

*Division of*  
**RISK MANAGEMENT**

**FISCAL YEAR 2024 ANNUAL REPORT**



## A MESSAGE FROM CFO JIMMY PATRONIS

Dear Colleagues:

We are pleased to present you the Division of Risk Management's Fiscal Year 2023-24 Annual Report. Our program continues to implement initiatives to increase efficiency and effectiveness in administering state agency claims, reducing the number of claims and their associated costs in our program. This report highlights our initiatives and successes over this past year.

As the insurer of state-owned buildings across Florida, the Division of Risk Management's operations continue to be affected by the costs of hurricanes and tropical storms in recent years. Since fiscal year 2016-17, there have been twelve named windstorm and flood events that have impacted the Risk Management Trust Fund's cash balances and the Division's annual purchase of excess property insurance for state owned buildings. In fiscal year 2023-24, the Division paid \$8.9 million in losses related to Hurricane Ian, which made landfall in Lee County, Florida on September 28, 2022. Total losses paid for Hurricane Ian during fiscal years 2022-23 and 2023-24 were \$24.4 million, making it one of the costliest hurricanes for the program to date. The Division also paid \$6.0 million in losses in fiscal year 2023-24 related to Hurricane Idalia, which came ashore in Taylor County, Florida on August 30, 2023.



Hurricane property losses and other world-wide events have resulted in a continued hard market for excess property coverage. This has resulted in a reduction in the amount of named wind and flood coverage the state was able to purchase for six consecutive years. To address continuing rate increases, the Division requested and received additional premium funding in fiscal year 2023-24. For the policy year beginning February 15, 2024, the Division purchased excess property insurance for 21,039 locations and \$30.8 billion in total insured value. The coverage above the State's \$40 million self-insurance retention and \$2 million per storm deductible for named wind and flood perils is \$65 million, an increase of \$26.4 million over the previous year. This increase was primarily due to an additional \$3.2 million in premium funding approved during the 2023 Legislative Session, the first increase since 2016. The Division was also able to purchase an additional \$45 million in coverage for all other perils, increasing coverage to \$300 million for the February 2024 placement.

Workers' Compensation program costs decreased by \$5.7 million from the previous fiscal year to \$109.7 million. Program medical costs decreased \$8.2 million (10.5 percent) while indemnity costs increased \$2.5 million (6.7 percent) during the 2023-24 fiscal year. Despite a seven percent increase in new claims in fiscal year 2023-24, medical costs decreased due to a reduction in catastrophic claims as compared to the previous year. The Division also provided Firefighter Cancer Benefits under section 112.1816(2), Florida Statutes, to three employees in fiscal year 2023-24.

The Division continued to improve workers' compensation claims fraud prevention and detection through extensive collaboration with Division adjusters, defense attorneys, and the Division's contracted Special Investigative Unit. These initiatives resulted in over \$10.7 million saved in future claims costs due to claims closures and reduced settlements. This report contains a more in-depth analysis of workers' compensation costs, as well as the program's other lines of coverage.

We appreciate your interest in our risk management program and hope the information provided in this report is beneficial.

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

**Jimmy Patronis**  
Chief Financial Officer  
State of Florida

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# THE DIVISION OF RISK MANAGEMENT OVERVIEW

The Division of Risk Management (Division) works to ensure that participating state of Florida agencies and universities receive assistance in managing risk and provides quality workers' compensation, liability, federal civil rights, automobile liability, property, and firefighter cancer benefits insurance coverage at reasonable rates by providing self-insurance, purchase of insurance, and claims administration.

The Division is comprised of three bureaus: Risk Financing and Loss Prevention, State Employee Workers' Compensation Claims, and State Liability and Property Claims. The Bureau of Risk Financing and Loss Prevention provides administrative support to the Division, including the cash management for the Division's \$283 million annual budget, calculation of casualty and property premiums for the state agencies and universities, monitoring the Division's contracts, and providing data management and IT support. This bureau also contains the Loss Prevention Section, which provides training and consultative services to agency safety coordinators, conducts agency risk management program evaluations, monitors agency return-to-work programs, and provides administrative support to the Interagency Advisory Council on Loss Prevention.

The Bureau of State Employee Workers' Compensation Claims is responsible for the administration of all workers' compensation claims filed by state and university employees and volunteers who are injured on the job. This bureau typically receives approximately 12,200 new claims each year and is primarily responsible for ensuring that covered individuals receive timely benefits, while safeguarding the state from instances of fraud, waste, and abuse. The Bureau is also responsible for administering firefighter cancer benefits under section 112.1816(2), Florida Statutes.

The Bureau of State Liability and Property Claims is responsible for the investigation and resolution of liability and property claims involving or against state agencies

and universities. Coverage types provided by the Division include the following:

- Property
- General Liability
- Fleet Automobile Liability
- Federal Civil Rights/Employment Discrimination
- Court-Awarded Attorney Fees

## LOSS PREVENTION SERVICES

**Data Analytics** – The Division of Risk Management produces several regularly-distributed data reports to participating agencies and universities. The “Six Months at a Glance” report is sent to agency heads and agency risk managers and is a snapshot of agency claims performance over a six-month period. The report offers claims frequency and cost data, along with a three-year trend analysis. It gives agency heads a high-level summary of claims to support effective decision-making and monitoring of claims activity within their agencies.

Quarterly and monthly reports are also 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 helps agencies target their loss prevention efforts on areas with the greatest potential for reducing claims. Monthly reports notify agencies of casualty claims assigned to them from the previous month, enabling them to verify that all claims have been accurately recorded, including the correct cause and location codes. Using this information, agencies can also further pinpoint concerns and take corrective actions, as needed.

Fiscal Year Trending Reports are distributed annually 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 can perform advanced searches and generate customized reports within defined parameters using the Division's Insurance Management System (IMS). For more specialized reporting needs, the Bureau of Risk Financing and Loss Prevention is available to assist agency risk managers in creating tailored ad hoc reports to meet their specific requirements.

**Training and Publications** – The Division offers training services in occupational health and safety, loss prevention, and risk management to all agencies. During the 2023-24 fiscal year, the Division facilitated training for 2,720 agency and university employees, including supervisors, workers' compensation coordinators, and safety program personnel. Training options include online learning courses, training materials, instructor-led courses, and training webinars, the majority of which were developed within the Division.

The Division also develops and publishes a quarterly newsletter titled Safety & Loss Prevention Outlook. This newsletter features industry trends in risk management, updates on occupational health and safety, interviews with risk managers from across the state, and links to valuable resources. The Division distributes this educational tool to core safety personnel at all state agencies and universities for further sharing with employees.

**Consulting Services and Technical Assistance** – Division 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 headquarter officials, discussing inquiries on the telephone, or providing educational materials and resources. Given the specialized nature of safety and loss prevention consulting, this service is provided by Division staff with expertise in occupational safety, workers' compensation, or data analytics. For specific situations, the Division also uses contracted consultants to support agency loss prevention efforts. The Division conducted 326 consultations during the 2023-24 fiscal year.

**Agency Risk Management Program Evaluation** – The Division conducts evaluations of agency risk management programs and maintains a Return-to-Work (RTW) Dashboard Evaluation System. As required by section 284.50(4), Florida Statutes, agency risk management program evaluations are conducted on a five-year cycle for state agencies and universities. Assessment of agency programs promotes recognition of best practices and individual program strengths that can be shared across agencies. The Division employs a standardized review methodology based on the Agency Risk Management Program Evaluation Guidelines provided to all agencies. This methodology assesses how well agencies have adopted best practices to improve program effectiveness. The evaluation process also helps agencies enhance their programs by identifying systems, policies, and procedures

that may need further development. The RTW Dashboard Evaluation System gathers monthly data from the Department of Financial Services and agencies with over 3,000 full-time employees. The Division utilizes this data, along with information from the IMS, to analyze agency RTW program performance and assess the progress of program implementation.

**Awards and Recognition** – In collaboration with the Interagency Advisory Council on Loss Prevention (IAC), the Division is authorized to recognize individuals who significantly contribute to their agency's safety and loss prevention program. This recognition process allocates funds to each agency for procuring awards to honor employees, agents, and volunteers who make outstanding contributions to the reduction and control of employment-related accidents.

## 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. The Division received 10,478 new workers' compensation claims and paid \$109.7 million in medical and indemnity benefits during the 2023-24 fiscal year.

**Employment Discrimination and Federal Civil Rights** – The Division also administers employment discrimination and civil rights claims. As an insurer of approximately 204,000 employees and having custody over countless individuals in the prison system and other capacities, claims can arise from those custodial relationships. The Division insures employees acting under color of Florida 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.

**Firefighter Cancer Benefits** – The Division is responsible for benefits payable under section 112.1816(2), Florida Statutes, to an employee of a state agency or department covered under section 284.31, Florida Statutes. These benefits include coverage of out-of-pocket deductibles, copayments, or coinsurance incurred due to the treatment of cancer under section 112.1816(2)(a), Florida Statutes. Benefits also include a one-time cash payout of \$25,000 upon the firefighter's diagnosis of cancer. In accordance with section 284.385(2), Florida Statutes, the benefits provided must be validated and approved by the Department of Management Services prior to payment by the State Risk Management Trust Fund.

## **PROTECTING STATE FACILITIES**

With responsibility for insuring Florida's approximately 17,789 state-owned buildings ranging from storage sheds to the Capitol buildings in Tallahassee and ranging in complexity from beachfront tiki huts at Florida state parks to the magnetic laboratory 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. The Division insures total property values of \$30.8 billion in building, contents, and rental value coverage statewide.

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 purchases additional insurance coverage for catastrophic losses.

# PROGRAM HIGHLIGHTS & ACCOMPLISHMENTS

## BUREAU OF STATE LIABILITY AND PROPERTY CLAIMS

In fiscal year 2023-24, the State Risk Management Trust Fund was impacted by one named storm event, Hurricane Idalia, and three tornadoes that occurred in May 2024. The Division successfully utilized contract adjusters to handle the field adjusting for the storms and to supplement internal property staff to ensure claims were adjusted and resolved in a timely manner.

The Division's Insurance Management System (IMS) continued to be optimized to improve efficiency in the handling of property claims. The annual property coordinator training was held virtually, ensuring all agencies could attend without the need to travel.

The Division's excess insurance coverage was renewed effective February 15, 2024. Although the excess property market remains challenging, the Division was able to increase the amount of insurance purchased for both named wind and flood, as well as all other perils due to an increase in budget available for the premiums. For the current coverage period, the Division purchased excess property insurance for 21,039 locations and \$30.8 billion in total insured value. The coverage above the State's \$42 million self-insured retention for named wind and flood perils is \$65 million, an increase of \$26.4 million over the previous coverage year. The coverage above the State's \$2 million self-insured retention for all other perils is \$300 million, an increase of \$45 million over the previous year.

### Hurricanes

Hurricane Idalia came ashore in Taylor County, Florida on August 30, 2023, resulting in 432 claims for state property damage. These claims represent \$5,957,310 in paid property losses for Fiscal Year 2023-24, as well as an additional \$788,803 in claims adjusting expenses related to the storm. Hurricane Idalia's total losses did not exceed the State's self-insured retention. All claims for Hurricane Idalia have been paid and closed.

### Tornadoes

On the morning of May 10, 2024, an intense squall line spawned three tornadoes in the Tallahassee area, resulting in 141 claims for state property damage. Estimated losses from the tornado event total \$7.3 million, which will exceed the State's \$2 million self-insured retention by \$5.3 million. For fiscal year 2023-24, the Division paid \$45,225 in tornado losses, and the remaining losses are expected to be paid in fiscal year 2024-25. The Division expects to be reimbursed by excess insurance in fiscal year 2024-25 for the losses exceeding the \$2 million self-insured retention. As of the date of this report, 87 percent of the tornado claims have been closed.

**BENEFIT TO FLORIDIANS:** Enhanced claims management systems provide interdepartmental claims efficiencies to reduce the amount of time claims are open. These efficiencies resulted in more rapid claim reimbursements, allowing state facilities to restore and resume business operations in a timely manner. Excess insurance coverage can be purchased to protect state-owned buildings and property, reducing the amount of tax dollars spent on replacing or repairing state of Florida buildings and their contents.

