



DIVISION OF ADMINISTRATION
Office of Risk Management

ANNUAL REPORT

FOR FISCAL YEAR 2008-2009

Louisiana Revised Statute 39:1537 - The commissioner of administration shall submit to the governor, the attorney general, and the legislature annually a formal report on the state's risk management program.

Our mission is to develop, direct, achieve and administer a cost effective comprehensive risk management program for all agencies, boards and commissions of the State of Louisiana and for any other entity for which the state has an equity interest, in order to preserve and protect the assets of the State of Louisiana.



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DIRECTOR'S ADDRESS

*F*iscal Year 2009 marked another year in which the Office of Risk Management has successfully managed administrative costs in the midst of a difficult catastrophic property insurance market and another round of catastrophic claims. In September 2008, Hurricane Gustav caused significant coastal and inland property damage. ORM was able to respond quickly and efficiently in contacting agency clients and identifying the damages. In contrast to Hurricane Katrina, FEMA denied requests to delay insurance reductions and our excess insurers were not inclined to advance claim reimbursements.

In order to continue to effectively manage administrative costs, the Office has again began looking at alternative methods of delivering service in order to avoid service interruptions as budgetary constraints and hiring issues become more prevalent. One option considered is the privatization of Loss Prevention and Claims Adjusting Services. Aggressive claims handling and aggressive loss control mitigating are paramount to a successful risk program. Although, these items have always been priorities for ORM management, numerous obstacles within the State's design pose challenges that may soon be insurmountable. Therefore, in response to the Commissioner of Administration's initiatives, ORM will begin developing an RFP for these services to evaluate its options.

*Bud Thompson, Jr.
State Risk Director*

EXPOSURES REPORTED

SELF-INSURED LINES OF COVERAGE			
COVERAGE	EXPOSURE	EXPOSURES @ 07/01/2008	EXPOSURES @ 6/30/2009
WORKER'S COMPENSATION	Regular Payroll ⁽¹⁾	\$4,574,534,668	\$4,909,331,998
WORKER'S COMP - MARITIME	Maritime Payroll	\$10,763,084	\$10,755,336
GENERAL LIABILITY	Total Compensation ⁽²⁾	\$4,609,177,752	\$4,944,747,334
AUTOMOBILE LIABILITY	Total Miles ⁽³⁾	131,405,611	133,227,996
AUTO PHYSICAL DAMAGE	# of Licensed Vehicles ⁽⁴⁾	13,703	13,553
BOILER & MACHINERY	Boiler & Mach. Values	\$721,497,721	\$788,885,404
PROPERTY	Property Values ⁽⁵⁾	\$14,267,556,791	16,075,501,732
BONDS - SI	# of Employees + O/S Board Members ⁽⁶⁾	111,420	112,034
PERSONAL INJURY LIABILITY	Total Compensation	\$4,609,177,752	\$4,944,747,334
MEDICAL MALPRACTICE:	See lists below:		
<u>Hospitals/Medical Schools:</u>			
	Emergency Room Visits	371,709	389,950
	Hospital Clinic Visits	1,206,183	1,254,730
	Hospital Patient Days	390,199	386,143
	# of Babies Birthed	5,264	5,225
	# Outpatient Surgeries	33,507	33,639
	Average # of Interns/Residents	1,815	1,952
	Average # of Physicians	2,617	2,778
	Other Med Mal Exposures *	9,021	9,502
<u>Non-Hospitals/Medical Schools:</u>			
	Clinic Visits	1,931,640	1,972,626
	Patient Days	1,231,702	1,294,689
	Average # of Physicians	276	278
	Other Med Mal Exposures *	25,829	26,523

* Consists primarily of nursing exposure which include medical students involved in clinical training and the exposure is per student per clinical training course per quarter.

(1) Regular Payroll is Gross Payroll minus Maritime Payroll

(2) Total Compensation is Gross Payroll plus (# of O/S Board Members X \$15,000)

(3) Total Miles is Total Public Vehicle Miles plus 5% of Private Vehicle Miles

(4) Licensed vehicles includes licensed trailers as well as licensed motorized vehicles

(5) FY08: Property Values include \$901,800,276 of RSD Property Values; net of RSD -\$13,365,756,515.

FY09: Property Values include \$889,287,401 of RSD Property Values. Net of RSD -\$15,186,214,331

(6) FY08: # of Employees (Full and Part time) - 109,828 plus # of O/S Board Members - 1,592

FY09: # of Employees (Full and Part time) - 110,390 plus # of O/S Board Members - 1,644

COVERAGES AND PREMIUMS

STATEWIDE

Excess Liability

No excess has been purchased above the Commercial General Liability, Automobile Liability and Road and Bridge Hazard policies since FY 2005-06. The self-insurance limit remains at \$5,000,000 per occurrence for each line.

Wet Marine

The marine market remains relatively stable. The program is in its third year of three and was renewed at the same rates for July 1, 2008. The annual premium of \$2,114,117 is the same as the expiring.

Property

Effective July 1, 2008, the property insurance program was renewed at the same rate and the maximum limit available was increased from \$350,303,000 to \$400,000,000. The self-insured and excess coverage continue to have the following criteria: 1) scheduled coverage only as opposed to blanket; 2) per building limit is the mandatory Excess property insurance continues to be the most expensive coverage line at \$35,484,860 for FY09.

Equipment Breakdown (Boiler and Machinery)

The boiler program, which is now termed Equipment Breakdown, is also stable. The program is in its second year of three and was renewed at the same rates for July 1, 2008 at an annual premium of \$646,278, which is \$71,282 greater than the prior year due to total insurable value (TIV) increases.

Flood Insurance

NFIP policies are maintained on statewide buildings that are located in Special Flood Hazard Zones or that have been previously damaged in a declared disaster. The total annual premium (excluding RSD buildings-see below) was \$5,325,657.

Recovery School District

Self-insurance policies in all applicable lines of insurance were issued separately for the RSD program. To keep the RSD program separate from the statewide program, excess property and excess equipment breakdown insurance were purchased separately for RSD. NFIP policies were also purchased on RSD buildings.

Coverage	SIR	Limit	Premium
Property	\$50,000,000	\$150,000,000	\$9,566,000
Equipment Breakdown	\$50,000	\$15,000,000	\$44,624
NFIP Flood		¹ See below.	\$975,910

¹ Per building limits based on replacement cost and contents values

SUPERDOME

The Superdome/Arena has three lines of insurance where coverage is purchased as excess or commercial; the remaining coverages are part of the statewide self-insurance program. The following is a breakdown of lines, limits and premiums for FY09:

Coverage	SIR	Limit	Premium
General Liability	\$5,000,000	\$100,000,000	\$533,732
Workers Compensation	\$50,000	\$1,000,000 ²	\$515,259 ³
Crime ⁴		\$500,000 ⁴	\$20,635

EXCESS BRIDGE PROPERTY

DOTD requested cancellation of the Excess Bridge Property of the New Orleans Bridges No. 1 and No. 2 effective April 2009. The policies were cancelled and we have received a credit of \$286,650 on one policy and are awaiting the premium return on the other. The Greater New Orleans Bridges No. 1 and No. 2 were removed from the schedule effective April 2009. Insurance coverage no longer applies to these structures. Approximately \$4,000,000 will be saved in future years, and ORM will not be responsible for paying claims on these bridges.

Coverage	SIR	Limit	Premium
Excess Bridge Property	\$5,000,000 ⁵	\$100,000,000	\$3,937,500

NEW ORLEANS LEVEE DISTRICT

The insurance program in place at the Levee District seems to be stable. We continue to monitor the activities and insurance coverage renewal on the non-flood assets and operations overseen by the DOA.

CHANGES IN RISK AND EXPOSURE

The Total Insured Value (TIV) for all state properties increased by \$1.1 billion. In June 2009, contents values were increased by 50%. This increase was due to an inflation adjustment to reflect accurately the current content values in SLABS.

Several LSU foundations (LSU Foundation, LSU Property Foundation, and LSU Marine Property Foundation, LSU System Research & Technology Foundation, and LSU Health Sciences Foundation - Shreveport) have opted out of ORM coverage, which reduces exposures and potential claims.

² \$1,000,0002 employers liability and Statutory limits

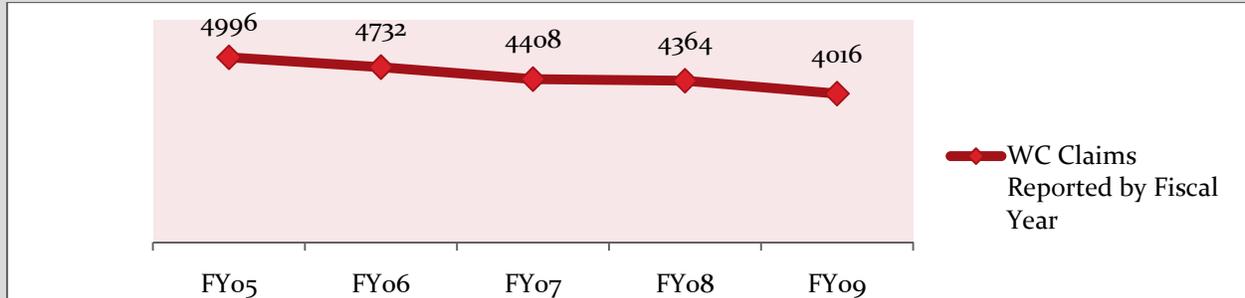
³ includes a \$157,604 dividend credit. The FY09 payroll audit, which usually incurs a premium increase, has not yet been completed by LWCC.

⁴ \$250 agency deductible

⁵ excess of SIR all perils / \$50,000,000 SIR for wind only

CLAIMS ACTIVITY FY09

WORKER'S COMPENSATION



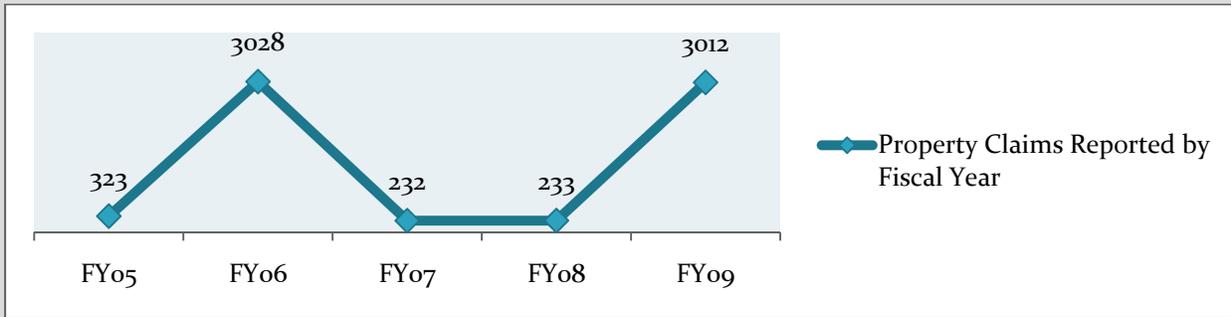
In fiscal 09, the workers' compensation unit opened 4016 new claims and closed 4764 new or existing claims. There were 3722 open claims pending at the fiscal year end. Since FY05, the numbers of new claims reported annually have decreased by 20% (980).

Transitional duty employment and the utilization of vocational rehabilitation services returned 47% of referrals to some form of employment in FY 09. Medical bills associated with workers' compensation claims are submitted for bill review and paid in accordance with a medical fee schedule for medical services and procedures. We realized a total savings of \$12,641,564 through medical fee schedule bill review. In addition, the workers' compensation unit recovered \$3,977,850 from the Second Injury Board. A total of \$394,380 was recovered from excess carriers and a recovery of \$660,733 was realized through subrogation.

With the passage of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA), Congress requires applicable workers' compensation claims to protect Medicare's interest when settling medical portions of workers' compensation claims if the injured worker is Medicare eligible or will obtain Medicare eligibility within 30 months of the settlement date. Consequently, applicable claims must have a Medicare Set Aside (MSA). If the MSA determines Medicare has a future interest in the claim, a portion of the settlement must include the amount determined by the MSA. These funds are to be "set aside" to pay for the injured worker's future Medicare liability once the claim has been settled. This has increased the amount of workers' compensation settlements as the MSA amount is in addition to the workers' compensation settlement. Failure to obtain a Medicare Set Aside and/or to protect Medicare's interest is subject to penalties by the federal government.

A major victory was realized in the Jones Act arena in the case of Karen Kuebel v. Wildlife and Fisheries. The 4th Circuit affirmed the decision of the 25th JDC that State employees are not subject to the Jones Act no matter what their employment capacity. This ruling led ORM to convert existing maritime claims to regular workers compensation and to handle all new maritime claims as State workers' compensation. This will result in a significant savings in the handling of these claims because of the lack of tort exposure that is prevalent in Jones Act claims.

PROPERTY



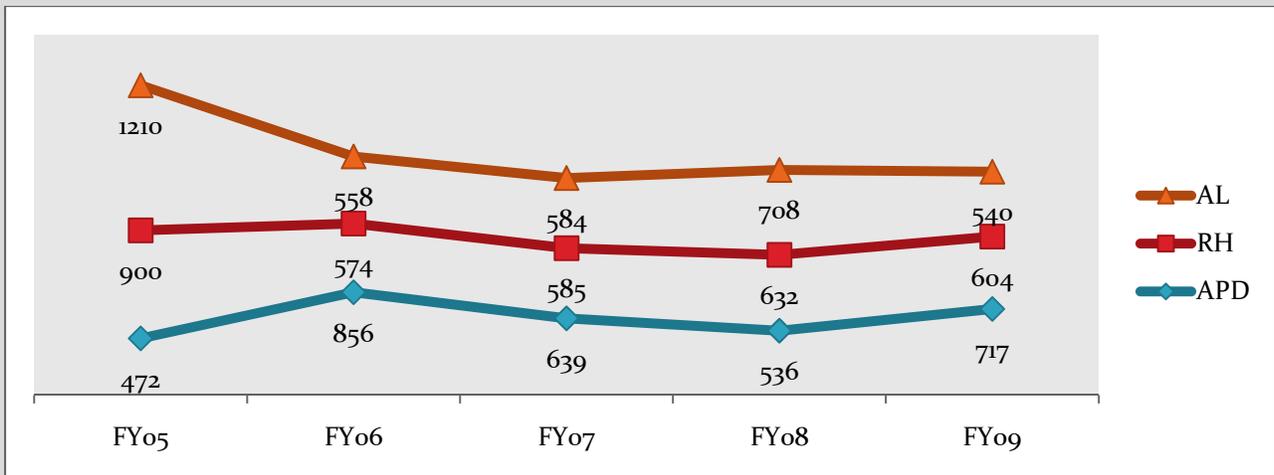
Property volume increased dramatically because of Hurricanes Gustav and Ike. We received 3012 claims 2009 compared to 233 in 2008. The LSU System and the Department of Corrections generated the largest number of claims with 685 and 408 claims respectively. At this writing \$97,371,226 has been paid because of Hurricane Gustav. Auto Physical Damage claims also increased from 2008 to 2009 with a 30.6% increase also attributed to the hurricanes. Auto Liability and Road Hazard claims volume declined in 2009 from the previous year. We saw a 25.8% decrease in Auto Liability claims and an 8.3% decrease in Road Hazard claims.

