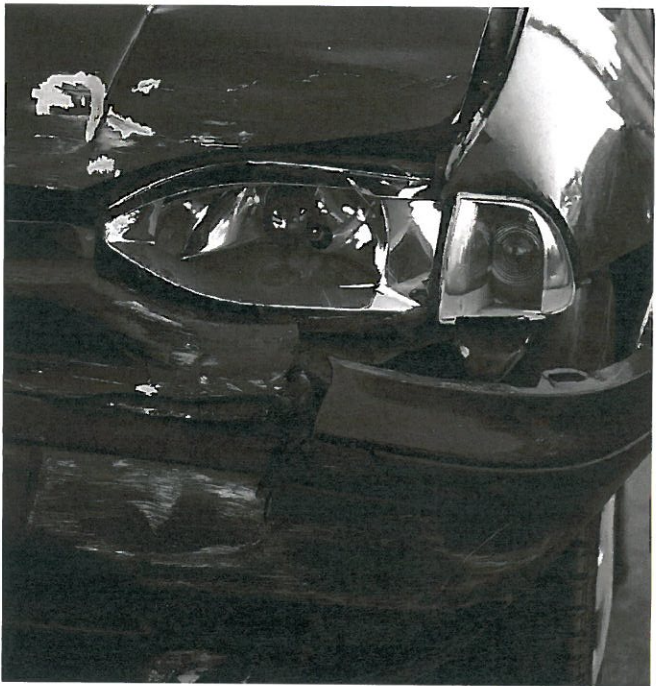
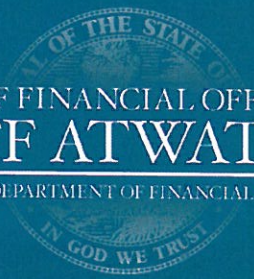


Department of Financial Services  
 Division of Risk Management  
 FISCAL YEAR 2014 ANNUAL REPORT

State Library of Florida



CHIEF FINANCIAL OFFICER  
**JEFF ATWATER**  
 FLORIDA DEPARTMENT OF FINANCIAL SERVICES



JAN 1 2 2015



JEFF ATWATER  
CHIEF FINANCIAL OFFICER  
STATE OF FLORIDA

## A Message from CFO Jeff Atwater

Dear Colleagues:

We are pleased to present the Division of Risk Management Annual Report for FY 2013-14.

The Division has continued to make progress in improving its claims adjusting and loss prevention services for state agencies and employees.

Our efforts have contributed to a decrease in the cost of workers' compensation benefits of \$7.9 million, totaling \$101.5 million for this last fiscal year compared to \$109.4 million in the previous fiscal year. Liability claims costs were also lower by \$1.5 million for this same time period.

These lower costs were in part due to our loss prevention efforts, which resulted in fewer claims being reported last fiscal year when compared to the previous fiscal year. We received 11,842 workers' compensation claims compared to 12,261 in the previous year, 537 auto liability claims compared to 549 in the previous year, 1,142 general liability claims compared to 1,226 in the previous year, and 431 civil rights and employment liability claims compared to 446 in the previous year. Our improved claims fraud detection processes also contributed to this cost reduction, resulting in total estimated savings of \$5,575,402 in future workers' compensation benefits and \$72,000 in court ordered restitution for Fiscal Year 2013-14.

Improving the efficiency of the Division's overall operations was greatly enhanced last fiscal year by better contracting for claims related services. The pending implementation of new software to replace the current outdated information system used by the Division will be the next major step in improving its operations.

This report provides an overview of our program details regarding our operations for the last year, including claims and cost data.

We appreciate your interest in our risk management program and hope the information provided in this report is beneficial. Please contact us if you have any questions or suggestions.

A handwritten signature in black ink that reads "Jeff Atwater". The signature is written in a cursive, flowing style.

Jeff Atwater  
Chief Financial Officer  
State of Florida

# Risk Management – What We Do

## *Loss Prevention Services*

**Data Analytics**—Our Division produces several regularly distributed data reports to the agencies (including universities) participating in our program. The Stop Light Report is sent to agency heads and agency risk managers, and is a snapshot of agency claim performance over a six-month period. It provides claim frequency and cost information, and includes a data trending section that covers a period of three years.

Quarterly and Monthly Reports are distributed to all agency risk managers. Quarterly reports cover the development and cost growth of open claims, and allow for a three-month valuation date on the claims. The report enables agencies to focus their loss prevention efforts on areas that will have the largest impact on claim reduction.

Monthly reports additionally make all agencies aware of casualty claims designated to their agency in our information system from the preceding month. This allows agencies to verify that all claims have been properly entered, including correct cause and location codes. Utilizing this information, agencies can also further pinpoint concerns and take corrective actions, as needed.

Annual Fiscal Year Trending Reports are distributed to all agencies and show three and one-half years of agency claim performance data. These reports give agencies the tools to conduct trend analyses and track their performance over time.

Agency risk managers also have access to a number of standard reports available through the Division's Risk Management Information System (RMIS). Each agency risk manager has access to the Division's RMIS and can run standard reports. They can also create custom reports within restricted parameters. When a more specialized report is needed, the Bureau of Risk Financing and Loss Prevention can assist agency risk managers by developing custom ad-hoc reports to meet their specific needs.

**Training and Publications**—The Division provides training services for all agencies in the disciplines of occupational health and safety, loss prevention, and risk management. Training media include webinars, online learning options, online training materials, and training videos, which were developed in-house by the Division's Loss Prevention Section.

The Division also develops and publishes a bimonthly newsletter titled Safety & Loss Prevention Outlook. This newsletter includes risk management industry trends, occupational health and safety news, and interviews with fellow risk managers from around the country. The Division distributes the newsletter to all state agencies and universities. Additionally, the Safety & Loss Prevention Outlook is featured on a public website used by other public-sector risk managers from around the country.

**Consultation Services and Technical Assistance**—Our staff works directly with agencies to assist with program development and implementation of loss prevention industry best practices. Assistance may involve travel to a site or location, meeting with headquarters officials, or discussing the inquiry on the telephone. Due to the specialized nature of safety and loss prevention consulting, only Division staff with expertise in occupational safety, workers' compensation, or data analytics provide this service. The Division also utilizes contracted consultants to support agency loss prevention efforts.

**Agency Review and Evaluation**—The Division conducts agency safety and loss prevention program reviews and has developed a Return-to-Work (RTW) Dashboard evaluation system. As required by Section 284.50(4), Florida Statutes, agency reviews are conducted on a five-year cycle of all state agencies and universities. The Division developed a standard review methodology that covers the Loss Prevention Standards provided to all agencies and assesses agency adoption of best practices to improve program effectiveness.



#12282561



The RTW Dashboard evaluation system collects monthly data from agencies with more than 3,000 full-time employees. The Division uses this data, along with data extracted from the RMIS, to analyze agency RTW program performance and to determine the status of program implementation.

**Awards and Recognition**—In conjunction with the Interagency Advisory Council on Loss Prevention, the Division is authorized to recognize individuals that make a significant contribution to their agency safety and loss prevention program.

### *Claims Management and Resolution*

**General Liability and Automobile Liability**—The Division manages general liability and automobile liability claims for the state, including claims for bodily injury, property damage, or death resulting from negligence of a state employee conducting state business or while driving a vehicle. The Division also pays legal costs awarded as a result of lawsuits against agencies.

**Workers' Compensation**—The Division administers workers' compensation claims for Florida's agencies and universities. In the 2013-14 fiscal year, we paid \$101.5 million in medical and indemnity benefits in workers' compensation claims, a reduction of \$7.9 million from the 2012-13 fiscal year.

**Employment Discrimination and Federal Civil Rights**—The Division also administers employment discrimination and civil rights claims. As an insurer of approximately 200,000 employees and having custody over countless individuals in the prison system and other capacities, claims can arise from those custodial relationships. We insure employees acting under color of state law for alleged Constitutional deprivations of civil rights. Employment discrimination claims can arise from all aspects of the employee-employer relationship, under both state and federal laws.

### *Protecting State Facilities*

With responsibility for insuring Florida's approximately 17,000 state-owned buildings ranging in value from storage sheds to the Capitol buildings in Tallahassee, and ranging in complexity from beachfront tiki huts at state parks to the Magnetic Laboratory building on Florida State University's (FSU's) campus, the Division is at the forefront of protecting Florida's assets. The Division also administers coverage for state-owned business equipment and furnishings contained in buildings not owned by the state.

All agencies are exposed to such perils as fire, storm damage, flood, wind, and sinkholes. The Division administers Florida's self-insurance property program through the State Risk Management Trust Fund and arranges additional coverage for catastrophic losses beyond the limits of our self-insurance.

# Program Highlights

## *Agency Loss Prevention Program Reviews*

Florida Statutes require that the Division evaluate each agency's risk management program once at least every five years. During the 2011-12 fiscal year, the Division developed the agency evaluation process and began performing agency reviews. During the 2012-13 fiscal year, the Division improved the quality and efficiency of its agency loss prevention program reviews by adopting more consistent and efficient review methodologies, and by restructuring the report format. As a result of these improvements, the Loss Prevention Section is on schedule to complete all agency reviews within the required timetable.

## *Online Safety & Loss Prevention Training*

The Division continues to develop the loss prevention training program for State agencies and universities to eliminate seminar attendance costs by implementing web-based training and expanding the number of safety and loss prevention web-based training courses available to agencies. This approach eliminated an estimated \$50,000 to \$75,000 in yearly travel costs of state employees, as well as their travel time required to attend a Tallahassee seminar. The web-based training will include various loss prevention courses such as developing a safety and loss prevention program, accident investigation, facility inspections, and developing a safety culture.

## *Return-to-Work Programs*

All agencies that are provided workers' compensation insurance coverage by the State Risk Management Trust Fund and employ more than 3,000 full-time employees must establish and maintain return-to-work (RTW) programs for employees who are receiving workers' compensation benefits. The programs have the primary goal of enabling injured workers to remain at work or return to work to perform job duties that are within the physical or mental functional limitations and restrictions established by the workers'

treating physicians. If no limitation or restriction is established in writing by a worker's treating physician, the worker is deemed to be able to fully perform the same work duties he or she performed before the injury.

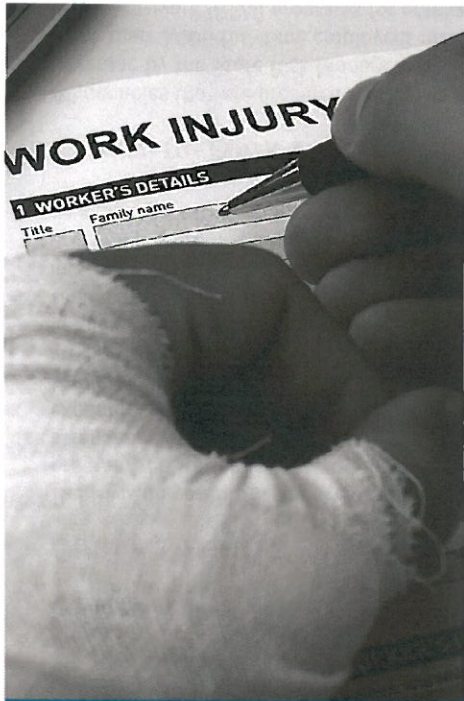
Throughout the year, the Division gathers data from participating agencies in support of statutory reporting requirements related to agency RTW programs. The information submitted by agency risk managers includes, but is not limited to, agency RTW program efforts; the number of claims provided accommodation for the injured worker's work restrictions; and the number of work days accommodated.

This annual report includes an analysis of agency RTW program efforts including, but not limited to, agency RTW program performance metrics and a status report on participating RTW programs. The analysis of agency RTW programs is located on Page 19 of this annual report.

## *Interagency Advisory Council*

The Interagency Advisory Council on Loss Prevention (IAC) continues to prove to be a valuable venue for agency risk managers to discuss statewide loss prevention issues, share training resources, and collaborate on large-scale interagency loss prevention projects. In 2014, the IAC Executive Committee worked to redevelop criteria for the award program to recognize individuals that have made significant impacts in the areas of occupational health and safety, loss prevention, and risk management. Additionally, the Executive Committee took an active role in reviewing the State Loss Prevention Standards in order to make recommendations to eliminate redundancies and clarify processes. Council members have continued to lead quarterly meeting discussions and provide suggestions and feedback on loss prevention training presentations.





### *Bureau of State Employee Workers' Compensation Claims Improvements*

During the last year, the Bureau continued to strengthen fraud detection by increasing fraud awareness through additional training, including an on-site meeting with most of our defense counsel and Division of Insurance Fraud (DIF) officers, identifying "red flags" warranting fraud referrals, and coordinating with outside counsel, DIF, and the Bureau's contracted Special Investigation Unit to augment fraud detection. This increased the number of state agency and university staff and claim defense attorneys trained to look for signs of fraud, and also strengthened internal controls to prevent potentially fraudulent payments, resulting in enhanced fraud detection and prevention efforts regarding the review and payment of claims. For the last fiscal year, these efforts resulted in estimated total savings of \$5,575,402 in future benefits and \$72,000 in court-ordered restitution. Potential cost savings of over \$12,000,000 also would have resulted in one expensive claim where the claimant was arrested for insurance fraud, but died before the criminal trial. Those savings are on claims where payments were authorized to be stopped once fraud was detected, and do not include future cost savings on claims that were denied at inception due to suspicions that they were fraudulent.

The Bureau's efforts to improve claim administration during the last fiscal year included continued efforts to increase monitoring of workers' compensation "medical benefits only" claims for review of treatment and payments for medical care in order to ensure they are related to the workplace injury and are appropriate to the type of injury. This resulted in a better review by adjusters of treatment and payments for medical care, contributing to a reduction in overall costs for hospital care by -21.8%, for doctor care by -17.2%, for physical therapy by -33.2%, and for ambulance costs by -45.6% when compared to prior 2012-13 fiscal year costs.