## INSURANCE MANAGEMENT SYSTEM ENHANCEMENTS

The Division continues to enhance the Origami IMS to better suit its needs and the needs of its customers. During fiscal year 2023-24, the Division continued working towards its goals of automating and streamlining processes, utilizing the IMS to improve workflows and reduce the potential for human error. Implementation of the Division's new pharmacy benefit manager (PBM) provided an opportunity to establish new and improved workflows for capturing claims services payment data and to expand reporting capabilities. The Official Disability Guidelines (ODG) was integrated into the IMS for key members of the Bureau of State Employee Workers' Compensation Claims and the Division's Medical Contract Monitoring section. The ODG is used

to review medical utilization in the field of workers' compensation for the purpose of claims management.

Automation efforts continue to center on improving the Electronic Data Interchange (EDI) reporting functionality between the Division and the Department's Division of Workers' Compensation (DWC). Enhancements will allow the IMS to autogenerate reports based upon claim updates and submit each report directly to DWC.

**BENEFIT TO FLORIDIANS:** The IMS is critical to the Division's ability to efficiently and effectively process claims against participating state agencies and perform its statutory duties.

## AGENCY RISK MANAGEMENT PROGRAM EVALUATIONS

Florida law requires that the Division evaluate each agency's risk management program at least once every five years. The Division developed and initiated the agency evaluation process in 2011, completing 41 program evaluations during the first five-year cycle. During the 2015-16 fiscal year, the Division worked in conjunction with departmental legal professionals, subject-matter experts, and the Interagency Advisory Council on Loss Prevention to conduct an extensive review of the State Loss Prevention Standards. This review resulted in the redevelopment of the Agency Risk Management Program Evaluation Guidelines (Guidelines) for use as an assessment tool in the Division's evaluation process. The Guidelines represent a basic framework of best practices for program development that allows the Division to identify and share successful risk management models across agencies.

Utilizing the Guidelines for the evaluation framework, the Division initiated the second cycle of risk management program evaluations in the Fall of 2017. The second cycle of evaluations incorporates assessment of the areas of employment discrimination, federal civil rights, and liability loss prevention in addition to the administrative, safety, and workers' compensation elements that were reviewed during the first cycle of program evaluations. In the Winter of 2019, the Division implemented a re-engineered program evaluation process which places the evaluative emphasis on risk assessment and risk mitigation. Using the re-designed report, Division analysts continued to evaluate agency and university risk management programs throughout the 2023-24 fiscal year.

**BENEFIT TO FLORIDIANS:** The Division's agency risk management program evaluation component supports positive loss prevention outcomes by helping agencies identify and enhance key program elements outlined in the Agency Risk Management Program Evaluation Guidelines. Evaluating these programs also fosters the sharing of training, safety awareness, claims management strategies, and other cost-reducing processes across agencies.

## SAFETY & LOSS PREVENTION TRAINING

The Division continues to develop the loss prevention training program for state agencies and universities. Training offered to agency and university personnel includes various loss prevention courses developed in-house on topics that include workers' compensation, return to work, facility and equipment inspections, job safety analysis, employee accident investigations, and property coordinator training, as well as relevant courses developed by external partners in subjects such as fire drills and evacuation planning, liability claims, and defensive driving. In 2021, the Division transitioned training modules previously offered via webinar to an online training platform, allowing safety coordinators and other agency safety personnel throughout the state of Florida to access training at their convenience. During the 2023-24 fiscal year, a total of 2,720 state of Florida employees completed over 4,130 hours of training offered by the Division's Loss Prevention Section via online courses, webinars, and in-person classroom training presentations.

**BENEFIT TO FLORIDIANS:** Along with delivering targeted training to state agency employees aimed at reducing or eliminating specific claims losses, the Division also provides various loss prevention training sessions directly to agency safety coordinators, who in turn educate and disseminate this information to the employees in their respective departments.

## RETURN-TO-WORK PROGRAMS

All agencies covered by the State Risk Management Trust Fund for workers' compensation insurance and employing over 3,000 full-time employees must establish and maintain return-to-work (RTW) programs for employees receiving workers' compensation benefits. The primary goal of these programs is to help injured workers stay at work or return to work by performing duties that align with the physical or mental limitations and restrictions set by their treating physicians. If a worker's treating physician does not provide written limitations or restrictions, the worker is considered capable of fully performing the same duties as before the injury.

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

**BENEFIT TO FLORIDIANS:** The monitoring of agency RTW programs, along with frequent collaboration between the Division and agency workers' compensation personnel, works to advocate for the successful reintegration of



injured employees back into the workforce. Effective RTW practices promote lowered medical and indemnity costs and improve employee morale by maintaining work conditioning and reducing the need to replace and/or retrain personnel. 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 begins on page 14 of this annual report.

## INTERAGENCY ADVISORY COUNSEL

The Interagency Advisory Council on Loss Prevention (IAC) provides a key platform for agency safety coordinators to address statewide loss prevention concerns, exchange resources, and collaborate on interagency initiatives. Quarterly IAC meetings held throughout fiscal year 2023-24 included an overview of Division operations in the previous fiscal year; an anti-fraud presentation; quarterly training updates; and roundtable discussions. These roundtable discussions provide agency safety coordinators with an opportunity to share their program successes and challenges. Council members continued to offer suggestions and feedback on loss prevention training materials.

**BENEFIT TO FLORIDIANS:** The IAC regularly brings together agency safety and loss prevention personnel from across the state, providing a platform for them to discuss program concerns with each other and the Division. These quarterly meetings give newly appointed safety personnel the opportunity to engage directly with veteran safety coordinators and exchange successful strategies for program implementation.

## BUREAU OF STATE EMPLOYEE WORKERS' COMPENSATION CLAIMS

The Bureau received 10,478 new claims and made 107,417 payments, including both medical and indemnity benefits. In conjunction with the Division's registered nurses, the Bureau continues to convene regular utilization committee meetings, during which claims are reviewed to determine whether physicians are treating injured workers within acceptable treatment guidelines. The Division's medical case management provider, AmeriSys, and pharmacy benefit manager, MyMatrixx, participate on the committee.

Additionally, the Bureau continues to experience significant savings in claims costs as a result of effective investigations and settlements. During the 2023-24 fiscal year, the Bureau settled 41 percent of all cases mediated. The Bureau also achieved an estimated \$10.7 million in cost savings during the 2023-24 fiscal year that would not have occurred without the benefit of surveillance or other investigative methods, with a savings of nearly \$49.3 million over the last ten years. These results were only possible due to extensive

collaboration between Bureau adjusters and the Division's contracted Special Investigative Unit (SIU), as well as contracted counsel.

**BENEFIT TO FLORIDIANS:** Expanding utilization review will reduce unnecessary treatment costs and improve treatment to injured workers. An effective fraud program not only reduces claims costs, but deters fraudulent activity, avoiding unnecessary claims expense.

## CONTRACT ADMINISTRATION, PROCUREMENT, AND MANAGEMENT

The Division's Contract Management Section coordinates the administration, procurement, and management of the Division's contracts. This section continues to look for areas where contracted services can maximize value to the state. During fiscal year 2023-24, the Division contracted for the continued utilization of the Division's Insurance Management System (IMS), executed a new contract for medical case management (MCM) services, implemented a new pharmacy benefit management (PBM) contract, and began the process of negotiating a new contract for medical bill review (MBR) services. Also, during fiscal year 2023-2024, new contracts were executed with a total of 16 private defense attorney law firms to assist the Division in defense litigation.

The Division continues to utilize the retroactive application of the preferred provider organization (PPO) network discounts from the medical bill review contract. The application of PPO discounts reduces medical costs on workers' compensation claims.

**BENEFIT TO FLORIDIANS:** Improved Division contracts for PBM, MCM, and MBR services is critical to managing workers' compensation claims and the effective negotiation of large medical bills. The savings to the state from the application of PPO discounts resulted in a net cost reduction of an estimated \$2.1 million in medical expenditures paid during fiscal year 2023-24.

# GENERAL FUNDING INFORMATION

A Legislative Revenue Estimating Conference establishes the program’s funding needs for each fiscal year. During fiscal year 2023-24, the Division invoiced, processed, and deposited \$221 million in premiums: \$208.8 million in casualty premiums and \$12.2 million in property premiums. Only the estimated expenses required to pay all insurance claims and Division operational expenses projected for the fiscal year are 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 claims 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 below illustrates the cash flow funding methodology’s impact. It demonstrates that if the program ceased operations as of June 30, 2024, participating agencies would have an estimated \$1.18 billion in existing insurance claims obligations payable in future years. This estimated liability consists of the following claims obligations by insurance type and is based on a June 30, 2024, actuarial analysis:

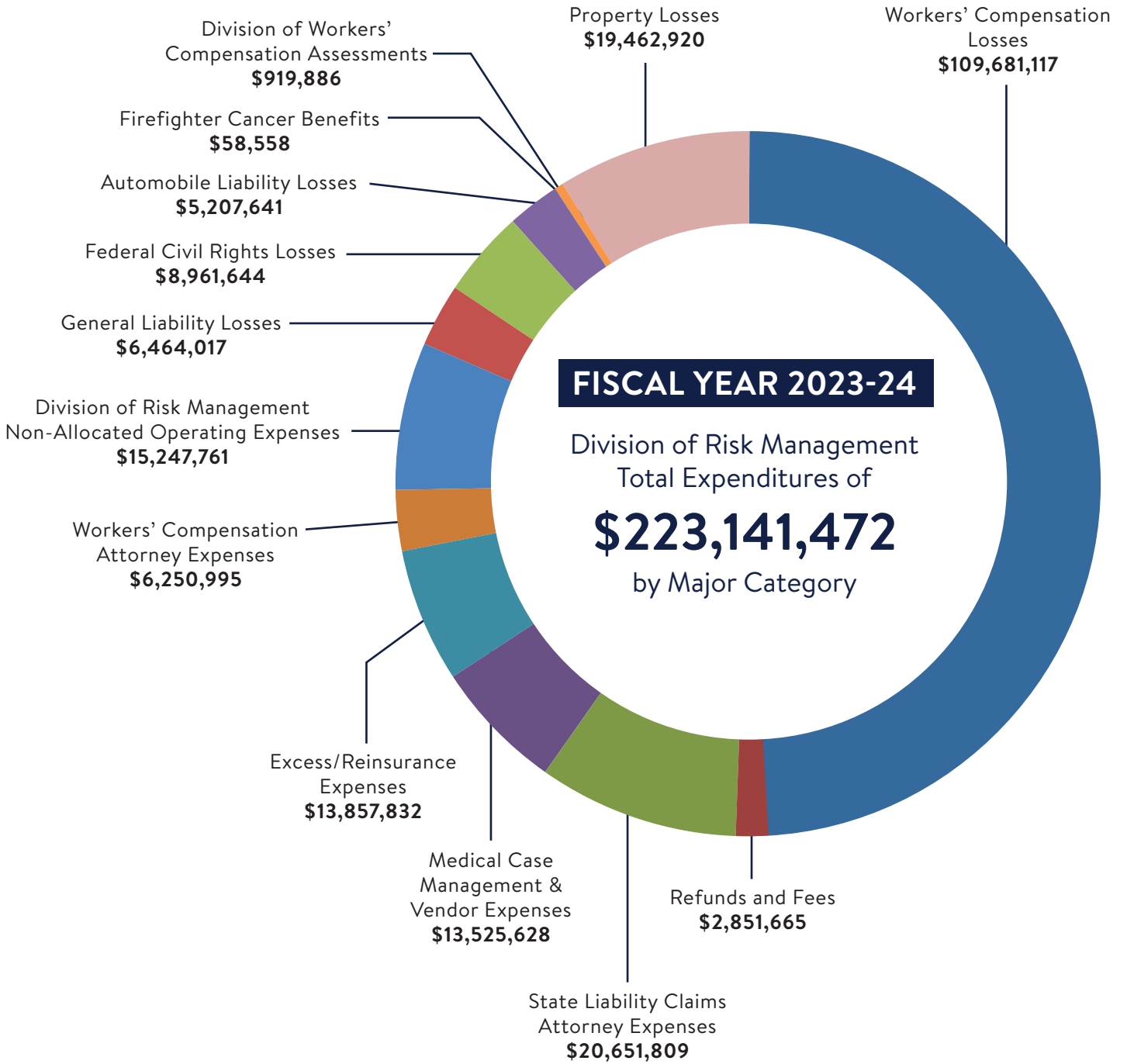
Workers’ Compensation	\$ 1,101.0 million
Federal Civil Rights	\$ 42.9 million
General Liability	\$ 20.5 million
Automobile Liability	\$ 11.1 million
Property	\$ 6.6 million
<b>Total</b>	<b>\$ 1.18 billion</b>

## RISK MANAGEMENT PROGRAM FUNDING

PROGRAM	NUMBER OF COVERED EMPLOYEES OR PROPERTY	NUMBER OF CLAIMS REPORTED FY 2023-2024	AGENCY PREMIUMS
Workers’ Compensation	201,337	10,478	\$175,837,743
State Property	21,039 Property Locations	617	\$12,195,647
Auto Liability <sup>(1)</sup>	27,609 (State-titled motor vehicles)	577	\$9,194,701
General Liability	212,227	4,242	\$8,726,823
Court-Awarded Attorney Fees	N/A	0	Included in General Liability Funding
Federal Civil Rights/Employment	203,649	468	\$15,022,451
Firefighter Cancer Benefits	783	2	Coverage not included in FY 23-24 premiums

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

The following chart denotes the total expenditures for the Division of Risk Management by major category during the 2023-24 fiscal year.



