

Risk Management Trust Fund

December 5, 2023

Executive Summary

The State Risk Management Trust Fund (SRMTF) provides coverage that protects state property and workforce members that are exposed to the risk of financial losses through damage, injuries, and alleged negligent or improper acts. The Self-Insurance Estimating Conference forecasts the funding that is needed to cover such losses on a fiscal year basis.

The trust fund income is calculated based on information provided by the Division of Risk Management, Department of Financial Services. For FY 2023-24, the estimate for total income is \$230.7 million. This amount is slightly below the August estimate, primarily due to a small downward adjustment to expected investment earnings. For FY 2024-25 through FY 2028-29, trust fund income of \$230.5 million is expected each year. These levels are close to the August estimates of \$231.1 million each year.

The non-operating expenditures category is projected to reach \$181.7 million in FY 2023-24. This is an increase from the August estimate of \$175.0 million, with the upward revision mostly related to projected property damages related to Hurricane Idalia. Including the other minor upward and downward adjustments, total non-operating expenditures will be \$6.7 million higher in the current year, but between \$1.5 and \$1.7 lower in each of the following years. The major component pieces are:

- Worker’s Compensation (WC)...There are two parts of worker’s compensation: WC Indemnity and WC Medical. For WC Indemnity, the prior forecast was unchanged. For WC Medical, the new estimate is \$2.0 million lower in the current year due to the year-to-date experience, as well as actuarial results showing lower costs. This effect carries through all of the forecasted years.
- General Liability...The new forecast has minor downward adjustments, with the most significant change (\$-0.4 million) occurring in the current year.
- Automotive Liability...The new forecast has minor downward adjustments, with the most significant change (\$-0.4 million) occurring in the current year.
- Federal Civil Rights...The new forecast has a minor upward adjustment of \$0.7 million each year.
- Property Losses...Only the estimate for the current year was changed to add \$8.7 million in projected property damages related to Hurricane Idalia.

The operating expenditures (administrative) category was adjusted upward by \$1.4 million in FY 2023-24 and by \$0.6 million in each of the following years to address state pay package issues and expected claims adjustment costs for Hurricane Idalia.

The ending cash balance for FY 2023-24 is now projected to be \$56.9 million. The balance is expected to remain positive until FY 2027-28 when it turns negative by \$5.2 million more than previously projected.

	Prior Ending Cash Balance	New Ending Cash Balance	Difference (new – prior)
2023-24	\$65.3	\$56.9	(\$8.4)
2024-25	\$51.5	\$45.1	(\$6.4)
2025-26	\$35.8	\$30.1	(\$5.7)
2026-27	\$18.5	\$13.1	(\$5.4)
2027-28	(\$0.5)	(\$5.7)	(\$5.2)
2028-29	(\$20.7)	(\$20.5)	(\$0.2)

RISK MANAGEMENT TRUST FUND
Self-Insurance Estimating Conference December, 2023)

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1 (In millions)

