



State of Colorado



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INTRODUCTION

The State Office of Risk Management (SRM) is a unit of the Business Risk and Loss Control section of the Division of Human Resources and operates under the authority of the Risk Management Act, CRS 24-30-1501 et seq., and the Governmental Immunity Act, CRS 24-10-101 et seq. SRM is authorized to promulgate rules related to its programs. With a staff of seven, the office provides training and consulting services and manages the state's self-insured liability, workers' compensation, property insurance and loss control programs. These services are provided to all state departments and institutions of Higher Education except the University of Colorado, Colorado State University at Fort Collins and the University of Northern Colorado. The use of the term "Departments" hereafter refers to both principal departments and institutions of higher education.

The 2007 Annual State Risk Management Report presents a broad overview of SRM activities and programs provided to participating departments and institutions of higher education. This report is intended to stimulate dialogue between SRM and state departments as a way to identify opportunities for integration of sound risk management practices statewide. This report includes claim activity comparison across departments, providing a comprehensive view of risk management statewide. Claim data used to prepare this report are from fiscal year 2007 (FY07) and fiscal year 2006 (FY06).

MISSION

SRM's mission is to maximize the state's investment in the workforce and other resources while at the same time, minimizing losses. SRM is committed to accomplishing this mission through development of partnerships at all levels of state government and through a combination of claims analysis, training and education, loss prevention, consultation, and hands-on application of insurance programs.

PROGRAM OVERVIEW

Workers' Compensation

Employees are provided statutorily required Worker's Compensation benefits for injuries and illnesses which occur within the course and scope of their work. Benefits include but are not limited to Medical payments and indemnity or lost wages.

Pinnacol Assurance is the state's Third Party Administrator (TPA) for Workers' Compensation claims and related services. We have a new and aggressive partnership with Pinnacol, focusing on the provision

of increased training, and better claims management with the goal to reduce the frequency and severity of injuries.

During the last quarter of FY07, SRM began concentrating more effort on workers' compensation claim management. SRM has a dedicated Workers' Compensation Loss Control Specialist who is responsible for the administration of the contract, as well as serving as the liaison between departments and Pinnacle Assurance. SRM recently rolled out a new pilot program titled "It's A New Day" This pilot currently involves providing the five selected departments with a tailored workers' compensation loss control program. SRM expects to expand it statewide after results are evaluated in FY08.

Workers' Compensation Data

State departments reported 3,953 Workers' Compensation claims in FY07. This represents a significant increase of 3.9% from FY06. Table 1 shows the distribution of claims by department and a comparison to the claims filed in FY06.

Fiscal Year 2007		Data Valuation Date 8/31/07		Fiscal Year 2006		Data Valuation Date 8/31/07	
Department Name	Claim Count	Gross Incurred Total	Percent of Claim Count	Department Name	Claim Count	Gross Incurred Total	Percent of Claim Count
Colo State Public Defender	3	\$2,341	0.08%	Colo State Public Defender	1	\$3	0.00%
Department Of Agriculture	14	\$21,279	0.35%	Department Of Agriculture	30	\$71,234	0.30%
Department Of Corrections	930	\$3,981,454	23.53%	Department Of Corrections	793	\$4,247,183	17.91%
Department Of Education Admin	54	\$205,768	1.37%	Department Of Education Admin	71	\$86,623	0.37%
Department Of Health Care Policy	20	\$45,616	0.51%	Department Of Health Care Policy	7	\$7,104	0.03%
Department Of Higher Educ.	573	\$3,503,842	14.50%	Department Of Higher Educ.	570	\$2,575,137	10.86%
Department Of Highways	461	\$5,346,529	11.66%	Department Of Highways	460	\$4,306,845	18.16%
Department Of Human Services	766	\$6,066,519	19.38%	Department Of Human Services	728	\$6,676,044	28.15%
Department Of Law	28	\$16,300	0.71%	Department Of Law	23	\$47,911	0.20%
Department Of Military Affairs	23	\$54,655	0.58%	Department Of Military Affairs	8	\$30,489	0.13%
Department Of Public Safety	267	\$1,675,272	6.75%	Department Of Public Safety	275	\$1,474,177	6.22%
Department Of Regulatory Agency	23	\$70,621	0.58%	Department Of Regulatory Agency	22	\$49,200	0.21%
Department Of Revenue	88	\$615,345	2.23%	Department Of Revenue	87	\$185,210	0.78%
Dept Of Personnel And Administration	34	\$130,258	0.86%	Dept Of Personnel And Administration	50	\$380,163	1.60%
Judicial Branch	323	\$1,058,431	8.17%	Judicial Branch	286	\$1,156,527	4.88%
Labor & Employment Department	86	\$391,080	2.18%	Labor & Employment Department	148	\$549,493	2.32%
Legislative Branch	5	\$2,965	0.13%	Legislative Branch	3	\$51,416	0.22%
Local Affairs Department	5	\$13,323	0.13%	Local Affairs Department	2	\$3,008	0.01%
Natural Resources	199	\$1,648,851	5.03%	Natural Resources	182	\$893,792	3.77%
Office Of Governor	2	\$31,300	0.05%	Office Of Governor	2	\$573,440	2.42%
Public Health And Environment	48	\$160,724	1.21%	Public Health And Environment	49	\$345,405	1.46%
Secretary Of State Department	1	\$2,508	0.03%	Secretary Of State Department	5	\$6,012	0.03%
Department Of Treasury	0	\$0	0%	Department Of Treasury	1	\$141	0.00%
Total	3,953	\$25,044,983	100.00%	Total	3,803	\$23,716,557	100.00%

Table 1

The total incurred cost of workers' compensation claims for FY07 as of 8/31/2007 is \$25,044,983.00, which is an increase of 5.6% from the \$23,716,557.00 in costs for FY06 claims. This includes costs for medical, indemnity, expenses and reserves. Please note that the claims from FY06 have had one year to mature which accounts for differences between the costs stated in the previous year's annual report and the current annual report.

The Department of Higher Education reported a total of 573 claims with a cost of \$3,503,842.00 in FY07. This is an increase of 36% from the \$2,575,137.00 FY06 cost of claims. Table 2 illustrates these costs broken down by Higher Education agency.

Fiscal Year 2007		Data Valuation Date 8/31/07		Fiscal Year 2006		Data Valuation Date 8/31/07	
Department Name	Claim Count	Gross Incurred Total	Percent of Claim Count	Department Name	Claim Count	Gross Incurred Total	Percent of Claim Count
Adams State College	28	\$54,263	4.89%	Adams State College	26	\$77,050	2.99%
Arapahoe Community College	20	\$90,844	3.49%	Arapahoe Community College	12	\$217,483	8.45%
Auraria Higher Educ. Center	82	\$623,255	14.31%	Auraria Higher Educ. Center	79	\$170,302	6.61%
Colo School Of Mines	44	\$388,120	7.68%	Colo School Of Mines	43	\$82,094	3.19%
Community College Of Aurora	11	\$10,812	1.92%	Community College Of Aurora	8	\$10,320	0.40%
Community College Of Denver	20	\$47,745	3.49%	Community College Of Denver	29	\$95,135	3.69%
Community Colleges Division	11	\$44,743	1.92%	Community Colleges Division	8	\$4,650	0.18%
Csu At Pueblo	24	\$122,544	4.19%	Csu At Pueblo	19	\$53,505	2.08%
Front Range Community College	47	\$427,031	8.20%	Front Range Community College	30	\$155,602	6.04%
Ft. Lewis College	17	\$11,544	2.97%	Ft. Lewis College	23	\$200,547	7.79%
Historical Society	17	\$12,652	2.97%	Historical Society	8	\$11,426	0.44%
Lamar Community College	5	\$6,950	0.87%	Lamar Community College	3	\$484	0.02%
Mesa College	26	\$75,637	4.54%	Mesa College	39	\$239,295	9.29%
Metropolitan State College	36	\$92,512	6.28%	Metropolitan State College	32	\$80,434	3.12%
Morgan Community College	5	\$56,883	0.87%	Morgan Community College	12	\$14,271	0.55%
Northeastern Jr College	10	\$42,084	1.75%	Northeastern Jr College	11	\$6,487	0.25%
Northwest Community College	5	\$171	0.87%	Northwest Community College	6	\$3,355	0.13%
Otero Junior College	6	\$18,598	1.05%	Otero Junior College	14	\$200,775	7.80%
Pikes Peak Comm. College	42	\$389,237	7.33%	Pikes Peak Comm. College	54	\$535,180	20.78%
Pueblo Community College	38	\$797,262	6.63%	Pueblo Community College	30	\$134,249	5.21%
Red Rocks Community College	35	\$57,547	6.11%	Red Rocks Community College	39	\$39,072	1.52%
Trinidad State Jr. College	15	\$7,050	2.62%	Trinidad State Jr. College	15	\$68,826	2.67%
Western State College	29	\$126,357	5.06%	Western State College	22	\$53,498	2.08%
Commission On Higher Educa.	0	\$0	0.00%	Commission On Higher Educa.	2	\$1,886	0.07%
College Assist	0	\$0	0.00%	College Assist	5	\$55,263	2.15%
College Invest	0	\$0	0.00%	College Invest	1	\$63,948	2.48%
Total	573	\$3,503,841	100.00%	Total	570	\$2,575,137	100.00%