# LINES OF INSURANCE COVERAGE

*Performance & Results*  
*FY 2023-24*

# WORKERS' COMPENSATION CLAIMS AND EXPENSES

## 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 Sedgwick Claims Management Services, Inc. Defense of litigated claims is provided by contracted law firms.

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

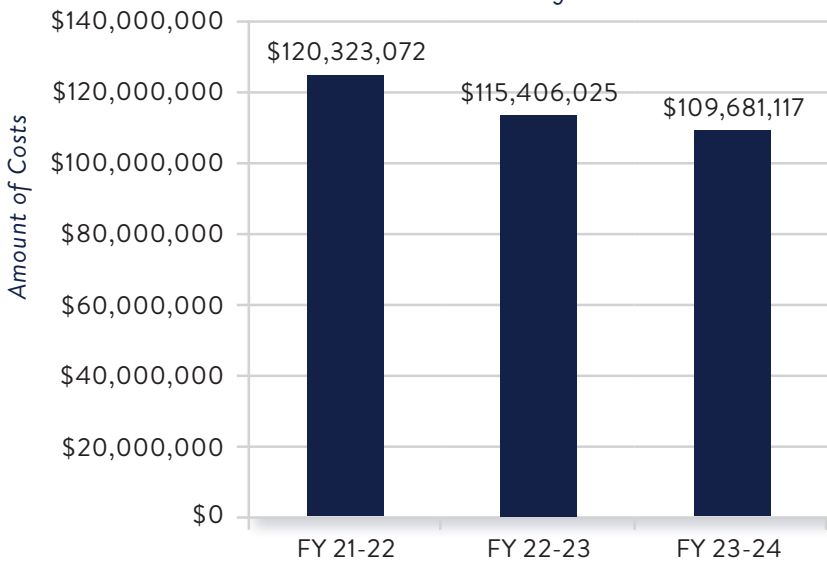
Commencement Date	Coverage Period	Coverage Provider
Prior to January 1, 1998	Accident date before January 1, 1998	Self-insured
January 1, 1998	Accident date on or after January 1, 1998, through February 9, 2002	North American Specialty Insurance Company (NASIC) with a large deductible
February 10, 2002	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:

The self-insurance program contracts 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. USIS, Inc., doing business as AmeriSys, has provided the medical case management services since January 1, 2014. The Division's contract vendor, Genex, reviews and reprints medical bills, provides hospital pre-certification, and continued-stay review services.

The chart below reflects the claims costs for the preceding three years:

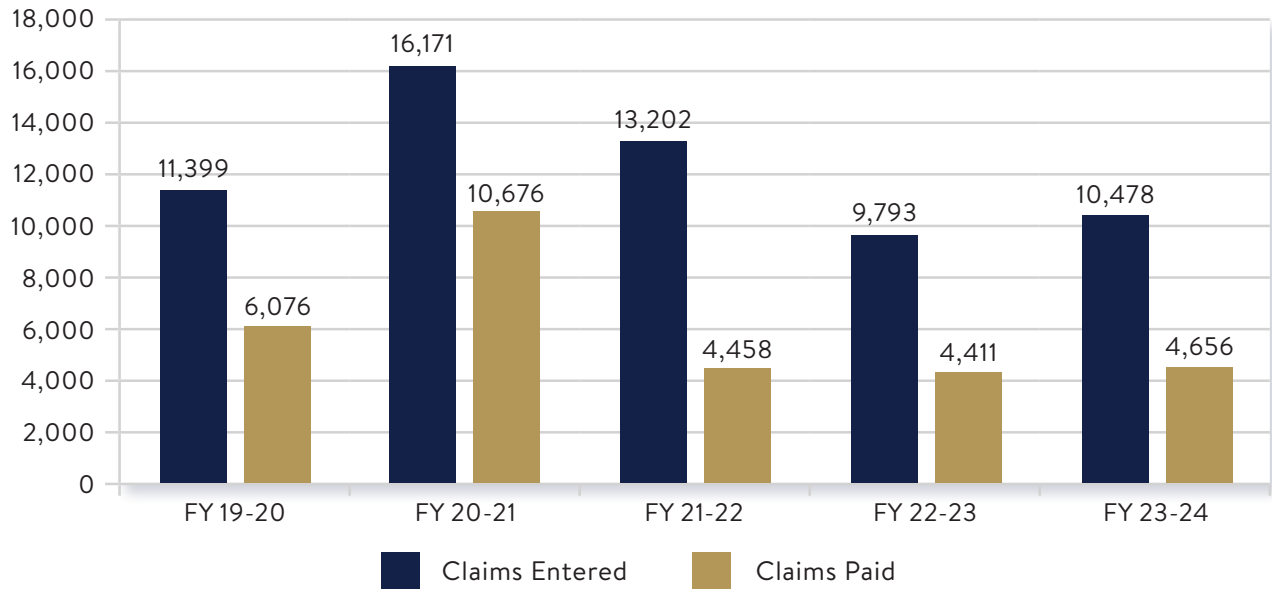
**Florida Workers' Compensation Cost Comparison**  
*(Excludes Adjusting and Defense Costs)*  
 FY 2021-22 through FY 2023-24



Overall workers' compensation claims costs decreased for the 2023-24 fiscal year, totaling \$109.7 million compared to \$115.4 million during the prior fiscal year, a decrease of 6.7 percent. Workers' compensation medical costs decreased \$8.2 million (10.5 percent) while indemnity costs increased \$2.5 million (6.7 percent) during the 2023-24 fiscal year.

The following chart reflects the number of new claims reported and the number of new claims with some monetary expense for the prior five-year period:

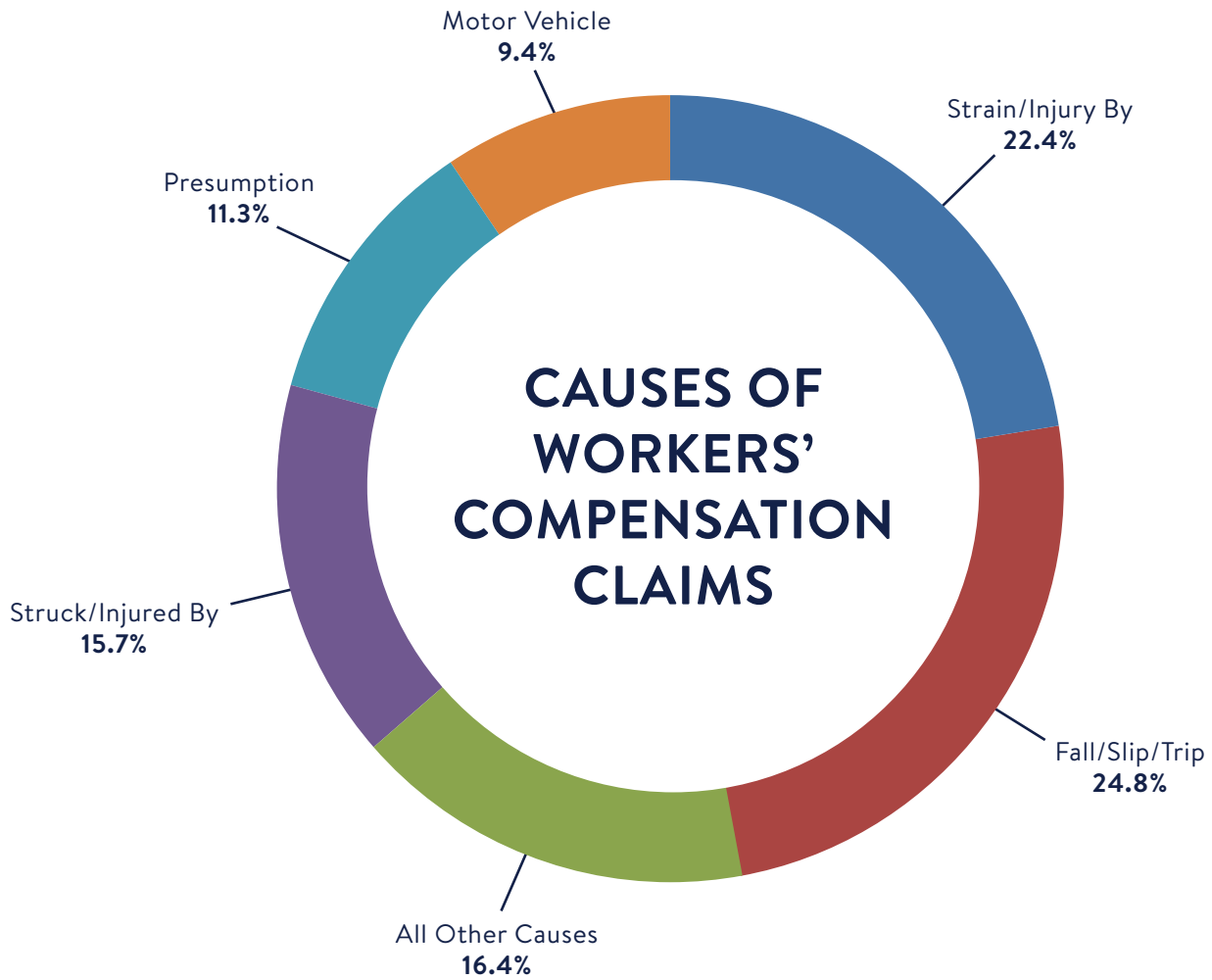
**New Workers' Compensation Claims Reported/Claims With Some Monetary Value**  
*(Claim Development Shown Through 8/31 of the Following Fiscal Year)*  
 Fiscal Years 2019-20 through 2023-24



The Risk Management Program averaged 12,209 new workers' compensation insurance claims with dates of accident occurring during each of the past five fiscal years. As of August 31, 2024, this program received 10,478 claims that occurred in the 2023-24 fiscal year. Of those, 4,656 had some monetary expense associated with them (benefits paid or reserves established in anticipation of payment). The total number of claims increased 6.99 percent from the 2022-23 fiscal year. The number of new claims with some monetary value increased 5.55 percent from the prior year. For the 2023-24 fiscal year, 8.02 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. Six job-related deaths occurred during fiscal year 2023-24.

## Causes of Workers' Compensation Claims

The following chart denotes the causes of workers' compensation claims that represent the highest percentage of benefit payments during the 2023-24 fiscal year:



# RETURN-TO-WORK PROGRAM

## 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.”

The Division maintains RTW guidelines developed by its Loss Prevention Section and the RTW Ad Hoc Committee of the Interagency Advisory Council on Loss Prevention to provide agencies with a model written RTW policy that can 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.

## Statutory Reporting Requirement for Return-to-Work Programs

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.”

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. 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. 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 claims data is included in Charts 1 and 2 on pages 17-19 of this report, which present lost-time claims counts and total costs of lost-time claims.