During the 2013-14 fiscal year, the Division made significant progress in streamlining its workers' compensation medical case management contracts. The Division completed its goal of "unbundling" the medical case management services, which should achieve greater efficiencies and controls after transitory issues are resolved. During calendar year 2013, new contracts were executed for pharmacy benefits management, medical bill review, and medical case management services to align with this "unbundled" approach. As of January 1, 2014, all three of these workers' compensation services were exclusively "unbundled" and handled by three different contractors.

Since January 1, 2014, the Bureau has worked closely with the new medical case management vendor, AmeriSys, to improve claims intake, administration of medical claims, and other workers' compensation processes. AmeriSys has implemented a presumption case management team, which provides nurse case managers with a clinical background in cardiology and physician advisors to ensure the unique needs of our presumption claimants are met. In addition, AmeriSys has also implemented a program to meet the needs of employees who are having issues with pain management. Case managers are receiving specialized training in the area of pain management and adherence to the latest treatment protocols. The Bureau has also organized several meetings with AmeriSys and the agencies and universities to enhance care to injured workers.

### *Contract Administration Improvements*

The Division's Contract Monitoring Section has continued to make significant process improvements in contract administration and management. The Division added three new positions to the Section during the fiscal year, including a registered nursing (RN) consultant and two government analyst positions. In addition, the Section was reorganized to form a Medical Contract Management Unit consisting of two RN consultants and one government analyst position. This unit focuses on the management and oversight of the Division's more complex medical case management, medical bill review, and pharmacy benefits management contracts.

In Fiscal Year 2013-14, the Contract Monitoring Section coordinated the re-procurement of both its medical case management and medical bill review contracts. As a result, the Division successfully transitioned its contracted medical case management services from OptaComp and CorVel to USIS, Inc., doing business as AmeriSys, and continued its medical bill review services with Genex under a new contract.

Contract Monitoring staff participated in ongoing planning and coordination of the Division's Insurance Management System (IMS) procurement to replace its current RMIS. A contract was successfully awarded to Origami Risk in June 2014 for the implementation of the IMS.

The Section continued to improve its contract monitoring efforts through the development and maintenance of sound monitoring plans and viable monitoring approaches. These efforts have resulted in ongoing improvement in the Division's oversight of its medical contracts, as well as its contracts for attorney services, claim investigation and processing services, Medicare set-asides, and other services.

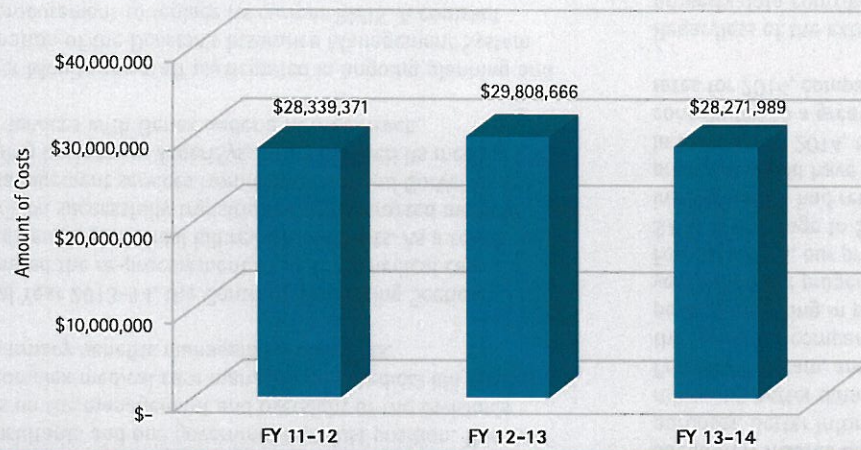
### *State Property Data Collection Improvements*

The State Property Claims Unit continued to collaborate with other state agencies to develop a comprehensive database for state-owned real estate and to increase the data on state buildings. Utilizing complete and accurate data on buildings and contents helps assure that buildings and contents are adequately insured and fairly rated for insurance premium purposes. Better information on state property provides reinsurers better data to use in offering coverage to the State Property Program, and increases interest in the program from the insurance companies that write its reinsurance coverage, possibly resulting in premium cost savings. As reported last year, when the property reinsurance coverage was placed in February 2013, our premium rate decreased from \$.4487 per \$100 of coverage to \$.4479 per \$100 of coverage. If total insured values had remained the same as the prior year, our premium would have been \$18,057 less than the previous year. In February of 2014, the availability of additional property data contributed to a greater decrease of 4.62% in base premium rates for 2014, compared to the prior year rates.

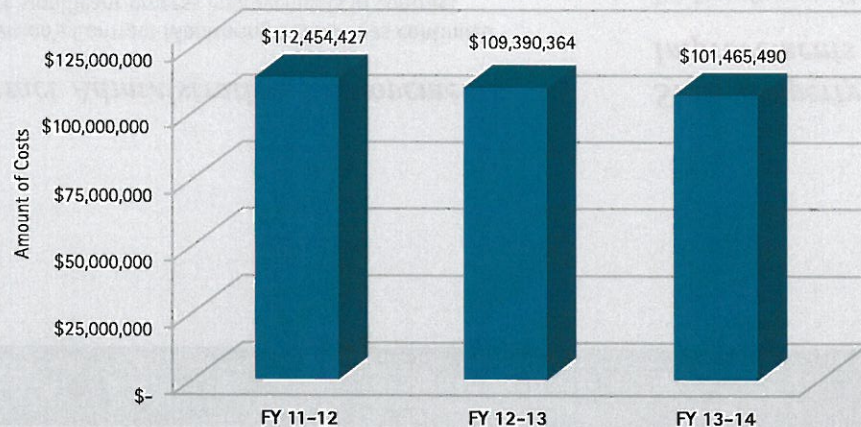
Regardless of the extent to which the availability of additional property data contributed to these savings, the Division and the insured state agencies will also benefit in the management of this program as a result of more accurate and complete data.



Florida Liability Claims Cost Comparison  
FY 2011-2012 through FY 2013-14



Florida Workers' Compensation Cost Comparison  
FY 2011-2012 through FY 2013-14



*Program Claims Costs Analysis:*

The Division continues to work closely with the state agencies to control claims costs. Overall, state liability claims costs were \$1.5 million lower in FY 2013-2014 compared to FY 2012-2013, which was due to an \$800,000 decrease in general and automobile liability claims, and a \$1.4 million decrease in federal civil rights claims. Overall workers' compensation claims costs decreased in FY 2013-14 by \$7.9 million, totaling \$101.5 million compared to \$109.4 million in FY 2012-13. Workers' compensation medical costs decreased in FY 2013-14 by \$8.2 million and indemnity costs increased by \$300,000 for the fiscal year.



## Looking Ahead

The Division will continue to focus on outcome measurements for its loss prevention and claims administration products and services in keeping with the goal of targeted, value-added services to state agencies and universities. The Division has measurement systems for all of its major loss prevention products and services, and will continue monitoring evaluation results and making program adjustments as needed.

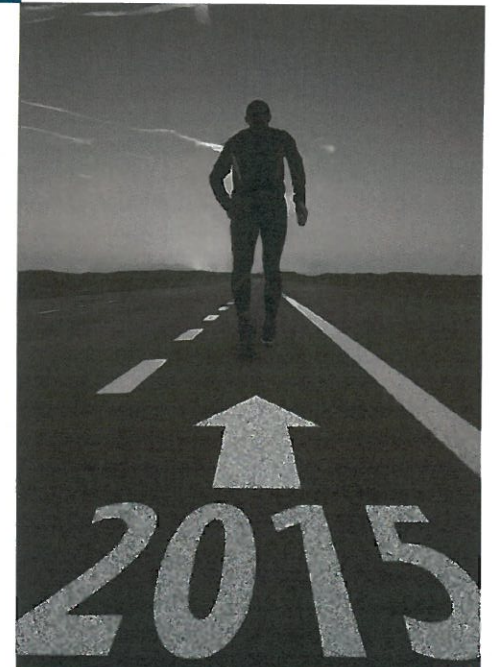
The Division has validated its agency loss prevention program review methodology and will continue to refine the process in order to provide the greatest value possible to agency loss prevention programs. The Division will also continue to partner with the Interagency Advisory Council on Loss Prevention to review and update the State Loss Prevention Standards that were established in 2010. The agency review process will continue to identify areas within each agency's loss prevention program that may benefit from training or consultative services to improve loss prevention outcomes, and will expand its scope during the subsequent cycle of reviews to include evaluation and monitoring of all lines of coverage, including liability, property, and federal civil rights. The Division will additionally continue to monitor the impact of the increase in the monetary caps for tort claims paid by state agencies that occurred in October 2011.

The Division will expand its training resources to agencies through technology and innovation. Core online safety and loss prevention courses designed to educate agency and university safety coordinators on their program responsibilities under Section 284.50, Florida Statutes, will be launched, promoted, and tracked through the departmental Learning Management System. Relevant loss prevention training will continue to be provided to agency and university safety personnel through the quarterly Interagency Advisory Council meetings.

The Division will expand old and pursue new partnerships with peers from around the country, such as the Center for Disease Control (CDC); the National Institute of Occupational Safety and Health (NIOSH); the National Safety Council (NSC); The Occupational Safety and Health Administration (OSHA); and the State Risk and Insurance Management Association (STRIMA). The Division anticipates these partnerships will continue to increase technical resources and educational materials made available to all state agencies and universities.

The Bureau of State Employee Workers' Compensation Claims looks forward to continued improvements in cost reduction and efficiencies in claims administration. When fully implemented, the new IMS is expected to improve automated claims workflows and reporting, including better analytical data for internal auditing of claim payments. Improved automation should provide adjusters with more time to perform claim reviews in the future. The Bureau will also continue to work with AmeriSys to improve the delivery of medical services to workers' compensation claimants and safely return them to work as soon as appropriate.

In an effort to simplify the monitoring of workers' compensation claims, the Division proposed legislation in the 2014 legislative session to modify the requirement for agencies to repay the Division for injured workers that are temporarily out of work for the first ten weeks of disability due to workplace injuries. Instead, the Division proposed that agencies pay a small percentage of all their workers' compensation indemnity costs. The 2014 legislative proposal did not pass, but may be considered again in future legislative sessions.





The Division's Property Unit will continue to work with officials at the Florida Catastrophic Storm Risk Management Center at FSU to collect information and data on state-owned buildings valued in excess of \$500,000. FSU has contracted with a private vendor, SkyeTec, to conduct on-site inspections and collect data for the primary purpose of providing more accurate information for use in loss projection models. The Division is hopeful that this will lead to more competition among reinsurers to provide reinsurance to the state and lower premium costs. This additional information will enable the Division and state agencies to better manage our property program.

The Division's Data Management Section will continue to work closely with personnel from Origami Risk on the IMS implementation team in order to ensure a smooth transition from the current system, STARS, to the new IMS. The Division contracted with Origami Risk in June 2014 to implement a new IMS that will replace its existing RMIS and provide functionality for claims and policy management, financial management, and reporting. The IMS is critical to the Division's ability to efficiently and effectively process claims against the participating state agencies and perform its statutory duties. The Division anticipates that the new IMS will improve the efficiency of claims management, improve collaboration and system integration with third-party administrators and other Division partners, and support robust performance management. The projected implementation date of the new IMS is February of 2015.

The Division's Contract Monitoring Section will continue to develop and improve its contract monitoring efforts for the Division's multiple service contracts. It will also coordinate the upcoming re-procurement of the Division's Broker of Record and structured settlement services.

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**RISK MANAGEMENT PROGRAM FUNDING**

PROGRAM	NUMBER OF COVERED EMPLOYEES OR PROPERTY	NUMBER OF CLAIMS REPORTED FY 13-14	FUNDING
Workers' Compensation	195,365	11,842	\$150,415,665
State Property	21,193 Property Locations	147	\$12,195,647
Auto Liability <sup>(1)</sup>	24,822 (state-titled motor vehicles)	537	\$4,223,686
General Liability	200,842	1,142	\$8,806,596
Court-Awarded Attorney's Fees	N/A	8	Included in General Liability Funding
Federal Civil Rights/Employment	194,302	431	\$12,142,785

<sup>(1)</sup> - Automobile liability coverage is also extended to state employees driving their personal vehicle on state business.

