



Report to the Sheriffs

October 1, 2011 to January 20, 2013



Protecting Those Who Protect Us

Florida Sheriffs Risk Management Fund

2600 Centennial Place, Suite 200 - Tallahassee, FL 32308

Owned & Operated By Sheriffs - For Sheriffs

Phone: 850-320-6880 • Website: www.fsrmf.org

Contents

Message from the Executive Director	4
About Us	6
Program Members	7
History/Important Dates and Events	8
A New Beginning	10
Florida Sheriffs Insurance Agency, LLC.	12
Information Technology	13
Advisors/Industry Experts	13
Board of Managers	14
Executive Management Team	15
Agency Financials	
FSWCSIF	16
FSRMF	18
2013 Session Preview	20
Quick Facts on Staff Members	22
Where Do We Go From Here	
Short Term Goals and Objectives	23
Long Term Goals and Objectives	23
On-Going Partnership with Florida Sheriffs Association	24

Message from the Executive Director

A year ago this past October after 35 years as Sheriff of Wakulla County, I informed the Governor that I would be resigning to become the Executive Director of the Florida Sheriffs Insurance Programs.

As the Executive Director of the Funds my job, among other things, was to begin transitioning services from our third-party administrator to in-house operations. Transitioning to in-house came about after the Sheriffs serving on the Board of Managers ordered an Operational Audit, by Atlanta based Collins Consulting, of Hunt/Willis on May 17, 2010. The Operational Audit was followed by a feasibility study. The Operational Audit concluded with 51 findings that could improve operations and efficiencies. Among those findings was a recommendation to hire an Executive Director. The Board of Managers of the Funds voted to hire this writer as Executive Director on July 30, 2011, not to renew the Hunt/Willis contract for third party administration.

Bringing operations in-house was a huge undertaking and the Sheriffs on the Board of Managers and myself as Executive Director were willing to take on the task with a focus of success. Calvin Coolidge famously said it best, "Persistence and determination alone are omnipotent."

Persistence and determination on behalf of the Sheriffs has been my marching orders. I hope that you will find the material that is offered in our first Annual Report and status update to be informative and of value. The achievements of the Florida Sheriffs Self Insurance Programs are ones we can all be proud of.

Our goals of saving taxpayer money, bringing operations in-house, combining liability, auto and workers' compensation under the FSRMF as three programs under one board is nearly at completion, subject only to a vote at the public members meeting in Destin on January 28, 2013.

I am pleased to report that all operations are in-house as of January 1, 2013. Yes, Sheriffs we now have our staff focused and devoting 100% of their time to our liability, auto and workers' compensation programs in Florida.



David F. Harvey, Sheriff (Ret)
Executive Director

Of course there is still much work to be done. Thanks to Pam Collins, Natalie Blasingame (*Collins Consulting*) and Craig Goodson (*Inspired Technologies*) when the employees arrived on January 2, our offices were already set up with state-of-the-art information technology, hardware and software systems for accounting, document management, claims, connectivity (*CHSI*) and others. Our new information technologies are superior to previous systems. Thank you Pam, Natalie and Craig.

Thanks to John Gantz, also with Collins Consulting, we are taking a new approach to many operational areas of FSRMF with respect to claims and underwriting data collection and analysis through risk master/CHSI and other in-house information technology programs. These programs are capable of generating reports to measure our efficiencies in the areas of: subrogation, loss control and prevention, marketing and many others. Thank you John.

I also want to thank Mr. Steve Casey, Executive Director, Florida Sheriffs Association, for providing Judy Langston and I with offices in October, a year ago, at the Florida Sheriffs Association. It gave us an opportunity to get our feet planted before moving to our new office space on February 14, 2012. Also, Steve was very gracious to give FSRMF a prominent role in the New Sheriffs School in December 2012. Thank you Steve.

Thanks to Pam Collins (*Collins Consulting*) and Tom Maida (*Foley, Lardner*) for brilliantly negotiating a Transitional Services Agreement to acquire most of the Hunt staff. Thanks Pam and Tom.

Thanks also to Dan Condon, Barbara Harding, Joanna Mueller, Michael Stephenson and Judy Boling who all came over pursuant to the transitional services agreement from Hunt/Willis on January 1, 2013 and have hit the ground running, embracing the new IT systems and operations innovations. And, to Judy Langston for coordinating their arrival. Thank you all.

I also want to thank all the other staff of the FSRMF. So far I have had two department head meetings and have had the

opportunity to sit in with Joanna Mueller and her staff in underwriting and marketing department meetings. I have traveled with Dave Dunbar to Leon and Gadsden counties and Dick Hunt to Madison, Union, Hamilton, Lafayette, Suwannee,



(Standing - L to R) Dan Condon, David F. Harvey, Sheriff (Ret), Michael Stephenson, (Seated - L to R) Barbara Harding, Joanna Mueller, Judith Boling

Columbia, Bradford, Nassau, Putnam, Clay, St. Johns and Flagler counties to interact with Sheriff's regarding the self-insurance programs offered to their offices. On these trips I have learned that every Sheriffs Office in North Florida has a BBQ restaurant that serves law enforcement officers at a discount.

I look forward to working with Shorty Joyner and Roger Griswold in loss control in the near future. Marketing and loss control are important to our program. In the near future I plan to recognize Sheriffs in their home counties that succeed in reducing their losses and improving their performance.