An important component in RTW programs is the provision of documentation by the treating physician outlining an employee’s functional limitations and restrictions so the employer can make the determination as to whether it can accommodate the restrictions, allowing the employee to return to work in 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. 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 Division’s IMS does not maintain data regarding the number of days an injured employee spends out of work for the initial 40 hours or data on whether 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. This affects the ability of the Division to compile accurate data for benchmarking purposes. Return-to-Work data on the Public Defender and State Attorney offices, which are administratively housed within the Justice Administrative Commission, have been removed from this report due to the independent operational structure of the organization.



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 law to establish and maintain a RTW Program:

Agency/University	WC Covered FTEs
Department of Agriculture & Consumer Services	3,710
Department of Children & Families	14,056
Department of Corrections	24,697
Department of Education	3,791
Department of Environmental Protection	4,462
Department of Financial Services*	2,753
Department of Health	12,898
Department of Highway Safety & Motor Vehicles	4,593
Department of Juvenile Justice	3,308
Department of Revenue	5,043
Department of Transportation	6,305
Florida Atlantic University	6,096
Florida International University	7,315
Florida State University	9,003
State Courts System	4,732
University of Central Florida	9,320
University of Florida	24,479
University of South Florida	10,193

\*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.

## Summary of Results

These summary results represent all state agencies and universities required to have a return-to-work program:

- The total cost of lost-time claims increased by \$313,041 compared to the previous fiscal year, as reflected in Chart 2 on page 19.
- The number of lost-time claims increased as compared to the previous fiscal year, with 615 lost-time claims reported in the 2023-24 fiscal year as compared to 567 lost-time claims reported in the 2022-23 fiscal year.
- The percentage of workers' compensation claims that are lost-time claims increased slightly, with 7.89 percent of claims being lost-time claims in fiscal year 2023-24 compared to 7.45 percent in fiscal year 2022-23.
- The number of Temporary Partial Disability claims increased by 16.61 percent compared to the previous fiscal year.
- Temporary Partial Disability claims costs increased by 34.27 percent compared to the previous fiscal year.

Injured state employees were at work (in some type of return-to-work program) for 56,258 days rather than at home collecting benefits.

## 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 TPD payments through September 30 of the following 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 TPD payments through September 30 of the following fiscal year).
3	The number of alternate-duty claims 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 during which 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 TPD payments through September 30 of the following fiscal year).
6	The percentage change in the average TPD claims cost per year as compared to the preceding fiscal year (with claims costs valued as of September 30 of the following fiscal year)
7	The percentage of change in the number of TPD claims as compared to the preceding fiscal year (includes claims with an accident date between July 1 and June 30 that received TPD payments through September 30 of the following fiscal year).
8	The percentage of workers' compensation claims that are lost-time claims, per fiscal year (includes claims with an accident date between July 1 and June 30 that received TTD and/or TPD payments through September 30 following each fiscal year).

As previously discussed, 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 costs, 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 IMS.

# RETURN-TO-WORK BENCHMARKS | FISCAL YEAR 2023-24

Agency/University <sup>(1)</sup>	BENCHMARK NUMBER																							
	1			6			2			7			3			4			5			8		
	Average TPD Claims Cost			Total TPD Claims			Total Alternate Duty Claim Assignments in FY 23/24	Total Alternate Duty Days of Work FY 23/24	Total TPD Claims Cost			% of WC Claims that are Lost-Time Claims												
FY 22/23	FY 23/24	% Change	FY 22/23	FY 23/24	% Change	FY 22/23			FY 23/24	% Change	FY 22/23	FY 23/24	Change in percentage											
Dept. of Agriculture and Consumer Services	\$9,302	\$7,733	-16.86%	2	4	100.00%	70	2,508	\$18,603	\$30,933	66.28%	4.20%	5.04%	0.85%										
Dept. of Children and Families	\$18,877	\$20,326	7.68%	35	51	45.71%	76	2,438	\$660,701	\$1,036,650	56.90%	7.11%	8.35%	1.24%										
Dept. of Corrections	\$19,221	\$17,981	-6.45%	129	138	6.98%	624	19,896	\$2,479,536	\$2,481,440	0.08%	7.28%	7.13%	-0.15%										
Dept. of Education	\$22,508	\$2,585	-88.51%	3	2	-33.33%	24	797	\$67,523	\$5,170	-92.34%	9.09%	3.41%	-5.68%										
Dept. of Environmental Protection	\$19,377	\$24,833	28.16%	2	7	250.00%	76	5,679	\$38,753	\$173,832	348.56%	1.54%	3.81%	2.28%										
Dept. of Financial Services	\$0	\$6,360	-	0	1	-	1	21	\$0	\$6,360	-	4.92%	8.47%	3.56%										
Dept. of Health	\$13,448	\$26,340	95.87%	7	8	14.29%	116	4,592	\$94,134	\$210,720	123.85%	5.74%	6.20%	0.46%										
Dept. of Highway Safety and Motor Vehicles	\$19,540	\$31,713	62.30%	4	8	100.00%	48	1,606	\$78,160	\$253,702	224.59%	7.02%	5.16%	-1.86%										
Dept. of Juvenile Justice	\$15,402	\$11,439	-25.73%	38	38	0.00%	150	5,147	\$585,270	\$434,678	-25.73%	16.72%	14.29%	-2.44%										
Dept. of Revenue	\$17,053	\$80,811	373.89%	2	2	0.00%	38	293	\$34,105	\$161,621	373.89%	8.06%	7.00%	-1.06%										
Dept. of Transportation	\$15,389	\$25,380	64.93%	18	20	11.11%	39	1,819	\$276,995	\$507,594	83.25%	17.42%	16.57%	-0.84%										
Florida Atlantic University	\$2,908	\$42,521	1362.29%	1	4	300.00%	12	669	\$2,908	\$170,085	5749.17%	3.39%	6.25%	2.86%										
Florida International University	\$22,949	\$18,292	-20.29%	8	12	50.00%	30	980	\$183,595	\$219,502	19.56%	10.00%	16.67%	6.67%										
Florida State University	\$9,144	\$27,126	196.65%	15	17	13.33%	69	2,190	\$137,163	\$461,149	236.20%	8.66%	9.92%	1.26%										
State Courts System	\$28,700	\$31,996	11.49%	1	2	100.00%	7	512	\$28,700	\$63,993	122.97%	4.65%	7.50%	2.85%										
University of Central Florida	\$6,647	\$21,112	217.61%	13	12	-7.69%	28	956	\$86,413	\$253,344	193.18%	9.80%	9.66%	-0.14%										
University of Florida	\$14,861	\$17,018	14.52%	20	29	45.00%	151	4,429	\$297,217	\$493,523	66.05%	3.02%	5.01%	1.99%										
University of South Florida	\$20,178	\$28,858	43.02%	9	3	-66.67%	45	1,726	\$181,598	\$86,573	-52.33%	5.41%	1.55%	-3.86%										
<b>Totals</b>	<b>\$17,105</b>	<b>\$19,695</b>	<b>15.14%</b>	<b>307</b>	<b>358</b>	<b>16.61%</b>	<b>1,604</b>	<b>56,258</b>	<b>\$5,251,375</b>	<b>\$7,050,869</b>	<b>34.27%</b>	<b>7.45%</b>	<b>7.89%</b>	<b>0.44%</b>										

Note<sup>(1)</sup>: Due to having less than 3,000 FTEs in the 2023-24 fiscal year, the Agency for Persons with Disabilities was omitted from the 2023-24 annual report data. However, should the agency exceed the FTE requirement next year, it will resume reporting RTW data to the Division in fiscal year 2024-25.

## 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) claims counts.
- **Chart 2** provides a fiscal year cost comparison that details indemnity costs, medical and legal costs, other costs, and total costs.

**Chart 1: Fiscal Year Comparison of Lost-Time (TPD and TTD) Claims  
For State Agencies and Universities Participating in the Return-to-Work Program  
Claims Counts for FY 2022-23 and 2023-24**

Agency/University	Lost-Time Claim Count		
	FY 22/23	FY 23/24	Difference
Dept of Agriculture & Consumer Services	12	17	5
Dept of Children & Families	51	68	17
Dept of Corrections	269	268	(1)
Dept of Education	6	3	(3)
Dept of Environmental Protection	6	14	8
Dept of Financial Services	3	5	2
Dept of Health	19	22	3
Dept of Highway Safety & Motor Vehicles	28	21	(7)
Dept of Juvenile Justice	51	52	1
Dept of Revenue	5	7	2
Dept of Transportation	27	30	3
Florida Atlantic University	2	5	3
Florida International University	12	15	3
Florida State University	20	25	5
State Courts System	2	3	1
University of Central Florida	15	17	2
University of Florida	25	39	14
University of South Florida	14	4	(10)
<b>Totals</b>	<b>567</b>	<b>615</b>	<b>48</b>

The Agency for Persons with Disabilities was not included in the 2023-24 annual report due to a decrease in the number of agency FTEs. However, should the agency exceed 3,000 FTEs next year, reporting RTW data will resume in fiscal year 2024-25. In fiscal year 2023-24, agencies required to have RTW programs had an increase in the number of lost-time claims as compared to fiscal year 2022-23 (with 48 more lost time claims reported in 2023-24). Of the 18 agencies presented in the chart above, 4 had a decrease in lost-time claims.

## 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 2022-23 and FY 2023-24*

Agency/University <sup>(2)</sup>	Indemnity Costs			Medical & Legal Costs			Other Costs & Recoveries <sup>(1)</sup>			Total Lost-Time Claims Cost		
	FY 22/23	FY 23/24	Difference	FY 22/23	FY 23/24	Difference	FY 22/23	FY 23/24	Difference	FY 22/23	FY 23/24	Difference
Dept. of Agriculture and Consumer Services	\$53,729	\$85,707	\$31,978	\$280,548	\$114,657	(\$165,891)	(8,711)	(32,384)	(\$23,673)	\$325,565	\$167,980	(\$157,586)
Dept. of Children and Families	\$264,619	\$467,934	\$203,314	\$816,262	\$892,280	\$76,017	(53,719)	(35,230)	\$18,489	\$1,027,162	\$1,324,983	\$297,821
Dept. of Corrections	\$1,894,578	\$2,178,679	\$284,102	\$4,155,875	\$3,662,641	(\$493,235)	(447,697)	(491,695)	(\$43,998)	\$5,602,756	\$5,349,625	(\$253,131)
Dept. of Education	\$30,542	\$4,688	(\$25,853)	\$135,063	\$8,856	(\$126,207)	(11,220)	(3,488)	\$7,732	\$154,385	\$10,056	(\$144,328)
Dept. of Environmental Protection	\$26,923	\$127,489	\$100,566	\$196,644	\$333,621	\$136,977	(1,113)	12,894	\$14,007	\$222,454	\$474,004	\$251,550
Dept. of Financial Services	\$70,367	\$68,291	(\$2,077)	\$58,898	\$25,200	(\$33,698)	(17,959)	(34,457)	(\$16,498)	\$111,306	\$59,033	(\$52,273)
Dept. of Health	\$83,535	\$108,456	\$24,921	\$633,939	\$461,873	(\$172,065)	55,696	(44,067)	(\$99,763)	\$773,170	\$526,262	(\$246,908)
Dept. of Highway Safety and Motor Vehicles	\$220,325	\$234,077	\$13,751	\$1,176,059	\$568,745	(\$607,314)	(51,058)	(102,262)	(\$51,205)	\$1,345,327	\$700,560	(\$644,767)
Dept. of Juvenile Justice	\$314,760	\$292,061	(\$22,699)	\$546,543	\$448,052	(\$98,490)	(38,993)	(66,087)	(\$27,095)	\$822,309	\$674,026	(\$148,284)
Dept. of Revenue	\$17,124	\$50,364	\$33,240	\$54,009	\$196,978	\$142,969	(10,159)	(16,587)	(\$6,428)	\$60,974	\$230,756	\$169,782
Dept. of Transportation	\$138,957	\$295,690	\$156,733	\$292,632	\$573,545	\$280,913	(8,116)	(29,911)	(\$21,796)	\$423,474	\$839,323	\$415,849
Florida Atlantic University	\$8,334	\$60,159	\$51,825	\$58,625	\$149,484	\$90,859	6,336	(9,650)	(\$15,986)	\$73,295	\$199,993	\$126,698
Florida International University	\$48,008	\$90,872	\$42,864	\$301,482	\$305,670	\$4,189	(4,752)	571	\$5,323	\$344,738	\$397,113	\$52,376
Florida State University	\$93,273	\$179,974	\$86,701	\$194,351	\$432,886	\$238,536	(574)	(31,046)	(\$30,472)	\$287,050	\$581,814	\$294,764
State Courts System	\$21,777	\$29,514	\$7,737	\$32,979	\$60,471	\$27,493	(5,579)	3,126	\$8,704	\$49,177	\$93,111	\$43,934
University of Central Florida	\$39,605	\$110,740	\$71,136	\$91,828	\$196,652	\$104,825	(2,345)	(15,048)	(\$12,702)	\$129,087	\$292,345	\$163,258
University of Florida	\$106,791	\$190,431	\$83,640	\$291,531	\$509,100	\$217,568	(8,145)	2,411	\$10,556	\$390,177	\$701,942	\$311,765
University of South Florida	\$61,234	\$19,536	(\$41,698)	\$221,776	\$79,997	(\$141,779)	(17,017)	(1,019)	\$15,998	\$265,992	\$98,513	(\$167,479)
<b>Totals</b>	<b>\$3,494,481</b>	<b>\$4,594,661</b>	<b>\$1,100,180</b>	<b>\$9,539,042</b>	<b>\$9,020,708</b>	<b>(\$518,334)</b>	<b>(625,124)</b>	<b>(893,929)</b>	<b>(\$268,805)</b>	<b>\$12,408,399</b>	<b>\$12,721,439</b>	<b>\$313,041</b>

