

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



**INTERAGENCY ADVISORY COUNCIL**

**ANNUAL REPORT**

**2006**

# 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, 2006

**Report Due Date:** January 15, 2007

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

#### **Purpose:**

This twenty-seventh Annual Report provides information concerning activities and accomplishments of the State of Florida Loss Prevention and Employee Recognition programs during Fiscal Year (FY) 2005/2006. 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 99/00 to FY 04/05 that are completed for review with 6 months of claims development\*, the number of workers' compensation claims with some amount paid have decreased by 2,434 claims or 22% (10,849 in FY 99/00 to 8,415 in FY 04/05). The rate of claims per 100 FTEs\*\* has declined from 5.03 to 4.56 or about a 9% decrease.

\* 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 3, 2005:

Twenty-six (26) attendees from nineteen (19) agencies attended the August meeting. A STARS training session was announced for August 16, 2005. The guest speaker was Deputy Cathy Gardner from the Leon County Sheriff's office. Her topic was identity theft, the fastest growth crime since 1990, and how to prevent it. She also gave out three free sources to check your credit report.

November 2, 2005:

Sixty-three (63) attendees from twenty-four (24) agencies 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 Juvenile Justice for a 30% reduction in Workers' Compensation claims over a 5 year period. Additional winners were: University of Central Florida and the Florida Division of State Fire Marshall for "Best Safety Awareness Event"; Department of Education for the "Best Safety Awareness Campaign"; University of Florida for "Best Safety Training Program"; and Department of Agriculture and Consumer Services for the "Most Creative" Safety function.

February 1, 2006:

Thirty-three (33) attendees from twenty-one (21) agencies attended the February meeting. Kenneth Cox, Safety and Health Manager, from the Department of Transportation, Gainesville, Florida office was the guest speaker. His presentation was on laboratory safety and prevention of unnecessary accidents with hazardous chemicals.

May 3, 2006:

Thirty-four (34) attendees from twenty-five (25) agencies attended the May meeting. Rick Hart, Loss Prevention Administrator at Department of Financial Services, Division of Risk Management, gave a presentation of several examples of STARS reports that could be very beneficial to the Safety Coordinators and their Alternates. There were two additional guest speakers at this meeting: Mark Fuller, Deputy Chief of Operations

at the Department of Community Affairs, Division of Emergency Management and Emergency Operations Center, and Dan Jones, Management Review Specialist at the Department of Financial Services, Division of Risk Management Property Claims Section.

Mark Fuller gave an in-depth presentation on "Hurricane Preparedness" covering not only work emergency planning but personal preparedness planning. Dan Jones provided details on the property claim reporting procedures when there is damage to state property. He also announced a training session for property coordinators on May 24, 2006.

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 Counsel recommends that the Division of Risk Management 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. After the first year, Risk Management should update the Risk Mitigation/Reduction Program, implement risk reduction measures (including an expansion of Safety Coordinator resources), and document the program's effectiveness and resulting savings.

The Division of Risk Management has documented that safety and risk reduction measures are fiscally cost effective and result in a healthier and more productive workforce. Using public funds to reduce accidents is good public policy. This fact has been noted by OPPAGA in their report number 04-49 titled: The State's Risk Management Program Could Be Authorized to Do More to Protect Florida's Assets, July 2004. It is the intent of this suggestion that funds for this program be derived from savings realized by improved Risk Reduction efforts.

### 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.