

The State of Florida Division of Risk Management

Annual Report

2006-2007 Fiscal Year



 **ALEX SINK**
CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

Florida Department of Financial Services



January 2, 2008

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REPRESENTING
ALEX SINK
CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

January 2, 2008

Dear Colleagues:

For your information we are providing the Division of Risk Management Annual Report. The report includes the program missions and activities for calendar year 2007.

Once again, we were all relieved that another hurricane season passed without significant storms and related injuries and damage. We are hopeful that another hurricane free year will bring some reduction to our excess property premium and will allow for more windstorm coverage protection for our State properties.

This was an exciting year for us as we welcomed our new Chief Financial Officer Alex Sink and her staff. We are looking forward to working with the new Administration on risk management initiatives.

We hope you find our annual report informative and will contact us if you have any questions or suggestions. We appreciate and thank everyone for their support and cooperation during the past year and look forward to another positive year in 2008.

Sincerely,

A handwritten signature in cursive script that reads "Trilly Lester".

Trilly Lester

TL/wb

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The State of Florida Risk Management Program

Mission

The mission of the State of Florida Risk Management Program (also referred to as the State Property and Casualty Claims Program) is to ensure that participating State agencies are provided quality workers' compensation, liability, federal civil rights, auto liability, and property insurance coverage at reasonable rates by providing self-insurance, purchase of insurance, claims handling, and technical assistance in managing risk.

Program Details

The Program is established by Chapter 284, Florida Statutes, and operates out of one trust fund, the State Risk Management Trust Fund. The Program currently utilizes self-insurance or a combination of both commercial insurance and self-insurance for certain risks.

A. Office of the Director

The Office provides leadership and support for the Risk Management program. The staff develops initiatives in the following three areas:

1. Technology – The role of the Office's information technology group is to provide helpful computerized systems, maintain them at current industry level, and assist our employees in their use. Our mission is to have the most efficient and cost-effective claims administration system.
2. Communications – The office interacts with the Division's customers, vendors, and State leaders regarding claims information and loss prevention activities.
3. Contracting – The office performs needs assessments, solicits proposals from vendors and contracts with those vendors that meet our needs and provide the best value to the State.

B. Property

OVERVIEW: The State Risk Management Trust Fund provides property coverage and adjusts claims for damages incurred by state buildings and contents as a result of a covered peril. Covered perils include fire, lightning, explosion, windstorm or hail, smoke, aircraft or vehicles, riot, civil commotion, sinkhole collapse and flood. Non-owned real property that is leased by the state can be covered if an approved lease so provides and conforms to the coverage under the property policy. Coverage for loss of rental income can be provided when such coverage is required by the terms of any bonding or revenue certificates or resolutions. All claims filed with the Property Section are investigated and settled by Division staff.



State Owned Property Destroyed by Tornado in Volusia County

During FY 06-07, State agencies reported a total of 66 claims. There were 62 regular claims reported and 4 catastrophic claims reported. The following data is as of June 30, 2007:

<u>Number of Regular Claims by Peril</u>	<u>Total Incurred (Reserves)</u>	<u>Total Paid</u>
1 Explosion	\$ 0.00	\$ 0.00
7 Fire	\$423,370.62	\$274,349.62
5 Flood	\$ 10,320.46	\$ 10,320.46
34 Lightning	\$ 57,845.08	\$ 47,952.10
2 Vehicle	\$ 5,212.80	\$ 0.00
13 Wind	\$ 85,229.47	\$ 85,229.47

<u>Number of Catastrophic Claims</u>	<u>Total Incurred</u>	<u>Total Paid</u>
4 Disaster Windstorm (Tornado)	\$285,100.46	\$285,100.46

INSURANCE SUMMARY TOTALS

NUMBER OF RISKS:	21,686
BUILDING VALUES:	\$11,506,835,710
CONTENT VALUES:	\$4,541,631,218
RENTAL VALUES:	\$195,869,936
TOTAL VALUES:	\$16,244,336,864
FUNDING FOR FY 06-07:	\$11,865,596
NUMBER OF CLAIMS OCCURRING IN CURRENT FY	66
INCURRED VALUE OF CLAIMS REPORTED DURING CURRENT FY:	\$ 867,078.89
CLAIM PAYMENTS MADE DURING CURRENT FY:	\$ 8,419,272
NUMBER OF CLAIMS WORKED DURING CURRENT FY:	1,694

C. Workers' Compensation

OVERVIEW: During Fiscal Year 06-07, the Division provided workers' compensation coverage to approximately 202,656 state employees, volunteers, and other statutorily mandated persons. Workers' compensation claims are processed statewide by the Bureau of State Employees' Workers' Compensation Claims located in Tallahassee, Florida. The claims handling staff consists of fifteen Workers' Compensation Specialists who handle lost time cases, nine Workers' Compensation Examiners who handle medical only cases, three Insurance Specialists II who handle both lost time and medical only claims, and three Workers' Compensation Specialist Supervisors. Contracted attorney firms under the supervision of staff personnel defend all claims in litigation.

The major categories of workers' compensation benefits that are provided to employees who sustain a job related injury or illness include:

- Medical benefits (all medically necessary medical services)
- Indemnity benefits (payments for lost wages and permanent impairment)
- Death benefits (a cash benefit plus a funeral expense benefit)

Since January 1, 1997, The Division has contracted with vendors to provide managed care services. Medical care is "managed" by medical case managers who are registered nurses, or supervised by registered nurses, in conjunction with physician medical care coordinators.

The contracted vendor for claims with a date of accident from January 1, 1997 through December 31, 2002 is Humana. Humana is responsible for providing medically necessary medical services for three years following the date of injury and continuing case management for the duration of the claim. Beginning with dates of accident on January 1, 2003, the provider is CorVel. Under the current contract, CorVel is responsible for providing medical case management for a period of three years.

Medical services for employees not covered by managed care, indemnity benefits, and death benefits, are coordinated and processed by in-house Workers' Compensation Specialists, Insurance Specialists II and Workers' Compensation Examiners. In-house medical bills are reviewed and re-priced by our contract vendor, who also provides hospital pre-certification and continued stay review.

To obtain necessary field investigative and surveillance services, The Division contracted with York STB, Inc. The Division pays for these services on an hourly basis. York STB also provides the statutorily mandated Special Investigation Unit that investigates suspected cases of workers' compensation fraud referred by the Bureau of State Employees' Workers' Compensation Claims or the Bureau of Workers' Compensation Fraud from the Fraud Hotline. During Fiscal Year 06-07, The Division referred 96 cases suspected of workers' compensation fraud to the Special Investigation Unit.

NUMBER OF COVERED PERSONS: 202,656

PARTICIPATING STATE AGENCIES: All agencies under the executive, legislative and judicial branches of state government.

METHOD OF FUNDING: Each agency's share of the cost of the program is a direct allocation of that agency's own losses and number of covered persons. Through premium assessments, each agency ultimately pays for its own losses plus a share of the Division's operating expense.

FUNDING FOR FISCAL YEAR 06-07: \$ 98,244,738

NUMBER OF CLAIMS OCCURRING IN FISCAL YEAR 06-07: 13,548

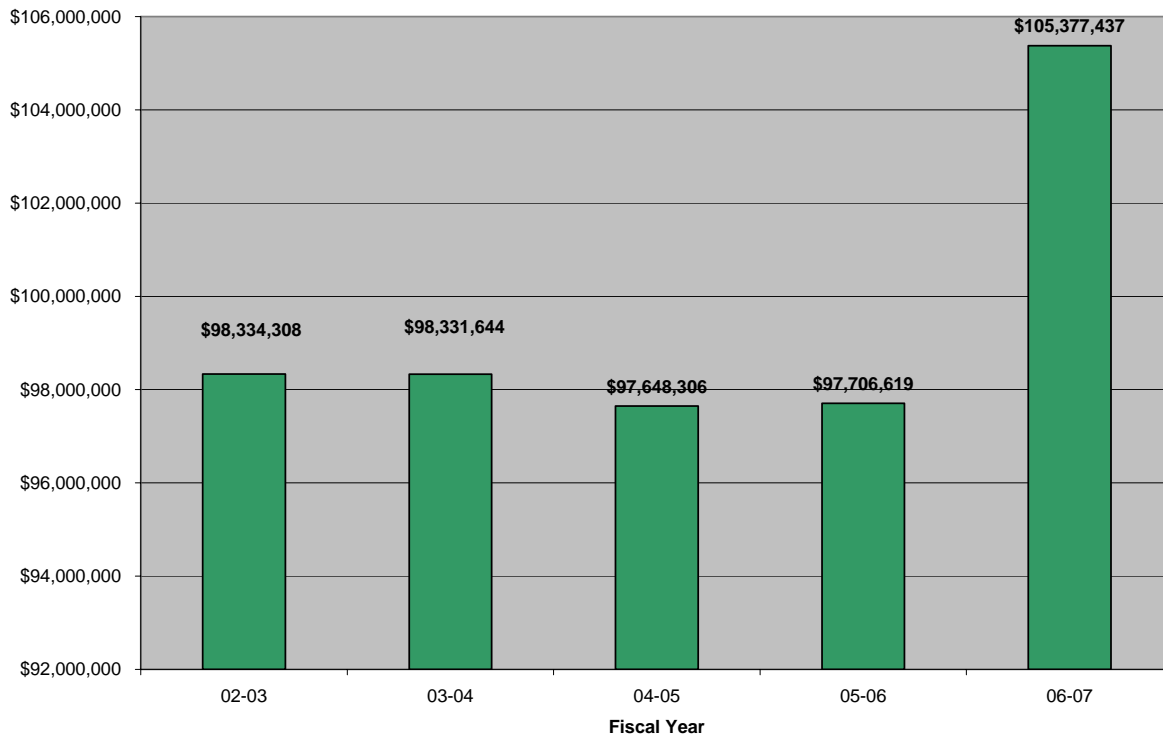
NUMBER OF CLAIMS REPORTED IN FISCAL YEAR 06-07: 13,629

NUMBER OF CLAIMS WORKED IN FISCAL YEAR 06-07: 22,030

Frequency and Cost Analyses

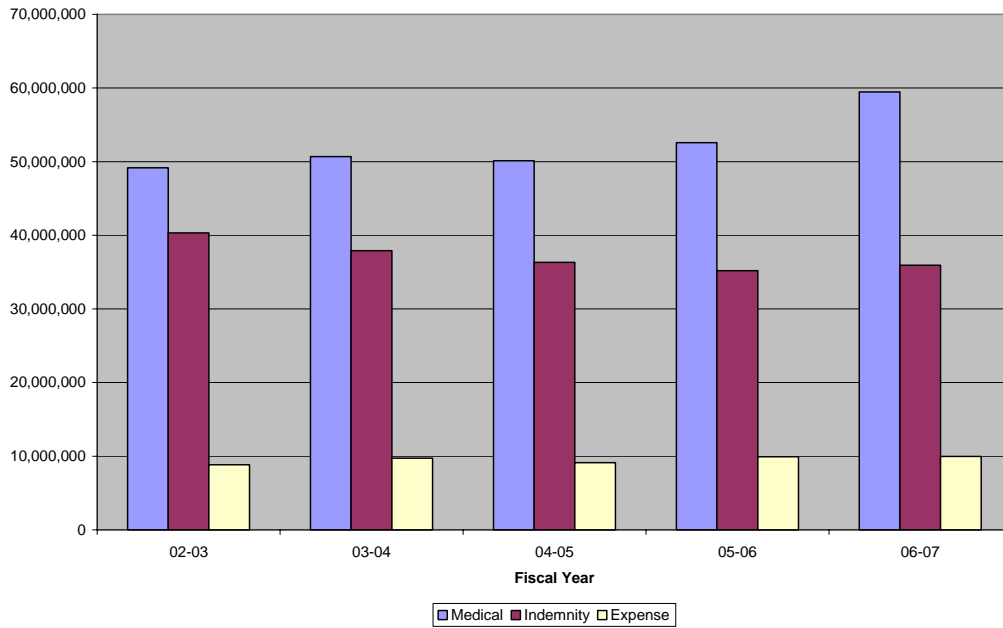
The first graph illustrates the total amount of money paid for workers' compensation benefits each of the past five fiscal years (irrespective of the fiscal year of injury and not including claim recoveries). The second graph shows the breakdown of each major category.