**GENERAL FUNDING INFORMATION**

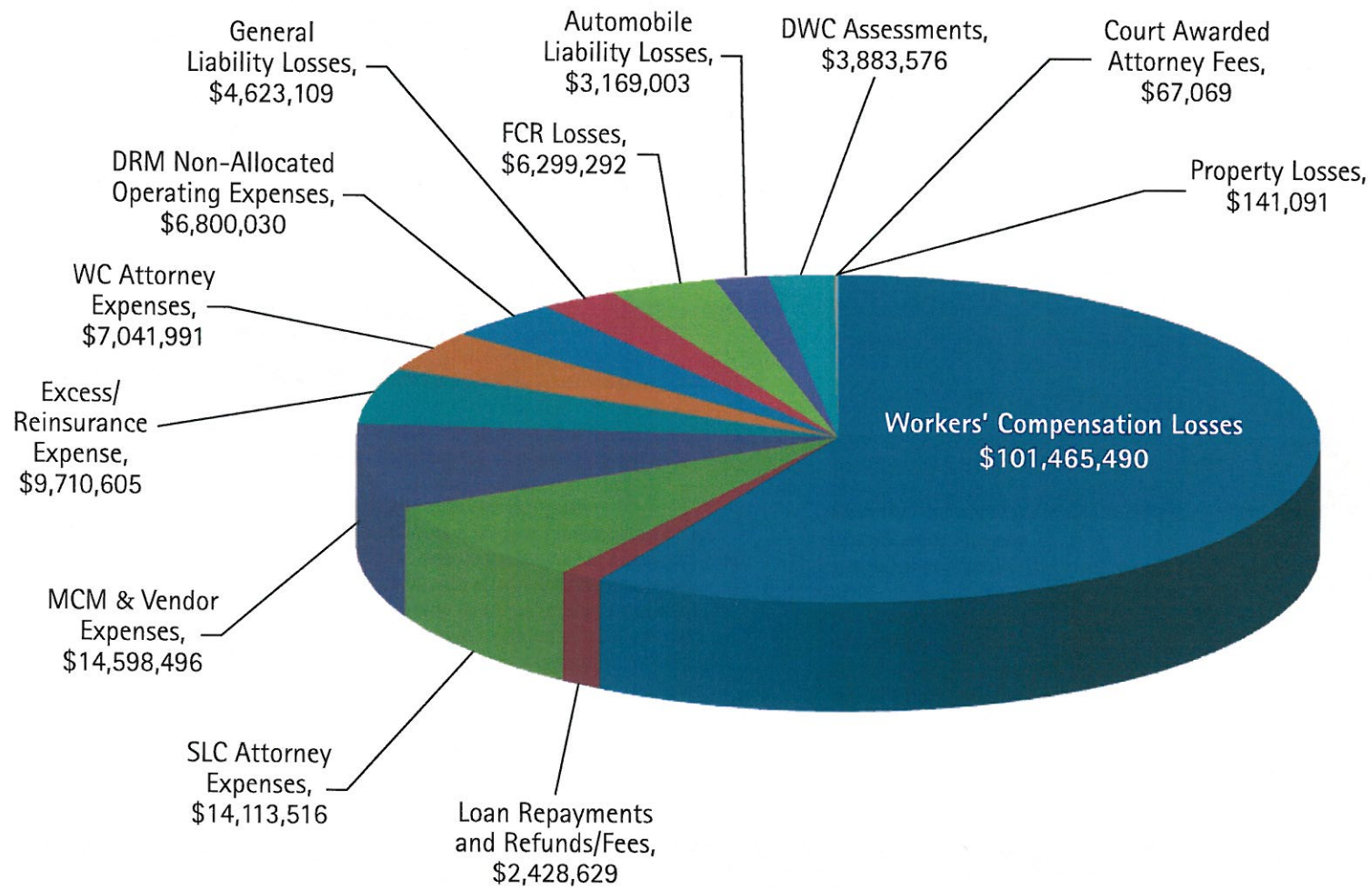
A Legislative Revenue Estimating Conference establishes the program's funding needs for each fiscal year. During fiscal year 2013-14, the Division invoiced, processed, and deposited \$187.8 million in premiums: \$175.6 million in casualty premiums and \$12.2 million in property premiums.

Only the estimated expense required to pay all insurance claims and Division operational expenses projected for the fiscal year is funded. Although the funding is determined by coverage line, funds are pooled to provide flexibility in assuring all insurance claims are paid timely. No funding is provided to meet sudden adverse loss trends or unexpected large insurance claim obligations. This is called "cash flow" funding. This type of funding requires continuous, careful monitoring of the Trust Fund's cash flow so that all obligations can be paid.

Because of "cash flow" funding, an unfunded liability exists each year for financial obligations owed in the future. The chart page illustrates the "cash flow" funding methodology's impact. It reflects that if the program ceased operations as of June 30, 2014, participating agencies would have an estimated \$1.18 billion in existing insurance claim obligations payable in future years. This estimated liability consists of the following claims obligations by insurance type and is based on a June 30, 2014, actuarial analysis:

Workers' Compensation:	\$ 1,089.2 million
Federal Civil Rights:	\$ 57.6 million
General Liability:	\$ 22.9 million
Automobile Liability:	\$ 5.1 million
Property:	\$ .5 million
	<u>\$ 1.18 billion</u>

## FY 2013-14 DRM TOTAL EXPENDITURES OF \$174,341,897 BY MAJOR CATEGORY



## LINES OF INSURANCE COVERAGE

### Workers' Compensation

The Bureau of State Employee Workers' Compensation Claims is responsible for adjusting claims for state employees who are injured on the job. This includes payment of medical, indemnity, and death benefits; determination of compensability; and litigation management of workers' compensation claims. Field investigations, surveillance, and investigations of suspected cases of workers' compensation fraud are performed by York Claims Services, Inc. Defense of litigated claims is provided by contract law firms.

Pending claims administered by our program are covered under our self-insurance program or by private commercial insurance as follows:

Commencement Date	Coverage Period	Coverage Provider
Prior to January 1, 1998	Accident date before January 1, 1998	Self-insured
January 1, 1998	Accident date on or after January 1, 1998, through February 9, 2002	North American Specialty Insurance Company (NASIC) with a large deductible
February 10, 2002	Accident date on or after February 10, 2002, through February 9, 2005	Hartford Casualty Insurance Company with a \$15M deductible, plus three years of medical services
February 10, 2005	Accident date on or after February 10, 2005	Self-insured

### Medical Case Management:

Since January 1, 1997, the program has contracted with vendors to provide medical care services. Medical care is "managed" by medical case managers who are registered nurses, or are supervised by registered nurses, in conjunction with either a medical network or panel of clinicians. A contract vendor reviews and reprints pre-managed care medical bills, and provides hospital pre-certification and continued stay review services.

The following chart reflects the vendors currently providing medical case management services:

Commencement Date	Coverage Period	Program	Vendor
January 1, 1997	Accident date on or after January 1, 1997, through December 31, 2002	Responsible for providing medical services for three years following the date of injury and continuing case management for the duration of the claim.	Humana
January 1, 2003	Accident date on or after January 1, 2003, and reported prior to January 1, 2009*	Provide medical case management for duration of contract.	CorVel*
January 1, 2009	Reported date on or after January 1, 2009, and reported prior to January 1, 2014*	Provide medical case management for duration of contract.	OptaComp*
January 1, 2014	Report date on or after January 1, 2014*	Provide medical case management for duration of contract.	USIS, Inc., doing business as AmeriSys*

*Note: On January 1, 2014, USIS, Inc., doing business as AmeriSys, began providing medical case management services for the Division. In addition to administering new claims reported on or after January 1, 2014, AmeriSys also assumed the administration of claims formally administered by CorVel and OptaComp. Therefore, on January 1, 2014, AmeriSys began administering all claims reported on or after January 1, 2003.*

## *Property*

This program provides property coverage through the State Risk Management Trust Fund. The state offers coverage for damages to covered property caused by specific insured perils such as fire, wind, flood, and lightning. The self-insurance coverage includes:

- Buildings
- Contents
- Loss of rental income when the coverage is required by bonding or revenue certificates or resolutions
- Non-owned, state-leased real property covered if an approved lease provides and conforms to the coverage under the property policy

The program is responsible for investigating, evaluating, negotiating, and settling covered property claims. Investigations are conducted by staff and/or in concert with a contracted adjusting service.

## *Automobile Liability*

This program provides auto liability insurance through the State Risk Management Trust Fund for claims arising out of the ownership, maintenance, or use of an automobile by an employee, agent, or volunteer of the state, while acting within the course and scope of his or her office or employment. This includes loading or unloading of any owned, hired, or non-owned automobile.

The program is responsible for investigating, evaluating, negotiating and making appropriate disposition of any auto claims and lawsuits filed against the state. Investigations of claims are conducted by staff and/or in concert with a contracted adjusting service. Defense of litigated claims is provided by the Attorney General's Office, contract law firms, or state agency attorneys.

In accordance with Section 768.28, Florida Statutes, the current limits of liability (under the waiver of sovereign immunity law) for which the state may be sued are \$200,000 per person's claim and \$300,000 for all claims arising from a single incident.

As of July 1, 2004, the Division has offered coverage for property damage to state vehicles sustained when these vehicles are utilized for 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.

## *General Liability*

This program provides general liability claims coverage through the State Risk Management Trust Fund. 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. The self-insurance coverage includes premises and operations, personal injury, and professional liability.

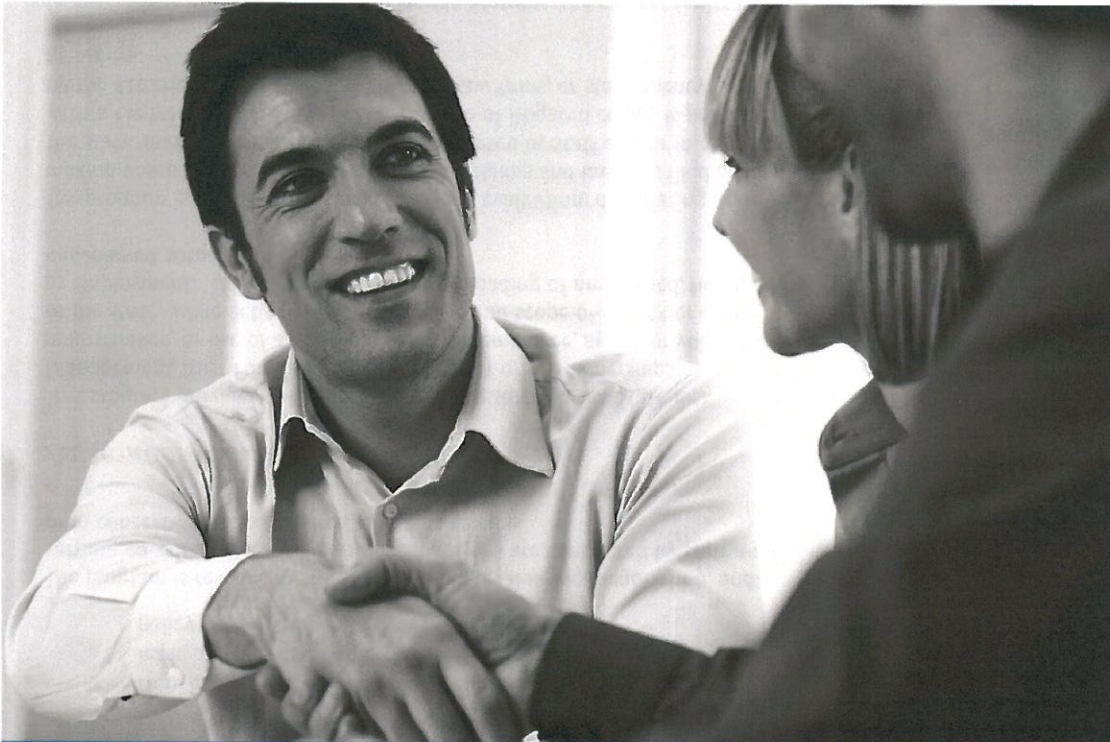
The program has the responsibility of investigating, evaluating, negotiating, defending, and making appropriate disposition of claims/lawsuits filed against the state due to the negligent act or omission of a state employee, agent, or volunteer. Investigations of claims are conducted by staff and/or in concert with a contracted adjusting service. Defense of litigated claims is provided by the Attorney General's Office, contract law firms, or state agency attorneys.

In accordance with Section 768.28, Florida Statutes, the current limits of liability (under the waiver of sovereign immunity law) are \$200,000 per person's claim and \$300,000 for all claims arising from a single incident.

## *Federal Civil Rights/Employment*

This program provides 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,
- the Civil Rights Act of 1991, and
- Florida Civil Rights Act of 1992, and other similar employment discrimination acts and statutes.



The program has the responsibility for investigating, evaluating, negotiating, defending, and making appropriate disposition of any covered action filed against state agencies, their employees, agents, or volunteers. Investigations of claims are conducted by staff and/or in concert with contracted adjusting services. Defense of litigated claims is provided by the Attorney General's Office, contract law firms, or state agency attorneys. 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 \$200,000 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.

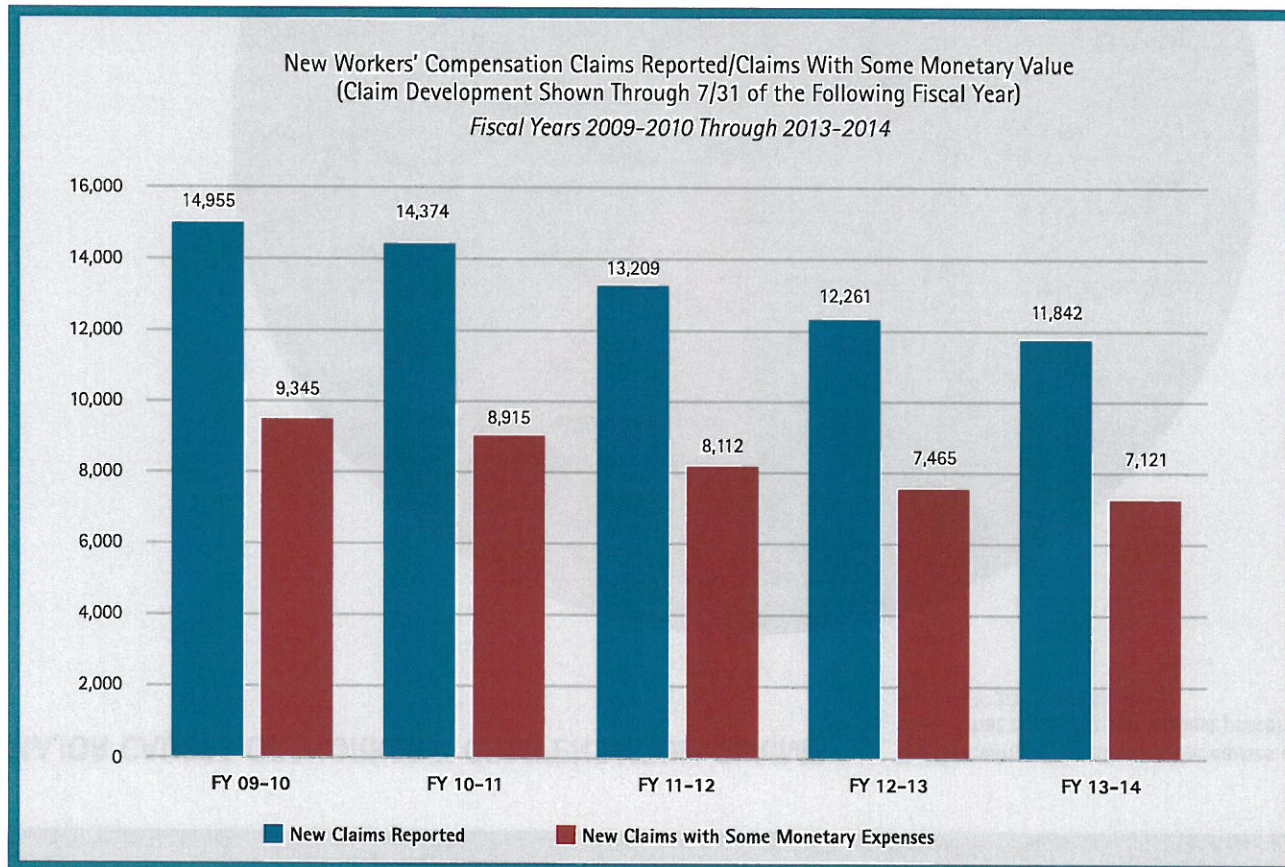
### *Court-Awarded Attorney Fees*

This program provides court-awarded attorney fee 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.



