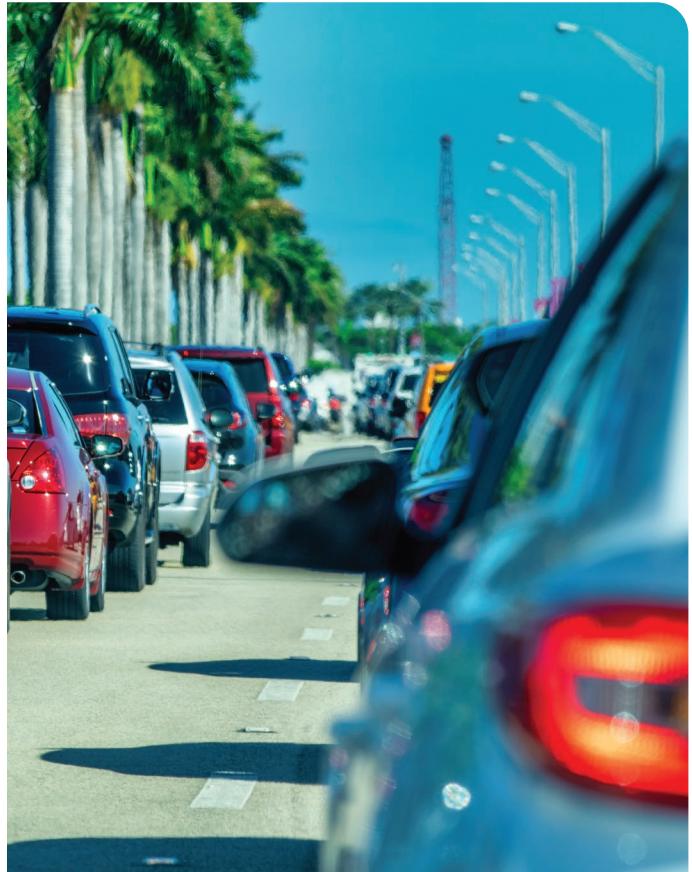


Division of
RISK MANAGEMENT



FISCAL YEAR 2025 ANNUAL REPORT



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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 \$283.3 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 10,100 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 2024-25 fiscal year, the Division facilitated training for 1,707 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 237 consultations during the 2024-25 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 10,285 new workers' compensation claims and paid \$112.8 million in medical and indemnity benefits during the 2024-25 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 17,772 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 \$31.7 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 2024-25, the State Risk Management Trust Fund was impacted by three named storm events, Hurricane Debby, Hurricane Helene and Hurricane Milton. 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, 2025. The excess property market has improved, and the Division was able to increase the amount of insurance purchased for both named wind and flood, as well as all other perils. For the current coverage period, the Division purchased excess property insurance for 21,114 locations and \$31.7 billion in total insured value. The coverage above the State's \$42 million self-insured retention for named wind and flood perils is \$75.25 million, an increase of \$10.25 million over the previous coverage year. The coverage above the State's \$2 million self-insured retention for all other perils is \$350 million, an increase of \$50 million over the previous year.

Hurricanes

Hurricane Debby came ashore near Steinhatchee, Florida on August 5, 2024, resulting in 226 claims for state property damage. These claims represent \$3,028,427 in paid property losses for Fiscal Year 2024-25, as well as an additional \$403,660 paid in claims adjusting expenses related to the storm. Hurricane Debby's total losses of \$3.5 million did not exceed the State's self-insured retention. As of the date of this report, all claims from Hurricane Debby have been closed.

Hurricane Helene came ashore near Perry, Florida on September 26, 2024, resulting in 573 claims for state property damage. These claims represent \$5,743,824 in paid property losses for Fiscal Year 2024-25, as well as an additional \$828,510 paid in claims adjusting expenses related to the storm. Hurricane Helene's total losses

of \$8.5 million did not exceed the State's self-insured retention. As of the date of this report, all claims from Hurricane Helene have been closed.

Hurricane Milton came ashore near Siesta Key, Florida on October 9, 2024, resulting in 694 claims for state property damage. These claims represent \$4,917,385 in paid property losses for Fiscal Year 2024-25, as well as an additional \$562,282 paid in claims adjusting expenses related to the storm. Hurricane Milton's projected total losses of \$16.2 million will not exceed the State's self-insured retention. As of the date of this report, only four claims remain open from Hurricane Milton.

Tornadoes

On the morning of May 10, 2024, an intense squall line spawned three tornadoes in the Tallahassee area, resulting in 153 claims for state property damage. Estimated losses from the tornado event total \$9.3 million, which will exceed the State's \$2 million self-insured retention by \$7.3 million. The Division paid \$7.2 million in tornado losses in Fiscal Year 2024-25, as well as an additional \$260,000 in claims adjusting expenses related to the event. The remaining losses are expected to be paid in Fiscal Year 2025-26. The Division has been reimbursed \$4.2 million by excess insurance in Fiscal Year 2024-25 for the losses exceeding the \$2 million self-insured retention and expects to be reimbursed an additional \$3.1 million in Fiscal Year 2025-26. As of the date of this report, 85 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 2024-25, 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 Medical Bill Review (MBR) contractor provided an opportunity to establish new and improved workflows for capturing claims services payment data, and to assist the Division's Contract Management section in the monitoring and management of MBR contracted services. In addition, IMS system reporting, auditing, and access control features have been expanded to improve Division operational controls. Improvements to Centers for Medicare & Medicaid Services reporting have resulted in the increased accuracy of International Classification of Diseases (ICD) codes and Claimant Representative information being reported.

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 incorporated 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 placed 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 2024-25 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 2024-25 fiscal year, a total of 1,707 state of Florida employees completed over 3,650 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 workdays 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 13 of this annual report.

INTERAGENCY ADVISORY COUNCIL

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 2024-25 included an overview of Division operations in the previous fiscal year; safety coordinator development; key lessons learned in disaster response; services offered by the Division's medical case management contractor; and quarterly training updates. 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 10,285 new claims and made 106,111 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 2024-25 fiscal year, the Bureau settled 33 percent of all cases mediated.

The Bureau also achieved an estimated \$5.1 million in cost savings during the 2024-25 fiscal year that would not have occurred without the benefit of surveillance or other investigative methods, with a savings of nearly \$52.4 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 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 2024-25, the Division contracted for the continued utilization of the Division's Insurance Management System (IMS) and executed a new contract for medical bill review (MBR) services. The new MBR contract adds the application of a specialty savings service to the repricing structure for processing medical bills. The Division also contracted for the Electroencephalogram Transcranial Magnetic Stimulation (eTMS) Treatment Pilot Program for Florida's first responders and veterans, as established in section 284.51, Florida Statutes, executed a new contract for Structured Settlement services, and worked with the Department of Management Services to initiate the re-procurement of Broker of Record / Reinsurance Broker services. Also, during Fiscal Year 2024-25, new contracts were executed with a total of 12 private defense attorney law firms to assist the Division in litigation defense.

The Division continues to utilize the retroactive application of the preferred provider organization (PPO) network discounts and has added specialty savings to the repricing structure in the new medical bill review contract implemented on June 10, 2025. The application of PPO discounts and specialty savings reduces medical costs on workers' compensation claims.

BENEFIT TO FLORIDIANS: Improved Division contracts are critical to managing workers' compensation claims, the effective negotiation of large medical bills, administration of the eTMS Pilot Program, and the purchase of excess property and casualty insurance. The savings to the state from the application of PPO discounts and specialty savings resulted in a net cost reduction of an estimated \$2.6 million in medical expenditures paid during Fiscal Year 2024-25. The eTMS Pilot Program served 297 first responders and veterans during the fiscal year.

