

# Department of Financial Services

## Division of Risk Management

### FISCAL YEAR 2013 ANNUAL REPORT



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



IN GOD WE TRUST



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 2012-13.

The Division continues its efforts in gaining efficiencies in its operations, while providing better tools and training to all of the agencies we self-insure. Loss prevention program improvements this year include major improvements in the loss prevention training program for State agencies and universities. For example, we have eliminated seminar attendance costs by implementing web based training, while improving the training available by expanding the number of safety and loss prevention web based training courses available. This approach eliminated an estimated \$50,000 to \$75,000 in yearly travel cost of state employees, as well as their travel time required to attend a Tallahassee seminar.

Additionally, we collaborated with other state agencies to develop a comprehensive data base for state owned real estate and to increase the data on state buildings. This project provides decision makers better data on which to base decisions regarding the use of state property, and provides reinsurers better data to use in offering coverage to the State Property Program.

Our efforts in assisting state agencies to reduce claims costs resulted in lower workers' compensation costs. Workers' compensation costs for indemnity benefits paid in FY 2012-13 were \$1.2 million less than the amount paid in the prior fiscal year. Similarly, the cost of medical claims by workers' compensation claimants decreased by \$1.873 million over the prior fiscal year. In addition to assisting state agencies to reduce claims costs, we have also made internal improvements in claims administration during this last fiscal year. We have increased monitoring of workers' compensation "medical benefits only" claims for review of treatment and payments for medical care, to ensure they are related to the workplace injury and are appropriate to the type of injury. We also reengineered business processes to more efficiently and timely provide workers' compensation claim data electronically to the Division of Workers' Compensation. This improvement reduced a backlog of claims requiring reports from about 4,000 claims to just a few claims. This was done within existing resources, and with process improvements in place, we expect this level of compliance to be maintained going forward.

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 stylized, handwritten signature in black ink that reads "Jeff Atwater".

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 of open claims and the cost growth on those claims. The report allows 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 claims 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, most of 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 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.







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 recognizes programs and individuals that make a significant contribution to their agency safety and loss prevention program. This event significantly promotes loss prevention awareness by attracting agency senior officials, including agency heads and senior executives.

### *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 2012-13 fiscal year, we paid \$109.4 million in medical and indemnity benefits in workers' compensation claims, a reduction of \$3.1 million from the 2011-12 fiscal year.

**Employment Discrimination and Federal Civil Rights** — Our Division also administers employment discrimination and civil rights claims. As an insurer of more than 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 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 programs 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, the average number of reviews conducted annually increased from 1.5 to 12. As a result of these improvements, the Loss Prevention Section is on schedule to complete all agency reviews within the required timetable. Each agency that has undergone a review has accepted and implemented the recommendations provided by the Division.

## *Online Safety & Loss Prevention Academy*

The Division is revamping 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 Pages 18-23 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 2013, the IAC redirected its awards program to recognize individuals and programs that have made significant impacts in the areas of occupational health and safety, loss prevention, and risk management. Additionally, council members have taken a more active role in the quarterly IAC meetings by volunteering to lead panel discussions and presenting training courses to fellow members.





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

The Division's efforts to improve claims administration during the last fiscal year included increased 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. We also reengineered business processes to more efficiently and timely provide workers' compensation claim data electronically to the Division of Workers' Compensation. This reduced a backlog of claims requiring reports from approximately 4,000 claims to a few claims, without additional resources being required and with process improvements in place to continue timely reporting for future claims.

The Bureau's Compliance Unit improved accuracy on electronic regulatory filings from 69.1% to 84.9% during the last year. This unit also received the CFO Teamwork Award of Distinction as a result of removing an extensive backlog of filings. During the calendar year, the Bureau strengthened fraud detection by increasing fraud awareness through additional training, identifying "red flags" warranting fraud referrals, and conducting a workshop with outside counsel, the Division of Insurance Fraud, and the Bureau's Special Investigation Unit to augment fraud detection.

Cost-containment strategies were applied to some of the most difficult, long-lasting "legacy cases" to reduce transportation expenses and ensure that the workers' compensation system is not used to pay for chronic conditions that arise from the aging process rather than the work-related accident as legacy claimants age. In addition, the unit handling complex heart conditions has implemented new procedures to reduce the automatic reliance on outside counsel and avoid paying for medical conditions unrelated to work.

### *Contract Administration Improvements*

The Division continues to make significant process improvements in contract administration. Last fiscal year the Division completed a reorganization that re-established a contract monitoring section responsible for monitoring the Division's contracts and performing other contract management and procurement activities. During the 2012-13 fiscal year, the Contract Monitoring Section assigned the contract management functions for its medical services and its RMIS contracts to subject matter experts in order to ensure more thorough oversight of contractor service provisions. The Contract Monitoring Section also acquired three new positions, including one registered nursing consultant and two government analyst positions, to assist with contract monitoring activities. New contract monitoring policies and procedures, as well as updated monitoring tools, were developed to increase efficiency and accuracy.

### *State Property Data Collection Improvements*

During the 2012-13 fiscal year, the State Property Claims Unit completed an extensive data collection project to acquire additional and more accurate data on insured state buildings and contents. This project involved approximately 21,155 insured locations. The ability to utilize complete and accurate data on buildings and contents enables the Division to manage this risk and helps assure that buildings and contents are adequately insured and fairly rated for insurance premium purposes.

The State Property Claims Unit also collaborated with other state agencies to develop a comprehensive database for state-

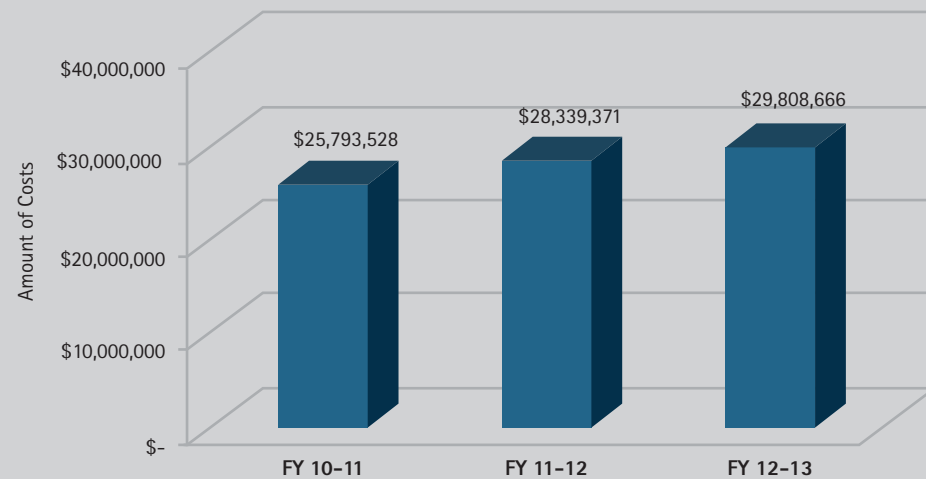
owned real estate and to increase the data on state buildings. This project provides decision makers with better information on which to base decisions regarding the use of state property, and provides reinsurers better data to use in offering coverage to the State Property Program.

Furthermore, the unit was advised by its excess insurance property broker that more accurate and complete data might increase interest in the State Property Program from the excess insurance companies that write its excess insurance coverage, and could also result in premium cost savings. In February 2013, when excess insurance was placed, 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. Regardless of whether this project contributed to these savings, the Division and the insured state agencies will benefit in the management of this program as a result of more accurate and complete data.

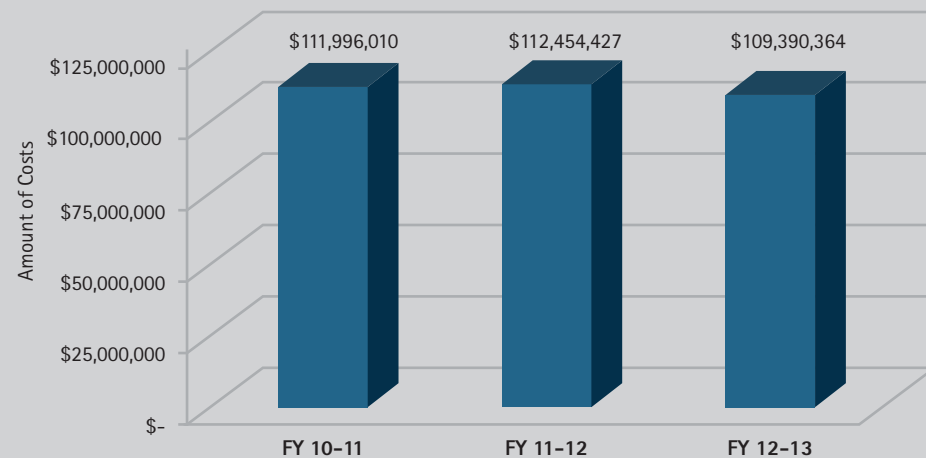
### *Program Claims Costs Analysis:*

The Division continues to work closely with the state agencies to control claims costs. Overall, state liability claims costs were \$1.5 million higher in FY 2012-2013 compared to FY 2011-2012, which was due to a \$2.1 million increase in general and automotive liability claims. The cost of Federal Civil Rights claims for FY 2012-13 decreased by \$600,000 from the prior fiscal year. Overall workers' compensation claims costs decreased in FY 2012-13 by \$3.1 million, totaling \$109.4 million compared to \$112.5 million in FY 2011-12. Workers' compensation medical costs decreased in FY 2012-13 by \$1.9 million and indemnity costs decreased by \$1.2 million for the fiscal year.

Florida Liability Claims Cost Comparison  
FY 2010-2011 through FY 2012-13




Florida Workers' Compensation Cost Comparison  
FY 2010-2011 through FY 2012-13





## 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 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. The Division will also partner with the Interagency Advisory Council on Loss Prevention to review and update the State Loss Prevention Standards that were established in 2010. 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. The Division will continue to develop its digital training library and online training presentations, and make them readily available to agency and university loss prevention staff.