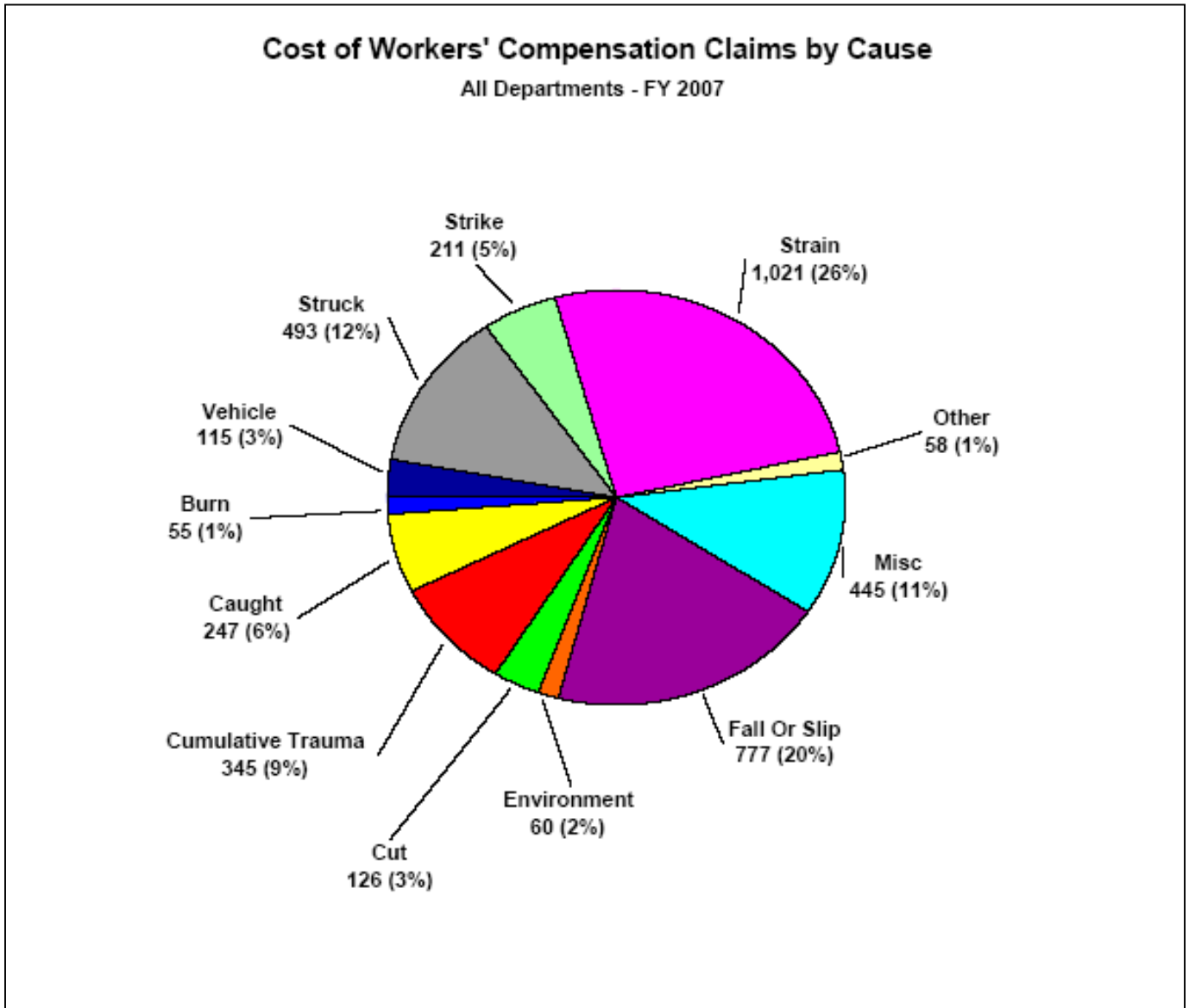
Please note: the difference from the FY06 annual report reflects the removal of UNC's claims due to their opting out of the program at the end of FY06, and the one year maturity growth of the claims.

State employees are engaged in a broad range of jobs such as: general clerical, veterinary services, manufacturing, vehicle operation, and heavy equipment operations. Public entities in Colorado are not required to follow industry standards developed by Occupational Safety & Health Administration (OSHA), because government entities are exempt from these regulations. These regulations provide an excellent reference resource in terms of model regulations and processes, which should be used as part of the foundation for maintaining employee safety and creating successful loss control programs. The tracking and reporting standards of OSHA are an excellent model which departments can use to build their loss control and safety programs.

Through use of national statistics and formulae from OSHA's Website, www.osha.gov, departments can take the workers' compensation data contained in this report, quarterly reports and claim data from the Third Party Administrator's (TPA's) Website, www.pinnacol.com, to compute claim cause, frequency and severity rates. This data can then be compared with the department's historical data or with statistics

from other businesses involved in the same types of activities. SRM loss control staff is available to help departments interested in the further development of this data specific to their department and SRM is also working to apply these incident rates and metric measurement methods state wide.

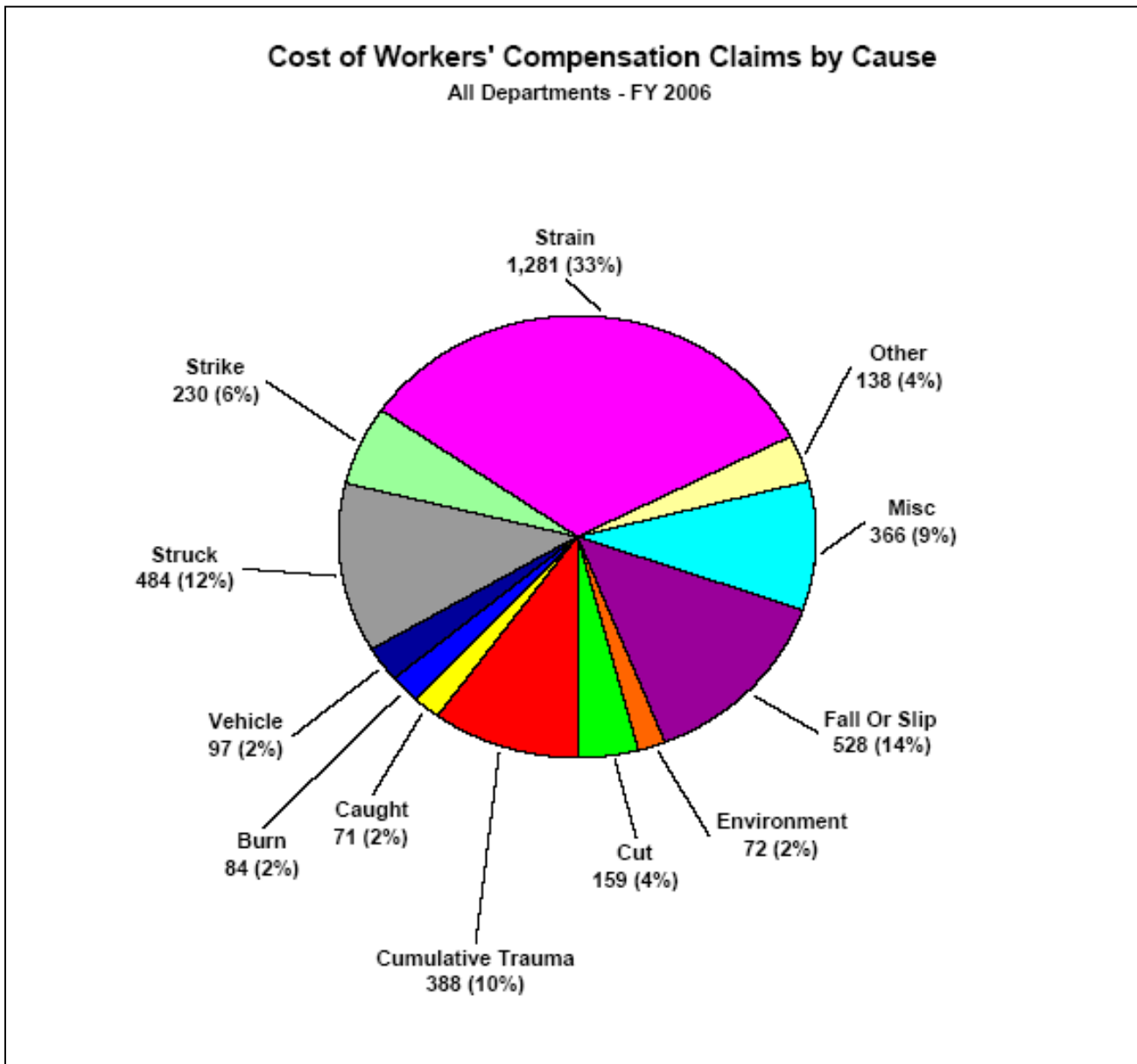
The following chart shows the number and percentage of FY07 workers' compensation claims by cause.



W-1

The most frequent FY07 claim cause category is “Strain,” followed by “Fall/Slip,” “Struck,” and “Cumulative Trauma” incidents.

In comparison, Chart W-2 shows FY06 claims by the percentage and number of FY06 workers' compensation claims by cause.



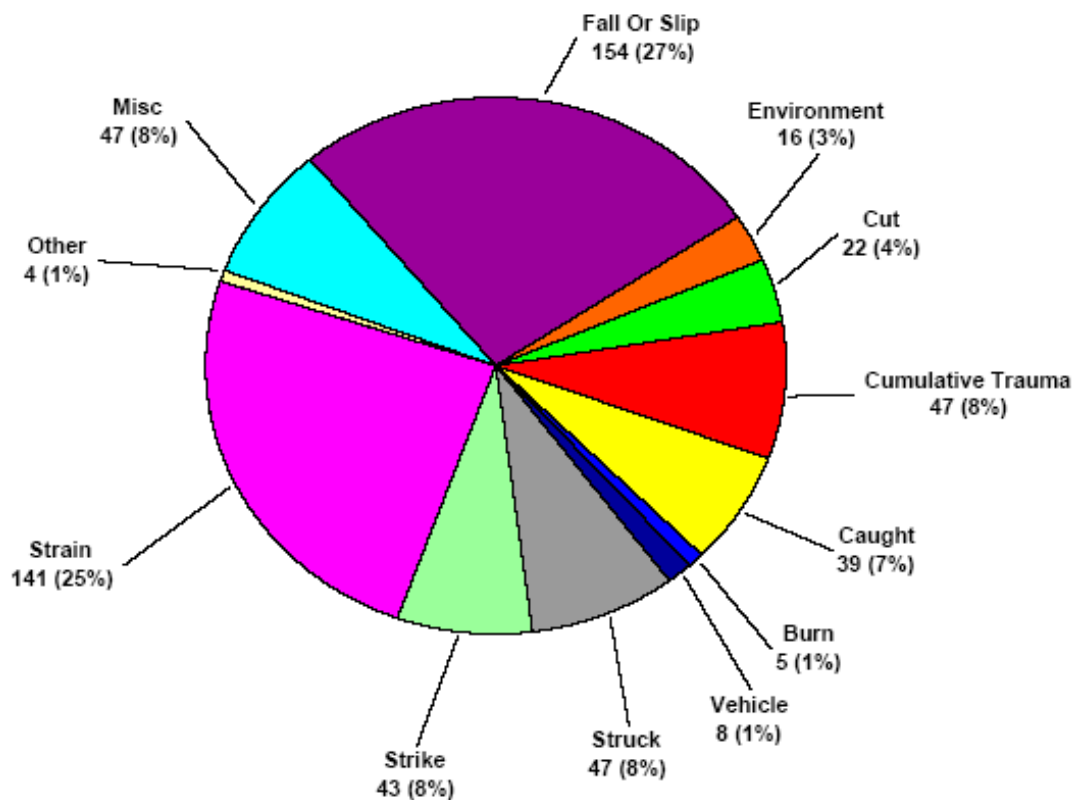
W-2

The most frequent FY06 claim cause categories are identical: “Strain,” followed by “Fall/Slip,” “Struck,” and “Cumulative Trauma” incidents.