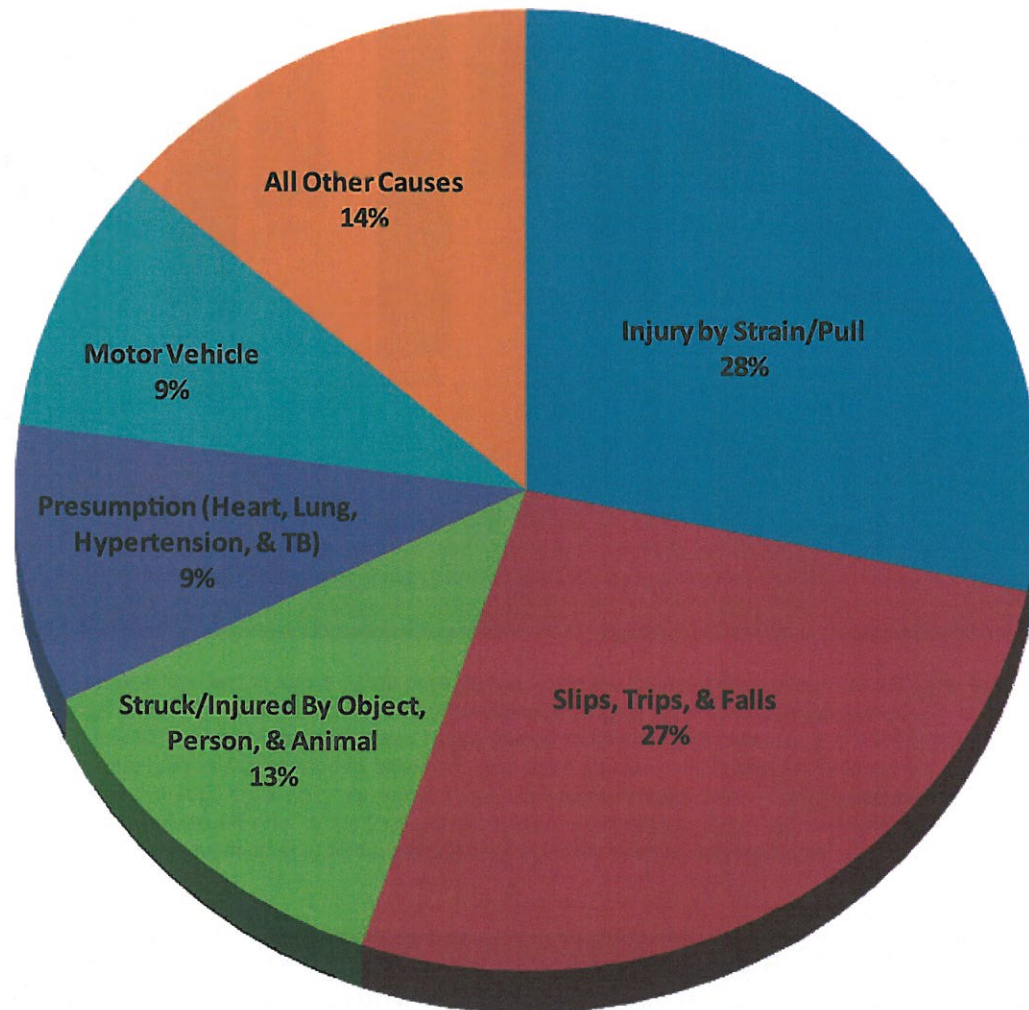
## WORKERS' COMPENSATION CLAIMS AND EXPENSES

The Risk Management program averaged 13,328 new workers' compensation insurance claims with dates of accident occurring during each of the past five fiscal years. As of July 31, 2013, the program received 11,842 claims that occurred in FY 2013-2014. Of those, 7,121 had some monetary expense associated with them (benefits paid or reserves established in anticipation of payment). This is the fourth year in a row the program has seen a decrease in overall workers' compensation claims and claims having some monetary expenses. For the 2013-14 fiscal year, 6.0 percent of the total new claims received were determined to be "lost-time claims," with employees unable to work for a time due to their job-related injury. Death benefits were paid for six job-related deaths during fiscal year 2013-14.



### THE MAJOR CAUSES OF WORKERS' COMPENSATION CLAIMS

The following chart denotes the causes of workers' compensation claims that represent the highest percentage of benefit payments during FY 2013-2014.



## RETURN-TO-WORK PROGRAM

### *Summary of Results*

For state agencies and universities required to have a return-to-work program:

- The total cost of lost-time claims decreased by over \$1.2 million compared to the previous fiscal year.
- The number of lost-time claims remained constant at 621 claims as compared to 620 claims in the previous fiscal year.
- The percentage of workers' compensation claims that are lost-time claims remained nearly constant with 5.95% in FY 2012-13 and 6.04% in FY 2013-14.
- Temporary Partial Disability claims increased by 19% compared to the previous fiscal year.
- Temporary Partial Disability claim costs decreased by 24% compared to the previous fiscal year.
- 43,635 days that injured state employees were at work (in some type of return-to-work program) rather than at home collecting benefits; a 9,109 day increase from FY 2012-13.

### *Background Information*

The Division of Risk Management continues its mission to aid agencies and universities in improving their return-to-work (RTW) programs. Pursuant to Section 284.50(3), Florida Statutes, "the Department of Financial Services and all agencies that are provided workers' compensation insurance coverage by the State Risk Management Trust Fund and employ more than 3,000 full-time employees shall establish and maintain return-to-work programs for employees who are receiving workers' compensation benefits. The programs shall have the primary goal of enabling injured workers to remain at work or return to work to perform job duties within the physical or mental functional limitations and restrictions established by the workers' treating physicians. If no limitation or restriction is established in writing by a worker's treating physician, the worker shall be deemed to be able to fully perform the same work duties he or she performed before the injury." In 2010, the Division's State of Florida Loss Prevention Program, along with the RTW Ad Hoc Committee of the Interagency Advisory Council on Loss Prevention, developed the RTW guidelines that provided all agencies with a model written RTW policy that could be adapted to each agency's unique needs.

Historically, RTW programs have been an effective tool in reducing workers' compensation and disability costs. In addition, RTW programs provide a safe and timely transition back to work, maintain productivity in the workplace, and promote the employee's rapid recovery from injuries and illness.

An important component in RTW programs is to provide the employer with physician documentation outlining the employee's restrictions so the employer can make the determination whether it can accommodate the restrictions and return the employee to an alternate duty position. The treating physician is required to provide this documentation by completing and submitting a DWC-25 form to the injured worker's employer. In recent years, the untimely completion of DWC-25 forms has limited state agency employers from returning their employees to work as quickly as possible. However, the rate of timely completion for DWC-25 forms has improved since AmeriSys began providing medical case management services for the Division on January 1, 2014. Continued improvement in this area should have a positive impact on state agency employer RTW programs in the future.

Chapter 284, Florida Statutes, requires the Division to include a report on agency and university RTW programs within the Division's annual report. Per Section 284.42(1)(b), Florida Statutes, "beginning January 1, 2013, the Division of Risk Management shall include in its annual report an analysis of agency return-to-work efforts, including, but not limited to, agency return-to-work program performance metrics and a status report on participating return-to-work programs. The report shall specify benchmarks, including, but not limited to, the average lost-time claims per year, per agency; the total number of lost-time claims; and specific agency measurable outcomes indicating the change in performance from year to year."

## Division of Risk Management Annual Report 2014

The agencies/universities that reported more than 3,000 full-time equivalent (FTE) employees to the Division are listed below. These agencies/universities are required by Florida Statute to establish and maintain a RTW program.

Agency/University	WC Covered FTEs
Florida State University	8,979
University of Florida	21,859
Florida Atlantic University	4,937
University of Central Florida	7,909
Florida International University	6,146
University of South Florida	8,900
Department of Agriculture and Consumer Services	3,803
Department of Education	3,174
Department of Highway Safety and Motor Vehicles	4,496
Department of Financial Services *	2,526
Department of Economic Opportunity	4,416
Department of Revenue	5,155
Department of Transportation	6,939
State Courts System	4,169
Public Defenders	3,118
State Attorneys	6,079
Agency for Persons with Disabilities	3,850
Department of Children and Families	12,541
Department of Health	15,577
Department of Juvenile Justice	3,620
Department of Corrections	26,957

\*The Department of Financial Services is also required to participate in the program per Section 284.50(3), F.S., even though it has less than 3,000 FTEs.

There are two disability categories commonly referred to as "lost-time claims." The first is Temporary Partial Disability (TPD); the second is Temporary Total Disability (TTD). Claimants in TPD status can return to work as long as they operate within the restrictions provided by their physician.

Claimants in TTD status cannot be returned to work under any capacity since the worker is designated as totally disabled. Due to the inability of the employer to return a TTD claimant to work, TTD claims are only included in one benchmark (percentage of workers' compensation claims that are lost-time claims, per fiscal year). However, TTD claim data is included in Charts 1 and 2 on Pages 23-24 of this report, which present lost-time claim counts and total costs of lost-time claims.

The maximum amount of time temporary-disability payments are allowed per Chapter 440, Florida Statutes, is 104 weeks. After the initial 104 weeks, the employee is placed at mandatory maximum medical improvement. This means they no longer qualify for TTD/TPD benefits. If the employee is administratively accepted as being permanently totally disabled (PTD), the Division must pay benefits until the employee reaches the age of 75 or until death occurs, whichever comes first. The Department of Children and Families has an alternate-duty limit of 180 days and the Department of Corrections has a limit of 360 days. At these two agencies, if the employee continues to have medical restrictions after this time, the employee is no longer eligible for alternate duty, and the Division must begin paying TPD benefits.

Many times, the employee is not returned to an alternate-duty position due to the medical provider's inadequate definition of restrictions provided on the DWC-25. In order to accommodate an employee, a clear definition of restrictions is paramount. The ultimate goal is to return all employees to work as soon as medically possible to reduce the overall cost of workers' compensation claims.

The agencies and universities required by statute to maintain a RTW program work closely with the Division to reduce the number of claims receiving TPD payments by creating and/or maintaining alternate-duty positions to allow employees to return to work within their medical restrictions rather than remaining out of work due to their injury or illness. The State Courts System does not currently maintain a written RTW program; however, it does have alternate-duty positions available and allows its employees who have restrictions to return to work.

Many agencies and universities maintained a RTW program prior to the statutory requirement enacted in 2011. Per Florida Administrative Code 60L-34.0061(1)(a), "an employee who sustains a job-connected disability that is compensable under Chapter 440, Florida Statutes, shall be carried in full-pay status for up to forty work hours without being required to use accrued leave, beginning immediately following the onset of the injury." The Division's RMIS does not maintain the data regarding the number of days an injured employee spends out of work for the initial 40 hours or if the injured employee is working reduced hours; therefore, the Division depends upon the agencies and universities to provide information on the exhaustion of disability leave and modified- or alternate-duty provisions. As the data is self-reported by agencies and universities, there may be reporting inconsistencies; in some cases, an agency or university may not report the data. This affects the ability of the Division to compile accurate data for benchmarking purposes.

## Return-to-Work Benchmarks

The following benchmarks have been selected to analyze agency RTW efforts:

Benchmark #	Description of Benchmark
1	The average cost of TPD claims per year (includes claims with an accident date between July 1 and June 30 that received a TPD payment and includes all subsequent payments through September 30 following each fiscal year).
2	The total number of TPD claims per year (includes claims with an accident date between July 1 and June 30 that received a TPD payment and includes all subsequent payments through September 30 following each fiscal year).
3	The number of alternate-duty claim assignments per agency/university (total number of claims reported by the agency between July 1 and June 30 that were provided accommodations based on restrictions documented on the DWC-25 by the claimant's treating physician, regardless of accident date).
4	The number of alternate-duty days of work per each agency/university (the total number of work days between July 1 and June 30 reported by the agency that accommodations were provided to claimants based on restrictions listed on the DWC-25 by the claimant's treating physician, regardless of accident date).
5	The total cost of TPD claims paid per year (includes claims with an accident date between July 1 and June 30 that received a TPD payment and includes all subsequent payments through September 30 following each fiscal year).
6	The percentage change as compared to the preceding fiscal year of the average TPD claim cost per year, with claim costs valued as of September 30 following each fiscal year.
7	The percentage change as compared to the preceding fiscal year of the number of TPD claims.
8	The percentage of workers' compensation claims that are lost-time claims, per fiscal year.