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 as it enters the second year of operations since its reorganization. In June 2012, the Bureau was reorganized into units specializing in specific claims to improve operations and assist in cost containment. The Bureau has seen improvements in claims administration efficiencies and customer service to the state agencies since the reorganization. The addition of five new positions approved by the 2013 Legislature provides additional resources for the Bureau to improve claim handling.

In an effort to simplify the monitoring of workers' compensation claims, the Division is proposing 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. The Division is working with the Legislature on the proposal, which is intended to improve the reimbursement process for the Division and state agencies.

The Division has partially implemented a long-term plan to streamline its workers' compensation medical case management contracts and to "unbundle" those services to achieve greater efficiencies and controls. 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 will be exclusively “unbundled” and handled by three different contractors.

The Division will initiate a competitive procurement process during the 2013-14 fiscal year to procure a new insurance management system (IMS) to replace its existing RMIS. The new IMS will 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's current IMS is over ten years old and no longer meets the needs of the Division. 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 for the new IMS is summer of 2015.



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## GENERAL FUNDING INFORMATION

A Legislative Revenue Estimating Conference establishes the program's funding needs for each fiscal year. During fiscal year 2012-13, 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, 2013, participating agencies would have an estimated \$1.15 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, 2013, actuarial analysis:

Workers' Compensation:	\$ 1,058.1 million
Federal Civil Rights:	\$ 59.1 million
General Liability:	\$ 24.9 million
Automobile Liability:	\$ 5.3 million
Property:	\$ .3 million
	<hr/>
	\$ 1.15 billion

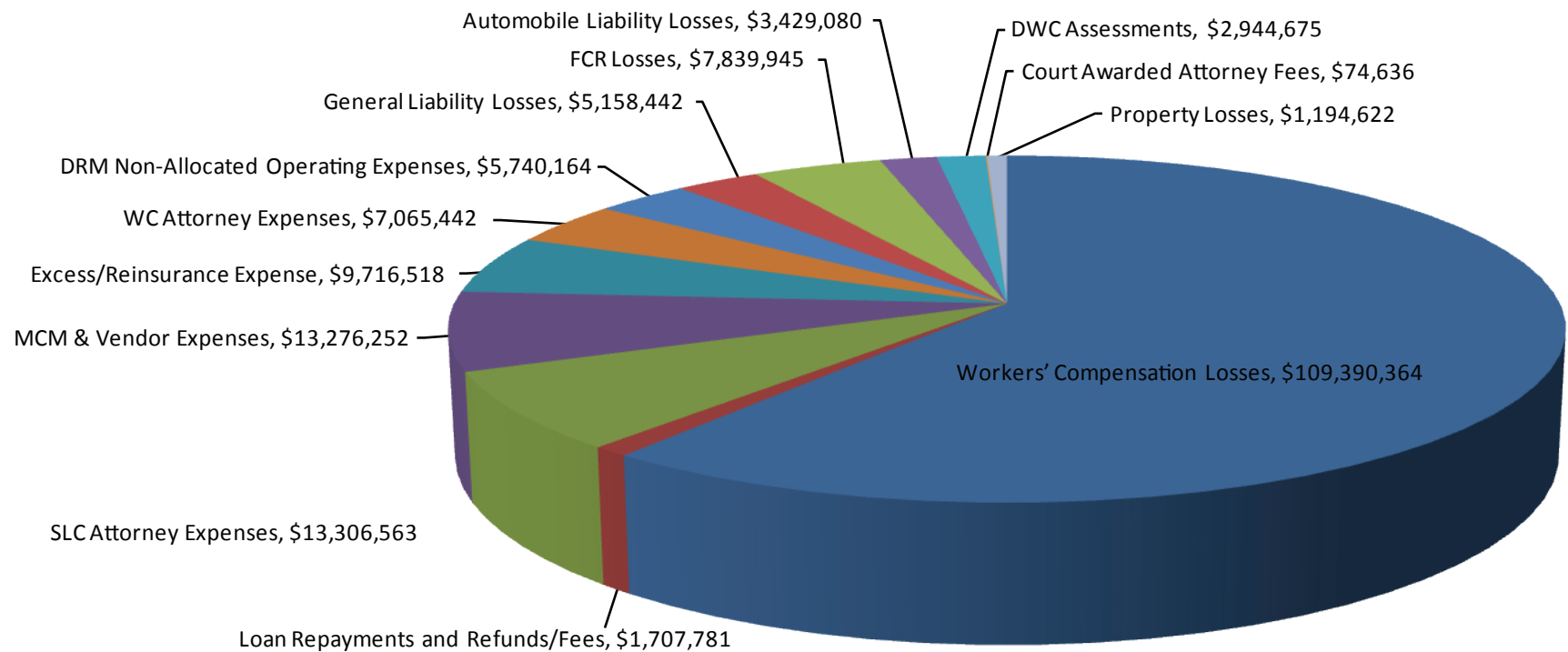
## RISK MANAGEMENT PROGRAM FUNDING

PROGRAM	NUMBER OF COVERED EMPLOYEES OR PROPERTY	NUMBER OF CLAIMS REPORTED FY 12-13	FUNDING
Workers' Compensation	203,125	12,261	\$147,895,842
State Property	21,155 Property Locations	140	\$12,195,647
Auto Liability <sup>(1)</sup>	25,032 (state-titled motor vehicles)	549	\$4,437,821
General Liability	210,836	1,226	\$8,834,778
Court-Awarded Attorney's Fees	N/A	65	Included in General Liability Funding
Federal Civil Rights/Employment	201,739	446	\$14,420,291

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



**FY 2012-13 DRM TOTAL EXPENDITURES OF \$180,844,484 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	Provide medical case management for duration of contract.	OptaComp

*Note: In October 2013, the Division executed a new contract with USIS, Inc., doing business as AmeriSys, for medical case management services. OptaComp's contract with the State expires on December 31, 2013. AmeriSys will begin providing services on January 1, 2014, for workers' compensation claims with a date of accident reported on or after January 1, 2014. AmeriSys will also administer all claims currently being served by CorVel and OptaComp.*

### *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 their 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, Risk Management 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. Risk Management 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 because of a 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.

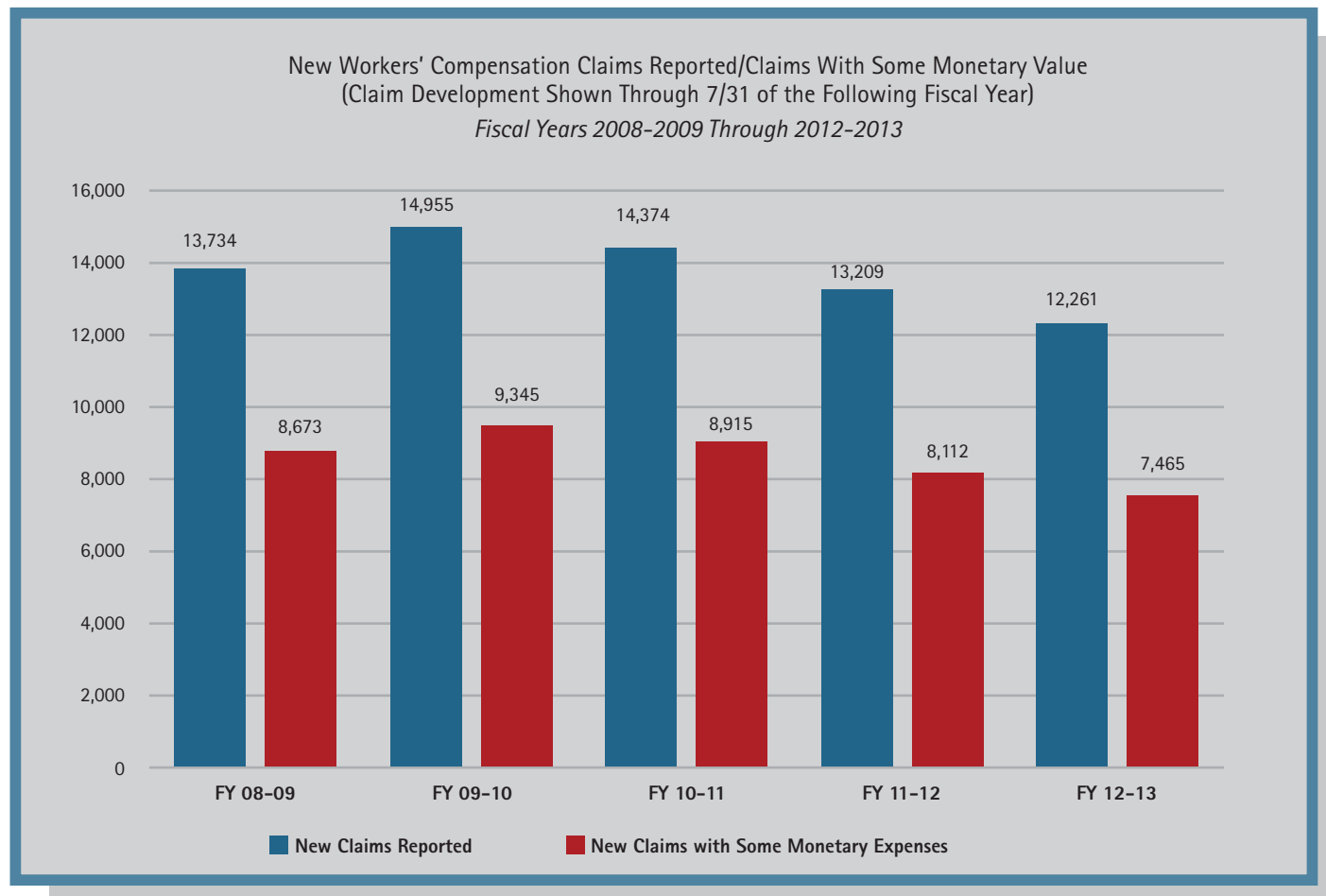
### *Court-Awarded Attorney Fees*

This program provides court-awarded attorney 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. Risk Management has the right to participate in the defense of any suit or appeal with respect to the payment of attorney fees.



