

AGENCY NAME:	State Accident Fund		
AGENCY CODE:	R120	SECTION:	75

**Fiscal Year 2019–2020
Accountability Report**

SUBMISSION FORM

AGENCY MISSION	<p>To provide cost effective, guaranteed workers’ compensation insurance for state agencies and optional coverage for other governmental entities, and to provide superior servicing for policy holders and injured workers.</p>
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AGENCY VISION	<p>The South Carolina State Accident Fund will be recognized as a progressive and intuitive state agency and leader in the field of workers’ compensation insurance for governmental entities.</p>
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Does the agency have any major or minor recommendations (internal or external) that would allow the agency to operate more effectively and efficiently?

	Yes	No
RESTRUCTURING RECOMMENDATIONS:	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Is the agency in compliance with S.C. Code Ann. § 2-1-230, which requires submission of certain reports to the Legislative Services Agency for publication online and to the State Library? See also S.C. Code Ann. § 60-2-30.

	Yes	No
REPORT SUBMISSION COMPLIANCE:	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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Is the agency in compliance with various requirements to transfer its records, including electronic ones, to the Department of Archives and History? See the Public Records Act (S.C. Code Ann. § 30-1-10 through 30-1-180) and the South Carolina Uniform Electronic Transactions Act (S.C. Code Ann. § 26-6-10 through 26-10-210).

	Yes	No
RECORDS MANAGEMENT COMPLIANCE:	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Is the agency in compliance with S.C. Code Ann. § 1-23-120(J), which requires an agency to conduct a formal review of its regulations every five years?

	Yes	No
REGULATION REVIEW:	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Please identify your agency’s preferred contacts for this year’s accountability report.

	<u><i>Name</i></u>	<u><i>Phone</i></u>	<u><i>Email</i></u>
PRIMARY CONTACT:	David Andrews	803.896.5044	dandrews@saf.sc.gov
SECONDARY CONTACT:	Abby Sellers	803.896.5872	asellers@saf..sc.gov

I have reviewed and approved the enclosed FY 2019–2020 Accountability Report, which is complete and accurate to the extent of my knowledge.

AGENCY DIRECTOR (SIGN AND DATE):	Signature on file
(TYPE/PRINT NAME):	Amy V. Cofield

BOARD/CMSN CHAIR (SIGN AND DATE):	
(TYPE/PRINT NAME):	

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AGENCY’S DISCUSSION AND ANALYSIS

The South Carolina State Accident Fund (SAF) was established in 1943 for the purpose of providing workers’ compensation coverage and administration for all state agencies and other local governmental entities. By creating a state agency for the sole purpose of “self-insuring,” the state of South Carolina provides a stable source of guaranteed insurance coverage so that state workers are not placed at any undue risk.

The mission of SAF is to provide cost effective, guaranteed workers’ compensation insurance for state agencies and other governmental entities along with exceptional service to its state workers.

As set forth by statute, the State Accident Fund determines rates and premiums in the same manner as a private insurance company. It is funded entirely by the premiums it collects and receives no general funds from the state of South Carolina.

On July 1, 2013, the administration of the South Carolina Workers’ Compensation Uninsured Employers’ Fund (UEF) was transferred to the State Accident Fund. The UEF was created to ensure payment of workers’ compensation benefits to injured employees whose employers failed to acquire necessary coverage for the employees as required. The UEF is funded from the collections of tax on insurance carriers and self-insureds.

The agency’s major applicable achievements include:

- Agency remained financially sound and self-sustaining;
- Implementation of new efforts and vendors have improved services and savings;
- Successfully improved claims mediation and settlement efforts;
- Improved cost saving efforts totaling \$1,072,793.21 from last year;

Medical services/ Charge Review - \$1,893,973.02
 Pharmacy Services - \$5,389,022.31
 Subrogation Services - \$816,330.75
 Physical Therapy Services - \$311,148.00
 Second Injury Fund Recoveries - \$3,524,336.51
 Collection Services (UEF) - \$651,085.48

- Reduced premium rates by 15% overall.

Some of the primary goals for SAF include:

- Continued efforts to update and improve the IT Department to include a new case management system as well as the incorporation of updated equipment and programs that will facilitate job performance and ensure the security and integrity of information;
- Implementation of updated “Safety and Risk” instruction services;
- Further efforts to reach more governmental entities to establish new partnerships;
- Transitioning the agency to a new location.