GENERAL FUNDING INFORMATION

A Legislative Revenue Estimating Conference establishes the program's funding needs for each fiscal year. During Fiscal Year 2024-25, 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, 2025, 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, 2025, actuarial analysis:

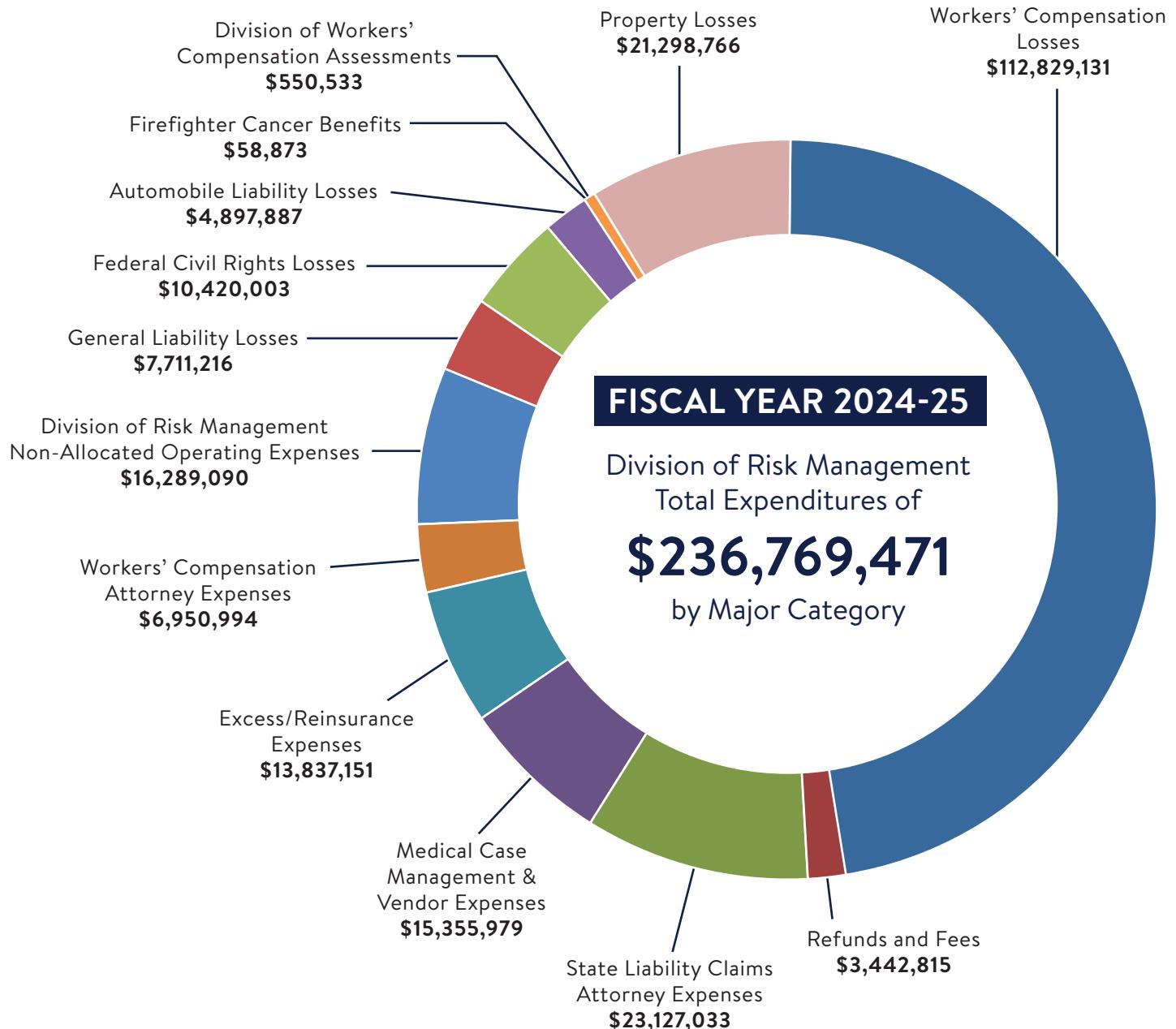
Workers' Compensation	\$ 1,102.5 million
Federal Civil Rights	\$ 42.7 million
General Liability	\$ 18.2 million
Automobile Liability	\$ 13.7 million
Property	\$ 2.7 million
Total	\$ 1.18 billion

RISK MANAGEMENT PROGRAM FUNDING

PROGRAM	NUMBER OF COVERED EMPLOYEES OR PROPERTY	NUMBER OF CLAIMS REPORTED FY 2024-2025	AGENCY PREMIUMS
Workers' Compensation	202,704	10,285	\$178,181,773
State Property	21,114 Property Locations	1,571	\$12,195,647
Auto Liability ⁽¹⁾	27,059 (State-titled motor vehicles)	581	\$7,988,691
General Liability	212,120	2,912	\$7,909,892
Court-Awarded Attorney Fees	N/A	1	Included in General Liability Funding
Federal Civil Rights/Employment	204,907	437	\$14,701,362
Firefighter Cancer Benefits	740	2	Coverage not included in FY 24-25 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 2024-25 fiscal year.



LINES OF INSURANCE COVERAGE

Performance & Results
FY 2024-25

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.

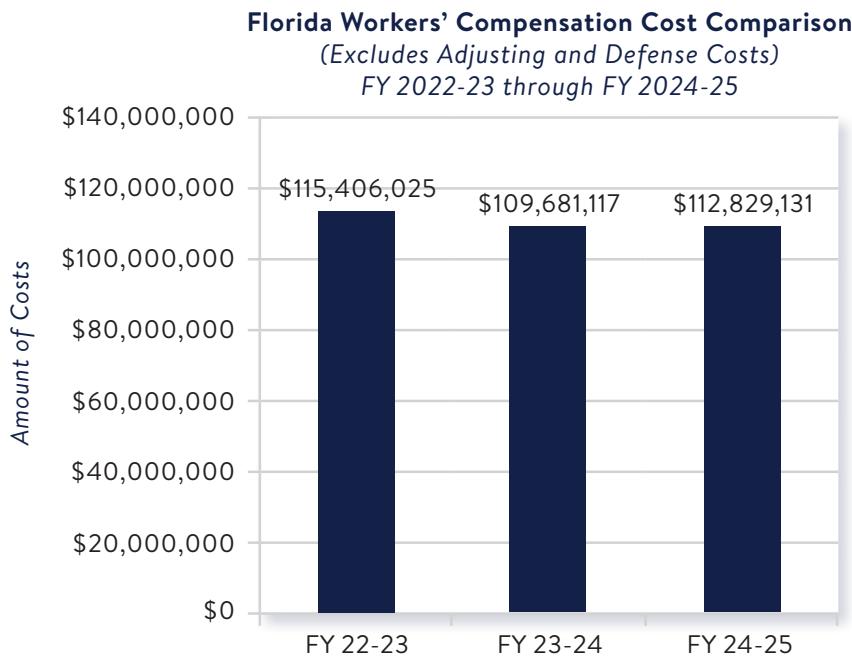
Claims administered by the Division are covered under the self-insurance program or by private commercial insurance as follows:

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:

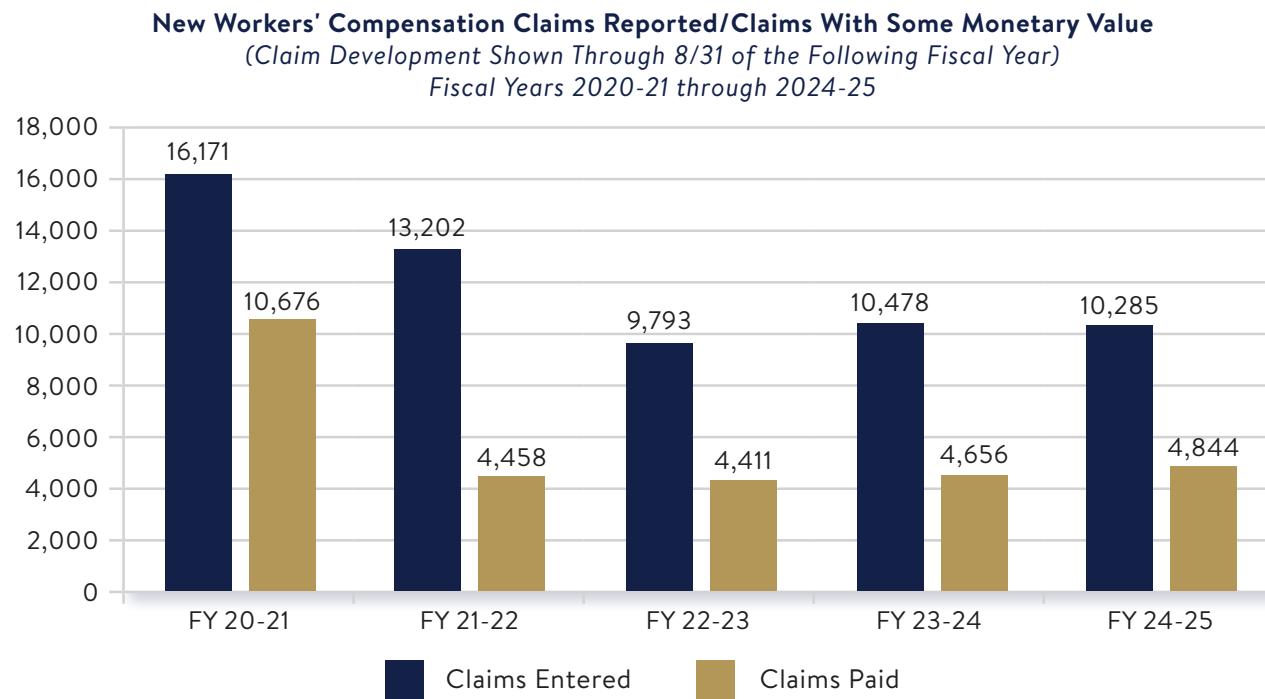
The self-insurance program contracts with vendors to provide medical care services. Medical care is "managed" by medical case managers who are registered nurses, or are supervised by registered nurses, in conjunction with either a medical network or panel of clinicians. USIS, Inc., doing business as AmeriSys, has provided the medical case management services since January 1, 2014. The Division's contract Medical Bill Review vendor reviews and reprices medical bills, provides hospital pre-certification, and continued-stay review services.