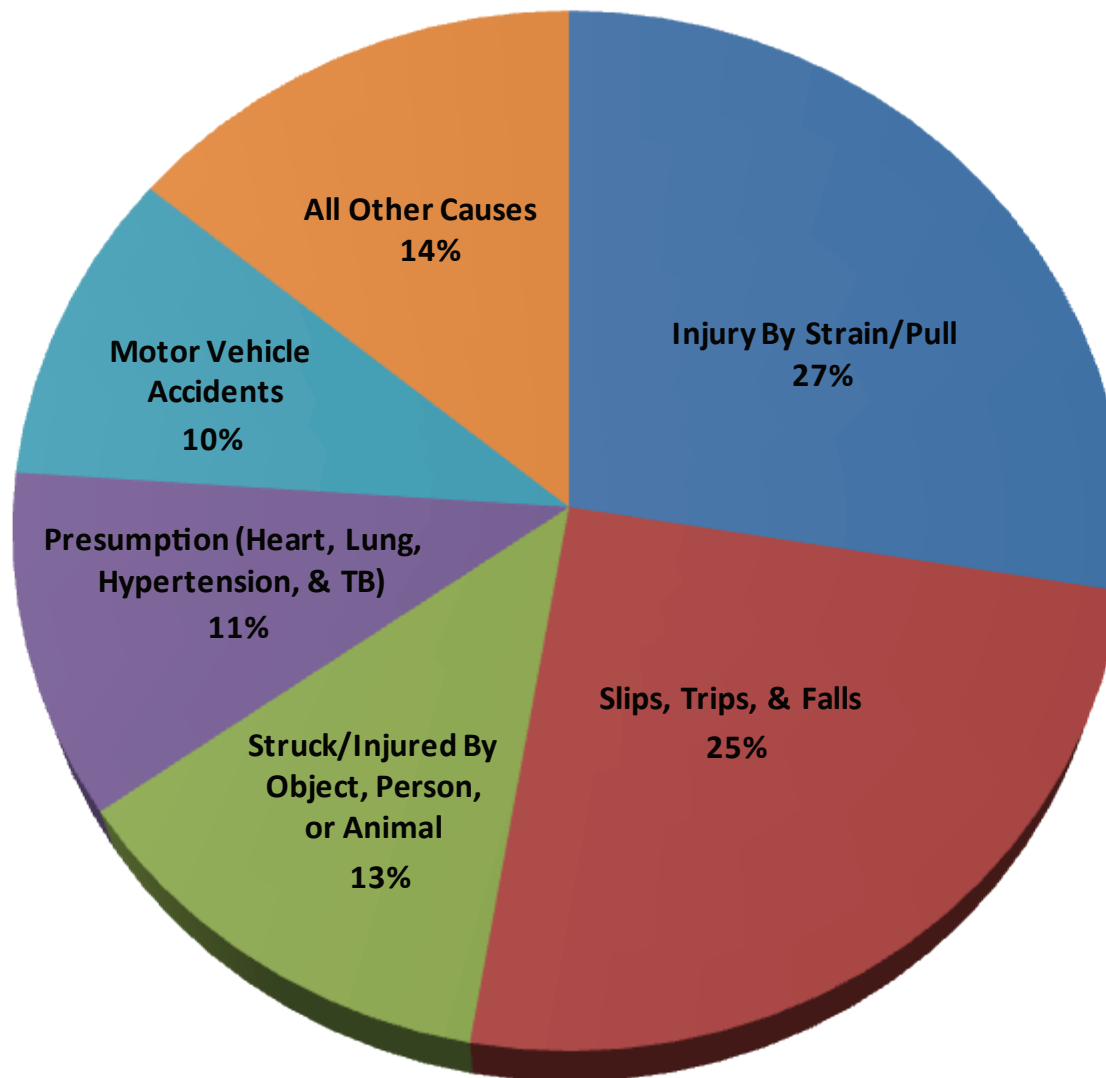
## WORKERS' COMPENSATION CLAIMS AND EXPENSES

The Risk Management program averaged 13,707 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 12,261 claims that occurred in FY 2012-2013. Of those, 7,465 had some monetary expense associated with them (benefits paid or reserves established in anticipation of payment). This is the third year in a row the program has seen a decrease in overall workers' compensation claims and claims having some monetary expenses. For the 2012-13 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. There were no death benefits paid for job-related deaths during fiscal year 2012-13.



## 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 2012-2013.





## RETURN-TO-WORK PROGRAM

### *Summary of Results*

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

- Total cost of lost-time claims decreased by \$3.3 million compared to the previous fiscal year
- Lost-time claims decreased by 161 claims compared to the previous fiscal year
- Percentage of workers' compensation claims that are lost-time claims decreased from 6.76% in FY 2011-12 to 5.95% in FY 2012-13
- Temporary Partial Disability claims decreased by 14% compared to the previous fiscal year
- Temporary Partial Disability claims costs decreased by 6% compared to the previous fiscal year
- 34,526 days that injured State employees were at work (in some type of return-to-work program) rather than at home collecting benefits

### *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 which provided all agencies with a model written RTW policy which could be adapted for their 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 they 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 2009, the Division contracted with OptaComp to serve as the medical case manager for workers' compensation coverage provided by the Division to injured employees of state agencies and universities. In many cases this documentation is not provided by OptaComp in a timely manner due to the treating physician not completing the DWC-25 form timely. This delay in receiving the DWC-25 form limits the ability of the state agency employer to return the employee to work.

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 claims; and specific agency measurable outcomes indicating the change in performance from year to year."

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

Agency/University	WC Covered FTEs
Florida State University	8,924
University of Florida	21,093
Florida Atlantic University	5,101
University of Central University	6,703
Florida International University	5,319
University of South Florida	11,144
Department of Agriculture and Consumer Services	3,894
Department of Education	3,244
Department of Highway Safety and Motor Vehicles	4,541
Department of Financial Services *	2,550
Department of Environmental Protection	4,860
Department of Revenue	5,143
Department of Transportation	6,935
State Court System	4,175
Public Defenders	3,128
States Attorneys	5,989
Agency for Persons with Disabilities	3,890
Department of Children and Families	13,523
Department of Health	19,791
Department of Juvenile Justice	3,617
Department of Corrections	28,372

*\*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 22-23 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, F.S., 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 Court 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, so 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.

## Division of Risk Management Annual Report 2013

### 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 30th 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 30th 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 30th following each fiscal year)
6	The percentage change as compared to the preceding fiscal year of the average TPD claim cost per year, with claims costs valued as of September 30th 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.

Benchmark #s 1, 2, 6, and 7 have been revised from the 2012 Annual Report to include only TPD claims. 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. Benchmark # 9 from the 2012 Annual Report has been eliminated in this year's report. There is not a direct relationship between alternate duty claim assignments and the total number of workers' compensation claims, since only TPD claims can be accommodated. Therefore, this benchmark was eliminated in this year's report.

Data for Benchmarks 3 and 4 are provided by the state agencies and universities which are required to have a RTW program under Florida Statutes. Data for all other benchmarks are provided by the Division's Risk Management Information System.

## Return-to-Work Benchmarks

### Fiscal Year 2012-2013

Fiscal Year 2012-2013

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 12/13	Total Alternate Duty Days of Work FY 12/13	Total TPD Claims Cost			% of WC Claims that are Lost-Time Claims		
FY 11/12	FY 12/13	% Change	FY 11/12 <sup>(1)</sup>	FY 12/13	% Change	FY 11/12 <sup>(2)</sup>			FY 12/13	% Change	FY 11/12 <sup>(1)</sup>	FY 12/13	% Change	
Florida State University	\$ 18,132	\$ 27,187	50%	17	21	24%	29	405	\$ 308,236	\$ 570,935	85%	10.04%	15.49%	5.45%
University of Florida	\$ 23,887	\$ 15,762	-34%	32	30	-6%	174	2,871	\$ 764,398	\$ 472,848	-38%	4.36%	4.25%	-0.11%
Florida Atlantic University	\$ 8,754	\$ 11,364	30%	2	3	50%	26	703	\$ 17,508	\$ 34,093	95%	5.56%	8.97%	3.42%
University of Central Florida	\$ 11,088	\$ 7,806	-30%	7	16	129%	95	2,058	\$ 77,615	\$ 124,897	61%	5.86%	8.93%	3.07%
Florida International University	\$ 10,772	\$ 18,856	75%	12	15	25%	18	489	\$ 129,267	\$ 282,839	119%	14.55%	15.97%	1.42%
University of South Florida	\$ 10,773	\$ 20,376	89%	10	13	30%	53	899	\$ 107,734	\$ 264,891	146%	5.04%	9.44%	4.40%
Dept. of Agriculture and Consumer Services	\$ 7,038	\$ 0	-100%	1	0	-100%	72	1,981	\$ 7,038	\$ 0	-100%	4.57%	3.01%	-1.56%
Dept. of Education	\$ 18,699	\$ 32,640	75%	5	2	-60%	15	224	\$ 93,494	\$ 65,280	-30%	6.94%	3.07%	-3.87%
Dept. of Highway Safety and Motor Vehicles	\$ 15,894	\$ 0	-100%	5	0	-100%	89	1,509	\$ 79,472	\$ 0	-100%	7.52%	5.76%	-1.76%
Dept. of Financial Services	\$ 0	\$ 53,296	5329%	0	1	100%	3	38	\$ 0	\$ 53,296	5329%	1.90%	2.67%	0.76%
Dept. of Environmental Protection	\$ 25,068	\$ 3,653	-85%	2	3	50%	6	36	\$ 50,136	\$ 10,960	-78%	3.37%	7.72%	4.35%
Dept. of Revenue	\$ 33,221	\$ 13,870	-58%	1	3	200%	46	1,865	\$ 33,221	\$ 41,609	25%	7.25%	6.38%	-0.86%
Dept. of Transportation	\$ 8,460	\$ 30,857	265%	11	15	36%	35	808	\$ 93,057	\$ 462,853	397%	11.46%	13.13%	1.66%
State Courts System	\$ 0	\$ 0	0%	0	0	0%	4	60	\$ 0	\$ 0	0%	2.97%	0.00%	-2.97%
Public Defenders	\$ 21,381	\$ 0	-100%	4	0	-100%	0	0	\$ 85,523	\$ 0	-100%	7.04%	0.00%	-7.04%
State Attorneys	\$ 70,335	\$ 10,987	-84%	4	1	-75%	15	421	\$ 281,340	\$ 10,987	-96%	7.03%	2.58%	-4.45%
Agency for Persons with Disabilities	\$ 18,646	\$ 11,592	-38%	21	1	-95%	113	1,705	\$ 391,564	\$ 11,592	-97%	6.56%	5.49%	-1.07%
Dept. of Children and Families	\$ 27,363	\$ 16,637	-39%	15	25	67%	217	3,982	\$ 410,443	\$ 415,935	1%	5.36%	4.92%	-0.44%
Dept. of Health	\$ 13,116	\$ 41,828	219%	14	14	0%	28	620	\$ 183,627	\$ 585,588	219%	4.04%	3.33%	-0.71%
Dept. of Juvenile Justice	\$ 12,665	\$ 9,019	-29%	39	18	-54%	144	3,583	\$ 493,945	\$ 162,336	-67%	11.02%	9.14%	-1.88%
Dept. of Corrections	\$ 19,247	\$ 21,249	10%	29	17	-41%	452	10,269	\$ 558,175	\$ 361,237	-35%	8.43%	6.11%	-2.32%
Totals	\$ 18,034	\$ 19,859	10%	231	198	-14%	1,634	34,526	\$ 4,165,794	\$ 3,932,175	-6%	6.76%	5.95%	-0.81%