Hurricanes Gustav and Ike:

Litigation was filed prior the anniversary date of Hurricane Gustav to preserve our reinsurance claims. They remain unresolved at this writing. Meetings with reinsurer representatives to identify claims that are not in dispute are ongoing.

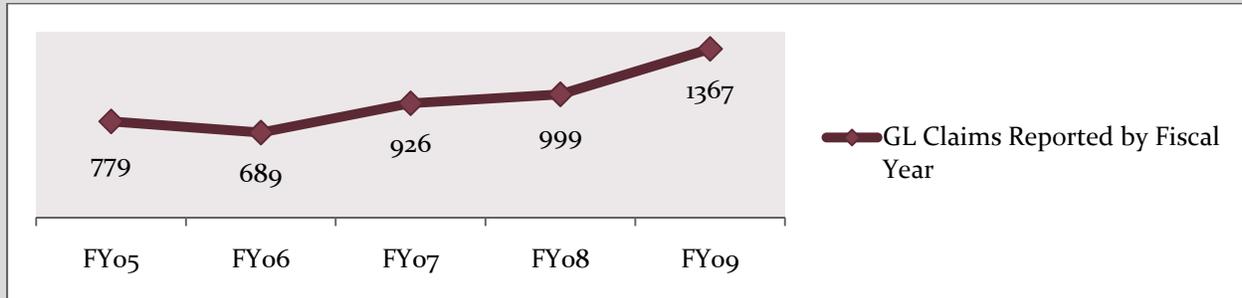
A review of the interface between Agencies and FP&C regarding handling of losses below the \$150,000 threshold is being undertaken with an interest in encouraging the agencies take on a larger role in getting repairs done. The hope is that repair times will be reduced and that this will reduce the number of subsequent damages and claims that have been occurring due to a slow repair process.

TRANSPORTATION/ROAD HAZARD



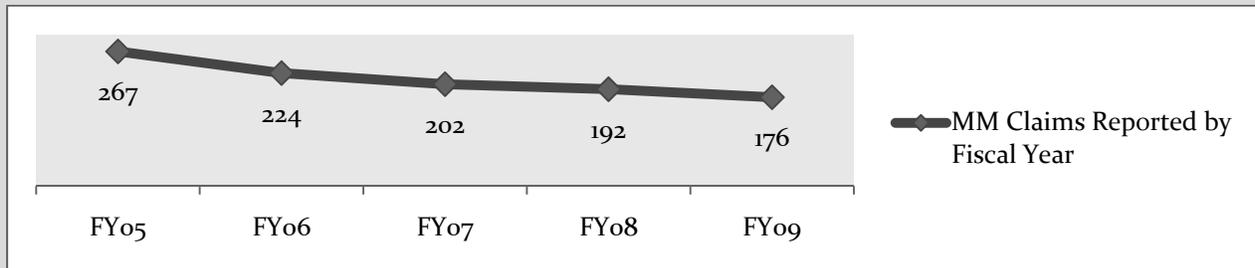
Auto Physical Damage claims increased from 2008 to 2009 with a 30.6% increase also attributed to the hurricanes. Auto Liability and Road Hazard claims volume declined in 2009 from the previous year. We saw a 25.8% decrease in Auto Liability claims and an 8.3% decrease in Road Hazard claims.

GENERAL LIABILITY



General Liability claims continue to increase with 368 more claims filed in FY09 (1367) compared to FY08 (999). The most significant increase was at Department of Corrections, Angola, where 403 cases of food poisoning were reported to have occurred on 11/16/2008. This caused an increase from 244 new claims for DOC in FY09.

MEDICAL MALPRACTICE



Overall Medical Malpractice claims have continued a steady decrease. Fiscal Year 2009 saw an 8% reduction over FY08 numbers.

In Medical Malpractice, the State had a significant win regarding constitutional issues. Judge Piper ruled that R.S. 9:5628 regarding prescription was constitutional, did not discriminate on the basis of physical condition, and ruled in our favor regarding plaintiff's equal protection challenge in the Russo matter.

ORM settled three major claims in FY09 (Myrtle Grove vs. Department of Health and Hospitals, Georgia Gulf vs. Department of Environmental Quality, and the VITEK class action suit) that could have had a significant adverse impact on the state. Both claims Myrtle Grove and Georgia Gulf had the potential for future medicals and medical monitoring for many years.

CLAIMS REPORTED IN FY09 BY MAJOR COVERAGE LINE

Claims reported includes all claims reported between 7/1/2008 and 6/30/2009 regardless of the policy period in which the claims occurred.

<i>Workers' Compensation</i>	Count	<i>Workers' Compensation</i>	Count
0020 - OFC OF THE GOVERNOR	1	1803 - OFC OF FAMILY SUPPORT	23
0039 - OFC OF HOMELAND SECURITY & EMERG PREP	4	1910 - DIV. OF REHABILITATION SVCS	5
0230 - DEPARTMENT OF MILITARY AFFAIRS	44	1930 - OFC OF COMMUNITY SVCS	75
0260 - VETERAN'S AFFAIRS	1	2020 - C. PAUL PHELPS CORR CTR	29
0265 - SOUTHWEST LOUISIANA WAR VETERANS HOME	22	2030 - LOUISIANA STATE PENITENTIARY	40
0270 - WAR VETERAN'S CTR	15	2055 - AVOYELLES CORR CTR	12
0275 - NORTHEAST LA WAR VETERAN'S HOME	10	2060 - LA. CORRECTN INST FOR WOMEN	8
0277 - NORTHWEST LA WAR VETERANS HOME	19	2080 - DIXON CORR INST	19
0279 - SOUTHEAST LA WAR VETERANS HOME	7	2092 - J. LEVY DABADIE CORR CTR	7
0350 - OFC OF FINANCIAL INST	2	2100 - ELAYN HUNT CORR CTR	19
0410 - OFF. OF COMM. OF ADMIN	9	2110 - WADE CORR CTR	25
0455 - OFC OF RISK MGMT	7	2120 - DIV OF PROBATION & PAROLE	64
0465 - LA. PROPERTY ASSISTANCE AGY	3	2130 - RAYBURN CORR CTR	11
0485 - OFC OF GROUP BENEFITS	4	2150 - PRISON ENT	2
0490 - PATIENTS COMP FUND	1	2180 - OFC OF JUVENILE JUSTICE	131
0550 - DOTD - OFC of ENG	22	2210 - DPS - MGMT & FIN	7
0570 - OPS ADMIN	244	2220 - OFC OF STATE POLICE	63
0650 - DOTD-H.Q./MGMT & FIN	6	2238 - DONALD J. THIBODAUX TRNG ACADEMY	43
0655 - SABINE RIVER AUTH	4	2240 - OFC OF MOTOR VEHICLES	20
0905 - HCSD ADMIN	4	2260 - OFC OF STATE FIRE MARSHAL	10
0912 - EARL K. LONG MC	91	2320 - DNR-OFC OF THE SEC'Y	1
0916 - UNIV MC	69	2420 - OFC OF ENVIR. COMPLIANCE	9
0918 - W. O. MOSS RMC	36	2430 - OFC OF ENVIR SVCS	2
0920 - LALLIE KEMP RMC	34	2440 - OFC OF ENVIR ASSESMENT	2
0922 - WASHINGTON-ST. TAMMANY RMC	59	2520 - OFC OF BUSINESS DEV	4
0924 - LEONARD J. CHABERT MC	73	2650 - OFC OF WORKFORCE DEV	22
0926 - MC OF LA AT N.O.	214	2680 - OFC OF WORKERS' COMP	8
1010 - OFC OF THE SEC'Y	4	2805 - DWLF-OFC OF MGMT & FIN	2
1015 - MEDICAL VENDOR ADMIN	10	2810 - OFC OF SEC'Y	17
1030 - OFC OF AGING & ADULT SVCS (OAAS)	45	2830 - OFC OF WILDLIFE	12
1210 - CAPITOL AREA HUMAN SVCS DISTR	7	2850 - OFC OF FISHERIES	15
1280 - OFC OF PUBLIC HEALTH	44	2910 - OFC OF REVENUE	10
1310 - JEFF. PARISH HUMAN SVCS AUTH	2	2920 - LA OFC of Alcohol and Tobacco CTRL	1
1315 - FLORIDA PARISHES HUMAN SVCS AUTH	4	3010 - STATE CIVIL SVC	1
1325 - METROPOLITAN HUMAN SVCS DISTR	3	3110 - CRT - OFC OF THE SEC'Y	3
1330 - OFC OF MENTAL HEALTH	276	3131 - OFC OF STATE PARKS	43
1540 - OFF. FOR CITIZENS WITH DEV. DISABILITIES	395	3180 - OFC OF CULTURE DEV	2
1735 - CENTRAL REGIONAL LAUNDRY	1	3190 - OFC OF TOURISM	2
1750 - OFC OF ADDICTIVE DISORDERS	14	3210 - OFF. OF LIEUTENANT GOVERNOR	1
1801 - DSS - OFC OF SEC'Y	4	3305 - SEC'Y OF STATE	14

Workers' Compensation

	Count
3410 - OFC OF ATTORNEY GENERAL	9
3610 - OFF. OF THE STATE TREASURER	3
3710 - OFC OF AGRICULTURE	25
3900 - OFC OF FORESTRY	14
4010 - COMMISSIONER OF INSURANCE	4
4155 - Education-State Activities	10
4195 - SPECIAL SCHOOL DISTR #1	20
4200 - RECOVERY SCHOOL DISTR	92
4360 - PUBLIC SVC COMMISSION	1
4413 - PENNINGTON BIOMED. RESEARCH CTR.	7
4418 - LSU-BATON ROUGE	241
4438 - LSU-ALEXANDRIA	6
4458 - UNIV OF NEW ORLEANS	23
4482 - HUEY P. LONG MC	45
4483 - LSU HEALTH SVCS CTR.-SHREVEPORT	159
4488 - E.A. CONWAY MC	103
4489 - LSU HEALTH SVCS CTR-NEW ORLEANS	128
4498 - LSU-EUNICE	9
4518 - LSU-SHREVEPORT	4
4538 - LSU-AGRICULTURAL CTR	59
4618 - SOUTHERN UNIV-BATON ROUGE	10
4628 - SOUTHERN UNIV.-AGRICULTURAL CTR	1
4648 - SOUTHERN UNIV-NEW ORLEANS	4
4678 - SOUTHERN UNIV-SHREVEPORT	8
4818 - NICHOLLS STATE UNIV	23
4858 - GRAMBLING STATE UNIV	14
4998 - LOUISIANA TECH. UNIV	13
5038 - MCNEESE STATE UNIV	19
5078 - UNIV OF LOUISIANA AT MONROE	15
5158 - NORTHWESTERN STATE UNIV	12
5218 - SOUTHEASTERN LOUISIANA UNIV	51
5258 - UNIV OF LOUISIANA AT LAFAYETTE	123
5810 - LA. SCHOOL FOR VISUALLY IMPAIRED	6
5830 - LA. SCHOOL FOR THE DEAF	20
5850 - LA SPECIAL EDUCATION CTR	30
5890 - LA. SCHOOL FOR MATH, SCIENCE, ARTS	1
5900 - OFC OF STUDENT FINANCIAL ASST.	1
5910 - LA. EDUCATIONAL TELEVISION AUTH	4
5950 - BD. REGENTS FOR HIGHER EDUCATION	3
5958 - LA. UNIV MARINE CONSORTIUM	4
6005 - LCTCS - BOARD OF SUPERVISORS	2
6020 - LTC-REGION 1	1
6100 - LTC-REGION 2	2
6240 - LTC-REGION 3	6

Workers' Compensation

	Count
6300 - LTC-REGION 4	6
6400 - LTC-REGION 6	4
6520 - LTC-REGION 7	2
6580 - LTC-REGION 8	3
6680 - LTC-REGION 9	1
6700 - ISAAC DELGADO COMMUNITY COLLEGE	8
6720 - ELAINE NUNEZ COMMUNITY COLLEGE	3
6740 - BATON ROUGE COMMUNITY COLLEGE	5
6760 - BOSSIER PARISH COMMUNITY COLLEGE	7
6780 - SOUTH LA COMMUNITY COLLEGE	4
6820 - LOUISIANA DELTA COMMUNITY COLLEGE	1
6840 - L.E. FLETCHER COMMUNITY COLLEGE	3
6860 - SOWELA COMMUNITY COLLEGE	3
7030 - LA. STATE EMPLOYEES RETIRE SYSTM	1
7050 - LA. TEACHERS RETIREMENT SYSTEM	1
7208 - BD. CERTIFIED PUBLIC ACCOUNTANTS	1
7215 - NEW ORLEANS CITY PARK IMPROVEMENT ASSOC.	8
7236 - BOARD OF PHYSICAL THERAPY EXAMINERS	1
7245 - BOARD OF MEDICAL EXAMINERS	1
7610 - LA. HOUSE OF REPRESENTATIVES	2
7620 - LOUISIANA SENATE	1
7630 - LEGISLATIVE AUDITOR	4
7640 - LEGISLATIVE FISCAL OFC	1
7710 - COURTS OF APPEAL	4
7770 - LOUISIANA SUPREME COURT	2
7775 - CRIMINAL COURT-PARISH OF ORLEANS	4
7800 - DISTR COURTS	1
9012 - GRTR. JEFFERSON PARISH PORT COMM	1
Total By Major Coverage	4,016

General Liability

	Count
0020 - OFC OF THE GOVERNOR	6
0039 - OFC OF HOMELAND SECURITY & EMERG PREP	6
0230 - DEPARTMENT OF MILITARY AFFAIRS	27
0250 - LSED - SUPERDOME	14
0257 - NEW ORLEANS SPORTS ARENA	8
0258 - ALARIO CTR	2
0270 - WAR VETERAN'S CTR	1
0275 - NORTHEAST LA WAR VETERAN'S HOME	1
0279 - SOUTHEAST LA WAR VETERANS HOME	2
0410 - OFF. OF COMM. OF ADMIN	14
0455 - OFC OF RISK MGMT	4
0485 - OFC OF GROUP BENEFITS	1

