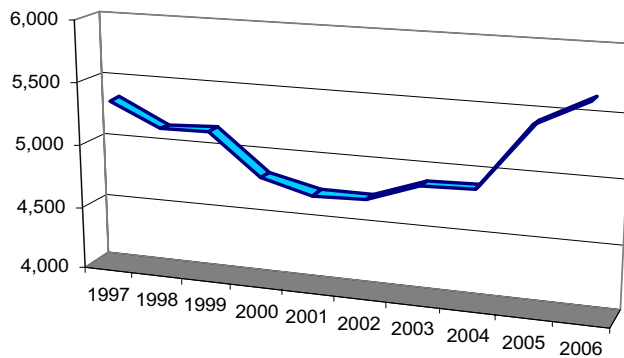


3. Police Department

Claims against the Police Department include police misconduct and Civil Rights claims, as well as claims for personal injury or property damage arising out of motor vehicle accidents with police vehicles. In Fiscal Year 2006, the number of new claims filed increased to 5,634. This represented the highest number of claims filed in the last ten Fiscal Years. In Fiscal Year 2005, the number of claims filed against the Police Department was 5,420. Claims filed against the Police Department constituted 25 percent of total claim filings in Fiscal Year 2006.

CHART 35

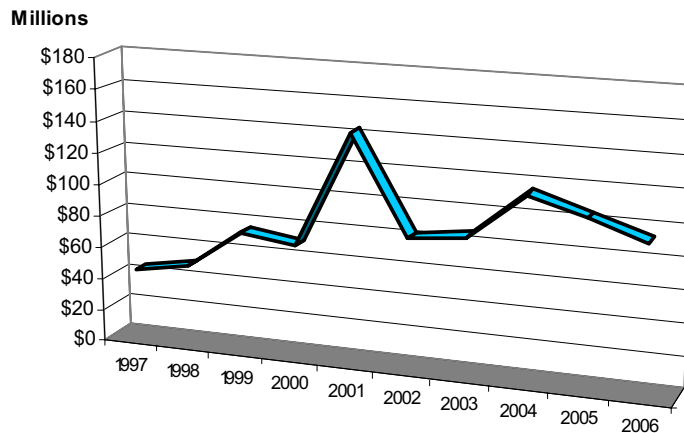
**Police Department
FYs 1997 - 2006
Number of Claims Filed**



Cases against the Police Department cost the City \$104.6 million in Fiscal Year 2005. In Fiscal Year 2006, the expenditure for claims decreased to \$92.9 million, a decrease of 11 percent. Claims against the Police Department in Fiscal Year 2005 accounted for 23 percent of total Fiscal Year 2005 claims expenditures and 19 percent of the total expenditure for claims in Fiscal Year 2006.

CHART 36

**Police Department
FYs 1997 - 2006
Dollar Value of Settlements & Judgments**



4. Department of Education

Claims against the Department of Education include personal injury claims involving alleged lack of supervision or defective maintenance, damage to property, and motor vehicle accidents involving Department of Education vehicles. The number of new claims filed against the Department of Education decreased by 4 percent from 2,336 in Fiscal Year 2005 to 2,254 in Fiscal Year 2006. Claim filings against the Department of Education accounted for 9 percent of total claim filings in Fiscal Year 2006.

CHART 37

**Department of Education
FYs 1997 - 2006
Number of Claims Filed**

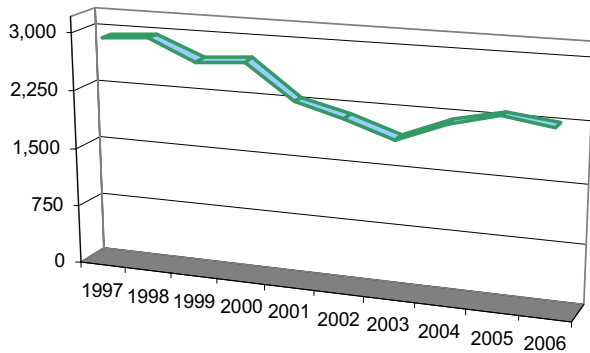
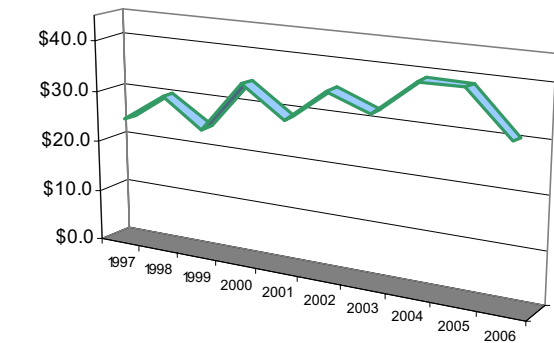


CHART 38

**Department of Education
FYs 1997 - 2006
Dollar Value of Settlements & Judgments
Millions**



From Fiscal Year 2005 to Fiscal Year 2006, the number of Department of Education cases resolved decreased by 16 percent, from 1,045 to 877. The total expenditure for Department of Education cases decreased by nearly 22 percent, from \$38.9 million in Fiscal Year 2005 to \$30.5 million in Fiscal Year 2006. Department of Education claims accounted for 6 percent of the total expenditure for claims in Fiscal Year 2004.

5. Sanitation Department

Claims are filed against the Department of Sanitation primarily for alleged personal injury and property damage caused by Sanitation vehicles. The number of new claims filed against the Department of Sanitation decreased from 2,061 in Fiscal Year 2005 to 2,003 in Fiscal Year 2006. New claim filings against the Department of Sanitation constituted more than 8 percent of total claim filings in Fiscal Year 2006.

In Fiscal Year 2006, there were 1,910 Department of Sanitation cases resolved for \$18.5 million. Department of Sanitation claims accounted for 4 percent of the total claims expenditure. In Fiscal Year 2005, 966 cases were resolved for \$14.8 million.