Total Workers' Compensation Benefits Paid per Fiscal Year



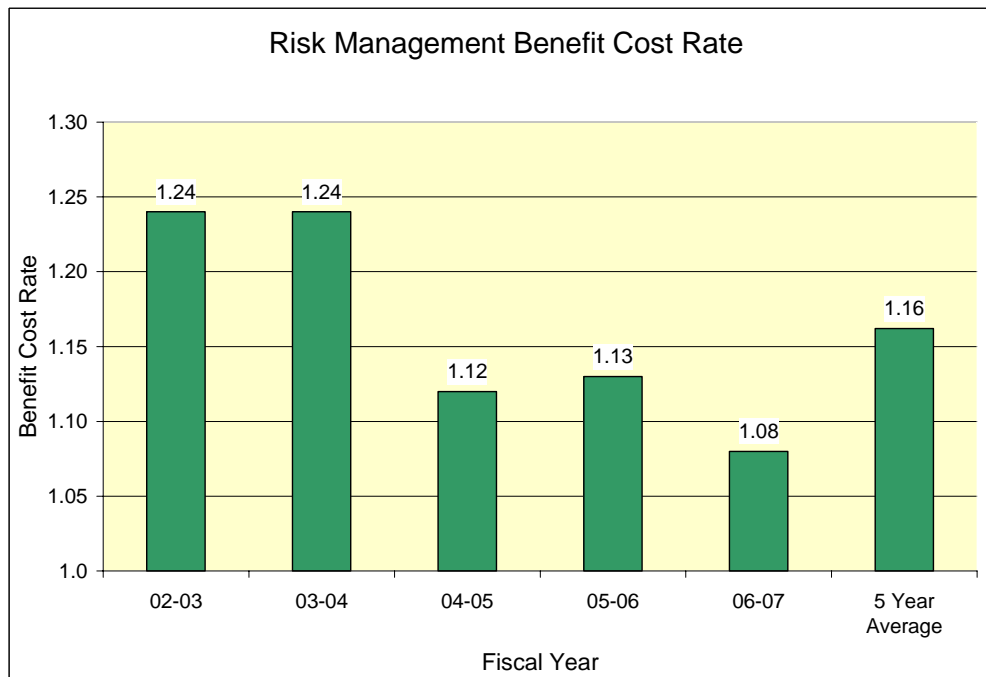
NOTE: Amounts above do not reflect recoveries paid from the Special Disability Fund.

Total Paid for Major Benefit Categories by Fiscal Year



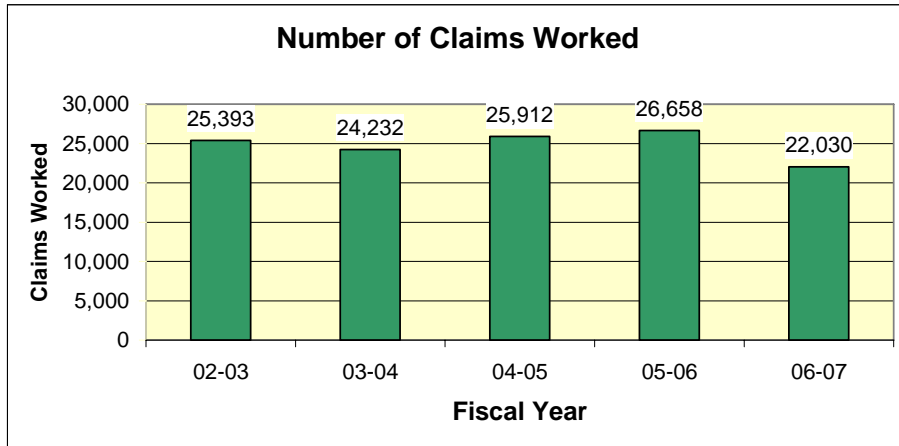
The Benefit Cost Rate

The Benefit Cost Rate (BCR) is a nationally recognized measurement for comparison of workers' compensation costs between employers. The BCR expresses the amount of workers' compensation benefits (indemnity and medical) paid per \$100 of payroll. Indemnity benefits are based on employee wages and the BCR is an accurate indicator of the overall effectiveness and relative cost of a workers' compensation program. Over the past five years, The Division's Benefit Cost Rate averaged 1.16.



Number of Claims Worked

In addition to new claims, staff at the Bureau of State Employees' Workers' Compensation Claims must also work and handle claims that occurred in previous years but remain open and active. One of the Bureau's output measurements is the "Number of Claims Worked", which is the number of new claims reported during the current fiscal year plus the number of claims reported in prior fiscal years that had a payment made in the current fiscal year.

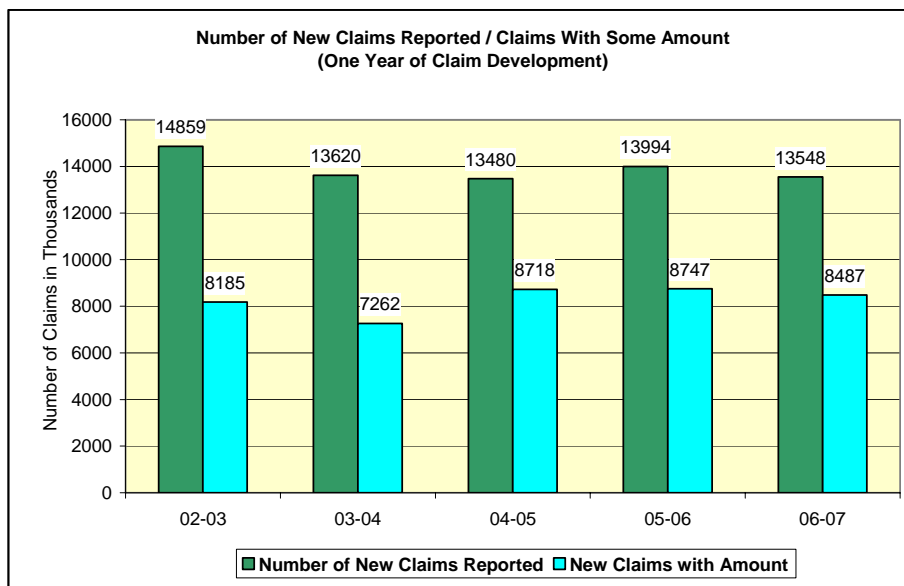


Relative Frequency of Workers' Compensation Claims

The Division averaged receiving 13,900 new workers' compensation claims per year during the past five fiscal years. As of October 31, 2007, for claims reported during Fiscal Year 06-07, 9.51% were classified as lost time claims and 90.49% as medical only claims. There have been 9 employee job related deaths within the past four fiscal years.

Frequency Analysis of FY 06-07 Claims

As of October 31, 2007, there had been 13,548 claims reported to The Division with an accident date in Fiscal Year 06-07. Of these 13,548 injuries, 8,487 had some monetary value (paid or reserved).



D. Federal Civil Rights/Employment Discrimination

The Fund provides coverage for protection against Federal Civil rights claims brought under 42 U.S.C. s. 1983 or similar Federal statutes, including employment discrimination claims.

OVERVIEW: In accordance with Chapter 284.30, Florida Statutes, this program was established to provide federal civil rights and employment discrimination claims coverage through the State Risk Management Trust Fund. This coverage includes federal civil rights actions filed under 42 U.S.C 1983 (and other similar federal statutes), plaintiff attorney fees/awards (where so provided by the covered federal statutes), employment discrimination actions filed under 42 U.S.C 2000e, Title VII of the 1964 Civil Rights Act, as amended by the Civil Rights Act of 1991, The Florida Civil Rights Act of 1992, and other similar employment discrimination acts and statutes. The program has the responsibility for investigating, evaluating, negotiating (settling), defending and making appropriate disposition of any covered action filed against State agencies, their employees, agents, or volunteers.

There are no monetary liability caps associated with federal civil rights actions. Title VII has a \$300,000 cap for compensatory damages while The Florida Civil Rights Act of 1992 has a \$100,000 cap. In addition to these amounts, front and back pay (past and future salary amounts determined to be due from a State agency), and plaintiff attorney fees for which a State agency becomes liable, can be paid under Title VII and The Florida Civil Rights Act of 1992 cases.

Investigations of claims are conducted by staff and/or a contract adjusting service. Defense of litigated claims is provided by the Attorney General's Office, contract law firms, or State agency attorneys.

Federal Civil Rights/Employment Claims Data

NUMBER OF COVERED PERSONS FOR FY 05/06: 195,075

PARTICIPATING STATE AGENCIES: All agencies under the executive, legislative, and judicial branches of the State.

METHOD OF FUNDING: Each agency's share of the cost of the program is a direct allocation based on that agency's losses and number of covered persons. Through assessments, each agency pays its proportionate share of the amount allocated to the Division each Fiscal Year for payment of claims and operating expenses.

