

Division of
RISK MANAGEMENT

FISCAL YEAR 2023 ANNUAL REPORT



A MESSAGE FROM CFO JIMMY PATRONIS

Dear Colleagues:

We are pleased to present you the Division of Risk Management's Fiscal Year 2022-23 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 eleven 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 2022-23, the Division paid \$15.5 million in losses related to Hurricane Ian, which made landfall in Lee County, Florida on September 28, 2022. Total losses for Hurricane Ian are expected to make it one of the costliest hurricanes to date for the program. The Division also paid \$205,270 in losses in fiscal year 2022-23 related to Hurricane Nicole, which hit near Vero Beach, Florida on November 10, 2022.



Hurricane property losses and other world-wide events have resulted in a continued hard market for excess property coverage. The state's excess property insurance continues to experience pricing increases for a sixth consecutive year, resulting in a reduction in the amount of coverage the state was able to purchase. For the policy year beginning February 15, 2023, the Division purchased excess property insurance for 21,134 locations and \$28.3 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 \$38.6 million for named windstorms and \$40.2 million for floods. This is a significant decrease from the \$56.27 million of combined coverage purchased for both named windstorms and flood perils purchased for the prior coverage year. The Division was able to purchase an additional \$30 million in coverage for all other perils, increasing coverage to \$255 million for the February 2023 placement.

Workers' Compensation program costs decreased by \$4.9 million from the previous fiscal year to \$115.4 million. Program medical costs decreased \$2.3 million (2.9 percent) while indemnity costs decreased \$2.6 million (6.5 percent) during the 2022-23 fiscal year. This is primarily due to a 26 percent decrease in the number of new claims from the previous fiscal year. The Division also provided Firefighter Cancer Benefits under section 112.1816(2), Florida Statutes, to four employees in fiscal year 2022-23.

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 \$5.2 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

TABLE OF CONTENTS

Overview	2
Program Highlights & Accomplishments.....	5
General Funding Information	8
Lines of Insurance Coverage	10
<i>Workers' Compensation</i>	11
<i>Property</i>	20
<i>Automobile Liability</i>	23
<i>General Liability</i>	25
<i>Federal Civil Rights/Employment Discrimination</i>	27
<i>Firefighter Cancer</i>	30

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 \$253 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 12,500 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. It provides claims frequency and cost information and includes a data trending section that covers a period of three years. This report provides agency heads with a high-level overview of claims to assist them in effective decision-making and monitoring claims activity within their respective 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 enables agencies to focus their loss prevention efforts on areas that will have the largest impact on claims reduction. Monthly reports inform agencies of casualty claims designated to their agency from the preceding month. This allows agencies to verify that all claims have been properly entered, including 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 across time.

Agency risk managers also have the ability to conduct advanced searches and create customized reports within restricted parameters through the Division's Insurance Management System (IMS). When a more specialized report is needed, the Bureau of Risk Financing and Loss Prevention can assist agency risk managers in developing customized 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. During the 2022-23 fiscal year, the Division facilitated training for 2,570 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 includes risk management industry trends, occupational health and safety news, interviews with fellow risk managers from around the state, and links to informational resources. The Division distributes this educational awareness tool to core safety personnel at all state agencies and universities for dissemination among 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. 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. For specific situations, the Division also uses contracted consultants to support agency loss prevention efforts. The Division conducted 881 consultations during the 2022-23 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 utilizes a standard review methodology that covers the Agency Risk Management

Program Evaluation Guidelines provided to all agencies and assesses agency adoption of best practices to improve program effectiveness. The evaluation process further assists agencies in enhancing their respective programs through the identification of systems, policies, and procedures that may benefit from further development. The RTW Dashboard Evaluation System collects monthly data from the Department of Financial Services and agencies with more than 3,000 full-time employees. The Division uses this data set, along with data extracted from the IMS, 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 (IAC), the Division is authorized to recognize individuals that make a significant contribution to their agency safety and loss prevention program. This recognition process provides funds to each agency for the procurement of awards to commend employees, agents, and volunteers who make an exceptional contribution 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 9,793 new workers' compensation claims and paid \$115.4 million in medical and indemnity benefits during the 2022-23 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 Risk Management Trust Fund.

PROTECTING STATE FACILITIES

With responsibility for insuring Florida's approximately 17,811 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 \$28.3 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

Two named storm events, Hurricane Ian and Hurricane Nicole, impacted the Risk Management Trust Fund in fiscal year 2022-23. 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, 2023. As a result of market conditions, the Division was unable to purchase the same amount of insurance for named windstorm and flood events as purchased in February 2022 and remain within the current appropriation. For the current coverage period, the Division purchased excess property insurance for 21,134 locations, \$28.3 billion in total insured value. The coverage above the State's \$42 million self-insurance retention for named wind and flood perils is \$38.6 million for named windstorms and \$40.2 million for floods. This is a significant decrease from the \$56.27 million of combined coverage purchased for both named windstorms and flood perils purchased for the coverage year effective February 15, 2022. The Division was able to purchase an additional \$30 million in coverage for all other perils, increasing coverage to \$255 million for the February 2023 placement. To date, none of the eleven recent named windstorm and flood events has exceeded the State's current level of self-insurance retention of \$42 million.

Hurricanes

Hurricane Ian came ashore in Lee County, Florida on September 28, 2022, resulting in 1,204 claims for state property damage. These claims represent \$15,539,440

in paid property losses for FY 2022-23. Hurricane Ian is expected to be one of the costliest storms to impact the Risk Management Trust Fund. Claims adjusting will continue into fiscal year 2023-24. As of November 2023, ninety-seven percent of all claims resulting from this storm are closed.

Hurricane Nicole came ashore on Florida's North Hutchinson Island, south of Vero Beach on November 10, 2022, resulting in 60 claims for state property damage. As of November 2023, all claims have been closed. These claims currently represent \$205,270 in paid property losses for FY 2022-2023.

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 2022-23, 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. 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. For fiscal year 2022-23, the focus was on finalizing adjuster workflows and data validations, to facilitate accurate data transmission.

Additional enhancements completed in fiscal year 2022-23 include the addition of both the historical and current contracted attorney fee rates to the Defense Attorney Contact record. The recording of historical and current attorney fee rates will enhance historical reporting and assist in the validation of contract rates during the processing of legal services invoices.

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 five-year 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 2022-23 fiscal year.

BENEFIT TO FLORIDIANS: The Division's agency risk management program evaluation component promotes positive loss prevention outcomes by assisting agencies in identifying and building upon the comprehensive program elements outlined in the Agency Risk Management Program Evaluation Guidelines. Assessment of agency risk management programs additionally contributes to the cross-agency sharing of training, safety awareness, claims loss strategies, and other processes designed to reduce costs.

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 2022-23 fiscal year, a total of 2,570 state of Florida employees completed over 5,590 hours of training offered by the Division's Loss Prevention Section via online courses, webinars, and in-person classroom training presentations.

BENEFIT TO FLORIDIANS: In addition to providing targeted training to state agency employees designed to reduce and/or eliminate specific claims losses, the Division coordinates a variety of loss prevention training directly to the agency safety coordinators, who in turn educate and disseminate this information to the employees in their respective departments.

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 are required to 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 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 COUNCIL

The Interagency Advisory Council on Loss Prevention (IAC) serves as an important venue for agency safety coordinators to discuss statewide loss prevention issues, share resources, and collaborate on interagency initiatives. Quarterly IAC meetings held throughout fiscal year 2022-23 included an overview of Division operations in the previous fiscal year; quarterly training updates; and roundtable discussions. These roundtable discussions allow agency safety coordinators to share their program successes and challenges. Additionally, a workgroup was also initiated to address efforts by state agencies and universities in the prevention, mitigation, and management of workplace violence. Council members continued to provide suggestions and feedback on loss prevention training materials.

BENEFIT TO FLORIDIANS: The IAC brings together agency safety and loss prevention personnel from around the state and allows them to communicate program concerns with each other and the Division on a regular basis. These quarterly meetings allow newly-appointed safety personnel to interact directly with veteran safety coordinators to share successful approaches to program implementation.

BUREAU OF STATE EMPLOYEE WORKERS' COMPENSATION CLAIMS

The Bureau received 9,793 new claims and made 126,177 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, Optum, 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 2022-23 fiscal year, the Bureau settled 33 percent of all cases mediated. The Bureau also achieved an estimated \$5.2 million in cost savings during the 2022-23 fiscal year that would not have occurred without the benefit of

surveillance or other investigative methods, with a savings of nearly \$46.4 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 reduces unnecessary treatment costs and improves 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 has continued to build upon recent improvements in contract administration and looks for areas where contracted services can maximize value to the state. During fiscal year 2022-23, the Division executed a contract for Pharmacy Benefit Management (PBM) services, which is based upon 100% pass-through-pricing, and developed procurements for Medical Case Management (MCM) services and Medical Bill Review (MBR) services. Additionally, amendments were executed with a total of 119 private defense attorney law firms assisting 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 are 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 \$5.5 million in medical expenditures paid during fiscal year 2022-23.

