

**STATE OF FLORIDA**  
**LOSS PREVENTION PROGRAM**



**INTERAGENCY ADVISORY COUNCIL**

**ANNUAL REPORT**

**2007**

# DEPARTMENT OF FINANCIAL SERVICES

## DIVISION OF RISK MANAGEMENT

### NOTICE OF FILING

**Reporting Agency:** Interagency Advisory Council on Loss Prevention  
Division of Risk Management  
Department of Financial Services

**Recipient Agency:** Office of the Governor

**Subject:** Interagency Advisory Council on Loss Prevention  
Annual Report, 2007

**Report Due Date:** January 15, 2008

**Statutory Requirement:** Section 284.50 (3) F.S.

**Purpose:**

This twenty-eighth Annual Report provides information concerning activities and accomplishments of the State of Florida Loss Prevention and Employee Recognition programs during Fiscal Year (FY) 2006/2007. The purpose of each of these programs is to promote increased safety awareness in state government and to assist in the reduction of employment related losses and costs.

Overall Effect of Claim Reduction Efforts:

In the past six fiscal years, FY 00/01 to FY 05/06 that are completed for review with 6 months of claims development\*, the number of workers' compensation claims with some amount paid has been reduced by 1927 claims or about an 18% (10,753 in FY 00/01 to 8,826 in FY 05/06). The rate of claims per 100 FTEs\*\* has declined from 5.03 to 4.48 or about 11%.

\* A claims development period is necessary due to the time lag between when a claim occurs and when Risk Management has an actuarial sound basis for comparison with other claim years. For workers' compensation claims Risk Management has a 97% accuracy rate in the final number of claims and the associated claims cost by 6 months after the end of the policy period. Risk Management has used this 6 month time period (also called a claims development period) for workers' compensation claim comparison for the past seven years.

\*\* Workers' compensation claims per 100 FTEs is an industry standard used by both private and public entities.

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- I. The Interagency Advisory Council shall meet at least quarterly to discuss safety problems within state government, to attempt to find solutions for these problems, and, when possible, to assist in the implementation of the solutions.

Four (4) quarterly Council meetings were scheduled and conducted:

August 2, 2006:

Thirty-one (31) attendees from twenty-two (22) agencies and one (1) university attended the August meeting. STARS claims administration system training sessions were announced for August 8, 2006 and September 20-21, 2006. Shanaz Sharifpour from the Department of Transportation gave an interesting presentation on the risks of Pandemic Flu.

November 1, 2006:

Fifty-eight (58) attendees from twenty-four (24) agencies and five (5) universities attended the November meeting. The November meeting is when the Annual Safety Awareness Awards are presented. The "Safety Program of the Year" was presented to the Department of Environmental Protection for their excellent loss prevention programs. Additional winners were: Florida Department of Agriculture and Consumer Services for "Best Safety Awareness Event"; Department of Environmental Protection for the "Best Safety Awareness Campaign"; Department of Environmental Protection for "Best Safety Training Program"; and Department of Agriculture and Consumer Services for the "Most Creative" Safety function.

February 7, 2007:

Twenty-six (26) attendees from sixteen (16) agencies and two (2) universities attended the February meeting. Each agency and university was given a packet of information regarding the claims at their locations. The information included the leading causes of losses for their locations during the past two years.

May 2, 2007:

Thirty-four (34) attendees from twenty-four (24) agencies and one (1) university attended the May meeting. For the past year the leading cause of loss for workers' compensation claims has been the "Struck By" classification. Each agency and university was given a report that included all their "Struck By" claims for this period. The Safety Coordinators were reminded of the importance of reviewing past claims in order to plan for the avoidance of future occurrences of the same type.

Tammie Kuhn of the Department of Health (DOH) made a presentation on their new safety learning system called "Trak-It". "Trak-It" is an internet based training system that features a large assortment of safety training topics that can be accessed by the Department's employees at their convenience. Each month a seven minute safety training program with a test is created and made available through "Trak-It" to ensure all DOH's employees have the opportunity to be made aware and kept up to date on safety in the agency. "Trak-It" is also a mandatory component of the new employee orientation program at DOH.

The Council has a mission statement and has established subcommittees and liaisons with the Department of Financial Services, Division of Risk Management.

## 2. Suggested Loss Prevention/ Loss Control Improvements

The following are suggestions that may help the State reduce and control losses:

### A. Risk Mitigation/Reduction Program

The Interagency Council recommends that the Division of Risk Management enter into a strategic partnership with the Interagency Council and other agencies to develop and implement a Risk Mitigation/Reduction Program for all State of Florida agencies/entities. The first year of this program should be devoted to the development of a Strategic Plan that will prioritize the most cost effective ways to reduce the frequency and severity of workers' compensations claims within the State of Florida workforce. With the realization that each agency's risk exposures are different, the Strategic Plan should begin with an analysis of existing claims information for each agency to identify the four agencies/universities with the highest claim frequency and claim costs, with those agencies being the first to be evaluated and to have risk reduction measures applied under the program. After the first (pilot) agencies have been addressed, the remaining agencies will be evaluated and have risk reduction measures applied under the program in descending order of claim frequency and severity, at a rate of four agencies/universities per fiscal year. After two years of claim development, Risk Management and the strategic partners will evaluate the effectiveness of the Risk Mitigation/Reduction Program at the pilot agencies, implement new or revised risk reduction measures (including an expansion of Safety Coordinator resources) based on the evaluation, and document the program's effectiveness and resulting savings. The new or revised risk reduction measures will be integrated into the remaining agencies' Risk Mitigation/Risk Reduction Programs if applicable to their risk exposures. The remaining agencies will also be evaluated after two years of claim development in the same manner as the pilot agencies, and the program's effectiveness and resulting savings will be continually monitored.

B. Safety Coordinator/ Worker's Compensation Position

The Interagency Council recommends that a full time position of Safety Coordinator/ Workers' Compensation Coordinator be provided for each 1,000 FTEs within each agency. For agencies with less than 1,000 FTEs, we recommend that a full time Safety Coordinator/ Workers' Compensation Coordinator be established. For agencies with 2,000 or more FTE's, the duties of Safety Coordinator and Workers' Compensation Coordinator should be segregated between positions so that one position is responsible for only one type of activity. Safety Coordinators and Workers' Compensation Coordinators are essential in containing and reducing workers' compensation claims and cost.

C. Creation of Loss Control Standards for the State

In 2000, the Governor enacted Executive Order Number 2000-292. This Order governs the safety standards for agencies of the State of Florida. This Order directs the agencies to voluntarily comply with OSHA Standards, 29 CFR Part 1910, as revised July 1, 1993. OSHA Standards are federal regulations that set minimum safety standards for the workplace (i.e. every machine that has the ability to cut must have protective barriers to prevent human injury). OSHA Standards are not procedural in nature and do not address loss control, loss reduction, or risk management policies, such as having a standardized return to work policy. At the present time, each agency is responsible for developing, implementing, and monitoring its own loss control standards and policies.

The IAC recommends that Executive Order Number 2000-292 be revised to refer to the most current OSHA Standard in use and not the static 1993 standard.