CHART 39

**Sanitation
FYs 1997 - 2006
Number of Claims Filed**

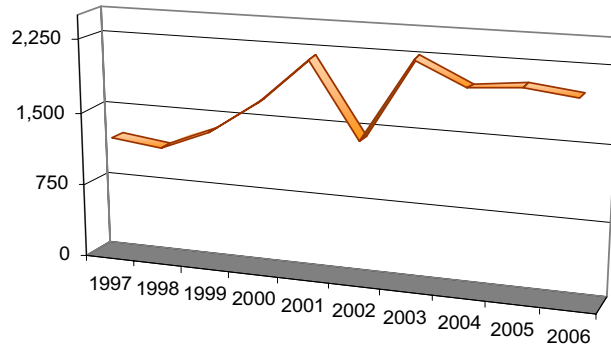
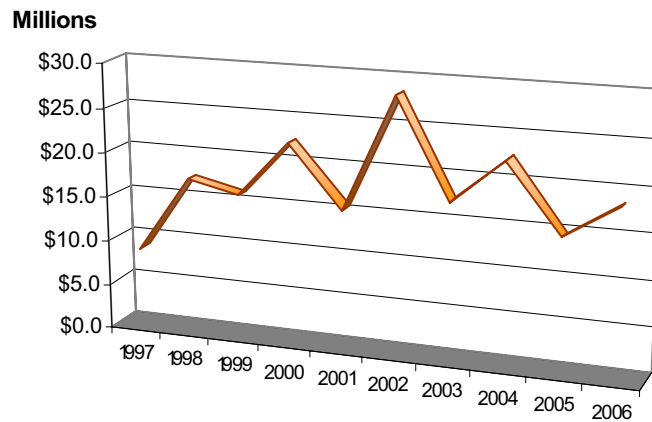


CHART 40

**Sanitation
FYs 1997 - 2006
Dollar Value of Settlements & Judgments**



VI. CLAIM TRENDS BY BOROUGH⁶

- For Fiscal Year 2006, the borough with the greatest number of personal injury claims was Manhattan (4,212). The borough with the greatest number of property damage claims was Queens (2,050).

Number of Claims Filed By Borough FY 2006

Borough	Personal Injury (PI) Claims	Property Damage (PD) Claims	Total Claims Filed
Brooklyn	3,964	1,879	5,843
Bronx	3,069	1,112	4,181
Manhattan	4,212	1,434	5,646
Queens	2,103	2,050	4,153
Staten Island	497	662	1,159

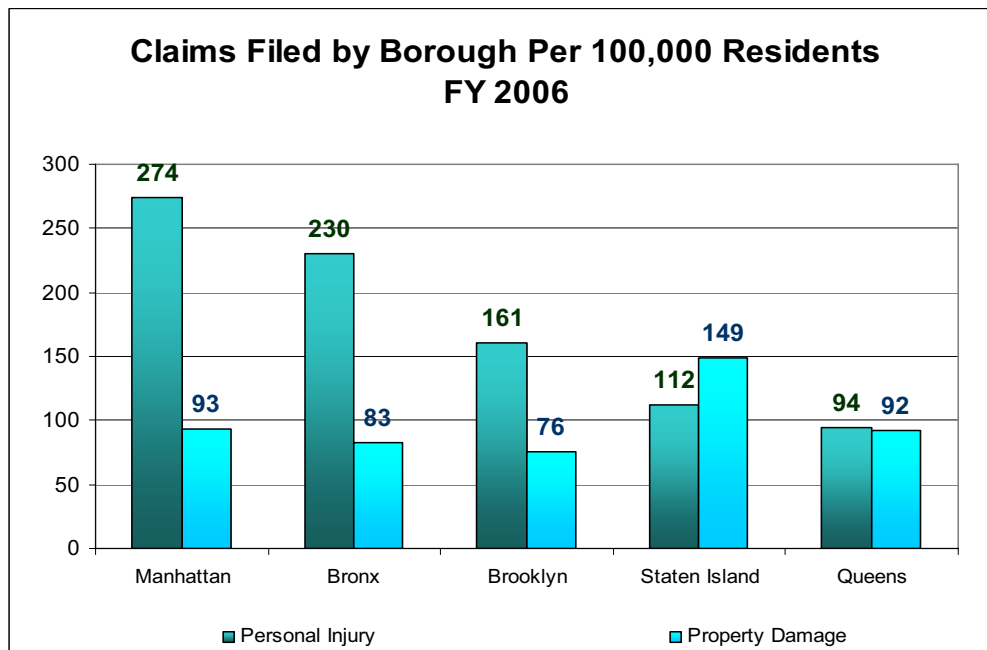
⁶ Personal injury (PI) and property damage (PD) claim patterns were analyzed by borough, based on the location of each incident. Law claims were not included because they are not tracked by borough.

Number of Claims Resolved and Amounts Paid by Borough

Borough	Number of PI Claims Resolved	Amount Paid for PI Claims (millions)	Number of PD Claims Resolved	Amount Paid for PD Claims (millions)	Total PI and PD Claims Resolved	Total PI and PD Claim Payouts (millions)
Brooklyn	2,202	\$145.3	1,016	\$2.4	3,218	\$147.7
Bronx	1,298	\$113.3	500	\$1.3	1,798	\$114.6
Manhattan	1,396	\$82.2	887	\$2.1	2,283	\$84.3
Queens	1,217	\$78.1	1,085	\$3.1	2,302	\$81.2
Staten Island	247	\$16.6	353	\$1.2	600	\$17.8

- As the table below illustrates, Manhattan had the most personal injury claim filings per 100,000 residents (274). Queens had the least (94). Staten Island had the highest ratio of property damage claim filings (149). Brooklyn had the least (76).⁷

