

Department of Administrative Services

Improving efficiency, compliance, and workplace performance

Risk Management Updates – 2024 FMC

Wade Damron, Director - Risk Management
October 28 , 2024





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Who We Are

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Who We Are

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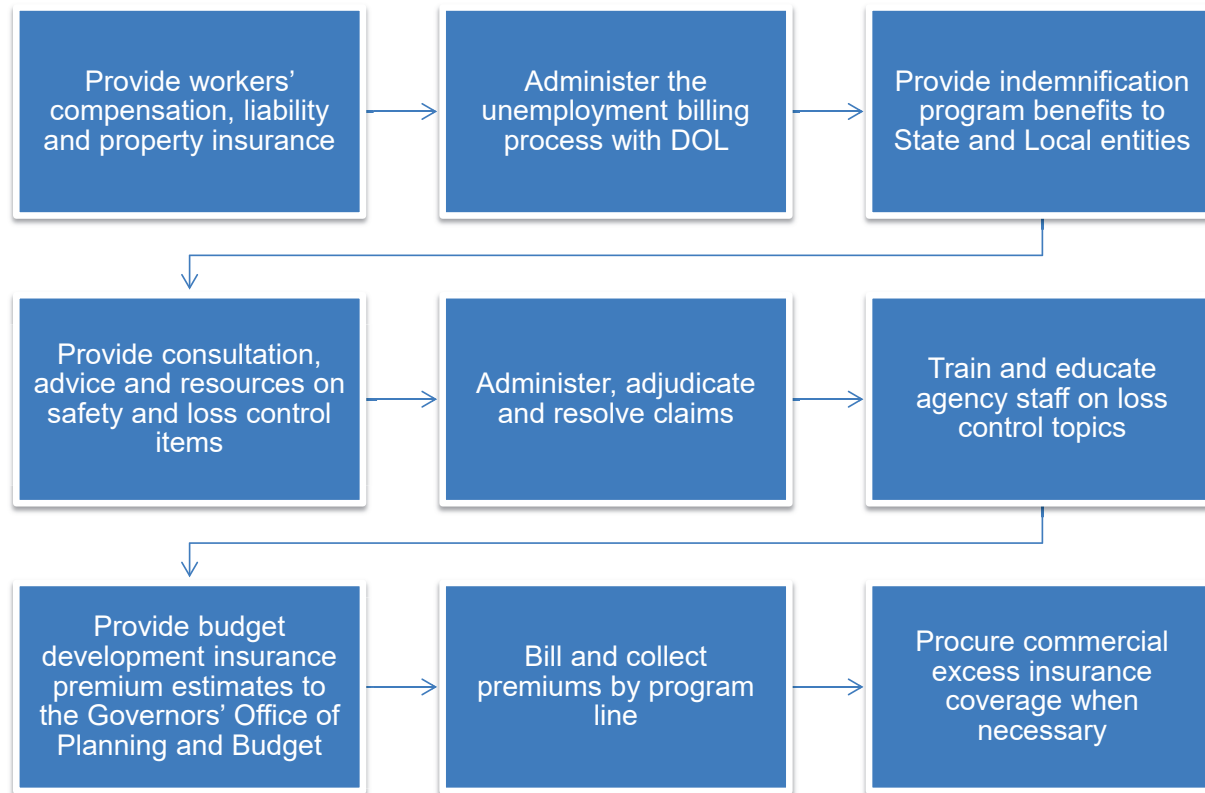
Vicki Medlock

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Shanon Majeed

CLCP Operations Analyst
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What We Do.



Who We Serve.

			
State Entities Risk Coordinators <p>Employees who manage day-to-day administration of workers' comp, auto, liability, property, cyber, and unemployment insurance, as well as comprehensive loss control programs for their agencies.</p> <ul style="list-style-type: none">> Insurance Services> Comprehensive Loss Control> Rules, Policies, and Compliance> Tools> Education and Training	State Entities Workers' Compensation Coordinators <p>Assist employees with work-related injuries and illnesses by obtaining appropriate medical care and recovery services and ensures the safe return to normal work activities.</p> <ul style="list-style-type: none">> Workers' Compensation> Return to Work	Georgia Public Officers and School Personnel <p>Public law enforcement officers and school personnel who are enrolled and entitled to additional financial benefit if they are disabled or killed in the line of duty.</p> <ul style="list-style-type: none">> Indemnification Program> Educators Professional Liability Coverage	Public <p>Individuals who submit liability claims against the state for damages to personal property.</p> <ul style="list-style-type: none">> How to File a Claim for Damage Against the State



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Why Does Risk Management Matter To You and ME?