Note <sup>(1)</sup> The Total TPD Claims for FY 11/12 and the Percentage of WC Claims that are Lost-Time Claims for FY 11/12 have been re-stated from last year's Annual Report.

Note <sup>(2)</sup> Total TPD Claims Cost for FY 2011/12 has been re-stated from last year's Annual Report. The 2012 Annual Report primarily included indemnity costs for this benchmark, but the 2013 Annual Report includes all WC costs associated with the TPD Claims, including indemnity, medical and legal, and other costs, as well as any recoveries on overpayments, subrogation, etc.

### 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 which details indemnity costs, medical and legal costs, other costs, and total costs.

In fiscal year 2012-13, agencies required to have a RTW program had 161 fewer lost-time claims compared to fiscal year 2011-12. Of the 21 agencies presented in the chart above, 14 had a decrease in lost-time claims.

AGENCY/UNIVERSITY	Lost-Time Claim Count		
	FY 11/12 <sup>(1)</sup>	FY 12/13	DIFFERENCE
Florida State University	24	33	9
University of Florida	45	41	(4)
Florida Atlantic University	3	7	4
University of Central Florida	13	20	7
Florida International University	16	19	3
University of South Florida	17	27	10
Dept. of Agriculture and Consumer Services	19	13	(6)
Dept. of Education	12	5	(7)
Dept. of Highway Safety and Motor Vehicles	34	25	(9)
Dept. of Financial Services	2	2	0
Dept. of Environmental Protection	13	24	11
Dept. of Revenue	10	9	(1)
Dept. of Transportation	36	34	(2)
State Courts System	3	0	(3)
Public Defenders	5	0	(5)
State Attorneys	13	4	(9)
Agency for Persons with Disabilities	45	37	(8)
Dept. of Children and Families	71	62	(9)
Dept. of Health	48	33	(15)
Dept. of Juvenile Justice	54	34	(20)
Dept. of Corrections	298	191	(107)
<b>Totals</b>	<b>781</b>	<b>620</b>	<b>(161)</b>

Note (1): The FY 11/12 lost-time claim count presented in this report differs from the previous year's annual report because this report includes 12 months of data. The 2012 Annual Report only included 9 months of lost-time claims (October 2011 through June 2012).



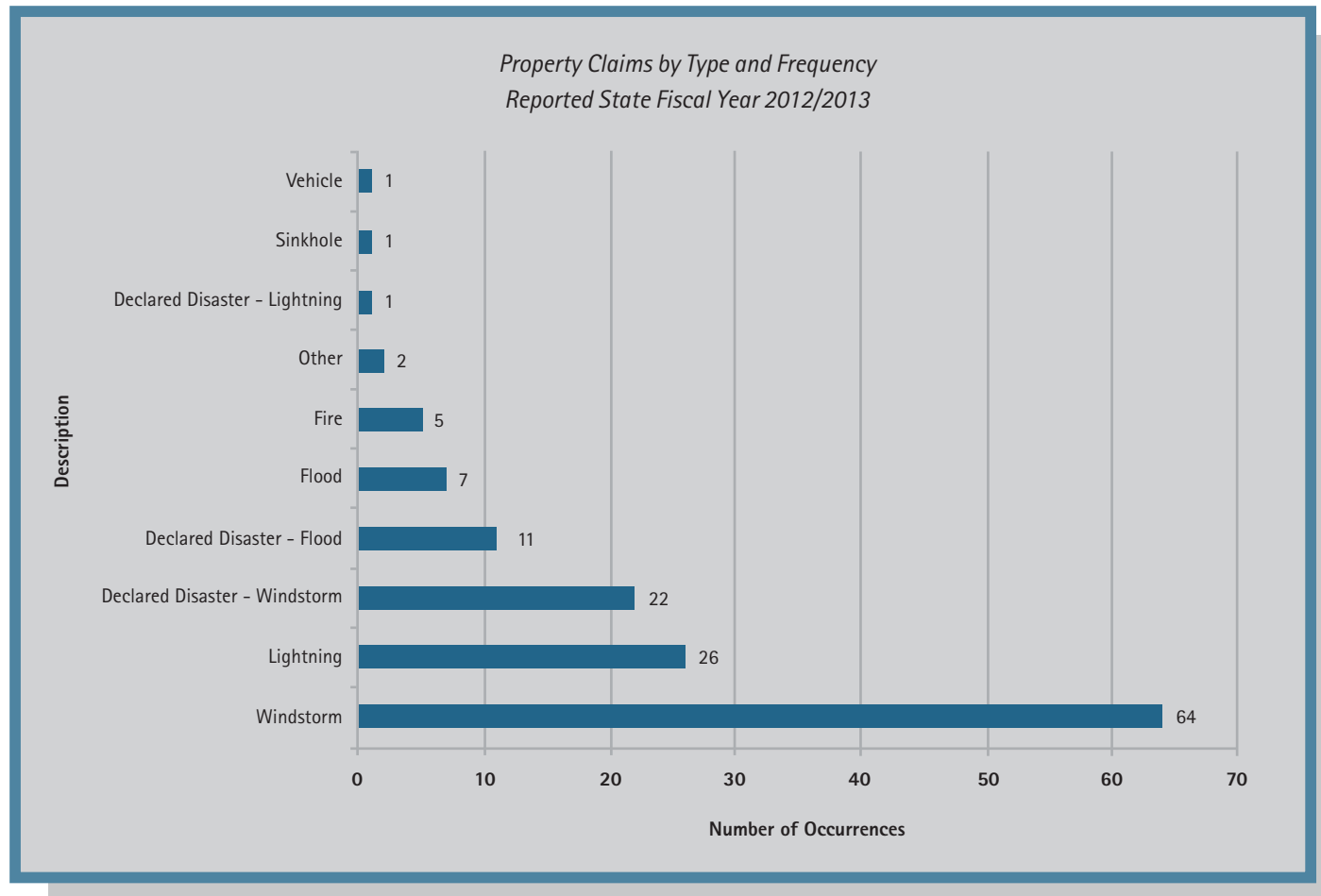
**Chart 2: Fiscal Year Comparison – Indemnity, Medical/Legal, and Other Costs  
for State Agencies and Universities Participating in the Return-to-Work Program  
All Lost-Time Claims (TPD and TTD Claims)  
FY 2011-12 and 2012-13**