CHART 41

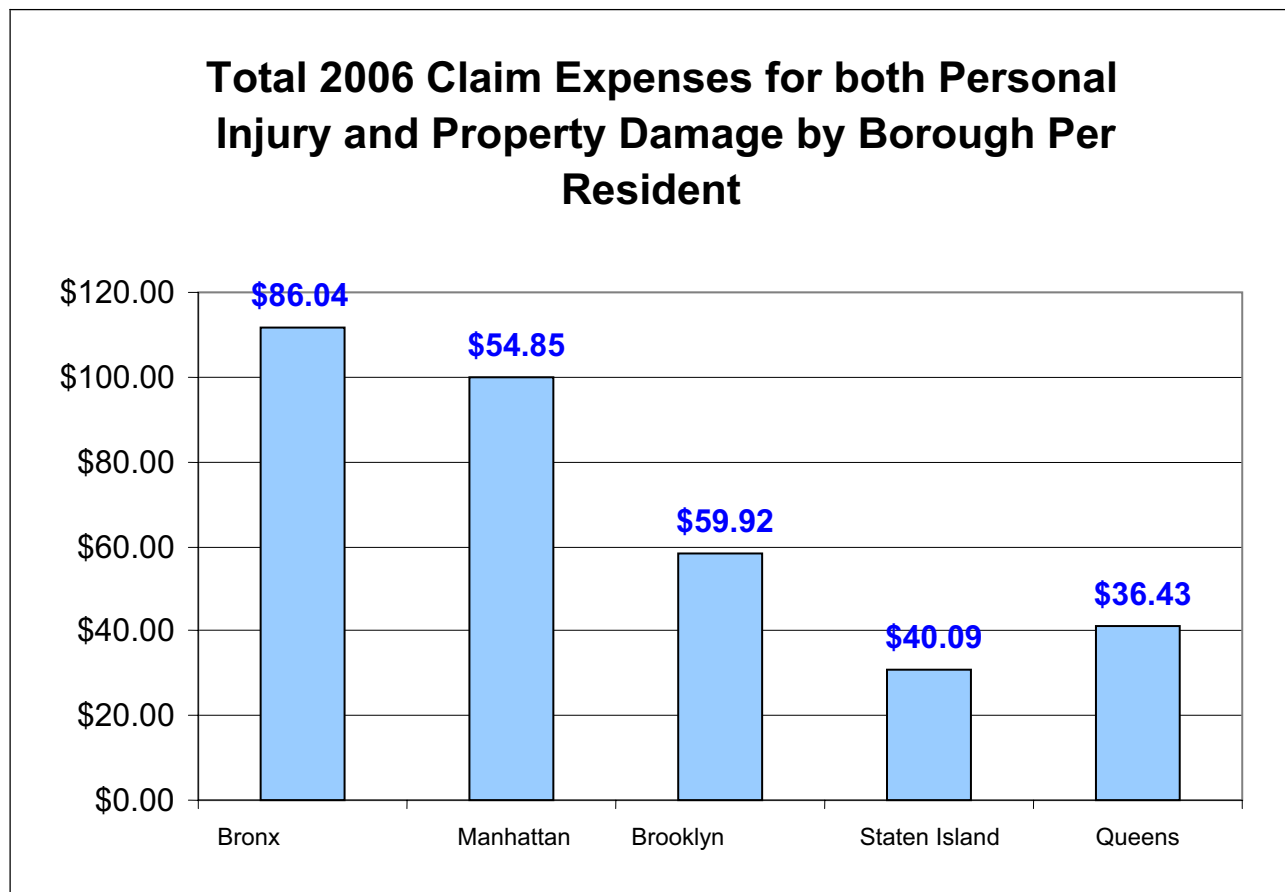


⁷ According to the United States 2000 Census the total population for NYC was 8,000,000 residents. In order of population the boroughs are Brooklyn (2,465,000 or 30.8 percent of the total population); Queens (2,229,000 or 27.8 percent of the total population); Manhattan (1,537,000 or 19.2 percent of the total population); Bronx (1,332,000 or 16.6 percent of the total population); and Staten Island (444,000 or 5.5 percent of the total population).

In Fiscal Year 2006, the total highest aggregate personal injury and property damage claim costs were paid for claims that occurred in Manhattan. Brooklyn had the highest amount of personal injury dispositions (\$145.3 million) and Queens had the highest amount of property damage dispositions (\$3.1 million).

- Claim settlements and judgments for personal injury and property damage cost each City resident approximately \$59 for Fiscal Year 2006.
- In Fiscal Year 2006, the borough with claims representing the highest ratio of expenses per resident was the the Bronx. Claim dispositions for Brooklyn totaled \$147.7 million. Claims paid for property damage were highest in Queens and totaled \$3.1 million.

CHART 42



APPENDICES

APPENDIX A Description of Claim Types

Claims that are filed against the City are coded according to certain general categories. The coding structure used to classify claims has changed over time to meet changing information needs. The coding of claims into standardized categories facilitates analysis by the Comptroller's Office and may also be used by agencies that choose to analyze their claims experience.

Under the present coding structure, claims are categorized initially by the City agency involved and by general category of claim: personal injury, property damage, and law. Each general category has subtypes, and it is at this level that claims are analyzed. For example, personal injury claims may include "slip and fall" accidents on sidewalks (sidewalk claims), or injuries that occurred in school (school claims), or in a City park (parks and recreation claims).

Claim coding has also been designed to ensure that descriptive information about a claim can be captured in coded form. Thus, four additional codes are utilized for every claim so that, by reviewing the codes, one can obtain a clearer picture of the specifics of the claim. These four additional codes are:

1. **Claimant.** This category describes the claimant and, if appropriate, the activity the claimant was involved in for example: "bicyclist," "jogger," "pedestrian," "driver of vehicle," "passenger," "vendor," etc.
2. **Location.** This category describes the location of an accident; for example; "boardwalk," "sidewalk," "driveway," "swimming pool," "hospital," "school," etc.
3. **Accident Agent.** This indicates the catalyst for the accident for example: "building construction," "debris/glass," "improper lighting," "City vehicle," "defective maintenance," "improper supervision," etc.
4. **Interaction.** This refers to the physical action that the claimant experienced, for example: "collision/struck by," "slip/fall," "assault," etc.

A typical personal injury claim involving a "slip & fall" accident on a cracked defective sidewalk would be coded as follows:

Claim type:	Defective Sidewalk
Claimant:	Pedestrian
Location:	Sidewalk
Accident Agent:	Crack
Interaction:	Slip/fall

The present coding system classifies claim types as follows:

I. Personal Injury Claims

A. Admiralty

Admiralty claims include claims by passengers or other persons injured on the water, either on City vessels or ferries, gangplanks, or piers.

B. Defective Roadway

Defective Roadway claims include pedestrians, motorists, or others injured as a result of defects in a street or roadway, such as potholes, cracked, wet or snow-covered roadways, sewer gratings, raised, missing or exploding manhole covers, or roadways under repair.

C. Defective Sidewalk

Defective Sidewalk claims include pedestrians or others injured because of a defective sidewalk such as, broken, wet or uneven sidewalks, broken curbstones, protruding bolts, grates, or parking meter or traffic sign stubs, defective boardwalks, and snow-and-ice claims.