FUNDING FOR FY 05/06: \$23,634,000

NUMBER OF CLAIMS REPORTED IN CURRENT FY: 304

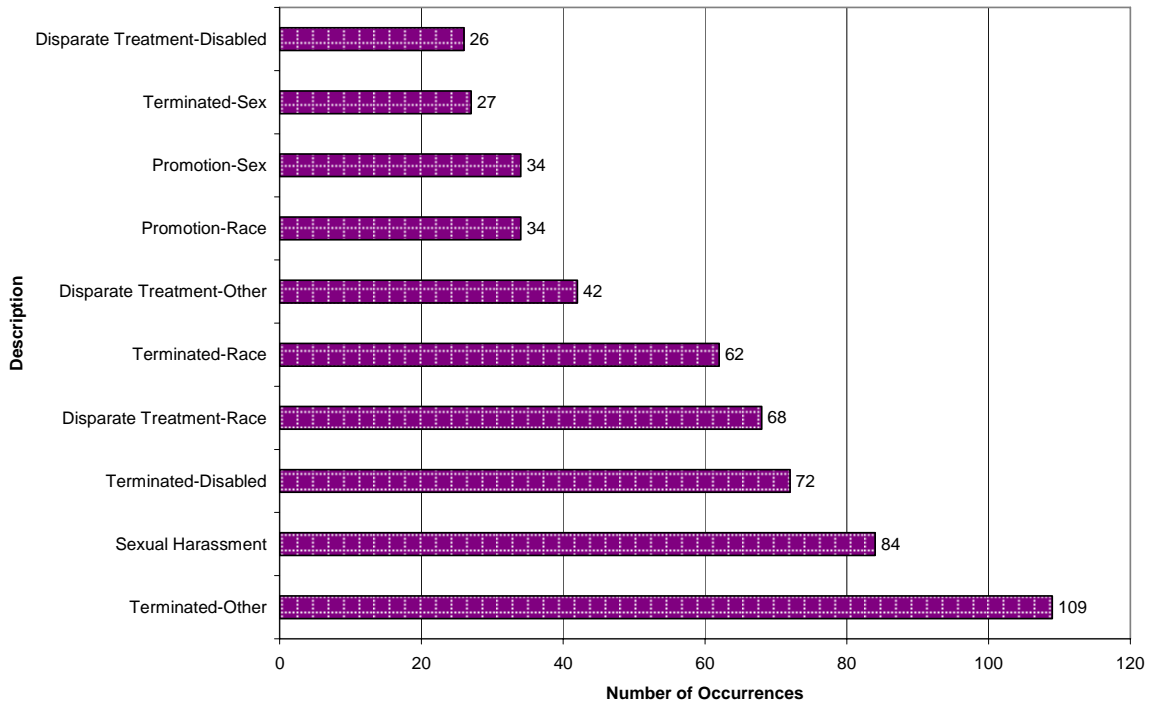
COMMERCIAL INSURANCE: None

CURRENT FY PREMIUMS PAID: 0

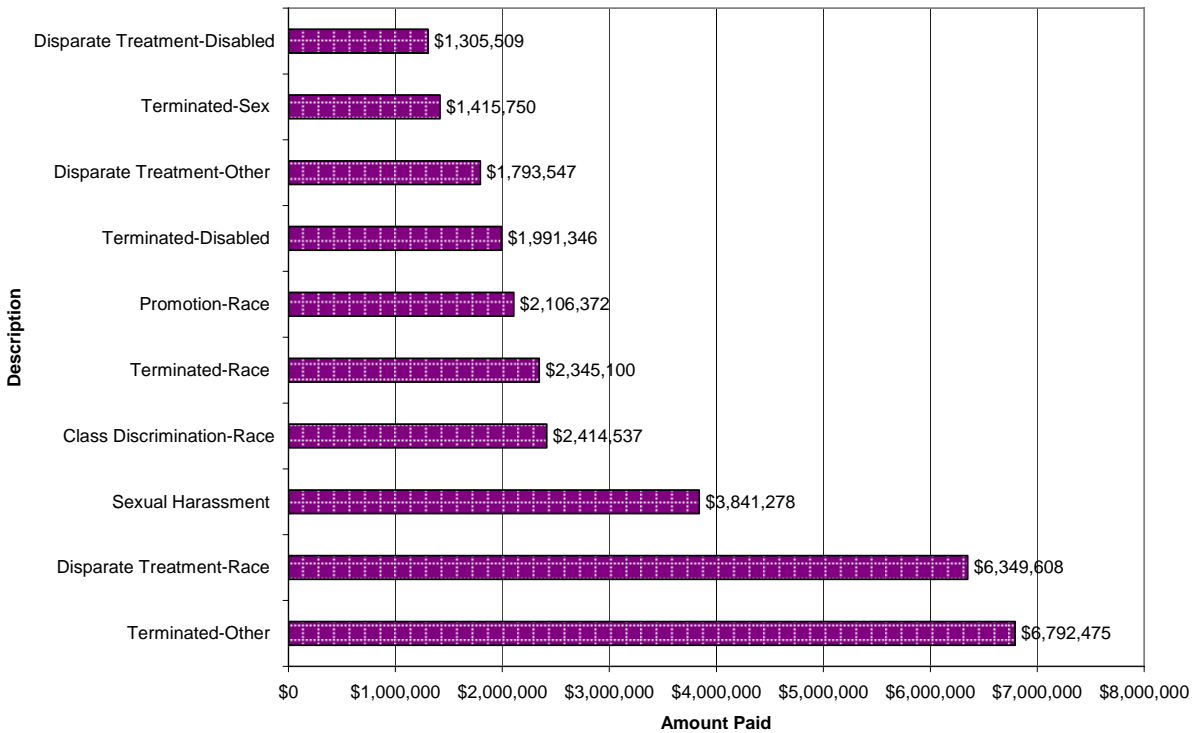
CUMULATIVE PREMIUMS PAID: 0

AS OF: 06/30/06

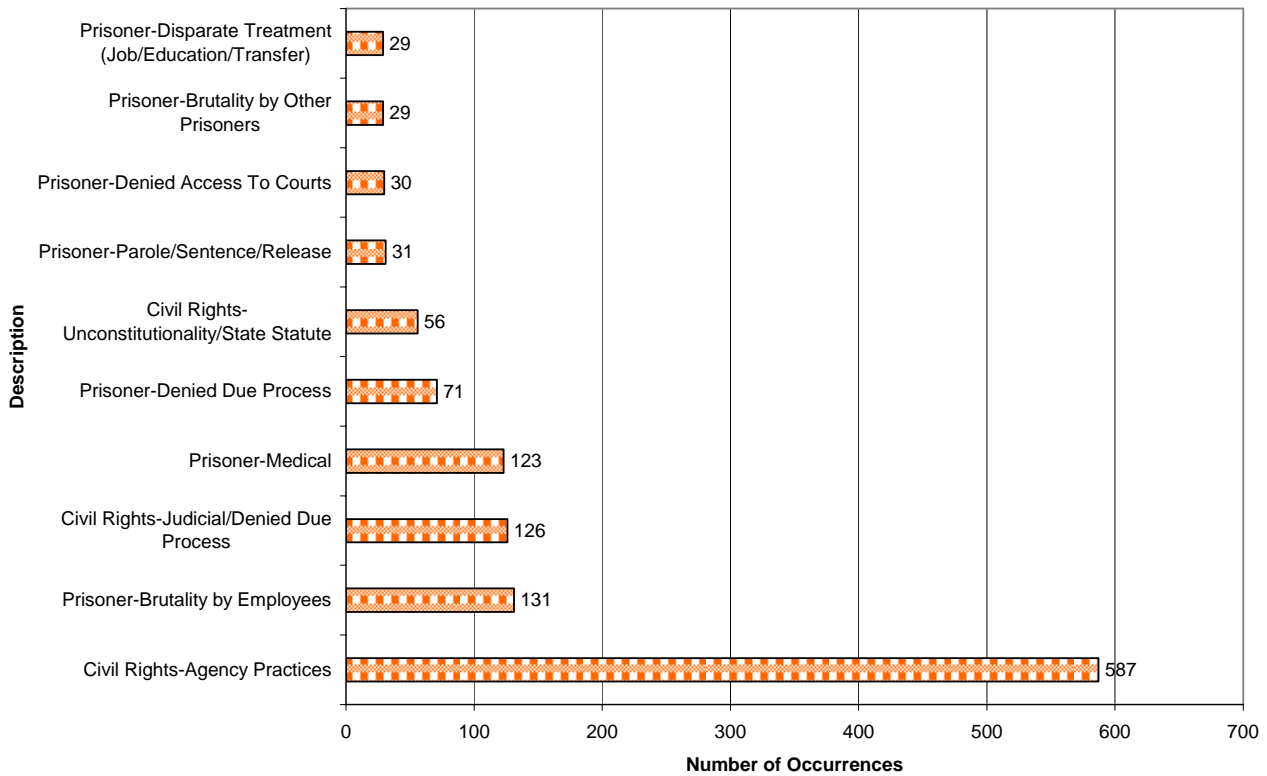
Frequency of Employment Claims Reported for the Period 7/1/01 - 6/30/06



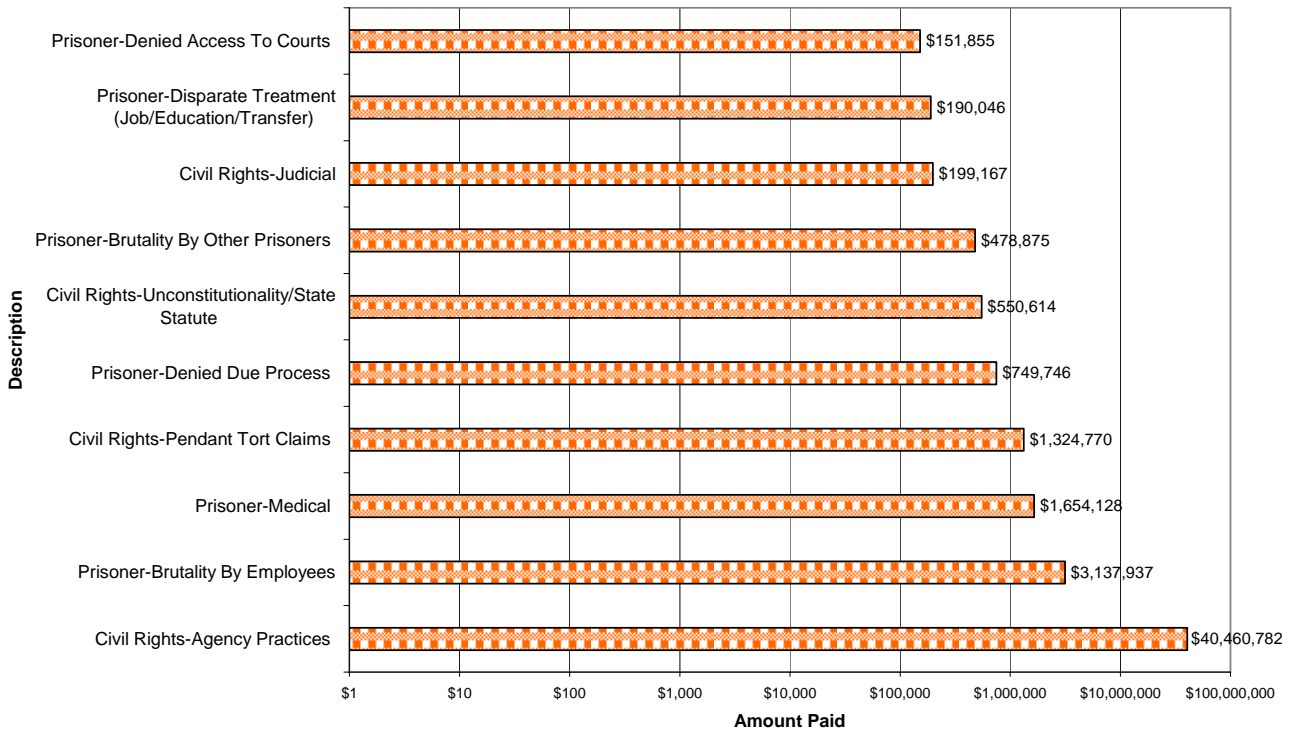
Cost of Employment Claims for the Period 7/1/01 - 6/30/06



Frequency of FCR (Non-Employment) Claims Reported for the Period 7/1/01 - 6/30/06



Cost of FCR (Non-Employment) Claims for the Period 7/1/01 - 6/30/06



E. General Liability

The Fund provides coverage for protection against general liability claims and suits filed pursuant to Section 768.28, Florida Statutes.

OVERVIEW: In accordance with Chapter 284.30, Florida Statutes, this program was established to provide general liability claims coverage through the State Risk Management Trust Fund. The self-insurance coverage includes premises and operations, personal injury, and professional liability. The program has the responsibility of investigating, evaluating, negotiating, defending and making appropriate disposition of claims/lawsuits filed against the State because of a negligent act or omission. The State is liable for damages for injury, death, or loss of property caused by the negligence of its employees, agents or volunteers while acting within the course and scope of their employment or responsibilities. In accordance with Chapter 768.28, Florida Statutes, the limits of liability (under the waiver of sovereign immunity law) are \$100,000 per person's claim, \$200,000 per occurrence for all claims.

Investigations of claims are conducted by staff and/or a contract adjusting service. Defense of litigated claims is provided by the Attorney General's Office, contract law firms, or State agency attorneys.

General Liability Data

NUMBER OF COVERED PERSONS IN FY 05/06 194,370

PARTICIPATING STATE AGENCIES: All agencies under the executive, legislative, and judicial branches of the State.

METHOD OF FUNDING: Each agency's share of the cost of the program is a direct allocation based on that agency's losses and number of covered persons. Through assessments, each agency pays its proportionate share of the amount allocated to the Division each Fiscal Year for payment of claims and operating expenses.