As discussed above, claimants in TPD status can return to work as long as they operate within the restrictions provided by their physician. However, claimants in TTD status cannot be returned to work under any capacity. Therefore, agency RTW efforts can impact TPD claims and cost, and are more effective for benchmarking. Benchmark # 8, the percentage of workers' compensation claims that are lost-time claims, includes both TPD and TTD claims.

Data for Benchmarks 3 and 4 are provided by the state agencies and universities that are required to have RTW programs under Florida Statutes. Data for all other benchmarks are provided by the Division's RMIS.

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Return-to-Work Benchmarks

Fiscal Year 2013-2014

AGENCY/UNIVERSITY	BENCHMARK NUMBER																							
	1			6			2			7			3			4			5			8		
	Average TPD Claims Cost			Total TPD Claims			Total Alternate Duty Claim Assignments in FY 13/14	Total Alternate Duty Days of Work FY 13/14	Total TPD Claims Cost			% of WC Claims that are Lost-Time Claims												
FY 12/13	FY 13/14	% Change	FY 12/13	FY 13/14	% Change	FY 12/13			FY 13/14	% Change	FY 12/13	FY 13/14	% Change	FY 12/13	FY 13/14	% Change								
Florida State University	\$ 27,187	\$ 12,888	-52.60%	21	26	23.81%	0	0	\$ 570,935	\$ 335,088	-41.31%	15.49%	13.50%	-1.99%										
University of Florida	\$ 15,762	\$ 13,930	-11.62%	30	28	-6.67%	137	2,497	\$ 472,848	\$ 390,039	-17.51%	4.25%	4.58%	0.33%										
Florida Atlantic University	\$ 11,364	\$ 4,727	-58.41%	3	2	-33.33%	13	209	\$ 34,093	\$ 9,453	-72.27%	8.97%	7.02%	-1.96%										
University of Central Florida	\$ 7,806	\$ 4,507	-42.26%	16	24	50.00%	43	1,377	\$ 124,897	\$ 108,167	-13.40%	8.93%	12.40%	3.47%										
Florida International University	\$ 18,856	\$ 12,352	-34.49%	15	3	-80.00%	15	408	\$ 282,839	\$ 37,056	-86.90%	15.97%	5.83%	-10.13%										
University of South Florida	\$ 20,376	\$ 8,478	-58.39%	13	4	-69.23%	44	1,187	\$ 264,891	\$ 33,914	-87.20%	9.44%	4.71%	-4.73%										
Dept. of Agriculture and Consumer Services	\$ 0	\$ 7,330	100.00%	0	3	100.00%	43	974	\$ 0	\$ 21,991	100.00%	3.01%	2.97%	-0.04%										
Dept. of Education	\$ 32,640	\$ 2,157	-93.39%	2	2	0.00%	27	194	\$ 65,280	\$ 4,314	-93.39%	3.07%	6.02%	2.96%										
Dept. of Highway Safety and Motor Vehicles	\$ 0	\$ 25,571	100.00%	0	5	100.00%	52	1,099	\$ 0	\$ 127,853	100.00%	5.76%	5.03%	-0.73%										
Dept. of Financial Services	\$ 53,296	\$ 0	-100.00%	1	0	-100.00%	20	870	\$ 53,296	\$ 0	-100.00%	2.67%	6.73%	4.06%										
Dept. of Environmental Protection	\$ 3,653	\$ 11,478	214.19%	3	9	200.00%	5	83	\$ 10,960	\$ 103,304	842.85%	7.72%	8.21%	0.50%										
Dept. of Revenue	\$ 13,870	\$ 11,555	-16.69%	3	4	33.33%	44	2,660	\$ 41,609	\$ 46,220	11.08%	6.38%	8.28%	1.89%										
Dept. of Transportation	\$ 30,857	\$ 9,637	-68.77%	15	17	13.33%	23	395	\$ 462,853	\$ 163,836	-64.60%	13.13%	12.17%	-0.95%										
State Courts System	\$ 0	\$ 0	0.00%	0	0	0.00%	5	46	\$ 0	\$ 0	0.00%	0.00%	2.02%	2.02%										
Public Defenders	\$ 0	\$ 0	0.00%	0	0	0.00%	0	0	\$ 0	\$ 0	0.00%	0.00%	0.00%	0.00%										
State Attorneys	\$ 10,987	\$ 0	-100.00%	1	0	-100.00%	2	35	\$ 10,987	\$ 0	-100.00%	2.58%	5.93%	3.35%										
Agency for Persons with Disabilities	\$ 11,592	\$ 3,941	-66.01%	1	8	700.00%	104	2,487	\$ 11,592	\$ 31,525	171.96%	5.49%	6.25%	0.76%										
Dept. of Children and Families	\$ 16,637	\$ 12,600	-24.27%	25	29	16.00%	233	6,070	\$ 415,935	\$ 365,405	-12.15%	4.92%	5.22%	0.30%										
Dept. of Health	\$ 41,828	\$ 25,532	-38.96%	14	13	-7.14%	43	3,015	\$ 585,588	\$ 331,921	-43.32%	3.33%	2.75%	-0.58%										
Dept. of Juvenile Justice	\$ 9,019	\$ 10,459	15.97%	18	26	44.44%	82	2,191	\$ 162,336	\$ 271,923	67.51%	9.14%	8.95%	-0.19%										
Dept. of Corrections	\$ 21,249	\$ 18,839	-11.34%	17	33	94.12%	266	17,839	\$ 361,237	\$ 621,679	72.10%	6.11%	6.46%	0.35%										
<b>Totals</b>	\$ 19,859	\$ 12,727	-35.91%	198	236	19.19%	1,201	43,635	\$ 3,932,175	\$ 3,003,686	-23.61%	5.95%	6.04%	0.09%										

### *Return-to-Work Program – Fiscal Year Comparisons of Lost-time Claims and Cost*

The following section contains data for lost-time claims and costs, which includes both TPD and TTD claims. Although benchmarking in the previous section primarily includes TPD costs, analyzing data on all lost-time claims is beneficial for risk management programs.

The following two charts provide fiscal year comparisons of all lost-time claims (including TPD and TTD claims) in two key areas:

- Chart 1 provides a fiscal year comparison of total lost-time (TPD and TTD) claim counts.
- Chart 2 provides a fiscal year cost comparison that details indemnity costs; medical and legal costs; other costs; and total costs.

In Fiscal Year 2013-14, agencies required to have a RTW program had about the same number of lost-time claims as compared to Fiscal Year 2012-13. Of the 21 agencies presented in the chart above, 10 had a decrease in lost-time claims.

**Chart 1: Fiscal Year Comparison of Lost-Time (TPD and TTD) Claims For State Agencies and Universities Participating in the Return-to-Work Program Claim Counts for FY 2012-13 and 2013-14**

AGENCY/UNIVERSITY	Lost-Time Claim Count		
	FY 12/13	FY 13/14	DIFFERENCE
Florida State University	33	32	(1)
University of Florida	41	42	1
Florida Atlantic University	7	4	(3)
University of Central Florida	20	30	10
Florida International University	19	7	(12)
University of South Florida	27	13	(14)
Dept. of Agriculture and Consumer Services	13	12	(1)
Dept. of Education	5	10	5
Dept. of Highway Safety and Motor Vehicles	25	23	(2)
Dept. of Financial Services	2	7	5
Dept. of Environmental Protection	24	23	(1)
Dept. of Revenue	9	12	3
Dept. of Transportation	34	28	(6)
State Courts System	0	2	2
Public Defenders	0	0	0
State Attorneys	4	8	4
Agency for Persons with Disabilities	37	39	2
Dept. of Children and Families	62	66	4
Dept. of Health	33	28	(5)
Dept. of Juvenile Justice	34	46	12
Dept. of Corrections	191	189	(2)
<b>Totals</b>	<b>620</b>	<b>621</b>	<b>1</b>

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Chart 2: Fiscal Year Comparison - Indemnity, Medical/Legal, and Other Costs  
For State Agencies and Universities Participating in the Return-to-Work Program  
All Lost-Time Claims (TPD and TTD Claims)  
FY 2012-13 and FY 2013-14

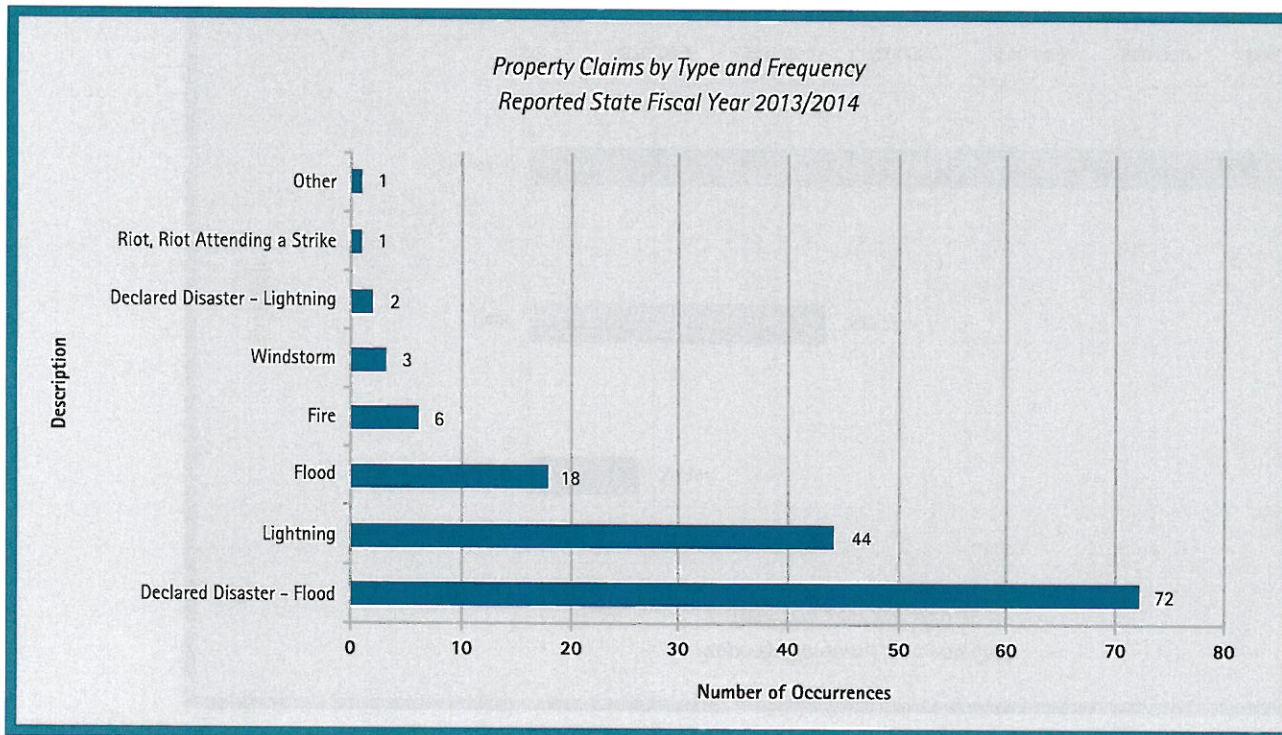
AGENCY/UNIVERSITY	INDEMNITY COSTS			MEDICAL AND LEGAL COSTS			OTHER COSTS & RECOVERIES <sup>(1)</sup>			TOTAL LOST-TIME CLAIMS COST		
	FY 12/13	FY 13/14	DIFFERENCE	FY 12/13	FY 13/14	DIFFERENCE	FY 12/13	FY 13/14	DIFFERENCE	FY 12/13	FY 13/14	DIFFERENCE
Florida State University	\$ 135,042	\$ 78,002	\$ (57,040)	\$ 690,843	\$ 398,908	\$ (291,935)	\$ (9,712)	\$ 823	\$ 10,535	\$ 816,173	\$ 477,733	\$ (338,439)
University of Florida	\$ 135,810	\$ 110,998	\$ (24,813)	\$ 523,444	\$ 555,543	\$ 32,099	\$ (1,983)	\$ (29,982)	\$ (27,999)	\$ 657,272	\$ 636,559	\$ (20,713)
Florida Atlantic University	\$ 28,004	\$ 17,552	\$ (10,451)	\$ 71,649	\$ 41,834	\$ (29,815)	\$ (14,326)	\$ (3,488)	\$ 10,837	\$ 85,327	\$ 55,897	\$ (29,429)
University of Central Florida	\$ 51,304	\$ 40,426	\$ (10,878)	\$ 148,677	\$ 177,455	\$ 28,777	\$ (14,479)	\$ (4,286)	\$ 10,193	\$ 185,503	\$ 213,595	\$ 28,092
Florida International University	\$ 50,347	\$ 29,709	\$ (20,638)	\$ 258,586	\$ 760,618	\$ 502,033	\$ (1,710)	\$ (10,022)	\$ (8,312)	\$ 307,223	\$ 780,306	\$ 473,083
University of South Florida	\$ 110,643	\$ 54,139	\$ (56,504)	\$ 337,905	\$ 131,855	\$ (206,050)	\$ (1,508)	\$ (17,220)	\$ (15,712)	\$ 447,040	\$ 168,774	\$ (278,266)
Dept. of Agriculture and Consumer Services	\$ 25,707	\$ 25,970	\$ 263	\$ 395,247	\$ 209,153	\$ (186,093)	\$ (14,752)	\$ (14,554)	\$ 198	\$ 406,201	\$ 220,568	\$ (185,633)
Dept. of Education	\$ 16,484	\$ 22,918	\$ 6,435	\$ 84,992	\$ 102,247	\$ 17,256	\$ (6,047)	\$ (7,335)	\$ (1,288)	\$ 95,429	\$ 117,831	\$ 22,402
Dept. of Highway Safety and Motor Vehicles	\$ 107,809	\$ 98,093	\$ (9,716)	\$ 670,929	\$ 385,149	\$ (285,781)	\$ (15,308)	\$ (53,820)	\$ (38,511)	\$ 763,430	\$ 429,422	\$ (334,008)
Dept. of Financial Services	\$ 6,202	\$ 10,383	\$ 4,181	\$ 51,715	\$ 69,112	\$ 17,398	\$ (2,423)	\$ (4,104)	\$ (1,681)	\$ 55,494	\$ 75,391	\$ 19,897
Dept. of Environmental Protection	\$ 42,243	\$ 36,144	\$ (6,100)	\$ 259,838	\$ 320,254	\$ 60,416	\$ (24,341)	\$ (18,719)	\$ 5,622	\$ 277,740	\$ 337,678	\$ 59,938
Dept. of Revenue	\$ 19,565	\$ 26,248	\$ 6,683	\$ 101,436	\$ 169,317	\$ 67,881	\$ 4,389	\$ 1,925	\$ (2,463)	\$ 125,389	\$ 197,490	\$ 72,101
Dept. of Transportation	\$ 193,835	\$ 89,844	\$ (103,991)	\$ 669,055	\$ 288,378	\$ (380,677)	\$ (38,958)	\$ (7,705)	\$ 31,253	\$ 823,933	\$ 370,517	\$ (453,416)
State Courts System	\$ 0	\$ 4,600	\$ 4,600	\$ 0	\$ 19,337	\$ 19,337	\$ 0	\$ (3,359)	\$ (3,359)	\$ 0	\$ 20,578	\$ 20,578
Public Defenders	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Attorneys	\$ 13,390	\$ 22,649	\$ 9,259	\$ 22,182	\$ 94,482	\$ 72,300	\$ (3,774)	\$ (12,541)	\$ (8,767)	\$ 31,798	\$ 104,590	\$ 72,792
Agency for Persons with Disabilities	\$ 65,408	\$ 92,008	\$ 26,600	\$ 348,989	\$ 432,529	\$ 83,540	\$ (39,705)	\$ (29,956)	\$ 9,749	\$ 374,692	\$ 494,580	\$ 119,888
Dept. of Children and Families	\$ 188,724	\$ 191,629	\$ 2,905	\$ 676,712	\$ 758,779	\$ 82,067	\$ (28,492)	\$ (53,210)	\$ (24,718)	\$ 836,943	\$ 897,198	\$ 60,254
Dept. of Health	\$ 109,294	\$ 136,057	\$ 26,763	\$ 795,196	\$ 588,627	\$ (206,569)	\$ (38,289)	\$ (33,255)	\$ 5,034	\$ 866,202	\$ 691,429	\$ (174,772)
Dept. of Juvenile Justice	\$ 74,443	\$ 159,231	\$ 84,787	\$ 488,611	\$ 453,527	\$ (35,085)	\$ (9,525)	\$ (21,036)	\$ (11,511)	\$ 553,530	\$ 591,721	\$ 38,192
Dept. of Corrections	\$ 805,256	\$ 856,575	\$ 51,319	\$ 4,039,286	\$ 3,560,757	\$ (478,528)	\$ (316,995)	\$ (305,875)	\$ 11,121	\$ 4,527,546	\$ 4,111,458	\$ (416,089)
<b>Totals</b>	<b>\$ 2,179,511</b>	<b>\$ 2,103,175</b>	<b>\$ (76,335)</b>	<b>\$ 10,635,291</b>	<b>\$ 9,517,861</b>	<b>\$ (1,117,430)</b>	<b>\$ (577,939)</b>	<b>\$ (627,720)</b>	<b>\$ (49,781)</b>	<b>\$ 12,236,863</b>	<b>\$ 10,993,316</b>	<b>\$ (1,243,547)</b>