D. Traffic Control Device

Traffic Control Device claims are filed by pedestrians or motorists injured in accidents because of malfunctioning traffic signals, defective or missing traffic devices, or downed or missing traffic signs.

E. Police Action

Police Action claims result from alleged improper police action, such as false arrest or imprisonment, shooting of a suspect, excessive force or assault, or failure to provide police protection.

F. School

School claims are those filed against the New York City Department of Education by students, teachers, other staff, and parents or other visitors to Department of Education facilities.

G. Medical Malpractice

This category of claim derives from medical malpractice in the diagnosis, treatment, or care at a City or Health and Hospitals Corporation (HHC) facility. Medical malpractice claims include those that involve pre- or post-natal treatment, emergency room care, EMS treatment, or defective equipment.

H. Health Facility/Non-Medical Incidents

These claims involve non-medical acts involving a City or HHC facility or employee, such as: injuries sustained by visitors due to wet floors, assaults of patients or visitors, or abuse or assaults of senior citizens by home care workers.

I. Motor Vehicle Accident

Motor Vehicle Accident claims involve accidents with City vehicles. Included in this category are cases of pedestrians, motorists or passengers of other vehicles being struck by a City vehicle, and operators or passengers of City vehicles involved in a collision.

J. Employee Uniformed Services

Included in this category of claims are those filed by City employees of the uniformed services, such as Police, Fire, Department of Education teachers, or Sanitation employees who are not subject to Workers' Compensation laws and may sue the City for on-the-job personal injuries.

K. Parks and Recreation

Parks and Recreation claims include claims by persons allegedly injured because of defective equipment or negligent maintenance of property under the jurisdiction of the Department of Parks and Recreation. This includes incidents that occur in Parks Department buildings or on playground equipment and grounds, and incidents involving falling trees or limbs, whether on a street, sidewalk, or in a park.

L. City Property

This category of claims includes those by tenants or others injured by a defect or the negligent maintenance of City-owned land or a City-owned or City-administered building or facility.

M. Catastrophe

This claim type includes claims filed as a result of natural disasters, such as floods or earthquakes; environmental accidents, such as leaking gas tanks; power failures, such as blackouts; and civil disturbances, such as riots.

N. Civil Rights

Civil Rights claims involve alleged statutory or constitutional violations, such as discrimination based on sex, race, religion, handicap, sexual preference, or age.

O. Corrections

Corrections claims involve claims by inmates or employees of City correctional institutions who were allegedly injured by the actions of City employees or inmates.

II. Property Damage Claims

A. Admiralty

These claims include property damaged on the water, either on City vessels, ferries, gangplanks or piers.

B. Sewer Overflow

Sewer Overflow claims include flooding or water damage to real or personal property caused by inadequate sewer repairs or clogged/obstructed City sewers.

C. Water Main Break

Water Main Break claims include water damage to real or personal property as a result of leaking or broken water mains or fire hydrants.

D. Defective Roadway

This claim type includes claims for vehicles that are damaged by defective roadways, or from objects that have fallen from bridges or overpasses. Also included are claims made by pedestrians who sustained damage to personal property as a result of a fall on a defective roadway.

E. Defective Sidewalk

Defective Sidewalk claims are made by individuals who sustain damage to personal property as a result of defective sidewalks.

F. Traffic Device

This claim type includes vehicles or other personal property damaged in accidents allegedly caused by defective, obstructed, or missing traffic lights or stop signs.

G. Police Action

Police Action claims related to vehicles or other personal property that is stolen, damaged, sold, or destroyed while in police custody.

H. School

School claims include lost, stolen, or damaged personal property that belongs to students, teachers, or Department of Education staff while on Department of Education property.

I. Health Facility

These claims include the personal property of patients or others that has been lost, stolen, or damaged while on hospital property.

J. Motor Vehicle Accidents

Motor vehicle accident claims include vehicles or other personal property that is damaged in accidents with City vehicles. Included are parked cars hit by City vehicles, and vehicles damaged while being towed.

K. Uniformed Services/City Employees

This claim type includes claims for personal property that is lost, damaged, or stolen from City employees while at work.

L. Parks and Recreation

Claims in this category include personal property that is lost, stolen, or damaged in the City's parks. Damage occurs from vandalism, poor maintenance, or unmarked fresh paint, and from accidents involving grounds and equipment.

M. Public Buildings and Property

This claim type includes claims for personal property damaged or stolen as a result of a defect or negligence in maintaining City-owned land or a City-owned building or facility.

N. Catastrophe

These claims include property damage caused by the City's response to a natural disaster (such as a flood or earthquake), an environmental accident (such as a leaking gas tank), power failures (blackouts), or civil disturbances (such as riots).

O. Damage City Action/Personnel

These claims include property damaged by City vehicles or equipment, such as a City vehicle damaging a homeowner's fence or other property, or damage caused by a traffic light falling onto a vehicle.

P. Correction Facility

Correctional facility claims include claims by prisoners, inmates, or detainees whose personal property is lost, stolen, or damaged while in a correctional institution.

III. Law Claims

A. Employment

Employment claims are those by prospective, current, or former City employees alleging employment-related disputes. These disputes include claims for discrimination, out-of-title work, pay differential, annual leave, and suspension.

B. Illegal but Equitable

These claims typically allege that work was performed and/or the City accepted services, but the appropriate contract and other approval were not obtained. These claims, though invalid at law, may be recognized as equitable and proper if it can be determined that the City received a benefit and that the public interest would be served by payment or compromise.

C. Contract/Lease

Claims in this category arise from disputes between the City and private contractors (construction or non-construction) and in instances where the City is a lessee or lessor of property.

D. Refund

Refund claims include claims by private individuals seeking refunds for alleged overpayments and unjust fines.

E. Change of Grade

These claims are made by commercial or residential property owners or lessees. The claims arise from changes in grade to a sidewalk that impair access to property and drainage. Claims typically are made for loss of business due to walkway or driveway repairs.

F. Alternative Dispute Resolution

Contracts between the City and vendors solicited after September 1990 have included an Alternative Dispute Resolution (ADR) provision designed to provide a speedy alternative to litigation. When the disputes arise, contractors may attempt to resolve them directly with the agency involved. If no agreement is reached, a claim can then be filed with the Comptroller's Office. If the claim is denied, the contractor may appeal to the Contract Dispute Resolution Board.