Note<sup>(1)</sup>: “Other Costs & Recoveries” columns include all other claims-related costs, such as administration cost for medical expense, as well as recoveries such as claim overpayment reimbursements and receipts for subrogation.

Note<sup>(2)</sup>: Due to having less than 3,000 FTEs in the 2023-24 fiscal year, the Agency for Persons with Disabilities was omitted from the 2023-24 annual report data. However, should the agency exceed the FTE requirement next year, it will resume reporting RTW data to the Division in fiscal year 2024-25.

# PROPERTY CLAIMS AND EXPENSES

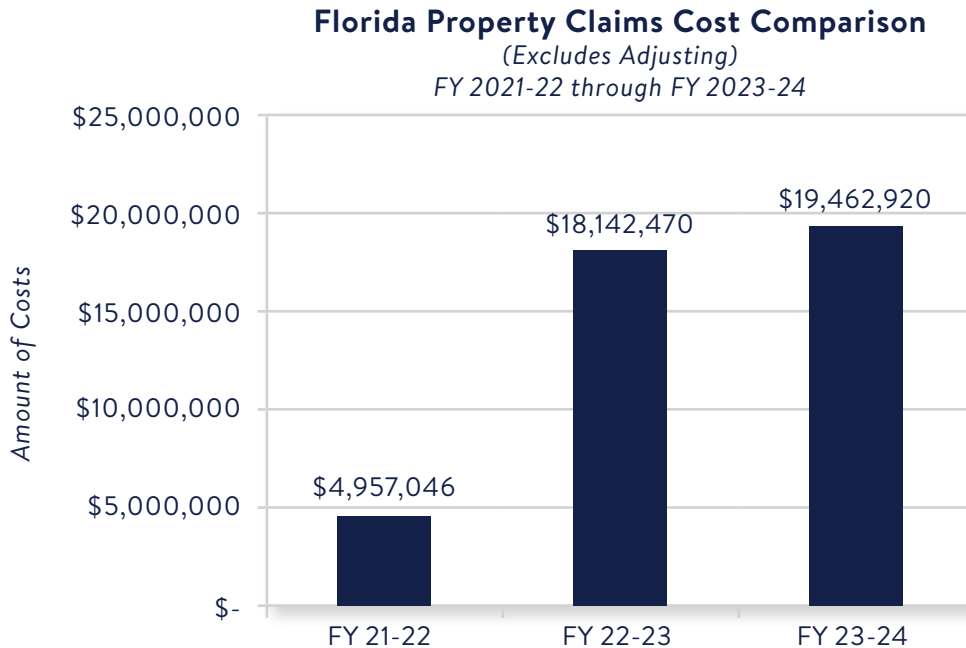
## PROPERTY

The Property program provides property coverage through the State Risk Management Trust Fund. The state offers actual cash value coverage for damages to covered property caused by specific insured perils such as fire, wind, and lightning. Replacement cost coverage is provided for flood damage that is identical to the National Flood Insurance Program. 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

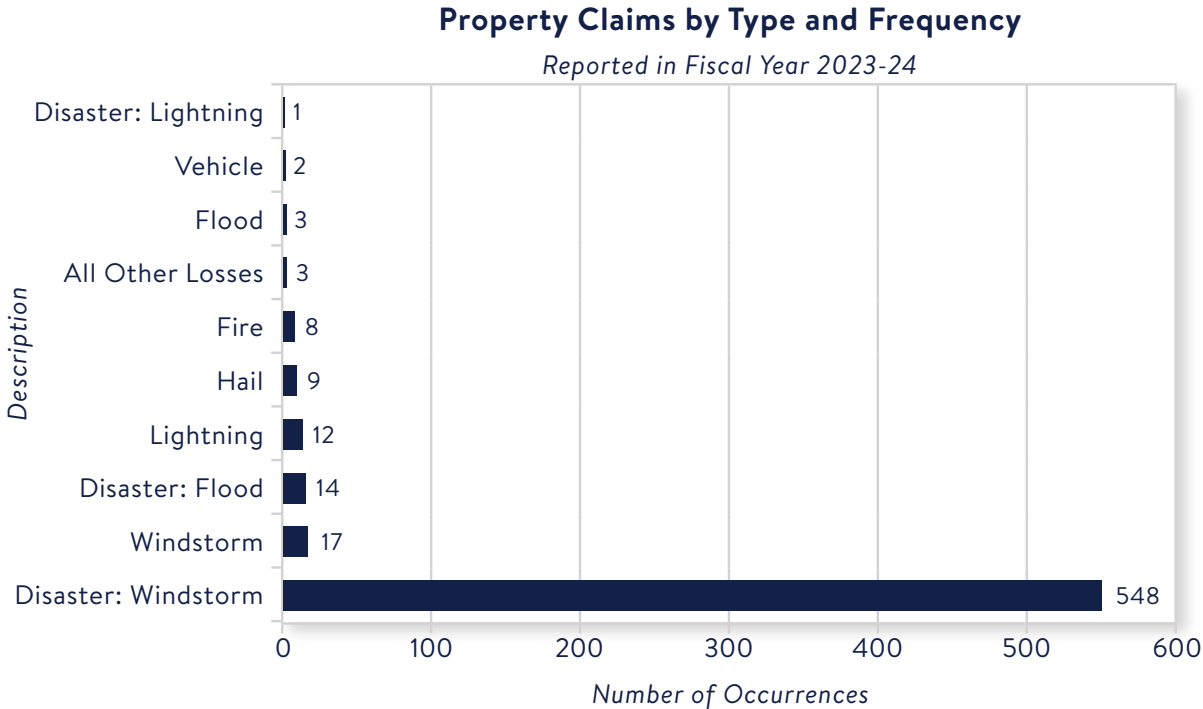
This program is responsible for investigating, evaluating, negotiating, and settling covered property claims. Investigations are conducted by staff and/or in concert with a contracted adjusting service.

Program property claims costs for the prior three-year period are illustrated in the graph below:



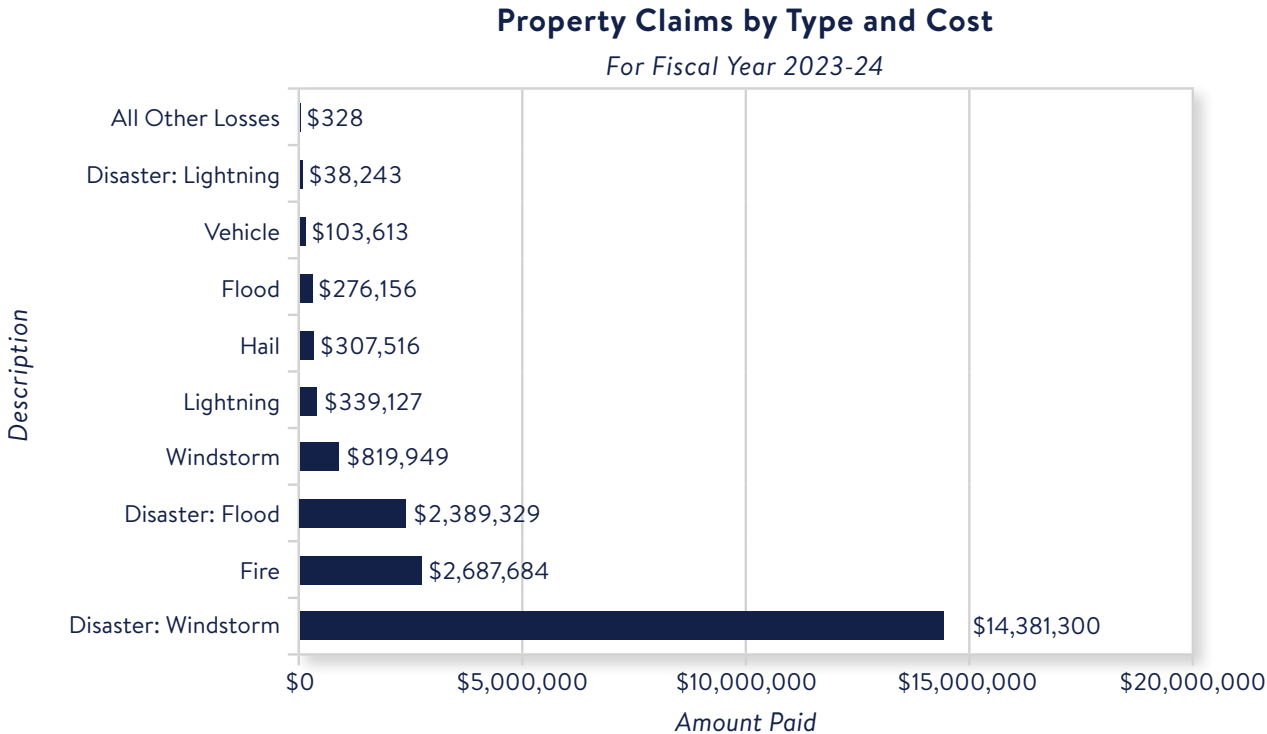
The program was again impacted by hurricane losses this fiscal year. Property losses paid totaled approximately \$19.5 million during fiscal year 2023-24, an increase of \$1.3 million from the 2022-23 fiscal year. These losses were primarily a result of Hurricane Ian and Hurricane Idalia. For the 2023-24 fiscal year, the Division paid losses of \$8.9 million for Hurricane Ian and \$6.0 million for Hurricane Idalia. The Division also paid \$4.4 million in non-hurricane related losses in fiscal year 2023-24. Additional information on the impact of hurricane losses can be found on page 5 of this report.

Property losses are caused by a variety of covered perils, such as wind, lightning, flood, and fire. The types and frequency of property claims reported in the 2023-24 fiscal year are included in the following graph:



During the 2023-24 fiscal year, 617 property claims were reported compared to 1,346 claims reported during the 2022-23 fiscal year, a decrease of 729 claims. The primary cause of property losses continues to be damage caused by hurricanes and tropical storms. Windstorm loss by a declared disaster was the most frequent type of loss to the property program in the 2023-24 fiscal year.

Reported property claims for the 2023-24 fiscal year are shown by type and cost in the graph below:



Property claims are tracked by the type of peril that caused the damage. For fiscal year 2023-24, disaster-related windstorm losses were the costliest peril for which claims have been paid, followed by fire claims.

## 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 2023-24 fiscal year.

### Inspections Performed During Fiscal Year 2023-24

The State Fire Marshal's Office inspected 13,460 state-owned buildings during the fiscal year.