Hopefully you will find the content of this report to be extraordinarily useful as we reflect on the rich history of the Sheriffs Insurance Programs and remember how and why we have evolved to becoming the biggest self-insurance fund of our kind in the United States with \$250,000,000 of investable assets and approximately \$50,000,000 in annual contributions to all three insurance programs.

Public entity insurance pools represent a multi-billion dollar enterprise nationally. They are the greatest national example of interlocal cooperation and the most impressive

model of local communities working together, saving tax dollars and providing a common answer to risk management services in the most efficient and effective manner.

Having been honored to be elected to serve on the National Association of Government Risk Insurance Pools

Board of Directors (AGRIP) it has become obvious to me during meetings with many other Executive Directors around the nation that the Florida Sheriffs made the right decision to bring operations in-house. We have now achieved what many risk pools have already evolved to throughout the nation.

Finally, I want to thank the Board of Managers. We can only go as far and fast as the Board will allow. Thankfully, the Sheriffs have a strong, solid board to support this effort and indeed, we have traveled far and fast. Thank you for taking the time to read this report and join in the conversation

Wishing you and all of yours a happy and prosperous new year.

David F. Harvey, Sheriff (Ret)

Executive Director

FLORIDA SHERIFFS RISK MANAGEMENT FUND

About Us

The Florida Sheriff Risk Management Fund (*FSRMF*) is a self-insurance program created for Sheriffs by Sheriffs and is the umbrella for three self-insurance programs. Our coverages and services are designed specifically for Sheriffs and their unique insurance needs.

The Fund is managed by a Board of Managers comprised of Sheriffs elected by the membership. The day-to-day operations are handled by a team of dedicated attorneys, underwriting, marketing, claims and risk control professionals who have extensive working knowledge of law enforcement.

The Florida Sheriffs Risk Management Fund is endorsed by the Florida Sheriffs Association (*FSA*) because they know how vital it is to have an organization that solely supports Florida Sheriffs by providing customized and affordable coverages for liability, automobile and workers'

compensation coverage as well as a number of specialized ancillary insurance coverages for Florida's Sheriffs and their employees.

Our staff provides various training seminars at FSA events because they trust in the services and protection we provide to Sheriffs.

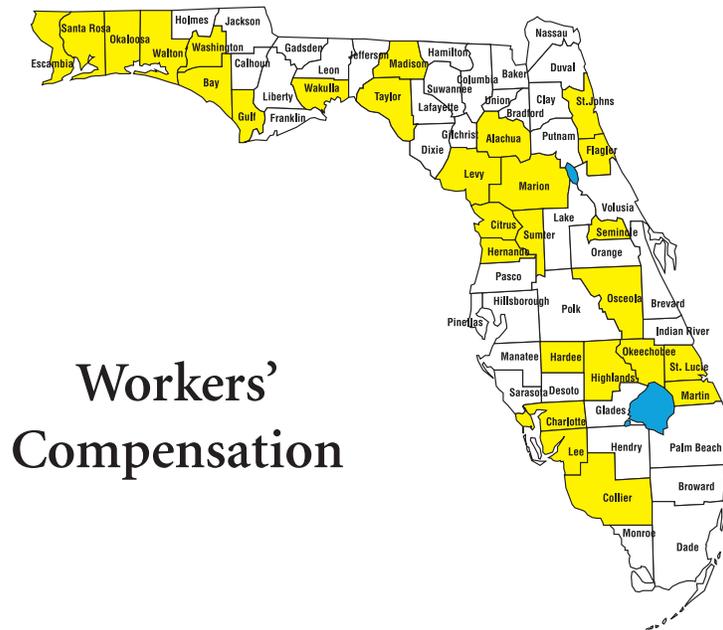
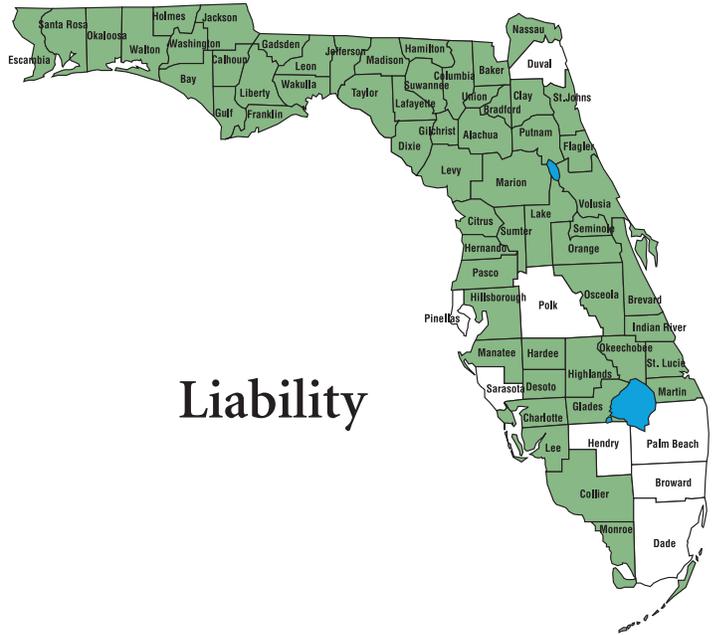
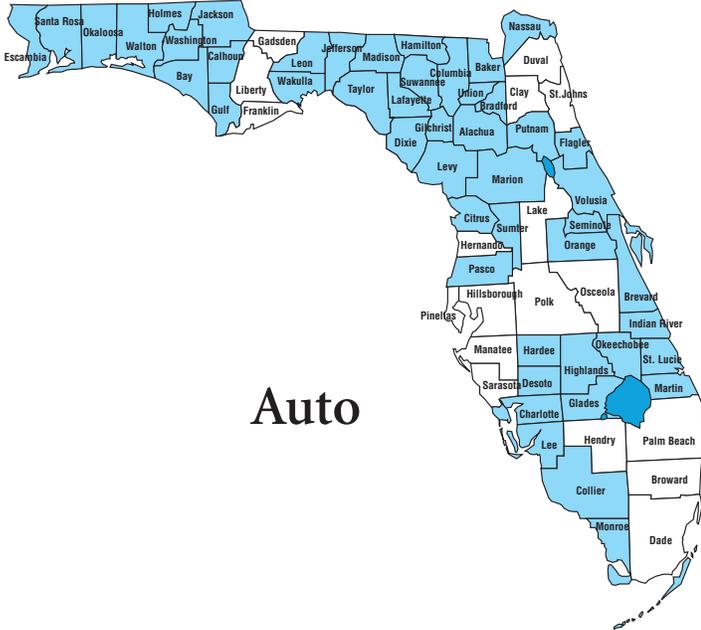
The FSRMF is a financial powerhouse with more than \$250 million in investable assets. The Florida Sheriffs Risk Management Fund is the result of an evolutionary process that began more than 34 years ago. Over the years, Florida's Sheriffs have proven time and again that they know how to solve problems for the citizens of Florida – as well as their thousands of deputies and other employees. The rich history of the Florida Sheriffs Insurance Fund is a reminder of that commitment to keep the citizens of Florida – as well as those committed to protect them – safe and secure.