The above two charts illustrate that the frequency and severity of injuries has remained fairly static as the most frequent causation of injury. As a result, departments should focus their loss control program efforts in these areas. The SRM loss control staff is available as a resource and to assist departments in development or enhancement of their risk management programs, which complements SRM’s focus.

Cost of Workers' Compensation Claims by Cause

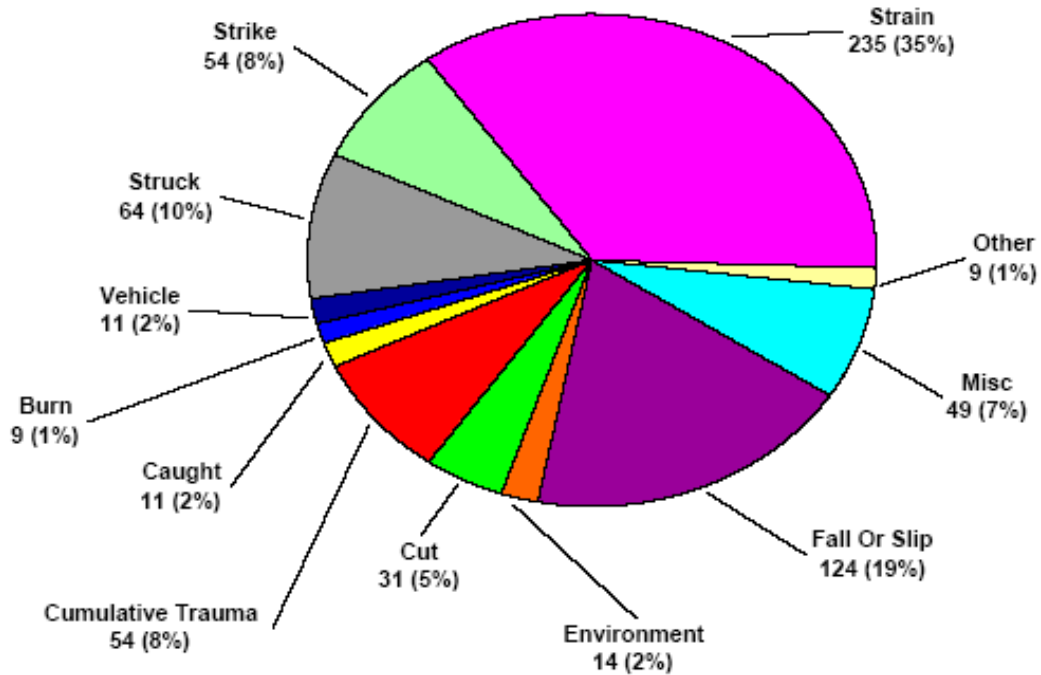
Dept of Higher Education - FY 2007



W-3

Chart W-3 above, shows that the most frequent claims for Higher Education agencies in FY07 were Fall/Slip, Strain and the third most frequent claims are Cumulative Trauma and Struck at 47 claims each.

Cost of Workers' Compensation Claims by Cause
 Dept of Higher Education - FY 2006



W-4

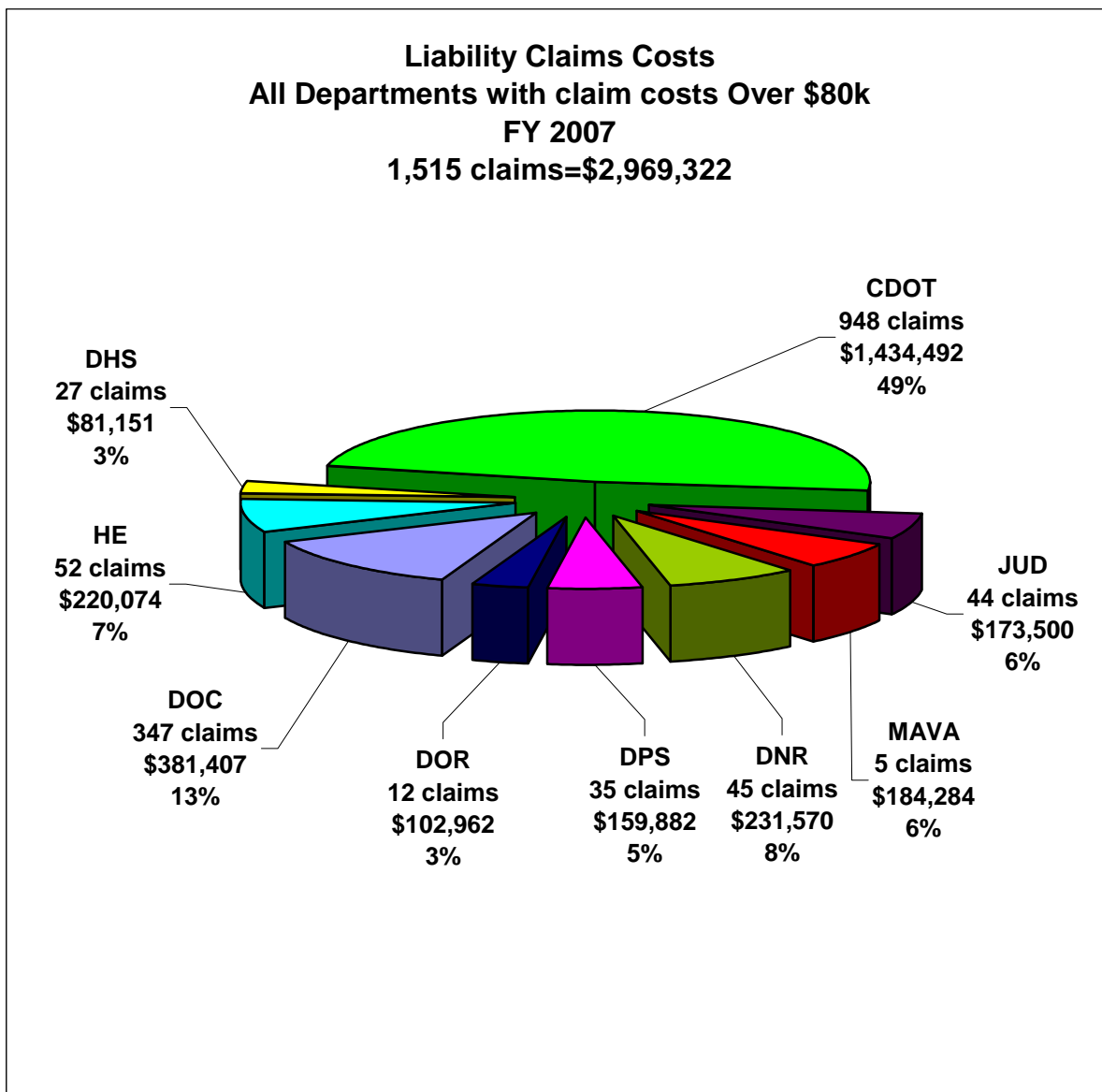
In comparison, Chart W-4 above, indicates that in FY06 Strains were the most frequent injuries followed by Fall/Slip and then Struck. The above two charts illustrate that in both FY07 and FY06 the frequency and severity of Fall/Slip, Struck, Strains and Cumulative Trauma (Repetitive Motion) injuries are the areas of the most frequent causation of injury for the Department of Higher Education. As a result, the institutions of higher education should focus their loss control program efforts in these areas. The SRM loss control staff is available as a resource and to assist departments in development or enhancement of their risk management programs, which complements SRM's focus.

Self-insured Liability Program

The state is self-insured for liability losses. Claims covered under the liability program are subject to the Colorado Governmental Immunity Act (CGIA), CRS 24-10-101 et seq., and the Risk Management Act (RMA) CRS 24-30-1501 et seq. These claims include tort claims and claims filed pursuant to federal law such as employment (Title VII, ADA, ADEA, FLSA, etc.), and civil rights violations. The CGIA applies to tort claims and contains seven general areas where sovereign immunity of the state has been waived, provides limits on the amount of recovery and contains definitions that guide the statute's application to individual claims. The RMA outlines claim procedures and specifies those who have authority to make settlement for damages. GAB Robins Inc. and McMillan Claim Service currently provide claim-adjusting services under contract for SRM. The Office of the Attorney General and, in some instances, outside counsel, provides legal service to the SRM and departments.