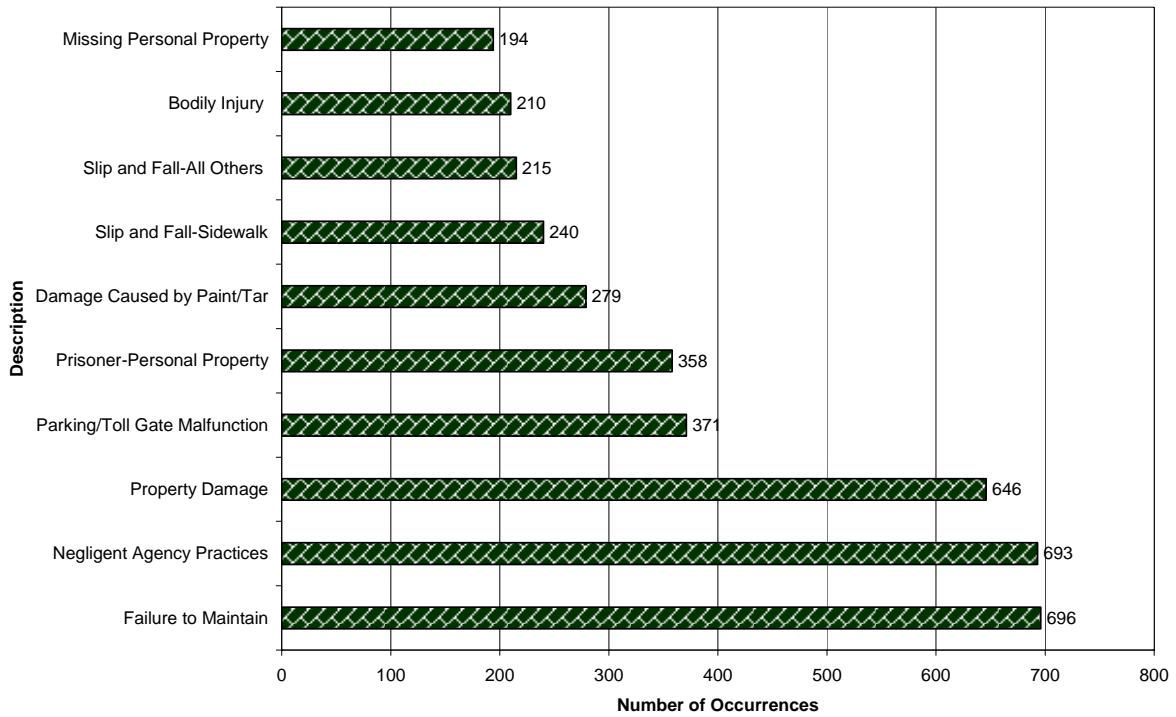
FUNDING FOR FY 05/06: \$10,514,000

NUMBER OF CLAIMS REPORTED IN CURRENT FY: 1,191

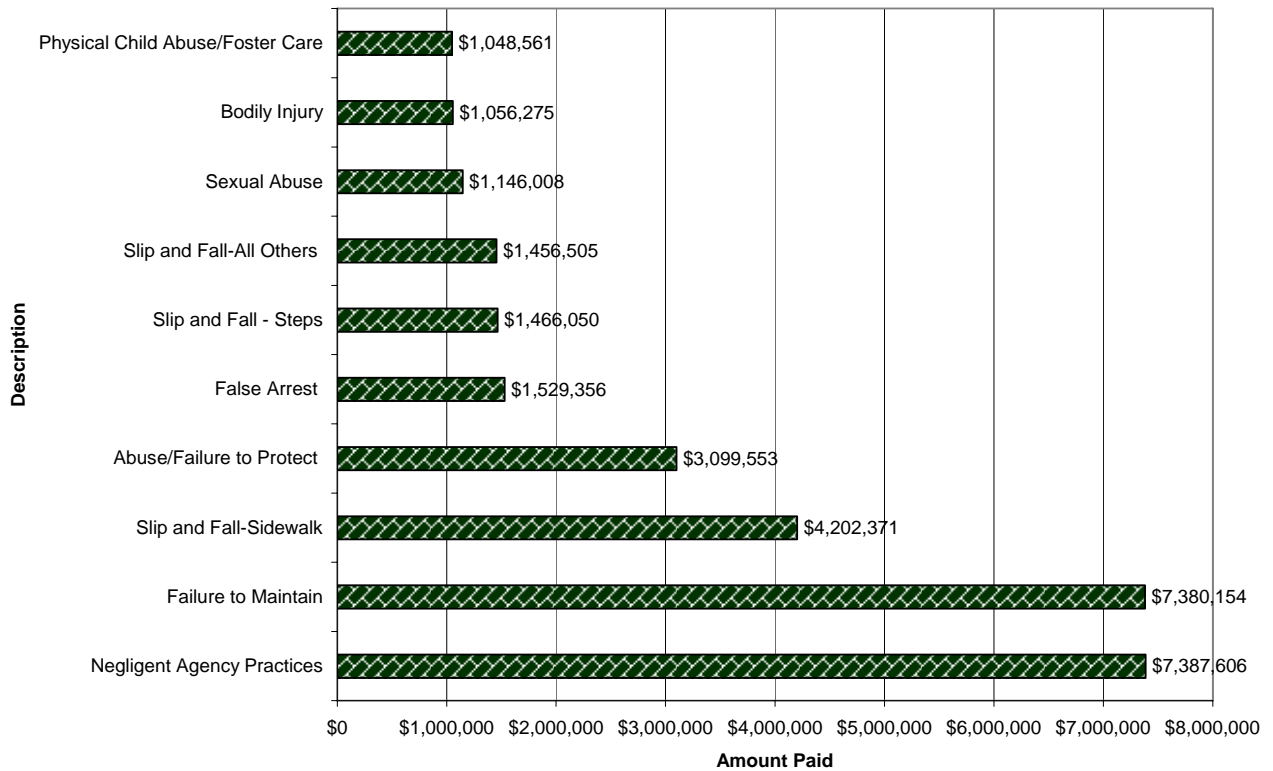
COMMERCIAL INSURANCE: None

AS OF: 06/30/06

Frequency of General Liability Claims Reported for the Period 7/1/01 - 6/30/06



Cost of General Liability Claims for the Period 7/1/01 - 6/30/06



F. Fleet Automobile

The Fund provides fleet automobile liability and coverage for State employees, volunteers, and agents in all vehicles.

OVERVIEW: In accordance with Chapter 284, Part II, Florida Statutes, this program was established to provide auto liability insurance through the State Risk Management Trust Fund, for claims arising out of the ownership, maintenance, or use, including loading or unloading, of any owned, hired or non-owned automobile used by an employee, agent or volunteer of the State, while acting within the course and scope of their employment or responsibilities. The program has the responsibility of investigating, evaluating, negotiating, and making appropriate disposition of any auto claims and lawsuits filed against the State. In accordance with Chapter 768.28, Florida Statutes, the limits of liability (under the waiver of sovereign immunity law) for which the State may be sued, are \$100,000 per person's claim, \$200,000 per occurrence for all claims.

Investigations of claims are conducted by staff and/or a contract adjusting service. Defense of litigated claims is provided by the Attorney General's Office, contract law firms, or State agency attorneys.

As of July 1, 2004, The Division has offered coverage for property damage to state vehicles sustained when these vehicles are being used in approved off-duty use by a law enforcement officer. The Division establishes a premium each year for this coverage and there is a \$500 deductible per incident if the law enforcement officer is determined to be at fault.

Fleet Automobile Liability Data

NUMBER OF MOTOR VEHICLES FOR FY 05/06: 25,805

PARTICIPATING STATE AGENCIES: All agencies under the executive, legislative, and judicial branches of the State.

METHOD OF FUNDING: Each agency's share of the cost of the program is a direct allocation based on that agency's losses and the number of covered persons. Through assessments, each agency pays its proportionate share of the amount allocated to the Division each Fiscal Year for payment of claims and operating expenses.

FUNDING FOR FY 05/06: \$3,204,000

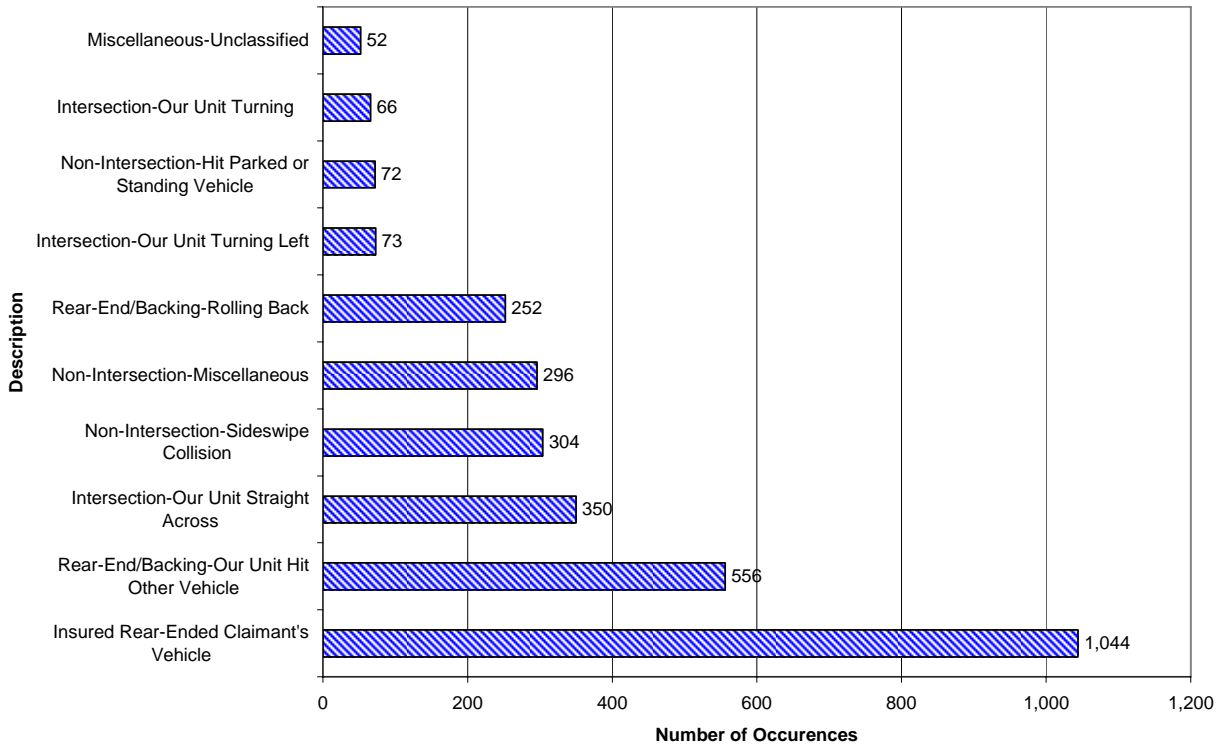
NUMBER OF CLAIMS REPORTED IN CURRENT FY: 589

COMMERCIAL INSURANCE: None CURRENT FY PREMIUMS PAID: 0
CUMULATIVE PREMIUMS PAID: 0

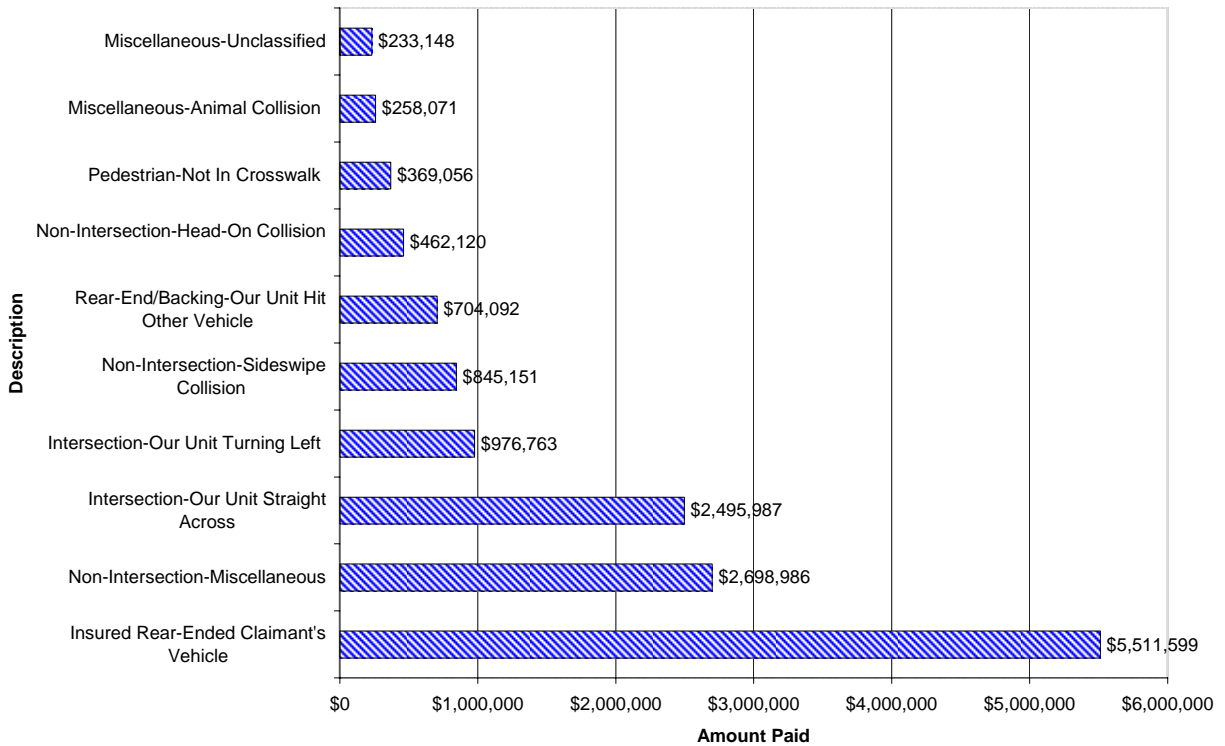
AS OF: 06/30/06



Frequency of Automobile Liability Claims Reported for the Period 7/1/01 - 6/30/06



Cost of Automobile Liability Claims for the Period 7/1/01 - 6/30/06



G. Court-Awarded Attorney Fees

The Fund provides coverage to provide for the payment of court-awarded attorney fees.

OVERVIEW: In accordance with Chapter 284.30, Florida Statutes, this program was established to provide court awarded attorney fees coverage through the State Risk Management Trust Fund. The self-insurance coverage pays on behalf of the state, court awarded attorney fees and costs in other proceedings (for which coverage is not afforded under Section 284.30, Florida Statutes), in which the State is not a prevailing party. The Division has the right to participate in the defense of any suit or appeal with respect to the payment of attorney fees.