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

Pursuant to section 633.218, 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 AND EXPENSES

## AUTOMOBILE LIABILITY

The Automobile Liability program provides automobile 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 automobiles.

This program is responsible for investigating, evaluating, negotiating, and making appropriate disposition of any automobile claims and lawsuits filed against the state of Florida. Claims investigations 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, contracted law firms, or state agency attorneys.

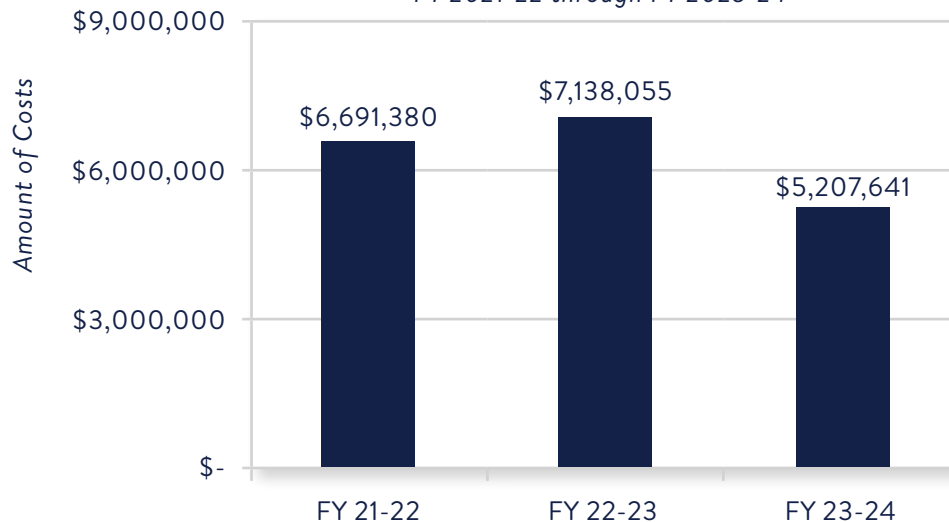
In accordance with section 768.28, Florida Statutes, the current limits of liability (under the waiver of sovereign immunity law) for which the state may be sued are \$200,000 per person’s claim and \$300,000 for all claims arising from a single incident.

As of July 1, 2004, the Division has offered coverage for property damage to state vehicles sustained when these vehicles are used for approved off-duty use by a law enforcement officer. The Division establishes a premium each year for this coverage and there is a \$100 deductible per incident for the 2023-24 fiscal year if the law enforcement officer is determined to be at fault.

Automobile liability claims costs for the prior three-year period are detailed in the following chart:

### Florida Automobile Liability Claims Cost Comparison

*(Excludes Adjusting and Defense Costs)  
FY 2021-22 through FY 2023-24*

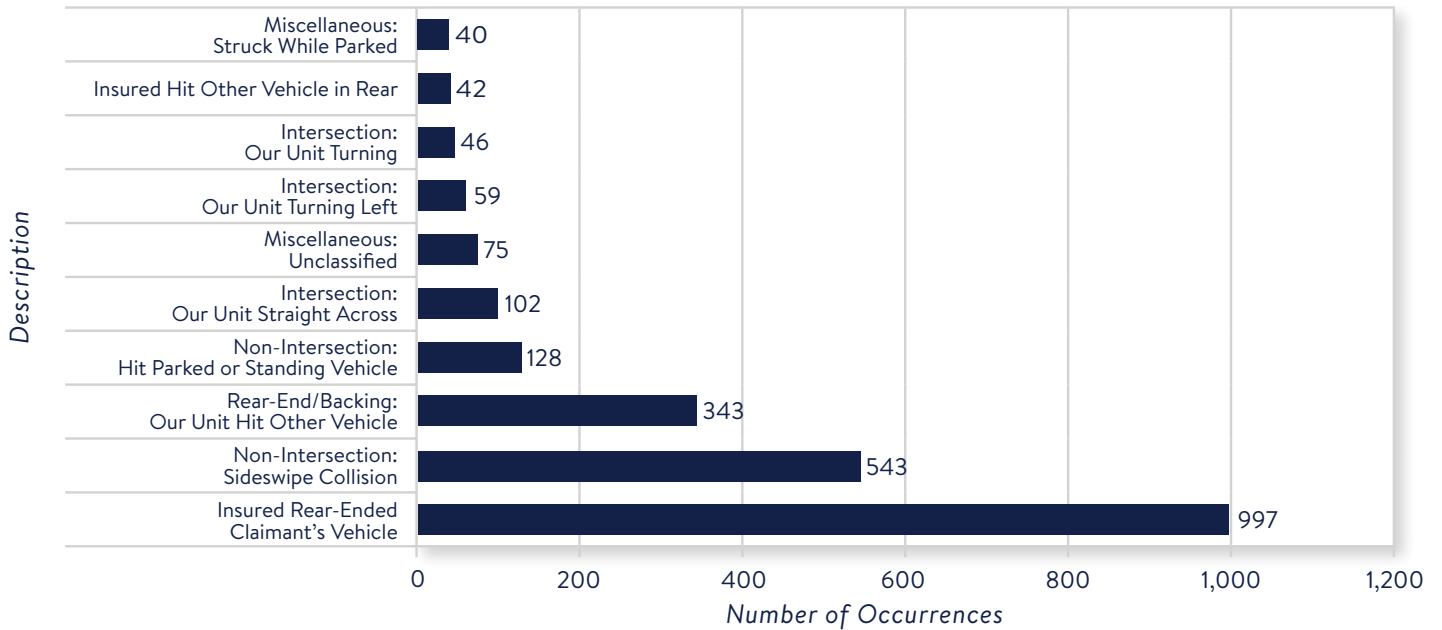


Automobile liability claims costs decreased by \$1,930,414 (27 percent) in fiscal year 2023-24 compared to the 2022-23 fiscal year. The number of claims increased from 544 in fiscal year 2022-23 to 577 in the current fiscal year, representing a 6.1 percent increase in new claims.

The state of Florida 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 frequency of reported automobile accidents for the prior five-year period by type is illustrated in the following graph:

### Frequency of Automobile Liability Claims: Top 10 Categories

Reported for the Period 7/1/19-6/30/24

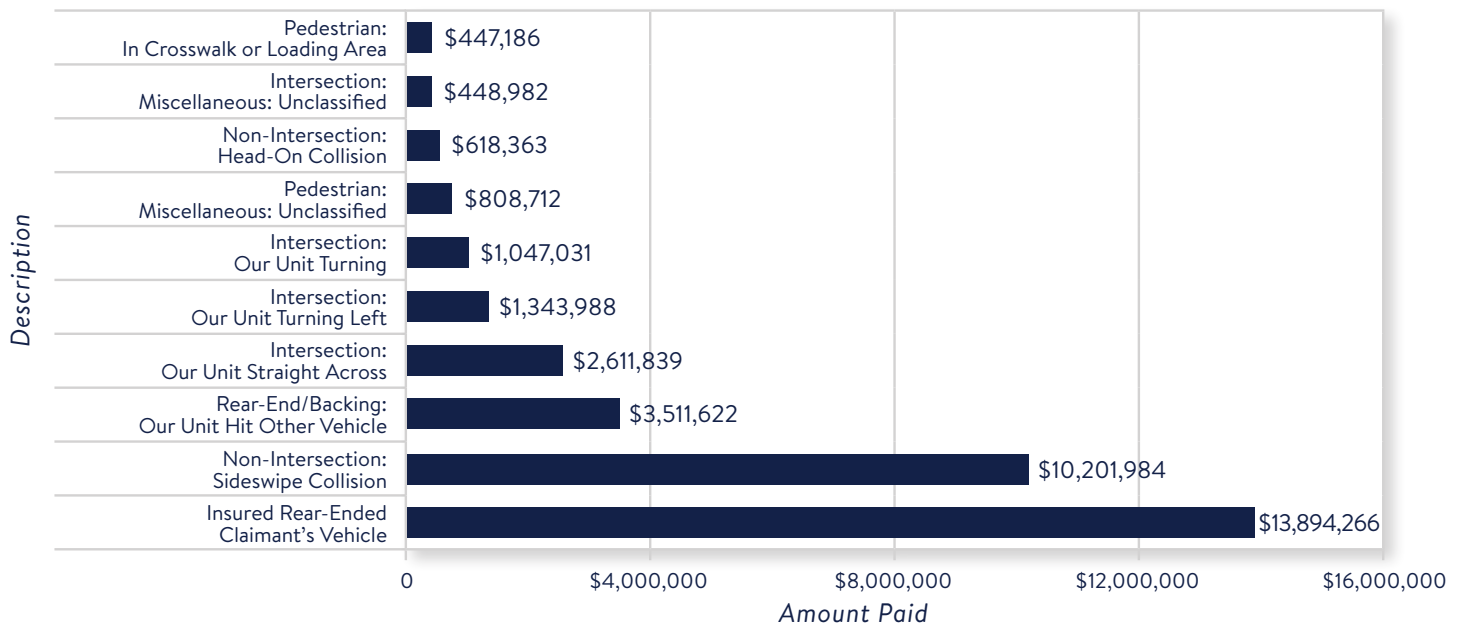


The most frequent type of accident and resulting claim was from state drivers hitting another vehicle from behind, followed by side-swipe collisions.

The state of Florida also tracks the cost of automobile accidents by cause and related cost, as shown in the chart below:

### Cost of Automobile Liability Claims: Top 10 Categories

For the Period 7/1/19-6/30/24



The costliest category of automobile liability claims paid by the state of Florida are claims where our insured driver hit another vehicle from behind.

# GENERAL LIABILITY CLAIMS AND EXPENSES

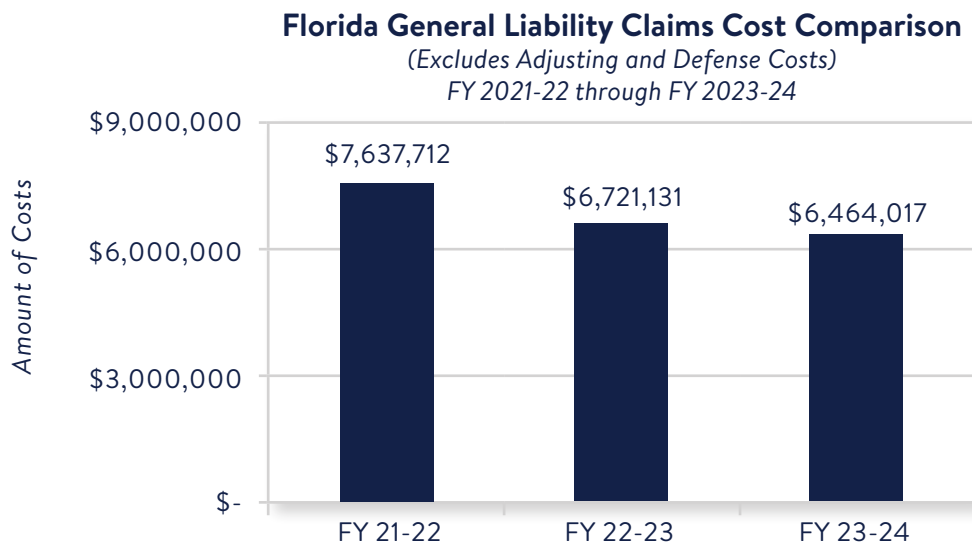
## GENERAL LIABILITY

The General Liability 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.

This 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. Claims investigations 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, contracted 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.

This program also provides court-awarded attorney fee coverage through the State Risk Management Trust Fund. The self-insurance coverage pays, on behalf of the state of Florida, 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.