- Claims
- Premiums
- MONEY
- MONEY
- And MO MONEY



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Appropriations from Surplus

Appropriations to Date and Potential Upcoming			
Coverage	<u>at June 30, 2022</u>	<u>at June 30, 2024</u>	<u>At June 30, 2025</u>
Work Comp	\$150,000,000	\$125,000,000	\$0
General Liability	\$0	\$75,000,000	\$xxx,000,000
Property	\$18,607,277	\$50,000,000	\$xx,000,000
Grand Total	\$168,607,277	\$250,000,000	\$xxx,000,000



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Insurance Coverages – Self-insured & Commercial

<u>DOAS Coverage</u>		
<u>Line of Insurance</u>	<u>Coverage</u>	<u>Scope</u>
Workers' Compensation Liability	Workers' Compensation Coverage	Provides medical and lost wage replacement for State employees injured on the job.
	State Tort Claims Policy	Covers cases filed in Georgia courts under State Tort Claims Act OCGA 50-21-20
	General Liability Agreement	Covers all other cases, including Federal and employment actions under OCGA 45-9-1
Property	State Authority Operational Liability Policy	Covers cases based on contractual liability of State Authorities scheduled on policy.
	State Owned Building and Personal Property Agreement	Covers State Assets to include buildings, contents under OCGA 50-16-9
	Special Property All Risk Agreement	Covers inland marine, fine art, transient property and specialty property.
Cyber Liability	Automobile Physical Damage Agreement	Provides physical damage cover for scheduled State vehicles, including glass coverage.
	Cyber Technology and Privacy Coverage	Provides cyber incident coverage to Executive Branch agencies.
<u>Commercial Coverage</u>		
<u>Line of Insurance</u>	<u>Coverage</u>	<u>Scope</u>
Excess Work Comp	coverage excess of Statutory Workers' Compensation coverage	\$8.2B in total insured payroll
Excess Liability	coverage excess of DOAS General Liability Agreement	Four carriers provide varying limits of coverage.
Property	Domestic/International carriers provide coverage excess SOBPP	\$52B Total Insured Value / \$12.8B in Business Interruption value
Cyber Insurance	Domestic/International carriers providing coverage	Executive Branch agencies
Marine	Commercial carrier provides primary coverage.	69 craft
Crime	Commercial carrier provides primary coverage.	
Terrorism	Commercial carrier provides primary coverage.	
Boiler and Machinery	Commercial carrier provides primary coverage.	
Aviation	Commercial carrier provides primary coverage.	105 craft, 45 UAV
Excess Aviation	coverage excess of DOAS Special Property All Risk Agreement	
Educators Excess Liability	provides excess professional liability coverage	
Inland Marine	provides primary coverage.	\$335M in SPAR value



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Excess Insurance Renewal History