GENERAL FUNDING INFORMATION

A Legislative Revenue Estimating Conference establishes the program’s funding needs for each fiscal year. During fiscal year 2022-23, the Division invoiced, processed, and deposited \$195.9 million in premiums: \$183.7 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, 2023, participating agencies would have an estimated \$1.12 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, 2023, actuarial analysis:

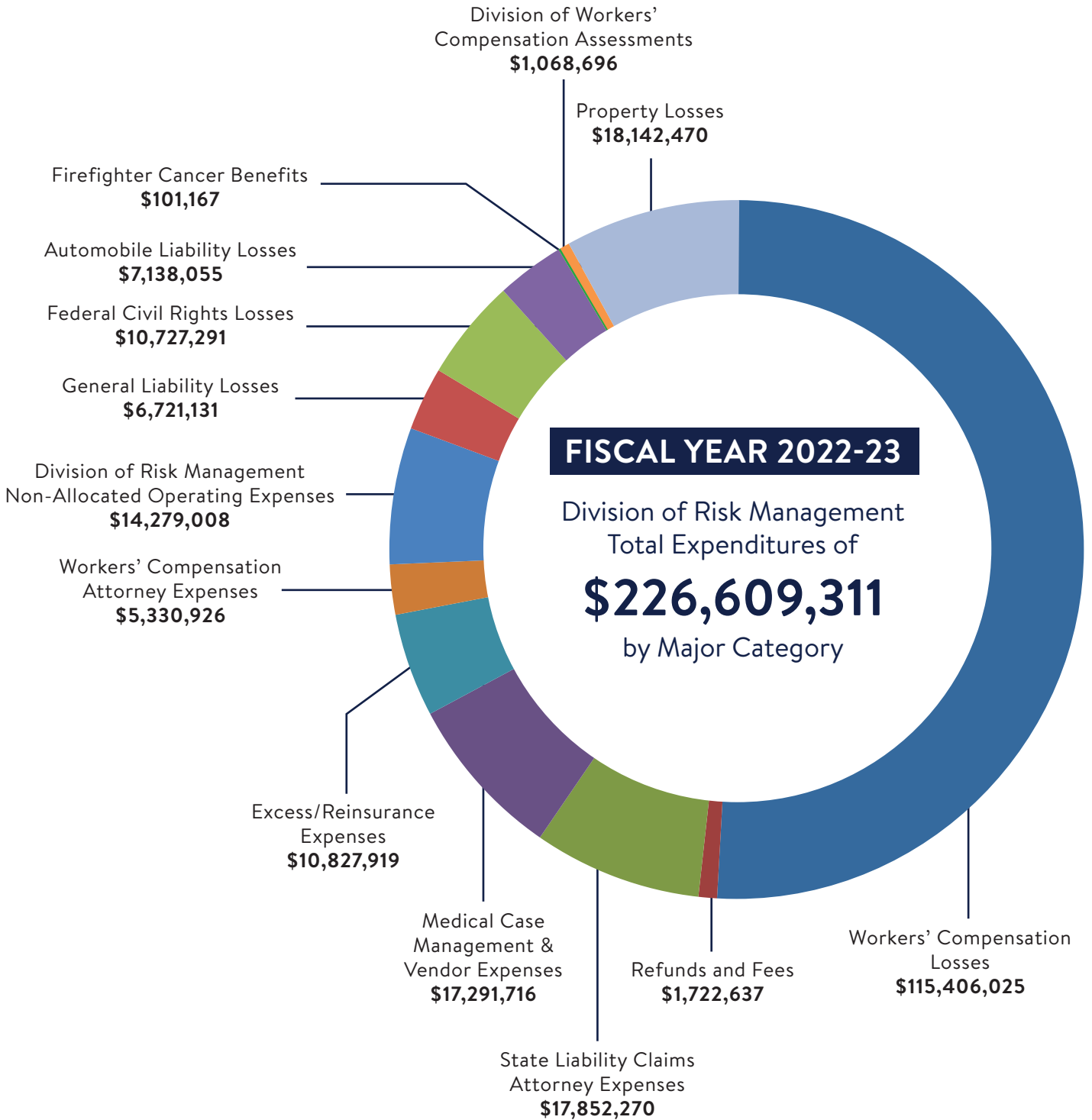
Workers’ Compensation	\$1,054.6 million
Federal Civil Rights	\$35.0 million
General Liability	\$17.6 million
Automobile Liability	\$9.9 million
Property	\$4.1 million
Total	\$1.12 billion

RISK MANAGEMENT PROGRAM FUNDING

Program	Number of Covered Employees or Property	Number of Claims Reported FY 22-23	Agency Premiums
Workers’ Compensation	201,995	9,793	\$154,933,592
State Property	21,134 Property Locations	1,346	\$12,195,647
Auto Liability ⁽¹⁾	26,064 (State-titled motor vehicles)	544	\$7,794,664
General Liability	213,522	2,287	\$7,838,503
Court-Awarded Attorney Fees	N/A	0	Included in General Liability Funding
Federal Civil Rights/Employment	203,990	427	\$13,099,084
Firefighter Cancer Benefits	783	4	Coverage not included in FY 22-23 premiums

⁽¹⁾ 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 2022-23 fiscal year.



LINES OF INSURANCE COVERAGE

Performance & Results
FY 2022-23

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:

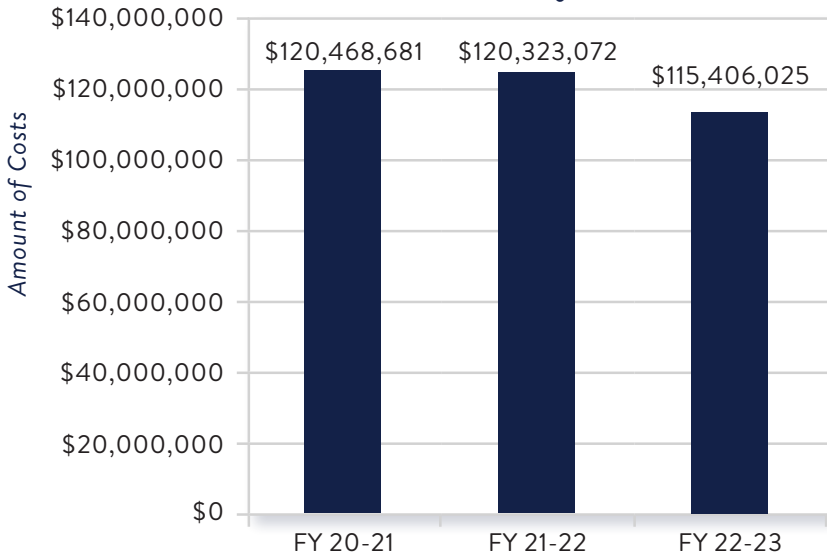
Commencement Date	Coverage Period	Coverage Provider
Prior to January 1, 1998	Accident date before January 1, 1998	Self-insured
January 1, 1998	Accident date on or after January 1, 1998, through February 9, 2002	North American Specialty Insurance Company (NASIC) with a large deductible
February 10, 2002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

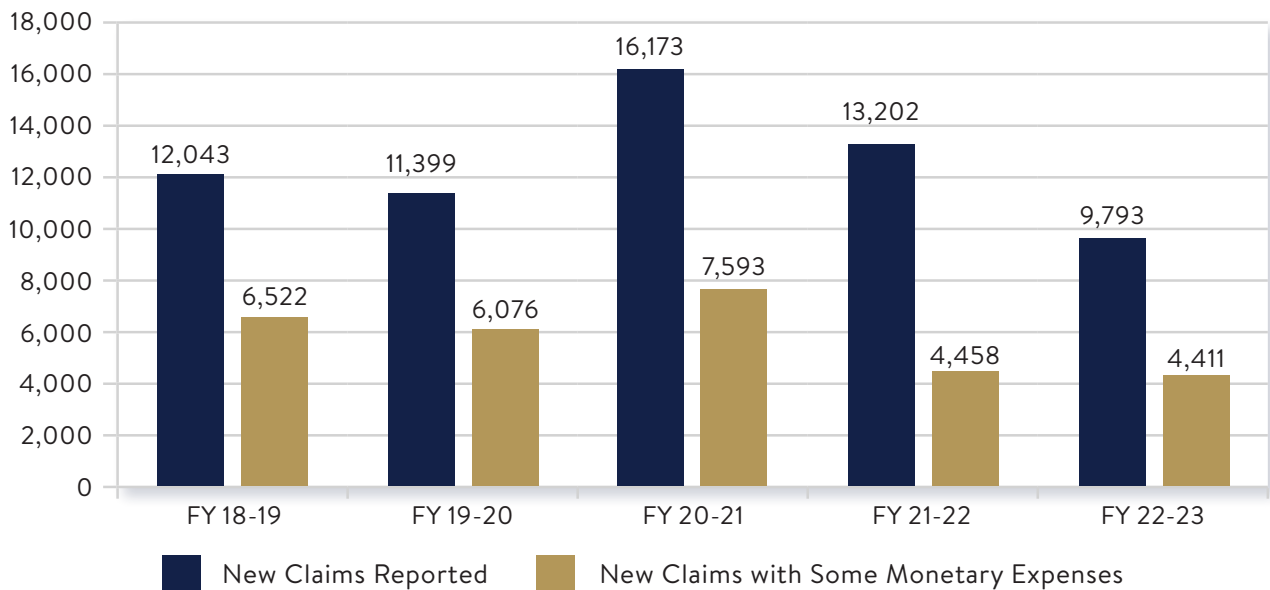
Florida Workers' Compensation Cost Comparison
 (Excludes Adjusting and Defense Costs)
 FY 2020-21 through FY 2022-23



Overall workers' compensation claims costs decreased for the 2022-23 fiscal year, totaling \$115.4 million compared to \$120.3 million during the prior fiscal year. Workers' compensation medical costs decreased \$2.3 million (2.9 percent) while indemnity costs decreased \$2.6 million (6.5 percent) during the 2022-23 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:

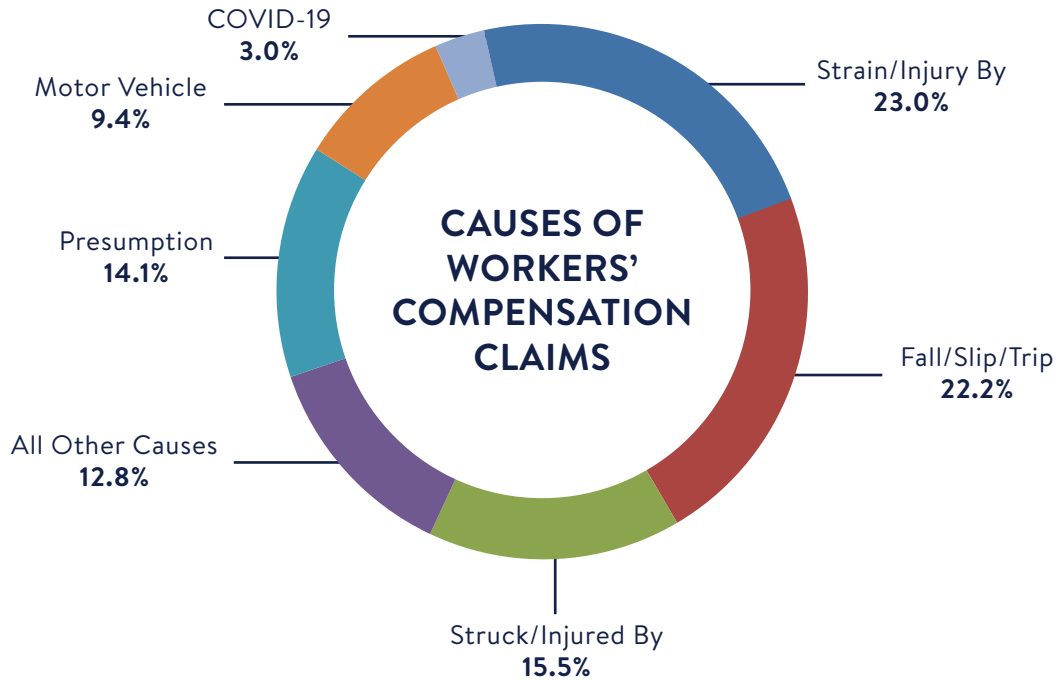
New Workers' Compensation Claims Reported/Claims With Some Monetary Value
 (Claim Development Shown Through 8/31 of the Following Fiscal Year)
 Fiscal Years 2018-19 through 2022-23



The Risk Management Program averaged 12,522 new workers' compensation insurance claims with dates of accident occurring during each of the past five fiscal years. As of August 31, 2023, this program received 9,793 claims that occurred in the 2022-23 fiscal year. Of those, 4,411 had some monetary expense associated with them (benefits paid or reserves established in anticipation of payment). The total number of claims decreased 25.8 percent from the 2021-22 fiscal year. The number of new claims with some monetary value decreased one percent from the prior year. For the 2022-23 fiscal year, 8.16 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. Four job-related deaths occurred during fiscal year 2022-23.

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 2022-23 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 18-19 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
Agency for Persons with Disabilities*	3,398
Department of Agriculture & Consumer Services	3,719
Department of Children & Families	13,273
Department of Corrections	24,402
Department of Education	3,842
Department of Environmental Protection	4,726
Department of Financial Services**	2,687
Department of Health	13,511
Department of Highway Safety & Motor Vehicles	4,775
Department of Juvenile Justice	3,308
Department of Revenue	5,013
Department of Transportation	6,166
Florida Atlantic University	5,839
Florida International University	7,343
Florida State University	9,386
State Courts System	4,670
University of Central Florida	9,221
University of Florida	23,752
University of South Florida	9,696

* The Agency for Persons with Disabilities dropped below 3,000 FTEs in fiscal year 2021-22 and did not report RTW program data to the Division. In fiscal year 2022-23, the agency increased their FTEs above 3,000, and RTW data reporting resumed, per section 284.50(3), F.S.

** 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 decreased by \$2.3 million compared to the previous fiscal year, as reflected in Chart 2 on page 19.
- The number of lost-time claims increased slightly as compared to the previous fiscal year, with 649 lost-time claims reported in the 2022-23 fiscal year as compared to 640 lost-time claims reported in the 2021-22 fiscal year.
- The percentage of workers' compensation claims that are lost-time claims increased slightly, with 7.94 percent of claims being lost-time claims in fiscal year 2022-23 compared to 7.86 percent in fiscal year 2021-22.
- The number of Temporary Partial Disability claims increased by 16.23 percent compared to the previous fiscal year.
- Temporary Partial Disability claims costs increased by 2.23 percent compared to the previous fiscal year.

Injured state employees were at work (in some type of return-to-work program) for 51,007 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 2022-23

Agency/University ⁽¹⁾	BENCHMARK NUMBER																							
	1			6			2			7			3			4			5			8		
	Average TPD Claims Cost			Total TPD Claims			Total Alternate Duty Claim Assignments in FY 22/23	Total Alternate Duty Days of Work FY 22/23	Total TPD Claims Cost			% of WC Claims that are Lost-Time Claims												
FY 21/22	FY 22/23	% Change	FY 21/22	FY 22/23	% Change	FY 21/22			FY 22/23	% Change	FY 21/22	FY 22/23	Change in percentage											
Agency for Persons with Disabilities ⁽¹⁾	\$16,793	\$13,895	-17.26%	55	51	-7.27%	74	1,943	\$923,604	\$708,634	-23.28%	13.81%	16.84%	3.03%										
Dept. of Agriculture and Consumer Services	\$9,066	\$9,302	2.60%	2	2	0.00%	63	2,379	\$18,131	\$18,603	2.60%	3.69%	4.20%	0.50%										
Dept. of Children and Families	\$22,769	\$18,877	-17.09%	40	35	-12.50%	80	2,758	\$910,763	\$660,701	-27.46%	5.55%	7.11%	1.56%										
Dept. of Corrections	\$16,703	\$19,221	15.07%	96	129	34.38%	604	16,964	\$1,603,521	\$2,479,536	54.63%	3.96%	7.28%	3.31%										
Dept. of Education	\$20,046	\$22,508	12.28%	3	3	0.00%	20	852	\$60,137	\$67,523	12.28%	6.58%	9.09%	2.51%										
Dept. of Environmental Protection	\$19,941	\$19,377	-2.83%	1	2	100.00%	61	1,869	\$19,941	\$38,753	94.34%	2.44%	1.54%	-0.90%										
Dept. of Financial Services	\$29,134	\$0	-100.00%	2	0	-100.00%	13	307	\$58,268	\$0	-100.00%	12.77%	4.92%	-7.85%										
Dept. of Health	\$24,272	\$13,448	-44.60%	19	7	-63.16%	135	7,234	\$461,173	\$94,134	-79.59%	9.12%	5.74%	-3.38%										
Dept. of Highway Safety and Motor Vehicles	\$28,813	\$19,540	-32.18%	3	4	33.33%	51	1,676	\$86,438	\$78,160	-9.58%	8.46%	7.02%	-1.44%										
Dept. of Juvenile Justice	\$18,277	\$15,402	-15.73%	14	38	171.43%	102	3,482	\$255,883	\$585,270	128.73%	9.34%	16.72%	7.38%										
Dept. of Revenue	\$9,293	\$17,053	83.50%	1	2	100.00%	27	827	\$9,293	\$34,105	267.01%	3.26%	8.06%	4.80%										
Dept. of Transportation	\$17,332	\$15,389	-11.21%	21	18	-14.29%	33	1,266	\$363,964	\$276,995	-23.89%	19.42%	17.42%	-2.01%										
Florida Atlantic University	\$37,592	\$2,908	-92.26%	1	1	0.00%	15	943	\$37,592	\$2,908	-92.26%	8.96%	3.39%	-5.57%										
Florida International University	\$10,616	\$22,949	116.18%	11	8	-27.27%	32	1,011	\$116,772	\$183,595	57.22%	12.39%	10.00%	-2.39%										
Florida State University	\$15,351	\$9,144	-40.43%	6	15	150.00%	60	1,495	\$92,108	\$137,163	48.92%	4.81%	8.66%	3.85%										
State Courts System	\$1,411	\$28,700	1934.08%	1	1	0.00%	11	783	\$1,411	\$28,700	1934.08%	6.90%	4.65%	-2.25%										
University of Central Florida	\$15,225	\$6,647	-56.34%	11	13	18.18%	22	756	\$167,470	\$86,413	-48.40%	8.21%	9.80%	1.60%										
University of Florida	\$61,177	\$14,861	-75.71%	7	20	185.71%	127	2,980	\$428,236	\$297,217	-30.60%	2.56%	3.02%	0.46%										
University of South Florida	\$15,390	\$20,178	31.11%	14	9	-35.71%	57	1,482	\$215,455	\$181,598	-15.71%	7.14%	5.41%	-1.74%										
Totals	\$18,929	\$16,648	-12.05%	308	358	16.23%	1,587	51,007	\$5,830,160	\$5,960,008	2.23%	7.86%	7.94%	0.08%										

Note⁽¹⁾: Due to having less than 3,000 FTEs in the 2021-22 fiscal year, the Agency for Persons with Disabilities was omitted from the 2021-22 annual report data. However, the agency exceeded the FTE requirement and resumed reporting RTW data to the Division in fiscal year 2022-23.