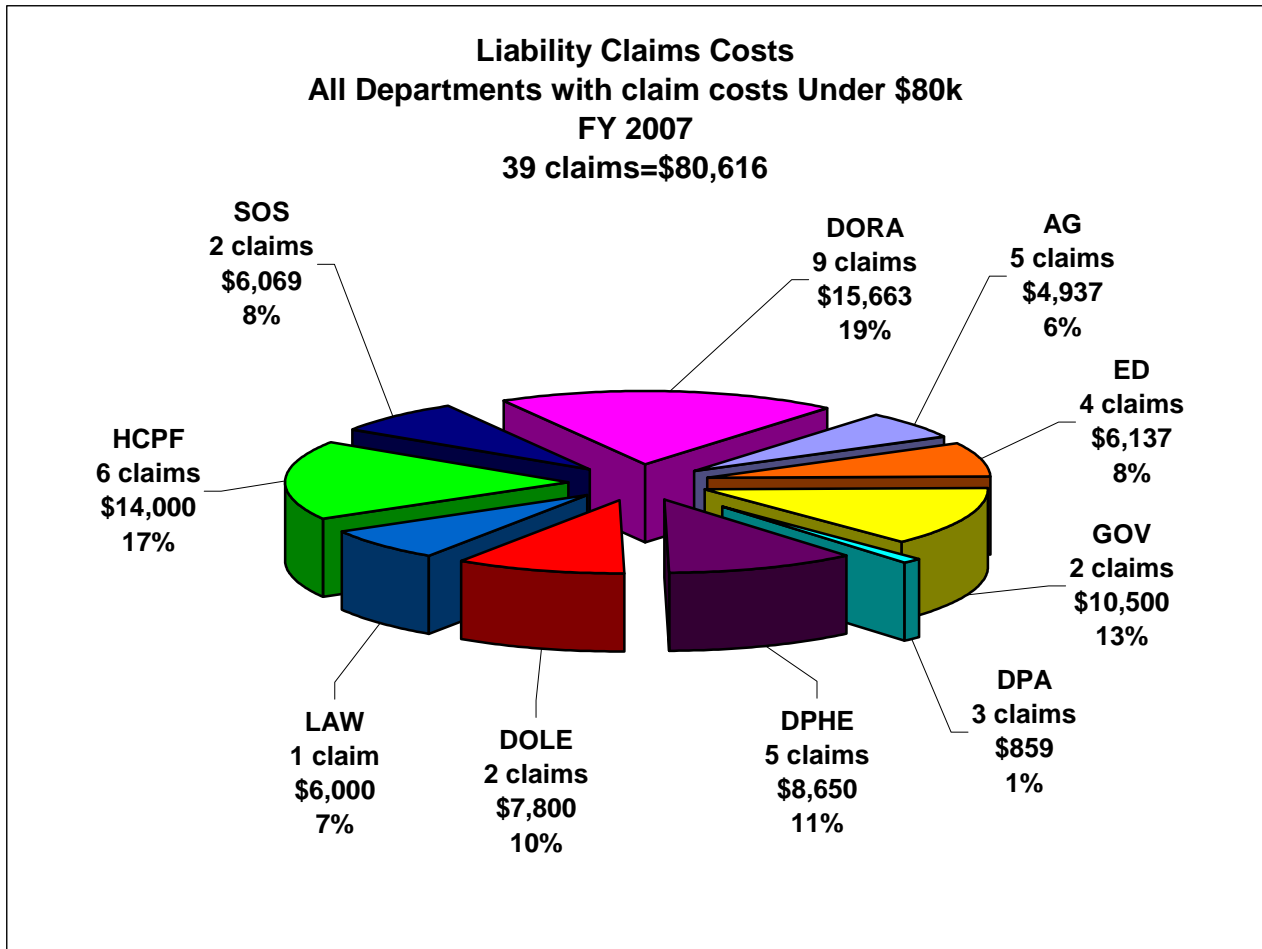
Liability Data

In FY07 1,554 liability claims were reported to SRM. This is a 6.6% increase from the 1,457 claims reported in FY06. Liability claims can vary significantly from year to year, primarily due to weather conditions and construction or highway maintenance operations. The total incurred cost of liability claims for FY07 was \$3,049,937.71. This is a 2.7% increase in claim costs from the \$2,967,955.10 in claim costs for FY06. The FY07 claims are broken out into two charts to illustrate those departments incurring Liability claims totaling over \$80,000 for the year and under \$80,000 for the year. This is done to give a better graphic representation of the data.



L-1

Chart L-1 (above) shows the cost of liability claims by cause and number of claims reported for department claim costs over \$80k. The claim amounts include all sums paid and reserved for medical, indemnity, outside legal and other claims handling expenditures, excluding legal services provided by the Attorney General's office.



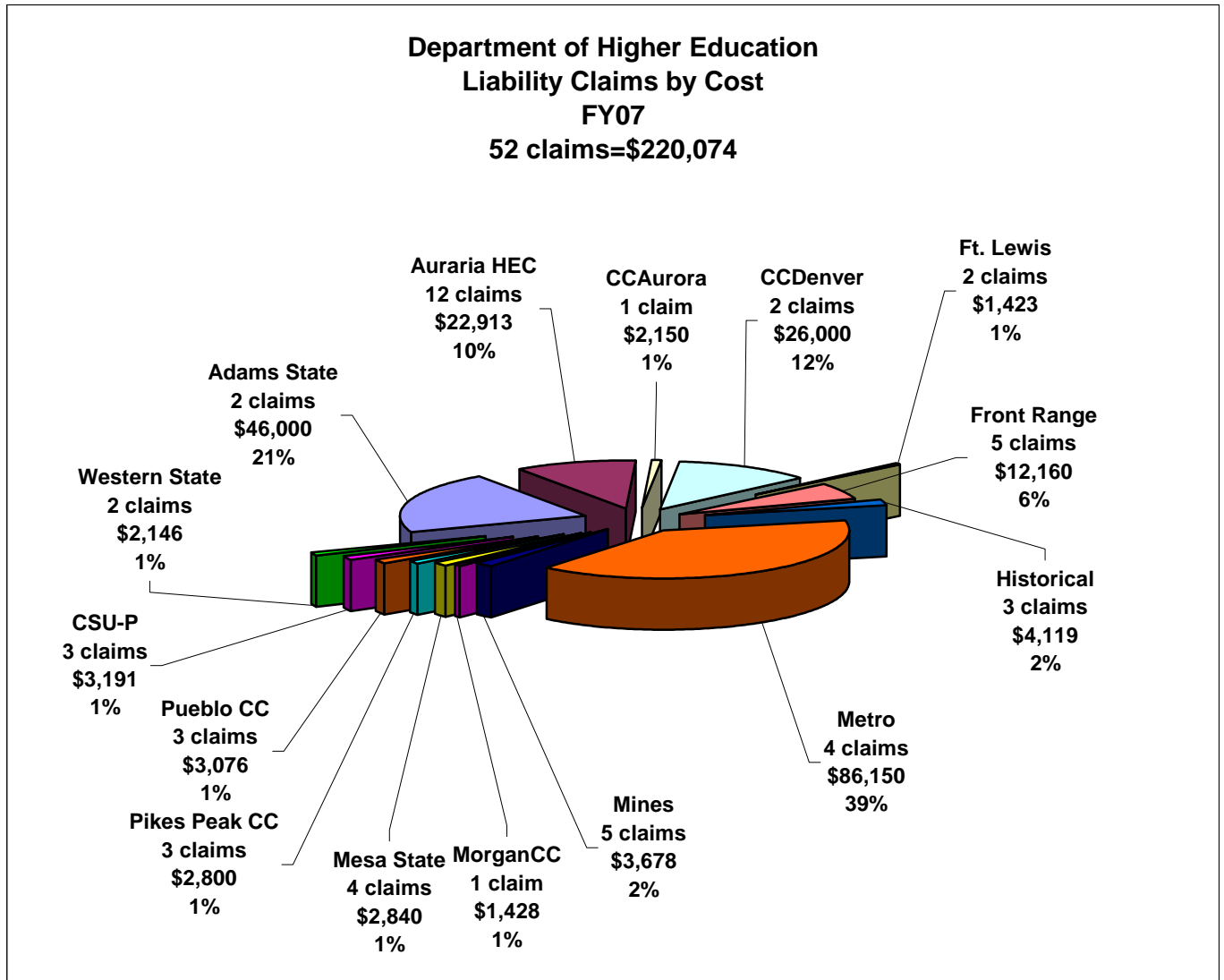
L-2

Chart L-2 (above) shows the incurred cost of liability claims by cause and number of claims reported for department claim costs under \$80k. The claim amounts include all sums paid and reserved for medical, indemnity, outside legal and other claims handling expenditures, excluding legal services provided by the Attorney General's office. The increase in number of claims filed and claims costs are significant because in addition to the 6.6% increase in the number of claims, coupled with the 2.7% increase in costs, future costs of FY07 claims are likely to surpass FY06 growth rates. Employment litigation continues to be the most significant in terms of financial loss to the state.

Legend

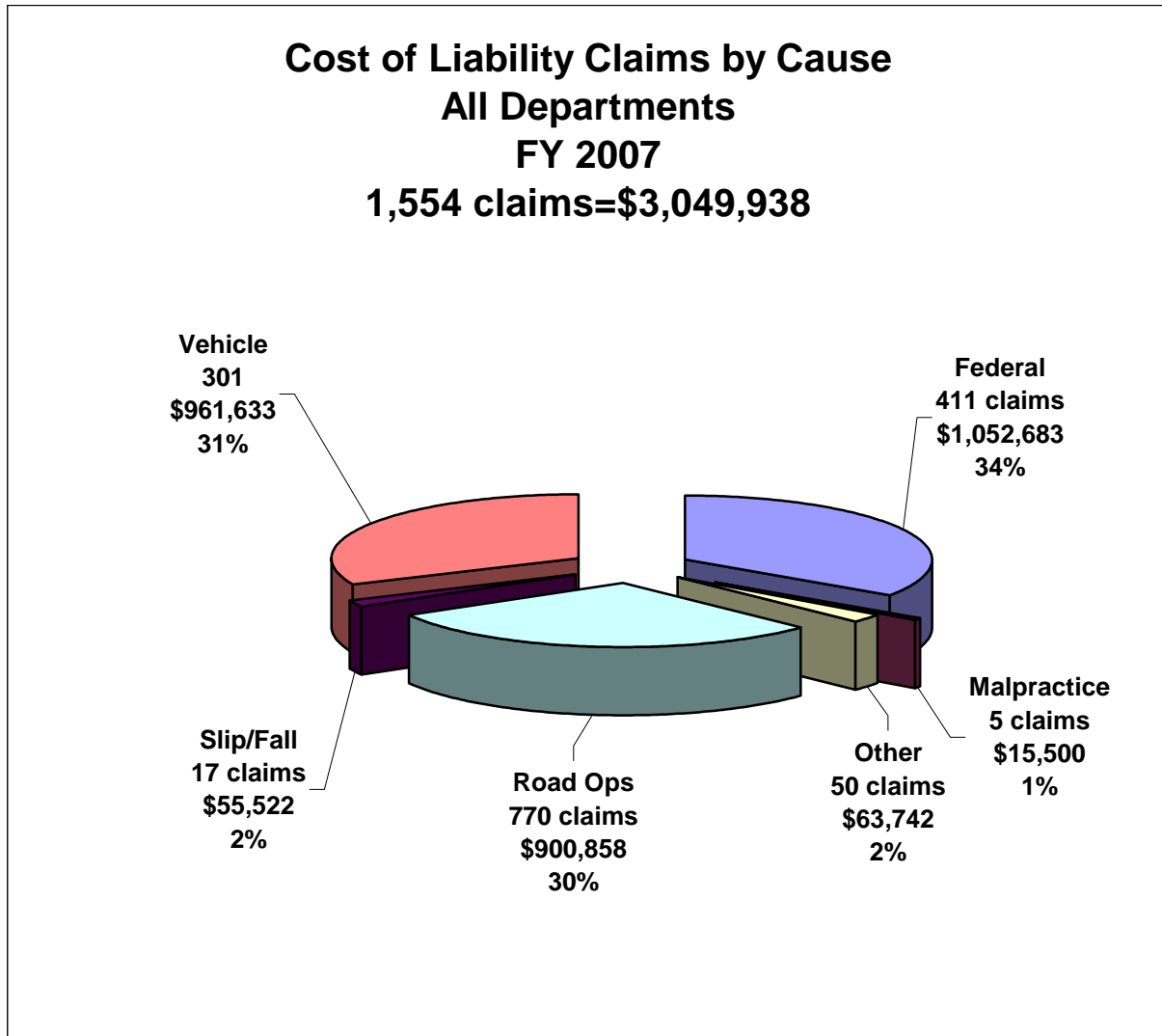
- | | | | |
|------|--|-------|-------------------------------------|
| MAVA | - Military and Veterans Affairs | DOR | - Department of Revenue |
| DPA | - Department of Personnel & Administration | SOS | - Secretary of State |
| DOC | - Department of Corrections | LAW | - Department of Law |
| DOE | - Department of Education | TREAS | - Treasury |
| HCPF | - Health Care Policy & Finance | DPHE | - Public Health & Environment |
| DAG | - Department of Agriculture | HE | - Department of Higher Education |
| DOLE | - Department of Labor & Employment | GOV | - Governor's Office |
| DHS | - Department of Human Services | DPS | - Department of Public Safety |
| DNR | - Department of Natural Resources | JUD | - Judicial Branch |
| CDOT | - Department of Transportation | DORA | - Department of Regulatory Agencies |