Coverage	FY19	FY20	FY21	FY22	FY23	FY24
GATech DBA	\$8,756	\$7,500	\$7,500	\$8,883	\$7,500	\$7,500
GATech OOS WC	\$167,924	\$196,394	\$231,442	\$227,170	\$296,313	\$386,283
Educators Liability	\$361,590	\$337,948	\$299,996	\$287,715	\$288,000	\$280,000
Excess Liability	\$1,602,818	\$2,086,900	\$2,675,300	\$2,472,525	\$3,183,147	\$3,435,155
Cyber Liability	\$1,771,627	\$1,832,813	\$1,800,309	\$1,400,000	\$1,800,000	\$1,612,450
Property	\$12,012,600	\$15,899,578	\$21,303,511	\$23,158,931	\$28,105,411	\$37,027,149
Terrorism	\$579,323	\$554,791	\$554,791	\$543,802	\$608,779	\$1,155,338
Marine	\$157,642	\$159,390	\$163,515	\$176,144	\$186,371	\$201,900
Crime	\$459,425	\$411,722	\$411,878	\$432,303	\$448,637	\$414,103
WireE&O	\$61,140	\$58,788	\$62,972	\$70,050	\$79,422	\$88,379
Aviation	\$619,741	\$641,892	\$743,045	\$917,715	\$1,001,630	\$1,100,150
Excess Aviation	\$220,972	\$220,972	\$215,000	\$241,875	\$253,969	\$261,476
Inland	\$206,126	\$213,560	\$244,780	\$261,829	\$270,203	\$251,570
B&M	\$207,348	\$215,242	\$226,243	\$256,180	\$275,071	\$302,730
GA OOS WC	\$48,485	\$42,261	\$47,208	\$51,018	\$45,507	\$103,362
Excess WC	\$2,290,555	\$2,469,317	\$2,058,017	\$2,129,541	\$2,261,146	\$2,384,548
	\$20,776,072	\$25,349,068	\$31,045,507	\$32,635,681	\$39,111,106	\$49,012,093
Total Program		\$4,572,996	\$5,696,439	\$1,590,174	\$6,475,425	\$9,900,987
		22.0%	22.5%	5.1%	19.8%	25.3%



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July 1, 2025 Excess Insurance Renewal

Coverage	FY24	FY25	Percent	FY25 Limits	Prog	By Prog
GATech DBA	\$7,500	\$16,432	119.1%	As expiring	GT	\$417,232
GATech OOS WC	\$386,283	\$400,800	3.8%	As expiring	GT	
Educators Liability	\$280,000	\$281,685	0.6%	\$1M Limit	LI	
Excess Liability	\$3,435,155	\$3,787,394	10.3%	\$30M Limit, \$5M SIR	LI	\$4,069,079
Cyber Liability	\$1,612,450	\$1,856,344	15.1%	\$15M Limit, \$2.5M SIR	Cyber	\$1,856,344
Property	\$37,027,149	\$34,784,996	-6.1%	\$1B Limit, \$10M Ded/WS \$15M Ded	PR	\$38,774,907
Terrorism	\$1,155,338	\$1,137,050	-1.6%	\$250M Tower/ New Parametric	PR	
Marine	\$201,900	\$198,863	-1.5%	As expiring	PR	
Crime	\$414,103	\$414,102	0.0%	\$50M Limit/\$500K Ded	PR	
WireE&O	\$88,379	\$99,422	12.5%	As expiring	PR	
Aviation	\$1,100,150	\$1,267,922	15.2%	\$25M Limit	PR	
Excess Aviation	\$261,476	\$266,750	2.0%	\$25M Limit	PR	
Inland	\$251,570	\$285,802	13.6%	\$35M Limit	PR	
B&M	\$302,730	\$320,000	5.7%	\$200M Limit	PR	
GA OOS WC	\$103,362	\$77,280	-25.2%	As expiring	WC	
Excess WC	\$2,384,548	\$2,385,254	0.0%	\$5M Per / \$5M Agg Claim	WC	\$2,462,534
	\$49,062,093	\$47,580,096	-3.02%			\$47,580,096



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Actuarial Data – Claims Liability Estimates

Change in Loss Reserve Estimates (\$000)			
	Estimated	Estimated	
	Liability	Liability	
<u>Coverage</u>	<u>at June 30, 2023</u>	<u>at June 30, 2024</u>	<u>\$Change</u>
Work Comp	\$867,800	\$716,748	-\$151,052
General Liability	\$92,875	\$126,201	\$33,326
Automobile Liability	\$35,318	\$36,176	\$858
Tort	\$279,702	\$270,256	-\$9,446
Grand Total	\$1,275,695	\$1,149,381	-\$126,314



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DOAS RMS Premium History

		FY21	FY22	FY23	FY24	FY25
<u>Line of Insurance</u>	<u>Coverage</u>	<u>Premium</u>	<u>Premium</u>	<u>Premium</u>	<u>Premium</u>	<u>Premium</u>
Work Comp	Work Comp Coverage	\$105,100,000	\$105,100,000	\$105,100,000	\$105,100,000	\$105,100,000
Liability	State Tort Claims Policy/General Liability	\$46,700,000	\$46,700,000	\$46,700,000	\$46,700,000	\$60,000,000
Property	State Owned Building and Personal Property	\$12,458,694	\$10,579,600	\$10,579,600	\$47,766,897	\$47,766,897
	Bus Interruption	\$1,142,599	\$1,246,577	\$1,483,709	\$1,493,635	\$1,625,454
	Special Property All Risk	\$2,761,831	\$2,826,708	\$3,156,259	\$3,274,554	\$3,425,602
	Auto Physical Damage	\$4,755,702	\$4,755,702	\$4,755,702	\$4,755,702	\$4,755,702