The Division continues to work closely with state agencies to control claims costs. The chart below depicts the general liability claims costs for the previous three years:

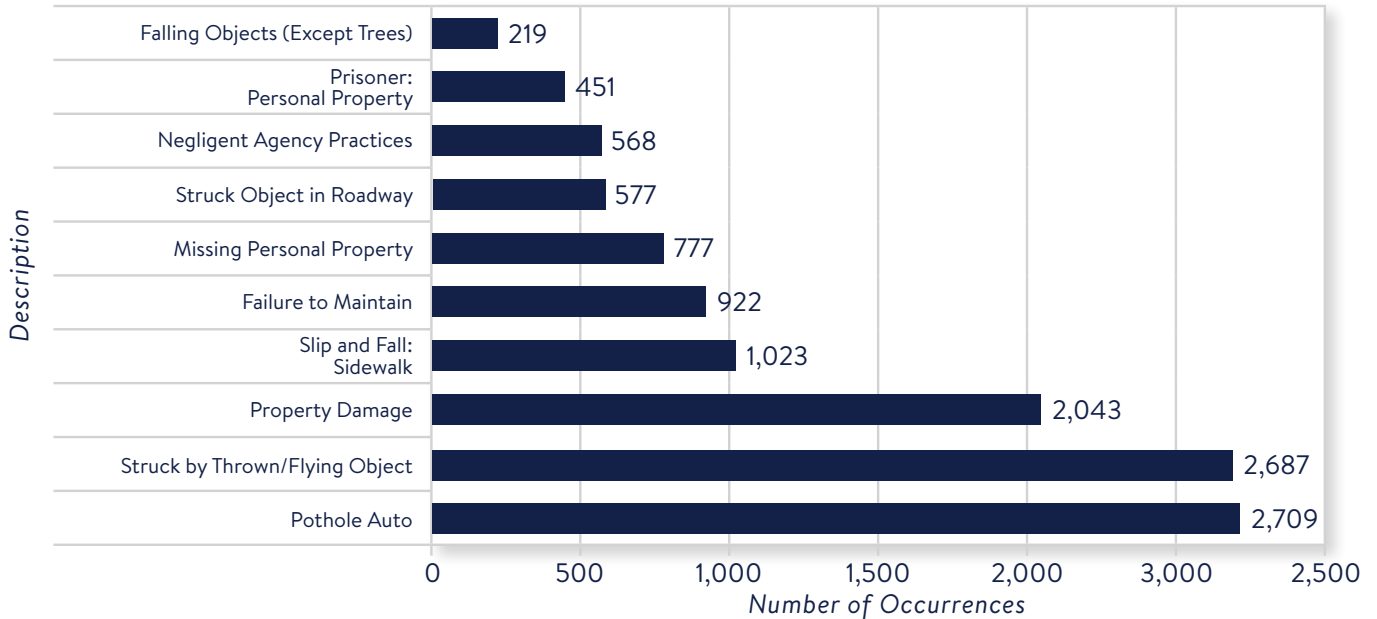


Overall, state general liability claims costs decreased by \$257,114 (4 percent) in fiscal year 2023-24 compared to the 2022-23 fiscal year. The number of new claims increased from 2,287 to 4,242, an 85.5 percent increase from the prior fiscal year. This increase was primarily caused by claims filed due to a deteriorated road condition which resulted in debris causing property damage to numerous vehicles.

General liability claims are claims of negligence other than automobile liability, and are tracked in five-year increments as seen in the following graph:

### Frequency of General Liability Claims: Top 10 Categories

Reported for the Period 7/1/19-6/30/24

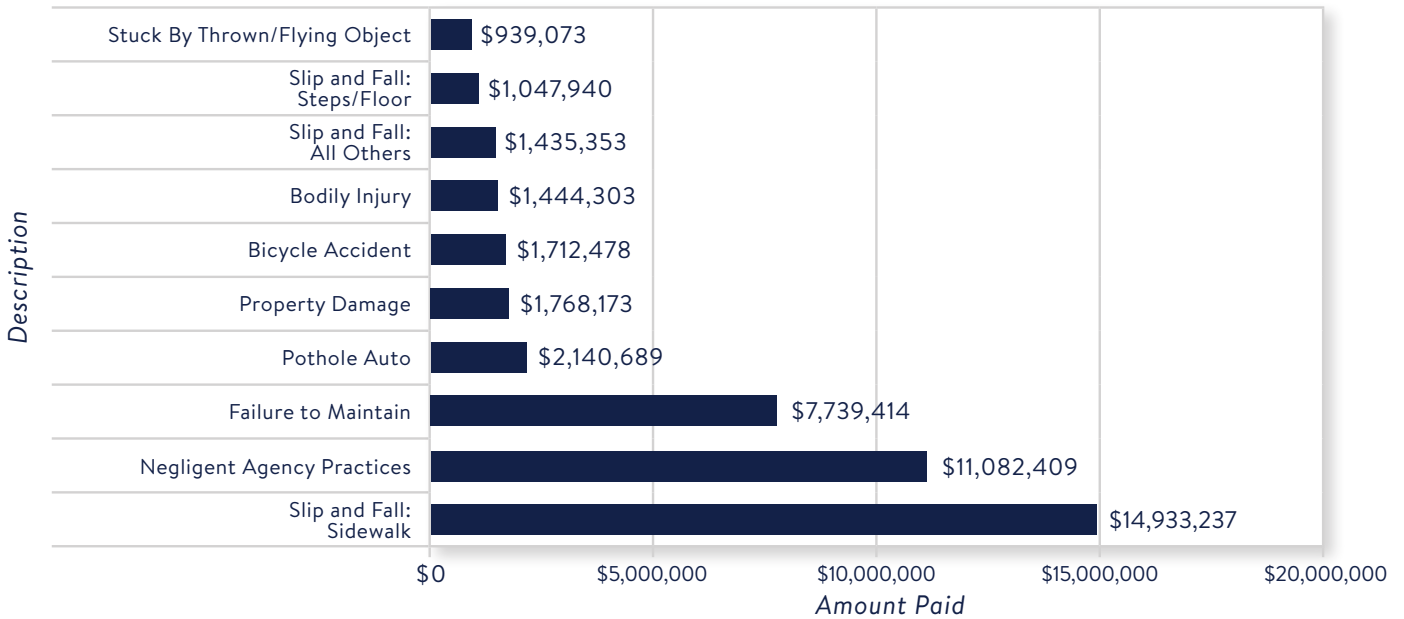


Pothole automobile damage claims are the most frequent general liability claims followed by damage caused by a thrown or flying object.

The cost of general liability claims is also tracked in five-year increments. Depicted below are the top ten categories of general liability claims reported in the prior five-year period by cost:

### Cost of General Liability Claims: Top 10 Categories

For the Period 7/1/19-6/30/24



The costliest categories of general liability claims paid by the state of Florida are slip and fall claims on sidewalks followed by negligent agency practices.

# FEDERAL CIVIL RIGHTS CLAIMS AND EXPENSES

## FEDERAL CIVIL RIGHTS/EMPLOYMENT DISCRIMINATION

The Federal Civil Rights/Employment Discrimination Program provides federal civil rights and employment discrimination claims coverage through the State Risk Management Trust Fund. This coverage includes:

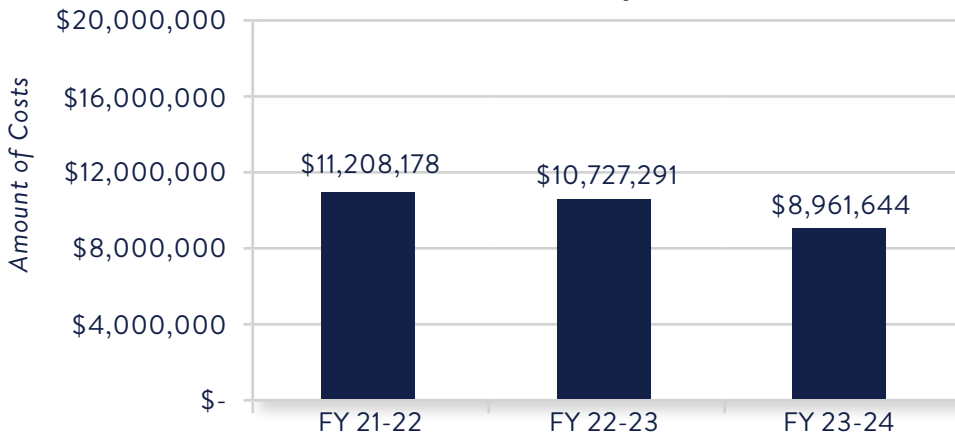
- Federal civil rights actions filed under 42 U.S.C. section 1983 (and other similar federal statutes)
- Plaintiff attorney fees/awards (where so provided by the covered federal statutes)
- Employment discrimination actions filed under 42 U.S.C. 2000e, Title VII of the 1964 Civil Rights Act
- The Civil Rights Act of 1991
- Florida Civil Rights Act of 1992, and other similar employment discrimination acts and statutes

This 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. Claims investigations are conducted by staff and/or in concert with contracted adjusting services. Defense of litigated claims is provided by the Attorney General’s Office, contracted 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 the compensatory damages portion of the available relief. The Florida Civil Rights Act of 1992 has a total cap of \$200,000. In addition to these amounts, front pay, back pay, and plaintiff attorney fees are available to the plaintiffs in these and other similar employment discrimination acts and statutes. Front pay is the responsibility of the individual insured rather than the Division of Risk Management. Punitive damages, although available under 42 USC section 1983, are specifically excluded under Risk Management coverage.

Below is a chart that provides the Florida Federal Civil Rights/Employment Discrimination claims costs for the preceding three years:

**Florida Federal Civil Rights/Employment Discrimination Claims Cost Comparison**  
*(Excludes Adjusting and Defense Costs)*  
 FY 2021-22 through FY 2023-24

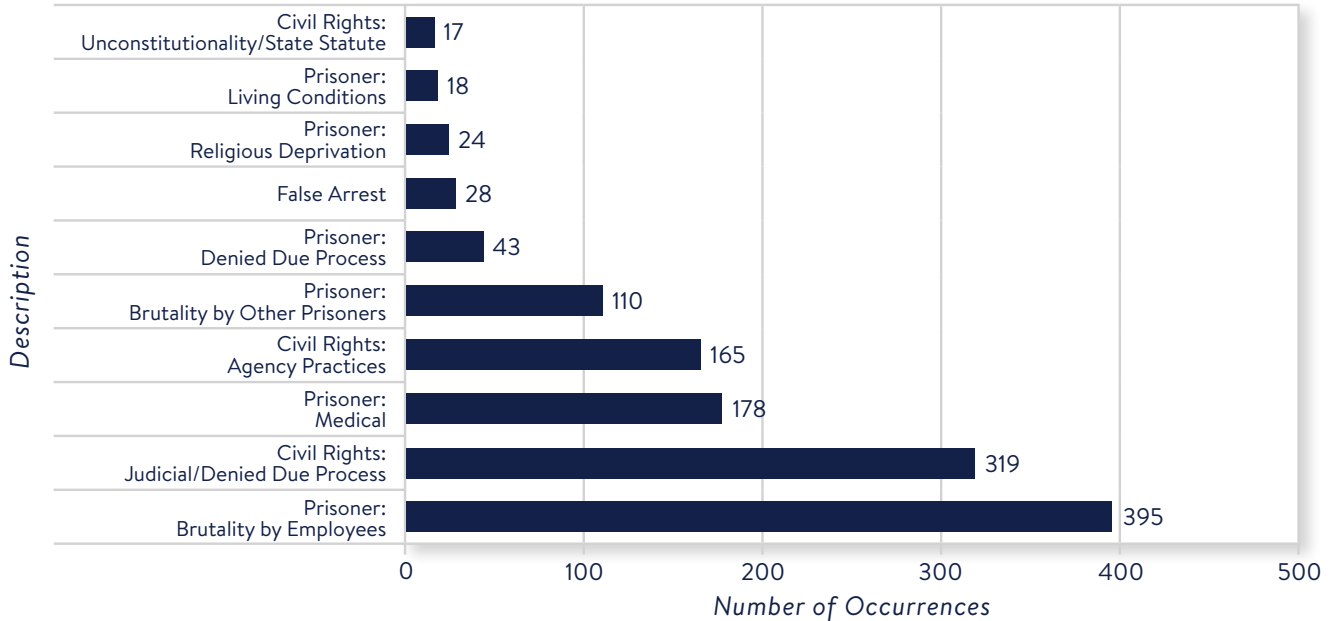


Overall, Federal Civil Rights/Employment Discrimination claims costs decreased by \$1,765,647 (16.5 percent) this fiscal year compared to fiscal year 2022-23. The number of claims increased from 427 in fiscal year 2022-23 to 468 in fiscal year 2023-24, a 9.6 percent increase.