Court-Awarded Attorney Fees Data

NUMBER OF COVERED PERSONS: N/A

PARTICIPATING STATE AGENCIES: All agencies under the executive, legislative, and judicial branches of State government.

METHOD OF FUNDING: Each agency's share of the cost of the program is a direct allocation of that agency's own losses and number of covered persons. Through assessments, each agency pays its proportionate share of the amount allocated to the Division each Fiscal Year for payment of claims and operating expenses. This proportionate amount is based on each agency's experience (losses) and exposure (number of covered persons).

FUNDING FOR FY 05/06: None

NUMBER OF CLAIMS REPORTED IN CURRENT FY: 28

COMMERCIAL INSURANCE: None

CURRENT FY PREMIUMS PAID: 0

CUMULATIVE PREMIUMS PAID: 0

AS OF: 06/30/06

H. Commercial Insurance

Each fiscal year, the State Risk Management Trust Fund purchases commercial insurance to cover catastrophic property losses. For fiscal year 2006 – 2007, the state retained the first \$2,000,000 of losses for each occurrence with an annual aggregate of \$5,000,000 on all perils, except wind and flood. The state retained the first \$2,000,000 of losses for each occurrence for wind and flood with an annual aggregate retention of \$40,000,000. For each occurrence, the state had a \$50,000,000 limit of coverage for wind and flood and a \$200,000,000 limit of coverage for all other perils, excluding wind and flood. This coverage was purchased during fiscal year 2005 – 2006 at a cost of \$6,775,000 with an effective date of March 1, 2006 through March 1, 2007.

During fiscal year 2006 – 2007, the Division purchased excess property insurance to provide coverage from March 1, 2007 through May 1, 2008 at a cost of \$7,732,662. The state retains the first \$2,000,000 of losses for each occurrence for all named perils, with an annual aggregate retention of \$40,000,000 for named windstorm and flood coverage. (All other named perils have no annual aggregate retention.) For each occurrence, the state has a \$50,000,000 limit of coverage for wind and flood, and a \$200,000,000 limit of coverage for all other perils.

I. Financial Section

The Financial Section consists of two units, the Disbursement Unit and the Cash Management Unit. The Disbursement Unit is responsible for processing claim payments for Workers' Compensation, General Liability, Auto Liability and Federal Civil Rights. For FY06-07, the Disbursement Unit issued 59,049 checks, 3,892 Automated Clearing House (ACH) transactions and 519 FLAIR vouchers for a total of \$137,034,145. Additionally, the Disbursement Unit ensures that receipts from the Division are deposited and surplus funds are invested with the State Treasurer.

The Cash Management Unit is responsible for monitoring the daily cash balances by investing and divesting funds for the loss payment revolving fund bank accounts and generates monthly financial status reports utilized by management to monitor budgetary balances and identify spending trends. This Unit also calculates and invoices all state agencies for Casualty and Property Insurance Premiums. For FY06-07, a total of \$135.8 million was invoiced for Casualty Premiums and \$11.9 million was invoiced for Property Premiums

General Funding Information

All premiums received from State agencies are deposited into the State Risk Management Trust Fund. This fund is utilized to pay claims obligations on behalf of State agencies and the operational expenses of the Program.

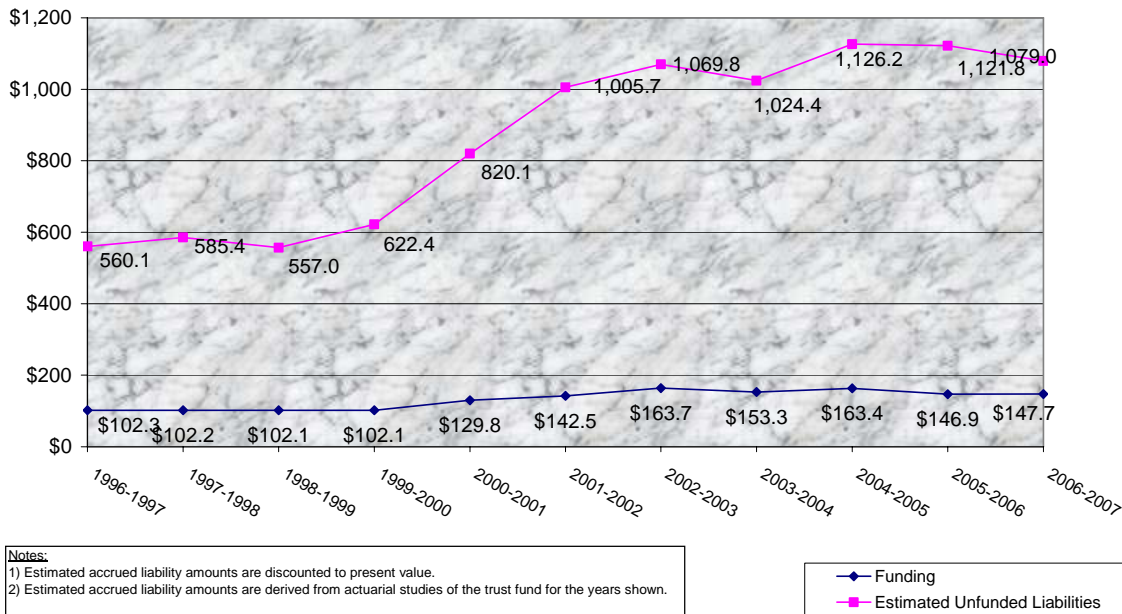
A Revenue Estimating Conference assigned for the Fund establishes the funding needs for each fiscal year. Only the estimated cash needs to pay all claims and operational obligations arising in the fiscal year are funded. No funding is provided to meet sudden adverse loss trends or unexpected large claims obligations, so that even with continuous careful monitoring of the Fund's cash flow, an inability to timely pay a State agency's legal liabilities may result.

Because of "cash flow" funding, an unfunded liability continues to exist each year for those obligations that will have to be paid in future years beyond the current fiscal year. The chart following this narrative illustrates the cash flow methodology's impact by showing each fiscal year's total funding in comparison with the estimated accrued liability of the fund left remaining for future claims obligations. It covers FY 96-97 through FY 06-07. Essentially, it reflects that if the program ceased operations as of June 30, 2007, participating State agencies would pay an estimated \$1.079 billion in existing claims obligations payable in future years. This estimated liability consists of the following estimates by coverage type:

Worker's Compensation:	\$858.3 million
Federal Civil Rights:	\$168.3 million
General Liability:	\$ 43.0 million
Automobile Liability:	\$ 7.7 million
Property:	<u>\$ 1.6 million</u>
	\$1.079 billion

(Amounts based on June 30, 2007 actuarial analysis)

**STATE RISK MANAGEMENT TRUST FUND
FUNDING VS. ESTIMATED ACCRUED LIABILITY COMPARISON
(in millions)**



Method of Casualty Premium Calculation

Each fiscal year’s premium requirement is determined by retrospective rating. The premium calculation is performed approximately one year before the issue of the premium invoice, due to budgetary requirements. The following explains the statutory framework (Chapter 284.30-44, Florida Statutes) for the Fund and the retrospective rating system employed (Chapter 284.36, Florida Statute) to produce the annual premium invoice.

- 1) The experience portion of the premium encompasses a three-year window for workers’ compensation, general liability, automotive liability, and a ten-year window for federal civil rights incidents (date of accident). Each payment made and/or outstanding reserves associated with each claim through the premium calculation date are inherent in the calculation window.
- 2) The exposure portion of the premium represents the exposure to risk within each agency for the upcoming fiscal year. For workers’ compensation, general liability, and federal civil rights coverage types, this risk exposure is defined by the number of budgeted full time equivalents (FTE) positions, OPS, and volunteers covered by the State’s self-insurance program that equals one full-time position. For automotive liability coverage, the exposure is defined by the number of vehicles covered by the program. Each year, every agency provides The Division with the most current information available regarding FTE’s and vehicles for the upcoming fiscal year through an Exposure Base Inquiry (EBI) form.
- 3) The experience and exposure information is recorded in the Division’s Claims Administration System (CAS) and a Cost of Risk Allocation (CORA) calculation is performed. This calculation allocates each agency’s portion of the State of Florida’s actuarially projected cost for self-insurance in the fiscal year. The allocation is then factored into the legislative appropriation for the upcoming budget year. The actuarial projection also provides the estimated accrued liability to the State of Florida as reported in the Florida Comprehensive Annual Report.

Method of Property Premium Calculation

Annual property premiums charged to State agencies are calculated by the Fund Administrator just before the beginning of the fiscal year. Premiums are assessed in a retrospective manner for coverage provided during the prior fiscal year and are based on insured values, exposure to loss and actual loss history. The following explains the retrospective rating systems employed (Chapter 284.02, Florida Statutes) to produce the annual property premium invoice.

- 1) A base premium is calculated for each insured location by multiplying the total insured values by the rate per \$100 of coverage. The rate per \$100 is determined individually for each insured location using assigned fire rates and extended coverage rates based on construction, occupancy and location. For fiscal year 2006-2007 the final premium was based on two factors, a five percent experience factor and a ninety five percent exposure factor as explained below.
- 2) The experience portion of the premium is based on a five-year loss history for each of the Agency's policies as compared to the total five-year loss history for the state. The loss amount for each agency policy is divided by the loss amount for the state, and then multiplied by the experience premium amount.
- 3) The exposure portion of the premium is derived from the base premium calculated for each insured location, and it represents the potential for loss due to the property's value. The base premium amount for each agency's policy is divided by the total base premium amount for the state, and then multiplied by the exposure premium amount.
- 4) The experience portion of the agency's property premium plus the exposure portion of the agency's property premium equals the total property premium to be invoiced to the agency. The total of all agency premiums equals the total Fund premium, which is approved and appropriated annually by the Legislature.

J. Risk Services

Objectives of Risk Services:

The objective of Risk Services is to provide Florida state agencies with quality training and technical assistance to manage their risks and losses. In accordance with Section 284, Part III, Florida Statutes, we accomplish our objectives by providing the Safety Coordinators with professional safety training, quality evaluation tools and other loss prevention/cost control programs.

Services Provided to State agencies:

Pursuant to Chapter 284, Part III, Florida Statutes, the Risk Services program in the Division provides appropriate training and resources to facilitate the safety programs for state agencies. Services provided by this program include:

- ◆ Loss prevention consultations and risk analysis
- ◆ Safety and loss prevention training
- ◆ Video library
- ◆ Bi-monthly safety and loss prevention newsletter, *Loss Prevention Mention* (see Highlights of Program Section)
- ◆ Monthly safety and loss prevention safety bulletin, *Risk Services Notes*, (see Highlights of Program Section)
- ◆ Quarterly graphs and charts to the agencies and universities with their claims experience for the previous quarter.
- ◆ Meetings of the state's Interagency Advisory Council (IAC) on Loss Prevention.

On behalf of the IAC, Risk Services prepares an annual report to the Governor on the activities of the IAC in the previous fiscal year. This report is due to the Governor by January 15th.

The IAC is comprised of thirty-seven (37) members from the various state agencies and legislative entities. In addition, the eleven (11) members of the University System are included in the IAC. Per Chapter 284, Part III, Florida Statutes, each of the member agencies and Universities appoints a Safety Coordinator and Alternate Safety Coordinator for their respective entities. It is the responsibility of the Safety Coordinator to manage their agency's safety programs, loss control, claims experience and exposures. It is the responsibility of Risk Services to provide all possible resources to help the Safety Coordinators attain their objectives.

Risk Services is also the IAC's liaison to STARS, the claims administration system used by IAC members to monitor their claims. This database tracks all reported claims (workers' compensation, liability and property) and/or losses since 1972.

Highlights for 2006-07:

The following figures represent our activities and services to our customers, the agencies of the state of Florida, for FY 06-07:

* **Training and Safety Consultations Units** **238 Units**

(Unit = 8 hours safety training or safety consultations provided to an agency or agencies.)

* **Training Satisfaction Performance**

99%

Risk Services gave surveys to all participants of the formal training sessions provided. The above figure represents the percentage of the participants that rated the training above average in quality of delivery and content.

