

**Budget Section
September 20, 2012**

**Status Update on the Risk Management
Workers' Compensation Program**

2001 legislation established a single workers' compensation account for all state entities.

The Risk Management Division (RMD) of the Office of Management and Budget (OMB) administers this program. For coverage periods beginning July 1, 2001, RMD entered into deductible contracts with WSI for 143 consolidated accounts. The deductible amount selected was \$100,000 per claim.

Results to date, excluding dividend credits, for eleven coverage years beginning July 1, 2001 through June 30, 2012 are as follows (information as of September 6, 2012):

- Non-consolidated guaranteed cost program premium and assessments: \$54,193,451

- RMD Deductible premium paid to WSI: \$19,972,465
- RMD paid losses through June 30, 2012: \$17,414,312
- RMD Pending Losses (Reserves): \$ 2,364,414
- RMD combined deductible premium and losses: \$39,751,192

- Estimated potential available savings for eleven year period: \$ 14,442,259

RMD has implemented programs to pass on these savings to agencies with effective risk management strategies.

That concludes RMD's status update on the state agency consolidation. A representative of Workforce Safety & Insurance is in attendance as well if you have any questions.