2 **Beginning Cash Balance**

3 **Income**

4 Premiums

5 Casualty

6 Property

7 Law Vehicles

8 Subrogations/TTD refunds/Others

9 Transfer from BSF

10 Investment Income

11 Other Non Operating Receipts/Settlement

12 Trust fund Loan

13 General Revenue Transfer Per GAA

14 Recoveries from Excess Insurance

15

16 **Expenditures**

17 Non-operating Expenditures

18 Casualty Losses

19 WC Indemnity

20 WC Medical

21 Total WC Payments (1)

22 General Liability

23 Automotive Liability

24 Federal Civil Rights

25 Total Casualty Losses

26 Property Losses (2)

27 Total Payment of Losses

28 Transfer to BSF

29 Transfer to ATF- DFS Admin Spt

30 Refunds

31 Trust Fund Loan

32

33 Total Non-operating Expenditures

34 Operating Expenditures:

35 Salaries & Benefits

36 Other Personal Services

37 Expenses

38 Operating Capital Outlay

39 Contracted Services

40 FLAIR System Replacement

41 Contracted Legal - Attorney General

42 Contracted Legal - Private Attorneys

43 Contracted Medical Services

44 Excess Insurance & Claim Service

45 Excess Property Insurance

46 DWC Assessments

47 Broker Fees/RMS Spt Fees

48 Total Excess Insurance

49 Risk Management Information Claims Sys

50 Operation/Motor Vehicles

51 Risk Management Insurance

52 Public Assistance - State Ops (3)

53 Lease or Lease Purchase of Equip

54 HR Services

55

56 Total Operating Expenditures

57

58 **Total Expenditures**

59 **Net Income**

60 **Ending Cash Balance**

	2023-2024						2024-2025		2025-2026		2026-2027		2027-2028		2028-2029				
	17-18 Actual	18-19 Actual	19-20 Actual	20-21 Actual	21-22 Actual	22-23 Actual	23-24 YTD	Curr Est	New Est	Curr Est	New Est	Curr Est	New Est	Curr Est	New Est	Curr Est	New Est		
2 Beginning Cash Balance	64.0	34.4	52.7	67.0	64.8	54.9	103.1	103.1	103.1	65.3	58.6	51.5	45.4	35.8	30.1	18.5	13.0	0.0	0.0
3 Income																			
4 Premiums																			
5 Casualty	175.1	176.0	175.6	183.7	183.7	183.7	208.7	208.8	208.8	208.8	208.8	208.8	208.8	208.8	208.8	208.8	208.8	208.8	208.8
6 Property	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2
7 Law Vehicles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8 Subrogations/TTD refunds/Others	5.9	7.0	6.6	14.7	9.0	7.3	2.1	6.7	6.8	6.7	6.8	6.7	6.8	6.7	6.8	6.7	6.8	6.7	6.8
9 Transfer from BSF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10 Investment Income	2.2	2.3	4.2	2.4	1.0	1.7	0.9	3.4	2.7	3.4	2.7	3.4	2.7	3.4	2.7	3.4	2.7	3.4	2.7
11 Other Non Operating Receipts/Settlement	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 Trust fund Loan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13 General Revenue Transfer Per GAA	0.0	54.6	24.6	0.0	0.0	70.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14 Recoveries from Excess Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15 Total Income	195.9	252.1	223.2	213.0	205.8	274.8	223.9	231.1	230.7	231.1	230.5	231.1	230.5	231.1	230.5	231.1	230.5	231.1	230.5
16 Expenditures																			
17 Non-operating Expenditures																			
18 Casualty Losses																			
19 WC Indemnity	40.7	37.1	38.4	45.8	39.8	37.3	12.8	38.6	38.6	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0
20 WC Medical	78.9	76.0	68.1	74.6	80.6	78.2	24.1	79.8	77.8	81.4	79.4	83.0	81.0	84.6	82.6	86.3	84.3	88.1	86.0
21 Total WC Payments (1)	119.6	113.1	106.5	120.5	120.3	115.5	36.9	118.4	116.4	120.4	118.4	122.0	120.0	123.6	121.6	125.3	123.3	127.1	125.0
22 General Liability	4.2	5.8	5.5	4.2	7.6	6.7	2.1	7.0	6.6	7.0	6.8	7.0	6.8	7.0	6.9	7.0	7.0	7.0	7.0
23 Automotive Liability	4.9	5.3	5.4	5.9	6.7	7.1	1.9	7.2	6.8	7.4	7.2	7.6	7.4	7.6	7.4	7.6	7.4	7.6	7.4
24 Federal Civil Rights	10.8	12.6	7.1	11.7	11.2	10.7	2.5	11.2	11.9	11.2	11.9	11.2	11.9	11.2	11.9	11.2	11.9	11.2	11.9
25 Total Casualty Losses	139.5	136.9	124.5	142.2	145.9	140.9	43.4	143.8	141.7	146.0	144.3	147.8	146.1	149.4	147.8	151.1	149.6	152.9	151.3
26 Property Losses (2)	19.9	30.0	19.9	9.1	5.0	18.1	8.7	27.6	36.3	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
27 Total Payment of Losses	159.3	166.9	144.4	151.3	150.8	158.2	52.1	171.3	178.0	148.5	146.8	150.3	148.6	151.9	150.3	153.6	152.1	155.4	153.8
28 Transfer to BSF	0.0	0.0	0.0	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29 Transfer to ATF- DFS Admin Spt	1.4	1.6	1.7	1.2	1.7	1.6	1.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
30 Refunds	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
31 Trust Fund Loan	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
32 Total Non-operating Expenditures	160.8	168.5	146.1	152.5	152.6	160.0	53.1	175.0	181.7	152.2	150.5	154.0	152.3	155.6	154.0	157.3	155.8	159.0	157.5
33 Operating Expenditures:																			
34 Salaries & Benefits	6.8	6.6	6.8	7.0	6.4	7.0	2.6	8.7	9.3	8.7	9.3	8.7	9.3	8.7	9.3	8.7	9.3	8.7	9.3
35 Other Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
36 Expenses	3.8	2.9	2.2	2.0	2.1	2.0	0.6	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1
37 Operating Capital Outlay	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
38 Contracted Services	3.5	3.5	3.9	4.0	3.7	3.7	1.6	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2
39 FLAIR System Replacement								0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
40 Contracted Legal - Attorney General	4.1	4.0	4.6	4.3	3.7	3.6	1.2	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1
41 Contracted Legal - Private Attorneys	17.9	18.6	17.4	18.3	18.0	19.6	7.1	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0
42 Contracted Medical Services	15.5	15.8	16.1	15.5	17.7	17.3	5.5	20.7	20.7	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
43 Excess Insurance & Claim Service																			
44 Excess Property Insurance	10.9	10.8	10.9	10.8	10.9	10.8	0.0	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1
45 DWC Assessments	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
46 Broker Fees/RMS Spt Fees	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
47 Total Excess Insurance	10.9	10.8	10.9	10.8	10.9	10.8	0.0	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1
48 Risk Management Information Claims Sys	0.5	0.6	0.6	0.6	0.6	0.6	0.0	0.8	0.8	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
49 Operation/Motor Vehicles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
50 Risk Management Insurance	0.1	0.1	0.1	0.1	0.0	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.1
51 Public Assistance - State Ops (3)	1.6	2.2	0.2	0.0	0.0	1.9	0.5	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
52 Lease or Lease Purchase of Equip																			