Protecting Those Who Protect Us



FSRMF Program Members

2012-2013 Participants



History / Important Dates and Events

In 1977, the Florida Sheriffs were faced with a crisis when a statewide professional liability insurance carrier decided to cease writing this volatile liability coverage and exit the market. Sheriffs found themselves without a carrier for their commercial professional liability insurance plan.



Sheriff Sam Joyce



John Hunt, Sr.

To ensure that Florida's Sheriffs, deputies and other employees would be fully protected, the Florida Sheriffs Association, in partnership with John E. Hunt & Associates, established its own self insurance program, which resulted in the creation of the Florida

Sheriff's Self Insurance Fund (*FSSIF*) on October 1, 1978. The late Sheriff Sam Joyce of Indian River County was the first Chairman of the Board, serving until 1980. At the inception, 52 Florida Sheriffs joined the *FSSIF*, which provided professional liability coverage to all participating counties. Today 59 Sheriffs participate in the program.

Over the next three decades, the Sheriffs continued to pool their insurance funds, gain new counties, add new coverage and build reserves.

In the Beginning

When newly elected and sitting Sheriffs arrived at the Summer Conference of the Florida Sheriffs Association in July 1977, in Tampa, one of the biggest issues they faced was what to do about liability insurance for themselves and their deputies. Jefferson County Sheriff and FSA Board President Jim Scott appointed a committee of several key Sheriffs to work with FSA General Counsel Jack Madigan and John Hunt & Associates, Inc. to deal with the issue. This committee, chaired by Indian River County Sheriff Sam Joyce, called a series of meetings that year to consider the concept of self-insurance. With the help of Gadsden County Sheriff W. A. Woodham and a reluctant Florida Senator Pat Thomas, who had to advocate FSA's position with the insurance lobby, Florida Statute 768.28 was amended allowing public entities to self-insure in Florida. Florida Insurance Commissioner Bill Gunter also gave his support to the effort.

The talks continued at a meeting that included 52 Sheriffs or their representatives at the Tampa Bay Airport Marriott Hotel in August 1978, where the plan was presented. The details of the plan included a \$50,000 limit per person and \$100,000 limit per incident with \$250,000 aggregate per Sheriff with no excess insurance. The Sheriffs who were present at the meeting unanimously agreed to proceed with the insurance plan.

A committee was immediately formed with founding members: Sheriff Sam T. Joyce, of Indian River County as the charter chairman, and members Sheriff Jim Holt, Martin County; Sheriff Ken Katsaris, Leon County; Sheriff Jim Hardcastle, Sarasota County; Sheriff David Harvey, Wakulla County; Sheriff John Polk, Seminole County; and Sheriff E. P. Murphy, Sr., Osceola County.

FSA General Counsel Jack Madigan, principal of Madigan, Parker, Gatlin, Truitt, Sweadmark and Skelding, was selected as the General and Trial Counsel. John Hunt and Associates, Inc. was retained as the program's third party administrator. Later, the Sheriffs voted unanimously to initiate the program effective that year and named the committee as the founding Board of Managers. To get things started, John Hunt Sr. diligently travelled the state literally visiting every Sheriff, while his son, John Hunt Jr., was behind the scenes putting the administrative aspects of the plan together.

Thanks to the hard work of these visionary men and a group of Sheriffs willing to assume the responsibility for their own future, the Florida Sheriffs Insurance Funds were on the way to decades of success.

July 24 -26, 1978, FSA Business Session – Tampa, Florida

A motion was made that the Self-Insurance Committee report its recommendations resulting from a study of the John E. Hunt & Associates self-insurance outline directly to the Board of Directors; and that the Board of Managers make the decision concerning self-insurance.