Note<sup>(1)</sup>: "Other Costs & Recoveries" columns include all other claims related costs, such as travel reimbursements to claimants for medical appointments, as well as recoveries such as claim overpayment reimbursements and receipts for subrogation.



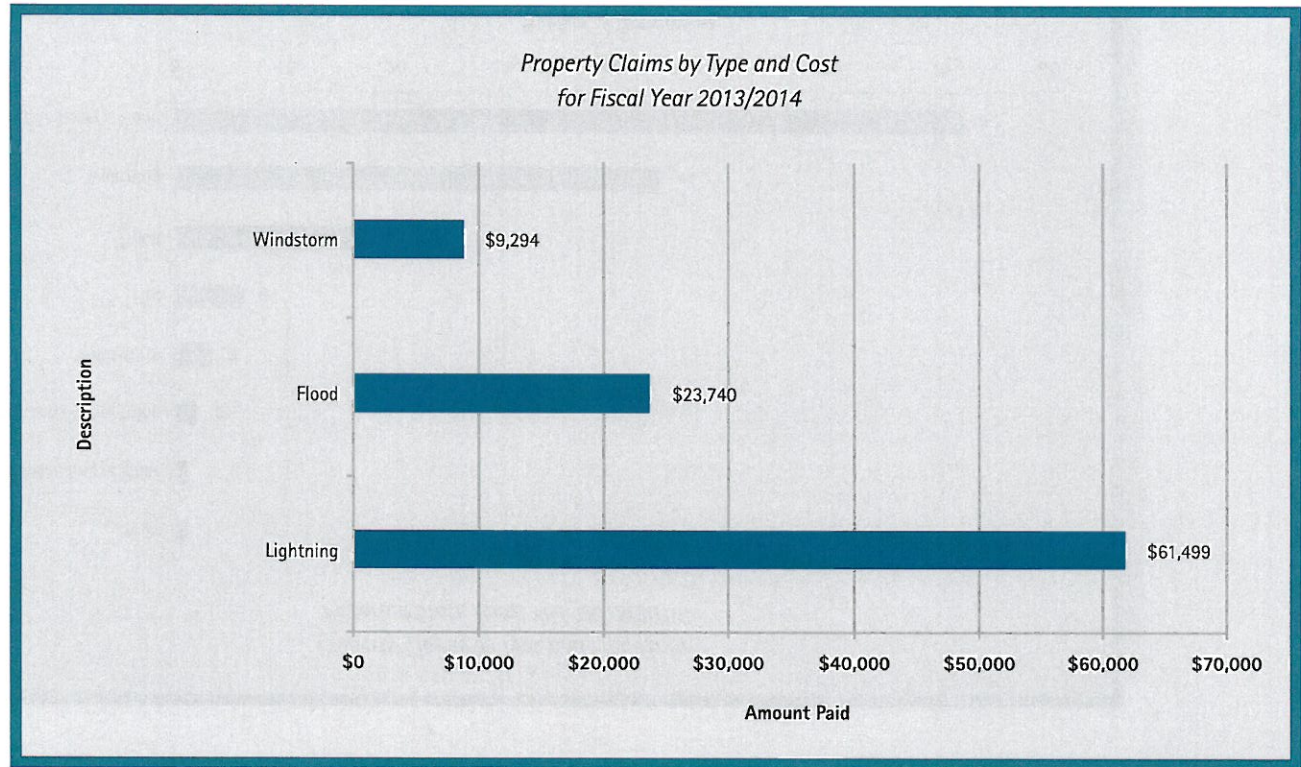
## PROPERTY CLAIMS BY TYPE AND FREQUENCY

Property losses are caused by a variety of perils, such as wind, lightning, flood, and fire. Flooding due to a declared disaster is the most frequent cause of state-owned property damage, followed by lightning.



**PROPERTY CLAIMS BY TYPE AND COST**

Property claims are tracked by the type of peril that caused the damage. Lightning claims are the most costly perils for which claims have been paid, followed by flood claims (no declared disaster).



## **INSPECTIONS OF STATE BUILDINGS, ACTIONS TAKEN TO DECREASE FIRE HAZARDS AND RECOMMENDATIONS**

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The following report regarding inspections of state-owned buildings and insurable properties is provided pursuant to Section 284.06, Florida Statutes, for the Fiscal Year 2013-2014.

### *Inspections performed during FY 2013-2014*

The State Fire Marshal's Office inspected 16,443 state-owned buildings during the fiscal year.

### *Actions Taken to Decrease the Fire Hazard of State Properties*

Pursuant to Section 633.085(1), Florida Statutes, the State Fire Marshal's Office, within seven days of each inspection, is required to submit a report of such inspection to the head of state government responsible for the building. The department head responsible for the inspected building is also responsible for ensuring that any deficiencies noted in the inspection are corrected as soon as practicable. If necessary, each department shall include in its annual budget request sufficient funds to correct any fire safety deficiencies noted by the State Fire Marshal.

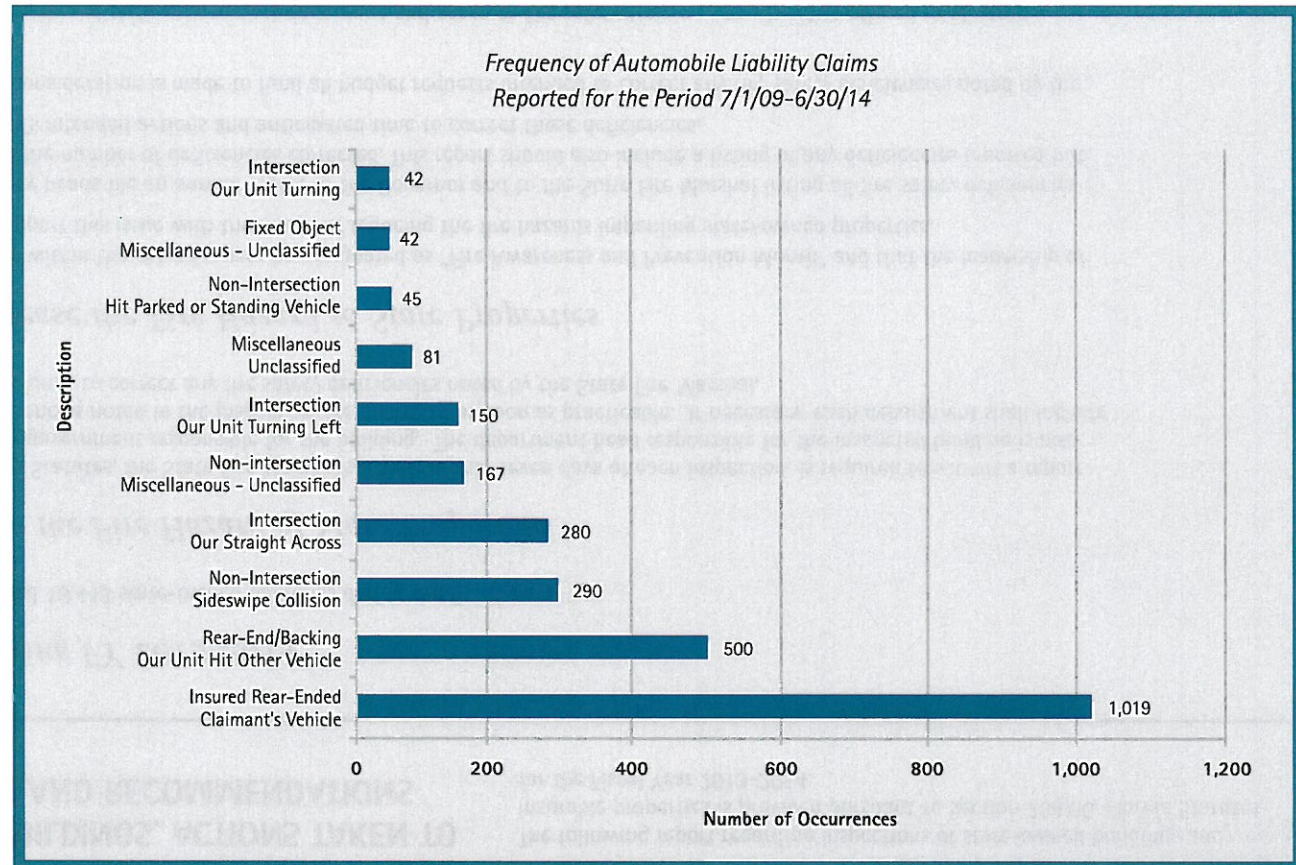
### *Recommendations to Decrease the Fire Hazard to State Properties*

- We recommend that a month within the calendar year be designated as "Fire Awareness and Prevention Month" and that the leadership of state government actively support this issue with the intent of reducing the fire hazards imperiling state-owned properties.
- We recommend that all agency heads file an annual report to the Governor and to the State Fire Marshal listing all fire safety deficiencies reported to their agency, and the number of deficiencies corrected. This report should also include a listing of any deficiencies reported but not corrected, and the agency's intended actions and anticipated time to correct those deficiencies.
- We recommend that special consideration is made to fund all budget requests intended to correct any fire safety deficiencies noted by the State Fire Marshal.
- We recommend that the leadership of state government encourage and promote fire safety training opportunities offered to all state employees and give special consideration to fund all budget requests regarding the expansion of those training efforts.

Detailed information regarding the individual building inspections and recommendations may be obtained from the Office of the State Fire Marshal, Department of Financial Services.

