

Risk Management Trust Fund

July 26, 2024

Executive Summary

The Florida 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 Florida Self-Insurance Estimating Conference forecasts the annual funding that is needed to cover such losses on a fiscal year basis.

Trust fund income is calculated based on information provided by the Division of Risk Management, Department of Financial Services. In FY 2023-24, total income came in only \$1.0 million or less than one-half of one percent above the December 2023 estimate. For FY 2024-25, trust fund income is expected to increase to \$240.3 million, \$9.8 million above the prior estimate for the year. About 56 percent of the increase is attributable to one-time recoveries from excess insurance. All subsequent years essentially match the prior forecast.

Non-operating expenditures totaled \$152.7 million in FY 2023-24. This level is \$29.0 million (or almost 16 percent) below the December 2023 estimate for non-operating expenditures. By itself, WC Medical was \$7.8 million below. The Department attributed this to a 53 percent drop in medical settlements of over \$100,000. For this portion of the forecast, the Conference adopted the prior estimate for all subsequent years. Even assuming the atypical distribution continues to exert downward pressure, the Conference believes the amount per claim will increase in the future due to a physician fee increase. According to the Division's calculations, this fee change will increase WC Medical claims by 9.1 percent annually. FY 2024-25, WC Indemnity was also increased by \$2.8 million to \$41.8 million due to the shifting of a large settlement claim to that year.

The remaining non-operating expenditures came in below the December forecast. Most significantly, Property Losses came in \$16.8 million below the prior estimate. This is due to a timing delay in expected Hurricane Ian payments. Property Losses for FY 2024-25 are estimated to be \$22.0 million more than previously assumed due to the co-occurrence of these payments and the introduction of new ones associated with the Tallahassee tornados. All other adjustments to non-operating expenditures were relatively minor.

Operating expenditures came in an overall \$24.8 million lower than projected for FY 2023-24. The primary drivers were lower than expected costs for contracted legal services (private attorneys) and lower than expected contracted medical services. Combined, savings for non-operating and operating costs in FY 2023-24 contributed to a \$54.9 million increase in the ending cash balance for the year, which then carries forward to the FY 2024-25 beginning cash balance.

The ending cash balance for FY 2024-25 is now projected to be \$85.8 million or \$40.7 million higher than the previous estimate. The trust fund balance is expected to remain positive throughout the forecast.

	Old Ending Cash Balance	New Ending Cash Balance	Difference (new – old)
2024-25	\$45.1	\$85.8	\$40.7
2025-26	\$30.1	\$72.5	\$42.4
2026-27	\$13.1	\$57.6	\$44.5
2027-28	(\$5.7)	\$40.9	\$46.6
2028-29	(\$20.5)	\$22.6	\$43.1
2029-30	n/a	\$4.2	n/a

RISK MANAGEMENT TRUST FUND
Self-Insurance Estimating Conference July, 2024)

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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 Firefighter Cancer Benefits