APPENDIX B

Legal Background

I. Municipal Liability

The decision of the New York Court of Appeals in Bernadine v. NYC, issued in 1945, exposed the City for the first time to liability for torts committed by the City's officers, agents, and employees.⁸

In Bernadine, the Court held that "the civil divisions of the State are answerable equally with individuals and private corporations for wrongs of officers and employees -- even if no separate statute sanctions that enlarged liability in a given instance."⁹ The Court, in effect, abolished the doctrine of sovereign immunity for municipalities, but did not provide municipalities any of the protections accorded to the State by the Court of Claims Act.¹⁰ In particular, claimants seeking to recover from municipalities for their agents' negligent and wrongful acts are entitled to a jury trial.

Municipal liability is also governed by local law. Under their home rule authority, municipalities can limit liability to some extent through limitations on the right to sue. An example is New York City's prior notice law, enacted in 1979 in an effort to limit the City's liability in "slip and fall" cases on City sidewalks and streets.

II. Claims Process

To commence an action against the City, a claimant typically must first notify the City by filing a Notice of Claim with the Office of the Comptroller. In some instances, however, the claim must be filed with the agency involved. In most instances the notice of a personal injury or property damage claim must be filed within 90 days of an alleged injury or wrong.¹¹ The City Charter grants the Comptroller the power to settle and adjust all claims in favor of or against the City.¹²

The City Charter also grants settlement authority exclusively to the Office of the Comptroller.¹³ The Comptroller has the power to investigate claims, determine liability and

⁸ Bernadine v. NYC, 294 N.Y. 361 (1945)

⁹ *Id.* p. 365.

¹⁰ Court of Claims Act of 1920, L. 1920, ch. 922, and L. 1929, ch. 467, § 1.

¹¹ General Municipal Law, Article 4, § 50-e. One notable exception is a claim under 42 U.S.C. § 1983, the Federal Civil Rights Act; a § 1983 action can be filed directly in court without filing a notice of claim.

¹² City Charter, Chapter 5, Section 93 (l)

¹³ City Charter, Chapter 17, Section 394 (c).

damages, and reach a settlement prior to litigation.¹⁴ If the Comptroller denies liability or is unable to arrive at a settlement with a claimant, the claimant may commence suit. Actions regarding tort claims must generally be filed within a year and 90 days after the loss.¹⁵

The City's Law Department, under the direction of the Corporation Counsel, defends the City in most actions.

¹⁴ The Comptroller's Office of Claims and Adjudication ("Claims") investigates claims filed against the City; obtains and evaluates accident reports and other documents provided by agencies; conducts field visits, interviews witnesses, and conducts hearings; makes determinations as to liability; and attempts to settle cases where liability has been established. Claims' Engineering Division investigates contract claims, and together with the Law Department and BLA, negotiates construction contract claim settlements.

¹⁵ General Municipal Law, Article 4, § 50-1. A significant exception to this requirement is in the area of medical malpractice, in particular, claims for injuries to newborn infants.

APPENDIX C

Detailed Tables

1. Table 1 – Number of Claims Filed by Claim Type
2. Table 2 – Number of Claims Filed by Agency
3. Table 3 – Dollar Amount of Settlements & Judgments by Claim Type
4. Table 4 - Dollar Amount of Agency Settlements & Judgments
5. Table 5 – Count of Settlements & Judgments by Claim Type
6. Table 6 - Count of Settlements & Judgments by Agency

Table 1
Number of Claims Filed by Claim Type
Fiscal Years 1997 - 2006

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<u>Personal Injury:</u>										
Sidewalk	3,998	3,935	4,144	3,982	3,608	3,282	3,482	3,229	2,876	2,729
Police Action	2,292	2,107	2,400	1,779	1,984	1,793	2,067	1,930	2,588	2,211
Schools	1,909	2,082	1,898	1,895	1,654	1,510	1,413	1,421	1,465	1,235
Motor Vehicle	1,540	1,616	1,550	1,781	1,664	1,582	1,456	1,346	1,396	1,351
Roadway	1,427	1,543	1,379	1,513	1,476	1,410	1,381	1,364	1,251	1,176
City Property	1,043	1,067	816	810	698	1,126	848	688	889	1,347
Corrections	1,023	857	1,005	797	772	790	937	889	883	846
Civil Rights	1,319	1,146	1,066	1,319	1,259	1,075	1,182	1,229	1,243	1,537
Medical Malpractice	780	816	858	889	822	798	779	773	824	699
Traffic Device	447	446	407	420	337	320	309	291	193	141
Parks & Recreation	389	396	385	323	275	263	272	251	282	210
Uniform Services	243	384	395	304	194	1,211	949	205	315	510
Other	961	921	1,024	924	902	788	785	1,005	731	686
Total	<u>17,371</u>	<u>17,316</u>	<u>17,327</u>	<u>16,736</u>	<u>15,645</u>	<u>15,948</u>	<u>15,860</u>	<u>14,621</u>	<u>14,936</u>	<u>14,678</u>
<u>Property Damage:</u>										
Motor Vehicle	3,336	3,222	3,181	3,550	4,079	3,440	3,808	3,849	3,881	3,968
Other	8,318	5,898	5,137	5,123	5,109	4,021	4,590	5,080	5,136	4,224
Total	<u>11,654</u>	<u>9,120</u>	<u>8,318</u>	<u>8,673</u>	<u>9,188</u>	<u>7,461</u>	<u>8,398</u>	<u>8,929</u>	<u>9,017</u>	<u>8,192</u>
<u>Law Division:</u>										
Contracts	321	263	216	262	220	142	192	218	223	199
Other	984	842	798	689	1,294	852	896	951	1,000	1,086
Total	<u>1,305</u>	<u>1,105</u>	<u>1,014</u>	<u>951</u>	<u>1,514</u>	<u>994</u>	<u>1,088</u>	<u>1,169</u>	<u>1,223</u>	<u>1,285</u>
Grand Total	<u>30,330</u>	<u>27,541</u>	<u>26,659</u>	<u>26,360</u>	<u>26,347</u>	<u>24,403</u>	<u>25,346</u>	<u>24,719</u>	<u>25,176</u>	<u>24,155</u>