John E. Hunt, Sr. reviewed the history of circumstances leading to the program and stated Commissioner Gunter had directed that the Bermuda-based Law Enforcement Insurance Company, Ltd. could not sell insurance in Florida again this year. Commissioner Gunter stated the reason for this decision was the fact that his department had no regulatory control over this company since it has still not registered in Florida and if the company failed to pay claims properly, there would be nothing he could do. Mr. Hunt advised that as a result of the authorized study, his firm had found it feasible to proceed with self-insurance which would include jail fires. He advised his firm's conclusion concerning feasibility of self-insurance was based on 100% participation excluding Dade and Duval County, and requested advice as to how many Sheriffs would support the self-insurance program. Mr. Gunter was questioned as to his thoughts on self-insurance and replied that he liked it; when it is impossible to get the industry to provide coverage it is necessary to look for other means; he would be glad to work with FSA to get self-insurance in motion; and, sometimes when a move was initiated in that direction, the industry became more willing to take the responsibility – that this had occurred in the case of municipalities. A show

of hands indicated that the majority of Sheriffs present were interested in the self-insurance program. President Scott appointed the following persons to serve on a Self-Insurance Committee and requested that the Committee establish a number of Sheriffs who definitely could join the self-insurance program, study the proposal submitted by Messrs. Hunt, and make a recommendation to the Board of Directors as to whether to pursue self-insurance as follows:

- Sheriff Sam T. Joyce, *Chairman*
- Sheriff David Harvey
- Sheriff James D. Holt
- Sheriff Edwin H. Duff, II
- Sheriff Ken Katsaris
- Sheriff Ernest P. Murphy, Sr.
- Sheriff Jim Hardcastle
- Sheriff John E. Polk
- Sheriff Dale Carson
- Mr. John A. Madigan, Jr. *FSA General Counsel*
- Mr. Jack Skelding, Jr. *FSA General Counsel*

Upon further discussion, it was agreed that the FSA Board of Directors was to appoint the Trustees for the self-insurance program in the event the program was implemented.

Important Dates and Events

- 1978** Board Established FSSIF (*Liability Insurance Program*)
- 1980** Board Ordered Operations Audit of Fund Management Fee - Claude Lilly, PhD, FSU
- 1984** Board Established FSMET (*Life, Dental, Vision, etc.*)
- 1986** Board Established SHARP (*Automobile Risk*)
- 1992** Board Established FSAWCP (*Workers' Compensation Insurance Program*)
- 2002** Board Established Audit Committee
- 2002** Board Established FSWCSIF (*Workers' Compensation - Self-Insured*)

A New Beginning:

Over 30 plus years, the Sheriffs continued to pool their insurance contributions, add new coverage, build reserves and establish additional programs to meet the insurance needs of the Florida Sheriffs. With the Agreement of the third party administrator coming up for

review, the Florida Sheriffs made a landmark decision to pursue their options with regard to their insurance fund not only being owned by Florida Sheriffs, but also being operated by Florida Sheriffs. The following events have resulted in bringing operations in-house.

May 17, 2010 – Operational Audit Ordered

At a Board Meeting held in Howey in the Hills, the Board voted to hire Collins Consulting Inc., based in Atlanta, Georgia, to conduct an Operational Audit of Hunt Insurance Group.

January 22, 2011 – Merging SHARP into FSRMF

At a Board Meeting held in Amelia Island, Florida the Board voted to approve the structure and timeline of the merger of FSSIF and SHARP and to move forward toward implementation effective October 1, 2011.

January 22, 2011 – Audit Committee Re-Established

At a Board Meeting held in Amelia Island, Florida, the Board voted to re-establish an Audit Committee made up of Sheriff Don Eslinger (*Chair*), Sheriff Jeff Dawsy, Sheriff David Harvey and Sheriff Scott.

January 22, 2011 – Claims Committee Established

At a Board Meeting held in Amelia Island, Florida, the Board voted to establish a Claims Committee.

January 22, 2011 – Investment Committee Established

At a Board Meeting held in Amelia Island, Florida, the Board voted to establish an Investment Committee.

January 22, 2011 – Underwriting Committee Established

At a Board Meeting held in Amelia Island, Florida, the Board voted to establish an Underwriting Committee.

January 22, 2011 – Decision to Hire Executive Director

At a Board Meeting held in Amelia Island, Florida, the Board voted to move forward with the necessary steps to hire an Executive Director.

April 26, 2011 – Executive Director Protocol for Hiring

At the Managers and General Counsel Conference, in Howey in the Hills, Florida, a job description and timeline, as well as instructions to issue the RFP and schedule interviews for the Executive Director was approved.

April 26, 2011 – Feasibility Study to Bring Operations In-house

At the Managers and General Counsel Conference, in Howey in the Hills, Florida, a Strategic Plan and Feasibility Study, as a follow up to the Operational Audit conducted by Collins Consulting, was approved.

July 30, 2011 – Hiring of Executive Director and Executive Assistant

At a Board Meeting held in Daytona Beach, Florida, the Board voted to appoint Sheriff David Harvey as the Executive Director for the Florida Sheriffs Risk Management Fund effective October 1, 2011.