<i>General Liability</i>	Count	<i>General Liability</i>	Count
0550 - DOTD - OFC of ENG	2	2510 - DED - OFC OF SEC'Y	3
0570 - OPS ADMIN	16	2650 - OFC OF WORKFORCE DEV	1
0594 - P.W. & INTERMODAL TRANSPORTATION	1	2810 - OFC OF SEC'Y	2
0600 - DOTD - OFC OF THE SEC'Y	4	2830 - OFC OF WILDLIFE	2
650 - DOTD-H.Q./MGMT & FIN	1	2850 - OFC OF FISHERIES	3
0655 - SABINE RIVER AUTH	2	2920 - LA OFC of Alcohol and Tobacco CTRL	1
0912 - EARL K. LONG MC	2	3010 - STATE CIVIL SVC	2
0916 - UNIV MC	9	3131 - OFC OF STATE PARKS	20
0920 - LALLIE KEMP RMC	1	3305 - SEC'Y OF STATE	5
0922 - WASHINGTON-ST. TAMMANY RMC	2	3410 - OFC OF ATTORNEY GENERAL	7
0924 - LEONARD J. CHABERT MC	2	3710 - OFC OF AGRICULTURE	4
0926 - MC OF LA AT N.O.	5	3900 - OFC OF FORESTRY	3
1010 - OFC OF THE SEC'Y	2	4010 - COMMISSIONER OF INSURANCE	1
1015 - MEDICAL VENDOR ADMIN	3	4155 - Education-State Activities	3
1030 - OFC OF AGING & ADULT SVCS (OAAS)	6	4200 - RECOVERY SCHOOL DISTR	19
1280 - OFC OF PUBLIC HEALTH	4	4408 - LSU BD. OF SUPER. STAFF	7
1325 - METROPOLITAN HUMAN SVCS DISTR	1	4413 - PENNINGTON BIOMED RESEARCH CTR	1
1330 - OFC OF MENTAL HEALTH	16	4418 - LSU-BATON ROUGE	76
1540 - OFF. FOR CITIZENS WITH DEV. DISABILITIES	44	4438 - LSU-ALEXANDRIA	2
1750 - OFC OF ADDICTIVE DISORDERS	3	4458 - UNIV OF NEW ORLEANS	7
1803 - OFC OF FAMILY SUPPORT	12	4482 - HUEY P. LONG MC	5
1930 - OFC OF COMMUNITY SVCS	14	4483 - LSU HEALTH SVCS CTR.-SHREVEPORT	20
2010 - DOC-ADMIN	17	4488 - E.A. CONWAY MC	4
2020 - C. PAUL PHELPS CORR CTR	10	4489 - LSU HEALTH SVCS CTR-NEW ORLEANS	6
2030 - LOUISIANA STATE PENITENTIARY	484	4498 - LSU-EUNICE	1
2055 - AVOYELLES CORR CTR	8	4518 - LSU-SHREVEPORT	2
2060 - LA. CORRECTN INST FOR WOMEN	23	4538 - LSU-AGRICULTURAL CTR	6
2080 - DIXON CORR INST	15	4610 - SOUTHERN UNIV. BD. OF SUPERVISOR	3
2092 - J. LEVY DABADIE CORR CTR	3	4618 - SOUTHERN UNIV-BATON ROUGE	28
2100 - ELAYN HUNT CORR CTR	27	4648 - SOUTHERN UNIV-NEW ORLEANS	1
2110 - WADE CORR CTR	17	4678 - SOUTHERN UNIV-SHREVEPORT	5
2120 - DIV OF PROBATION & PAROLE	5	4818 - NICHOLLS STATE UNIV	11
2130 - RAYBURN CORR CTR	19	4858 - GRAMBLING STATE UNIV	9
2150 - PRISON ENT	4	4998 - LOUISIANA TECH. UNIV	8
2180 - OFC OF JUVENILE JUSTICE	14	5038 - MCNEESE STATE UNIV	8
2220 - OFC OF STATE POLICE	25	5078 - UNIV OF LOUISIANA AT MONROE	18
2240 - OFC OF MOTOR VEHICLES	6	5158 - NORTHWESTERN STATE UNIV	7
2285 - LA GAMING CTRL BOARD	1	5218 - SOUTHEASTERN LOUISIANA UNIV	9
2325 - OFF. COASTAL RESTORATION & MGT.	3	5258 - UNIV OF LOUISIANA AT LAFAYETTE	35
2330 - OFC OF CONSERVATION	2	5810 - LA. SCHOOL FOR VISUALLY IMPAIRED	1
2410 - DEQ - OFC OF THE SEC'Y	2	5830 - LA. SCHOOL FOR THE DEAF	5
2414 - DEQ-MGMT AND FIN	2	5850 - LA SPECIAL EDUCATION CTR	2
2420 - OFC OF ENVIR. COMPLIANCE	1	5860 - NEW ORLEANS CTR FOR THE CREATIVE ARTS	1
2430 - OFC OF ENVIR SVCS	1	5935 - ST. BD. ELEMEN. & SECONDARY EDUC	3

General Liability

	Count
6100 - LTC-REGION 2	2
6240 - LTC-REGION 3	1
6300 - LTC-REGION 4	2
6520 - LTC-REGION 7	1
6580 - LTC-REGION 8	6
6700 - ISAAC DELGADO COMMUNITY COLLEGE	4
6740 - BATON ROUGE COMMUNITY COLLEGE	1
6860 - SOWELA COMMUNITY COLLEGE	2
7030 - LA. STATE EMPLOYEES RETIRE SYSTEM	1
7215 - NEW ORLEANS CITY PARK IMPROVEMENT ASSOC.	6
7223 - LA. NAVAL MEMORIAL COMMISSION	1
7315 - LA. HOUSING FIN AGY	2
7710 - COURTS OF APPEAL	19
7770 - LOUISIANA SUPREME COURT	2
7775 - CRIMINAL COURT-PARISH OF ORLEANS	1
7800 - DISTR COURTS	17
9996 - NON-AGY CLAIMS	5
Total By Major Coverage	1,367

Road Hazards

	Count
0550 - DOTD - OFC of ENG	1
0570 - OPS ADMIN	602
0594 - P.W. & INTERMODAL TRANSPORTATION	1
Total By Major Coverage	604

Auto Liability

	Count
0039 - OFC OF HOMELAND SECURITY & EMERG PREP	2
0230 - DEPARTMENT OF MILITARY AFFAIRS	17
0260 - VETERAN'S AFFAIRS	1
0270 - WAR VETERAN'S CTR	1
0279 - SOUTHEAST LA WAR VETERANS HOME	1
0410 - OFF. OF COMM. OF ADMIN	3
0455 - OFC OF RISK MGMT	1
0465 - LA. PROPERTY ASSISTANCE AGY	1
0470 - ADMINISTRATIVE SVCS PROGRAM	2
0550 - DOTD - OFC of ENG	2
0570 - OPS ADMIN	108
0912 - EARL K. LONG MC	1
0926 - MC OF LA AT N.O.	1
1015 - MEDICAL VENDOR ADMIN	2
1030 - OFC OF AGING & ADULT SVCS (OAAS)	3

Auto Liability

	Count
1280 - OFC OF PUBLIC HEALTH	6
1315 - FLORIDA PARISHES HUMAN SVCS AUTH	1
1330 - OFC OF MENTAL HEALTH	9
1540 - OFF. FOR CITIZENS WITH DEV. DISABILITIES	16
1750 - OFC OF ADDICTIVE DISORDERS	2
1801 - DSS - OFC OF SEC'Y	2
1803 - OFC OF FAMILY SUPPORT	1
1930 - OFC OF COMMUNITY SVCS	27
2010 - DOC-ADMIN	2
2020 - C. PAUL PHELPS CORR CTR	4
2030 - LOUISIANA STATE PENITENTIARY	14
2055 - AVOYELLES CORR CTR	1
2060 - LA. CORRECTN INST FOR WOMEN	1
2080 - DIXON CORR INST	8
2092 - J. LEVY DABADIE CORR CTR	2
2100 - ELAYN HUNT CORR CTR	15
2110 - WADE CORR CTR	1
2120 - DIV OF PROBATION & PAROLE	25
2150 - PRISON ENT	7
2180 - OFC OF JUVENILE JUSTICE	9
2210 - DPS - MGMT & FIN	3
2220 - OFC OF STATE POLICE	75
2238 - DONALD J. THIBODAUX TRNG ACADEMY	1
2260 - OFC OF STATE FIRE MARSHAL	3
2325 - OFF. COASTAL RESTORATION & MGT.	1
2330 - OFC OF CONSERVATION	1
2414 - DEQ-MGMT AND FIN	2
2420 - OFC OF ENVIR. COMPLIANCE	4
2430 - OFC OF ENVIR SVCS	1
2440 - OFC OF ENVIR ASSESMENT	1
2805 - DWLF-OFCE OF MGMT & FIN	1
2810 - OFC OF SEC'Y	14
2830 - OFC OF WILDLIFE	4
2850 - OFC OF FISHERIES	1
3131 - OFC OF STATE PARKS	3
3180 - OFC OF CULTURE DEV	1
3410 - OFC OF ATTORNEY GENERAL	12
3610 - OFF. OF THE STATE TREASURER	1
3710 - OFC OF AGRICULTURE	10
3900 - OFC OF FORESTRY	1
4155 - Education-State Activities	1
4200 - RECOVERY SCHOOL DISTR	1
4418 - LSU-BATON ROUGE	21
4438 - LSU-ALEXANDRIA	1

Auto Liability

	Count
4458 - UNIV OF NEW ORLEANS	3
4483 - LSU HEALTH SVCS CTR.-SHREVEPORT	2
4489 - LSU HEALTH SVCS CTR-NEW ORLEANS	11
4538 - LSU-AGRICULTURAL CTR	10
4618 - SOUTHERN UNIV-BATON ROUGE	2
4648 - SOUTHERN UNIV-NEW ORLEANS	1
4818 - NICHOLLS STATE UNIV	5
4998 - LOUISIANA TECH. UNIV	3
5038 - MCNEESE STATE UNIV	7
5078 - UNIV OF LOUISIANA AT MONROE	4
5158 - NORTHWESTERN STATE UNIV	2
5218 - SOUTHEASTERN LOUISIANA UNIV	7
5258 - UNIV OF LOUISIANA AT LAFAYETTE	8
5850 - LA SPECIAL EDUCATION CTR	2
5910 - LA. EDUCATIONAL TELEVISION AUTH	1
6005 - LCTCS - BOARD OF SUPERVISORS	1
6400 - LTC-REGION 6	2
6700 - ISAAC DELGADO COMMUNITY COLLEGE	1
6860 - SOWELA COMMUNITY COLLEGE	1
7050 - LA. TEACHERS RETIREMENT SYSTEM	1
7205 - MOTOR VEHICLE COMMISSION	2
7235 - LOUISIANA RECREATIONAL & USED MOTOR VEHICLE COMMISSION	1
Total By Major Coverage	540

Auto Physical Damage

	Count
0039 - OFC OF HOMELAND SECURITY & EMERG PREP	5
0230 - DEPARTMENT OF MILITARY AFFAIRS	21
0270 - WAR VETERAN'S CTR	1
0279 - SOUTHEAST LA WAR VETERANS HOME	2
0300 - OFC OF ELDERLY AFFAIRS	1
0410 - OFF. OF COMM. OF ADMIN	3
0465 - LA. PROPERTY ASSISTANCE AGY	2
0470 - ADMINISTRATIVE SVCS PROGRAM	3
0485 - OFC OF GROUP BENEFITS	3
0550 - DOTD - OFC of ENG	7
0570 - OPS ADMIN	99
0905 - HCSD ADMIN	1
0924 - LEONARD J. CHABERT MC	1
0926 - MC OF LA AT N.O.	1
1010 - OFC OF THE SEC'Y	3
1015 - MEDICAL VENDOR ADMIN	4
1030 - OFC OF AGING & ADULT SVCS (OAAS)	4

Auto Physical Damage

	Count
1210 - CAPITOL AREA HUMAN SVCS DISTR	1
1280 - OFC OF PUBLIC HEALTH	26
1310 - JEFF. PARISH HUMAN SVCS AUTH	3
1315 - FLORIDA PARISHES HUMAN SVCS AUTH	1
1325 - METROPOLITAN HUMAN SVCS DISTR	1
1330 - OFC OF MENTAL HEALTH	8
1540 - OFF. FOR CITIZENS WITH DEV. DISABILITIES	29
1750 - OFC OF ADDICTIVE DISORDERS	5
1801 - DSS - OFC OF SEC'Y	2
1803 - OFC OF FAMILY SUPPORT	4
1930 - OFC OF COMMUNITY SVCS	25
2010 - DOC-ADMIN	1
2020 - C. PAUL PHELPS CORR CTR	1
2030 - LOUISIANA STATE PENITENTIARY	11
2055 - AVOYELLES CORR CTR	3
2060 - LA. CORRECTN INST FOR WOMEN	2
2110 - WADE CORR CTR	1
2120 - DIV OF PROBATION & PAROLE	34
2130 - RAYBURN CORR CTR	1
2150 - PRISON ENT	6
2180 - OFC OF JUVENILE JUSTICE	33
2210 - DPS - MGMT & FIN	3
2220 - OFC OF STATE POLICE	153
2260 - OFC OF STATE FIRE MARSHAL	5
2325 - OFF. COASTAL RESTORATION & MGT.	1
2330 - OFC OF CONSERVATION	5
2410 - DEQ - OFC OF THE SEC'Y	2
2420 - OFC OF ENVIR. COMPLIANCE	2
2650 - OFC OF WORKFORCE DEV	2
2680 - OFC OF WORKERS' COMP	1
2805 - DWLF-OFM OF MGMT & FIN	2
2810 - OFC OF SEC'Y	31
2830 - OFC OF WILDLIFE	5
2850 - OFC OF FISHERIES	5
2910 - OFC OF REVENUE	1
2920 - LA OFC of Alcohol and Tobacco CTRL	2
3130 - OFC OF STATE MUSEUM	2
3131 - OFC OF STATE PARKS	6
3180 - OFC OF CULTURE DEV	1
3190 - OFC OF TOURISM	1
3210 - OFF. OF LIEUTENANT GOVERNOR	2
3305 - SEC'Y OF STATE	5
3410 - OFC OF ATTORNEY GENERAL	15
3710 - OFC OF AGRICULTURE	10