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



Overall workers' compensation claims costs increased for the 2024-25 fiscal year, totaling \$112.8 million compared to \$109.7 million during the prior fiscal year, an increase of \$3.1 million (2.83 percent). Workers' compensation medical costs increased \$3.2 million (4.62 percent) while indemnity costs decreased \$84,700 (.02 percent) during the 2024-25 fiscal year compared to the previous fiscal year.

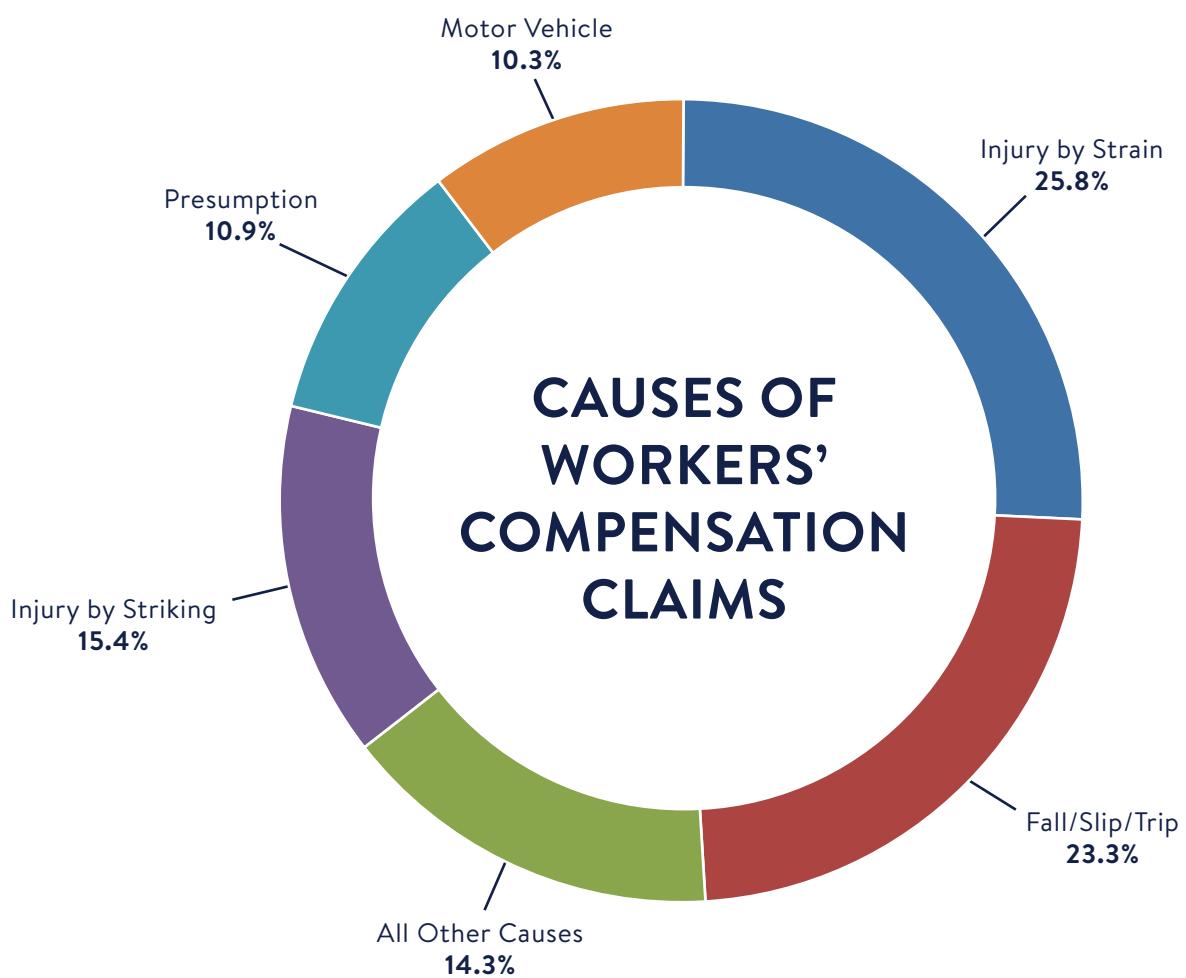
The following chart reflects the number of new claims reported and the number of new claims with some monetary expense for the prior five-year period:



The Risk Management Program averaged 11,986 new workers' compensation insurance claims with dates of accident occurring during each of the past five fiscal years. As of August 31, 2025, this program received 10,285 claims that occurred in the 2024-25 fiscal year. Of those, 4,844 had some monetary expense associated with them (benefits paid or reserves established in anticipation of payment). The total number of claims decreased 1.8 percent from the 2023-24 fiscal year. The number of new claims with some monetary value increased four (4) percent from the prior year. For the 2024-25 fiscal year, 8.82 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. Two job-related deaths occurred during Fiscal Year 2024-25.

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 2024-25 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 17-18 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 and universities that reported more than 3,000 full-time equivalent (FTE) employees to the Division are listed below. These agencies and 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

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 \$2,127,384 compared to the previous fiscal year, as reflected in Chart 2 on page 18.
- The number of lost-time claims increased as compared to the previous fiscal year, with 643 lost-time claims reported in the 2024-25 fiscal year as compared to 615 lost-time claims reported in the 2023-24 fiscal year.
- The percentage of workers' compensation claims that are lost-time claims increased slightly, with 8.14 percent of claims being lost-time claims in Fiscal Year 2024-25 compared to 7.89 percent in Fiscal Year 2023-24.
- The number of Temporary Partial Disability claims increased by 19.27 percent compared to the previous fiscal year.
- Temporary Partial Disability claims costs increased by 36.06 percent compared to the previous fiscal year.

Injured state employees were at work (in some type of return-to-work program) for 50,128 days rather than at home collecting benefits.

*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.

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 2024-25

Agency/University	Benchmark Number																	
	1			6			2		7		3	4	5			8		
	Average TPD Claims Cost			Total TPD Claims			FY 23/24	FY 24/25	% Change	FY 23/24	FY 24/25	% Change	Total TPD Claims Cost			% of WC Claims that are Lost-Time Claims		
	FY 23/24	FY 24/25	% Change	FY 23/24	FY 24/25	% Change							FY 23/24	FY 24/25	% Change	FY 23/24	FY 24/25	Change in percentage
Dept. of Agriculture and Consumer Services	\$7,733	\$32,136	315.55%	4	7	75.00%	68	2,488	\$30,933	\$224,952	627.22%	5.04%	3.59%	-1.45%				
Dept. of Children and Families	\$20,326	\$18,940	-6.82%	51	76	49.02%	101	3,608	\$1,036,650	\$1,439,445	38.86%	8.35%	11.88%	3.52%				
Dept. of Corrections	\$17,981	\$23,066	28.28%	138	175	26.81%	567	18,077	\$2,481,440	\$4,036,503	62.67%	7.13%	7.22%	0.09%				
Dept. of Education	\$2,585	\$6,455	149.69%	2	4	100.00%	17	739	\$5,170	\$25,821	399.39%	3.41%	6.80%	3.39%				
Dept. of Environmental Protection	\$24,833	\$22,835	-8.05%	7	5	-28.57%	103	1,276	\$173,832	\$114,173	-34.32%	3.81%	3.13%	-0.68%				
Dept. of Financial Services	\$6,360	\$23,517	269.76%	1	2	100.00%	18	540	\$6,360	\$47,035	639.53%	8.47%	10.14%	1.67%				
Dept. of Health	\$26,340	\$13,649	-48.18%	8	14	75.00%	80	2,757	\$210,720	\$191,083	-9.32%	6.20%	7.32%	1.13%				
Dept. of Highway Safety and Motor Vehicles	\$31,713	\$0	0.00%	8	0	-100.00%	60	1,814	\$253,702	\$0	-100.00%	5.16%	5.59%	0.43%				
Dept. of Juvenile Justice	\$11,439	\$21,103	84.49%	38	34	-10.53%	144	3,939	\$434,678	\$717,513	65.07%	14.29%	11.96%	-2.32%				
Dept. of Revenue	\$80,811	\$24,250	-69.99%	2	1	-50.00%	28	250	\$161,621	\$24,250	-85.00%	7.00%	1.20%	-5.80%				
Dept. of Transportation	\$25,380	\$27,219	7.25%	20	22	10.00%	66	2,510	\$507,594	\$598,814	17.97%	16.57%	13.12%	-3.45%				
Florida Atlantic University	\$42,521	\$109,022	156.39%	4	4	0.00%	25	834	\$170,085	\$436,087	156.39%	6.25%	8.82%	2.57%				
Florida International University	\$18,292	\$32,613	78.29%	12	14	16.67%	30	1,758	\$219,502	\$456,586	108.01%	16.67%	15.09%	-1.57%				
Florida State University	\$27,126	\$21,114	-22.16%	17	19	11.76%	55	1,663	\$461,149	\$401,171	-13.01%	9.92%	12.33%	2.41%				
State Courts System	\$31,996	\$17,638	-44.87%	2	1	-50.00%	11	773	\$63,993	\$17,638	-72.44%	7.50%	9.09%	1.59%				
University of Central Florida	\$21,112	\$16,869	-20.10%	12	15	25.00%	18	497	\$253,344	\$253,040	-0.12%	9.66%	9.23%	-0.43%				
University of Florida	\$17,018	\$16,421	-3.51%	29	28	-3.45%	148	4,672	\$493,523	\$459,781	-6.84%	5.01%	4.65%	-0.36%				
University of South Florida	\$28,858	\$24,894	-13.73%	3	6	100.00%	64	1,933	\$86,573	\$149,365	72.53%	1.55%	5.42%	3.87%				
Totals	\$19,695	\$22,467	14.07%	358	427	19.27%	1,603	50,128	\$7,050,869	\$9,593,256	36.06%	7.89%	8.14%	0.26%				