Table 2
Number of Claims Filed by Agency
Fiscal Years 1997 - 2006

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Transportation Dept.	8,862	8,429	7,617	7,779	7,735	6,635	6,841	6,991	6,113	5,923
Police Department	5,353	5,160	5,173	4,842	4,740	4,748	4,897	4,905	5,420	5,634
Sanitation Department	1,234	1,177	1,380	1,714	2,176	1,420	2,247	2,012	2,061	2,003
Department of Education	2,912	2,951	2,702	2,747	2,305	2,149	1,947	2,189	2,336	2,254
Health & Hospitals Corp.	1,455	1,258	1,342	1,306	1,228	1,092	1,090	1,056	1,112	997
Environmental Protection	3,411	1,194	1,180	1,150	972	913	921	1,004	1,417	839
Corrections Department	1,553	1,351	1,470	1,305	1,313	1,186	1,409	1,334	1,307	1,289
Parks Department	1,092	1,203	1,168	1,049	835	895	964	927	914	882
Fire Department	767	985	1,050	989	969	1,780	1,421	951	944	997
Housing, Preservation	714	757	448	379	319	249	181	163	177	205
Human Resources Admin.	302	240	247	194	199	125	87	87	130	117
Buildings Department	147	208	148	86	107	63	55	69	109	43
Other	2,528	2,628	2,734	2,820	3,449	3,148	3,286	3,031	3,136	2,972
Total	30,330	27,541	26,659	26,360	26,347	24,403	25,346	24,719	25,176	24,155

Table 3
Dollar Amount of Settlements & Judgments by Claim Type

Fiscal Years 1997-2006 (In Millions)

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<u>Personal Injury</u>										
Medical Malpractice	\$104.9	\$110.8	\$115.5	\$152.9	\$155.6	\$190.9	\$195.4	\$167.5	\$145.9	\$155.2
Sidewalk	42.0	45.7	58.5	58.7	76.8	53.4	68.0	71.6	68.8	55.5
Motor Vehicle	29.0	31.9	40.8	45.4	56.9	42.3	59.9	62.3	58.8	66.1
Police Action	27.9	28.6	41.0	38.0	39.0	21.7	32.9	42.6	40.4	24.6
Schools	22.2	23.2	22.9	26.3	26.1	32.6	29.7	37.1	35.3	28.9
City Property	16.1	27.8	22.3	18.2	21.9	21.3	26.5	30.5	21.7	13.0
Roadway	11.6	11.2	15.0	17.5	43.6	23.7	34.2	26.8	16.1	19.4
Civil Rights	7.6	12.9	19.2	14.2	83.4	37.2	31.1	35.2	32.3	43.7
Uniform Services	7.2	11.9	13.8	26.6	19.5	27.0	28.1	31.4	25.8	25.6
Corrections	3.9	5.9	4.5	3.0	3.2	3.7	3.9	4.1	8.8	4.1
Parks & Recreation	3.2	3.4	6.5	5.5	21.7	4.2	12.6	10.0	8.4	5.2
Traffic Device	2.9	1.1	1.9	2.3	3.5	3.6	11.9	3.2	11.2	1.4
Other	3.0	6.5	6.9	6.7	5.1	6.5	6.0	14.4	7.8	15.8
<u>Total</u>	\$281.4	\$320.9	\$368.8	\$415.3	\$556.4	\$468.1	\$540.2	\$536.8	\$481.3	\$458.5
<u>Property Damage</u>										
Motor Vehicle	3.7	3.3	2.7	3.0	3.6	3.2	3.0	3.8	3.6	7.3
Other	3.0	22.1	3.2	6.7	4.1	6.7	11.9	18.4	3.7	3.8
<u>Total</u>	6.7	25.4	5.9	9.7	7.7	9.9	14.9	22.2	7.3	11.1
<u>Law Claims</u>										
Contracts	5.6	27.9	17.6	33.6	9.6	28.1	11.2	9.8	24.5	16.8
Other	7.5	10.3	29.6	9.6	14.9	16.7	16.6	6.8	16.8	10.0
<u>Total</u>	13.1	38.2	47.2	43.2	24.5	44.7	27.8	16.6	41.3	26.8
<u>Grand Total</u>	\$301.2	\$384.5	\$421.9	\$468.2	\$588.6	\$522.8	\$582.9	\$575.6	\$529.8	\$496.4

Table 4

Dollar Amount of Agency Settlements & Judgments

Fiscal Years 1997 - 2006 (In Millions)

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Health & Hospitals	\$111.9	\$125.2	\$134.2	\$158.1	\$168.9	\$194.5	\$198.7	\$174.1	\$145.0	\$158.6
Transportation Department	49.8	62.6	77.2	78.5	114.4	75.3	115.2	97.5	123.5	102.1
Police Department	44.9	50.5	75.2	70.2	143.0	81.9	86.0	114.8	104.6	92.9
Board of Education	24.5	30.0	24.6	34.4	28.7	35.1	32.1	38.9	38.9	30.5
Housing Preservation	10.8	19.3	15.9	16.7	20.4	13.8	22.7	25.3	12.5	9.9
Sanitation Department	8.9	17.4	16.1	22.3	15.5	28.3	17.4	22.4	14.8	18.5
Corrections Department	5.2	7.9	7.2	4.6	11.6	6.0	11.2	11.6	13.4	10.5
Parks Department	5.1	4.8	10.5	9.3	23.6	12.5	16.9	13.9	15.1	7.7
Environmental Protection	4.9	30.2	7.8	23.0	7.2	29.9	15.6	17.6	6.9	21.5
Fire Department	4.0	12.2	11.1	13.9	16.1	13.2	22.1	18.2	15.1	20.9
Buildings Department	2.2	1.1	0.7	1.8	1.1	1.9	2.8	1.0	1.9	0.6
Human Resources	2.4	1.0	16.3	1.7	2.1	3.8	1.1	10.9	8.4	1.8
Other	26.8	22.2	25.2	33.7	36.0	26.6	41.1	29.5	29.6	21.0
<u>Total</u>	<u>\$301.2</u>	<u>\$384.5</u>	<u>\$421.9</u>	<u>\$468.2</u>	<u>\$588.6</u>	<u>\$522.8</u>	<u>\$582.9</u>	<u>\$575.6</u>	<u>\$529.8</u>	<u>\$496.4</u>