Auto Physical Damage

	Count
3900 - OFC OF FORESTRY	4
4155 - Education-State Activities	2
4200 - RECOVERY SCHOOL DISTR	2
4418 - LSU-BATON ROUGE	14
4438 - LSU-ALEXANDRIA	2
4458 - UNIV OF NEW ORLEANS	2
4482 - HUEY P. LONG MC	1
4483 - LSU HEALTH SVCS CTR.-SHREVEPORT	3
4488 - E.A. CONWAY MC	1
4489 - LSU HEALTH SVCS CTR-NEW ORLEANS	3
4538 - LSU-AGRICULTURAL CTR	6
4618 - SOUTHERN UNIV-BATON ROUGE	6
4818 - NICHOLLS STATE UNIV	3
4858 - GRAMBLING STATE UNIV	1
4998 - LOUISIANA TECH. UNIV	2
5038 - MCNEESE STATE UNIV	3
5078 - UNIV OF LOUISIANA AT MONROE	8
5158 - NORTHWESTERN STATE UNIV	3
5218 - SOUTHEASTERN LOUISIANA UNIV	8
5258 - UNIV OF LOUISIANA AT LAFAYETTE	4
5810 - LA. SCHOOL FOR VISUALLY IMPAIRED	3
5830 - LA. SCHOOL FOR THE DEAF	2
5850 - LA SPECIAL EDUCATION CTR	3
5958 - LA. UNIV MARINE CONSORTIUM	1
6100 - LTC-REGION 2	2
6240 - LTC-REGION 3	2
6580 - LTC-REGION 8	1
6820 - LOUISIANA DELTA COMMUNITY COLLEGE	1
7205 - MOTOR VEHICLE COMMISSION	1
7215 - NEW ORLEANS CITY PARK IMPROVEMENT ASSOC.	1
7610 - LA. HOUSE OF REPRESENTATIVES	1
Total By Major Coverage	717

Wet Marine

	Count
0550 - DOTD - OFC of ENG	13
0570 - OPS ADMIN	16
2810 - OFC OF SEC'Y	2
2850 - OFC OF FISHERIES	2
9996 - NON-AGY CLAIMS	1
Total By Major Coverage	34

Aviation

	Count
2220 - OFC OF STATE POLICE	1
3710 - OFC OF AGRICULTURE	1
3900 - OFC OF FORESTRY	1
Total By Major Coverage	3

Property

	Count
0020 - OFC OF THE GOVERNOR	1
0039 - OFC OF HOMELAND SECURITY & EMERG PREP	1
0230 - DEPARTMENT OF MILITARY AFFAIRS	400
0250 - LSED - SUPERDOME	1
0255 - SAINTS TRNG FACILITY (LSED #3)	1
0256 - JEFFERSON BASEBALL STADIUM-LSED #1	1
0257 - NEW ORLEANS SPORTS ARENA	1
0258 - ALARIO CTR	1
0270 - WAR VETERAN'S CTR	4
0279 - SOUTHEAST LA WAR VETERANS HOME	1
0360 - OFC OF COSMETOLOGY	1
0410 - OFF. OF COMM. OF ADMIN	54
0440 - OFC OF AIRCRAFT SVCS	4
0465 - LA. PROPERTY ASSISTANCE AGY	1
0550 - DOTD - OFC of ENG	7
0570 - OPS ADMIN	97
0650 - DOTD-H.Q./MGMT & FIN	3
0655 - SABINE RIVER AUTH	1
0905 - HCSD ADMIN	1
0912 - EARL K. LONG MC	10
0916 - UNIV MC	3
0918 - W. O. MOSS RMC	2
0920 - LALLIE KEMP RMC	1
0922 - WASHINGTON-ST. TAMMANY RMC	4
0924 - LEONARD J. CHABERT MC	4
0926 - MC OF LA AT N.O.	7
1030 - OFC OF AGING & ADULT SVCS (OAAS)	19
1210 - CAPITOL AREA HUMAN SVCS DISTR	2
1280 - OFC OF PUBLIC HEALTH	8
1315 - FLORIDA PARISHES HUMAN SVCS AUTH	2
1325 - METROPOLITAN HUMAN SVCS DISTR	2
1330 - OFC OF MENTAL HEALTH	76
1540 - OFF. FOR CITIZENS WITH DEV. DISABILITIES	38
1801 - DSS - OFC OF SEC'Y	1
1803 - OFC OF FAMILY SUPPORT	3
2010 - DOC-ADMIN	10
2020 - C. PAUL PHELPS CORR CTR	10

Boiler & Machinery

	Count
2110 - WADE CORR CTR	1
4418 - LSU-BATON ROUGE	2
4489 - LSU HEALTH SVCS CTR-NEW ORLEANS	1
4498 - LSU-EUNICE	3
4538 - LSU-AGRICULTURAL CTR	2
4618 - SOUTHERN UNIV-BATON ROUGE	8
4858 - GRAMBLING STATE UNIV	3
5038 - MCNEESE STATE UNIV	2
5078 - UNIV OF LOUISIANA AT MONROE	2
5158 - NORTHWESTERN STATE UNIV	2
5218 - SOUTHEASTERN LOUISIANA UNIV	4
5258 - UNIV OF LOUISIANA AT LAFAYETTE	3
5910 - LA. EDUCATIONAL TELEVISION AUTH	3
6100 - LTC-REGION 2	1
6400 - LTC-REGION 6	1
6580 - LTC-REGION 8	1
6740 - BATON ROUGE COMMUNITY COLLEGE	1
Total By Major Coverage	62

Bonds Liability

	Count
1280 - OFC OF PUBLIC HEALTH	1
5218 - SOUTHEASTERN LOUISIANA UNIV	1
Total By Major Coverage	2

Crime

	Count
1540 - OFF. FOR CITIZENS WITH DEV. DISABILITIES	1
5258 - UNIV OF LOUISIANA AT LAFAYETTE	1
7215 - NEW ORLEANS CITY PARK IMPROVEMENT ASSOC.	1
Total By Major Coverage	3

Med Mal/Hpl

	Count
0279 - SOUTHEAST LA WAR VETERANS HOME	1
0912 - EARL K. LONG MC	5
0916 - UNIV MC	5
0918 - W. O. MOSS RMC	1
0920 - LALLIE KEMP RMC	3
0922 - WASHINGTON-ST. TAMMANY RMC	7
0924 - LEONARD J. CHABERT MC	13
0926 - MC OF LA AT N.O.	24
1030 - OFC OF AGING & ADULT SVCS (OAAS)	1
1330 - OFC OF MENTAL HEALTH	1
1540 - OFF. FOR CITIZENS WITH DEV. DISABILITIES	1
2030 - LOUISIANA STATE PENITENTIARY	1
4413 - PENNINGTON BIOMED. RESEARCH CTR.	1
4418 - LSU-BATON ROUGE	3
4482 - HUEY P. LONG MC	8
4483 - LSU HEALTH SVCS CTR.-SHREVEPORT	69
4488 - E.A. CONWAY MC	14
4489 - LSU HEALTH SVCS CTR-NEW ORLEANS	18
Total By Major Coverage	176

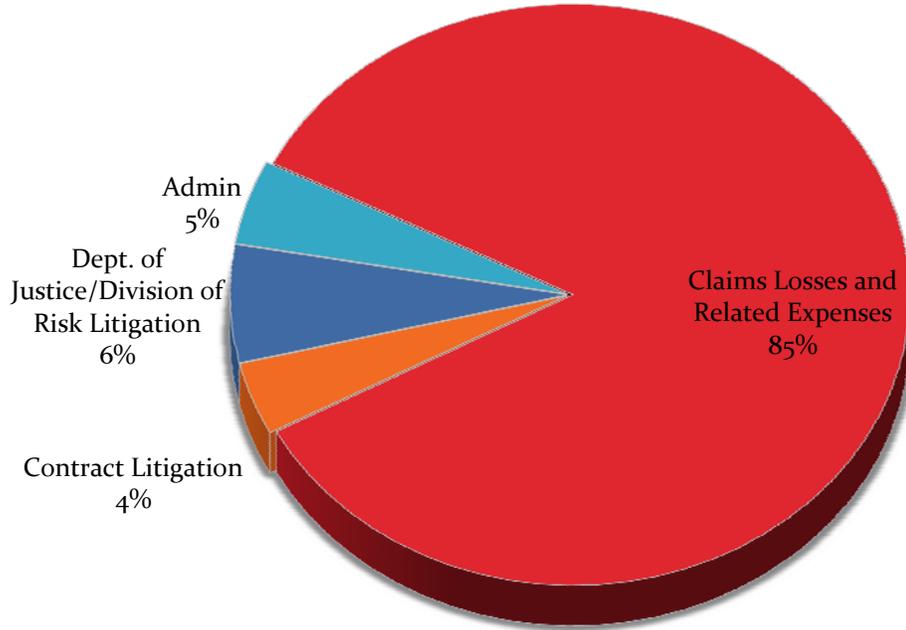
Miscellaneous

	Count
(N/A) -	15
0570 - OPS ADMIN	64
9996 - NON-AGY CLAIMS	1
Total By Major Coverage	80

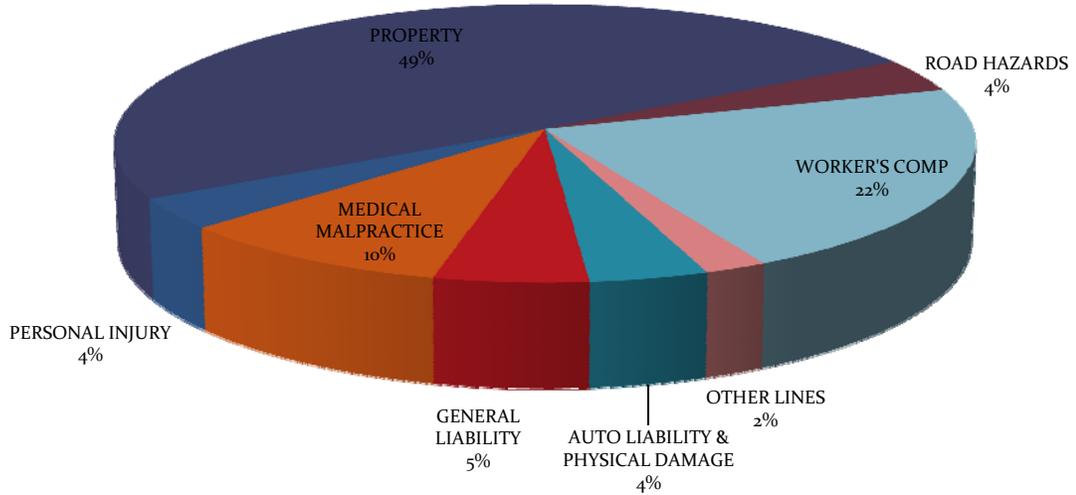
Total Claims Reported FY09	10,626
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PROGRAM COSTS