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 2023-24 and 2024-25

Agency/University	Lost-Time Claim Count		
	FY 23/24	FY 24/25	Difference
Dept of Agriculture & Consumer Services	17	13	(4)
Dept of Children & Families	68	98	30
Dept of Corrections	268	272	4
Dept of Education	3	7	4
Dept of Environmental Protection	14	13	(1)
Dept of Financial Services	5	7	2
Dept of Health	22	26	4
Dept of Highway Safety & Motor Vehicles	21	19	(2)
Dept of Juvenile Justice	52	39	(13)
Dept of Revenue	7	1	(6)
Dept of Transportation	30	29	(1)
Florida Atlantic University	5	6	1
Florida International University	15	16	1
Florida State University	25	28	3
State Courts System	3	3	0
University of Central Florida	17	18	1
University of Florida	39	35	(4)
University of South Florida	4	13	9
Totals	615	643	28

In Fiscal Year 2024-25, agencies required to have RTW programs had an increase in the number of lost-time claims as compared to Fiscal Year 2023-24 (with 28 more lost time claims reported in 2024-25). Of the 18 agencies presented in the chart above, 7 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 2023-24 and FY 2024-25

Agency/University	Indemnity Costs			Medical & Legal Costs			Other Costs & Recoveries ⁽¹⁾			Total Lost-Time Claims Cost		
	FY 23/24	FY 24/25	Difference	FY 23/24	FY 24/25	Difference	FY 23/24	FY 24/25	Difference	FY 23/24	FY 24/25	Difference
Dept. of Agriculture and Consumer Services	\$85,707	\$123,963	\$38,256	\$114,657	\$219,099	\$104,442	(\$32,384)	(\$26,713)	\$5,672	\$167,980	\$316,349	\$148,370
Dept. of Children and Families	\$467,934	\$744,307	\$276,373	\$892,280	\$1,240,907	\$348,627	(\$35,230)	(\$112,270)	(\$77,040)	\$1,324,983	\$1,872,944	\$547,960
Dept. of Corrections	\$2,178,679	\$1,979,962	(\$198,717)	\$3,662,641	\$4,203,025	\$540,384	(\$491,695)	(\$461,013)	\$30,682	\$5,349,625	\$5,721,974	\$372,350
Dept. of Education	\$4,688	\$25,220	\$20,532	\$8,856	\$63,029	\$54,173	(\$3,488)	(\$1,148)	\$2,339	\$10,056	\$87,101	\$77,044
Dept. of Environmental Protection	\$127,489	\$31,396	(\$96,093)	\$333,621	\$217,286	(\$116,335)	\$12,894	(\$6,100)	(\$18,994)	\$474,004	\$242,582	(\$231,422)
Dept. of Financial Services	\$68,291	\$63,651	(\$4,639)	\$25,200	\$115,978	\$90,779	(\$34,457)	(\$28,332)	\$6,125	\$59,033	\$151,298	\$92,264
Dept. of Health	\$108,456	\$125,542	\$17,086	\$461,873	\$640,506	\$178,633	(\$44,067)	\$27,040	\$71,107	\$526,262	\$793,089	\$266,826
Dept. of Highway Safety and Motor Vehicles	\$234,077	\$139,631	(\$94,446)	\$568,745	\$283,622	(\$285,124)	(\$102,262)	(\$71,067)	\$31,196	\$700,560	\$352,186	(\$348,374)
Dept. of Juvenile Justice	\$292,061	\$299,437	\$7,376	\$448,052	\$590,729	\$142,676	(\$66,087)	(\$66,803)	(\$716)	\$674,026	\$823,362	\$149,336
Dept. of Revenue	\$50,364	\$11,609	(\$38,755)	\$196,978	\$10,216	(\$186,762)	(\$16,587)	\$2,425	\$19,012	\$230,756	\$24,250	(\$206,506)
Dept. of Transportation	\$295,690	\$289,230	(\$6,459)	\$573,545	\$742,861	\$169,317	(\$29,911)	(\$109,052)	(\$79,141)	\$839,323	\$923,040	\$83,717
Florida Atlantic University	\$60,159	\$47,804	(\$12,354)	\$149,484	\$420,102	\$270,618	(\$9,650)	(\$2,739)	\$6,910	\$199,993	\$465,167	\$265,174
Florida International University	\$90,872	\$122,514	\$31,642	\$305,670	\$481,844	\$176,174	\$571	(\$18,119)	(\$18,690)	\$397,113	\$586,239	\$189,125
Florida State University	\$179,974	\$153,723	(\$26,251)	\$432,886	\$473,683	\$40,797	(\$31,046)	(\$19,663)	\$11,383	\$581,814	\$607,743	\$25,929
State Courts System	\$29,514	\$29,812	\$298	\$60,471	\$188,073	\$127,602	\$3,126	(\$12,977)	(\$16,103)	\$93,111	\$204,908	\$111,797
University of Central Florida	\$110,740	\$90,489	(\$20,251)	\$196,652	\$457,533	\$260,880	(\$15,048)	(\$7,624)	\$7,424	\$292,345	\$540,398	\$248,053
University of Florida	\$190,431	\$155,094	(\$35,337)	\$509,100	\$592,132	\$83,032	\$2,411	(\$9,840)	(\$12,251)	\$701,942	\$737,386	\$35,444
University of South Florida	\$19,536	\$101,145	\$81,610	\$79,997	\$293,257	\$213,260	(\$1,019)	\$4,408	\$5,428	\$98,513	\$398,810	\$300,297
Totals	\$4,594,661	\$4,534,529	(\$60,131)	\$9,020,708	\$11,233,881	\$2,213,174	(\$893,929)	(\$919,587)	(\$25,658)	\$12,721,439	\$14,848,823	\$2,127,384

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.