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Strategic Planning and Performance Measurement Template

Statewide Enterprise Strategic Objective	Type	Item #			Description	2019-20			Time Applicable	Data Source and Availability	Calculation Method	Meaningful Use of Measure
		Goal	Strategy	Measure		Base	Target	Actual				
Government and Citizens	G	1			Maintain High Level of Customer Satisfaction							
	S	1.1			Conduct Annual Policyholder Satisfaction Survey							
	M			1.1.1	Maintain greater than 90% positive response rate on the annual policyholder survey.	96.0 %	Greater than 90%	98.2 %	July 1 - June 30	Annual Policyholder Satisfaction Survey	Percentage of positive responses from Annual Policyholder Survey	Degree to which customer needs are met.
	S	1.2			Measure Policyholder Retentions Rates							
	M			1.2.1	Measure policyholder retention	96.8%	Greater than 80%	95.43%	July 1 - June 30	Agency Policyholder Management Database.	Percentage of policyholders who renewed or continued coverage with the Fund. (Voluntary Accounts)	Retention of Policyholders is indicative of satisfaction with service.
	S	1.3			Provide Policyholders Loss Prevention and Safety Services							
	M			1.3.1	Maintain greater than 90% positive response loss prevention and safety training surveys.	Greater than 80 %	Greater than 80 %	96.60%	July 1 - June 30	Agency Claims Management Database.	Percentage of positive responses from surveys taken at training classes, inspections, and other services provided.	Degree to which customer needs are met.
Government and Citizens	G	2			Be a leader in South Carolina Workers' Compensation rule and regulation							
	S	2.1			Review fines received by SC Workers' Compensation Commission							
	M			2.1.1	Number of fines paid to the WCC is to be less than the prior three year's average.	0	Less than 2	2	July 1 - June 30	Agency Claims Management Database.	The number of fines paid to the Workers Compensation Commission.	Indicate compliance with regulations.
Public Infrastructure and Economic Development	G	3			Operate a cost effective government agency.							
	S	3.1			Review expenditures with the greatest impact to agency.							
	M			3.1.1	Maintain less than a 15% increase in the average medical cost per SAF workers' compensation claim.	\$3,349	Less than 15% increase.	\$3,303 / (1.4%)	July 1 - June 30	Agency Claims Management Database.	Actual figure from medical cost divided by the total number of claims. Percentage is change from last year to this year in average medical cost per claim.	Compares cost controls.
	M			3.1.2	Maintain less than a 15% increase in the average indemnity cost per SAF workers' compensation claim.	\$11,313	Less than 15% increase.	\$10,846 / (3.5%)	July 1 - June 30	Agency Claims Management Database.	Actual figure from indemnity cost divided by the total number of claims. Percentage is change from last year to this year in average indemnity cost per claim.	Compares cost controls.
	S	3.2			Control operating costs of the agency.							
	M			3.2.1	Maintain less than 15% administrative cost ratio.	5.9%	Less than 15%	8.5%	July 1 - June 30	Current year estimated using Variance Report and finalized by the Fund's actuary.	Total administrative costs divided by total premium	Compares cost controls.
	S	3.3			Collect premium as due							
	M			3.3.1	Percentage of Premium Billed over 90 days past due is less than 5% of the total premium billed.	.006%	Less than 5%	0.00%	July 1 - June 30	Past Due Amount as percentage of Premium as reported in the Variance Report	Total premium past due over 90 days divided by total premium	Compares cost controls.

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Strategic Planning and Performance Measurement Template

Statewide Enterprise Strategic Objective	Type	Item #			Description	Base	2019-20		Time Applicable	Data Source and Availability	Calculation Method	Meaningful Use of Measure
		Goal	Strategy	Measure			Target	Actual				
	M			3.3.2	Audit 90% or more premium accounts within 180 days of annual renewal.	100%	Greater than 90%	100%	July 1 - June 30	Agency Policyholder Management Database.	Percentage of policyholder payroll audits completed within 180 days.	Quick response leads to faster collections and more accurate billing.
	S			3.4	Cost vs. Revenue							
	M			3.4.1	Claims Expense will not exceed more than 85% of Premium for the fiscal year.	80%	Less than 85%	82%	July 1 - June 30	Estimation calculated from variance report and figures confirmed on audited Financial Statement	Total claims expense divided by total premium	Compares cost controls.