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 2021-22 and 2022-23**

Agency/University	Lost-Time Claim Count		
	FY 21/22	FY 22/23	Difference
Agency for Persons with Disabilities	70	82	12
Department of Agriculture and Consumer Services	11	12	1
Department of Children and Families	61	51	(10)
Department of Corrections	263	269	6
Department of Education	5	6	1
Department of Environmental Protection	8	6	(2)
Department of Financial Services	6	3	(3)
Department of Health	33	19	(14)
Department of Highway Safety and Motor Vehicles	44	28	(16)
Department of Juvenile Justice	24	51	27
Department of Revenue	3	5	2
Department of Transportation	27	27	0
Florida Atlantic University	6	2	(4)
Florida International University	14	12	(2)
Florida State University	10	20	10
State Courts System	2	2	0
University of Central Florida	16	15	(1)
University of Florida	20	25	5
University of South Florida	17	14	(3)
Totals	640	649	9

The Agency for Persons with Disabilities was not included in the 2021-22 annual report due to a decrease in the number of agency FTEs. However, in fiscal year 2022-23, the agency exceeded 3,000 FTEs and resumed reporting RTW data to the Division. In fiscal year 2022-23, agencies required to have RTW programs had an increase in the number of lost-time claims as compared to fiscal year 2021-22 (with 9 more lost time claims reported in 2022-23). Of the 19 agencies presented in the chart above, 9 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 2021-22 and FY 2022-23

Agency/University	Indemnity Costs			Medical & Legal Costs			Other Costs & Recoveries ⁽¹⁾			Total Lost-Time Claims Cost		
	FY 21/22	FY 22/23	Difference	FY 21/22	FY 22/23	Difference	FY 21/22	FY 22/23	Difference	FY 21/22	FY 22/23	Difference
Agency for Persons with Disabilities ⁽²⁾	\$418,872	\$444,593	\$25,721	\$800,004	\$551,145	(\$248,859)	(56,730.08)	(128,705.24)	(\$71,975)	\$1,162,146	\$867,033	(\$295,113)
Dept. of Agriculture and Consumer Services	\$122,914	\$53,729	(\$69,185)	\$113,651	\$280,548	\$166,897	(25,732.60)	(8,711.47)	\$17,021	\$210,832	\$325,565	\$114,733
Dept. of Children and Families	\$391,563	\$264,619	(\$126,943)	\$1,005,647	\$816,262	(\$189,385)	(19,155.02)	(53,719.27)	(\$34,564)	\$1,378,055	\$1,027,162	(\$350,893)
Dept. of Corrections	\$1,706,791	\$1,894,578	\$187,786	\$5,312,771	\$4,155,875	(\$1,156,895)	(437,298.03)	(447,697.04)	(\$10,399)	\$6,582,264	\$5,602,756	(\$979,508)
Dept. of Education	\$29,609	\$30,542	\$932	\$61,136	\$135,063	\$73,927	(3,527.13)	(11,219.89)	(\$7,693)	\$87,218	\$154,385	\$67,166
Dept. of Environmental Protection	\$21,466	\$26,923	\$5,457	\$162,449	\$196,644	\$34,195	(4,815.49)	(1,112.71)	\$3,703	\$179,099	\$222,454	\$43,355
Dept. of Financial Services	\$28,243	\$70,367	\$42,125	\$104,785	\$58,898	(\$45,887)	(4,367.92)	(17,958.97)	(\$13,591)	\$128,660	\$111,306	(\$17,354)
Dept. of Health	\$261,859	\$83,535	(\$178,325)	\$459,331	\$633,939	\$174,608	(52,692.58)	55,696.46	\$108,389	\$668,498	\$773,170	\$104,672
Dept. of Highway Safety and Motor Vehicles	\$331,550	\$220,325	(\$111,224)	\$1,336,095	\$1,176,059	(\$160,036)	(101,657.07)	(51,057.83)	\$50,599	\$1,565,987	\$1,345,327	(\$220,661)
Dept. of Juvenile Justice	\$89,395	\$314,760	\$225,365	\$417,067	\$546,543	\$129,475	(2,379.28)	(38,992.91)	(\$36,614)	\$504,083	\$822,309	\$318,226
Dept. of Revenue	\$11,452	\$17,124	\$5,673	\$53,554	\$54,009	\$455	(3,376.33)	(10,159.24)	(\$6,783)	\$61,629	\$60,974	(\$655)
Dept. of Transportation	\$173,205	\$138,957	(\$34,248)	\$754,582	\$292,632	(\$461,950)	(576.02)	(8,115.50)	(\$7,539)	\$927,212	\$423,474	(\$503,738)
Florida Atlantic University	\$33,898	\$8,334	(\$25,564)	\$147,324	\$58,625	(\$88,698)	(3,084.68)	6,336.13	\$9,421	\$178,137	\$73,295	(\$104,841)
Florida International University	\$71,326	\$48,008	(\$23,318)	\$127,758	\$301,482	\$173,724	(12,352.55)	(4,752.02)	\$7,601	\$186,732	\$344,738	\$158,006
Florida State University	\$24,639	\$93,273	\$68,634	\$187,796	\$194,351	\$6,555	(3,145.02)	(573.68)	\$2,571	\$209,290	\$287,050	\$77,760
State Courts System	\$26,032	\$21,777	(\$4,254)	\$157,761	\$32,979	(\$124,782)	164.38	(5,578.62)	(\$5,743)	\$183,957	\$49,177	(\$134,780)
University of Central Florida	\$75,021	\$39,605	(\$35,417)	\$164,581	\$91,828	(\$72,753)	(11,608.32)	(2,345.36)	\$9,263	\$227,994	\$129,087	(\$98,907)
University of Florida	\$130,525	\$106,791	(\$23,734)	\$783,364	\$291,531	(\$491,833)	(9,488.95)	(8,145.19)	\$1,344	\$904,400	\$390,177	(\$514,223)
University of South Florida	\$80,814	\$61,234	(\$19,580)	\$177,743	\$221,776	\$44,033	665.62	(17,017.27)	(\$17,683)	\$259,222	\$265,992	\$6,770
Totals	\$4,029,174	\$3,939,074	(\$90,100)	\$12,327,398	\$10,090,187	(\$2,237,211)	(751,157.07)	(753,829.62)	(\$2,673)	\$15,605,415	\$13,275,431	(\$2,329,984)

Note⁽¹⁾: "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⁽²⁾: Due to having less than 3,000 FTEs in the 2021-22 fiscal year, the Agency for Persons with Disabilities was omitted from the 2021-22 annual report data. However, the agency exceeded the FTE requirement and resumed reporting RTW data to the Division in fiscal year 2022-23.