27 Property Losses (2)

28 Total Payment of Losses

29 Transfer to BSF

30 Refunds to ATF- DFS Admin Spt

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

49 Total Excess Insurance

50 Risk Management Information Claims Sys

51 Operation/Motor Vehicles

52 Risk Management Insurance

53 Public Assistance - State Ops

54 Lease or Lease Purchase of Equip

55 HR Services

56

57 Total Operating Expenditures

58

59 **Total Expenditures**

60

61 **Net Income**

62

63 **Ending Cash Balance**

					2023-2024			2024-2025		2025-2026		2026-2027		2027-2028		2028-2029		2029-2030			
18-19 Actual	19-20 Actual	20-21 Actual	21-22 Actual	22-23 Actual	23-24 Actual	23-24 Est	Diff	Curr Est	New Est	Curr Est	New Est	Curr Est	New Est	Curr Est	New Est	Curr Est	New Est	Curr Est	New Est		
34.4	52.7	67.0	64.8	54.9	103.1	103.1		58.6	111.7	45.4	85.8	30.1	72.5	13.0	57.6	0.0	40.9	0.0	22.6		
	176.0	175.6	183.7	183.7	183.7	208.8	208.8	0.0	208.8	208.8	208.8	208.8	208.8	208.8	208.8	208.8	208.8	208.8	208.8		
	12.2	12.2	12.2	12.2	12.2	12.2	12.2	0.0	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2		
	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		
	7.0	6.6	14.7	9.0	7.3	6.0	6.8	-0.9	6.8	9.1	6.8	5.7	6.8	5.6	6.8	5.6	6.8	5.6	5.6		
	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		
	2.3	4.2	2.4	1.0	1.7	4.8	2.7	2.1	2.7	4.8	2.7	3.8	2.7	3.8	2.7	3.8	2.7	3.8	3.8		
	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		
	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		
	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	0.0	0.0	
	0.0	0.0	0.0	0.0	0.0	0.0	0.2	-0.2	0.0	5.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
e	252.1	223.2	213.0	205.8	274.8	231.8	230.7	1.0	230.5	240.3	230.5	230.5	230.5	230.4	230.5	230.4	230.5	230.4	0.0	230.4	
	37.1	38.4	45.8	39.8	37.3	39.7	38.6	1.1	39.0	41.8	39.0	39.6	39.0	39.6	39.0	39.6	39.0	39.6	39.6	39.6	
	76.0	68.1	74.6	80.6	78.2	70.0	77.8	-7.8	79.4	79.4	81.0	81.0	82.6	82.6	84.3	84.3	86.0	86.0	86.0	86.0	
	113.1	106.5	120.5	120.3	115.5	109.7	116.4	-6.7	118.4	121.2	120.0	120.6	121.6	122.2	123.3	123.9	125.0	125.6	0.0	125.6	
	5.8	5.5	4.2	7.6	6.7	6.5	6.6	-0.1	6.8	6.6	6.8	6.6	6.9	6.6	7.0	6.6	7.0	6.6	6.6	6.6	
	5.3	5.4	5.9	6.7	7.1	5.2	6.8	-1.6	7.2	6.3	7.4	6.3	7.4	6.3	7.4	6.3	7.4	6.3	6.3	6.3	
	12.6	7.1	11.7	11.2	10.7	9.0	11.9	-2.9	11.9	10.6	11.9	10.6	11.9	10.6	11.9	10.6	11.9	10.6	10.6	10.6	
	136.9	124.5	142.2	145.9	140.09	130.4	141.7	-11.3	144.3	144.7	146.1	144.2	147.8	145.8	149.6	147.5	151.3	149.2	0.0	149.2	
	30.0	19.9	9.1	5.0	18.1	19.5	36.3	-16.8	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.1	0.1	
	166.9	144.4	151.3	150.8	158.2	149.8	178.0	-28.2	146.8	169.3	148.6	146.7	150.3	148.3	152.1	150.0	153.8	151.7	0.0	151.7	
	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	
s	1.6	1.7	1.2	1.7	1.6	2.8	3.5	-0.7	3.5	3.8	3.5	3.8	3.5	3.8	3.5	3.8	3.5	3.8	3.8	3.8	
0.0	0.0	0.0	0.0	0.1	0.0	0.2	-0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2		
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		
168.5	146.1	152.5	152.6	160.0	152.7	181.7	-29.0	150.5	173.3	152.3	150.7	154.0	152.3	155.8	154.0	157.5	155.7	0.0	155.7	155.7	
	6.6	6.8	7.0	6.4	7.0	7.9	9.3	-1.4	9.3	9.4	9.3	9.4	9.3	9.4	9.3	9.4	9.3	9.4	9.4	9.4	
	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	0.0	
	2.9	2.2	2.0	2.1	2.0	1.9	5.1	-3.2	5.1	4.1	5.1	4.1	5.1	4.1	5.1	4.1	5.1	4.1	4.1	4.1	
	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	
	3.5	3.9	4.0	3.7	3.7	3.8	5.2	-1.4	5.2	5.3	5.2	5.3	5.2	5.3	5.2	5.3	5.2	5.3	5.3	5.3	
				0.0	0.0	0.0	0.2	-0.2	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	4.0	4.6	4.3	3.7	3.6	4.3	7.1	-2.8	7.1	6.1	7.1	6.1	7.1	6.1	7.1	6.1	7.1	6.1	6.1	6.1	
	18.6	17.4	18.3	18.0	19.6	22.6	32.0	-9.4	32.0	31.5	32.0	31.5	32.0	31.5	32.0	31.5	32.0	31.5	31.5	31.5	
	15.8	16.1	15.5	17.7	17.3	13.5	20.7	-7.1	20.0	21.6	20.0	21.6	20.0	21.6	20.0	21.6	20.0	21.6	21.6	21.6	
	10.8	10.9	10.8	10.9	10.8	13.9	14.1	-0.2	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	
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		
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		
	10.8	10.9	10.8	10.9	10.8	13.9	14.1	-0.2	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	
	0.6	0.6	0.6	0.6	0.6	0.8	0.8	0.0	0.6	0.8	0.6	0.8	0.6	0.8	0.6	0.8	0.6	0.8	0.8	0.8	
	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	0.0	
	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
	2.2	0.2	0.0	0.0	1.9	1.7	0.8	0.9	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	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	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	
	65.2	62.8	62.7	63.2	66.7	70.5	95.3	-24.8	93.5	93.0	93.5	93.0	93.5	93.0	93.5	93.0	93.5	93.0	0.0	93.0	
	s	233.8	208.9	215.17	215.8	226.6	223.1	277.0	-53.8	244.0	266.3	245.8	243.7	247.5	245.3	249.3	247.0	251.0	248.7	0.0	248.7
	e	18.3	14.2	(2.16)	(9.9)	48.2	8.6	(46.2)	54.9	(13.5)	(26.0)	(15.3)	(13.2)	(17.0)	(14.9)	(18.8)	(16.6)	(20.5)	(18.3)	0.0	(18.3)
	52.7	67.0	64.8	54.9	103.1	111.7	56.9	54.9	45.1	85.8	30.1	72.5	13.1	57.6	(5.7)	40.9	(20.5)	22.6	0.0	4.2	