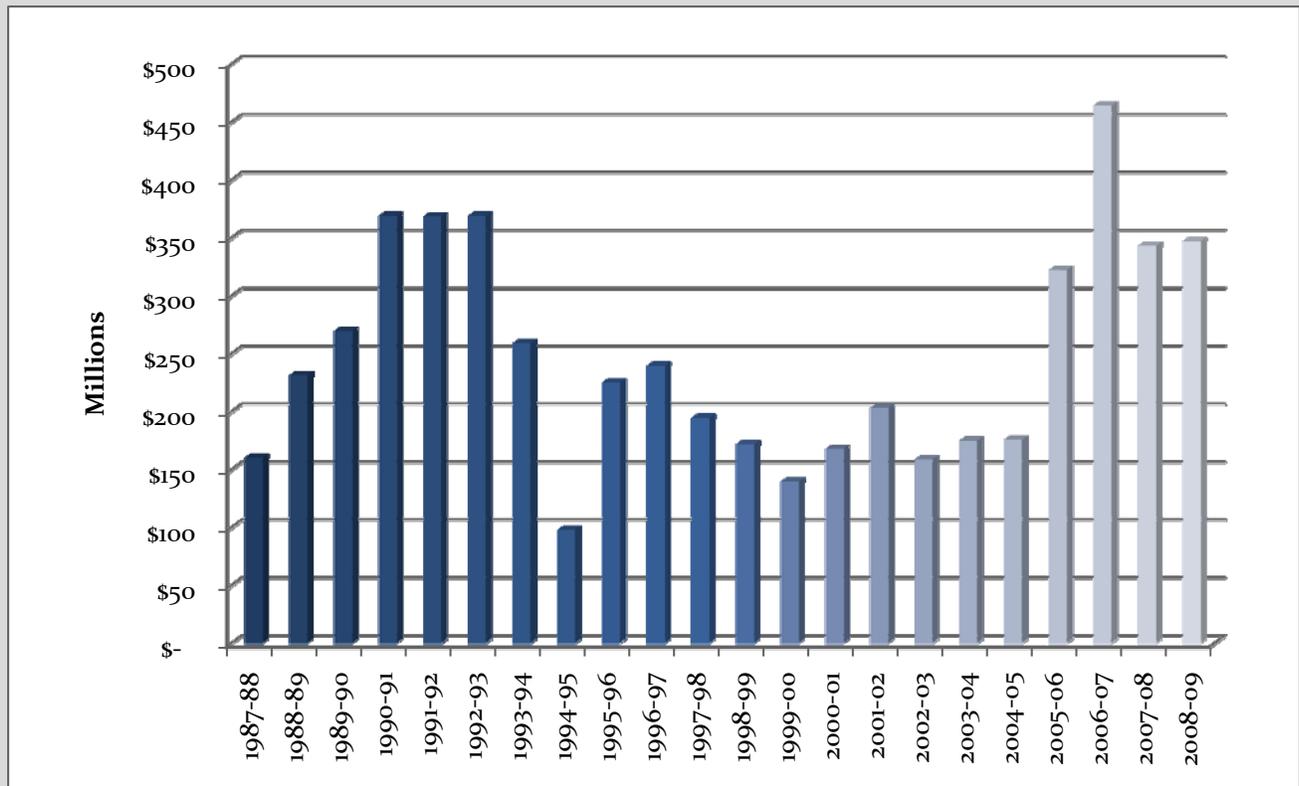
Cash Expenditures by Budget Program



Cash Expenditures by Line of Coverage

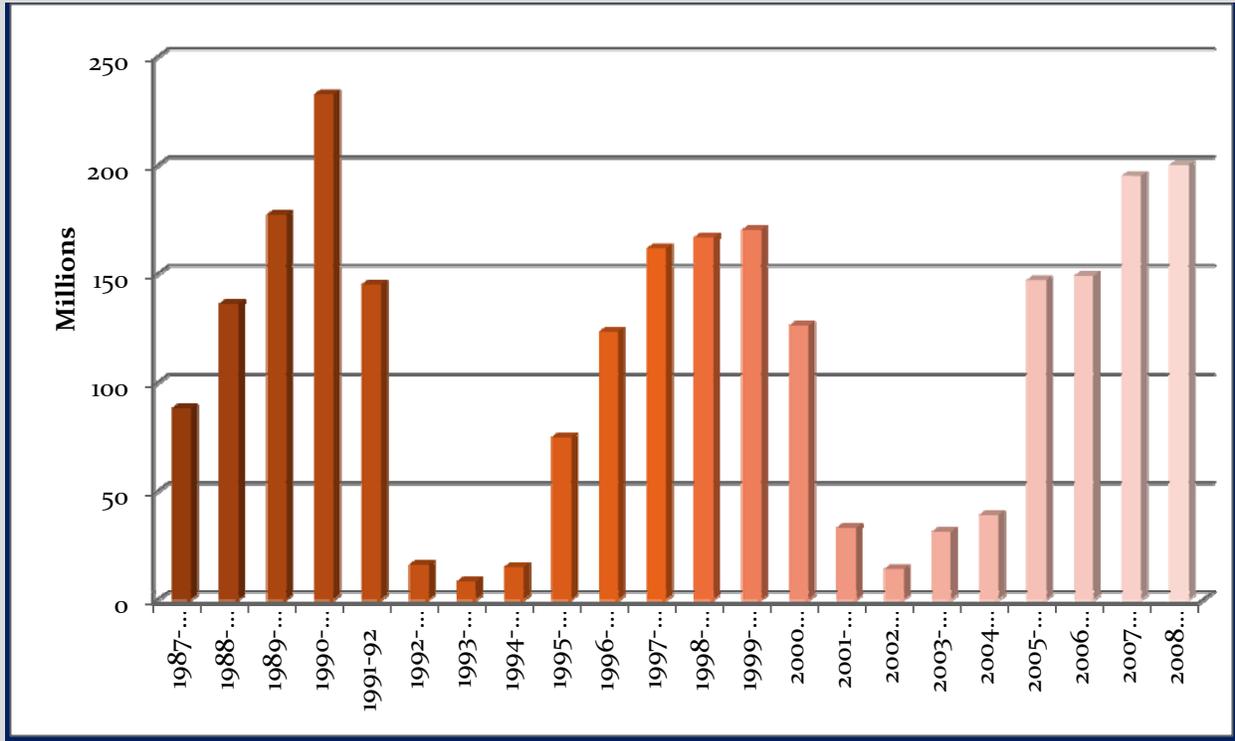


TOTAL BUDGET BY FISCAL YEAR



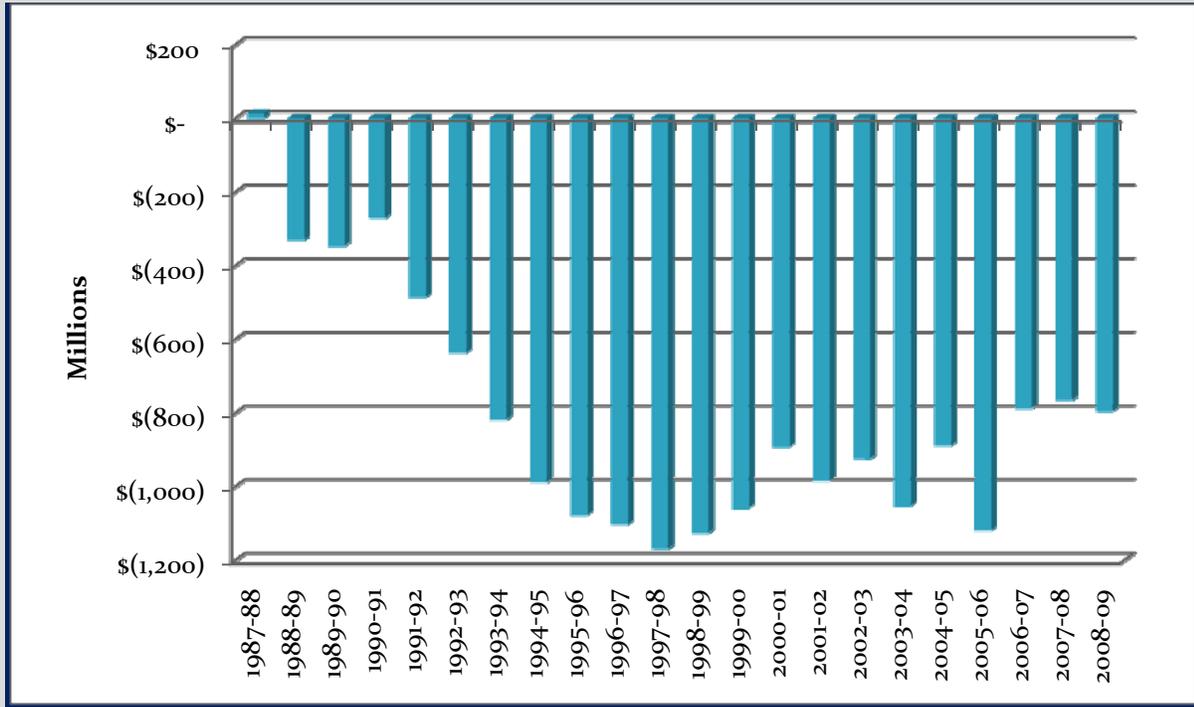
Fiscal Year	Total Budget
1987-88	\$ 160,000,000
1988-89	\$ 231,163,517
1989-90	\$ 269,404,983
1990-91	\$ 368,818,757
1991-92	\$ 368,317,741
1992-93	\$ 368,844,694
1993-94	\$ 258,879,001
1994-95	\$ 97,565,325
1995-96	\$ 224,846,405
1996-97	\$ 239,326,671
1997-98	\$ 194,393,632
1998-99	\$ 171,675,510
1999-00	\$ 139,457,883
2000-01	\$ 167,491,519
2001-02	\$ 202,870,410
2002-03	\$ 158,581,579
2003-04	\$ 174,740,353
2004-05	\$ 175,535,660
2005-06	\$ 321,701,737
2006-07	\$ 464,156,821
2007-08	\$ 343,297,168
2008-09	\$ 347,219,120

TOTAL CASH BALANCE



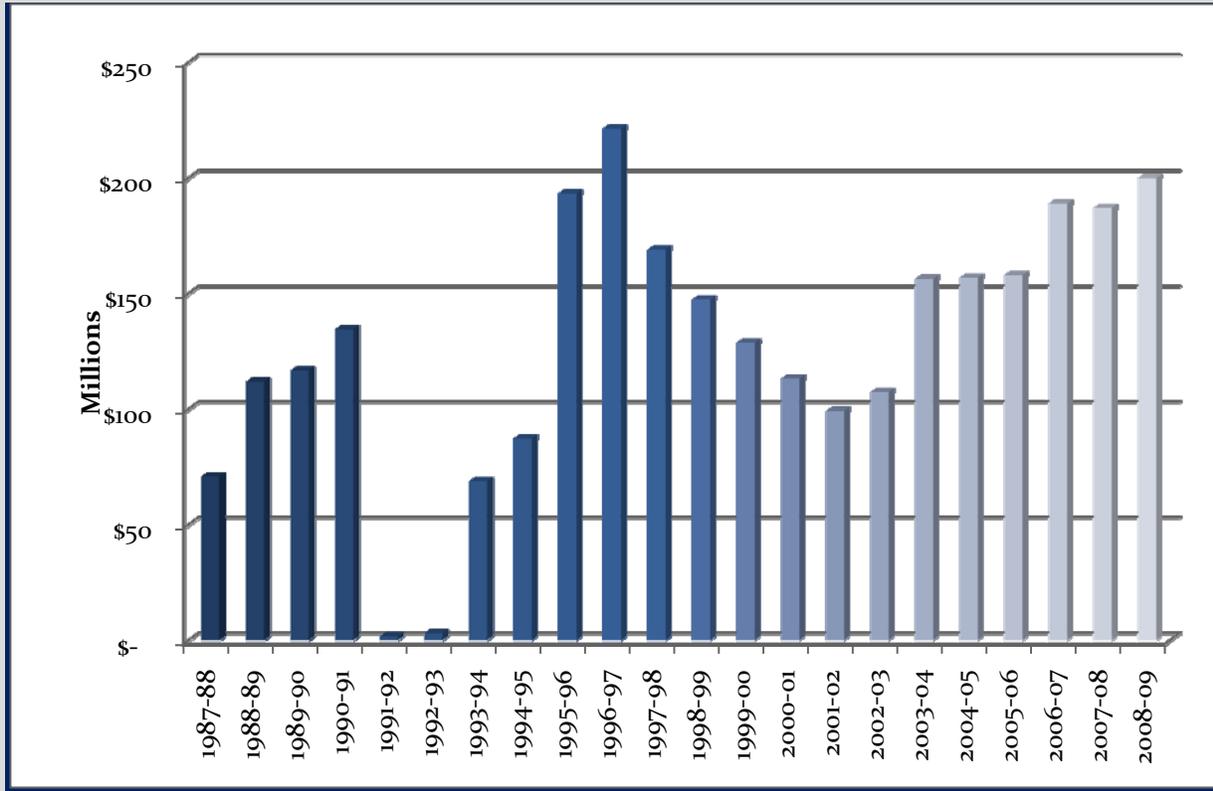
Fiscal Year	Total Cash Balance
1987-88	\$ 87,983,512
1988-89	\$ 136,197,880
1989-90	\$ 177,167,033
1990-91	\$ 232,570,471
1991-92	\$ 145,048,419
1992-93	\$ 16,054,526
1993-94	\$ 8,284,465
1994-95	\$ 15,004,482
1995-96	\$ 74,693,176
1996-97	\$ 123,354,824
1997-98	\$ 161,624,140
1998-99	\$ 166,761,033
1999-00	\$ 170,099,177
2000-01	\$ 126,071,172
2001-02	\$ 33,018,390
2002-03	\$ 13,960,861
2003-04	\$ 31,102,806
2004-05	\$ 38,890,171
2005-06	\$ 146,762,225
2006-07	\$ 149,320,353
2007-08	\$ 195,228,282
2008-09	\$ 200,165,299

TOTAL FUND EQUITY



Fiscal Year	Total Fund Equity
1987-88	\$ 13,014,112
1988-89	\$ (331,090,858)
1989-90	\$ (346,662,508)
1990-91	\$ (271,958,071)
1991-92	\$ (486,507,461)
1992-93	\$ (637,901,253)
1993-94	\$ (818,644,299)
1994-95	\$ (989,537,511)
1995-96	\$ (1,078,065,151)
1996-97	\$ (1,103,819,414)
1997-98	\$ (1,169,748,070)
1998-99	\$ (1,126,332,490)
1999-00	\$ (1,058,050,563)
2000-01	\$ (892,190,771)
2001-02	\$ (984,477,740)
2002-03	\$ (925,082,756)
2003-04	\$ (1,052,983,515)
2004-05	\$ (889,864,059)
2005-06	\$ (1,119,192,580)
2006-07	\$ (788,227,395)
2007-08	\$ (766,314,282)
2008-09	\$ (796,628,244)

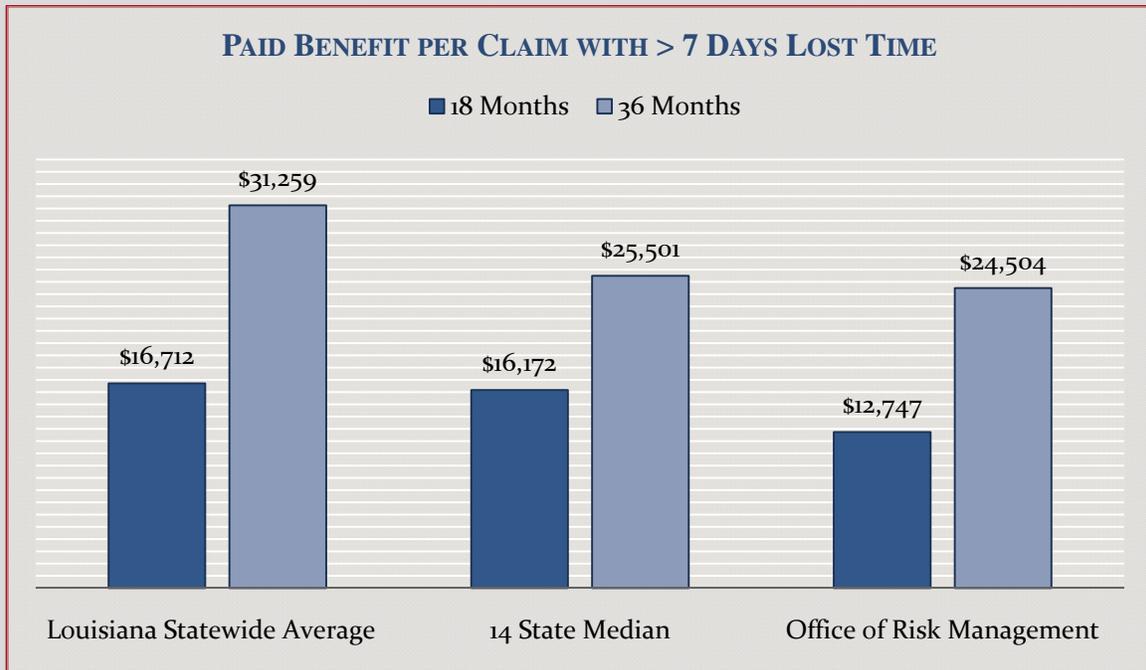
TOTAL PREMIUM COLLECTED



Fiscal Year	Total Premium Collected
1987-88	\$ 70,933,701
1988-89	\$ 111,864,517
1989-90	\$ 116,745,861
1990-91	\$ 134,591,411
1991-92	\$ 1,775,132
1992-93	\$ 3,145,241
1993-94	\$ 68,845,869
1994-95	\$ 87,348,273
1995-96	\$ 193,360,233
1996-97	\$ 221,425,973
1997-98	\$ 169,004,359
1998-99	\$ 147,388,790
1999-00	\$ 128,793,146
2000-01	\$ 113,254,354
2001-02	\$ 99,215,760
2002-03	\$ 107,363,592
2003-04	\$ 156,403,159
2004-05	\$ 156,848,117
2005-06	\$ 157,766,241
2006-07	\$ 189,776,122
2007-08	\$ 187,357,289
2008-09	\$ 199,656,108

COMPARISONS (COSTS AND INCIDENT RATES)

According to the Workers Compensation Research Institute CompScope Benchmarks for Louisiana, 8th Edition, the current state expenditure per claim is less than the expenditures of the Louisiana statewide average and the median of the 14 states that the Institute tracks. The benefits for claims incurred with more than seven days lost time are:



Second Injury Fund recoveries were not included in the benchmarking by WCRI nor ORM for data integrity as all States do not have SIFs or the recovery amounts may vary.