PROPERTY CLAIMS AND EXPENSES

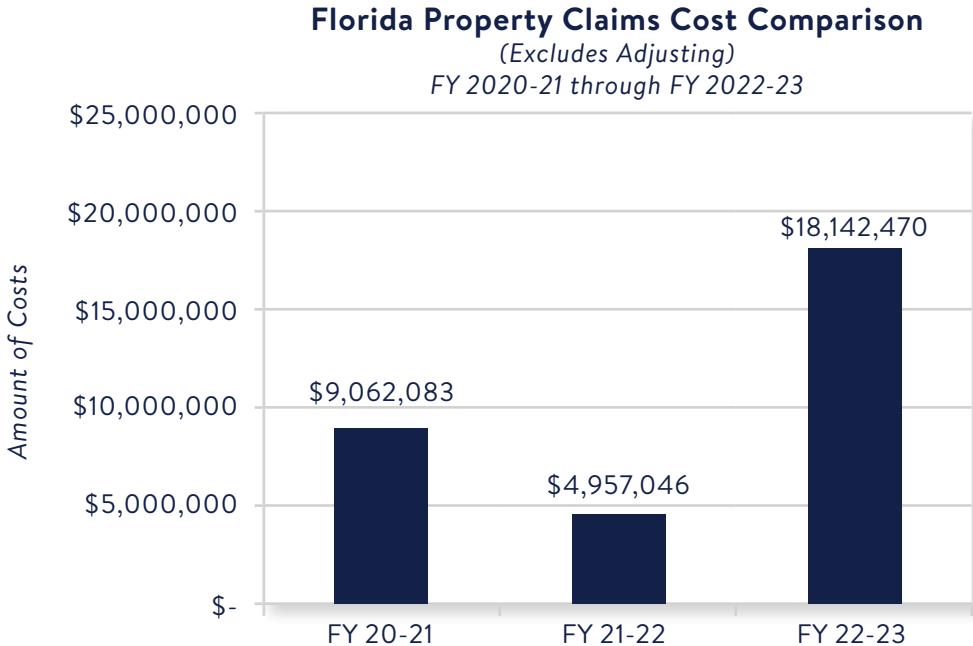
PROPERTY

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

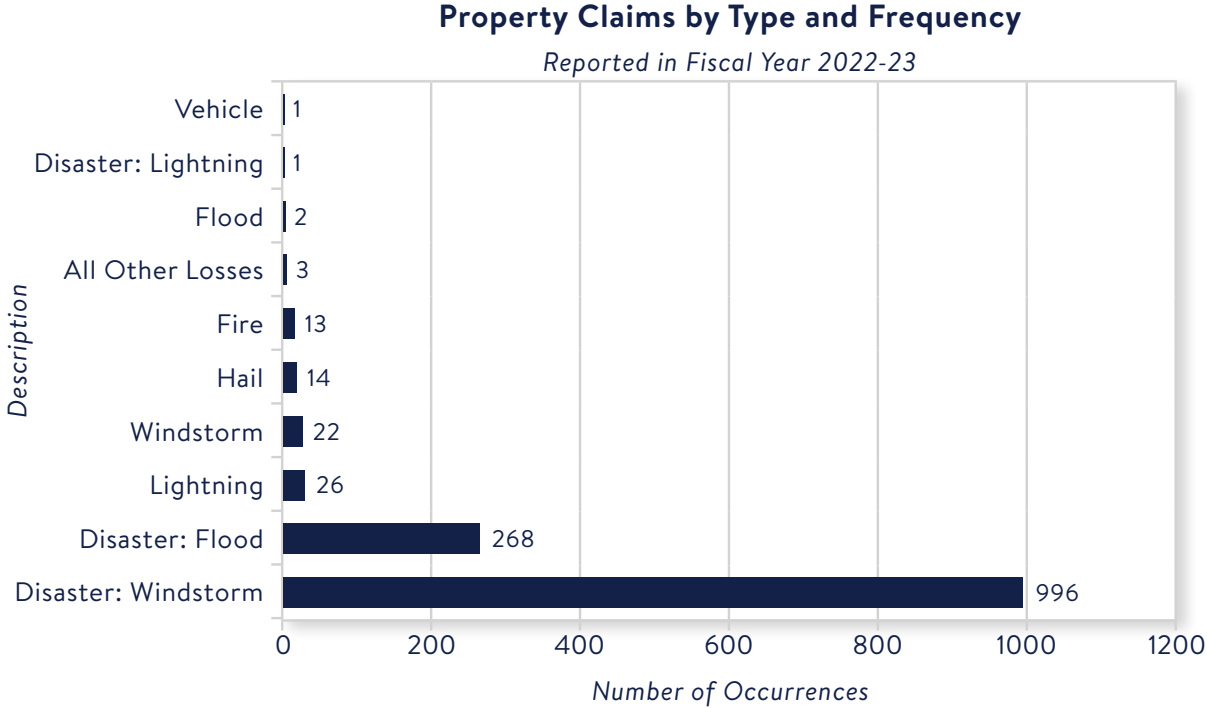
This program is responsible for investigating, evaluating, negotiating, and settling covered property claims. Investigations are conducted by staff and/or in concert with a contracted adjusting service.

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



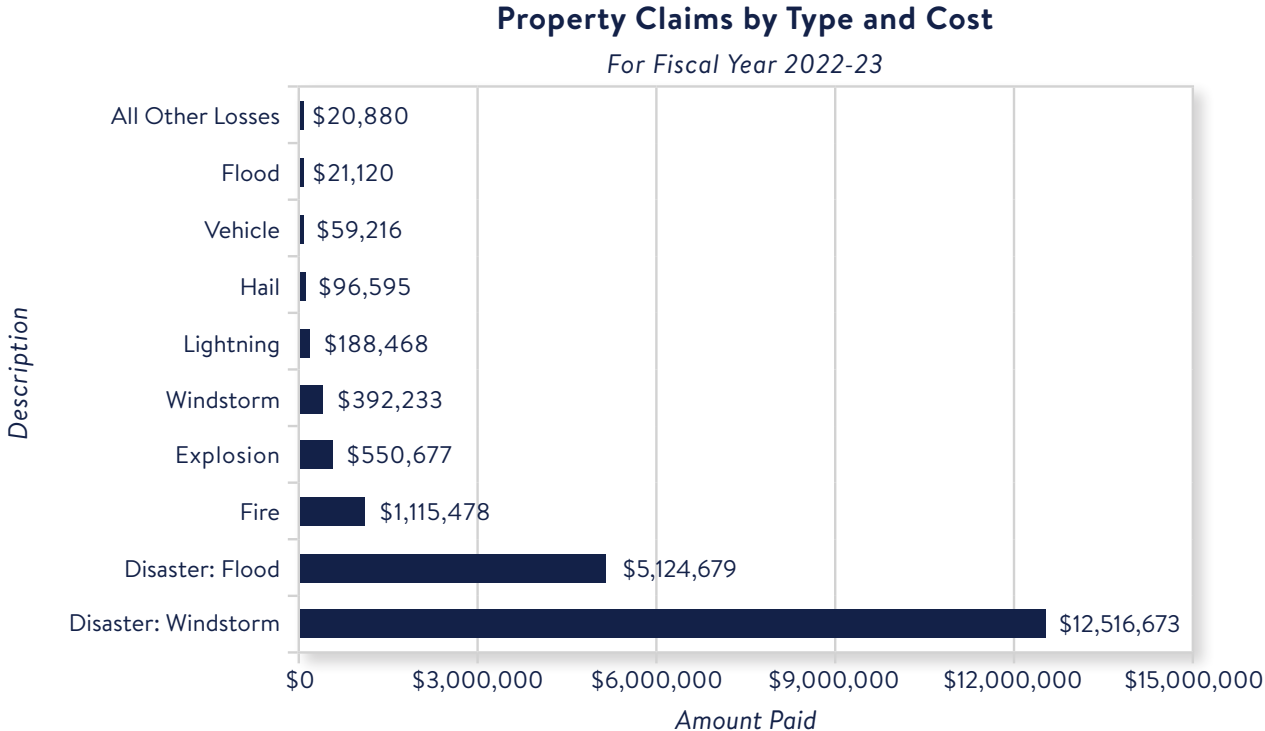
The program was again impacted by hurricane losses this fiscal year. Property losses paid totaled approximately \$18.1 million during fiscal year 2022-23, an increase of \$13.2 million from the 2021-22 fiscal year. These losses were primarily a result of Hurricane Ian. For the 2022-23 fiscal year, the Division paid losses of \$15.5 million for Hurricane Ian and \$205,270 for Hurricane Nicole. The Division paid \$2.4 million in non-hurricane related losses in fiscal year 2022-23. 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 2022-23 fiscal year are included in the following graph:



During the 2022-23 fiscal year, 1,346 property claims were reported compared to 172 claims reported during the 2021-22 fiscal year, an increase of 1,174 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 2022-23 fiscal year.

Reported property claims for the 2022-23 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 2022-23, disaster-related windstorm losses were the costliest peril for which claims have been paid, followed by disaster-related flood 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 2022-23 fiscal year.

Inspections Performed During Fiscal Year 2022-23

The State Fire Marshal's Office inspected 14,790 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.

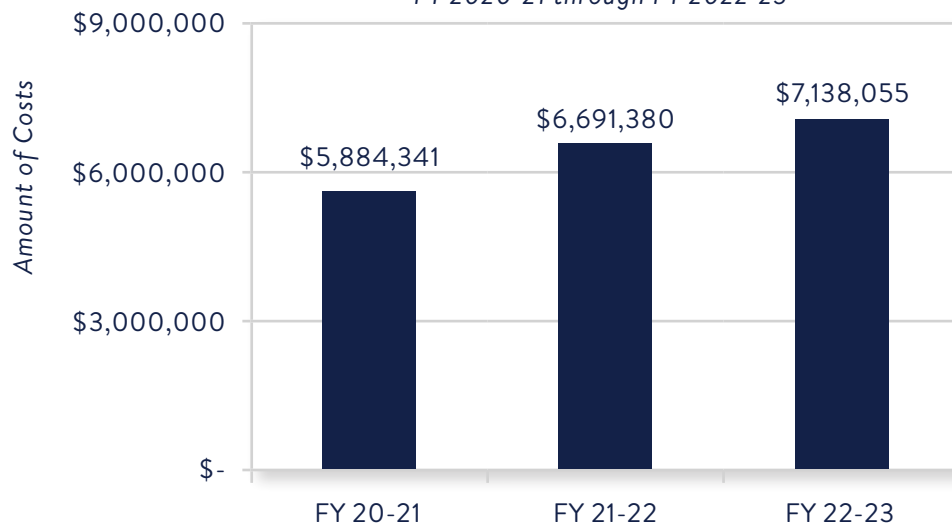
In accordance with section 768.28, Florida Statutes, the current limits of liability (under the waiver of sovereign immunity law) for which the state may be sued are \$200,000 per person's claim and \$300,000 for all claims arising from a single incident.