October 1, 2011 – FSRMF Office at FSA Headquarters

Executive Director David Harvey and Executive Assistant Judy Langston began employment with the Florida Sheriffs Risk Management Fund with temporary office locations at the Florida Sheriffs Association. Mr. Steve Casey, Executive Director of the FSA was formally thanked for accommodating Sheriff Harvey and Judy Langston at the November 4, 2011 Board meeting.

November 4, 2011 – Decision not to Renew Hunt/Willis TPA Contract

At a Board Meeting held at the Hunt Insurance Group Office, Tallahassee, Florida, the Board voted to provide formal notice to Willis and Hunt Insurance Group that FSRMF (*a merger of FSSIF and SHARP*), FSWCIF and FSMET would not be renewing their Administrative Contracts effective October 1, 2012.

January 14, 2012 – Board Approval of Lease/Purchase for Permanent Headquarters

At a Board Meeting held in Jacksonville, Florida, the Board voted to allow the Executive Director and Independent Advisors to negotiate a lease/purchase and to establish the relocation time frame for permanent office space to coincide with the immediate and long term needs of the Fund.

February 14, 2012 – David Harvey and Judy Langston moved to the new permanent office location at 2600 Centennial Place, Suite 200, Tallahassee, Florida.

April 19, 2012 – Historical signing of TSA (*Transitional Services Agreement*) by Scott Hunt, President, Hunt Insurance and Sheriff Donald Eslinger, Chairman, Florida Sheriffs Risk Management Fund

At a Board Meeting at the new FSRMF Office, Tallahassee, Florida, the FSRMF Board of Managers was advised by Pam Collins of Collins Consulting, Atlanta, Georgia that a TSA had been signed by Willis NA and is effective January 1, 2013.

The Board voted to approve the TSA and amend the existing Administrative Agreement to extend the term through December 31, 2012 for FSRMF.

The Board voted to approve the TSA and amend the existing Administrative Agreement to extend the term through December 31, 2012 for FSWCSIF.

The Board voted to approve the TSA and amend the existing TPA with Hunt/Willis to extend the term through December 31, 2015 for FSMET.

April 19, 2012 – Logo & Tag Line Created for FSRMF

At a Board Meeting at the new FSRMF Office, Tallahassee, Florida, the Board approved the Fund Logo with the tag line “*Protecting Those Who Protect Us.*”

July 28, 2012 – General Counsel Transition

At a FSRMF Board Meeting in Orlando, Florida, the FSRMF Board voted that current General Counsel, Ron Mowrey, transition files to the new General Counsel, Foley & Lardner, during the remaining 60 days of his contract.

A motion was made on behalf of the FSWCSIF Board that current General Counsel, Ron Mowrey, transition files to the new General Counsel, Foley & Lardner, during the remaining 60 days of his contract.

A motion was made to approve the contract with Foley & Lardner, LLP as General Counsel for both FSRMF and FSWCSIF effective immediately.

November 16, 2012 – Merging of FSRMF and FSWCSIF

At a FSRMF Board Meeting in Greenville, Florida (*Madison County*), the Board approved the consolidation and corresponding Interlocal Agreements and Bylaws and to recommend to the Membership for approval at the Winter Conference.



Sheriff Don Eslinger and Scott Hunt of Hunt Willis signing historic Transitional Services Agreement

A motion made on behalf of the FSWCSIF Board to approve the consolidation and corresponding Interlocal Agreements and Bylaws and to recommend to the Membership for approval at the Winter Conference.

November 16, 2012 – Establishment of an Agency

At a Board Meeting at Honey Lake Plantation, Madison County, Florida, the Board approved the formation of the Florida Sheriffs Insurance Agency, LLC (*FSIA*) for the purpose of servicing existing Sheriffs Ancillary Coverage’s not insured under the Funds.

A New Beginning – *continued*

November 20, 2012 – The Florida Sheriffs Insurance Agency, LLC was formed.

The Florida Sheriffs Insurance Agency, LLC (FSIA) was formed as a wholly owned subsidiary of the FSRMF. FSIA was created in order to procure commercial insurance coverages for Florida Sheriffs that are not provided through the FSRMF self-insurance programs. The FSIA was approved as a Limited Liability Corporation on November 20, 2012 and licensed by the Florida Department of Financial Services on December 11, 2012.



FLORIDA SHERIFFS
INSURANCE AGENCY, LLC

The Agency is currently in the process of entering into broker and carrier agreements and working with the Florida Sheriffs who have commercial policies that were previously handled by Hunt/Willis to obtain agent-of-record letters so that FSIA may represent the Sheriff's interests and handle these policies. FSIA is in the process of implementing an agency management system software solution that will enable staff to service the commercial policies in the most effective and efficient manner.

The Agency consists of seven staff members who were all former employees of Hunt/Willis. The daily functions of the agency staff include marketing, accessing insurance needs, gathering underwriting information, obtaining insurance quotes and presenting the best coverage options for consideration. The Agency staff will also provide customer service to the Florida Sheriffs related to insurance policies purchased throughout the year.

January 1, 2013 –

Hunt/Willis staff from auto, liability and workers' compensation officially moved to the new headquarters building.



January 28, 2013*

The Annual Public Membership Meeting will be held in Destin, Florida to merge the FSWCSIF as a program under the FSRMF with one, nine member Board for all programs (liability, auto and workers' compensation).