Table 5

Count of Settlements & Judgments by Claim Type

Fiscal Years 1997 - 2006

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<u>Personal Injury</u>										
Sidewalk	2,066	2,331	2,807	3,111	3,321	2,667	2,801	2,581	2,267	1,681
Schools	804	883	1,014	1,398	1,223	1,023	1,175	1,099	1,045	877
Motor Vehicle	789	889	1,097	1,036	1,155	965	1,167	1,095	1,228	938
Police Action	557	562	749	835	788	563	613	693	567	554
Roadway	423	458	575	634	774	603	674	660	721	718
City Property	311	338	357	368	324	274	277	238	213	144
Medical Malpractice	262	276	297	293	350	298	345	339	327	293
Civil Rights	209	284	260	295	544	594	563	812	722	837
Parks & Recreation	170	174	252	209	224	176	196	189	209	182
Corrections	148	142	130	133	161	151	146	152	176	153
Uniform Services	132	158	165	203	180	139	162	170	163	116
Traffic Device	112	110	120	120	162	144	150	167	150	94
Other	86	125	137	100	111	79	110	150	153	114
<u>Total</u>	<u>6,069</u>	<u>6,730</u>	<u>7,960</u>	<u>8,735</u>	<u>9,317</u>	<u>7,676</u>	<u>8,379</u>	<u>8,345</u>	<u>7,941</u>	<u>6,701</u>
<u>Property Damage</u>										
Motor Vehicle	2,700	2,287	1,941	2,056	2,101	1,942	1,723	2,246	1,937	3,388
Other	1,335	1,654	1,059	972	834	801	774	932	907	904
<u>Total</u>	<u>4,035</u>	<u>3,941</u>	<u>3,000</u>	<u>3,028</u>	<u>2,935</u>	<u>2,743</u>	<u>2,497</u>	<u>3,178</u>	<u>2,844</u>	<u>4,292</u>
<u>Law Division</u>										
Contracts	28	61	54	54	40	34	30	26	30	20
Other	128	114	99	100	88	80	89	111	78	81
<u>Total</u>	<u>156</u>	<u>175</u>	<u>153</u>	<u>154</u>	<u>128</u>	<u>114</u>	<u>119</u>	<u>137</u>	<u>108</u>	<u>101</u>
<u>Grand Total</u>	<u>10,260</u>	<u>10,846</u>	<u>11,113</u>	<u>11,917</u>	<u>12,380</u>	<u>10,533</u>	<u>10,995</u>	<u>11,660</u>	<u>10,893</u>	<u>11,094</u>

Table 6
Count of Settlements & Judgments by Agency

Fiscal Years 1997 - 2006

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Transportation Department	2,965	3,197	3,583	3,996	4,311	3,480	3,752	3,504	3,543	2,944
Police Department	1,593	1,998	2,076	2,249	2,406	1,846	2,098	2,562	2,423	2,655
Sanitation Department	1,305	1,007	969	1,013	1,198	1,149	859	1,271	966	1,910
Board of Education	1,053	1,159	1,156	1,495	1,305	1,095	1,228	1,159	1,135	949
Health & Hospitals	606	616	600	505	548	439	468	457	447	401
Parks & Recreation	450	574	565	469	462	392	452	429	443	460
Environmental Protection	407	521	450	467	368	376	465	480	387	355
Fire Department	296	334	406	405	500	622	479	542	610	582
Corrections	261	287	267	249	297	283	299	302	320	300
Housing Preservation	247	250	281	275	219	186	184	170	135	94
Human Resources	69	64	61	43	52	33	36	44	31	33
Buildings Department	19	23	22	21	27	23	24	20	17	22
Other	989	816	677	730	687	609	651	720	436	389
Total	<u>10,260</u>	<u>10,846</u>	<u>11,113</u>	<u>11,917</u>	<u>12,380</u>	<u>10,533</u>	<u>10,995</u>	<u>11,660</u>	<u>10,893</u>	<u>11,094</u>

APPENDIX D

Summary of the 10 Largest Personal Injury Settlements/Judgments for Fiscal Year 2005

1. In 1999, claimant was allegedly shot by the Police and was rendered a paraplegic. *Settlement: \$8 million*
2. In 1989, claimant allegedly injured during delivery process and suffered paralysis and other injuries. *Settlement: \$6.9 million*
3. In 1992, claimant alleged negligence and medical malpractice for failure to diagnosis and properly treat serious conditions, resulting in brain damage and cerebral palsy. *Settlement: \$6.9 million.*
4. In 1996, claimant alleged negligence and malpractice for failure to deliver proper care before, during, and after delivery resulting in brain damage and neurological impairment. *Settlement: \$6.7 million.*
5. In 1993, claimant was shot and killed by Police. Judgment: *Settlement: \$6.1 million.*
6. In 2001, claimant allegedly was dropped during the birth process and suffered serious brain injury. *Settlement: \$5 million.*
7. In 2001, claimant alleged negligence and malpractice for failure to deliver proper care during labor and delivery, resulting in death of mother. *Settlement: \$4 million.*
8. In 2000, claimant alleged that while working in a City prison he was severely injured resulting in paralysis. *Settlement: \$4 million.*
- 9 & 10 (four settlements/judgments were equal at \$3.5 million)
 - a) In 1998, claimant alleged failure to diagnose and treat medical conditions resulted in a permanent comatose state. *Settlement: \$3.5 million.*
 - b) In 2000, claimant alleged failure to diagnose and timely treat medical condition that resulted in death. *Settlement: \$3.5 million.*
 - c) In 2001, claimant alleged was struck by a motor vehicle resulting in severe injuries. *Settlement: \$3.5 million.*
 - d) In 2002, claimant was allegedly denied oxygen during hospital treatment resulting in severe brain injuries. *Settlement: \$3.5 million.*

Summary of the 10 Largest Personal Injury Settlements/Judgments for Fiscal Year 2006