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Strategic Planning and Performance Measurement Template

Statewide Enterprise Strategic Objective	Type	Item #			Description	2020-21			Time Applicable	Data Source and Availability	Calculation Method	Meaningful Use of Measure
		Goal	Strategy	Measure		Base	Target	Actual				
Government and Citizens	G	1			Maintain High Level of Customer Satisfaction							
	S	1.1			Conduct Annual Policyholder Satisfaction Survey							
	M			1.1.1	Maintain greater than 90% positive response rate on the annual policyholder survey.	98.2 %	Greater than 90%		July 1 - June 30	Annual Policyholder Satisfaction Survey	Percentage of positive responses from Annual Policyholder Survey	Degree to which customer needs are met.
	S	1.2			Measure Policyholder Retentions Rates							
	M			1.2.1	Measure policyholders retention	95.43%	Greater than 80%		July 1 - June 30	Agency Policyholder Management Database.	Percentage of policyholders who renewed or continued coverage with the Fund. (Voluntary Accounts)	Retention of Policyholders is indicative of satisfaction with service.
	S	1.3			Provide Policyholders Loss Prevention and Safety Services							
	M			1.3.1	Maintain greater than 90% positive response loss prevention and safety training surveys.	96.60%	Greater than 80 %		July 1 - June 30	Agency Claims Management Database.	Percentage of positive responses from surveys taken at training classes, inspections, and other services provided.	Degree to which customer needs are met.
Government and Citizens	G	2			Be a leader in South Carolina Workers' Compensation rule and regulation							
	S	2.1			Review fines received by SC Workers' Compensation Commission							
	M			2.1.1	Number of fines paid to the WCC is to be less than the prior three year's average.	2	Less than 3 year prior average		July 1 - June 30	Agency Claims Management Database.	The number of fines paid to the Workers Compensation Commission.	Indicate compliance with regulations.
Public Infrastructure and Economic Development	G	3			Operate a cost effective government agency.							
	S	3.1			Review expenditures with the greatest impact to agency.							
	M			3.1.1	Maintain less than a 15% increase in the average medical cost per SAF workers' compensation claim.	\$3,303 / (1.4%)	Less than 15% increase.		July 1 - June 30	Agency Claims Management Database.	Actual figure from medical cost divided by the total number of claims. Percentage is change from last year to this year in average medical cost per claim.	Compares cost controls.
	M			3.1.2	Maintain less than a 15% increase in the average indemnity cost per SAF workers' compensation claim.	\$10,846 / (3.5%)	Less than 15% increase.		July 1 - June 30	Agency Claims Management Database.	Actual figure from indemnity cost divided by the total number of claims. Percentage is change from last year to this year in average indemnity cost per claim.	Compares cost controls.
	M			3.1.3	Reimbursements for claims expense paid on Uninsured Employers' Fund claims will exceed the previous fiscal year.	NEW Measure						
	S	3.2			Control operating costs of the agency.							
	M			3.2.1	Maintain less than 15% administrative cost ratio.	8.5%	Less than 15%		July 1 - June 30	Current year estimated using Variance Report and finalized by the Fund's actuary.	Total administrative costs divided by total premium	Compares cost controls.
	S	3.3			Collect premium as due							

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Strategic Planning and Performance Measurement Template

Statewide Enterprise Strategic Objective	Type	Item #			Description	Base	2020-21		Time Applicable	Data Source and Availability	Calculation Method	Meaningful Use of Measure
		Goal	Strategy	Measure			Target	Actual				
	M			3.3.1	Percentage of Premium Billed over 90 days past due is less than 5% of the total premium billed.	0.00%	Less than 5%		July 1 - June 30	Past Due Amount as percentage of Premium as reported in the Variance Report	Total premium past due over 90 days divided by total premium	Compares cost controls.
	M			3.3.2	Audit 90% or more premium accounts within 180 days of annual renewal.	100%	Greater than 90%		July 1 - June 30	Agency Policyholder Management Database.	Percentage of policyholder payroll audits completed within 180 days.	Quick response leads to faster collections and more accurate billing.
	S			3.4	Cost vs. Revenue							
	M			3.4.1	Claims Expense will not exceed more than 85% of Earned Premium for the fiscal year.	82%	Less than 85%		July 1 - June 30	Estimation calculated from variance report and figures confirmed on audited Financial Statement	Total claims expense divided by total premium	Compares cost controls.