AGENCY/UNIVERSITY	INDEMNITY COSTS			MEDICAL AND LEGAL COSTS			OTHER COSTS & RECOVERIES <sup>(1)</sup>			TOTAL LOST-TIME CLAIMS COST		
	FY 11/12	FY 12/13	DIFFERENCE	FY 11/12	FY 12/13	DIFFERENCE	FY 11/12	FY 12/13	DIFFERENCE	FY 11/12	FY 12/13	DIFFERENCE
Florida State University	\$ 67,458	\$ 135,042	\$ 67,583	\$ 348,231	\$ 690,843	\$ 342,612	\$ (10,707)	\$ (9,712)	\$ 995	\$ 404,982	\$ 816,173	\$ 411,191
University of Florida	\$ 166,937	\$ 135,810	\$ (31,126)	\$ 948,449	\$ 523,444	\$ (425,005)	\$ 9,604	\$ (1,983)	\$ (11,587)	\$ 1,124,990	\$ 657,272	\$ (467,718)
Florida Atlantic University	\$ 14,183	\$ 28,004	\$ 13,821	\$ 30,784	\$ 71,649	\$ 40,865	\$ (3,832)	\$ (14,326)	\$ (10,494)	\$ 41,135	\$ 85,327	\$ 44,192
University of Central Florida	\$ 36,711	\$ 51,304	\$ 14,593	\$ 175,525	\$ 148,677	\$ (26,847)	\$ (17,308)	\$ (14,479)	\$ 2,829	\$ 194,928	\$ 185,503	\$ (9,425)
Florida International University	\$ 56,987	\$ 50,347	\$ (6,640)	\$ 127,663	\$ 258,586	\$ 130,923	\$ (17,921)	\$ (1,710)	\$ 16,211	\$ 166,729	\$ 307,223	\$ 140,494
University of South Florida	\$ 51,249	\$ 110,643	\$ 59,394	\$ 148,328	\$ 337,905	\$ 189,577	\$ (2,538)	\$ (1,508)	\$ 1,030	\$ 197,040	\$ 447,040	\$ 250,001
Dept. of Agriculture and Consumer Services	\$ 31,123	\$ 25,707	\$ (5,416)	\$ 294,229	\$ 395,247	\$ 101,018	\$ (18,167)	\$ (14,752)	\$ 3,415	\$ 307,184	\$ 406,201	\$ 99,017
Dept. of Education	\$ 51,158	\$ 16,484	\$ (34,675)	\$ 137,428	\$ 84,992	\$ (52,437)	\$ (13,238)	\$ (6,047)	\$ 7,191	\$ 175,349	\$ 95,429	\$ (79,920)
Dept. of Highway Safety and Motor Vehicles	\$ 133,924	\$ 107,809	\$ (26,115)	\$ 1,486,156	\$ 670,929	\$ (815,226)	\$ (50,335)	\$ (15,308)	\$ 35,027	\$ 1,569,744	\$ 763,430	\$ (806,314)
Dept. of Financial Services	\$ 19,129	\$ 6,202	\$ (12,926)	\$ 80,285	\$ 51,715	\$ (28,571)	\$ (4,780)	\$ (2,423)	\$ 2,357	\$ 94,634	\$ 55,494	\$ (39,140)
Dept. of Environmental Protection	\$ 21,003	\$ 42,243	\$ 21,240	\$ 199,732	\$ 259,838	\$ 60,106	\$ (12,975)	\$ (24,341)	\$ (11,367)	\$ 207,761	\$ 277,740	\$ 69,979
Dept. of Revenue	\$ 26,320	\$ 19,565	\$ (6,756)	\$ 125,956	\$ 101,436	\$ (24,521)	\$ (3,882)	\$ 4,389	\$ 8,270	\$ 148,395	\$ 125,389	\$ (23,006)
Dept. of Transportation	\$ 109,105	\$ 193,835	\$ 84,730	\$ 454,072	\$ 669,055	\$ 214,983	\$ (37,544)	\$ (38,958)	\$ (1,413)	\$ 525,633	\$ 823,933	\$ 298,300
State Courts System	\$ 8,892	\$ 0	\$ (8,892)	\$ 83,160	\$ 0	\$ (83,160)	\$ (5,262)	\$ 0	\$ 5,262	\$ 86,789	\$ 0	\$ (86,789)
Public Defenders	\$ 15,721	\$ 0	\$ (15,721)	\$ 141,832	\$ 0	\$ (141,832)	\$ (5,370)	\$ 0	\$ 5,370	\$ 152,183	\$ 0	\$ (152,183)
State Attorneys	\$ 43,481	\$ 13,390	\$ (30,090)	\$ 416,733	\$ 22,182	\$ (394,552)	\$ (12,125)	\$ (3,774)	\$ 8,351	\$ 448,089	\$ 31,798	\$ (416,291)
Agency for Persons with Disabilities	\$ 68,418	\$ 65,408	\$ (3,010)	\$ 665,675	\$ 348,989	\$ (316,686)	\$ (28,053)	\$ (39,705)	\$ (11,652)	\$ 706,040	\$ 374,692	\$ (331,348)
Dept. of Children and Families	\$ 232,100	\$ 188,724	\$ (43,377)	\$ 1,091,729	\$ 676,712	\$ (415,017)	\$ (109,735)	\$ (28,492)	\$ 81,243	\$ 1,214,094	\$ 836,943	\$ (377,151)
Dept. of Health	\$ 120,725	\$ 109,294	\$ (11,431)	\$ 720,662	\$ 795,196	\$ 74,534	\$ (52,941)	\$ (38,289)	\$ 14,652	\$ 788,446	\$ 866,202	\$ 77,755
Dept. of Juvenile Justice	\$ 149,306	\$ 74,443	\$ (74,863)	\$ 611,051	\$ 488,611	\$ (122,440)	\$ (27,649)	\$ (9,525)	\$ 18,124	\$ 732,708	\$ 553,530	\$ (179,179)
Dept. of Corrections	\$ 821,655	\$ 805,256	\$ (16,399)	\$ 5,789,842	\$ 4,039,286	\$ (1,750,556)	\$ (343,984)	\$ (316,995)	\$ 26,988	\$ 6,267,513	\$ 4,527,546	\$ (1,739,967)
<b>Totals</b>	<b>\$2,245,585</b>	<b>\$2,179,511</b>	<b>\$ (66,075)</b>	<b>\$14,077,522</b>	<b>\$10,635,291</b>	<b>\$ (3,442,231)</b>	<b>\$ (768,742)</b>	<b>\$ (577,939)</b>	<b>\$ 190,803</b>	<b>\$15,554,366</b>	<b>\$12,236,863</b>	<b>\$ (3,317,503)</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.

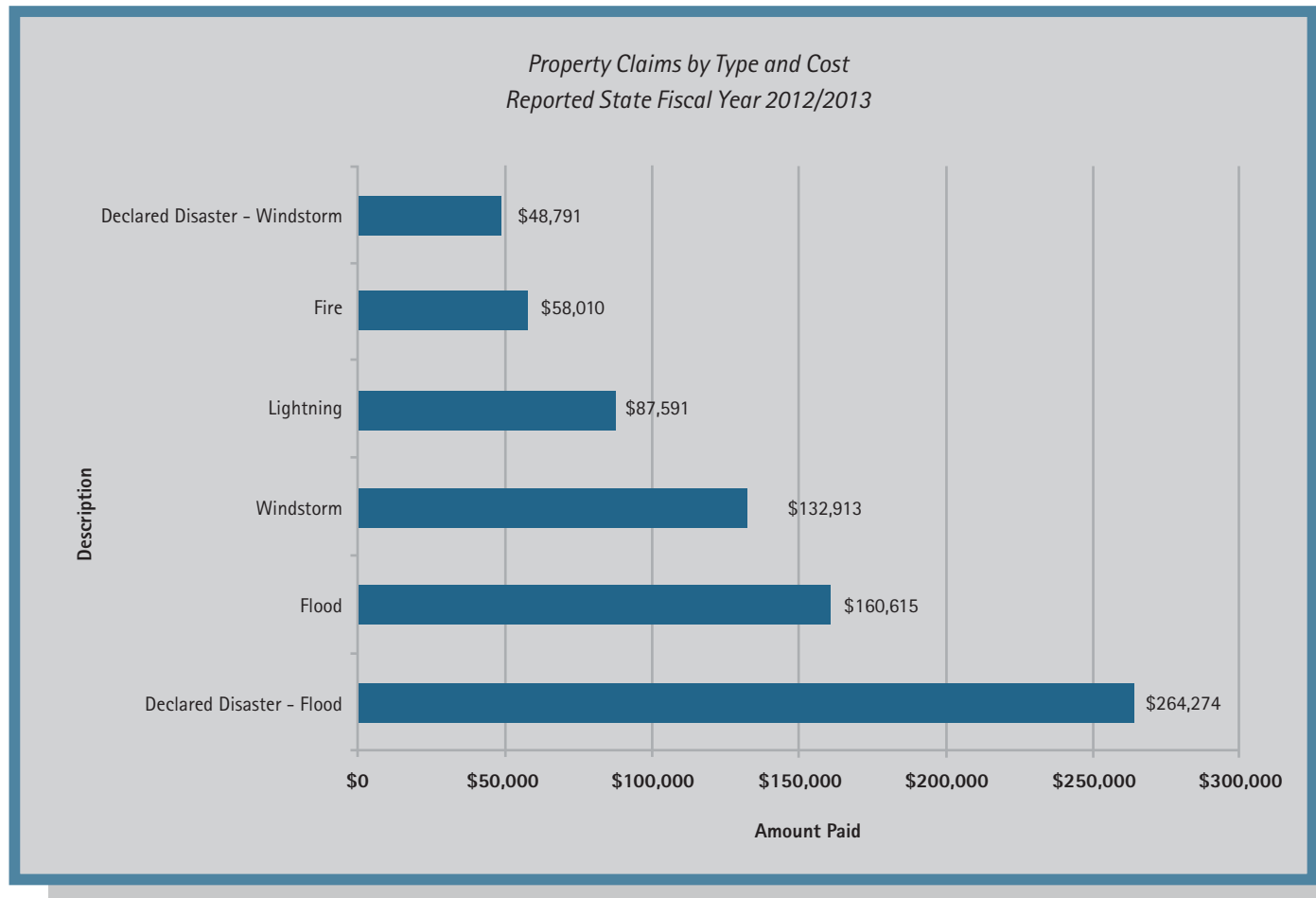
## PROPERTY CLAIMS BY TYPE AND FREQUENCY

Property losses are caused by a variety of perils, such as wind, lightning, flood and fire. Windstorm 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. Flood claims from a declared disaster 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

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 2012-2013.

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### *Inspections performed during FY 2012-2013*

The State Fire Marshal's Office inspected 16,364 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.