Risk Management Billing Methodology

- Funding Calculation:

- 80% based on 3 year Claims Experience AND 20% based on Exposure (Salary for Workers' Compensation, FTE for Liability)

- Funding Calculation:

- Agency Experience / State Experience X 80%
- PLUS
- Agency Exposure (Salary) / State Exposure (Salary) X 20%
- EQUALS
- Agency FY Premium Factor
- *Factor Multiplied By Funding Requirement Equals FY Allocation / PREMIUM*

Risk Management Billing Methodology

The Risk billing premiums for Workers Compensation (WC), Liability, and Unemployment Insurance (UE) are calculated by a combination of Experience and Exposure: 80:20 Ratio

- Experience
 - 80% of the premium is based on the experience calculation
- Exposure
 - 20% of the premium is based on the exposure calculation

$$\text{Experience} = \frac{\text{Sum of Claim Payouts made by Agency for the past 3yrs}}{\text{Sum of Claim Payouts made by the State for the past 3 yrs}}$$

$$\text{Exposure} = \frac{\text{Agency FTE}}{\text{Total State FTE}}$$

Agency Risk Premium = $(0.80X + 0.20Y) * \text{Agency Total OPB Funding}$
where X = Experience Calculation
Y = Exposure Calculation

Agency Total OPB Funding = The total annual premium amount that is approved to be billed by OPB.

*Note: The claim amount is based on the date of payment and not the date associated with the filing of the claim.



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Workers' Compensation Program

1. Budget Impacts
 - AFY24 Appropriation
2. Settlement Project – Phase 1 completed. Phase 2 ongoing.
3. Return To Work Strategic Plan – onsite and virtual training meetings ongoing.
 1. DOC
 2. DJJ
 3. DBHDD
 4. GAS Adjuster referrals – being made to Amerisys for any modified duty or out of work claim.



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Liability Program

Budget Impacts

- FY25 Increase premium to \$60M
- AFY24 Appropriation provided.

Indemnification Program

Administrative Process Changes

PTSD Program

- Ashley Wilson Act – House Bill 451
 - Effective July 1, 2024 with benefit required by January 1, 2025
 - Providers coverage to “First Responders” for PTSD events
 - Full, Part time and Volunteers
 - One time \$3000 Diagnosis benefit
 - Income replacement Disability benefit
 - Paid for by DOAS - \$155 per person per year



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Property Program

Budget Impacts

- AFY24 Appropriation provided.

Centurisk – Appraisal Project

- Phase I – NW counties – completed.
- Phase II – SE counties – Sep 2024 thru Dec 2024

CAT Claims

- Idalia
- Debbie
- Helene
- Milton



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Loss Control Program

1. New Staff -

- Shane Barrow
- Shanon Majeed
- Open slots – CLCP Office and Analyst

2. Online Assessment –

- Notices sent out, with second reminders
- Due Date 10/31/2024

3. Agency Assignments

- Do you know who your Loss Control Expert is today!?



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Information Technology - Data

1. Ventiv acquired by Riskonnect

2. Data – Get Your Seat Today, Do Not Wait!

- IRM – Integrated Risk Management (formerly RiskConsole)
 - Dashboards
 - Reports
- Digital – online claims intake
- CLCP – online assessment tool

3. Future State.

- TPA RFP currently under-review.
- RMIS RFP set to hit the streets by Dec. 1st.



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Does Risk Management Matter?

- **You Tell Us**
- **What Do You Want to Discuss**
- **What Resources Do You Need From RMS**
- **Please Send Us Your Feedback – Kudos or Kicks, We Take Em All**
- **Schedule A Meeting – Virtual Or Onsite, You Tell Us**
- **Use the DOAS Risk Management Website**



Risk Management Services

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www.DOAS.ga.gov