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Program Template

Program/Title	Purpose	<u>FY 2019-20 Expenditures (Actual)</u>				<u>FY 2020-21 Expenditures (Projected)</u>				Associated Measure(s)
		General	Other	Federal	TOTAL	General	Other	Federal	TOTAL	
Admin			\$ 4,675,923		\$ 4,675,923		\$ 7,419,562		\$ 7,419,562	
Uninsured Employers Fund			\$ 454,988		\$ 454,988		\$ 816,479		\$ 816,479	
Employee Benefits			\$ 1,511,323		\$ 1,511,323		\$ 2,101,855		\$ 2,101,855	

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Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted	Does this law specify who your agency must or may serve? (Y/N)	Does the law specify a product or service your agency must or may provide?	If yes, what type of service or product?	If other service or product, please specify what service or product.
1	42-7-10.	State	Statute	Establishment of the State Accident Fund.	Y	Y	Workers' Compensation Claims Management	
2	42-7-20.	State	Statute	Describes the administration of the fund and the selection of the director.	N	N		
3	42-7-30	State	Statute	Legal representation for fund; extra legal services; fees and expenses.	N	N		
4	42-7-40	State	Statute	Application to State.	N	N		
5	42-7-50	State	Statute	Subdivisions of State; optimal participation.	Y	N	Workers' Compensation Claims Management	2019-20
6	42-7-60	State	Statute	Officers and employees covered by article.	Y	N	Workers' Compensation Claims Management	
7	42-7-65	State	Statute	Average weekly wage designated for certain categories of employees.	N	N		
8	42-7-67	State	Statute	Benefits for State and National Guard members.	Y	N	Workers' Compensation Claims Management	
9	42-7-70	State	Statute	Rates and premiums.	N	N		
10	42-7-80	State	Statute	Payment of awards; notice of intention to contest award.	N	N		
11	42-7-90	State	Statute	Expenditures from fund.	N	N		
12	42-7-100	State	Statute	Fund director may insure liability.	N	N		
13	42-7-200	State	Statute	Workers' compensation Uninsured Employers' Fund; claims; collection powers; reimbursement agreements; funding.	Y	N		
14	42-7-210	State	Statute	Transfers from general fund to State Accident Fund authorized.	N	N		
15	42-7-310	State	Statute	Establishment, purpose, administration, funding and staff of Second Injury Fund	N	N		
16	42-7-320	State	Statute	Termination of Second Injury Fund; schedule.	N	N		
17	42-1-415	State	Statute	Representation of coverage; reimbursement from Uninsured Employers' Fund	N	N		
18	42-1-490	State	Statute	Payments to claimant-inmates of State Department of Corrections.	N	N		
19	42-1-500	State	Statute	County or municipal prisoners	N	N		
20	38-55-530	State	Statute	Designated the State Accident Fund as an authorized agency under Article 5. Insurance Fraud and Reporting Immunity.	N	N		
21	Regulation 67-201	State	Regulation	Regulations to be liberally construed in favor of the injured worker.	N	N		
22	Regulation 67-210	State	Regulation	Designates the State Accident Fund as a party to be served for hearing requests.	N	N		
23	Regulation 67-405	State	Regulation	Sets forth the requirement for the State Accident Fund to file reports for coverage, notices of termination and all reports and documents required under the Act.	N	N		
24	Regulation 67-416	State	Regulation	Requires the State Accident Fund to report coverage, accident, and claims information to the Commission using electronic interchange standards prescribed by the Commission.	N	N		
25	Regulation 67-417	State	Regulation	Stipulates that the Commission may conduct on-site examinations of the State Accident Funds claim files.	N	N		

Service/Product Provided to Customers	Customer Segments	Specify only for the following Segments: (1) Industry: Name; (2) Professional Organization: Name; (3) Public: Demographics.	Divisions or Major Programs	Description
Workers' Compensation Claims Management	Executive Branch/State Agencies	Governor	All	State Government Executive Branch
Workers' Compensation Claims Management	Legislative Branch	Legislature	All	State government Legislative Branch
Workers' Compensation Claims Management	Executive Branch/State Agencies	Workers' Compensation Commission	Claim management services. Legal Services.	Regulates the Workers' Compensation regulations of SC.
Workers' Compensation Claims Management	Executive Branch/State Agencies	Policyholders	All	Provide coverage for governmental agencies at reasonable cost.
Workers' Compensation Claims Management	Executive Branch/State Agencies	Injured workers	Claim management services. Medical case management. Rehabilitation services.	Assures state employees are covered for accidents in the workplace.
Workers' Compensation Claims Management	General Public	Uninsured employers	Claim management services. Legal Services.	Provide for required coverage for government agency employees at reasonable cost..

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Partner Template

Name of Partner Entity

Type of Partner Entity

Description of Partnership

Associated Goal(s)

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Report and External Review Template

Item	Is this a Report, Review, or both?	Report or Review Name	Name of Entity Requesting the Report or Conducting Review	Type of Entity	Reporting Frequency	Current Fiscal Year: Submission Date or Review Timeline (MM/DD/YYYY)	Summary of Information Requested in the Report or Reviewed	Method to Access the Report or Information from the Review
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