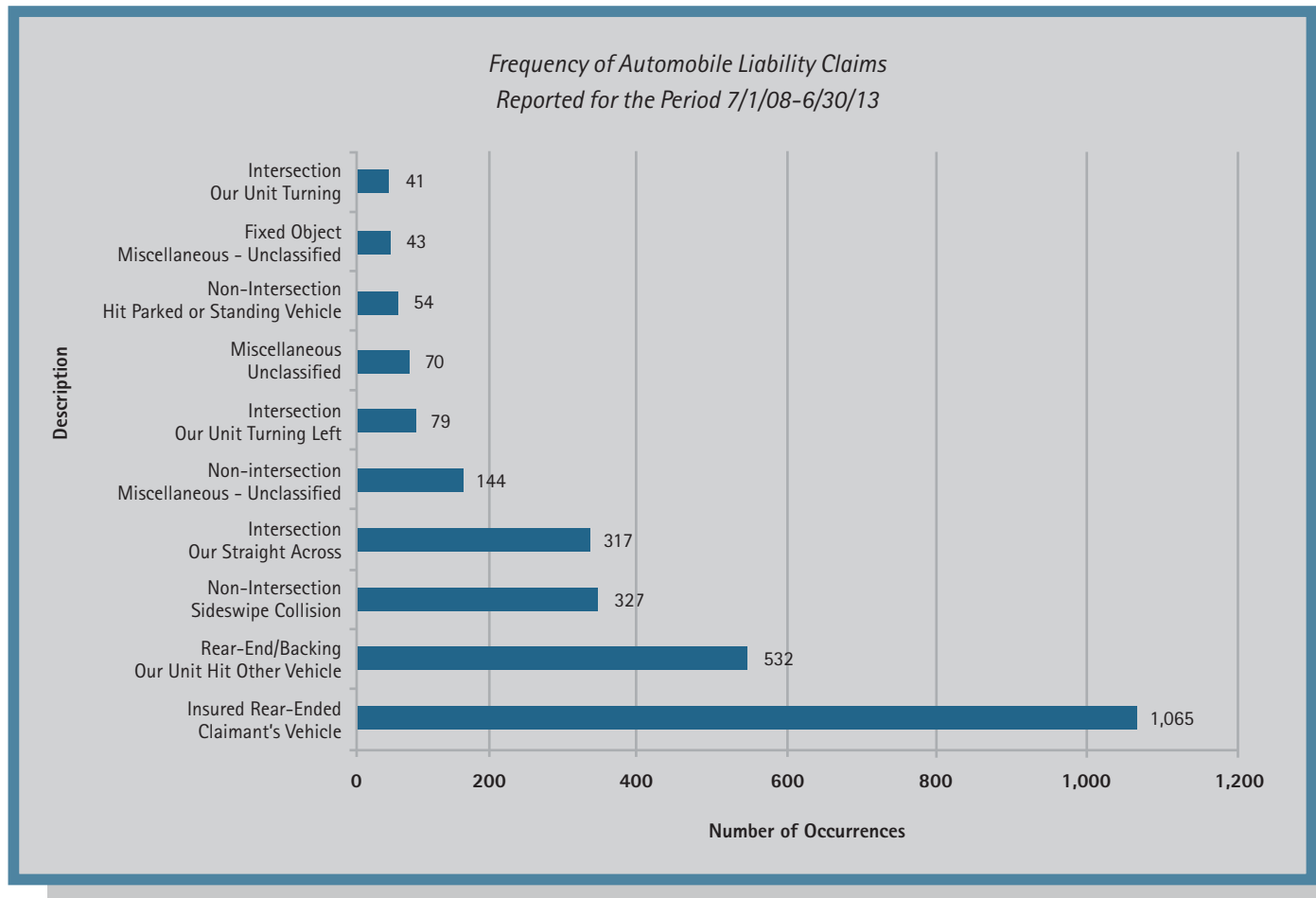
### *Recommendations to Decrease the Fire Hazard to State Properties*

- 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

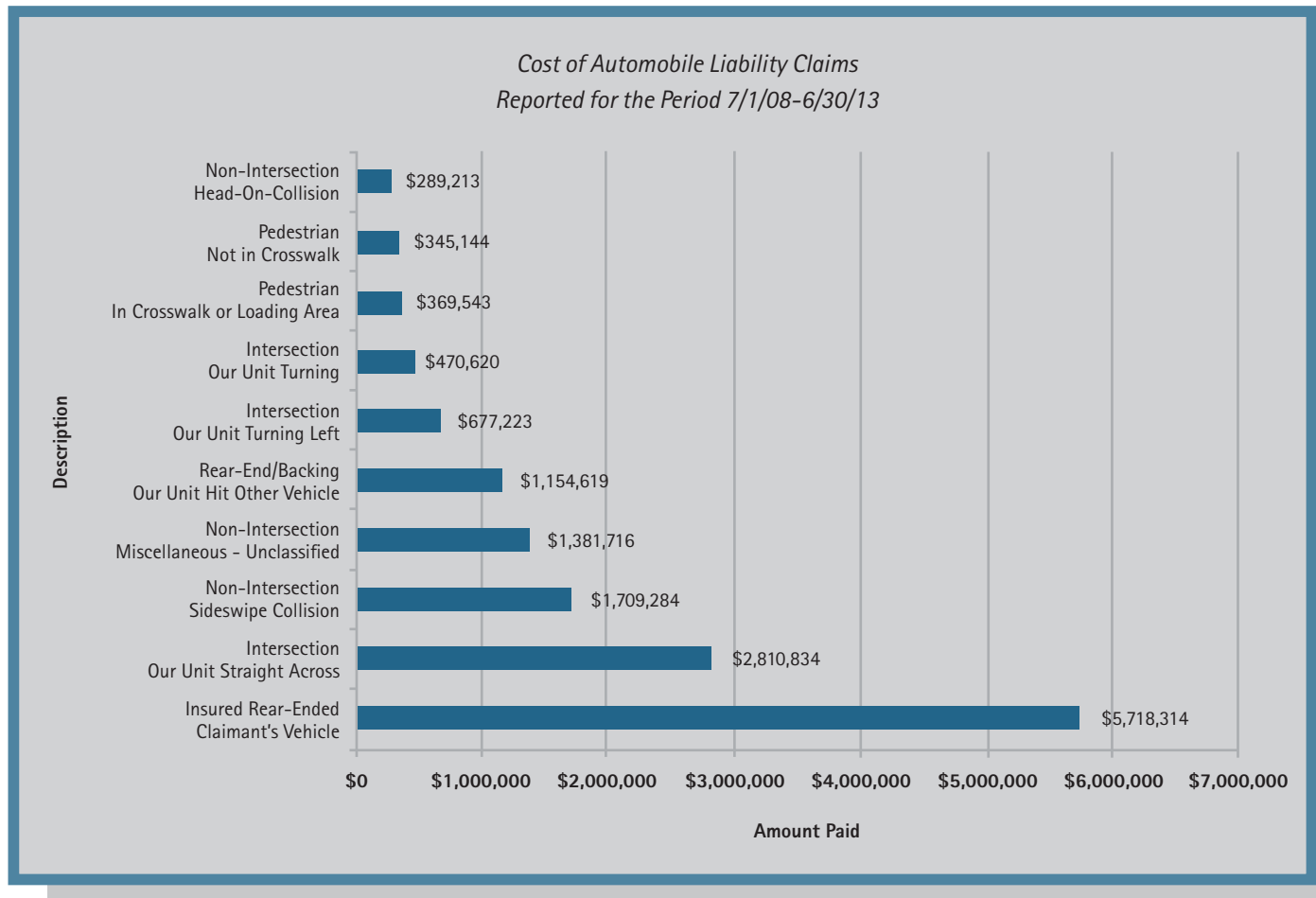
The state tracks automobile accidents in five-year increments by the type of accident that has occurred. For example, "intersection – our unit turning left" refers to claims that the state was negligent when its driver made a left turn at an intersection. The most frequent type of accident and resulting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





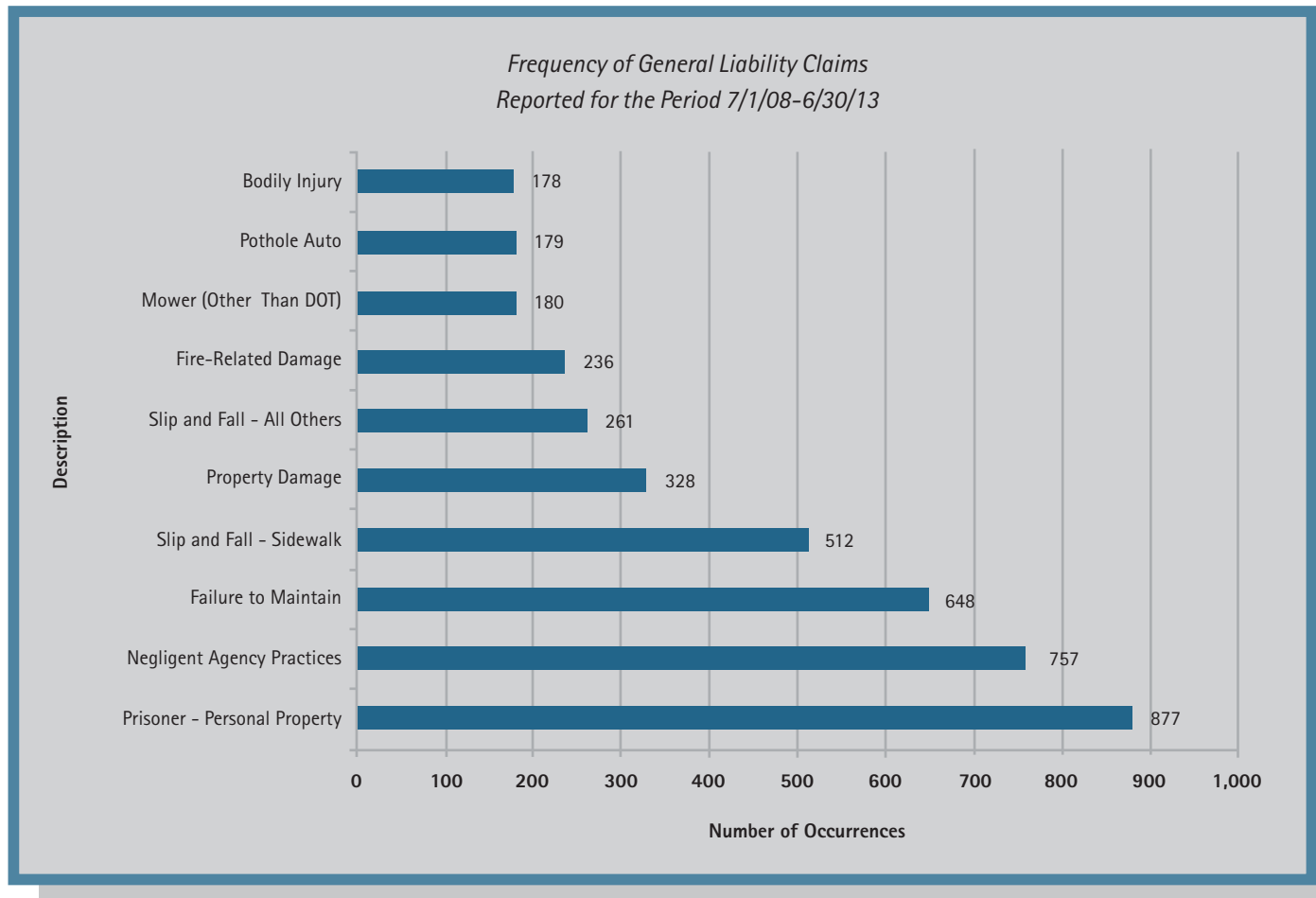
## AUTOMOBILE LIABILITY CLAIMS BY TYPE AND COST

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.