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 2022-23 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 2020-21 through FY 2022-23*

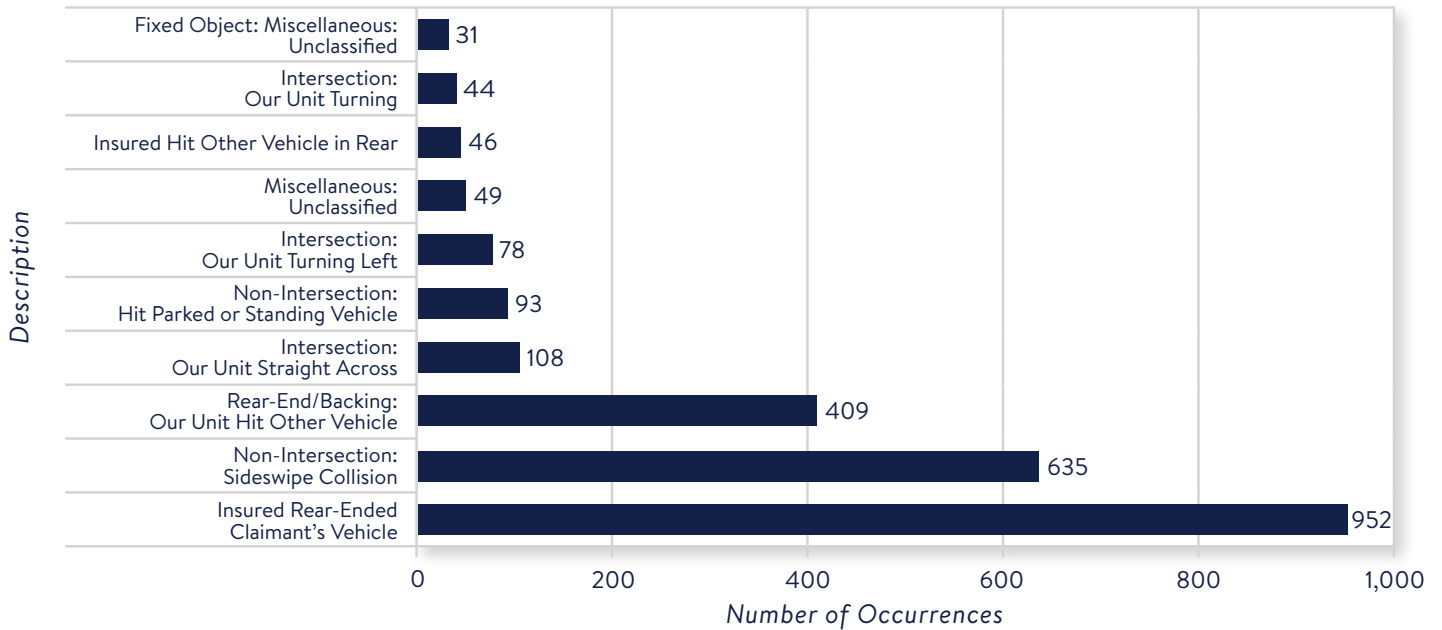


Automobile liability claims costs increased from the prior fiscal year. Claims costs increased by \$446,675 (6.7 percent) in fiscal year 2022-23 compared to the 2021-22 fiscal year. The number of claims increased from 472 in fiscal year 2021-22 to 544 in the current fiscal year, representing a 15 percent 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 7/1/18-6/30/23

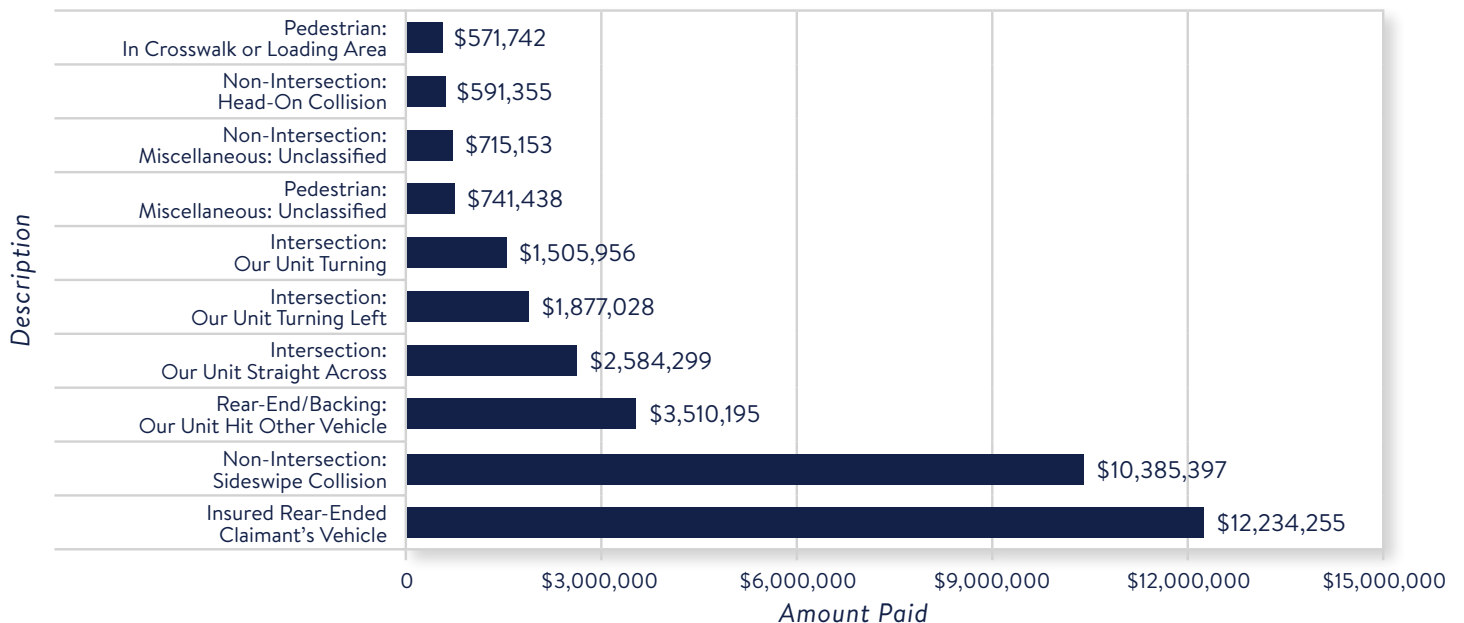


The most frequent type of accident and resulting claim was from state drivers hitting another vehicle from behind, followed by side-swipe collisions.

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 7/1/18-6/30/23



Automobile accidents are tracked in five-year increments, and the costliest category of these accident claims is our insured driver hitting another vehicle from behind.

GENERAL LIABILITY CLAIMS AND EXPENSES

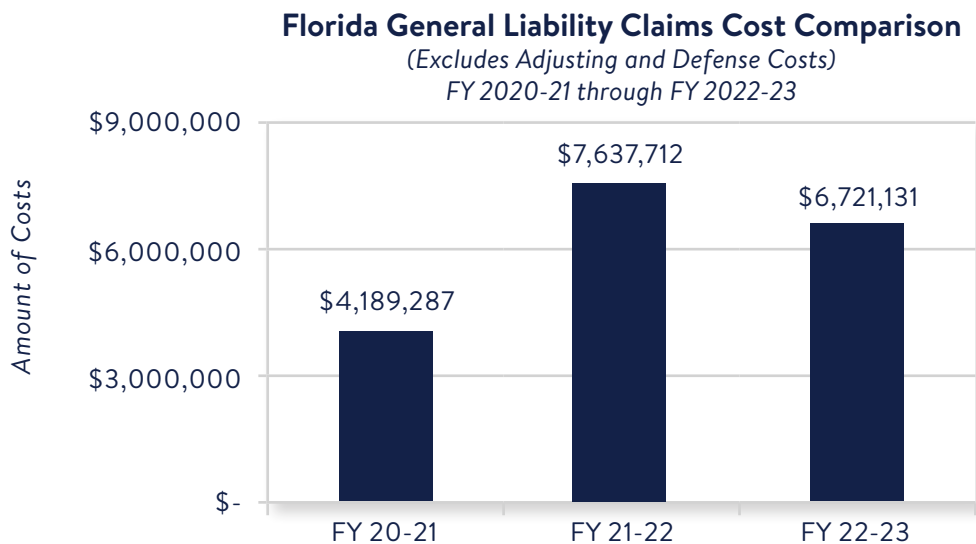
GENERAL LIABILITY

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.

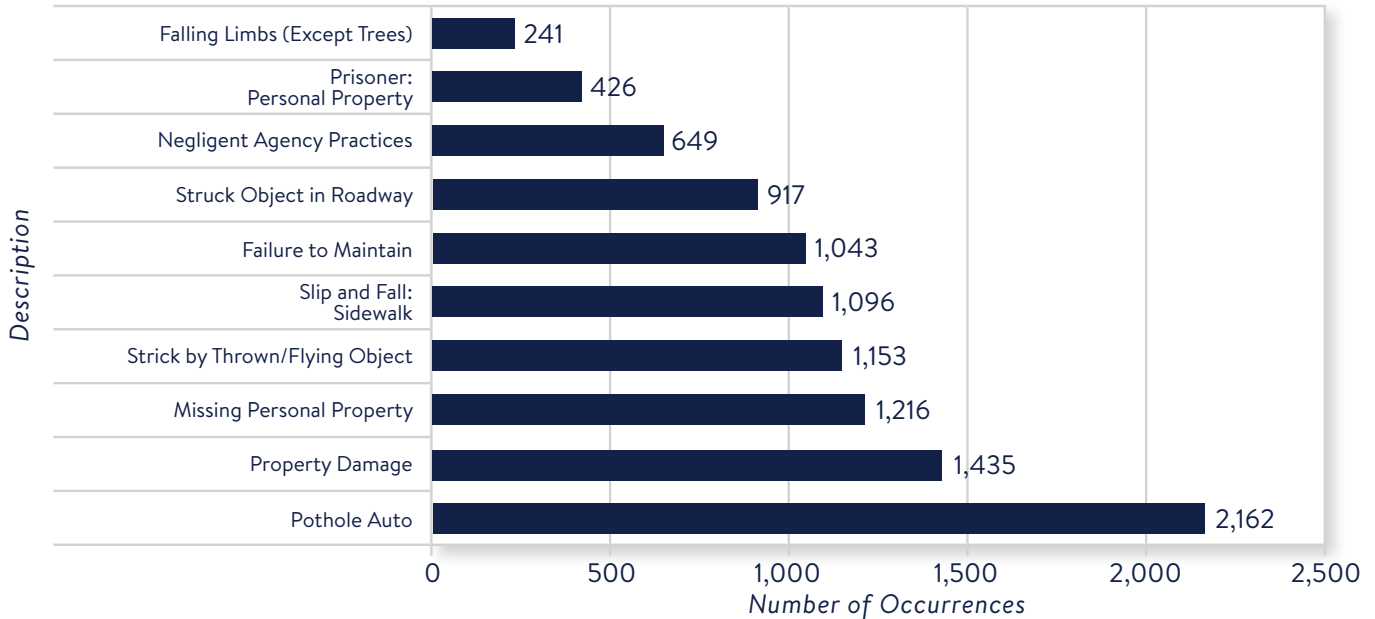


Overall, state general liability claims costs decreased by \$916,581 (12 percent) in fiscal year 2022-23 compared to the 2021-22 fiscal year. The number of new claims increased from 2,080 to 2,287, a 10 percent increase from the prior fiscal year.