PROPERTY CLAIMS AND EXPENSES

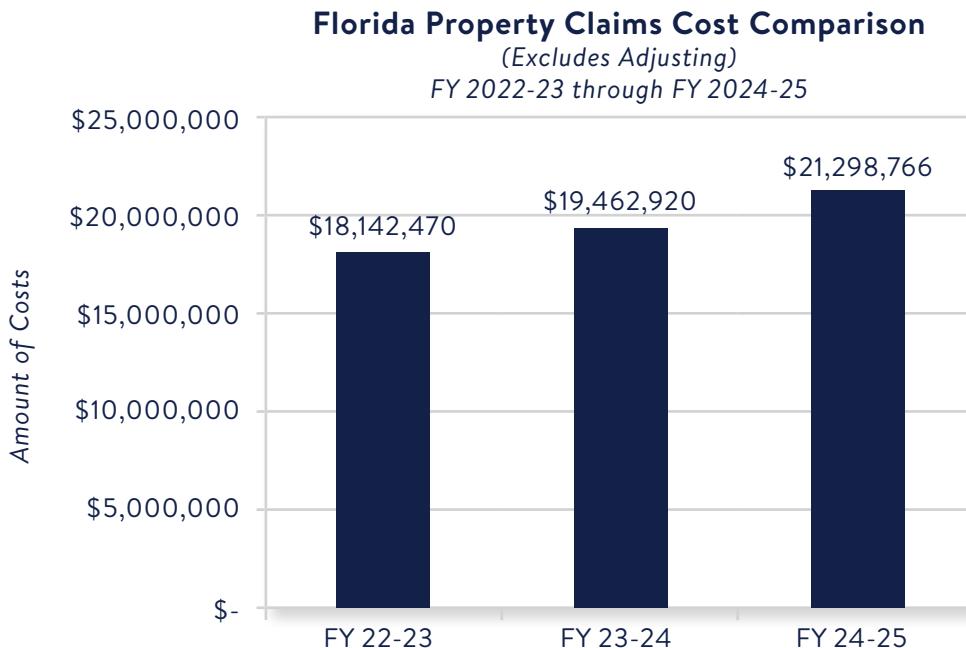
PROPERTY

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

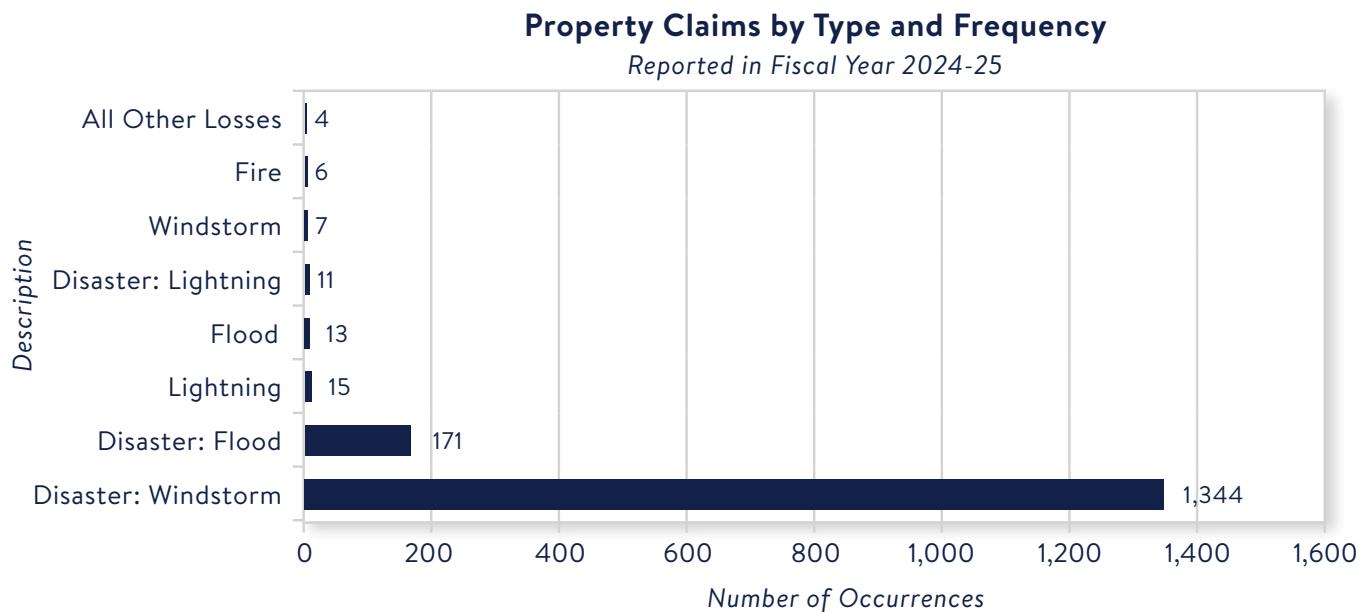
This program is responsible for investigating, evaluating, negotiating, and settling covered property claims. Investigations are conducted by staff and/or in concert with a contracted adjusting service.

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



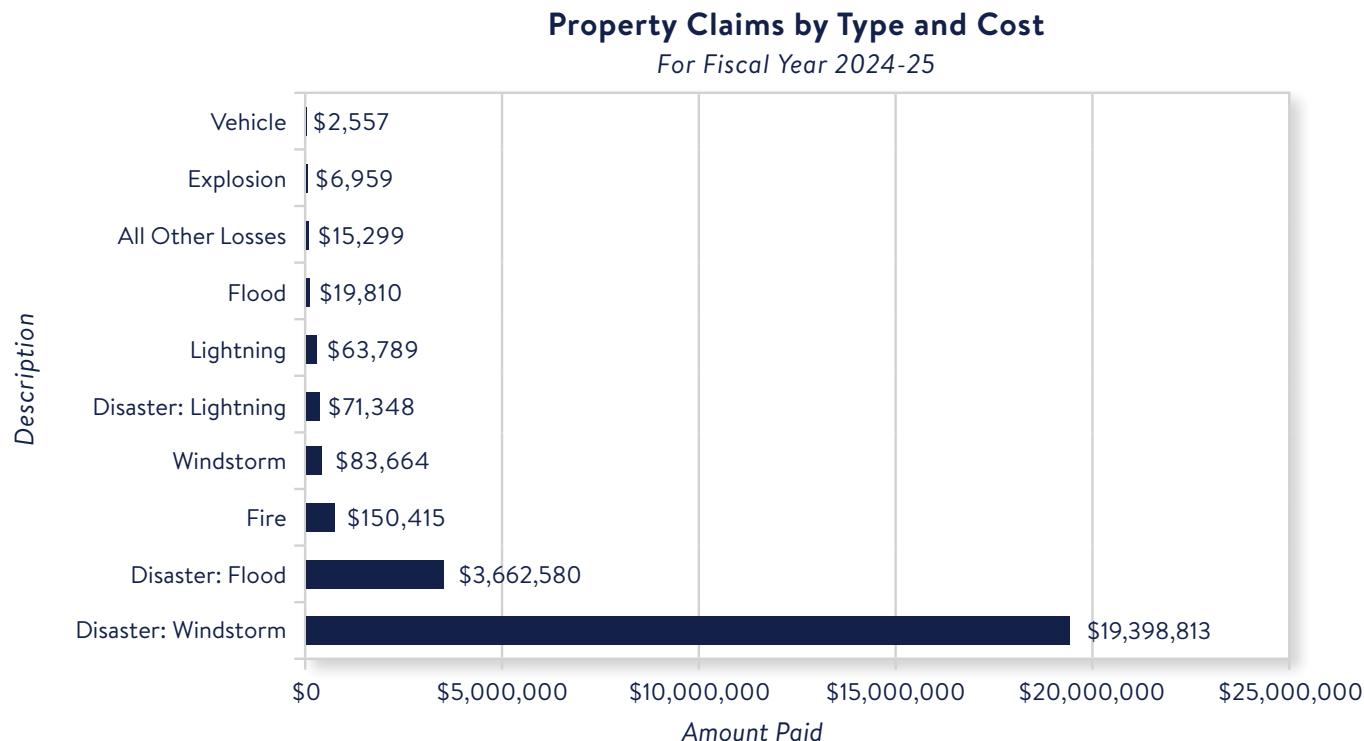
The program was again impacted by hurricane losses this fiscal year. Property losses paid totaled approximately \$21.3 million during Fiscal Year 2024-25, an increase of \$1.8 million from the 2023-24 fiscal year. These losses were primarily a result of Hurricane Debby, Hurricane Helene and Hurricane Milton, which struck the state in 2024, as well as the May 2024 tornadoes that struck the capital city of Tallahassee. For the 2024-25 fiscal year, the Division paid losses of \$3.0 million for Hurricane Debby, \$5.7 million for Hurricane Helene and \$4.9 million for Hurricane Milton. The Division also paid \$7.6 million in tornado and other non-hurricane related losses in Fiscal Year 2024-25. Additional information on the impact of hurricane losses and the May 2024 tornadoes can be found on page 4 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 2024-25 fiscal year are included in the following graph:



During the 2024-25 fiscal year, 1,571 property claims were reported compared to 617 claims reported during the 2023-24 fiscal year, an increase of 954 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 2024-25 fiscal year, which also includes claims related to the May 2024 tornado outbreak in Tallahassee.

Reported property claims for the 2024-25 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 2024-25, 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 2024-25 fiscal year.

Inspections Performed During Fiscal Year 2024-25

The State Fire Marshal's Office inspected 13,393 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

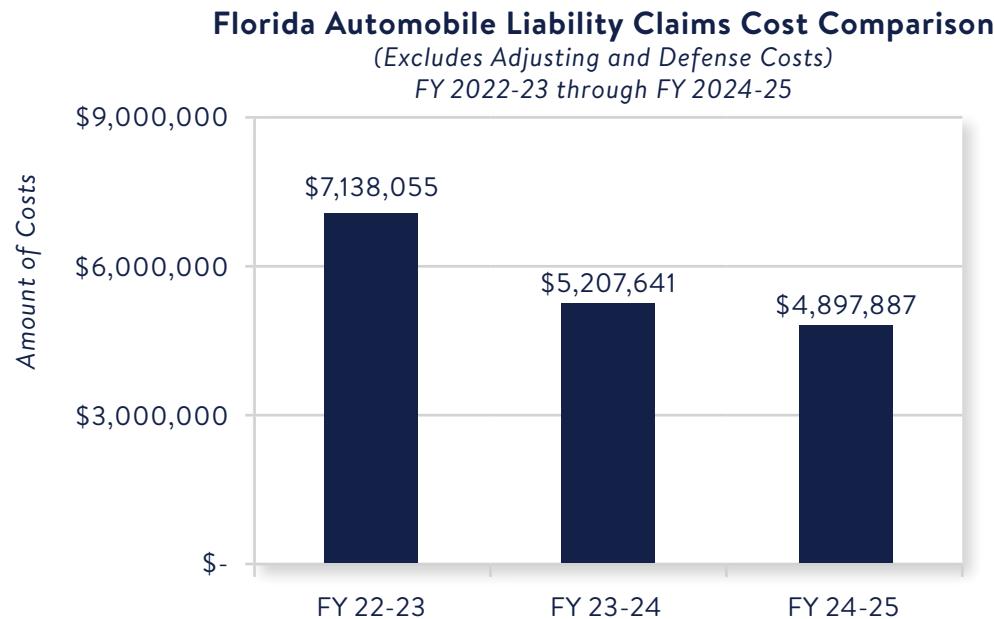
The Automobile Liability program provides automobile liability insurance through the State Risk Management Trust Fund for claims arising out of the ownership, maintenance, or use of an automobile by an employee, agent, or volunteer of the state, while acting within the course and scope of his or her 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.