The current claims experience of ORM reflects a reduction of over 20% in overall claims because of the practices implemented over the last five years to reduce occurrence rates.

FINANCIAL STATEMENT-STATE SELF-INSURANCE FUND

OFFICE OF RISK MANAGEMENT

Balance Sheet

ASSETS

Cash and investments	\$200,165,299
Insurance/reinsurance balances receivable	\$25,782,641
Interest receivable and other assets	\$1,320,125
Prepaid insurance	\$46,399,380
Machinery	\$563,318
Less: Accumulated depreciation	\$410,621
TOTAL ASSETS	\$273,820,142

LIABILITIES AND FUND EQUITY

<u>Liabilities</u>	
Loss and expense reserves	\$878,207,618
Unearned premium	\$216,683
Other liabilities	\$192,024,085
Total Liabilities	\$1,070,448,386
<u>Fund Equity</u>	
Total Fund Equity	-\$796,628,244
TOTAL LIABILITIES AND FUND EQUITY	\$273,820,142

Statement of Revenues and Expenses

OPERATING REVENUES

Premiums written	\$190,909,327
Other Revenue	\$33,236
Hurricane Recoveries	\$384,983
General fund appr./non-tort reimbursement	\$12,638,835
Add unearned premium from prior year	\$180,321
Less unearned premium at statement date	\$216,683
Less cost of insurance	\$60,521,844
TOTAL INCOME	\$143,408,175

OPERATING EXPENSES

General and administrative expenses	\$7,407,340
<u>Claims cost:</u>	
Losses	\$160,871,237
Allocated loss adjustment expense	\$36,319,197
Unallocated loss adjustment expense	\$8,013,047
Change in provision for losses/expenses	\$2,384,649
TOTAL EXPENSES	\$214,995,470
NET INCOME/(LOSS) FROM OPERATIONS	-\$71,587,295

NON-OPERATING REVENUES AND EXPENSES

Interest income	\$4,491,394
TOTAL OTHER INCOME/(LOSS)	\$4,491,394
TOTAL NET INCOME/(LOSS)	-\$67,095,901

FUND EQUITY

Retained Earnings/Fund Balance at July 1, 2008	-\$766,314,282
Current income(loss)	-\$67,095,901
Transfer of Future Medical Funds	\$287,994
Prior year adjustments	\$36,493,945
Retained Earnings/Fund Balance at June 30, 2009	-\$796,628,244

FINANCIAL STATEMENTS BY ACCOUNT (COVERAGE)

AUTO LIABILITY

Balance Sheet

ASSETS

Cash and investments	\$17,158,831
Insurance/reinsurance balances receivable	\$6,444
Interest receivable and other assets	\$3,579
Machinery	\$72,783
Less: Accumulated depreciation	\$57,761
TOTAL ASSETS	\$17,183,876

LIABILITIES AND FUND EQUITY

Liabilities	
Loss and expense reserves	\$32,182,339
Other liabilities	\$87,495
Total Liabilities	\$32,269,834
Fund Equity	
Total Fund Equity	-\$15,085,958
TOTAL LIABILITIES AND FUND EQUITY	\$17,183,876

Statement of Revenues and Expenses

OPERATING REVENUES

Premiums written	\$6,969,675
TOTAL INCOME	\$6,969,675

OPERATING EXPENSES

General and administrative expenses	\$231,027
Claims cost:	
Losses	\$7,199,496
Allocated loss adjustment expense	\$1,926,816
Unallocated loss adjustment expense	\$189,545
Change in provision for losses/expenses	\$5,489,799
TOTAL EXPENSES	\$15,036,683
NET INCOME/(LOSS) FROM OPERATIONS	-\$8,067,008

NON-OPERATING REVENUES AND EXPENSES

Interest income	\$133,935
TOTAL OTHER INCOME/(LOSS)	\$133,935
TOTAL NET INCOME/(LOSS)	-\$7,933,073

FUND EQUITY

Retained Earnings/Fund Balance at July 1, 2008	-\$8,532,631
Current income(loss)	-\$7,933,073
Prior year adjustments	\$1,379,746
Retained Earnings/Fund Balance at June 30, 2009	-\$15,085,958

AUTO PHYSICAL DAMAGE

Balance Sheet

ASSETS

Cash and investments	-\$847,872
Insurance/reinsurance balances receivable	\$448,421
Machinery	\$2,925
Less: Accumulated depreciation	\$1,009
TOTAL ASSETS	<u><u>-\$397,535</u></u>

LIABILITIES AND FUND EQUITY

Liabilities	
Loss and expense reserves	\$991,630
Other liabilities	\$46,982
Total Liabilities	<u>\$1,038,612</u>
Fund Equity	
Total Fund Equity	<u>-\$1,436,147</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>-\$397,535</u></u>

Statement of Revenues and Expenses

OPERATING REVENUES

Premiums written	\$2,301,492
TOTAL INCOME	<u>\$2,301,492</u>

OPERATING EXPENSES

General and administrative expenses	\$290,646
Claims cost:	
Losses	\$961,417
Allocated loss adjustment expense	\$97,855
Unallocated loss adjustment expense	\$195,796
Change in provision for losses/expenses	\$464,034
TOTAL EXPENSES	<u>\$2,009,748</u>
NET INCOME/(LOSS) FROM OPERATIONS	<u>\$291,744</u>

NON-OPERATING REVENUES AND EXPENSES

Interest income	\$0
TOTAL OTHER INCOME/(LOSS)	<u>\$0</u>
TOTAL NET INCOME/(LOSS)	<u><u>\$291,744</u></u>

FUND EQUITY

Retained Earnings/Fund Balance at July 1, 2008	-\$3,463,702
Current income(loss)	\$291,744
Prior year adjustments	\$1,735,811
Retained Earnings/Fund Balance at June 30, 2009	<u><u>-\$1,436,147</u></u>

BONDS AND CRIME

Balance Sheet

	<u>Bonds</u>	<u>Crime</u>
<u>ASSETS</u>		
Cash and investments	\$926,636	\$936,744
Insurance/reinsurance balances receivable	\$10,228	\$38,670
Interest receivable and other assets	\$193	\$195
Prepaid insurance	\$0	\$20,635
Machinery	\$708	\$1,966
Less: Accumulated depreciation	\$475	\$1,588
TOTAL ASSETS	<u>\$937,290</u>	<u>\$996,622</u>
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities		
Loss and expense reserves	\$597,293	\$10,830
Other liabilities	\$953	\$408
Total Liabilities	<u>\$598,246</u>	<u>\$11,238</u>
Fund Equity		
Total Fund Equity	\$339,044	\$985,384
TOTAL LIABILITIES AND FUND EQUITY	<u>\$937,290</u>	<u>\$996,622</u>

Statement of Revenues and Expenses

<u>OPERATING REVENUES</u>		
Premiums written	\$76,278	\$8,591
Less cost of insurance	\$0	\$20,635
TOTAL INCOME	<u>\$76,278</u>	<u>-\$12,044</u>
<u>OPERATING EXPENSES</u>		
General and administrative expenses	\$9,485	\$4,067
Claims cost:		
Losses	-\$6,991	\$854
Allocated loss adjustment expense	\$11,711	\$398
Unallocated loss adjustment expense	\$1,670	\$716
Change in provision for losses/expenses	\$30,797	\$5,882
TOTAL EXPENSES	<u>\$46,672</u>	<u>\$11,917</u>
NET INCOME/(LOSS) FROM OPERATIONS	<u>\$29,606</u>	<u>-\$23,961</u>
<u>NON-OPERATING REVENUES AND EXPENSES</u>		
Interest income	\$6,406	\$6,764
TOTAL OTHER INCOME/(LOSS)	<u>\$6,406</u>	<u>\$6,764</u>
TOTAL NET INCOME/(LOSS)	<u>\$36,012</u>	<u>-\$17,197</u>
<u>FUND EQUITY</u>		
Retained Earnings/Fund Balance at July 1, 2008	\$246,384	\$978,303
Current income(loss)	\$36,012	-\$17,197
Prior year adjustments	\$56,648	\$24,278
Retained Earnings/Fund Balance at June 30, 2009	<u>\$339,044</u>	<u>\$985,384</u>

WORKERS COMP AND MARITIME

Balance Sheet

	Worker's Compensation	Maritime
<u>ASSETS</u>		
Cash and investments	\$27,924,384	\$4,731,597
Insurance/reinsurance balances receivable	\$2,371,058	\$0
Interest receivable and other assets	\$1,164,160	\$983
Prepaid insurance	\$486,032	\$0
Machinery	\$249,039	\$27,131
Less: Accumulated depreciation	\$176,769	\$22,094
TOTAL ASSETS	\$32,017,904	\$4,737,617
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities		
Loss and expense reserves	\$356,146,512	\$6,981,815
Other liabilities	\$2,956,437	\$16,063
Total Liabilities	\$359,102,949	\$6,997,878
Fund Equity		
Total Fund Equity	-\$327,085,045	-\$2,260,261
TOTAL LIABILITIES AND FUND EQUITY	\$32,017,904	\$4,737,617

Statement of Revenues and Expenses

<u>OPERATING REVENUES</u>		
Premiums written	\$64,476,253	\$1,164,926
Add unearned premium from prior year	\$0	\$0
Less cost of insurance	\$972,520	\$0
TOTAL INCOME	\$63,503,733	\$1,164,926
<u>OPERATING EXPENSES</u>		
General and administrative expenses	\$2,911,534	\$48,103
Claims cost:		
Losses	\$45,718,496	\$561,921
Allocated loss adjustment expense	\$5,095,454	\$267,782
Unallocated loss adjustment expense	\$4,623,456	\$8,469
Change in provision for losses/expenses	\$17,982,502	\$2,850
TOTAL EXPENSES	\$76,331,442	\$889,125
NET INCOME/(LOSS) FROM OPERATIONS	-\$12,827,709	\$275,801
<u>NON-OPERATING REVENUES AND EXPENSES</u>		
Interest income	\$221,522	\$33,732
TOTAL OTHER INCOME/(LOSS)	\$221,522	\$33,732
TOTAL NET INCOME/(LOSS)	-\$12,606,187	\$309,533
<u>FUND EQUITY</u>		
Retained Earnings/Fund Balance at July 1, 2008	-\$328,090,196	-\$2,857,074
Current income(loss)	-\$12,606,187	\$309,533
Prior year adjustments	\$13,611,338	\$287,280
Retained Earnings/Fund Balance at June 30, 2009	-\$327,085,045	-\$2,260,261

PROPERTY
Balance Sheet

ASSETS

Cash and investments	\$42,702,892
Insurance/reinsurance balances receivable	\$5,643,101
Interest receivable and other assets	\$45,041
Prepaid insurance	\$42,462,244
Machinery	\$18,423
Less: Accumulated depreciation	\$11,783
TOTAL ASSETS	\$90,859,918

LIABILITIES AND FUND EQUITY

Liabilities	
Loss and expense reserves	\$52,247,189
Unearned premium	\$216,683
Other liabilities	\$187,651,879
Total Liabilities	\$240,115,751
Fund Equity	
Total Fund Equity	-\$149,255,833
TOTAL LIABILITIES AND FUND EQUITY	\$90,859,918

Statement of Revenues and Expenses

OPERATING REVENUES

Premiums written	\$71,410,197
Hurricane Recoveries	\$384,983
Add unearned premium from prior year	\$180,321
Less unearned premium at statement date	\$216,683
Less cost of insurance	\$56,187,840
TOTAL INCOME	\$15,570,978

OPERATING EXPENSES

General and administrative expenses	\$195,797
Claims cost:	
Losses	\$74,135,528
Allocated loss adjustment expense	\$3,888,533
Unallocated loss adjustment expense	\$593,321
Change in provision for losses/expenses	\$17,210,149
TOTAL EXPENSES	\$96,023,328
NET INCOME/(LOSS) FROM OPERATIONS	-\$80,452,350

NON-OPERATING REVENUES AND EXPENSES

Interest income	\$423,676
TOTAL OTHER INCOME/(LOSS)	\$423,676
TOTAL NET INCOME/(LOSS)	-\$80,028,674

FUND EQUITY

Retained Earnings/Fund Balance at July 1, 2008	-\$66,428,686
Current income(loss)	-\$80,028,674
Prior year adjustments	-\$2,798,473
Retained Earnings/Fund Balance at June 30, 2009	-\$149,255,833

GENERAL LIABILITY

Balance Sheet

ASSETS

Cash and investments	\$184,623,190
Insurance/reinsurance balances receivable	\$7,040,146
Interest receivable and other assets	\$40,226
Prepaid insurance	\$533,732
Machinery	\$144,417
Less: Accumulated depreciation	\$112,889
TOTAL ASSETS	<u>\$192,268,822</u>

LIABILITIES AND FUND EQUITY

Liabilities	
Loss and expense reserves	\$85,052,390
Other liabilities	\$245,461
Total Liabilities	<u>\$85,297,851</u>
Fund Equity	
Total Fund Equity	<u>\$106,970,971</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$192,268,822</u>

Statement of Revenues and Expenses

OPERATING REVENUES

Premiums written	\$12,503,250
Add unearned premium from prior year	\$0
Less cost of insurance	\$533,732
TOTAL INCOME	<u>\$11,969,518</u>

OPERATING EXPENSES

General and administrative expenses	\$689,628
Claims cost:	
Losses	\$6,068,224
Allocated loss adjustment expense	\$6,748,270
Unallocated loss adjustment expense	\$351,268
Change in provision for losses/expenses	\$1,715,764
TOTAL EXPENSES	<u>\$15,573,154</u>
NET INCOME/(LOSS) FROM OPERATIONS	<u>-\$3,603,636</u>

NON-OPERATING REVENUES AND EXPENSES

Interest income	\$1,386,752
TOTAL OTHER INCOME/(LOSS)	<u>\$1,386,752</u>
TOTAL NET INCOME/(LOSS)	<u>-\$2,216,884</u>

FUND EQUITY

Retained Earnings/Fund Balance at July 1, 2008	\$105,068,848
Current income(loss)	-\$2,216,884
Prior year adjustments	\$4,119,007
Retained Earnings/Fund Balance at June 30, 2009	<u>\$106,970,971</u>

PERSONAL INJURY
Balance Sheet

ASSETS

Cash and investments	\$8,854,825
Insurance/reinsurance balances receivable	\$3,092
Interest receivable and other assets	\$1,873
Machinery	-\$9,602
Less: Accumulated depreciation	\$1,035
TOTAL ASSETS	\$8,849,153