* **Target Referrals**

13

A Division claims specialist identifies a loss by the unusual characteristics and/or frequency of the loss and labels this loss a "Target Referral." Risk Services completes the referral form and delivers it to the Safety Coordinator for follow up. Within the form, Risk Services offers possible solutions and/or advice to eliminate this type of incident from recurring or to reduce the severity of the loss. The Safety Coordinator has thirty (30) days to complete the form with the action taken and return the form to Risk Services.

* **Video Loans**

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2006 Safety Awareness Awards

In 2002 Risk Services created a new safety award program, the Safety Program of the Year. This award is presented to the agency that has created a safety program that reduces the number of workers' compensation claims in real numbers over a three-year period. The agency that has the greatest decrease in claims and shows how they attained this reduction is recognized as The Safety Program of the Year.

For the year 2006, the winner of Safety Program of the Year award is The Department of Environmental Protection (DEP). DEP has worked hard in the past five years to reduce their workers' compensation claims. They have produced many innovative safety programs and have won several IAC awards in the past 10 years.



Shown in the picture accepting the award for DEP, on the left are: (L-R) Robbie Yarborough, Assistant Division Director Pam Martin (presented award to DEP on behalf of Risk Management), Director of Administrative Services of DEP Rufus Noble, Michael Sole, Donald Trussell, Kim Bundage, Greg Strong, Nick Contos, Lanette Radel, Amanda Himmer, Sgt. Burt Himmer, Sherry Ervin, Russell Simpson, Bill Walls, Clabe Polk, and Charles Higman.

Statistical Information

The following four tables depict historical claim payments, by agency, for the various coverage lines.

Table 1: WORKER'S COMPENSATION CLAIMS PER 100 FTEs

This table ranks the members of the Interagency Advisory Council by frequency of workers' compensation claims with some amount paid per 100 Full Time Equivalent (FTEs) that occurred between FY 03-04 and 05-06. Tracking claims per 100 FTEs is an industry standard of comparison for workers' compensation. Agencies with fewer than 500 FTEs need to be considered differently from the larger agencies. The small number of FTEs in those agencies may create actuarially misleading assumptions in their outcomes. Individual universities are listed separately at the bottom of the table. ***The agencies are listed by location codes in the State's claim system without regard to ranking for the columns.***

Tables 2 through 4: AVERAGE COST PER CLAIM

These three charts represent the two major liability claim costs and one cost for property claims. The two liability sections are: general/auto liability and federal civil rights/employment discrimination liability. The property section covers all property claims, including building and contents, for property losses at state agencies and universities. The first column in each yearly bracket represents the total number of claims paid during that year. Column two in each yearly bracket represents the total dollars paid for that type of claim that fiscal year. Column three for each section represents the average cost per claim for this section. ***The agencies are listed in sequential order that follows the State's claims administration system without regard to ranking for performance.***

Worker's Compensation Claims Per 100 FTE

Agency	FY 2003-04			FY 2004-05			FY 2005-06		
	# FTE's (2)	# Claims (3)	Rate (4)	# FTE's (2)	# Claims (3)	Rate (4)	# FTE's (2)	# Claims (3)	Rate (4)
DIVISION OF ADMINISTRATIVE HEARINGS	277	8	2.89	275	11	4.00	272	8	2.94
AGRICULTURE AND CONSUMER SERVICES	5004	387	7.73	4803	369	7.68	4953	386	7.79
BUSINESS REGULATION	889	47	5.29	1647	64	3.89	1658	71	4.28
CITRUS	1679	3	0.18	120	1	0.83	90	2	2.22
COMMUNITY AFFAIRS	447	8	1.79	448	16	3.57	449	13	2.90
DEPARTMENT OF ELDER AFFAIRS	368	12	3.26	348	10	2.87	357	12	3.36
EDUCATION	3678	114	3.10	3667	138	3.76	3621	111	3.07
AGENCY FOR WORKFORCE INNOVATION	1683	52	0.00	3274	47	0.00	4262	44	0.00
MANAGEMENT SERVICES	1444	46	3.19	1403	35	2.49	1195	25	2.09
OFFICE OF THE GOVERNOR	292	4	1.37	293	2	0.68	292	2	0.68
AGENCY FOR HEALTH CARE ADMINISTRATION	1599	53	3.31	1694	31	1.83	1673	49	2.93
HIGHWAY SAFETY AND MOTOR VEHICLES	4829	334	6.92	4824	306	6.34	4851	349	7.19
DEPARTMENT OF FINANCIAL SERVICES	2117	67	3.16	3041	81	2.66	2760	61	2.21
STATE BOARD OF ADMINISTRATION	232	2	0.86	213	0	0.00	204	3	1.47
DEPARTMENT OF LAW ENFORCEMENT	1983	61	3.08	1967	55	2.80	1999	53	2.65
LEGAL AFFAIRS	1146	22	1.92	1157	24	2.07	1249	23	1.84
MILITARY AFFAIRS	279	20	7.17	294	21	7.14	294	15	5.10
DEPARTMENT OF ENVIRONMENTAL PROT.	4219	334	7.92	5244	335	6.39	5100	347	6.80
FISH AND WILDLIFE CONSERVATION COMM.	2200	182	8.27	2243	207	9.23	1872	164	8.76
PAROLE COMMISSION	153	0	0.00	148	1	0.68	165	3	1.82
REVENUE	5557	176	3.17	5439	144	2.65	5433	121	2.23
STATE	745	19	2.55	567	14	2.47	652	20	3.07
TRANSPORTATION	8629	309	3.58	7846	307	3.91	7813	272	3.48
PUBLIC SERVICE COMMISSION	386	4	1.04	380	5	1.32	342	6	1.75
ADV. CTR. FOR PERSONS WITH DISABILITIES	53	1	1.89	54	2	3.70	67	1	1.49
FLORIDA DEPARTMENT OF LOTTERY	506	16	3.16	446	18	4.04	447	10	2.24
VETERANS AFFAIRS	659	59	8.95	637	45	7.06	639	63	9.86
FLORIDA LEGISLATURE	1900	18	0.95	1872	20	1.07	1700	21	1.24
STATE COURTS ADMINISTRATOR	3503	37	1.06	2791	42	1.50	3974	48	1.21
JUSTICE	130	3	2.31	128	2	1.56	181	9	4.97
PUBLIC DEFENDERS	2770	33	1.19	2773	46	1.66	2915	49	1.68
STATE ATTORNEYS	5695	102	1.79	5736	101	1.76	5817	103	1.77
PRIDE	234	0	0.00	0	0	0.00	244	7	2.87
AGENCY FOR PERSONS W/DISABILITIES	0	0	0.00	0	0	0.00	3865	395	10.22
DEPARTMENT OF CHILDREN AND FAMILIES	25663	1507	5.87	20529	1236	6.02	21387	784	3.67
DEPARTMENT OF HEALTH	17306	819	4.73	17418	782	4.49	15289	769	5.03
DEPARTMENT OF JUVENILE JUSTICE	5252	454	8.64	5147	584	11.35	5154	607	11.78
DEPARTMENT OF CORRECTIONS	26233	1847	7.04	26569	1851	6.97	27179	1987	7.31
Total for all State Agencies	139,739	7,160	5.12	135,435	6,953	5.13	140,414	7,013	4.99
FLORIDA A & M	2286	112	4.90	2345	84	3.58	2255	73	3.24
FLORIDA ATLANTIC	4254	57	1.34	4171	53	1.27	4501	42	0.93
FLORIDA STATE	8050	218	2.71	8279	203	2.45	8497	215	2.53
UNIV. OF CENTRAL FLORIDA	4795	126	2.63	4793	139	2.90	5340	131	2.45
UNIV. OF WEST FLORIDA	1505	51	3.39	1556	43	2.76	1394	51	3.66
FLORIDA INTERNATIONAL	3336	83	2.49	3385	82	2.42	3336	63	1.89
UNIV. OF NORTH FLORIDA	2023	48	2.37	2094	39	1.86	2094	57	2.72
UNIVERSITY OF FLORIDA	21618	927	4.29	21992	955	4.34	20548	915	4.45
UNIV. OF SOUTH FLORIDA	7692	190	2.47	7837	212	2.71	7300	225	3.08
FLORIDA GULF COAST UNIVERSITY	780	11	1.41	1050	21	2.00	1100	25	2.27
NEW COLLEGE OF FLORIDA	188	11	0.00	121	21	17.36	245	16	6.53
Total for all Universities	56,527	1,834	3.24	57,623	1,852	3.21	56,610	1,813	3.20
Grand Total for State	196,266	8,994	4.58	193,058	8,805	4.56	197,024	8,826	4.48

- (1) The totals provided in the Number of Claims (# Claims) columns are accumulated by including only claims that had an actual payment for more than \$25. The first \$25 of a claim is an administrative expense and not a medical or indemnity cost of a claim.
- (2) Developed by the Agency responses to Annual Exposure Base Inquiry form
- (3) The totals in the # Claims column also represent the FY named plus 6 months of development after the end of the FY.
- (4) Rate represents the number of claims divided by the number of FTE's per 100 (# Claims/(FTE's/100)).
This is an industry standard measurement.