1. In 2000, claimant alleged roadway was improperly designed and constructed, resulting in severe injuries. *Settlement: \$9.5 million.*
2. In 2003, claimant allegedly suffered severe injuries as a result of a Staten Island Ferry accident. *Settlement: \$9.0 million.*
3. In 1986, claimant alleged negligence and medical malpractice for failure to deliver proper care during labor and delivery, resulting in brain damage and cerebral palsy. *Settlement: \$8.5 million.*
4. In 1997, claimant alleged negligence and malpractice for failure to deliver proper care before, during and after delivery resulting in cerebral palsy and other severe injuries. *Settlement: \$7.9 million.*
5. In 2002, claimant allegedly was rendered a paraplegic as a result of city hospital's failure to appropriately treat a fractured backbone. *Settlement: \$6.9 million.*
6. In 1993, claimant alleged negligence and malpractice for failure to deliver proper care during labor and delivery, resulting in brain damage cerebral palsy and quadriplegia. *Settlement: \$6.5 million.*
7. In 1999, claimant allegedly suffered severe injuries as a result of a motor vehicle accident with an ambulance. *Settlement: \$5.75 million.*
8. In 1995, claimant alleged negligence and malpractice for failure to deliver proper care during and after delivery resulting in brain damage to the child. *Settlement: \$5.5 million.*
9. In 1993, claimant alleged medical malpractice during labor and delivery, resulting in brain damage and other injuries. *Settlement: \$5 million.*
10. In 1995, claimant allegedly suffered quadriplegia, impaired cognitive functioning and other injuries as a result of a failure to correctly diagnose and appropriately treat a serious medical condition. *Settlement: \$5 million.*

APPENDIX E
Additional Charts
CHART 43

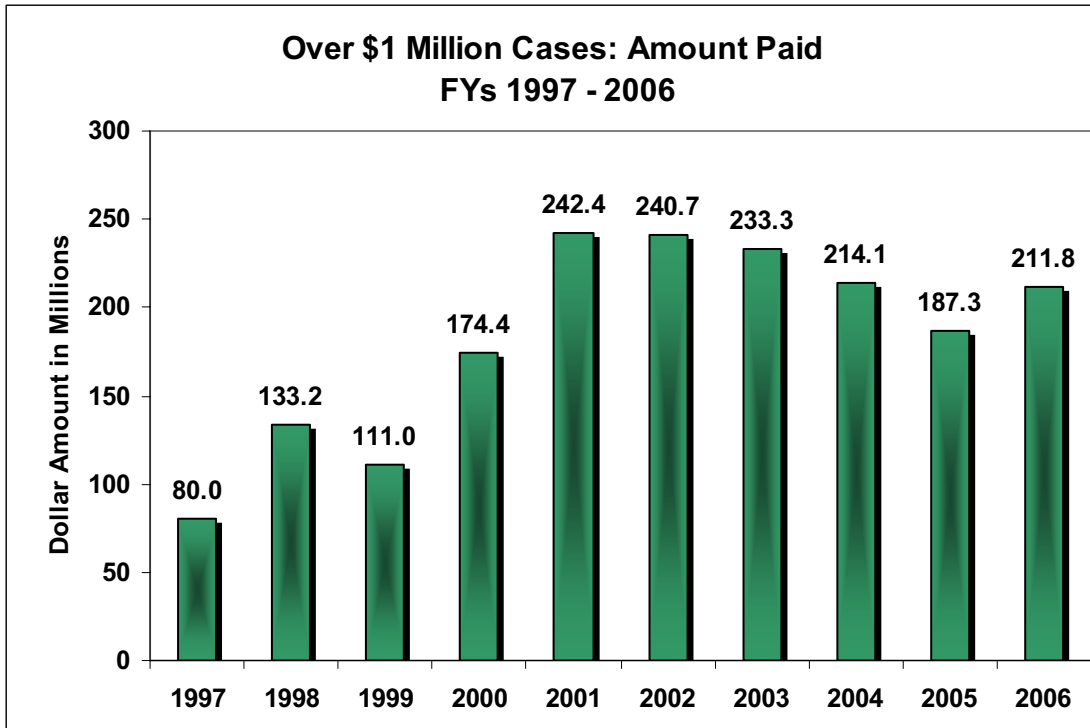
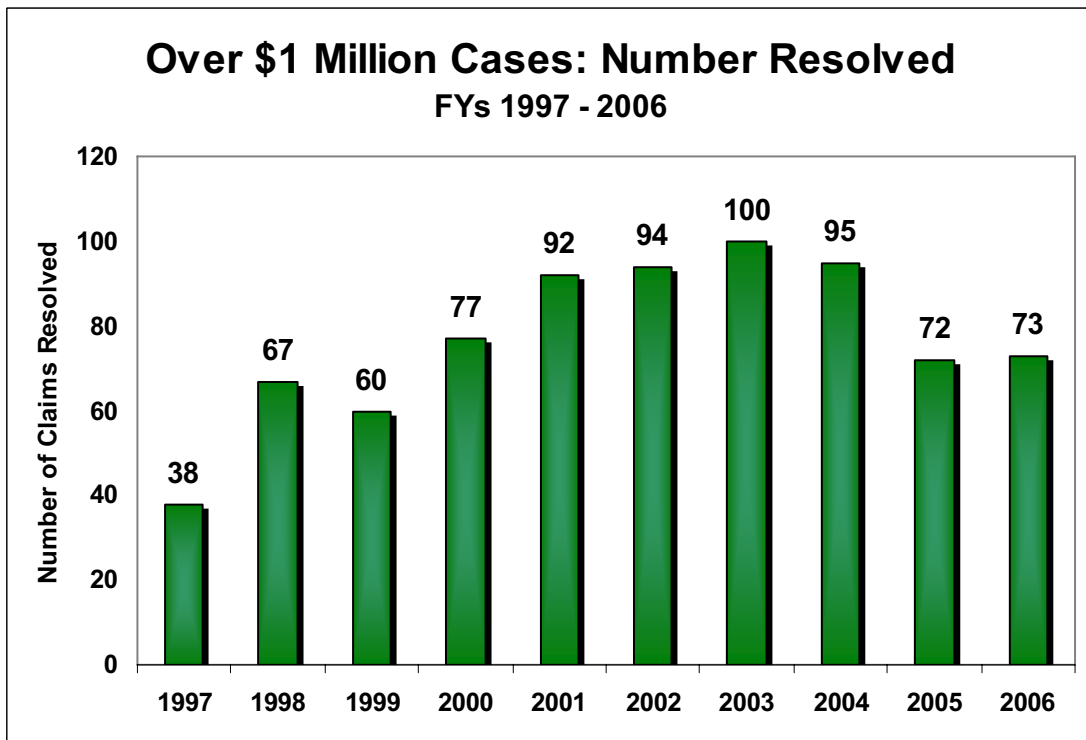


CHART 44



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