*Subject to pending annual members meeting vote in Destin

Information Technology

Various software products and technology platforms have been implemented or are being implemented to provide more and better service to the FSRMF members and create a more efficient work place for FSRMF employees. In addition to providing state of the art computers to the FSRMF staff with the latest edition of Microsoft Office, tablets have been provided to the Risk Control and Marketing staff for their use when visiting Sheriffs. An internet based time and expense reporting platform has been implemented to more accurately and quickly track employee time off and outside expenses while minimizing the administrative time associated with handling reimbursement of expenses and tracking time for payroll purposes. Another internet based platform, CHSI Connections, has been implemented and when fully implemented will provide significant tools to both FSRMF employees and members. Specifically, it provides FSRMF staff with a robust contact management system, as well as an underwriting and invoicing system. In the near future

member portals will be established through which members will be able to access their accounts and data, add information and make renewal submissions as well as review the status of policies and payments. Finally, the existing tools, such as the claims system RiskMaster, have been enhanced to better track claims information and make the claims handling process more efficient and effective.



Advisors / Industry Experts

Our highly experienced team of outside professionals include:

Reinsurance Broker – Aon Benfield: The largest reinsurance brokering firm in the world.

Investment Advisor – Morgan Stanley Smith Barney: A leader in the financial industry currently overseeing our \$250,000 million dollars in assets

Workers' Compensation TPA – North American Risk Services (NARS)

External Auditor – Thomas Howell Ferguson - CPAs: specializes in insurance and public entities around the nation

Actuary – Pinnacle Actuarial Resources: been supplying crucial support since 1994

General Counsel – Foley & Lardner LLP: appointed by the fund in 2012 to provide sound legal advice

Outside Consultants – Collins Consulting: engaged to bring operations in-house

Board of Managers



Sheriff Donald Eslinger
Seminole County
Elected 1993



Sheriff Jeff Dawsey
Citrus County
Elected 2003



Sheriff Harrell Reid
Hamilton County
Elected 1997



Sheriff Jerry Whitehead
Union County
Elected 2003



Sheriff Susan Benton
Highlands County
Elected 2007



Sheriff Larry Campbell
Leon County
Elected 2007



Sheriff Ken Mascara
St. Lucie County
Elected 2007



Sheriff Sadie Darnell
Alachua County
Elected 2009



Sheriff Joey Dobson
Baker County
Elected 2009

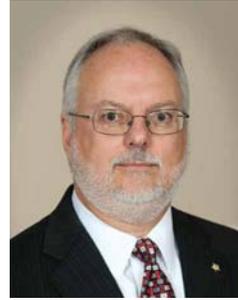
Executive Management Team



David F. Harvey
Executive Director

David Harvey is a former Sheriff, having served the citizens of Wakulla County in that position for 35 years until his retirement in 2011 to accept the position of Executive

Director. He is a graduate of Florida State University, past president of the FSA, and also a founding board member of the Florida Sheriffs Self Insurance Fund having served on the board from 1978-2011.



Dan Condon
Chief Operating Officer

Dan Condon oversees all the insurance activities of the Fund. He is a graduate of Florida State University College of Law and began his legal career as Assistant County

Attorney for Escambia County. He then became General Counsel to the Escambia County Sheriff's Office until joining Hunt Insurance Group in 1988.



Barbara Harding
Chief Financial Officer
Human Resource Manager

Barbara Harding is responsible for all accounting and human resources of the Fund. She joined Hunt Insurance Group in 1992 and her work experience includes tenure

with North Carolina Trust Company, Nationwide Insurance and the State of Florida. She has her Bachelor of Science degree in Accounting from Florida State University.



Joanna Mueller
Vice President
Member Services

Joanna Mueller is responsible for all marketing, underwriting, rating, coverage and daily customer service to Fund members. She is also the Manager of the Florida Sheriffs

Insurance Agency (FSIA). She joined the Hunt Insurance Group in 2008 and has 25 years of experience in the insurance industry and Florida state government. Joanna is a graduate of Florida State University with a Bachelor of Science Degree in Risk Management/Insurance.



Michael Stephenson
Vice President
Claims

Michael Stephenson has worked on behalf of the Florida Sheriffs for more than 12 years beginning in 1999 serving as trial counsel to FSRMF member Sheriffs and their

staff. He joined Hunt Insurance Group to oversee FSRMF professional liability claims and for the past 4 years has managed the professional and automobile liability claims. He is a member of the Florida Bar and graduate of the Stetson University College of Law and the University of Texas.



Judith Boling
Vice President
Workers' Compensation

Judy Boling oversees the activities of the Fund's third party workers' compensation claims administrator, ensuring members' employees who are injured in the course and scope

of their duties receive timely, quality treatment at the right cost and are able to return to work as soon as possible. She is a graduate of Southeastern College in Lakeland and has more than 20 years of workers' compensation claims and litigation experience.