Chart L-3 below, shows the FY07 liability claim amounts by cause, including all sums paid and reserved for medical, indemnity, outside legal and other claims handling expenditures, excluding legal services provided by the Attorney General's office.



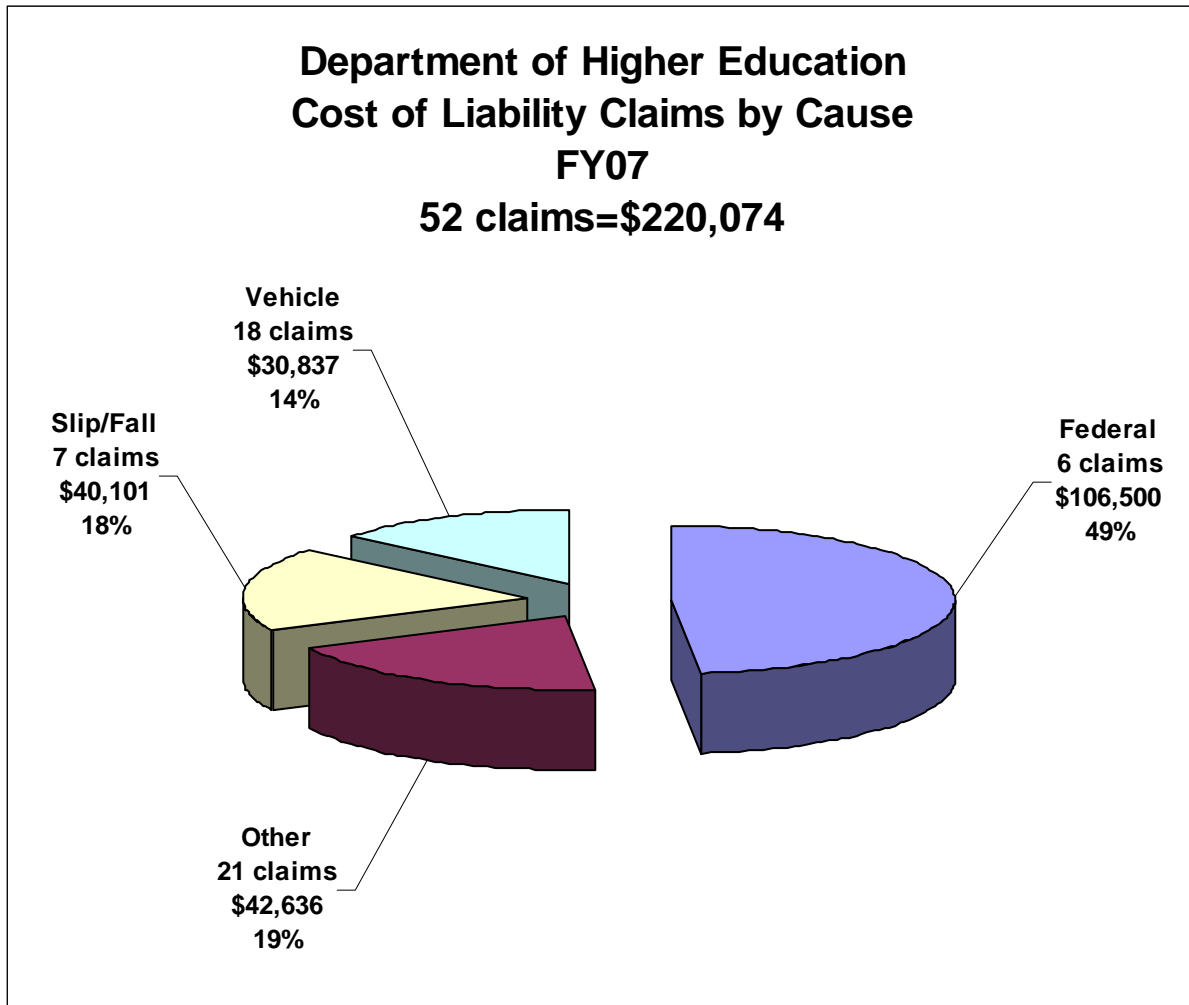
L-3

Chart L-4 below, shows the FY07 liability claim amounts by cause, including all sums paid and reserved for medical, indemnity, outside legal and other claims handling expenditures, excluding legal services provided by the Attorney General's office.



L-4

Chart L-5 shows the cost of Liability claims by cause for the Department of Higher Education including all sums paid and reserved for medical, indemnity, outside legal and other claims handling expenditures, excluding legal services provided by the Attorney General's office.



L-5

Tables 2 and 3 below, show a comparison of the difference in Liability claims for all departments between fiscal years 05/06 and 06/07:

Liability Claims					
FY07			FY06		
Dept	Total Incurred	# Claims	Dept	Total Incurred	# Claims
Corrections	\$381,406.83	347	Corrections	\$860,998.20	408
Higher Education	\$220,074.09	52	Higher Education	\$482,976.29	52
Human Services	\$81,151.25	27	Human Services	\$211,571.03	42
Transportation	\$1,434,491.90	948	Transportation	\$581,662.33	723
Judicial Branch	\$173,500.00	44	Judicial Branch	\$55,868.51	55
Natural Resources	\$231,569.84	45	Natural Resources	\$236,414.90	49
Public Safety	\$159,881.98	35	Public Safety	\$288,060.02	59
Revenue	\$102,962.33	12	Revenue	\$6,297.00	14
Agriculture	\$4,936.80	5	Agriculture	\$1,437.84	1
Education	\$6,137.44	4	Education	\$4,042.00	2
Governor's Office	\$10,500.00	2	Governor's Office	\$3,500.00	7
Personnel & Administration	\$859.17	3	Personnel & Administration	\$12,114.36	14
Public Health & Environment	\$8,650.00	5	Public Health & Environment	\$3,702.13	3
Labor & Employment	\$7,800.00	2	Labor & Employment	\$39,336.63	3
Law	\$6,000.00	1	Law	\$87,522.49	10
Health Care Policy & Finance	\$14,000.00	6	Health Care Policy & Finance	\$7,822.00	2
Regulatory Agencies	\$15,663.39	9	Regulatory Agencies	\$80,115.38	7
Secretary of State	\$6,069.07	2	Secretary of State	\$3,633.18	3
Military & Veterans Affairs	\$184,283.62	5	Military & Veterans Affairs	\$0.00	0
Legislature	\$0.00	0	Legislature	\$742.81	1
Local Affairs	\$0.00	0	Local Affairs	\$138.00	1
Treasury	\$0.00	0	Treasury	\$0.00	1
	\$3,049,937.71	1554		\$2,967,955.10	1457

Table 2

Liability Claims by Cause					
FY07			FY06		
Cause	Total Incurred	# Claims	Cause	Total Incurred	# Claims
Federal	\$1,052,682.66	411	Federal	\$1,726,471.60	466
Malpractice	\$15,500.00	5	Malpractice	\$12,914.00	10
Other	\$63,742.33	50	Other	\$166,930.01	112
Road Ops	\$900,858.00	770	Road Ops	\$265,390.42	602
Slip/Fall	\$55,522.19	17	Slip/Fall	\$68,655.85	15
Vehicle	\$961,632.53	301	Vehicle	\$727,593.22	252
	\$3,049,937.71	1554		\$2,967,955.10	1457

Table 3

Tables 4 and 5 below, show a comparison of the difference in Department of Higher Education Liability claims between fiscal years FY07 and FY06 by agency:

HE-Liability Claims FY07 Valued as of 6/30/07			FY07 Valued as of 6/30/07		
Dept	Total Incurred	# Claims	Dept	Total Incurred	# Claims
Adams State	\$46,000.00	2	Adams State	\$280,355.66	8
Auraria	\$22,912.38	12	Auraria	\$17,213.03	6
Community College of Denver	\$26,000.00	2	Community College of Denver	\$35,000.00	1
Ft. Lewis College	\$1,423.27	2	Ft. Lewis College	\$0.00	1
Front Range Community College	\$12,160.17	5	Front Range Community College	\$1,841.00	3
Historical Society	\$4,118.88	3	Historical Society	\$550.00	1
Metropolitan State College	\$86,150.00	4	Metropolitan State College	\$60,000.00	2
Colorado School of Mines	\$3,678.24	5	Colorado School of Mines	\$7,172.19	8
Ft. Morgan Community College	\$1,428.07	1	Ft. Morgan Community College	\$391.00	1
Mesa State College	\$2,839.95	4	Mesa State College	\$276.00	2
Pikes Peak Community College	\$2,800.00	3	Pikes Peak Community College	\$414.00	1
Pueblo Community College	\$3,076.00	3	Pueblo Community College	\$33,007.35	3
CSU-Pueblo	\$3,191.00	3	CSU-Pueblo	\$18,345.58	4
Western State College	\$2,146.13	1	Western State College	\$6,168.48	4
Community College of Aurora	\$2,150.00	2	Community College of Aurora	\$0.00	0
Arapahoe Community College	\$0.00	0	Arapahoe Community College	\$276.00	1
College Assist	\$0.00	0	College Assist	\$21,207.00	2
Commission on Higher Education	\$0.00	0	Commission on Higher Education	\$138.00	1
Northwestern Community College	\$0.00	0	Northwestern Community College	\$138.00	1
Otero Junior College	\$0.00	0	Otero Junior College	\$138.00	1
Trinidad State College	\$0.00	0	Trinidad State College	\$345.00	1
	\$220,074.09	52		\$482,976.29	52

Table 4

HE-Liability	Claims by Cause				
FY07			FY06		
Cause	Total Incurred	# Claims	Cause	Total Incurred	# Claims
Federal	\$106,500.00	6	Federal	\$309,929.66	8
Other	\$42,636.00	21	Other	\$8,484.28	16
Slip/Fall	\$40,101.32	7	Slip/Fall	\$17,396.85	10
Vehicle	\$30,836.77	18	Vehicle	\$147,165.50	18
	\$220,074.09	52		\$482,976.29	52

Table 5

The 54.4% decrease in Higher Education Liability claim costs is significant, however, because claims are expected to develop over time, coupled with the static number of claims filed between FY07 and FY06, FY07 costs will likely be comparable after they mature.

Please note: Liability claims and lawsuits often remain open and continue to develop over a period of several years, so dollars that are *paid* during any one given year do not necessarily relate to the number of

new claims filed during that year. The FY06 claims have had one year to mature and this accounts for the increase in costs in the table.

Total \$ Paid in FY 2007 for Claims Occurring in Previous Years	Actual \$ Paid for Claims Occurring in FY 2007	Total \$ Paid In FY 2007
\$1,890,941.14	\$322,388.53	\$2,213,329.67

Table 6

Commercial Property Insurance Program

The state contracts with Marsh, Inc. to procure broad commercial coverage for loss or damage to covered state property resulting from various perils such as wind, lightning, vandalism, theft and similar causes. Coverage is also provided for Boiler and Machinery, State aircraft, and Crime loss. SRM and Marsh assist departments with the purchase of other insurance, as needed. However, according to statute (CRS 24-30-1519), SRM is responsible for coordinating and approving these procurements.

AIG/Lexington Insurance Company provides the primary property coverage. Real and personal property is covered on a replacement cost basis, with departments mandated by statute to incur the first \$1,000 of loss as a department deductible. Amounts of coverage, deductibles and state aggregates are subject to change when coverage is negotiated. Claim adjusting services are provided to AIG by GAB Robins Risk Management Services, with a dedicated adjuster assigned to losses over \$10,000. As the State’s insurance broker, Marsh, Inc. provides a claims manager who adjusts losses under \$10,000. SRM has a dedicated Property Claim Manager who is responsible for the administration of the contracts as well as serving as the liaison between departments and AIG/Lexington Insurance Company.

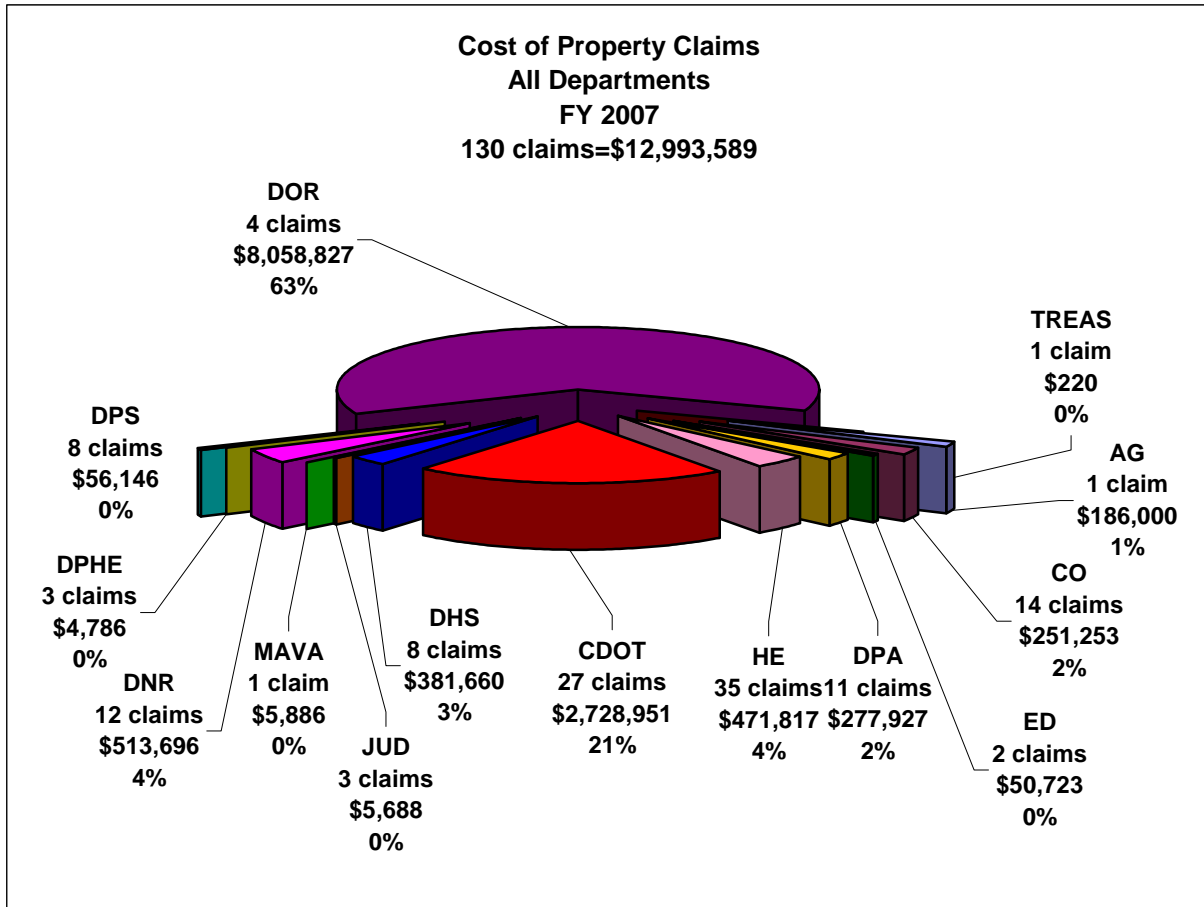
Property Program Accomplishments

Contract extensions for property and liability program adjusting services and the Crime policy were successfully negotiated by the end of FY07, along with placement of the new Property policy and Flood coverage for FY08. The policy year was renegotiated to coincide with FY08, so it is a 10-month policy. This change allows for easier tracking of data and claim aggregates.

Property Data

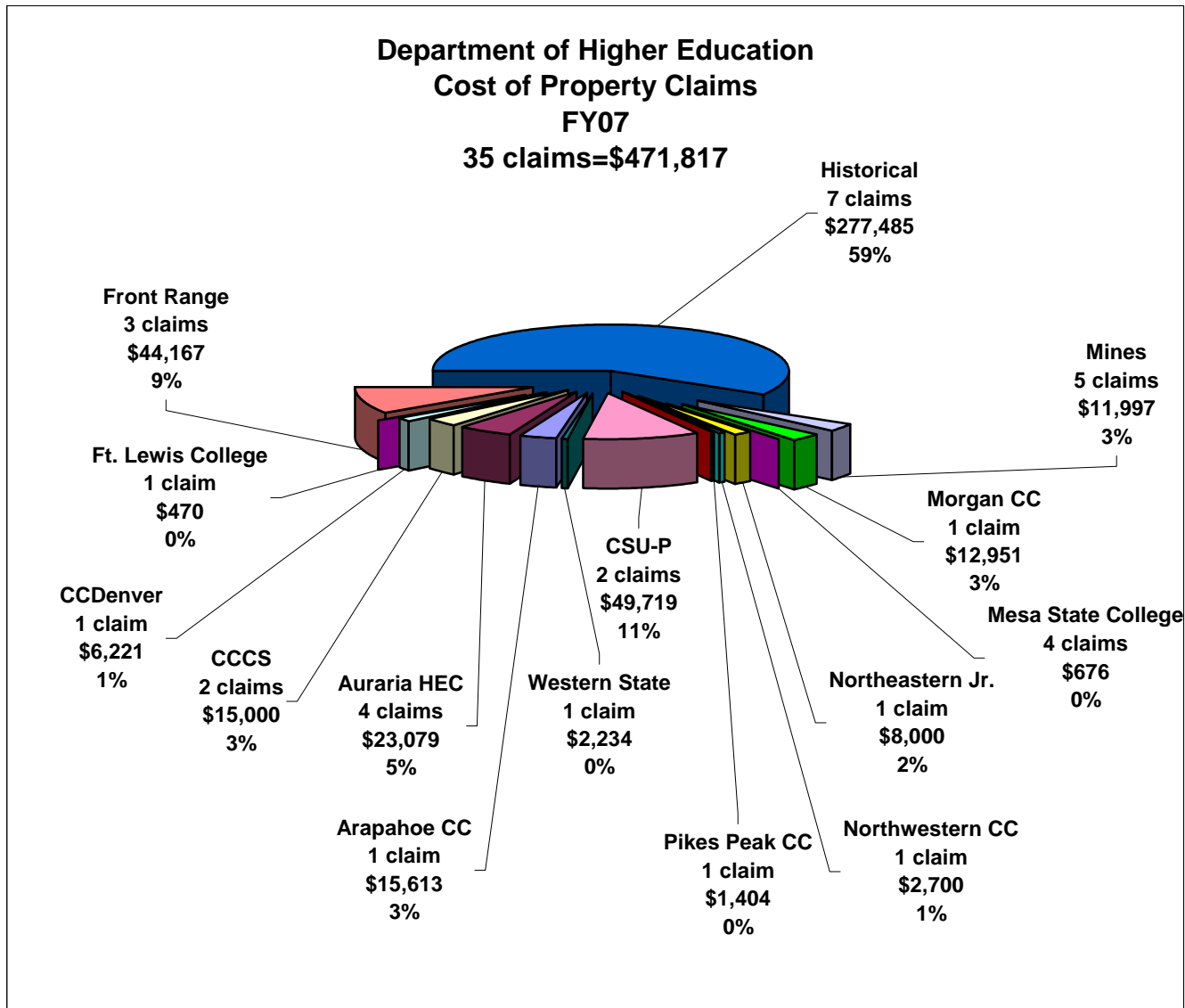
In FY07 departments filed 130 property loss claims, an increase of 22% from the 114 claims reported in FY06. The following charts illustrate the distribution of claims in FY07 by department. Departments not represented in the chart, (the Departments of Local Affairs, Governor’s Office, Labor & Employment, Law, Legislature, Human Services and Secretary of State) reported no property loss claims for the FY07.