LIABILITIES AND FUND EQUITY

Liabilities	
Loss and expense reserves	\$41,820,883
Other liabilities	\$114,488
Total Liabilities	\$41,935,371
Fund Equity	
Total Fund Equity	-\$33,086,218
TOTAL LIABILITIES AND FUND EQUITY	\$8,849,153

Statement of Revenues and Expenses

OPERATING REVENUES

Premiums written	\$9,271,597
TOTAL INCOME	\$9,271,597

OPERATING EXPENSES

General and administrative expenses	\$473,569
Claims cost:	
Losses	\$4,730,699
Allocated loss adjustment expense	\$4,390,103
Unallocated loss adjustment expense	\$299,790
Change in provision for losses/expenses	-\$1,878,501
TOTAL EXPENSES	\$8,015,660
NET INCOME/(LOSS) FROM OPERATIONS	\$1,255,937

NON-OPERATING REVENUES AND EXPENSES

Interest income	\$75,917
TOTAL OTHER INCOME/(LOSS)	\$75,917
TOTAL NET INCOME/(LOSS)	\$1,331,854

FUND EQUITY

Retained Earnings/Fund Balance at July 1, 2008	-\$37,246,347
Current income(loss)	\$1,331,854
Prior year adjustments	\$2,828,275
Retained Earnings/Fund Balance at June 30, 2009	-\$33,086,218

MARINE, AVIATION, AND BOILER & MACHINERY

Balance Sheet

	Marine Risk Group	Aviation Risk Group	Boiler & Machinery Risk Group
ASSETS			
Cash and investments	-\$8,307,219	\$1,821,217	-\$1,071,017
Insurance/reinsurance balances receivable	\$34,041	\$9,175	\$258,504
Interest receivable and other assets	\$0	\$379	\$0
Prepaid insurance	\$2,161,436	\$0	\$735,301
Machinery	\$945	\$464	\$7,113
Less: Accumulated depreciation	\$129	\$252	\$5,498
TOTAL ASSETS	-\$6,110,926	\$1,830,983	-\$75,597
LIABILITIES AND FUND EQUITY			
Liabilities			
Loss and expense reserves	\$2,099,023	\$3,097,803	\$1,241,899
Other liabilities	\$9,044	\$136	\$4,068
Total Liabilities	\$2,108,067	\$3,097,939	\$1,245,967
Fund Equity			
Total Fund Equity	-\$8,218,993	-\$1,266,956	-\$1,321,564
TOTAL LIABILITIES AND FUND EQUITY	-\$6,110,926	\$1,830,983	-\$75,597

Statement of Revenues and Expenses

OPERATING REVENUES			
Premiums written	\$2,686,499	\$929,861	\$1,950,609
Add unearned premium from prior year	\$0	\$0	\$0
Less cost of insurance	\$2,116,215	\$0	\$690,902
TOTAL INCOME	\$570,284	\$929,861	\$1,259,707
OPERATING EXPENSES			
General and administrative expenses	\$20,325	\$1,356	\$39,972
Claims cost:			
Losses	\$735,967	\$2,585	\$574,075
Allocated loss adjustment expense	\$70,972	\$132	\$15,585
Unallocated loss adjustment expense	\$3,579	\$239	\$7,038
Change in provision for losses/expenses	\$553,897	-\$937	\$534,480
TOTAL EXPENSES	\$1,384,740	\$3,375	\$1,171,150
NET INCOME/(LOSS) FROM OPERATIONS	-\$814,456	\$926,486	\$88,557
NON-OPERATING REVENUES AND EXPENSES			
Interest income	\$0	\$10,547	\$0
TOTAL OTHER INCOME/(LOSS)	\$0	\$10,547	\$0
TOTAL NET INCOME/(LOSS)	-\$814,456	\$937,033	\$88,557
FUND EQUITY			
Retained Earnings/Fund Balance at July 1, 2008	-\$7,525,922	-\$2,212,081	-\$1,648,844
Current income(loss)	-\$814,456	\$937,033	\$88,557
Prior year adjustments	\$121,385	\$8,092	\$238,723
Retained Earnings/Fund Balance at June 30, 2009	-\$8,218,993	-\$1,266,956	-\$1,321,564

MEDICAL MALPRACTICE

Balance Sheet

ASSETS

Cash and investments	\$265,225,210
Insurance/reinsurance balances receivable	\$9,919,761
Interest receivable and other assets	\$63,496
Machinery	\$22,280
Less: Accumulated depreciation	\$6,646
TOTAL ASSETS	\$275,224,101

LIABILITIES AND FUND EQUITY

Liabilities	
Loss and expense reserves	\$131,139,085
Other liabilities	\$344,710
Total Liabilities	\$131,483,795
Fund Equity	
Total Fund Equity	\$143,740,306
TOTAL LIABILITIES AND FUND EQUITY	\$275,224,101

Statement of Revenues and Expenses

OPERATING REVENUES

Premiums written	\$17,160,099
Other Revenue	\$33,236
TOTAL INCOME	\$17,193,335

OPERATING EXPENSES

General and administrative expenses	\$965,821
Claims cost:	
Losses	\$18,015,642
Allocated loss adjustment expense	\$6,406,464
Unallocated loss adjustment expense	\$815,910
Change in provision for losses/expenses	-\$9,762,710
TOTAL EXPENSES	\$16,441,127
NET INCOME/(LOSS) FROM OPERATIONS	\$752,208

NON-OPERATING REVENUES AND EXPENSES

Interest income	\$2,186,450
TOTAL OTHER INCOME/(LOSS)	\$2,186,450
TOTAL NET INCOME/(LOSS)	\$2,938,658

FUND EQUITY

Retained Earnings/Fund Balance at July 1, 2008	\$135,035,573
Current income(loss)	\$2,938,658
Prior year adjustments	\$5,766,075
Retained Earnings/Fund Balance at June 30, 2009	\$143,740,306

ROAD HAZARDS
Balance Sheet

ASSETS

Cash and investments	-\$355,133,846
Machinery	\$24,726
Less: Accumulated depreciation	\$12,693
TOTAL ASSETS	-\$355,121,813

LIABILITIES AND FUND EQUITY

Liabilities	
Loss and expense reserves	\$164,598,927
Other liabilities	\$545,961
Total Liabilities	\$165,144,888
Fund Equity	
Total Fund Equity	-\$520,266,701
TOTAL LIABILITIES AND FUND EQUITY	-\$355,121,813

Statement of Revenues and Expenses

OPERATING REVENUES

General fund appr./non-tort reimbursement	\$10,138,835
TOTAL INCOME	\$10,138,835

OPERATING EXPENSES

General and administrative expenses	\$1,526,011
Claims cost:	
Losses	\$702,631
Allocated loss adjustment expense	\$7,399,122
Unallocated loss adjustment expense	\$922,250
Change in provision for losses/expenses	-\$29,963,357
TOTAL EXPENSES	-\$19,413,343
NET INCOME/(LOSS) FROM OPERATIONS	\$29,552,178

NON-OPERATING REVENUES AND EXPENSES

Interest income	\$0
TOTAL OTHER INCOME/(LOSS)	\$0
TOTAL NET INCOME/(LOSS)	\$29,552,178

FUND EQUITY

Retained Earnings/Fund Balance at July 1, 2008	-\$558,934,913
Current income(loss)	\$29,552,178
Prior year adjustments	\$9,116,034
Retained Earnings/Fund Balance at June 30, 2009	-\$520,266,701

**MISCELLANEOUS
Balance Sheet**

	Non-Tort Payments	Future Medical Fund
<u>ASSETS</u>		
Cash and investments	\$1,315,419	\$9,304,308
TOTAL ASSETS	\$1,315,419	\$9,304,308
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities		
Total Liabilities	\$0	\$0
Fund Equity		
Total Fund Equity	\$1,315,419	\$9,304,308
TOTAL LIABILITIES AND FUND EQUITY	\$1,315,419	\$9,304,308

Statement of Revenues and Expenses

<u>OPERATING REVENUES</u>		
General fund appr./non-tort reimbursement	\$2,500,000	\$0
TOTAL INCOME	\$2,500,000	\$0
<u>OPERATING EXPENSES</u>		
Claims cost:		
Losses	\$775,000	\$695,692
TOTAL EXPENSES	\$775,000	\$695,692
NET INCOME/(LOSS) FROM OPERATIONS	\$1,725,000	-\$695,692
<u>NON-OPERATING REVENUES AND EXPENSES</u>		
Interest income	\$5,693	\$0
TOTAL OTHER INCOME/(LOSS)	\$5,693	\$0
TOTAL NET INCOME/(LOSS)	\$1,730,693	-\$695,692
<u>FUND EQUITY</u>		
Retained Earnings/Fund Balance at July 1, 2008	-\$415,000	\$9,712,006
Current income(loss)	\$1,730,693	-\$695,692
Transfer of Future Medical Funds	\$0	\$287,994
Prior year adjustments	-\$274	\$0
Retained Earnings/Fund Balance at June 30, 2009	\$1,315,419	\$9,304,308

NOTES TO FINANCIAL STATEMENTS

INTRODUCTION

The Office of Risk Management is an agency of the State of Louisiana reporting entity and was created in accordance with Title 39, Chapter 1527:1544 of the Louisiana Revised Statutes of 1950 as a part of the Executive branch of government. The Office of Risk Management is charged with administering the self insurance program within the State of Louisiana.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Office of Risk Management prepares its financial statements in accordance with the procedures established by the Division of Administration. The financial activities of the Office of Risk Management are accounted for on a fund basis whereby a set of separate, self-balancing accounts are maintained to account for appropriated or authorized activities. The information presented herein, is reported under the modified accrual basis of accounting as prescribed by GAAP for fund level reporting.

The general fixed assets and long-term obligations of the agency are not recognized in the accompanying financial reports presented at fund level. All capital assets of the primary government are, however, reported at the government-wide level of reporting, as required by GAAP.

Annually the State of Louisiana issues a comprehensive annual financial report which includes the activity contained in the accompanying financial statements. The comprehensive annual financial report is audited by the Louisiana Legislative Auditor.

1. FUND ACCOUNTING

General Operating Appropriations

The General Operations Fund is used to account for all general and auxiliary fund appropriated operating expenditures and minor capital acquisitions. All appropriated general and auxiliary operations revenue is accounted for in this fund.

Non-Appropriated Funds – Major State Revenues and Income Not Available - The agency collects major state revenues that are remitted to the State Treasury for deposit to statutorily dedicated funds. In addition, the agency collects funds specifically identified by the Division of Administration - Budget Office as Income Not Available that are remitted to the State Treasury. These amounts are not available to the agency for expenditure and are, therefore, not included on Statement B but are detailed on Schedule 4.

Payroll Clearing Fund - The Payroll Clearing Fund is used to account for payroll deductions and accrued benefits.

The non-appropriated funds relating to Major State Revenues, Income Not Available and Payroll Clearing are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

For purposes of this statement presentation, collections in excess of Appropriated Means of Financing are not considered income not available.

2. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Office of Risk Management are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration - Office of Statewide Reporting and Accounting Policy as follows:

Revenues - State General Fund and Interim Emergency Board appropriations are recognized as the net amount warranted during the fiscal year including the 45 day close period.

Fees and self-generated revenues, interagency transfers, federal funds, intrafund revenues, non-appropriated revenues, and other financing sources (with the exception of agency funds) are recognized in the amounts earned, to the extent that they are both measurable and available.

Expenditures - Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that obligations of employees' vested annual and sick leave are recorded as expenditures when paid.

B. IMPREST FUNDS

The agency maintains a permanent Travel and Petty Cash Imprest Fund in the amount of \$8,500 as authorized by the Commissioner of Administration and advanced by the State Treasurer's Office in accordance with Title 39. The funds are permanently established and periodically replenished from agency operating funds when expenditure vouchers are presented.

C. LEAVE

1. Annual and Sick Leave

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits. Act 343 of 1993 allows members of the Louisiana State Employees' Retirement System, upon application for retirement, the option of receiving an actuarially determined lump sum payment for annual and sick leave which would otherwise have been used to compute years of service for retirement. The liability for unused annual leave payable at June 30, 2009, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards Section C60.104, is estimated to be \$684,195.19. The leave payable is not recorded in the accompanying financial statements.

2. Compensatory Leave

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employee's hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2009 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.104 is estimated to be \$32.55. The leave payable is recorded in the accompanying financial statements.

D. PREPAID EXPENSES AND ADVANCES

Certain items are commonly paid for in advance. Examples are insurance premiums and rent. If your prepayments, along with your other adjustments, exceed the materiality levels as discussed on page two of the cover letter, you should disclose this amount below. The amount of prepaid expenses, including postage, for this agency at June 30, 2009 is \$46,399,379.50.

Advances are monies given to providers for services to be performed at a future date. The amount of advances for this agency at June 30, 2009 is \$0.

E. LEASE AND RENTAL COMMITMENTS

Lease agreements have non-appropriation exculpatory clauses that allow lease cancellation if the Legislature does not make an appropriation for its continuation during any future fiscal period. Total operating lease expenditures for fiscal year 2008 - 2009 amounted to \$73,811.21.

OPERATING LEASES

Operating leases are all leases which do not meet the criteria of a capital lease. Operating leases are grouped by nature (i.e. office space, equipment, etc.) and the annual rental payments for the next five fiscal years are presented in the following schedule:

Nature of lease	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015-2019
a. Office space	\$ 73811.21	\$ 73811.21	\$ 73811.21	\$ 73811.21	\$ 73811.21	\$ 73811.21
b. Equipment	_____	_____	_____	_____	_____	_____
c. Land	_____	_____	_____	_____	_____	_____
d. Other	_____	_____	_____	_____	_____	_____
Total	\$ 73811.21	\$ 73811.21	\$ 73811.21	\$ 73811.21	\$ 73811.21	\$ 73811.21

Rental expense for operating leases with scheduled rent increases is based on the relevant lease agreement except in those cases where a temporary rent reduction is used as an inducement to enter the lease. In those instances, rental expense is determined on either a straight-line or interest basis over the

term of the lease, as required by GASB 13, and not in accordance with lease terms. The agency does (does not) have leases with scheduled rent increases due to temporary rent reductions used as an inducement to enter the lease. The resulting revenues/expenses are (are not) shown on the statement of operations. If not included on the statement of operations, attach a schedule listing all such leases.

F. PAYROLL AND RELATED BENEFITS ACCRUAL

Agencies will be required to reflect the 2008-2009 accrued personal services cost for this fiscal year on the accompanying financial statement. The following schedule will aid you in doing so. As most agency units pay their employees biweekly this would require a fiscal year 2007-08 accrual calculation based on eleven (11) days and the fiscal year 2008-09 calculation will be based on twelve (12) days. Agencies must also determine the federal match on this accrual calculation.