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 7/1/18-6/30/23

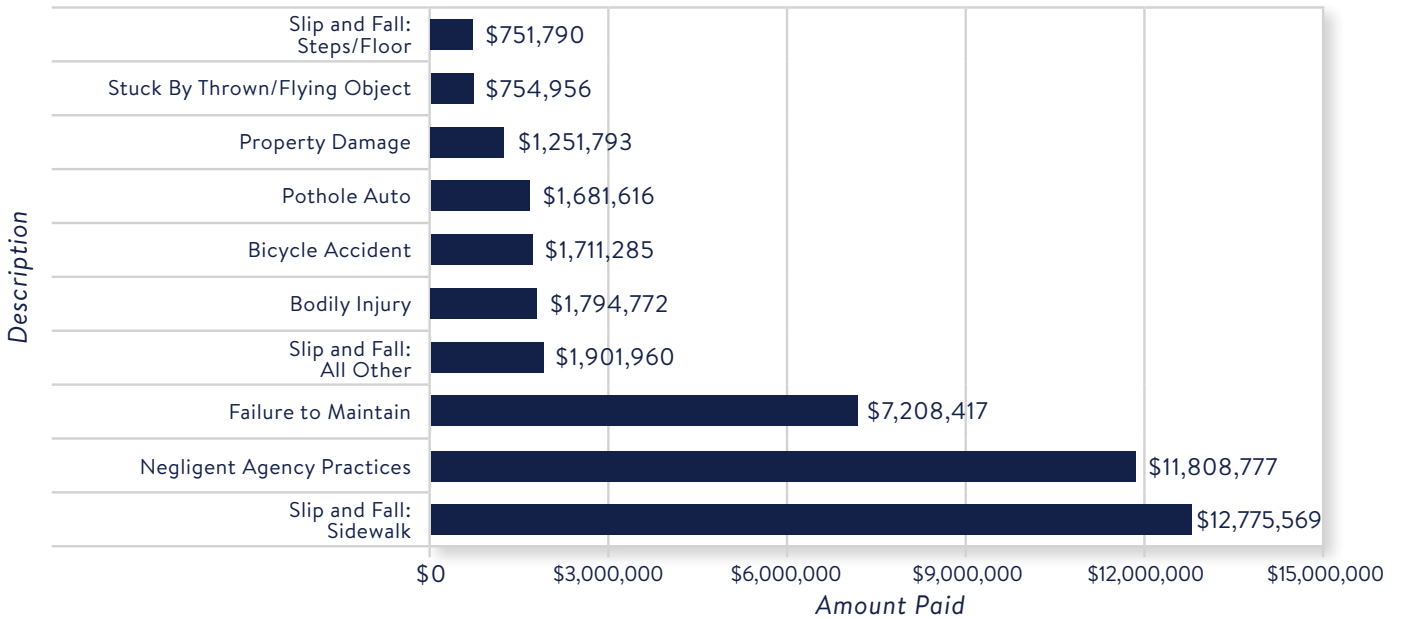


Pothole automobile damage claims are the most frequent general liability claims followed by property damage liability.

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 7/1/18-6/30/23



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:

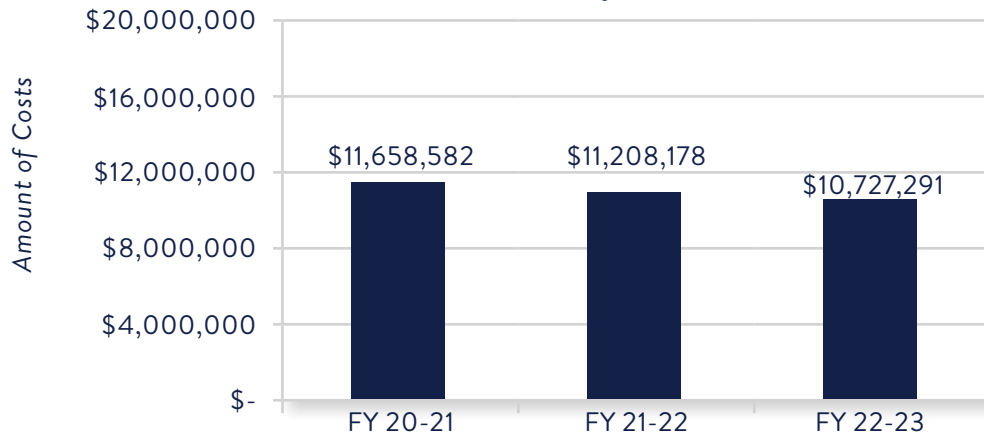
- Federal civil rights actions filed under 42 U.S.C. section 1983 (and other similar federal statutes)
- Plaintiff attorney fees/awards (where so provided by the covered federal statutes)
- Employment discrimination actions filed under 42 U.S.C. 2000e, Title VII of the 1964 Civil Rights Act
- The Civil 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 U.S.C. 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 2020-21 through FY 2022-23

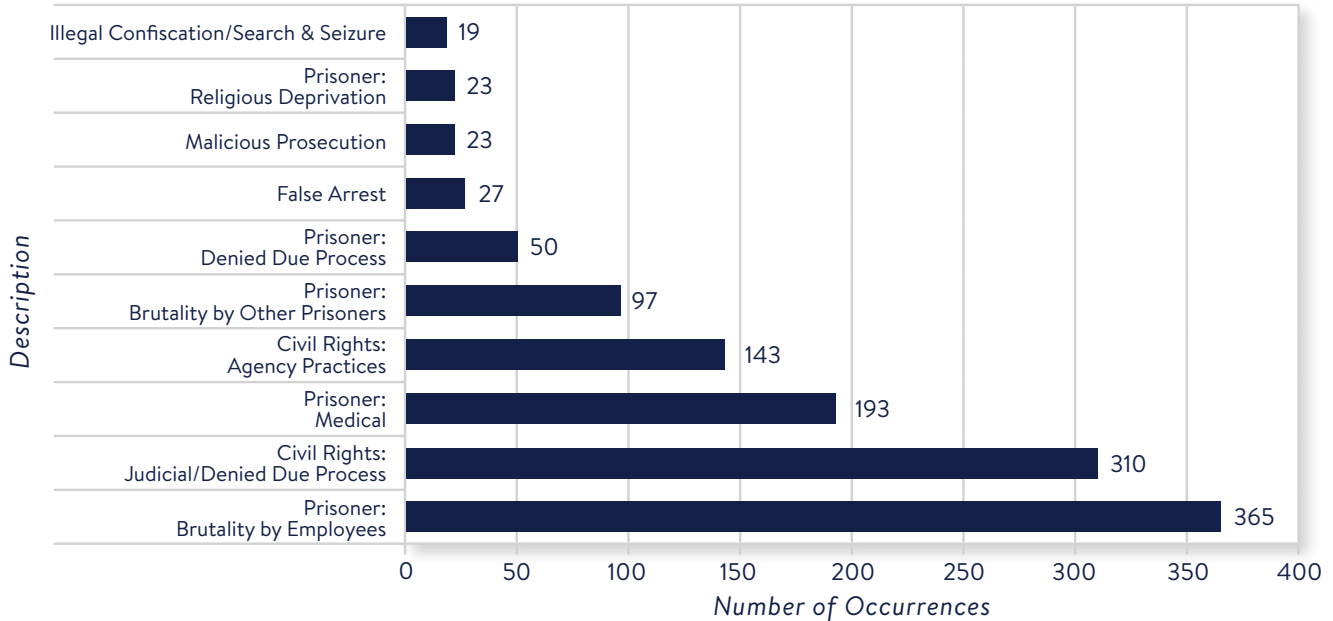


Claims costs decreased by \$480,887 (4.3 percent) this fiscal year compared to fiscal year 2021-22. The number of claims increased from 350 in fiscal year 2021-22 to 427 in fiscal year 2022-23, a 22 percent increase.