Chart P-1 below, shows by department, the FY07 incurred losses, which includes dollars paid and reserves, valued as of June 30, 2007.



P-1

In chart P-2 (below), incurred costs, which includes dollars paid and reserves, for FY07 property claims for are broken down by cause.

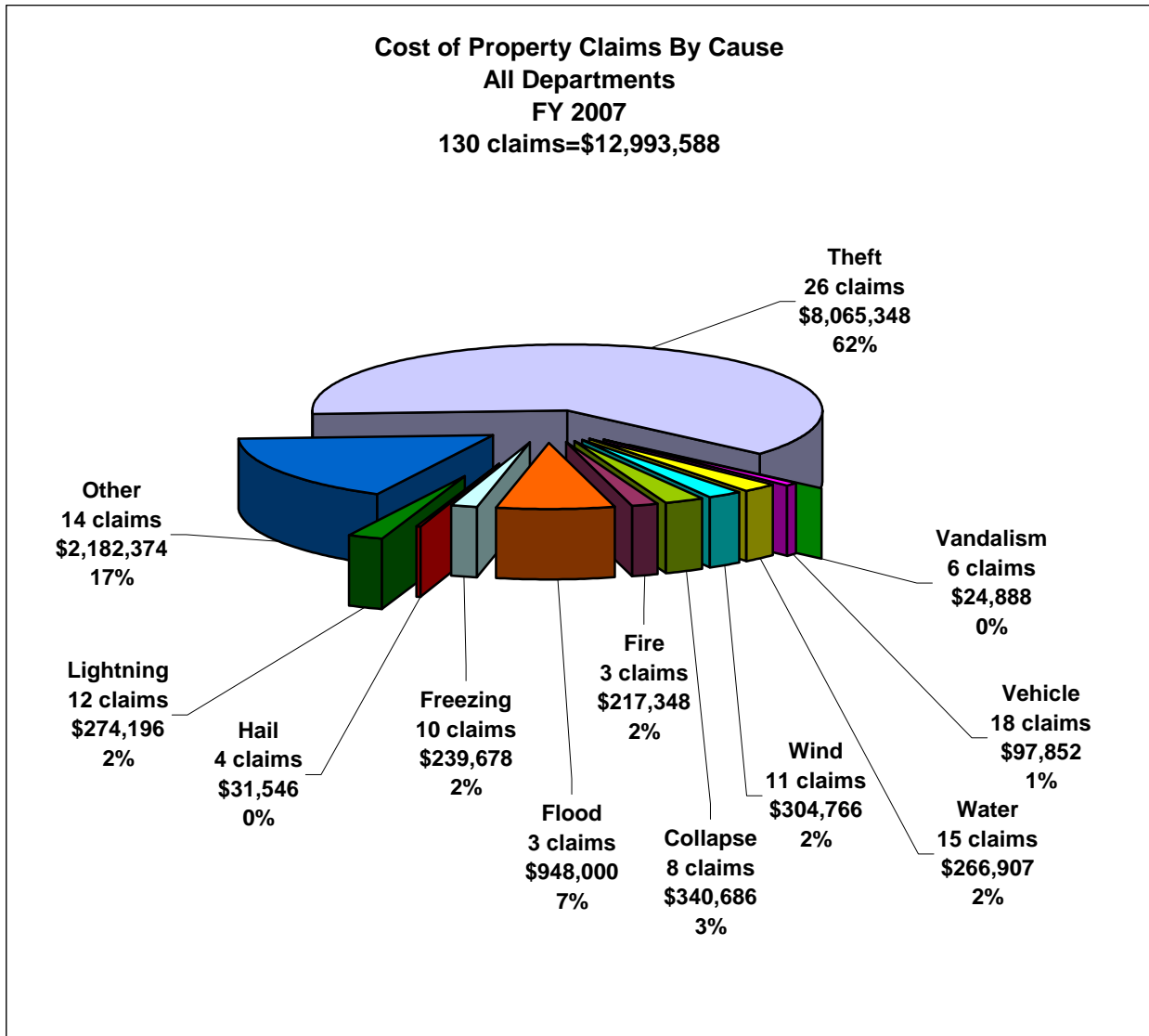


P-2

Please note: The claims that occurred during FY07 and were paid and/or reserved during that period are illustrated in the charts. Property claims sometimes remain open over a period of years, and valuation does change over time. The total incurred property claim cost for FY07 was \$12,993,588.00; this is a 346% increase from the \$2,908,201.83 claim cost for FY06 and is partially attributed to the extraordinary weather last winter and the discovery of embezzlement at the Department of Revenue.

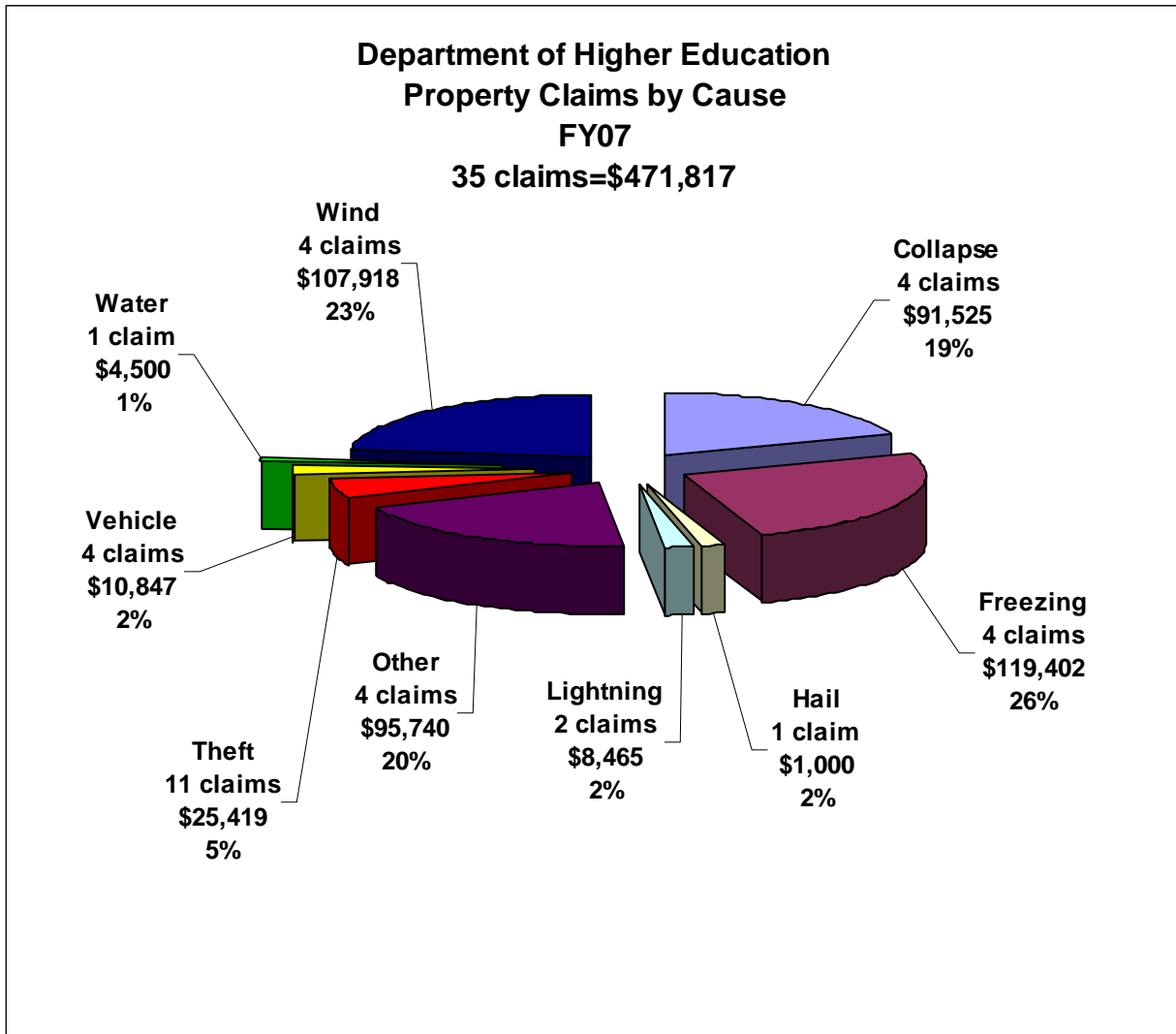
Property losses related to claim categories such as “Vehicle,” “Theft,” and “Vandalism,” can be addressed through loss control to reduce exposures and occurrences. Preventative measures can also lessen the severity of many property losses related to naturally occurring events such as floods, hail and lightning strikes.

In chart P-3 (below), incurred costs, which includes dollars paid and reserves for property claims in FY07, are broken down by cause.



P-3

In chart P-4 (below), shows Department of Higher Education Property claims incurred costs, which includes dollars paid and reserves for FY07, are broken down by cause.