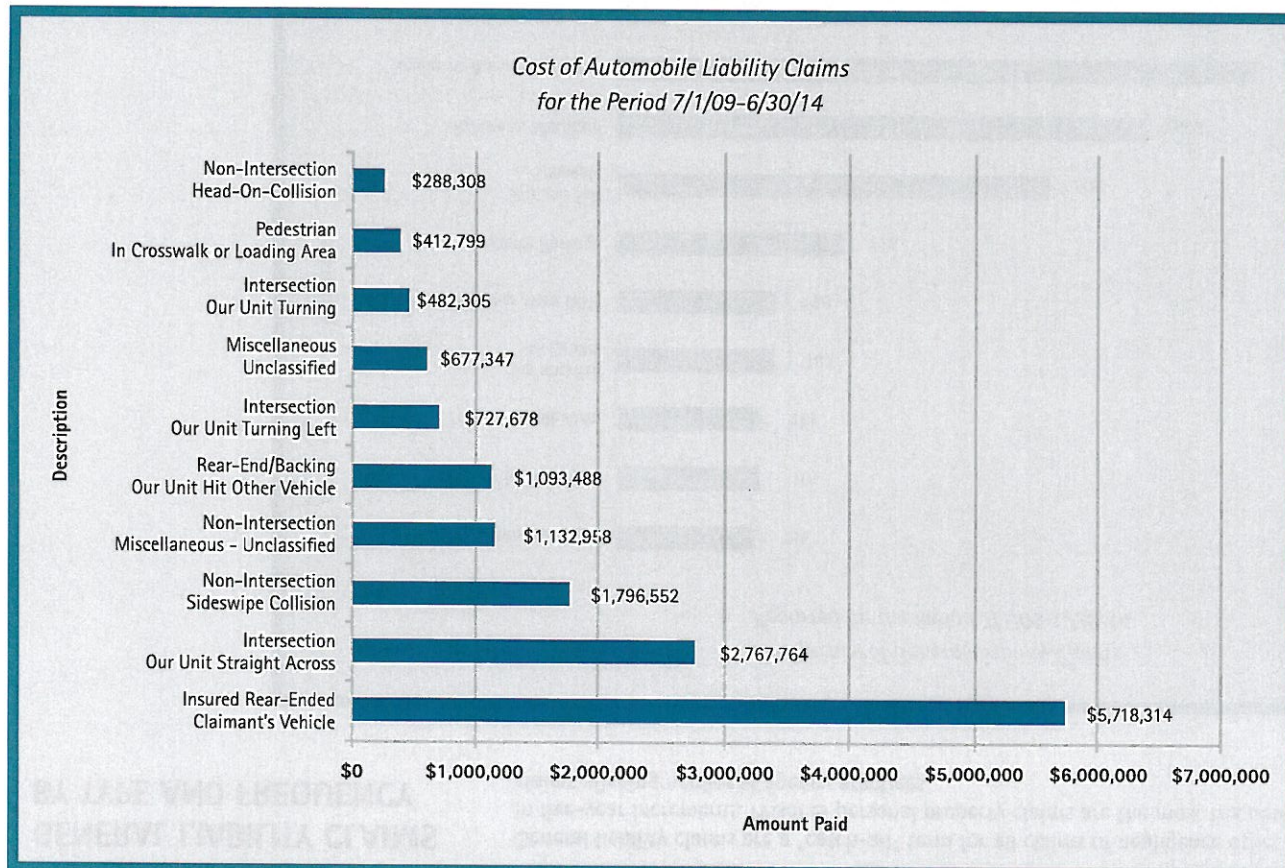
**AUTOMOBILE LIABILITY CLAIMS  
BY TYPE AND FREQUENCY**

The state tracks automobile accidents in five-year increments by the type of accident that has occurred. For example, "intersection – our unit turning left" refers to claims in which the state was negligent when its driver made a left turn at an intersection. The most frequent type of accident and resulting claim was from state drivers hitting another vehicle from behind, followed by backing into another vehicle.



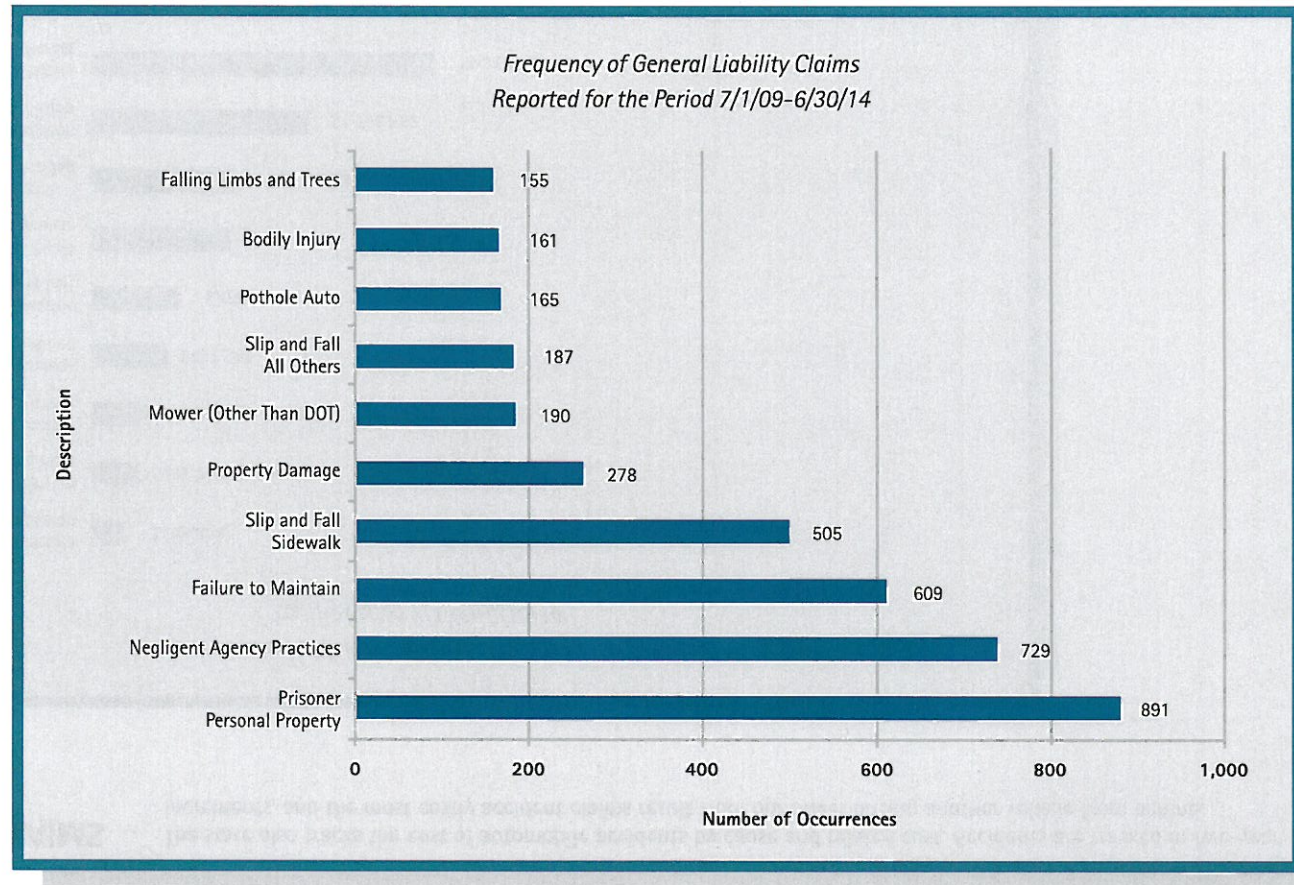
## AUTOMOBILE LIABILITY CLAIMS BY TYPE AND COST

The state also tracks the cost of automobile accidents by cause and related cost. Accidents are tracked in five-year increments, and the most costly accident claims result from our driver hitting another vehicle from behind.



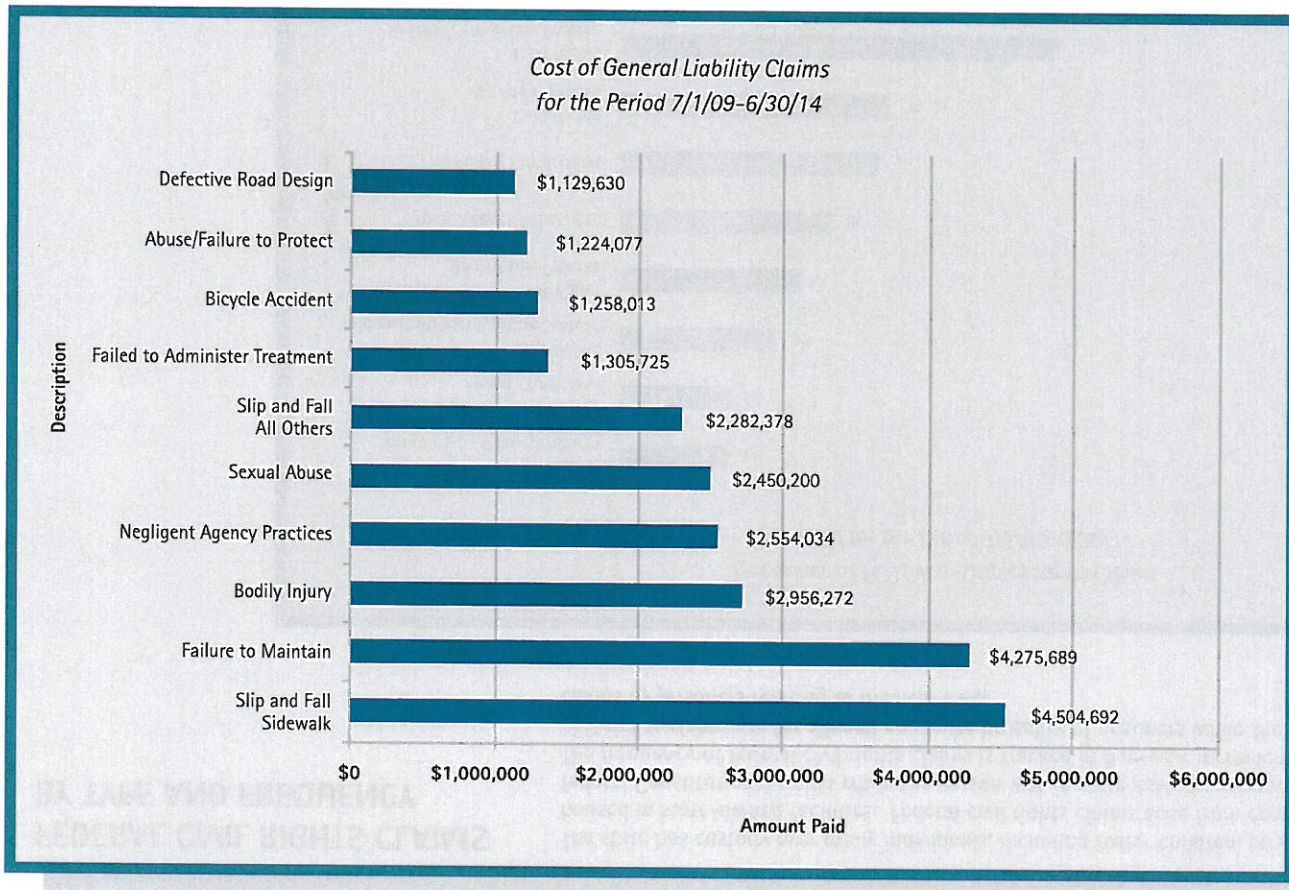
## GENERAL LIABILITY CLAIMS BY TYPE AND FREQUENCY

General liability claims are a “catch-all” term for all claims of negligence other than automobile liability, and are tracked in five-year increments. Prisoner personal property claims are the most frequent general liability claims, followed by claims alleging negligent agency practices.



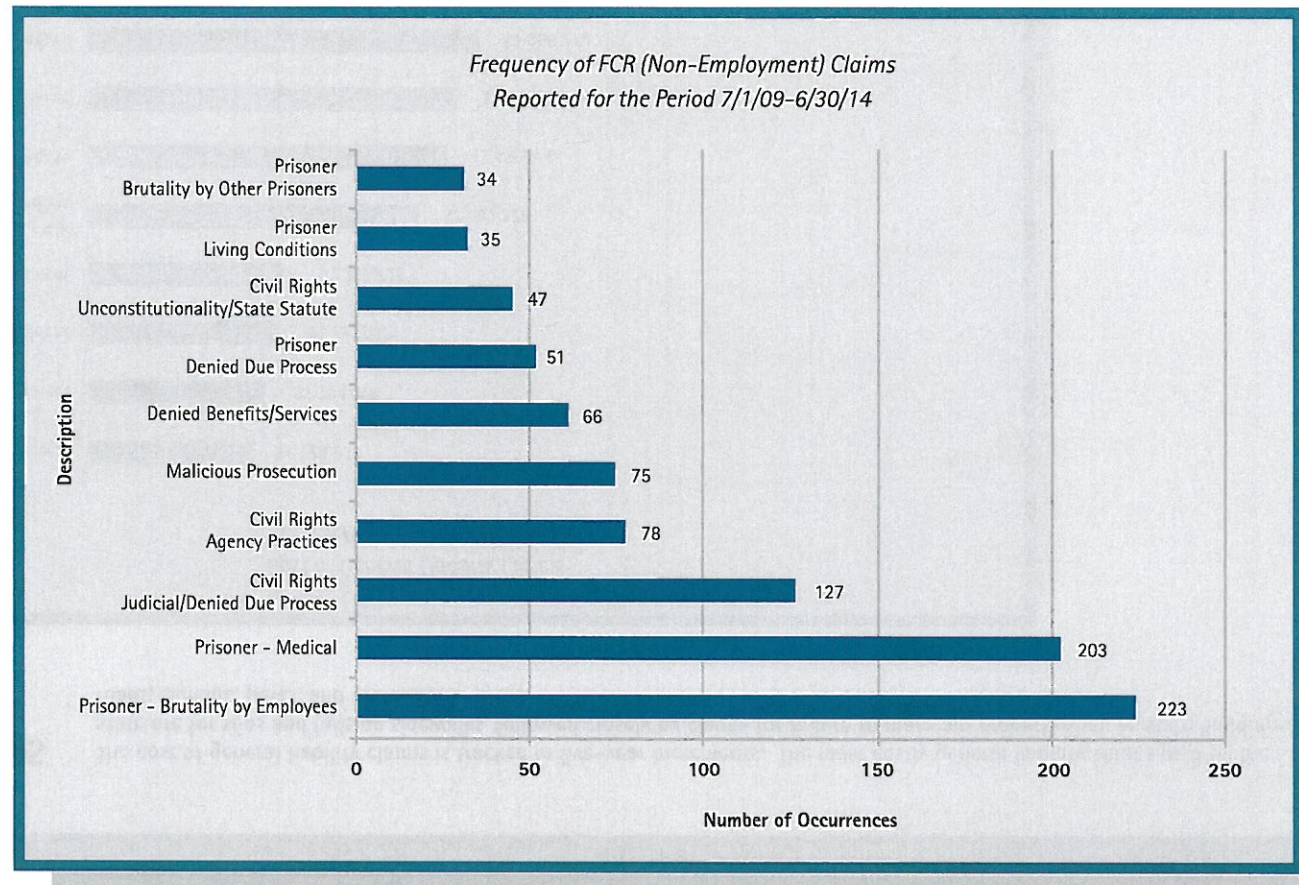
## GENERAL LIABILITY CLAIMS BY TYPE AND COST

The cost of general liability claims is tracked in five-year increments. The most costly general liability claims paid by the state are for slips and falls on sidewalks, followed closely by claims for failure to maintain property such as state buildings, roads, signage, parks, and recreational areas.