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 7/1/18-6/30/23

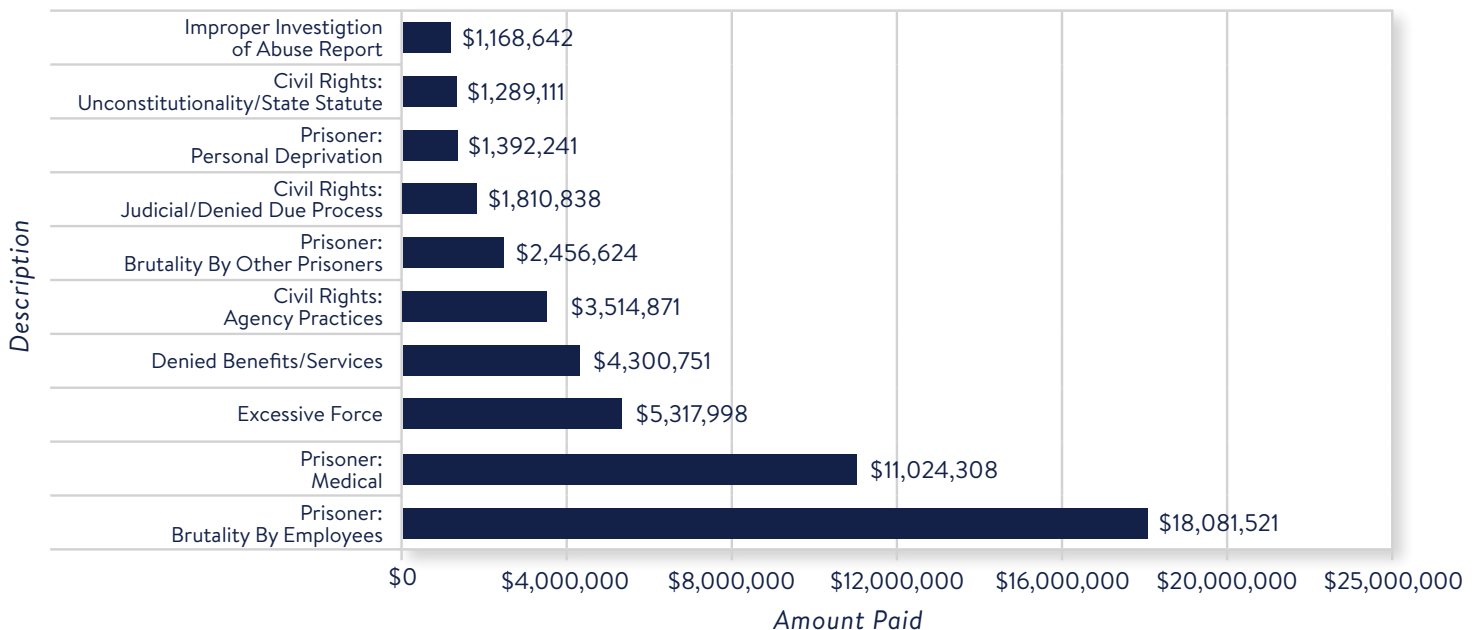


The most frequent federal civil rights claims are for alleged employee brutality of prisoners while the prisoner is in state custody, followed by claims of persons alleging the denial of due process.

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

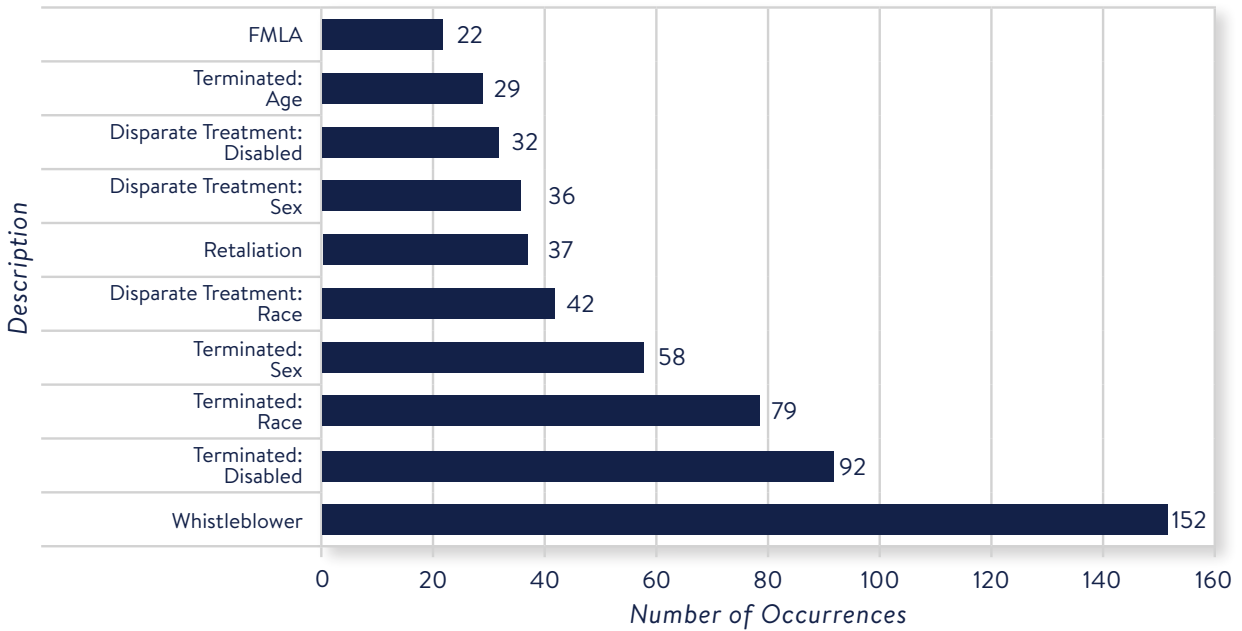
For the Period 7/1/18-6/30/23



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:

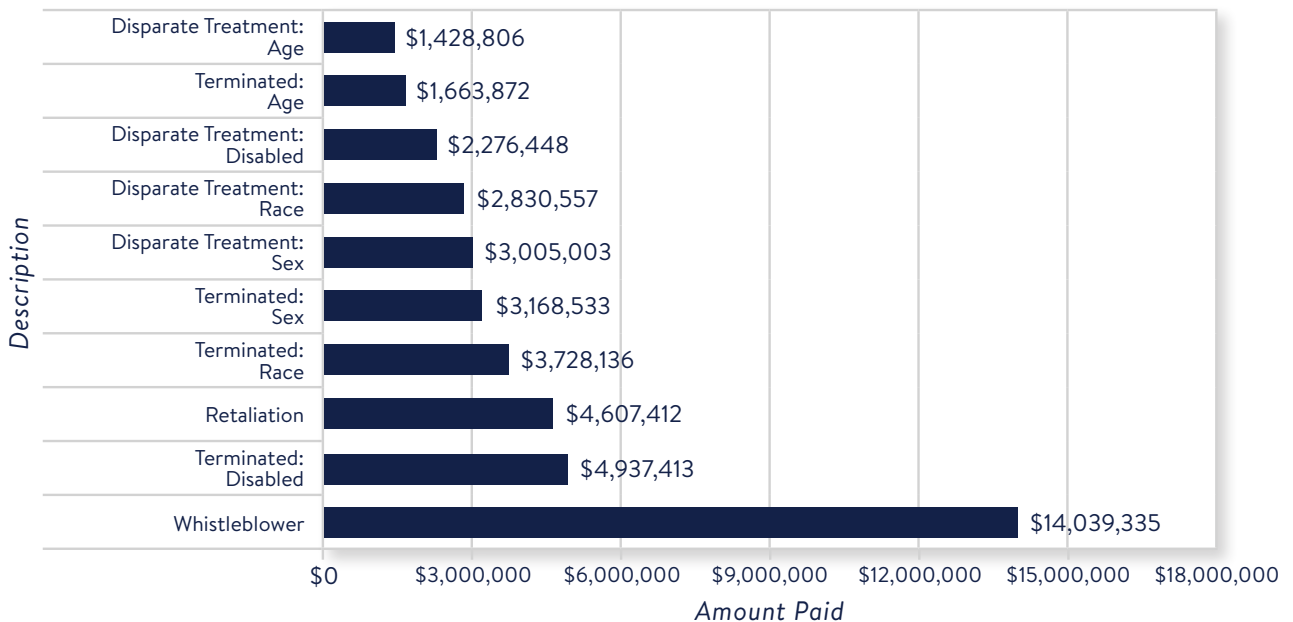
Frequency of Employment Claims: Top 10 Categories Reported for the Period 7/1/18-6/30/23



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 7/1/18-6/30/23



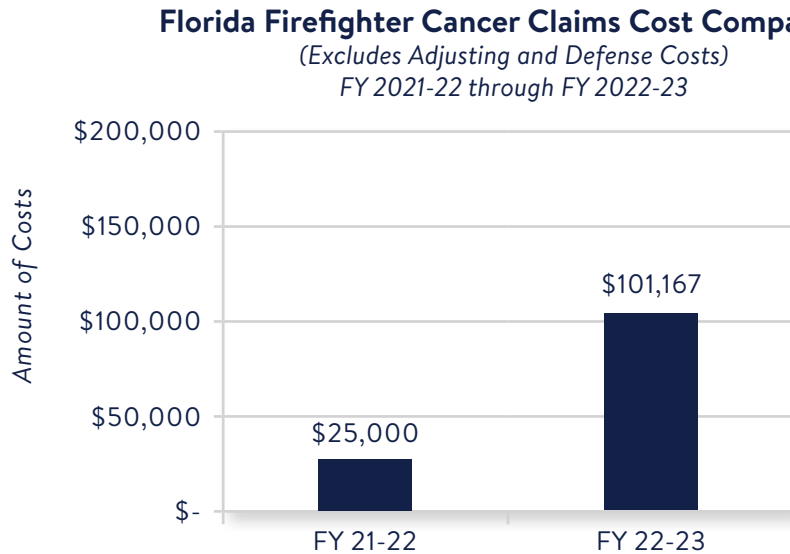
The costliest category of employment discrimination claims is for whistleblower claims, followed by terminated due to disability claims.

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 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.



Claims costs increased \$76,000 (305 percent) in fiscal year 2022-23 over the prior fiscal year. The Department received four new claims and paid \$101,167 in benefits due to firefighter cancer.

Division of Risk Management Florida Department of Financial Services



For More Information Contact:

Division of Risk Management
200 East Gaines Street
Tallahassee, FL 32399-0336
Telephone (850) 413-3120