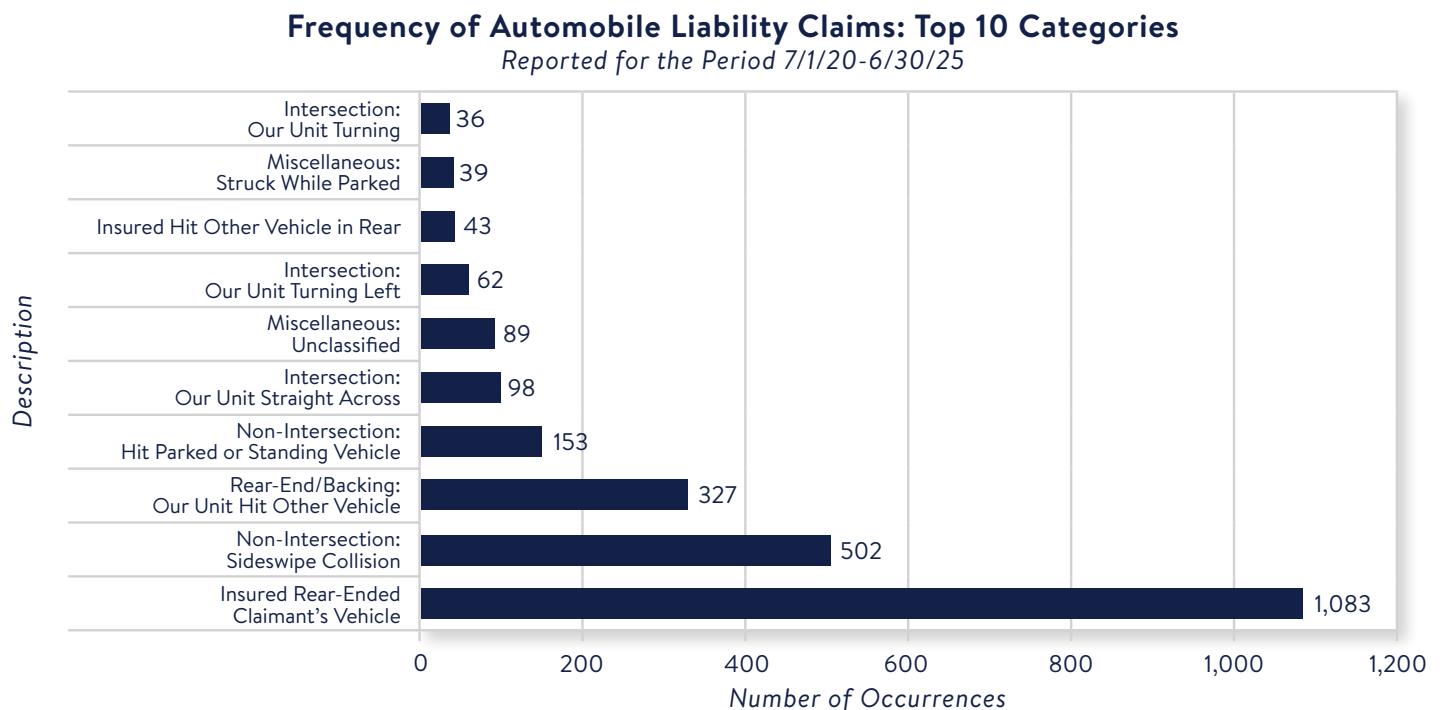
As of July 1, 2004, the Division has offered coverage for property damage to state vehicles sustained when these vehicles are used for approved off-duty use by a law enforcement officer. The Division establishes a premium each year for this coverage and there is a \$100 deductible per incident for the 2024-25 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:



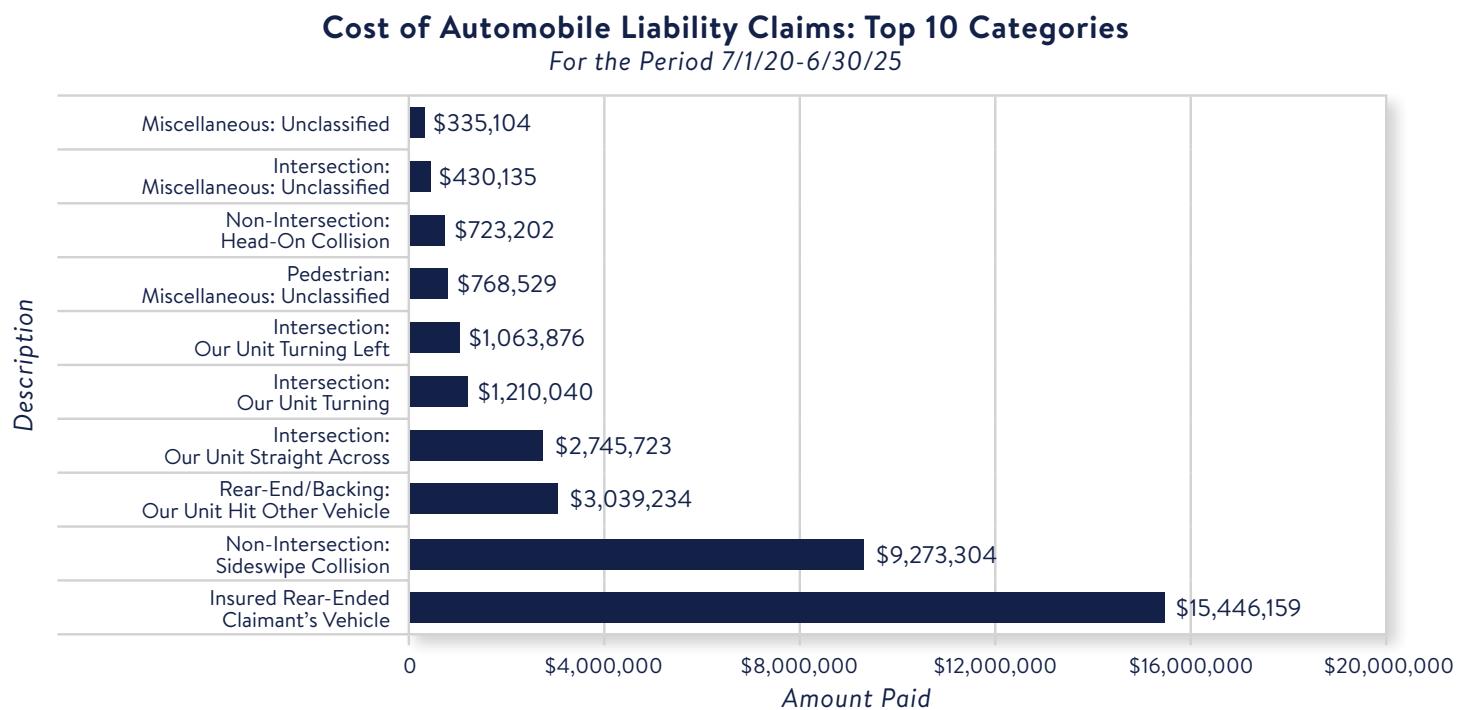
Automobile liability claims costs decreased by approximately \$309,754 (6 percent) in Fiscal Year 2024-25 compared to the 2023-2024 fiscal year. The number of claims increased slightly from 577 in Fiscal Year 2023-2024 to 581 in the current fiscal year, representing less than a 1 percent increase in 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:



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:



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

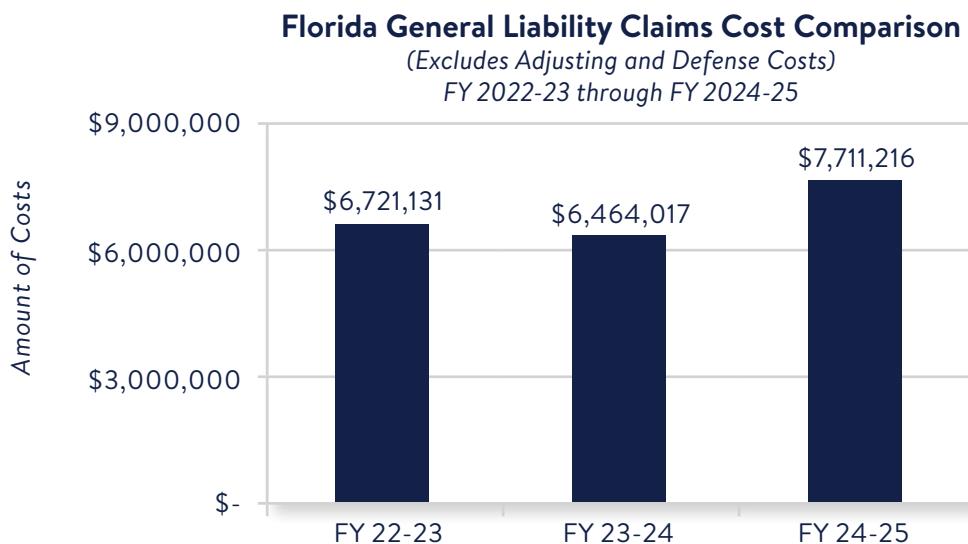
GENERAL LIABILITY

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:

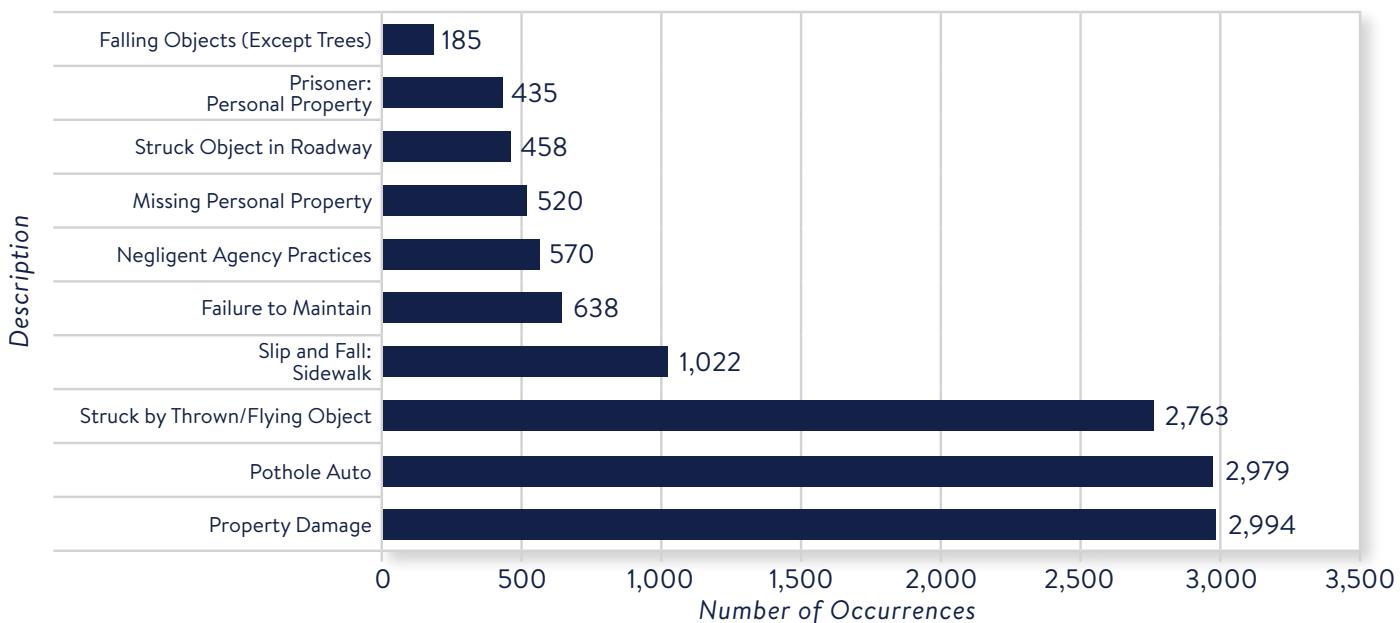


Overall, state general liability claims costs increased by \$1,247,199 (19.3 percent) in Fiscal Year 2024-25 compared to the 2023-24 fiscal year. The number of new claims decreased from 4,242 to 2,912, a 31.4 percent decrease from the prior fiscal year. This decrease was primarily caused by resolution of a deteriorated road condition which resulted in debris causing property damage to numerous vehicles in the prior fiscal year. Due to the resolution of this issue, the number of new claims in the 2024-25 fiscal year returned to a more normal level.

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 7/1/20-6/30/25

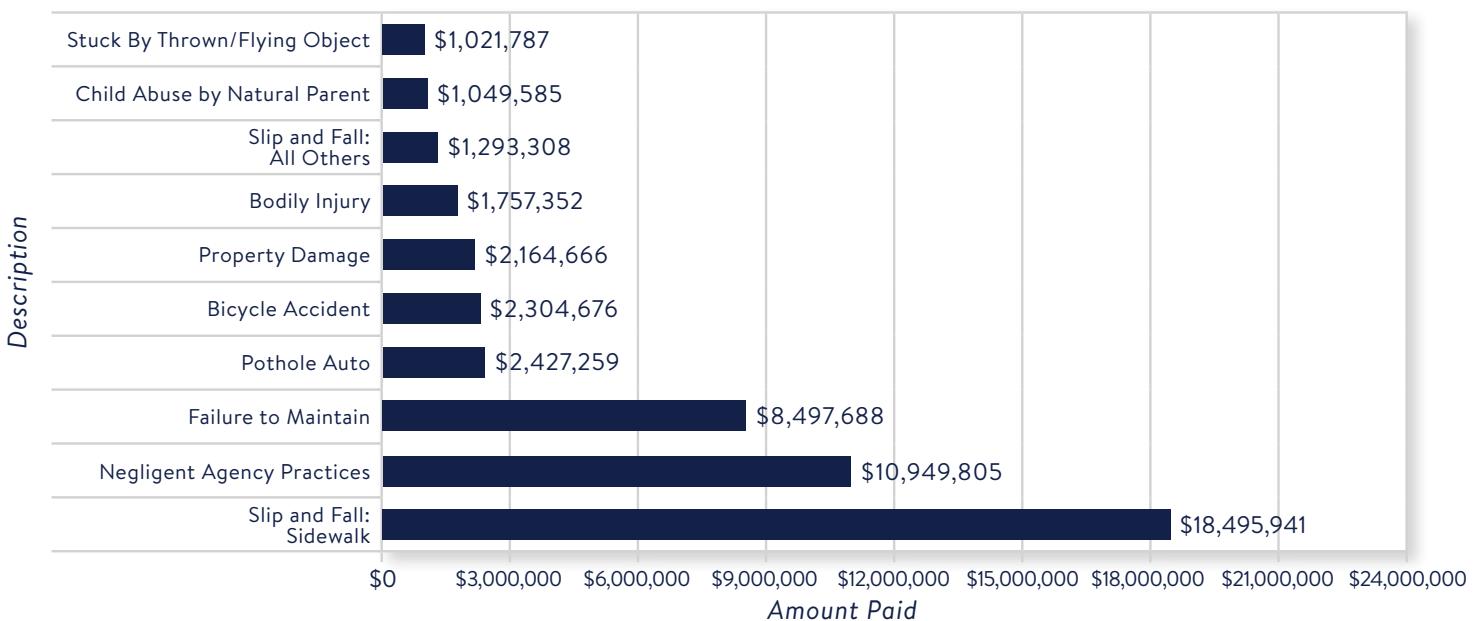


Property damage claims are the most frequent general liability claims followed by pothole automobile damage claims.

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 7/1/20-6/30/25



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

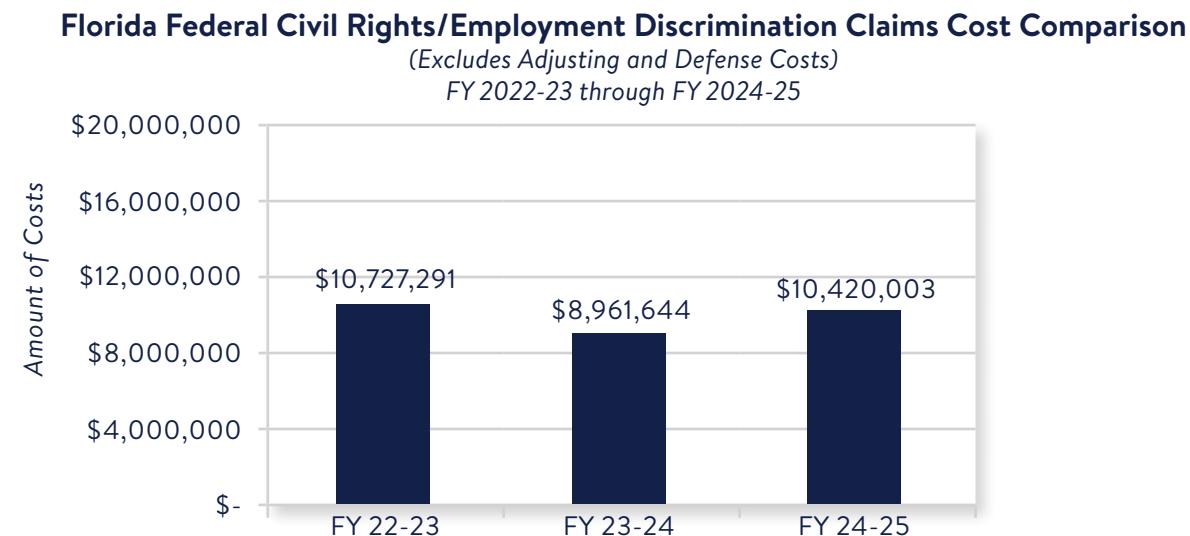
The Federal Civil Rights/Employment Discrimination Program provides federal civil rights and employment discrimination claims coverage through the State Risk Management Trust Fund. This coverage includes:

- 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:

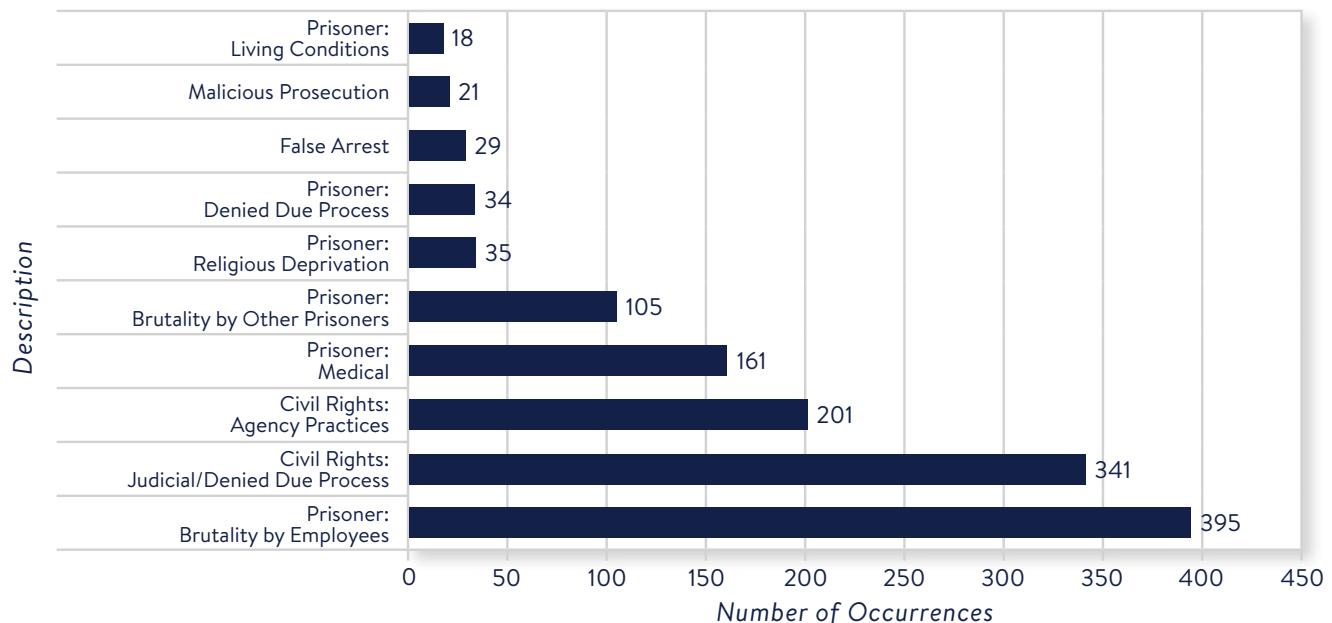


Overall, Federal Civil Rights/Employment Discrimination claims costs increased by \$1,458,359 (16.3 percent) this fiscal year compared to Fiscal Year 2023-24. The number of claims decreased from 468 in Fiscal Year 2023-24 to 437 in Fiscal Year 2024-25, a 6.6 percent decrease.

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 7/1/20-6/30/25



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:

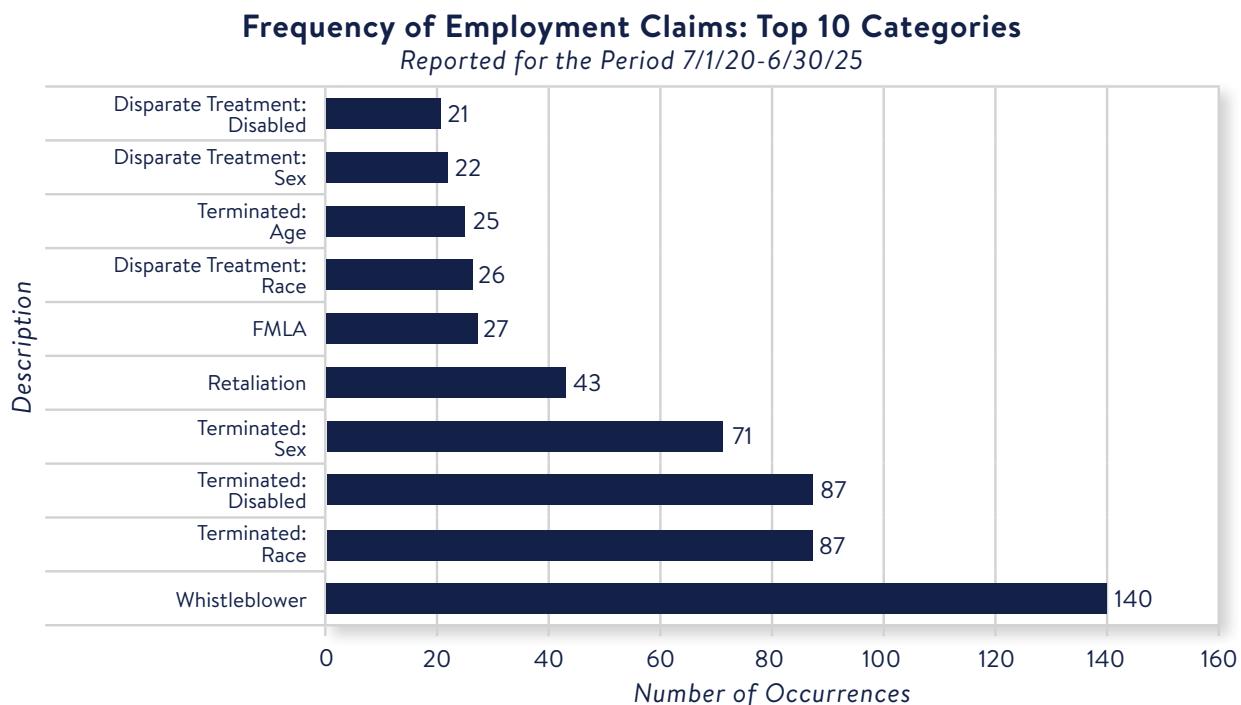
Cost of FCR (Non-Employment) Claims: Top 10 Categories

For the Period 7/1/20-6/30/25



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:



Whistleblower and terminated due to race or 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:



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

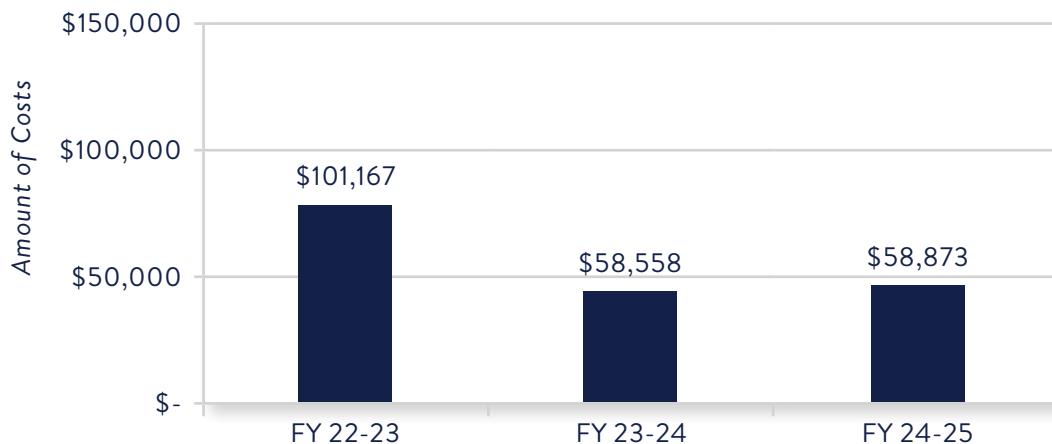
FIREFIGHTER CANCER BENEFITS

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 for the previous three years.

Florida Firefighter Cancer Claims Cost Comparison
(Excludes Adjusting and Defense Costs)
FY 2022-23 through FY 2024-25



Firefighter Cancer claims costs only increased \$315 (0.5 percent) in Fiscal Year 2024-25 over the prior fiscal year. In Fiscal Year 2024-25, the Department received two new claims and paid \$58,873 in benefits to five employees due to firefighter cancer.

Division of Risk Management

Florida Department of Financial Services



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