**FEDERAL CIVIL RIGHTS CLAIMS  
BY TYPE AND FREQUENCY**

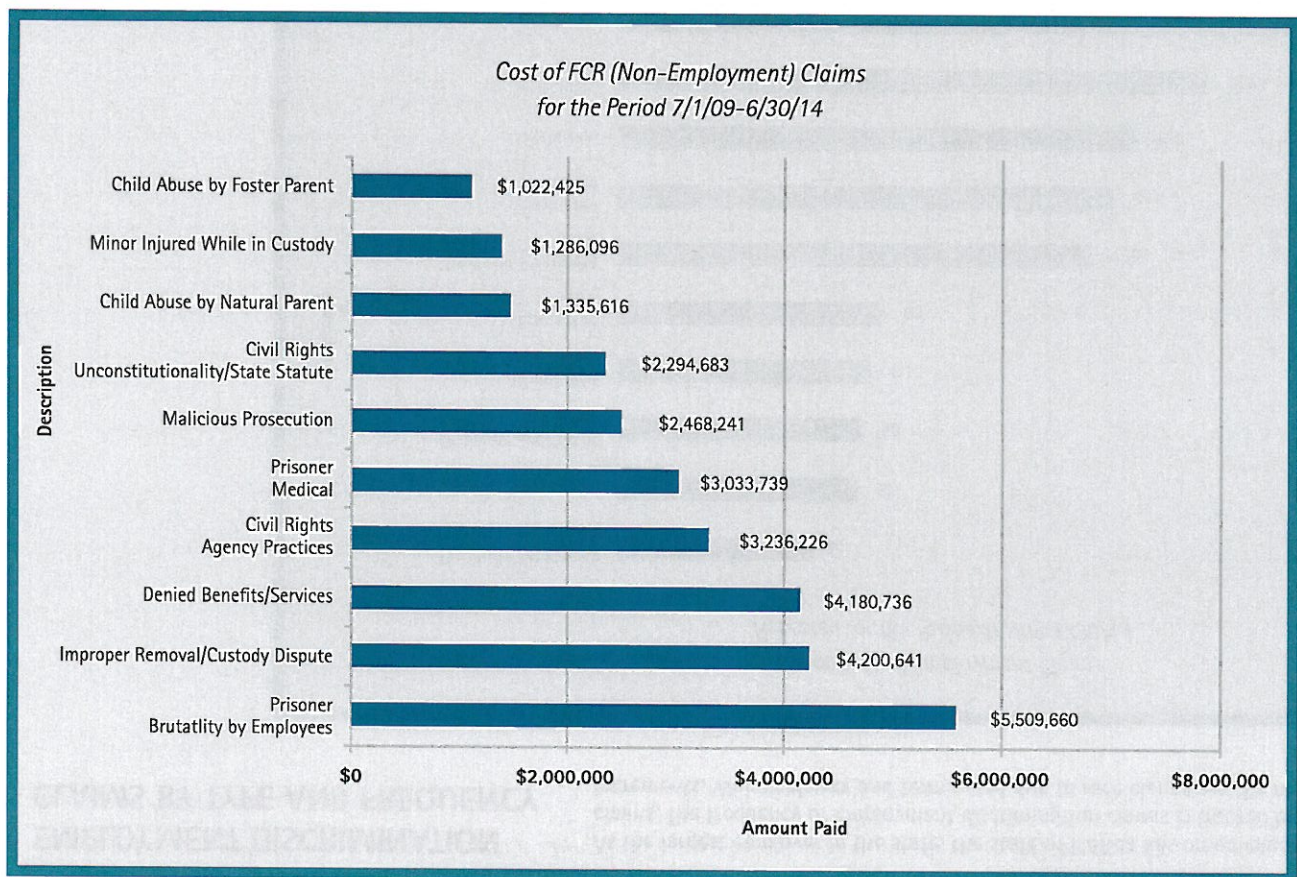
The state has custody over many individuals, including foster children, prisoners, juveniles and the elderly and infirm housed in state-owned facilities. Federal civil rights claims arise from complaints that the state violated a person's federal Constitutional rights while the person was in state custody or control, or interacting with state employees. The frequency of federal civil rights claims is tracked in five-year increments. The most frequent combined federal civil rights claims are for alleged employee brutality of prisoners while the prisoner is in state custody, followed by claims by prisoners relating to medical care.





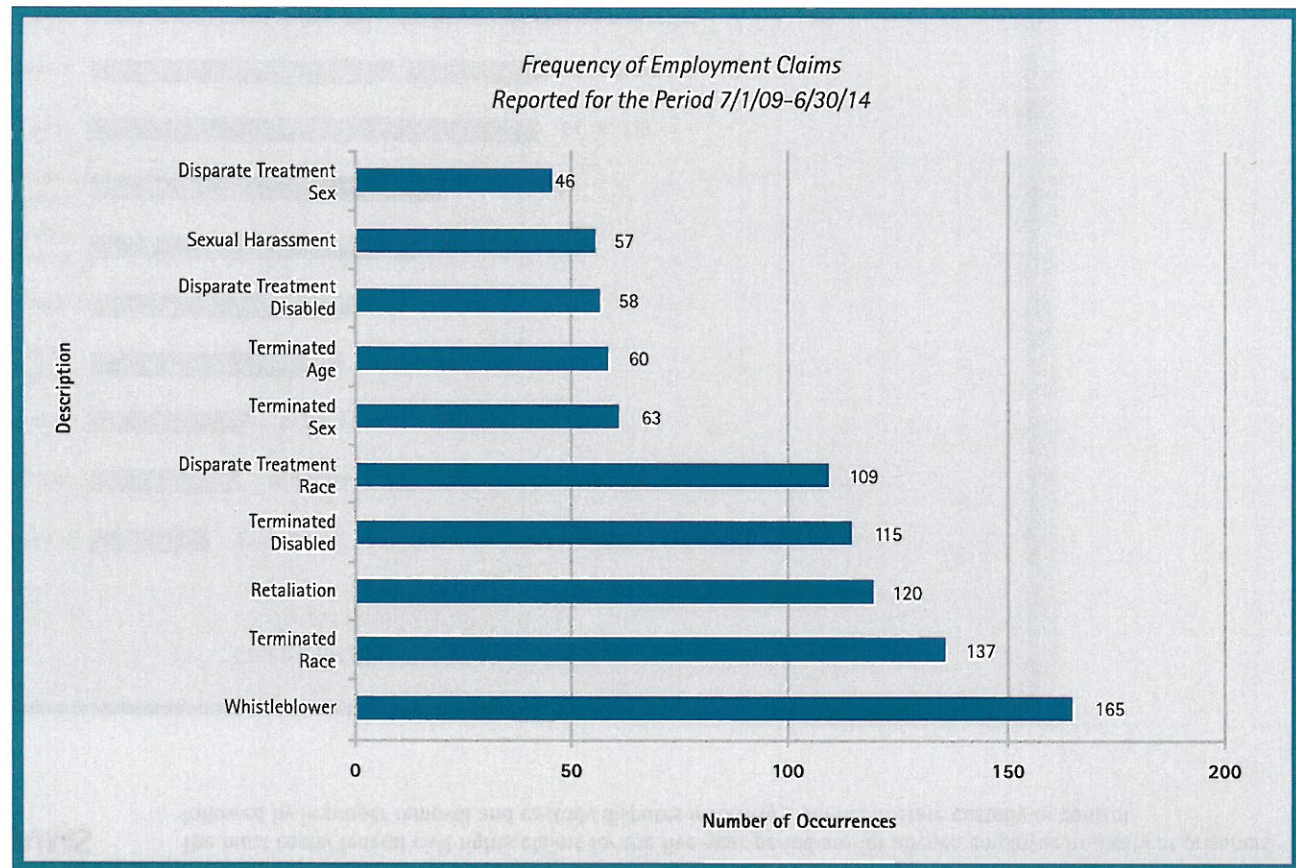
## FEDERAL CIVIL RIGHTS CLAIMS BY TYPE AND COST

The most costly federal civil rights claims for the five-year period are for alleged employee brutality of prisoners, followed by improper removal and custody disputes involving a person in state custody or control.



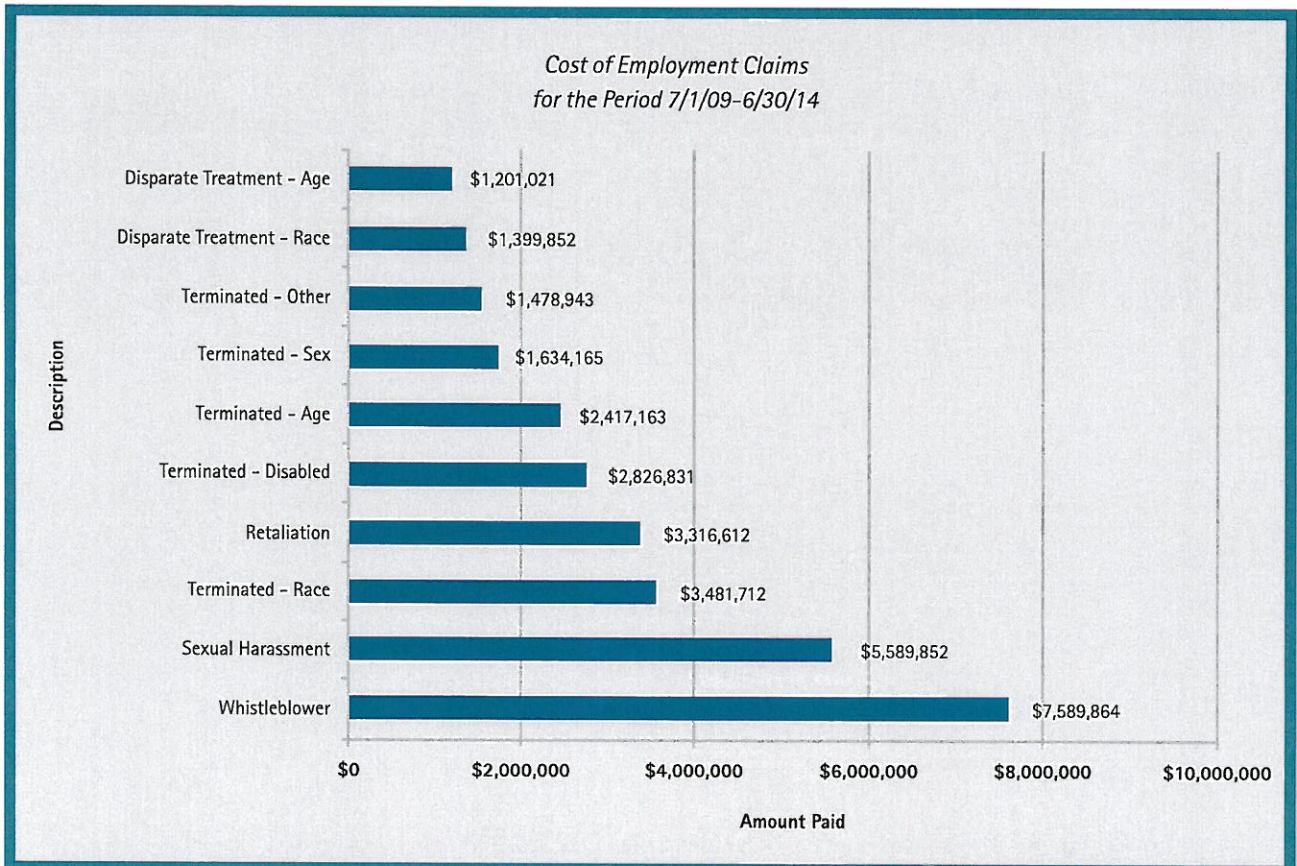
### EMPLOYMENT DISCRIMINATION CLAIMS BY TYPE AND FREQUENCY

As the largest employer in the state, the state of Florida has broad exposure to employment discrimination claims. The frequency of employment discrimination claims is tracked by the type of claim and in five-year increments. Whistleblower and terminated due to race claims are the most frequently occurring.



## EMPLOYMENT DISCRIMINATION CLAIMS BY TYPE AND COST

The cost of employment discrimination claims is also tracked by the type of claim and in five-year increments. The most costly employment discrimination claims are for whistleblower claims, followed by sexual harassment claims.





# Department of Financial Services

## Division of Risk Management

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