General and Automobile Liability

Agency	FY 2004-05 (1)			FY 2005-06 (2)			FY 2006-07 (3)		
	# Claims (4)	\$ Claims (7)	Avg/Claim (10)	# Claims (5)	\$ Claims (8)	Avg/Claim (10)	# Claims (6)	\$ Claims (9)	Avg/Claim (10)
DIVISION OF ADMINISTRATIVE HEARINGS	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
AGRICULTURE AND CONSUMER SERVICES	105	\$798,368	\$7,604	47	\$183,072	\$3,895	50	\$485,114	\$9,702
BUSINESS REGULATION	11	\$70,897	\$6,445	14	\$48,113	\$3,437	12	\$66,481	\$5,540
CITRUS	0	\$0	\$0	0	\$0	\$0	1	\$1,846	\$1,846
COMMUNITY AFFAIRS	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
DEPARTMENT OF ELDER AFFAIRS	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
EDUCATION	7	\$47,143	\$6,735	10	\$16,331	\$1,633	1	\$838	\$838
AGENCY FOR WORKFORCE INNOVATION	0	\$0	\$0	4	\$44,500	\$11,125	1	\$5,520	\$5,520
MANAGEMENT SERVICES	12	\$34,674	\$2,890	4	\$1,631	\$408	10	\$7,223	\$722
OFFICE OF THE GOVERNOR	0	\$0	\$0	0	\$0	\$0	1	\$7	\$7
AGENCY FOR HEALTH CARE ADMINISTRATION	1	\$14,264	\$14,264	4	\$10,497	\$2,624	0	\$0	\$0
HIGHWAY SAFETY AND MOTOR VEHICLES	84	\$907,518	\$10,804	75	\$1,028,009	\$13,707	103	\$871,625	\$8,462
DEPARTMENT OF FINANCIAL SERVICES	15	\$109,105	\$7,274	6	\$21,251	\$3,542	12	\$99,550	\$8,296
STATE BOARD OF ADMINISTRATION	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
DEPARTMENT OF LAW ENFORCEMENT	25	\$418,192	\$16,728	30	\$118,205	\$3,940	15	\$27,595	\$1,840
LEGAL AFFAIRS	2	\$13,490	\$6,745	5	\$25,195	\$5,039	5	\$19,399	\$3,880
MILITARY AFFAIRS	3	\$36,518	\$12,173	3	\$6,393	\$2,131	2	\$1,380	\$690
DEPARTMENT OF ENVIRONMENTAL PROT.	50	\$382,851	\$7,657	50	\$243,274	\$4,865	55	\$535,503	\$9,736
FISH AND WILDLIFE CONSERVATION COMM.	39	\$326,840	\$8,381	38	\$337,323	\$8,877	47	\$242,469	\$5,159
PAROLE COMMISSION	0	\$0	\$0	2	\$52,377	\$26,189	0	\$0	\$0
REVENUE	5	\$20,597	\$4,119	3	\$8,437	\$2,812	5	\$35,722	\$7,144
STATE	1	\$936	\$936	0	\$0	\$0	0	\$0	\$0
TRANSPORTATION	368	\$2,804,279	\$7,620	297	\$3,025,028	\$10,185	411	\$2,873,843	\$6,992
PUBLIC SERVICE COMMISSION	1	\$10,621	\$0	3	\$83,158	\$27,719	2	\$433	\$217
ADV. CTR. FOR PERSONS WITH DISABILITIES	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
FLORIDA DEPARTMENT OF LOTTERY	5	\$7,162	\$1,432	5	\$6,016	\$1,203	3	\$3,491	\$1,164
VETERANS AFFAIRS	3	\$97,836	\$32,612	1	\$4,476	\$4,476	1	\$22,512	\$22,512
FLORIDA LEGISLATURE	1	\$1,792	\$1,792	2	\$17,052	\$8,526	0	\$0	\$0
STATE COURTS ADMINISTRATOR	9	\$85,596	\$9,511	6	\$28,832	\$4,805	7	\$8,334	\$1,191
JUSTICE	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
PUBLIC DEFENDERS	4	\$49,702	\$12,426	3	\$5,463	\$1,821	2	\$8,731	\$4,366
STATE ATTORNEYS	17	\$60,088	\$3,535	12	\$28,581	\$2,382	17	\$57,419	\$3,378
PRIDE	3	\$7,340	\$2,447	3	\$3,087	\$1,029	5	\$21,808	\$4,362
AGENCY FOR PERSONS WITH DISABILITIES	20	\$322,644	\$16,132	18	\$181,078	\$10,060	13	\$283,470	\$21,805
DEPARTMENT OF CHILDREN AND FAMILIES	49	\$1,569,585	\$32,032	57	\$1,624,005	\$28,491	57	\$1,461,353	\$25,638
DEPARTMENT OF HEALTH	31	\$1,082,801	\$34,929	50	\$885,879	\$17,718	20	\$374,006	\$18,700
DEPARTMENT OF JUVENILE JUSTICE	26	\$131,268	\$5,049	24	\$225,588	\$9,400	30	\$552,282	\$18,409
DEPARTMENT OF CORRECTIONS	221	\$850,179	\$3,847	188	\$666,305	\$3,544	195	\$1,314,108	\$6,739
Total for all State Agencies	1,118	\$10,262,286	\$9,179	964	\$8,929,156	\$9,263	1,083	\$9,382,062	\$8,663
FLORIDA A & M	17	\$71,856	\$4,227	11	\$92,708	\$8,428	16	\$82,446	\$5,153
FLORIDA ATLANTIC	22	\$193,966	\$8,817	11	\$45,488	\$4,135	16	\$39,175	\$2,448
FLORIDA STATE	38	\$512,115	\$13,477	37	\$150,695	\$4,073	38	\$280,888	\$7,392
UNIV. OF CENTRAL FLORIDA	3	\$2,402	\$801	12	\$36,147	\$3,012	14	\$229,259	\$16,376
UNIV. OF WEST FLORIDA	4	\$12,588	\$3,147	6	\$14,713	\$2,452	4	\$3,888	\$972
FLORIDA INTERNATIONAL	10	\$23,361	\$2,336	6	\$28,733	\$4,789	13	\$111,410	\$8,570
UNIV. OF NORTH FLORIDA	1	\$1,030	\$1,030	4	\$23,024	\$5,756	4	\$6,313	\$1,578
UNIVERSITY OF FLORIDA	49	\$82,977	\$1,693	64	\$389,746	\$6,090	63	\$174,250	\$2,766
UNIV. OF SOUTH FLORIDA	29	\$272,661	\$9,402	20	\$120,322	\$6,016	27	\$106,904	\$3,959
FLORIDA GULF COAST UNIVERSITY	0	\$0	\$0	0	\$0	\$0	1	\$3,094	\$3,094
NEW COLLEGE OF FLORIDA	0	\$0	\$0	1	\$4,072	\$4,072	0	\$0	\$0
Total for all Universities	173	\$1,172,956	\$6,780	172	\$905,648	\$5,265	196	\$1,037,627	\$5,294
Grand Total for State	1,291	\$11,435,242	\$8,858	1,136	\$9,834,804	\$8,657	1,279	\$10,419,689	\$8,147

- (1) Paid claims FY 2004-05 occurred in FY 2000-2001 and have 4 years of claim development ending on June 30, 2005.
- (2) Paid claims FY 2005-06 occurred in FY 2001-2002 and have 4 years of claim development ending on June 30, 2006.
- (3) Paid claims FY 2006-07 occurred in FY 2002-2003 and have 4 years of claim development ending on June 30, 2007.
- (4) # Claims is the number of claims occurring in FY2000-2001 with a dollar amount paid as of June 30, 2005.
- (5) # Claims is the number of claims occurring in FY2001-2002 with a dollar amount paid as of June 30, 2006.
- (6) # Claims is the number of claims occurring in FY2002-2003 with a dollar amount paid as of June 30, 2007.
- (7) \$ Claims is the total dollar amount paid as of June 30, 2005, for General and Auto Liability claims occurring in FY 2000-2001.
- (8) \$ Claims is the total dollar amount paid as of June 30, 2006, for General and Auto Liability claims occurring in FY 2001-2002.
- (9) \$ Claims is the total dollar amount paid as of June 30, 2007, for General and Auto Liability claims occurring in FY 2002-2003.
- (10) Average per Claim (Avg/Claims) is the \$ Claims divided by the # Claims.

Federal Civil Rights and Employment Discrimination

Agency	FY 2004-05 (1)			FY 2005-06 (2)			FY 2006-07 (3)		
	# Claims (4)	\$ Claims (7)	Avg/Claim (10)	# Claims (5)	\$ Claims (8)	Avg/Claim (10)	# Claims (6)	\$ Claims (9)	Avg/Claim (10)
DIVISION OF ADMINISTRATIVE HEARINGS	0	\$0	\$0	0	\$0	\$0	1	\$272,957	\$272,957
AGRICULTURE AND CONSUMER SERVICES	3	\$12,926	\$4,309	6	\$177,164	\$29,527	2	\$50,327	\$25,164
BUSINESS REGULATION	10	\$1,350,068	\$135,007	3	\$444,927	\$148,309	3	\$209,837	\$69,946
CITRUS	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
COMMUNITY AFFAIRS	0	\$0	\$0	2	\$100,935	\$0	0	\$0	\$0
DEPARTMENT OF ELDER AFFAIRS	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
EDUCATION	1	\$1,038	\$1,038	3	\$26,430	\$8,810	2	\$33,088	\$16,544
AGENCY FOR WORKFORCE INNOVATION	1	\$55	\$55	0	\$0	\$0	0	\$0	\$0
MANAGEMENT SERVICES	2	\$108,462	\$54,231	1	\$18,313	\$18,313	4	\$121,353	\$30,338
OFFICE OF THE GOVERNOR	2	\$2,711	\$1,356	0	\$0	\$0	2	\$137,678	\$68,839
AGENCY FOR HEALTH CARE ADMINISTRATION	4	\$312,964	\$78,241	7	\$190,096	\$27,157	4	\$65,530	\$16,383
HIGHWAY SAFETY AND MOTOR VEHICLES	6	\$246,438	\$41,073	6	\$66,162	\$11,027	4	\$98,567	\$24,642
DEPARTMENT OF FINANCIAL SERVICES	6	\$200,959	\$33,493	8	\$519,895	\$64,987	3	\$530,593	\$176,864
STATE BOARD OF ADMINISTRATION	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
DEPARTMENT OF LAW ENFORCEMENT	6	\$207,969	\$34,662	5	\$187,734	\$37,547	4	\$16,666	\$4,167
LEGAL AFFAIRS	4	\$76,225	\$19,056	0	\$0	\$0	6	\$180,642	\$30,107
MILITARY AFFAIRS	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
DEPARTMENT OF ENVIRONMENTAL PROT.	1	\$15,720	\$15,720	2	\$64,961	\$32,481	0	\$0	\$0
FISH AND WILDLIFE CONSERVATION COMM.	3	\$37,561	\$12,520	0	\$0	\$0	1	\$68,141	\$68,141
PAROLE COMMISSION	5	\$20,292	\$4,058	2	\$3,730	\$1,865	1	\$34,928	\$34,928
REVENUE	6	\$143,829	\$23,972	7	\$358,468	\$51,210	8	\$410,335	\$51,292
STATE	0	\$0	\$0	0	\$0	\$0	1	\$90,000	\$90,000
TRANSPORTATION	14	\$668,573	\$47,755	8	\$165,237	\$20,655	7	\$392,691	\$56,099
PUBLIC SERVICE COMMISSION	0	\$0	\$0	1	\$2,160	\$2,160	0	\$0	\$0
ADV. CTR. FOR PERSONS WITH DISABILITIES	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
FLORIDA DEPARTMENT OF LOTTERY	0	\$0	\$0	0	\$0	\$0	1	\$31,182	\$31,182
VETERANS AFFAIRS	1	\$29,914	\$29,914	0	\$0	\$0	0	\$0	\$0
FLORIDA LEGISLATURE	2	\$56,120	\$28,060	2	\$57,900	\$28,950	3	\$225,202	\$75,067
STATE COURTS ADMINISTRATOR	15	\$17,955	\$1,197	16	\$37,259	\$2,329	25	\$164,341	\$6,574
JUSTICE	4	\$12,000	\$3,000	0	\$0	\$0	0	\$0	\$0
PUBLIC DEFENDERS	4	\$160,913	\$40,228	1	\$72,670	\$72,670	4	\$17,122	\$4,281
STATE ATTORNEYS	12	\$78,225	\$6,519	15	\$82,429	\$5,495	12	\$93,934	\$7,828
PRIDE	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
AGENCY FOR PERSONS WITH DISABILITIES	5	\$1,281,988	\$256,398	3	\$98,421	\$32,807	3	\$285,639	\$95,213
DEPARTMENT OF CHILDREN AND FAMILIES	44	\$5,710,781	\$129,790	28	\$1,285,126	\$45,897	38	\$3,321,604	\$87,411
DEPARTMENT OF HEALTH	12	\$168,109	\$14,009	12	\$595,402	\$49,617	11	\$501,288	\$45,572
DEPARTMENT OF JUVENILE JUSTICE	3	\$47,902	\$15,967	7	\$433,882	\$61,983	4	\$157,560	\$39,390
DEPARTMENT OF CORRECTIONS	161	\$1,963,824	\$12,198	128	\$3,433,760	\$26,826	129	\$2,580,369	\$20,003
Total for all State Agencies	337	\$12,933,521	\$38,378	273	\$8,423,061	\$30,854	283	\$10,091,574	\$35,659
FLORIDA A & M	0	\$0	\$0	3	\$257,199	\$85,733	0	\$0	\$0
FLORIDA ATLANTIC	0	\$0	\$0	4	\$99,773	\$24,943	6	\$364,338	\$60,723
FLORIDA STATE	1	\$18,563	\$18,563	3	\$293,926	\$97,975	5	\$109,624	\$21,925
UNIV. OF CENTRAL FLORIDA	0	\$0	\$0	3	\$171,496	\$57,165	2	\$68,371	\$34,186
UNIV. OF WEST FLORIDA	1	\$11,580	\$11,580	2	\$146,742	\$73,371	3	\$37,533	\$12,511
FLORIDA INTERNATIONAL	3	\$126,467	\$42,156	0	\$0	\$0	2	\$35,194	\$17,597
UNIV. OF NORTH FLORIDA	1	\$17,746	\$17,746	2	\$65,706	\$32,853	1	\$1,744	\$1,744
UNIVERSITY OF FLORIDA	2	\$13,055	\$6,528	3	\$39,221	\$13,074	4	\$593,493	\$148,373
UNIV. OF SOUTH FLORIDA	9	\$294,799	\$32,755	7	\$734,002	\$104,857	15	\$1,197,574	\$79,838
FLORIDA GULF COAST UNIVERSITY	0	\$0	\$0	1	\$9,560	\$9,560	0	\$0	\$0
NEW COLLEGE OF FLORIDA	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
Total for all Universities	17	\$482,210	\$28,365	28	\$1,817,625	\$64,915	38	\$2,407,871	\$63,365
Grand Total for State	354	\$13,415,731	\$37,898	301	\$10,240,686	\$34,022	321	\$12,499,445	\$38,939

- (1) Paid claims FY 2004-05 occurred in FY 1998-1999 and have 6 years of claim development ending on June 30,2005.
- (2) Paid claims FY 2005-06 occurred in FY 1999-2000 and have 6 years of claim development ending on June 30,2006.
- (3) Paid claims FY 2006-07 occurred in FY 2000-2001 and have 6 years of claim development ending on June 30,2007.
- (4) # Claims is the number of claims occurring in FY1998-1999 with a dollar amount paid as of June 30, 2005.
- (5) # Claims is the number of claims occurring in FY1999-2000 with a dollar amount paid as of June 30, 2006.
- (6) # Claims is the number of claims occurring in FY2000-2001 with a dollar amount paid as of June 30, 2007.
- (7) \$ Claims is the total dollar amount paid as of June 30, 2005, for FCR and Employment Discrimination claims occurring in FY 1998-1999.
- (8) \$ Claims is the total dollar amount paid as of June 30, 2006, for FCR and Employment Discrimination claims occurring in FY 1999-2000.
- (9) \$ Claims is the total dollar amount paid as of June 30, 2007, for FCR and Employment Discrimination claims occurring in FY 2000-2001.
- (10) Average per Claim (Avg/Claims) is the \$ Claims divided by the # Claims.