Financials

Florida Sheriffs Workers' Compensation Self-Insurance Fund
Statement of Net Assets
September 30, 2012

Assets	<i>(in thousands)</i>
Cash and cash equivalents	\$ 12,721
Investments	80,025
Accounts receivable	823
Accrued investment income	435
Advance to service company	253
Total assets	<u>\$ 94,257</u>
Liabilities and net assets	
Liabilities:	
Reserve for unpaid claims and claim adjustment expenses	\$ 68,279
Unearned member contributions	1,379
Member dividends payable	637
Accounts payable and accrued expenses	790
Total liabilities	<u>71,085</u>
Net assets:	
Unrestricted	23,172
Total liabilities and net assets	<u>\$ 94,257</u>

Florida Sheriffs Workers' Compensation Self-Insurance Fund
Statement of Revenue, Expenses, and Changes in Net Assets
Year ended September 30, 2012

Operating revenues:	
Program support:	<i>(in thousands)</i>
Contributions from members	\$ 26,151
Reinsurance premiums	<u>(4,555)</u>
Total operating revenues	<u>21,596</u>
Operating expenses:	
Program services:	
Claims and claim adjustment expenses paid	\$ 14,137
Change in reserve for unpaid claims and claim adjustment expenses	<u>(242)</u>
Total program services	<u>13,895</u>
Supporting services:	
Administrator's fees	2,092
Claims administration fee	941
Licenses and taxes	722
Services agreement	266
FSA marketing and endorsement fee	262
Other expenses	<u>197</u>
Total supporting services	<u>4,480</u>
Total operating expenses	<u>18,375</u>
Operating loss	3,221
Nonoperating revenues:	
Investment income, net	2,233
Change in fair value of investments	<u>584</u>
Total nonoperating revenues	<u>2,817</u>
Increase in fund net assets before member dividends	6,038
Member dividends	<u>(2,500)</u>
Decrease in fund net assets	3,538
Net assets at beginning of year	<u>19,634</u>
Net assets at end of year	<u>\$ 23,172</u>

Financials

Florida Sheriffs Risk Management Fund Statement of Net Assets *September 30, 2012*

Assets	<i>(in hundreds)</i>
Cash and cash equivalents	\$ 12,330
Investments	160,958
Accrued investment income	902
Reinsurance recoveries receivable, net	392
Prepaid expenses	280
Other assets	251
Property and equipment, net	79
Total assets	<u>\$ 175,192</u>
 Liabilities and net assets	
Liabilities:	
Reserve for unpaid claims and claim adjustment expenses	\$ 89,107
Unearned member contributions	1,786
Member dividends payable	842
Accounts payable and accrued expenses	47
Total liabilities	<u>91,782</u>
Net assets:	
Invested in capital assets	79
Unrestricted	83,331
Total liabilities and net assets	<u>\$ 175,192</u>

Florida Sheriffs Risk Management Fund
Statement of Revenue, Expenses, and Changes in Net Assets
Year ended September 30, 2012

Operating revenues:	
Program support:	<i>(in thousands)</i>
Contributions from members	\$ 27,657
Reinsurance premiums	(1,801)
Services agreement	267
Total operating revenues	<u>26,123</u>
Operating expenses:	
Program services:	
Claims and claim adjustment expenses paid	\$ 17,083
Change in reserve for unpaid claims and claim adjustment expenses	<u>7,753</u>
Total program services	<u>24,836</u>
Supporting services:	
Administrator's fees	3,852
Professional services	848
Other expenses	506
FSA marketing and endorsement fee	431
Compensation and benefits	309
Miscellaneous legal expenses	278
Safety and risk management	192
Legal expenses-general counsel	<u>164</u>
Total supporting services	<u>6,580</u>
Total operating expenses	<u>31,416</u>
Operating loss	<u>(5,293)</u>
Nonoperating revenues:	
Investment income, net	4,227
Change in fair value of investments	<u>1,870</u>
Total nonoperating revenues	<u>6,097</u>
Increase in fund net assets before member dividends	804
Member dividends	<u>(2,500)</u>
Decrease in fund net assets	(1,696)
Net assets at beginning of year	<u>85,106</u>
Net assets at end of year	<u>\$ 83,410</u>

2013 Legislative Session Preview

Our FSRMF lobbyist Gene Adams and Mark Delegal of the Pennington Law Firm work hand-in-hand with the FSA and report as follows:

We have begun preparations for the 2013 Florida legislative in earnest as the Florida Legislature held its first full slate of committee meetings during the week of January 14, 2013. All substantive committees have met and appropriation committees have begun looking at budget recommendations for the upcoming legislative sessions.

Because of the election, members were not allowed to begin placing bills into bill drafting and filing bills until mid-November. As a consequence, there are only a limited number of bills which have been filed as of the date of the writing of this memo.

Approximately 200 Senate bills have been filed, and approximately 100 House bills have been filed. Normally, about 1,500 bills are filed in each Chamber and we expect there to be a flood of bills in late January and early February as drafting staff and committee staff catch up with member requests for filing of legislation.

Of most direct concern to us at this time, is SB 16 dealing with an automobile crash claim against the Pasco County Sheriff's office. As you may remember, this claim arose from a collision involving a deputy and resulted in a substantial jury verdict. This bill has been filed for the last two years. The Firm continues to monitor this bill. However, claims bills many times are the subject of negotiations late in the session and we will continue to watch this closely as the session progresses.

There are also several other bills dealing with law enforcement sovereign immunity claims. We watch each of those to generally see how the Legislature views claims

against law enforcement at the local level and the results of those bills which can be informative. Other bills in this category which we are watching are SB 32, SB 34, SB 36, SB 48, all of which are seeking compensation for injuries caused by a law enforcement officer.

The House Select Committee on claim bills also met on Monday, January 14, 2013 for the first time. The meeting was chaired by Rep. Jamie Grant, a member from the Tampa delegation. Other members of the committee

include Co-Chair Gwyndolen Clarke-Reed from Pompano Beach, Matt Caldwell from Lehigh Acres, Daniel Davis from Jacksonville, Bill Hager from Boca Raton, Kionne L. McGhee from Miami, Larry Metz from Brevard, and Rep. Linda Stewart from Orlando.

