

Executive Summary

- The Florida State Risk Management Trust Fund provides services that protect state property and workforce members that are exposed to the risk of financial losses through property damage, employee injuries, and alleged negligent or improper acts of state employees.
- The Florida Revenue Estimating Conference forecasts the annual funding that is needed to cover such losses on a fiscal year basis.
- The income of this trust fund is calculated mainly based on information provided by the Division of Risk Management, Department of Financial Services.
- On the expenditure-side, the most critical item of the Risk Management Trust Fund is the payment to cover casualty losses. This loss payment includes coverage of state workers' compensation, Federal Civil rights settlements, and state automotive liability. It is projected to be \$139 million for FY 2004 - 2005 and \$140.5 million for FY 2005 - 2006.
- The property loss payment is forecasted to be \$5.9 million and \$0.8 million for FY 2004 - 2005 and FY 2005 - 2006, respectively. For FY 2005 - 2006, \$5 million is included to cover part of the damage made by the four hurricanes in 2004. Additional losses (up to \$38 million) are anticipated to be paid with dollars transferred from the Budget Stabilization Fund pursuant to s. 216.222(2)(a) and (b), Florida Statutes. Those additional dollars are not captured in this report since they are expected to be subsequently reimbursed.
- Other expenditure items include costs to cover the program's operating expenses, coverage of excess property insurance, contract expenses associated with worker's compensation premiums and worker's compensation managed care.

RISK MANAGEMENT TRUST FUND
Revenue Estimating Conference
November 5, 2004

	2003-04 Actual	2004-2005		2005-2006
		Cur REC Estimates	New REC Estimates	New REC Estimates
Beginning Cash Balance	46.3	34.5	45.3	18.3
Reserve	(5.0)		0.0	0.0
Balance (available for use)	41.3	34.5	45.3	18.3
Income				
Premiums: Casualty	139.9	149.9	149.9	149.9
Property	13.4	13.6	13.6	12.1
Law Vehicles			0.1	0.1
SDTF Recoveries	5.6	4.7		
Subrogation's	0.6	0.7	0.6	0.6
TTD refunds	2.4	2.7	2.4	2.4
Investment Income	3.0	3.3	2.5	2.5
Total Income	164.9	174.9	169.1	167.6
Expenditures				
Loss Pmts: Casualty	121.6	153.2	139.0	140.5
Property **	1.7	0.8	5.9	0.8
Law Vehicles			0.1	0.1
Operating Expenses	7.2	6.5	7.4	6.7
Managed Care	12.8	13.6	13.6	6.8
Property Premium	3.8	6.5	5.0	5.5
Worker's Comp Premiums	2.0	2.0	2.0	2.0
DWC Assessments	1.6	4.3	2.9	2.9
Transfer	20.0	20.0	20.0	0.0
Refunds	0.2	0.1	0.2	0.2
Total Expenditures	170.9	207.0	196.1	165.5
Net Income	(6.0)	(32.1)	(27.0)	2.1
Ending Balance (available for use)	40.3	2.4	18.3	
add Reserve	5.0			
Ending Balance (Including Reserve)	45.3	2.4	18.3	20.4

** The property loss forecast for FY 2004-2005 includes the loss of \$5 million arising from damage caused by the four hurricanes that hit the state. Additional losses (up to \$38 million) are anticipated to be paid with dollars transferred from the Budget Stabilization Fund pursuant to s. 216.222(2)(a) and (b), Florida Statutes. Those additional dollars are not captured in this report since they are expected to be subsequently reimbursed.