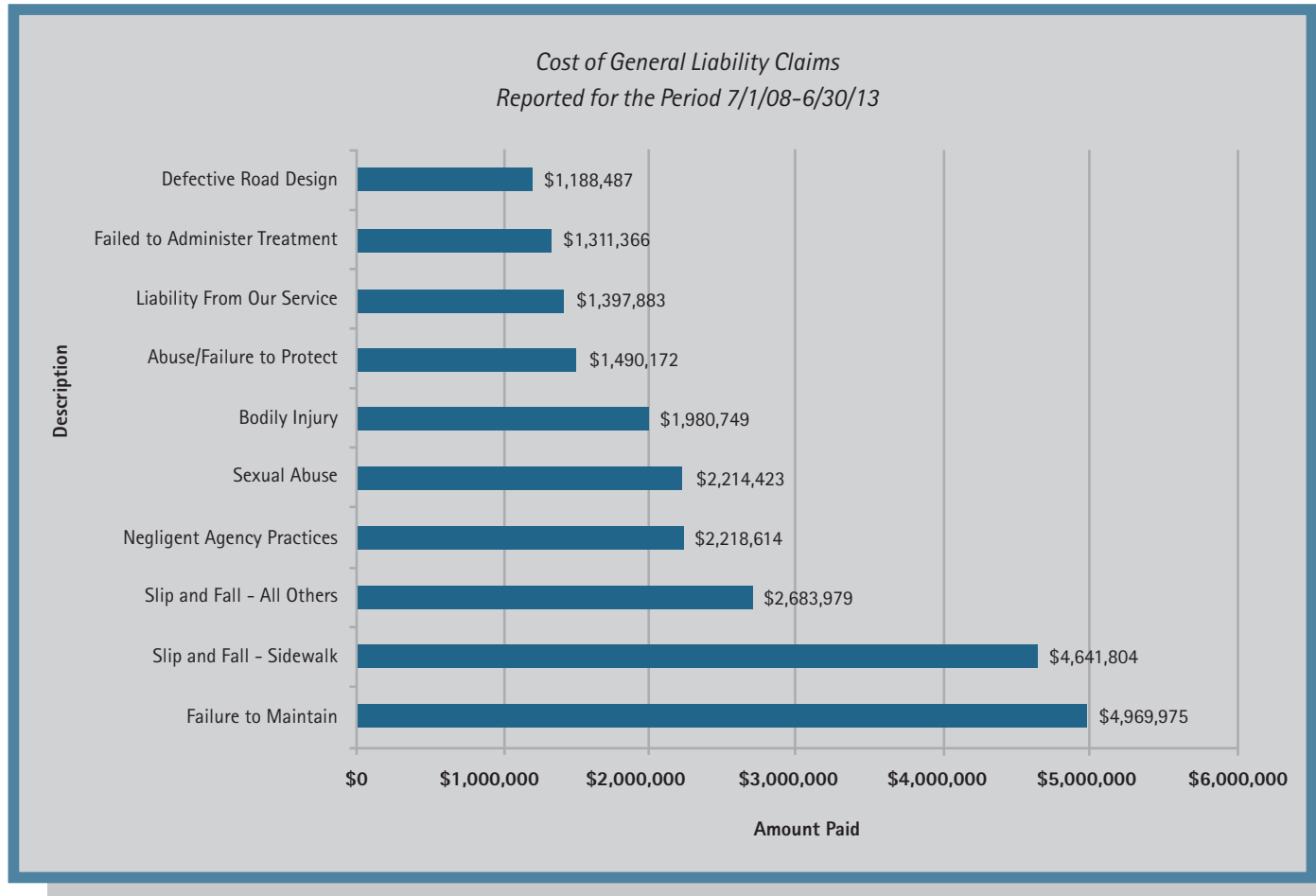
## GENERAL LIABILITY CLAIMS BY TYPE AND FREQUENCY

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.



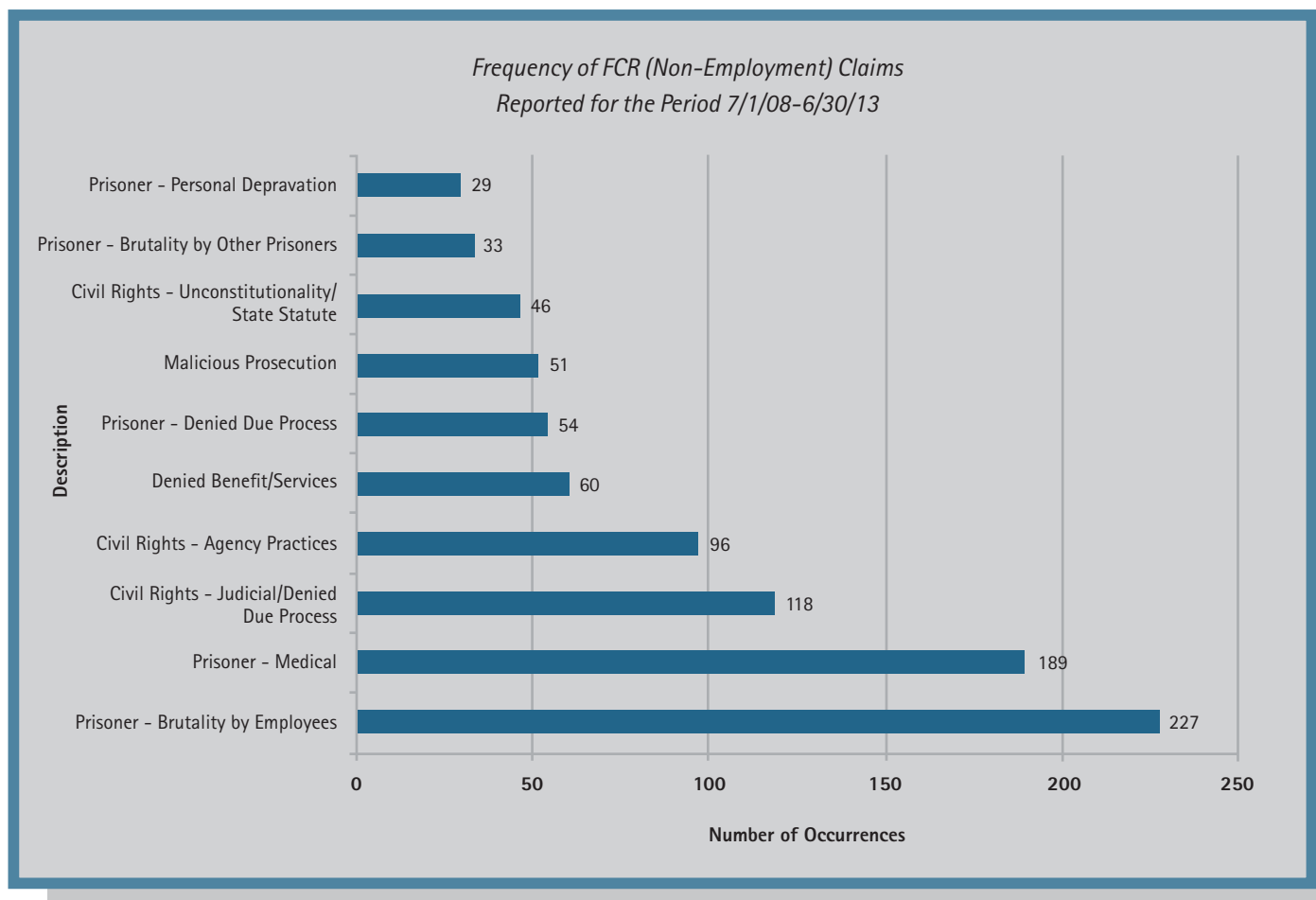
## GENERAL LIABILITY CLAIMS BY TYPE AND COST

The most costly general liability claims paid by the state are for the failure to maintain state owned property and are tracked in five-year increments. These claims can include failure to maintain such property as state buildings, roads, signage, parks and recreational areas.