The first meeting of the committee consisted largely of staff giving an overview of the

claims bill system in other states and recommending that the committee review this information to look at the broad range of sovereign immunity options. The options range from New York which has totally waived sovereign immunity and treats claims against the state just as any tort lodged against an individual, to other states which have waived sovereign immunity but place a cap of funds as an absolute cap. Florida maintains one of the lowest caps in the nation, but does have more liberal policies with regard to claims bills and other means to receive damage awards above the cap, such as settling for insurance policy limits.

The Chairman of the committee asked the committee not to make any pre-determined decisions on the process, but to continue to listen to the staff, review materials, and be open minded and flexible about designing any new claims bill program. It is anticipated that the committee will



workshop issues and ideas for the next two to three weeks, but will try to have some type of legislation to review during the first week or two of the Legislative Session. It is anticipated that the Select Committee will meet each week during the next four weeks that committees meet during January and February before Session starts.

The Chairman also reiterated that he expects all claims bills to be filed and referred by the Speaker to the Committee. Some bills may be heard by the Committee later during the session. The Chairman had asked that several of the interested groups testify at this meeting, but to be very brief in our comments. As a part of the Sovereign Immunity Coalition that has been formed to attempt to pass legislation which would further limit the exposure of local governments to sovereign immunity claims, I testified on behalf of the Florida Sheriffs Risk Management Fund that we would be following the process, would work with staff, and were interested in a process which would fairly compensate those who had legitimate claims but would also fairly treat the tax payers who ultimately fund these claims, recognizing that government was not unlimited in its resources. The Chairman stated that he would not be receiving any legislative recommendations for changing the laws until the fourth or fifth meeting of the Committee. However, we will continue to work with staff and to share our ideas with staff as we proceed in this process. We will keep you

updated on a timely basis as these meetings progress and as the Committee makes statements during any deliberations. The sovereign immunity coalition is working closely with us. While the coalition has not agreed to all those issues for legislation, it is indicative of the type of changes proposed by the coalition.

We continue to informally circulate the language proposed regarding the offering of insurance to pay compensation for officers injured or killed in the line of duty. Lobbyists are checking with the companies to see if there are objections to the proposed language.

As of the date of writing this preview, there have also not been any bills filed which would implement the recommendations of last year's study committee on presumption disability and pension issues. The Legislature failed to act last year and it seems unlikely that they will take any action this year regarding this issue.

We will continue to monitor legislation filed for the 2013 Session including gambling, stand your ground, and claims bills, which we believe could affect sheriff's duties or lead to liability on the part of the sheriffs.

Gene Adams
Pennington Law Firm

Quick Facts

The Florida Sheriffs Risk Management Fund currently has 32 employees. Of these 32 employees:



... 4 are attorneys whose average length of experience is 24 years

... 10 have an average 16 years of law enforcement experience



... 6 are licensed adjusters with an average of 21 years of experience



... 8 have advanced insurance designations



... 32 employees have an average of 15 years' experience in the insurance industry

Where Do We Go From Here

Short Terms Goals and Objectives

- Implement a training needs assessment for employee needs.
- Develop policy and procedures for the daily operation of the Fund.
- Meet with leadership team and assist each department to facilitate discussions and team building.
- Work with consultants and service providers to complete all phases of the final transition.
- Meet with member Sheriffs to ensure the Fund is meeting their needs.
- Meet with newly elected Sheriffs to build Fund recognition in the Law Enforcement community.
- Meet with prospective Sheriffs and assist in building Fund membership in all programs.
- Evaluate the fund performance quarterly and report to the Chairman on activities performed by the Executive Director.
- Monitor return on investments with Morgan Stanley.
- Travel with loss control and marketing to visit the Sheriffs.

Long Term Goals and Objectives

- Develop training program for prospective new board members to ensure succession.
- Implement an employee appreciation program and awards program for employees who provide creative input.
- Develop a Mission Statement that will move the Fund forward.
- Develop a program to assist Sheriffs through the state accreditation process.
- Provide input to management team on all areas within the fund.
- Ensure that all direction by the Board is carried out and implemented.
- Develop a plan for meeting with key Sheriffs across the state (*a cross-section of the member base*) to build a network, enhance communications and solicit feedback on the future operation of the Fund.
- Market and add Sheriff members to Workers Compensation Program.
- Recognize Sheriffs in their home counties whose performance is exemplary in risk management.

On-Going Partnership with the Florida Sheriffs Association



Protecting Those Who Protect Us

Hunt Insurance Group and the Florida Sheriffs' insurance programs have long had a relationship with the Florida Sheriffs Association with the FSA endorsing the insurance programs and both Hunt Group and the insurance programs providing financial support to the FSA. The nature of that relationship is being reviewed by both the FSRMF and the FSA in light of the inability of Hunt Group to continue to financially support the FSA at the same level it has in the past as well as the desire of both the FSA and the FSRMF to work even more closely together in the future for the benefit of the Florida Sheriffs. It is anticipated that the FSA and the FSRMF will collaborate more often and in different ways in bringing training and loss control initiatives to the Sheriffs in the future.



FLORIDA SHERIFFS

RISK MANAGEMENT FUND *Protecting Those Who Protect Us*

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