Property Claims

Agency	FY 2004-05 (1)			FY 2005-06 (2)			FY 2006-07 (3)		
	# Claims (4)	\$ Claims (7)	Avg/Claim (10)	# Claims (5)	\$ Claims (8)	Avg/Claim (10)	# Claims (6)	\$ Claims (9)	Avg/Claim (10)
DIVISION OF ADMINISTRATIVE HEARINGS	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
AGRICULTURE AND CONSUMER SERVICES	6	\$4,219	\$703	3	\$93,500	\$31,167	194	\$3,639,848	\$18,762
BUSINESS REGULATION	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
CITRUS	0	\$0	\$0	0	\$0	\$0	1	\$0	\$0
COMMUNITY AFFAIRS	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
DEPARTMENT OF ELDER AFFAIRS	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
EDUCATION	0	\$0	\$0	0	\$0	\$0	7	\$30,300	\$4,329
AGENCY FOR WORKFORCE INNOVATION	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
MANAGEMENT SERVICES	2	\$1,814	\$907	0	\$0	\$0	23	\$1,186,134	\$51,571
OFFICE OF THE GOVERNOR	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
AGENCY FOR HEALTH CARE ADMINISTRATION	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
HIGHWAY SAFETY AND MOTOR VEHICLES	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
DEPARTMENT OF FINANCIAL SERVICES	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
STATE BOARD OF ADMINISTRATION	0	\$0	\$0	0	\$0	\$0	31	\$94,835	\$3,059
DEPARTMENT OF LAW ENFORCEMENT	1	\$13,937	\$13,937	0	\$0	\$0	0	\$0	\$0
LEGAL AFFAIRS	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
MILITARY AFFAIRS	4	\$4,010	\$1,003	0	\$0	\$0	62	\$438,973	\$7,080
DEPARTMENT OF ENVIRONMENTAL PROT.	8	\$0	\$0	2	\$313,488	\$156,744	308	\$3,125,630	\$10,148
FISH AND WILDLIFE CONSERVATION COMM.	0	\$0	\$0	1	\$0	\$0	75	\$216,345	\$2,885
PAROLE COMMISSION	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
REVENUE	0	\$0	\$0	0	\$0	\$0	5	\$33,584	\$6,717
STATE	0	\$0	\$0	1	\$9,506	\$9,506	2	\$4,259	\$2,130
TRANSPORTATION	4	\$316	\$79	7	\$2,603	\$372	174	\$521,151	\$2,995
PUBLIC SERVICE COMMISSION	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
ADV. CTR. FOR PERSONS WITH DISABILITIES	0	\$0	\$0	0	\$0	\$0	1	\$0	\$0
FLORIDA DEPARTMENT OF LOTTERY	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
VETERANS AFFAIRS	0	\$0	\$0	0	\$0	\$0	6	\$24,473	\$4,079
FLORIDA LEGISLATURE	0	\$0	\$0	0	\$0	\$0	1	\$7,443	\$7,443
STATE COURTS ADMINISTRATOR	0	\$0	\$0	1	\$5,592	\$5,592	9	\$41,160	\$4,573
JUSTICE	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
PUBLIC DEFENDERS	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
STATE ATTORNEYS	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
PRIDE	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
AGENCY FOR PERSONS WITH DISABILITIES	0	\$0	\$0	0	\$0	\$0	6	\$25,511	
DEPARTMENT OF CHILDREN AND FAMILIES	17	\$7,048	\$415	17	\$49,923	\$2,937	71	\$111,929	\$1,576
DEPARTMENT OF HEALTH	1	\$0	\$0	0	\$0	\$0	73	\$221,822	\$3,039
DEPARTMENT OF JUVENILE JUSTICE	14	\$11,774	\$841	13	\$8,212	\$632	235	\$969,641	\$4,126
DEPARTMENT OF CORRECTIONS	53	\$244,477	\$4,613	36	\$47,189	\$1,311	1340	\$1,613,338	\$1,204
Total for all Agencies	110	\$287,595	\$2,615	81	\$530,013	\$6,543	2,624	\$12,306,376	\$4,690
FLORIDA A & M	0	\$0	\$0	1	\$0	\$0	6	\$0	\$0
FLORIDA ATLANTIC	0	\$0	\$0	0	\$0	\$0	61	\$177,229	\$2,905
FLORIDA STATE	2	\$0	\$0	1	\$0	\$0	3	\$0	\$0
UNIV. OF CENTRAL FLORIDA	2	\$748	\$374	6	\$0	\$0	63	\$1,226,873	\$19,474
UNIV. OF WEST FLORIDA	0	\$0	\$0	0	\$0	\$0	79	\$1,857,336	\$23,511
FLORIDA INTERNATIONAL	0	\$0	\$0	1	\$16,527	\$16,527	10	\$764	\$76
UNIV. OF NORTH FLORIDA	0	\$0	\$0	1	\$0	\$0	0	\$0	\$0
UNIVERSITY OF FLORIDA	8	\$15,833	\$1,979	16	\$2,558	\$160	356	\$1,094,469	\$3,074
UNIV. OF SOUTH FLORIDA	4	\$0	\$0	3	\$0	\$0	39	\$123,643	\$3,170
FLORIDA GULF COAST UNIVERSITY	0	\$0	\$0	0	\$0	\$0	15	\$51,998	\$3,467
NEW COLLEGE OF FLORIDA	0	\$0	\$0	1	\$0	\$0	11	\$8,619	\$784
Total for all Universities	16	\$16,581	\$1,036	30	\$19,085	\$636	643	\$4,540,931	\$7,062
Grand Total for State	126	\$304,176	\$2,414	111	\$549,098	\$4,947	3,267	\$16,847,307	\$5,157

- (1) Paid claims FY 2004-05 occurred in FY 2002-2003 with 2 years of claim development ending on June 30,2005.
- (2) Paid claims FY 2005-06 occurred in FY 2003-2004 with 2 years of claim development ending on June 30,2006.
- (3) Paid claims FY 2006-07 occurred in FY 2004-2005 with 2 years of claim development ending on June 30,2007.
- (4) # Claims is the actual number of claims that had an dollar amount paid for claims occurring during the fiscal year 2002-2003.
- (5) # Claims is the actual number of claims that had an dollar amount paid for claims occurring during the fiscal year 2003-2004.
- (6) # Claims is the actual number of claims that had an dollar amount paid for claims occurring during the fiscal year 2004-2005.
- (7) \$ Claims is the total dollar amount of all paid claims for property damage that occurred in fiscal year 2002-2003.
- (8) \$ Claims is the total dollar amount of all paid claims for property damage that occurred in fiscal year 2003-2004.
- (9) \$ Claims is the total dollar amount of all paid claims for property damage that occurred in fiscal year 2004-2005.
- (10) Average per Claim (Avg/Claims) is the \$ Claims divided by the # Claims.



**DEPARTMENT OF MANAGEMENT SERVICES
DIVISION OF STATE PURCHASING**

"Florida Insurance Procurement Program"

ANNUAL REPORT
FY 06-07

Linda H. South, Secretary
and
Charles W. Covington, Director of State Purchasing

(850) 487-0417

FLORIDA INSURANCE PROCUREMENT PROGRAM

MISSION

To deliver resource saving solutions to our customers in order to enable them to better serve the people of Florida.

The Department of Management Services supports the insurance provided by the State of Florida's Property and Casualty Claims Program (The State Risk Management Trust Fund) and works with state agencies and universities to provide effective and efficient customer service, insurance advice, and insurance procurement. If it is determined that coverage cannot be provided by the State Property or Casualty Claims Program, an evaluation will be completed to determine if there is a need to transfer the risk to a private insurer and assume the cost associated with that transfer or if the risk can be assumed under current expenses for losses. If it is determined that the risk must be transferred to a private insurer, the Department of Management Services will work with participating state agencies and universities to discuss the insurance alternatives available.

AUTHORITY

The Florida Insurance Procurement Program was established under Chapter 287 of the Florida Statutes for the purchase of insurance for agencies under the executive, legislative, and judicial branches, as well as university systems of state government.

PREMIUMS

All insurance premiums are reviewed and approved by the Department of Management Services. The following represents the total premium paid for fiscal year 06-07:

Total Premium \$9,663,218

LEGAL EXPENSES

It is the obligation of the insurer to assume the defense cost and expenses for any claim or lawsuit that is covered by the policy.

INSPECTION AND ENGINEERING SERVICES

Inspection and engineering services are usually provided at no additional premium unless coverage is obtained by a Surplus Lines Carrier.

Inspection \$0

RISK MANAGEMENT

Risk management services are provided by the insurer with the Department of Management Services for insurance policies administered under this program.

MANAGING COST

This program is provided to agencies under the executive, legislative, judicial branches and university systems of state government at no charge.

CLAIMS

All claims histories and information is available for review at the Department of Management Services, Division of State Purchasing, 4050 Esplanade Way, Suite 360 Tallahassee, FL 32399.

COVERAGE INFORMATION

Name: Accident and Health 477-090

Policy	Policy No.	Notes
Accidental Death & Dismemberment Insurance	ETB107421	Law Enforcement
Accident Insurance	SRG0008065446	UCF Creative School
Accident Insurance	BAB007211	Florida School for the Deaf and Blind (Basic)
Accident Insurance	SB20CC079866	Florida School for the Deaf and Blind (Catastrophic)
Accident Insurance	PTPN01883409	Various camps

Name: Aircraft 477-270

Policy	Policy No.	Notes
Aircraft	AV479407714	

Name: Automobile 477-360

Policy	Policy No.	Notes
Automobile Insurance	44-771-911-00	
Automobile Insurance	46-550-774-00	DEP H2 Vehicles

Name: Boiler & Machinery 477-450

Policy	Policy No.	Notes
Boiler & Machinery Insurance	R1098567436	

Name: Crime 477-630

Policy	Policy No.	Notes
Crime Insurance	626-030198-1	Statewide Crime Insurance Program: Employee Dishonesty; Excess Employee Dishonesty; Faithful Performance of Duty; and Theft, Disappearance, and Destruction

Name: Excess Property 477-960

Policy	Policy No.	Notes
Property Insurance	Numerous	Excess Property Coverage (DFS – premiums not included in this report total)

Name: Inland Marine (Contractors Equipment, EDPE, Miscellaneous Property, Fine Arts)

Policy	Policy No.	Notes
Inland Marine Insurance	6619855	Electronic Data Processing Equipment
Inland Marine Insurance	Numerous	Bridge, Property, and Business Interruption
Inland Marine Insurance	GLGS49A	Fine Arts (Outside)
Inland Marine Insurance	GLEJ31B	Fine Arts (Indoors)
Inland Marine Insurance	MXI97507121	Contractors Equipment
Inland Marine Insurance	MXI97507162	Miscellaneous Property

Name: Liability 477-810

Policy	Policy No.	Notes
Malpractice Insurance	FL003517	Dental Malpractice Insurance for Gulf Coast Center (DCF) – Canceled 04/01/07
Liability Insurance	NF0053	Nuclear Bodily Injury Liability (UF)
Liability Insurance	Various	Special Events
Liability Insurance	XLS0030792	DEP H2 Excess Liability
Liability Insurance	CL090100945	DEP H2 Fueling Station

Name: Ocean Marine 477-910

Policy	Policy No.	Notes
Ocean Marine	OMH5833046	

Name: Property coverage 477-960

Policy	Policy No.	Notes
Property	EERD36942022	Nuclear Property (UF)
Property	CCC7783967	DEP Environmental Clean Up

Name: Worker's Compensation 477-990

Policy	Policy No.	Notes
Workers' Compensation	21WND69000	Work Comp Large Deductible – Canceled 01/18/07
Workers' Compensation	38007052	AmeriCorps Program – Canceled 01/18/07