The state of Florida 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, as seen below:

### Frequency of FCR (Non-Employment) Claims: Top 10 Categories

Reported for the Period 7/1/19-6/30/24

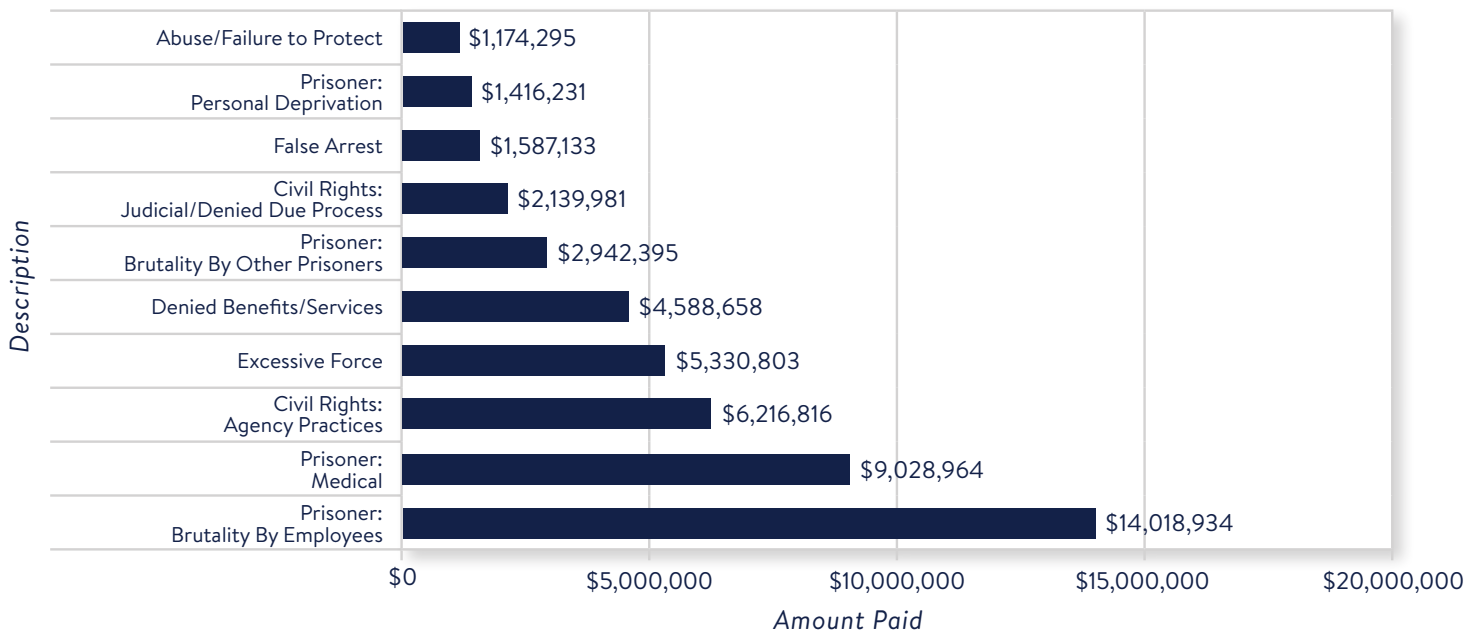


The most frequent federal civil rights claims are for alleged employee brutality of prisoners while the prisoner is in state custody, followed by claims of persons alleging the denial of due process.

The cost of federal civil rights claims is also tracked in five-year increments, as seen below:

### Cost of FCR (Non-Employment) Claims: Top 10 Categories

For the Period 7/1/19-6/30/24

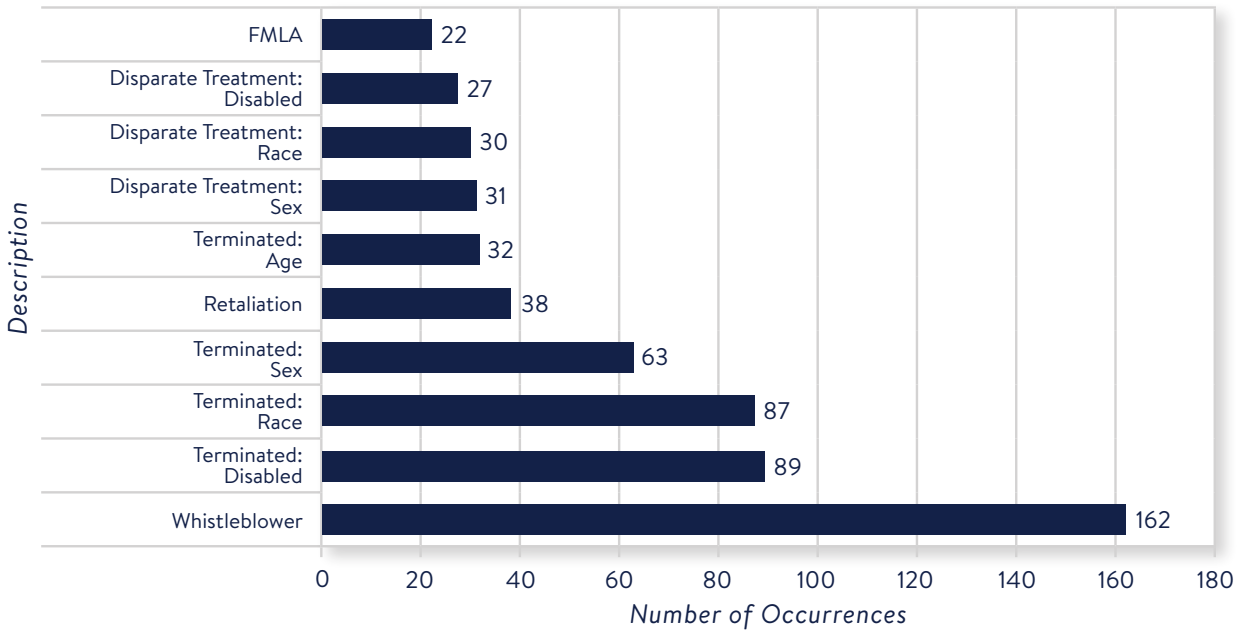


The costliest federal civil rights claims for the five-year period are alleged employee brutality of prisoners followed by claims by prisoners related to medical care.

As the largest employer in the state, the state of Florida has broad exposure to employment discrimination claims. Employment discrimination claims frequency is tracked by the type of claim and in five-year increments, as seen below:

### Frequency of Employment Claims: Top 10 Categories

Reported for the Period 7/1/19-6/30/24

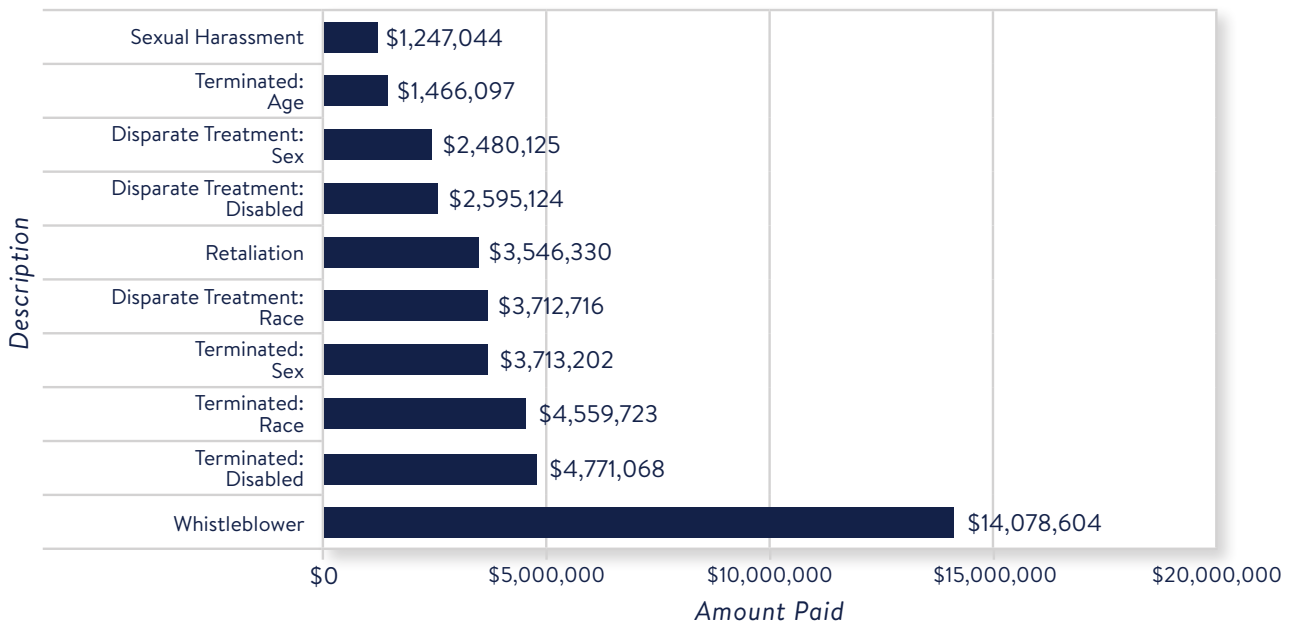


Whistleblower and terminated due to disability claims are the most frequently occurring employment claims.

Employment discrimination claims costs are also tracked by the type of claim and in five-year increments, as seen below:

### Cost of Employment Claims: Top 10 Categories

For the Period 7/1/19-6/30/24



The costliest category of employment discrimination claims is for whistleblower claims, followed by terminated due to disability claims.

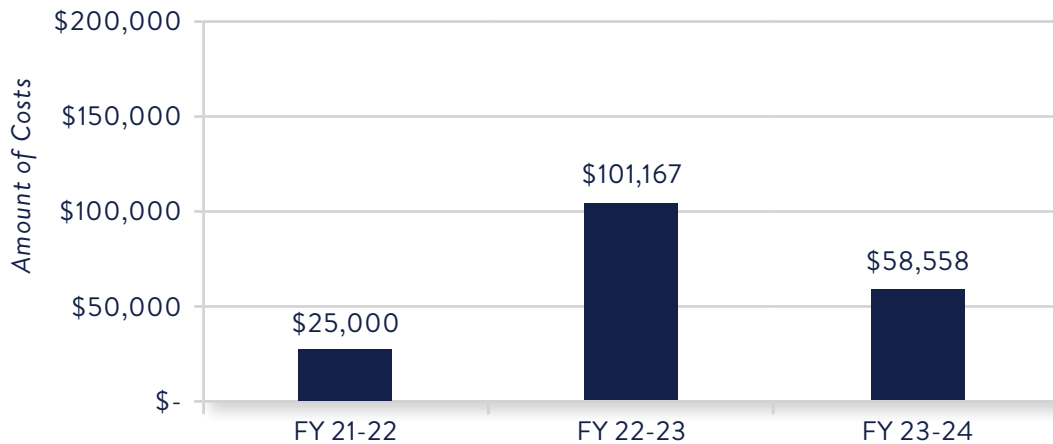
# FIREFIGHTER CANCER BENEFITS

## FIREFIGHTER CANCER BENEFITS

The Department is responsible for benefits payable under section 112.1816(2), Florida Statutes, to an employee of a state agency or department covered under section 284.31, Florida Statutes. Senate Bill 1408 (2021) transferred the responsibility for providing these benefits to the State Risk Management Trust Fund effective July 1, 2021. These benefits include coverage of out-of-pocket deductibles, copayments, or coinsurance incurred due to the treatment of cancer under section 112.1816(2)(a), Florida Statutes. Benefits also include coverage of a one-time cash payout of \$25,000, upon the firefighter's diagnosis of cancer. The benefit provided must be validated and approved by the Department of Management Services.

Below is a chart which reflects total costs for Firefighter Cancer claims since this coverage was effective July 1, 2021.

**Florida Firefighter Cancer Claims Cost Comparison**  
(Excludes Adjusting and Defense Costs)  
FY 2021-22 through FY 2023-24



Firefighter Cancer claims costs decreased \$42,609 (42 percent) in fiscal year 2023-24 over the prior fiscal year. In fiscal year 2023-24, the Department received 2 new claims and paid \$58,558 in benefits due to firefighter cancer.



# Division of Risk Management Florida Department of Financial Services



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