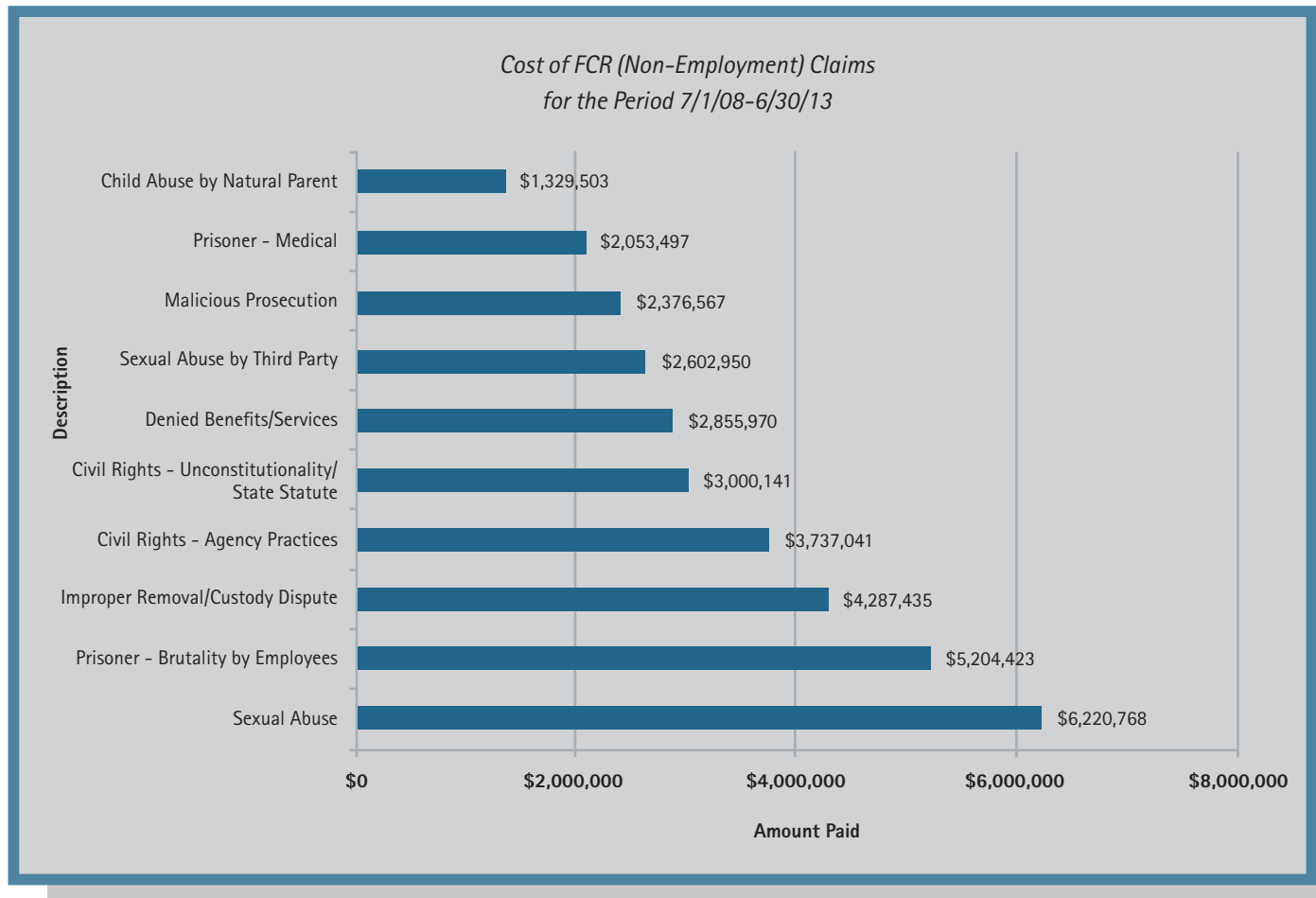
## FEDERAL CIVIL RIGHTS CLAIMS BY TYPE AND FREQUENCY

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 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

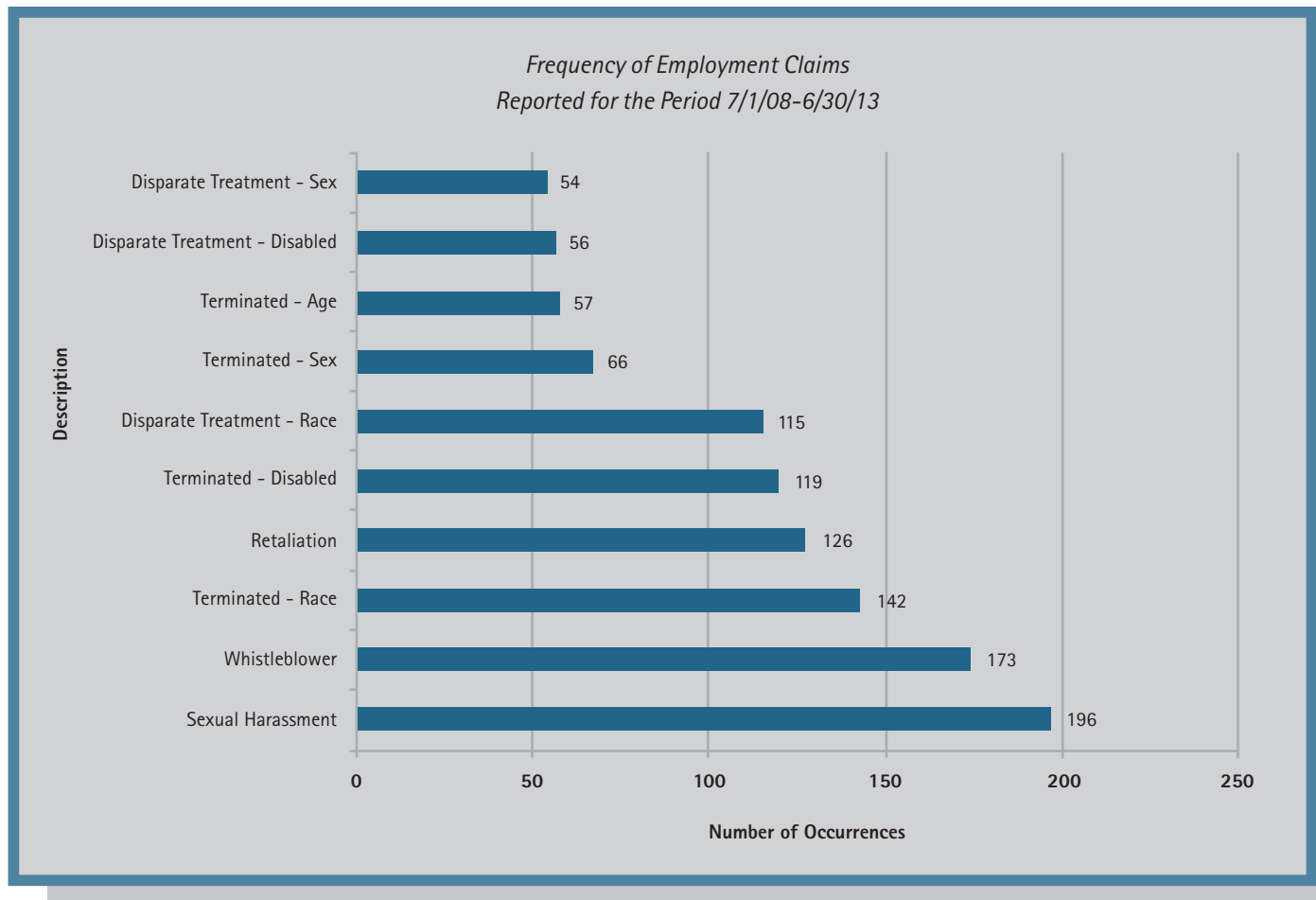
The most costly federal civil rights claims for the five-year period are for sexual abuse of persons in state custody followed by alleged employee brutality of prisoners.





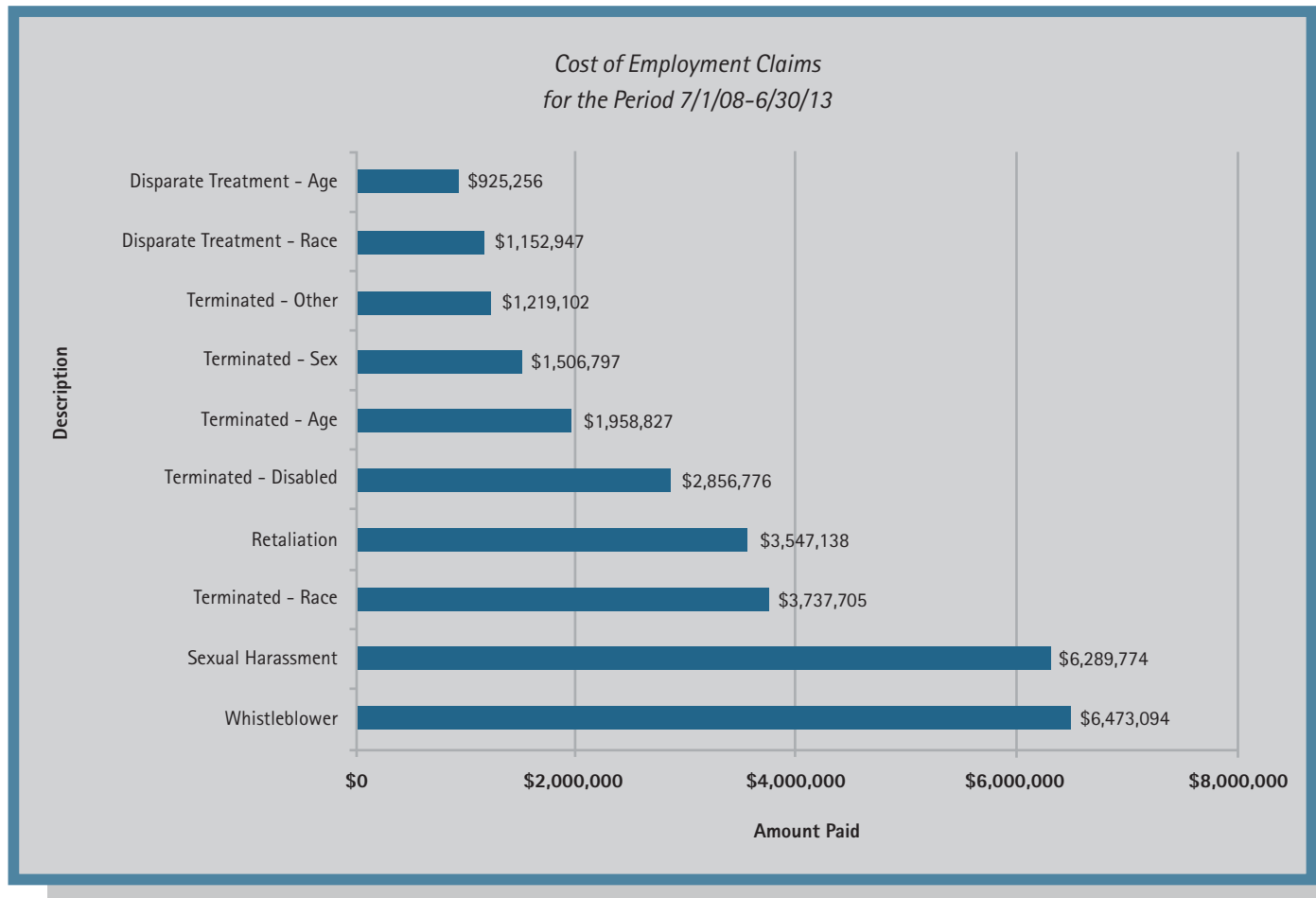
## EMPLOYMENT DISCRIMINATION CLAIMS BY TYPE AND FREQUENCY

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. Sexual harassment claims and whistleblower 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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