P-4

Tables 7 and 8 below, show a comparison of the difference in department Property claims between FY06 and FY07:

FY07 Valued as of 6/30/07			FY06 Valued as of 6/30/07		
Dept	Total Incurred	# Claims	Dept	Total Incurred	# Claims
Agriculture	\$186,000.00	1	Labor & Employment	\$0.00	2
Corrections	\$251,252.88	14	Corrections	\$149,116.13	14
Revenue	\$8,058,826.77	4	Revenue	\$3,823.35	1
Personnel & Administration	\$277,936.69	11	Personnel & Administration	\$513,247.06	7
Higher Education	\$471,816.78	35	Higher Education	\$219,016.02	32
Transportation	\$2,728,950.96	27	Transportation	\$330,692.97	27
Human Services	\$381,660.01	8	Human Services	\$538,154.42	7
Judicial Branch	\$5,687.80	3	Judicial Branch	\$9,120.47	4
Public Health & Environment	\$4,786.00	3	Public Health & Environment	\$1,452.00	2
Natural Resources	\$513,695.92	12	Natural Resources	\$1,136,785.90	12
Public Safety	\$56,145.71	8	Public Safety	\$5,695.56	5
Military & Veterans Affairs	\$5,885.59	1	Military & Veterans Affairs	\$0.00	0
Regulatory Agencies	\$0.00	0	Regulatory Agencies	\$1,097.95	1
Education	\$50,723.38	2	Education	\$0.00	0
Treasury	\$220.00	1	Treasury	\$0.00	0
	\$12,993,588.49	130		\$2,908,201.83	114

Table 7

Property	Claims by	Cause			
FY07			FY06		
Cause	Total Incurred	# Claims	Cause	Total Incurred	# Claims
Fire	\$217,347.79	3	Fire	\$549,775.28	2
Flood	\$948,000.00	3	Flood	\$391,623.00	2
Freezing	\$239,677.93	10	Freezing	\$447,359.09	7
Hail	\$31,546.00	4	Hail	\$4,655.00	1
Lightning	\$274,196.08	12	Lightning	\$59,199.46	11
Other	\$2,182,374.40	14	Other	\$231,991.43	13
Theft	\$8,065,347.47	26	Theft	\$86,290.19	30
Vandalism	\$24,887.50	6	Vandalism	\$108,228.06	4
Vehicle	\$97,852.31	18	Vehicle	\$135,012.06	9
Water	\$266,906.81	15	Water	\$622,883.01	18
Wind	\$304,766.05	11	Wind	\$271,185.25	17
Collapse	\$340,686.15	8	Collapse	\$0.00	0
	\$12,993,588.49	130		\$2,908,201.83	114

Table 8

Tables 9 and 10 below, show a comparison of the difference in Higher Education Property claims between fiscal years 05/06 and 06/07:

HE	Property	Claims			
FY07	Valued as of	6/30/2007	FY06	Valued as of	6/30/2007
Dept	Total Incurred	# Claims	Dept	Total Incurred	# Claims
Auraria	\$23,079.14	4	Auraria	\$8,659.87	5
Front Range CC	\$44,166.50	3	Front Range CC	\$2,026.28	3
School of Mines	\$11,996.95	5	School of Mines	\$70,055.19	4
Morgan CC	\$12,951.24	1	Morgan CC	\$2,793.98	1
Mesa State	\$676.38	4	Mesa State	\$26,568.42	6
Northeastern JC	\$8,000.00	1	Northeastern JC	\$48,685.00	1
Pikes Peak CC	\$1,504.06	1	Pikes Peak CC	\$11,902.13	1
Western State	\$2,234.00	1	Western State	\$0.00	1
Arapahoe CC	\$15,613.37	1	Arapahoe CC	\$0.00	0
Historical Society	\$277,485.00	7	Historical Society	\$0.00	0
CCCS	\$15,000.00	2	CCCS	\$0.00	0
Lamar CC	\$0.00	0	Lamar CC	\$10,440.00	1
Metropolitan State	\$0.00	0	Metropolitan State	\$7,578.32	6
Pueblo CC	\$0.00	0	Pueblo CC	\$4,645.77	1
CC of Denver	\$6,220.67	1	CC of Denver	\$0.00	0
Ft. Lewis College	\$470.87	1	Ft. Lewis College	\$0.00	0
Northwestern CC	\$2,699.99	1	Northwestern CC	\$0.00	0
CSU-Pueblo	\$49,718.61	2	CSU-Pueblo	\$0.00	0
	\$471,816.78	35		\$193,354.96	30

Table 9

HE Property	Claims by	Cause			
FY07			FY06		
Cause	Total Incurred	# Claims	Cause	Total Incurred	# Claims
Freezing	\$119,402.43	4	Freezing	\$5,527.20	2
Lightning	\$8,465.37	2	Lightning	\$1,088.58	1
Other	\$95,740.00	4	Other	\$11,190.00	3
Theft	\$25,418.86	11	Theft	\$46,302.94	11
Vehicle	\$10,846.52	4	Vehicle	\$1,430.00	2
Water	\$4,500.29	1	Water	\$6,432.17	2
Wind	\$107,918.31	4	Wind	\$103,041.86	7
Hail	\$8,000.00	1	Vandalism	\$18,342.21	2
Collapse	\$91,525.00	4	Collapse	\$0.00	0
	\$471,816.78	35		\$193,354.96	30

Table 10

The 35 Higher Education Property claims filed in FY07 increased by 16.6% from the 30 claims filed in FY06, and the \$471,816.78 in FY07 costs increased by 144% over the \$193,354.96 in FY06 claim costs. These increases require a review of causation and determination of whether or not any operational changes can be addressed.

Loss Control and Safety

In an effort to reduce the cost and severity of all losses, the SRM staff provides training, building inspections, accident review, and consulting services on an ongoing basis, all designed to assist departments in implementing effective loss control programs.

Loss Control Accomplishments

Ergonomic evaluations provide departments and employees with hands-on workstation adjustment and the individual education needed to help employees work more safely and productively. This helps reduce the costs and damages of repetitive motion and cumulative trauma injuries. During FY 07, the SRM loss control staff provided 179 individual ergonomic evaluations for departments throughout the state, 8 of which were for Higher Education agencies. This was in addition to the 122 evaluations performed by Pinnacol Assurance loss control staff, 4 of which were for Higher Education agencies. The total number of evaluations performed in FY07 was 301.

Training is a major part of all three programs as well as other risk management processes managed by SRM. The FY07 training calendar was expanded in response to claim and loss data analysis indicating that additional training was needed in specific areas. Forty classes were scheduled and advertised with 26 held, 570 employees registered and 426 attended on various topics as indicated in Table 7 below. The “no-show” rate for classes SRM scheduled for FY07 was 33.8%. SRM is working to lower this rate in the interest of efficiency and further department commitment to accomplish this would be ideal.

Included in Table 11 are 9 classes that SRM and Pinnacol Loss Control Specialists presented on titles requested by specific departments. 192 employees attended these classes. A total of 35 training sessions were held and were attended by a total of 618 employees in FY07. These training programs represent a significant component of the SRM commitment. We appreciate that several departments graciously sponsored and hosted the classes that were held in FY07 and anticipate this partnership will continue.

Class Title	# Classes Held	Registration	Attendance	Department Classes Requested	Requested Class Attendance
Ergonomics Train-the-Evaluator	3	18	21		
Document Preservation	4	228	200		
Workers' Compensation 101	1	24	8		
Aging Workforce	1	34	23		
Defensive Driver Training	1	43	26	3	120
15 Passenger Van Training	2	10	10	2	15
Defensive Driver Refresher	1	10	10	1	16
HR Guide to Leave Integration	3	83	34		
IAQ Investigation	1	13	8		
Return to Work Programs	2	9	15		
Building & Contents	3	50	35		
Electrical Safety	1	4	2		
Lifting & Back Injury Prevention	1	8	22	2	36
Chipper Safety	2	36	12		
Repetitive Motion Injury Prevention				1	5

Table 11

SRM also collaborated with the Attorney General’s Office to provide Document Preservation training to Human Resources and Information Technology personnel. The training gave information regarding a new electronic discovery amendment to the Federal Rules of Civil Procedure. The amendment went into effect

in 2007 and concerned electronic document retention, storage and the reporting responsibilities as it relates to evidence in lawsuits. The training was well received and was the highest attended class in FY07. SRM is working to provide this training again in FY08.

COMMUNICATIONS

In FY07, SRM provided periodic and Quarterly Reports to all participating departments. The goal of the Quarterly Reports is to provide an updated claim analysis of the workers' compensation, property, and liability programs. The reports enable departments to make informed decisions regarding the cost of claims to state employees, resources, property and the public. These reports are also a means to support effective communication between the SRM and participating departments to help them focus in on areas for improvement.

SRM also provides external communication through the Division of Human Resources Advisor articles, and Safety Shorts, on subjects of timely importance regarding risk management issues. These are distributed via email to those enrolled on our Risk Management mail database. SRM encourages Advisor and Safety Shorts recipients to distribute the SRM articles to employees.

FY08 STATEWIDE RISK MANAGEMENT EXPECTATIONS

The workers' compensation pilot program, which focuses on reducing workers' compensation claim frequency and severity, is already underway and has been enthusiastically received by participating departments. SRM expects that the program will result in a successful reduction in costs that can be rolled out to the other departments.

The next Building & Contents annual update scheduled for January and February 2008, will have an automated, simplified and revised format, which will enable departments to more easily report their annual changes. This automation is part of a broad effort to develop, introduce and integrate risk management tools throughout the state.

A revision and expansion of the Risk Management Web page is planned for FY08. The revision will be easier to navigate and provide an expanded amount of information to departments.

CONCLUSION

The SRM continues to honor its mission in providing vital services and resources to state employees and state government. Workplace safety is of the highest priority in the state and will continue to be a focus of SRM efforts during FY08.

SRM will continue to provide resources and tools designed to assist departments with controlling losses and managing risks.

In response to the increased trend in claims count and costs in some areas, as well as opportunities for program improvements, SRM is committed to creating additional risk management partnerships throughout the state. Continuous program improvement and integration of risk management methods is consistent with current governmental efficiency policy initiatives. SRM asks for your support and participation in this effort and is eager for the opportunity to work with you in identifying and developing new initiatives.

Departments interested in more information about this report, SRM programs or services may contact SRM at 303-866-3848 or dparm@exchange.state.co.us.