	FY 2007-08	FY 2008-09
1. 07/03/08 Payroll (gross & related)	\$330,537.92	
2. 07/03/09 Payroll (gross & related)		\$346,246.92
	X 110.0%	X 120.0%
2a. Payroll accrual	\$330,537.92	415,496.30
2b. Add voids and supplementals (off cycle) paid in the 45 day close with prior year appropriations.		
3. Total payroll accruals	\$330,537.92	\$415,496.30
4. Estimated federal receivable attributed to the accrual shown above	\$	\$

Total Agency Expenditures

5.	Total programs from Schedule 1	254,105,600.62
6.	Less: 2007-08 accrual from line 3, column 1 above	(330,537.92)
6a.	2007-2008 accrual from Schedule 3-1	(136,061,212.67)
7.	Plus: 2008-09 accrual from line 3, column 2 above	415,496.30
7a.	2008-09 accrual from Schedule 3-1	152,357,019.46
7b.	2008-09 adjustment to Sch B	(92,924.12)
8.	To Statement B (this should be the total for <i>all</i> programs)	\$270,393,441.67

G. RESERVE FOR CONTINUING OPERATION(S)

The unit is by statute allowed to retain residual fund balance in order to finance future operations. For the fiscal year ended June 30, 2009, \$(3,855,811.81) was the amount reserved.

Office/Fund	Louisiana Statutes	Revised	Reserve for Continuing Operations
___ Self Insurance Fund ___	___ 39:1533 ___		\$ (5,448,496.41) _
___ Future Medical Fund ___	___ 39:1533.2 ___		___ 9,304,308.22
_____	_____		_____
_____	_____		_____
 Total			 \$ <u>(3,855,811.81)</u>

H. EMPLOYEE TERMINATION BENEFITS

Termination benefits are benefits, other than salaries and wages that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees. Involuntary termination benefits include benefits such as payment for

unused leave balances. Voluntary termination benefits include benefits such as enhanced early retirement options resulting from an approved early retirement plan and payment for unused leave balances; however, normal termination payment for annual leave are not included.

Other termination benefits may include:

1. Early retirement incentives, such as cash payments, enhancement to defined benefit formula
2. Health care coverage when none would otherwise be provided (COBRA)
3. Compensated absences, including payments for leave balances
4. Payments due to early release from employment contracts

GASB 47 requires the following disclosures about an employer's accounting for employee termination benefits:

1. A description of the termination benefit arrangement(s)
2. Year the state becomes obligated
3. Number of employees affected
4. Cost of termination benefits
5. Type of benefit(s) provided
6. The period of time over which the benefits are expected to be provided
7. If the termination benefit affects the defined benefit pension (OPEB) obligations, disclose the change in the actuarial accrued liability for the pension or OPEB plan attributable to the termination benefit.
8. When termination liabilities are reported, disclose the significant methods and assumptions used to determine the liabilities to be disclosed (for as long as the liability is reported).

Substantially all employees are eligible for termination benefits upon separation from the state. The agency recognizes the cost of providing these benefits as expenditures when paid during the year. For 2009, the cost of providing those benefits for 3 voluntary terminations totaled \$17,882.91. For 2009, the cost of providing those benefits for 3 involuntary terminations totaled \$4,548.08.

A terminated employee can continue to access health benefits, however, if the COBRA participant is paying the ENTIRE premium then there is no state contribution on behalf of this individual. Therefore, when a terminated employee pays 100% of the premium, the state would not have a termination liability.

ADDENDUM TO THE NOTES TO THE CAFR

1. A description of the risks of loss to which the state is exposed and the ways in which those risks of loss are handled.

There are four basic types of risks to which the State is exposed. Loss can occur as a result of (1) damage to property, (2) loss of property, (3) loss of income or increased costs because of damage to or loss of property, and (4) liability to others as a result of injury to persons or property. These four main types of risks are not mutually exclusive, they are interrelated. Many accidents and claims involve losses in several risk areas.

Risk Management is a process for identifying and controlling risks. Until the mid 70's, the traditional method of minimizing losses was to transfer risk to a commercial insurance company. Over the years, the State has been pushed toward self-insurance because of increases in insurance premiums and policy cancellations by commercial insurance companies. Now, the Office of Risk Management handles the risks to which the State is exposed through a program that includes self insurance to a specific level and excess commercial insurance above that level. The \$ limits will vary according to coverage.

The best way to insure against loss, however, is through loss prevention and safety programs. Such programs help minimize losses, save money, and most importantly, protect state employees and citizens. The Office of Risk Management aggressively pursues loss prevention through its own Loss Prevention Unit.

2. A description of any significant reductions in coverage from the prior year and whether settlements exceeded coverage for each of the three preceding fiscal years.

There were no significant reductions in coverage during FY 08/09.

There have been significant changes in case law which will have had adverse impact on the state's liability in general liability claims. On September 3, 1993, the Supreme Court of Louisiana, per case No. 93-C-0472, reversed a lower court's decision in applying Louisiana Revised Statute 13:5106 (B)(1) which provides that "(1) any suit for personal injury, the total amount recoverable, exclusive of medical care and related benefits and loss of earnings, and loss of future earnings, as provided in this Section, shall not exceed five hundred thousand dollars (\$500,000)." The Supreme Court held that the ceiling contravenes the constitutional proscription against sovereign immunity contained in LSA - Constitution, Article XII, § 10. As a result of this ruling, the \$500,000 ceiling on general damages in a personal injury suit was removed and the State of Louisiana faced larger exposure in suits of this nature. This action is still having an adverse effect on claims reserves.

In 1995, the Louisiana electorate ratified a constitutional amendment authorizing the Legislature to cap liability. The result was tort reform acts passed by the Legislature which places a cap on general damages of \$500,000 with no cap on special damages, and limits joint and solidary liability to a tortfeasor's allocated degree of fault.

On May 9, 1996, Act No. 63, known as the "Louisiana Governmental Claims Act", was approved by the governor. This act placed limits on all suits for personal injury and wrongful death. The act states "the total amount recoverable, including all derivative claims, exclusive of property damages, medical care and related benefits and loss of earnings, and loss of future earnings, shall not exceed five hundred thousand dollars." This Act was not applied retroactively, but did provide for a reduction of costs in claims following

its enactment. In February of 2004, the Louisiana Supreme Court ruled that La. R.S. 13:5106, as amended by said Act 63, limits the recovery of wrongful death damages, exclusive of loss of earnings, to \$500,000 per claimant and is not a limit per victim. The result was to expand the potential liability associated with such claims. By Act 1 of 2005, the Legislature further amended such statute to change the effect of the Supreme Court ruling by making it explicit that the limit is, in fact, per victim, or \$500,000, in toto, exclusive of earning loss.

3. The basis for estimating unpaid claim liabilities.

The philosophy relevant to ORM's reserving policy is based on the best determination of the State's exposure taking into consideration the severity of the injury and the comparative fault if applicable. In those cases where suit has been filed, the attorney is requested to evaluate the State's exposure as early as possible in order to establish a proper reserve.

Workers Compensation reserves are based on exposure determined by the severity of injury, age of claimant, education or lack of it, and potential for return to employment.

4. The carrying amount of unpaid claims liabilities included in the comprehensive annual financial statements of the State of Louisiana at present value and range of rates used to discount them.

Prior to FY 91/92, ORM discounted claim liabilities on year end statements. Beginning in FY 91/92, the State Legislature passed an Appropriation Bill that cut ORM's funding by 99%. This was repeated in FY 92/93. For FY 93/94, ORM received funding of approximately 50% of what is needed on a cash basis. In FY 94/95 ORM received funding of approximately 70% of what is needed on a cash basis. In FY 95/96 ORM received funding of approximately 80% of what is needed on a cash basis, which included a general fund appropriation of \$10,488,526 towards deficit reduction. In FY 96/97, 97/98, 98/99, 99/00, and 00/01 ORM received funding of approximately 75% of what is needed on a cash basis. As a result of the lack of funding over the past fiscal years, ORM's cash reserves have been depleted. Because of the lack of funding, ORM discontinued discounting and has not discounted the present value of claim liabilities since FY 89/90.

The provision for losses and loss adjustment expenses includes paid and unpaid claims and expenses associated with settling claims, including legal fees. The liability for unpaid losses and loss adjustment expenses is based on claims adjusters' evaluations of individual claims and management's evaluation and an actuarial review of experience with respect to the probable number and nature of claims arising from losses that have been incurred but have not yet been reported. The liability represents the estimated ultimate cost of settling the claims, including the effects of inflation and other economic factors. Adjustments resulting from the settlement of losses are reflected in earnings at the time the adjustments are determined.

During FY 09, The State of Louisiana covered property losses up to a limit of \$400,000,000, with a flood limit of \$100,000,000 for properties above the I-10 corridor. Below I-10, the coverage is under the National Flood Insurance Program. The flood coverage is an aggregate for the entire year whereas the balance of the coverage is per event. The state has a \$50,000,000 self insured retention (deductible) for each event of wind, flood, and earthquake loss; a \$25,000,000 self insured retention for all other perils.

Hurricane Katrina

Hurricane Katrina struck the state of Louisiana on August 29, 2005. As of June 30, 2009, state agencies have filed claims for Hurricane Katrina property losses totaling \$727,917,983. Claims filed through June 30, 2009 have exceeded insurance coverage by \$227,917,983 for this event. Through June 30, 2009, ORM has paid state agencies \$148,658,506 for Hurricane Katrina property claims.

Hurricane Rita

Hurricane Rita struck the state of Louisiana on September 25, 2005. As of June 30, 2009, state agencies have filed claims for Hurricane Rita property losses totaling \$32,147,057. Property claims paid through June 30, 2009 total \$12,860,448.

Hurricane Gustav

Hurricane Gustav struck the state of Louisiana on September 1, 2008. As of June 30, 2009, state agencies have filed claims for Hurricane Gustav property losses totaling \$140,695,532. Property claims paid through June 30, 2009 total \$60,986,181

Hurricane Ike

Hurricane Ike struck the state of Louisiana on September 13, 2008. As of June 30, 2009, state agencies have filed claims for Hurricane Ike property losses totaling \$4,765,430. Property claims paid through June 30, 2009 total \$518,109.

Boudreaux vs. State

A judgment of \$93 million was awarded and with interest is now estimated to be in excess of \$350 million. Attempts to reach a compromise on this judgment have been unsuccessful to date.

5. Claims Liabilities

The present value of reserves for claim liabilities for FY 08/09 as reported on the financial statements totals \$878,207,620. A further breakdown of this total follows:

	Total Reserves	Net of Estimated Recoveries
Current	\$12,837,999	\$11,276,379
Long-Term	\$881,570,293	\$866,931,241
Total	\$894,408,292	\$878,207,620

Changes in Aggregate Claims Liabilities

	Beg of F/Y Liabilites	Claims Changes in Estimates	& Claim Payments	Est Recov from settled & unsettled claims	Balance @ Fiscal Year End
1993-94	\$667,720,418	\$228,995,905	(\$53,916,903)	(\$345,195)	\$842,454,225
1994-95	\$842,454,225	\$265,288,947	(\$89,878,735)	(\$345,849)	\$1,017,518,588
1996-97	\$1,169,720,130	\$234,558,097	(\$150,597,533)	(\$165,541)	\$1,253,515,153
1997-98	\$1,253,515,153	\$210,274,436	(\$113,374,552)	(\$361,229)	\$1,350,053,808
1998-99	\$1,350,053,808	\$86,940,260	(\$130,637,348)	\$230,425	\$1,306,587,145
1999-00	\$1,306,587,145	\$47,490,493	(\$112,428,805)	\$902,160	\$1,242,550,593
2000-01	\$1,242,550,593	(\$67,365,094)	(\$137,702,150)	\$1,295,008	\$1,038,778,357
2001-02	\$1,038,778,357	\$1,36,971,803	(\$132,546,479)	\$102,913	\$1,043,306,594
2002-03	\$1,043,306,594	\$153,529,274	(\$108,999,720)	\$154,517	\$1,087,990,665
2003-04	\$1,087,990,665	\$271,606,461	(\$123,129,305)	(\$1,982,511)	\$1,234,485,310
2004-05	\$1,234,485,310	\$39,200,821	(\$131,460,955)	(\$2,417,074)	\$1,139,808,102
2005-06	\$1,139,808,102	\$229,019,661	(\$168,663,173)	(\$8,266,248)	\$1,191,898,342
2006-07	\$1,191,898,342	(\$185,014,973)	(\$126,267,631)	\$2,738,148	\$883,353,885
2007-08	\$883,353,885	\$153,155,254	(\$158,682,759)	(\$1,180,608)	\$876,645,772
2008-09	\$876,645,772	\$224,739,721	(\$220,042,404)	(\$3,135,469)	\$878,207,620

6. Estimated Recoveries

The cumulative total of estimated recoveries at June 30, 2009 is \$16,200,672. Claims payments include all allocated loss adjustment expenses including legal expense and are net of actual recoveries on settled and unsettled claims.

7. Annuities

The aggregate amount of claims liabilities outstanding for which annuity contracts were purchased in claimants' names and for which related liabilities have been removed from the balance sheet.

From time to time the Office of Risk Management purchases annuities as partial settlements of certain claims. The payment of the annuities to the claimants is made over a period of time by 3rd party trustees.

At June 30, 2009, there are 100 active annuities. The outstanding amount due on these 100 annuities as of June 30, 2009, was \$ 208,852,207. Of the 100 annuities, 85 contain wording which releases ORM from any and all future liability on the claims. The remaining liability, on the 15 which do not contain the wording necessary to release ORM from any possible future liability, totals \$39,954,032. At June 30, 2009, the total amount of annuities purchased was \$41,793,995.

Liabilities for Claims and Claims Expenses

Louisiana is on the modified accrual basis. This means that expense is recognized when it becomes measurable and payable and is consequently reflected on Statements 1, 3, and 4, for example. Under GASB 34, we must also reflect those expenses which have become measurable regardless of when payable. Show in the table below those gross expenditures you have incurred which are not reflected on any of the aforementioned schedules. Show by funding source and object category.

Funding Source (list by name):	Organization #	Object	Amount
 Self-Generated:			
Claims Liabilities		3650	\$881,570,293
 Total GASB 34 accruals (gross)			<u>\$881,570,293</u>
 Less: Allowance for estimated recoveries			 \$ 14,639,052
 GASB 34 liability adjustment net of estimated recoveries			 <u>\$866,931,241</u>
 Amount included above not expected to be paid in one year			 <u>\$730,331,475</u>