



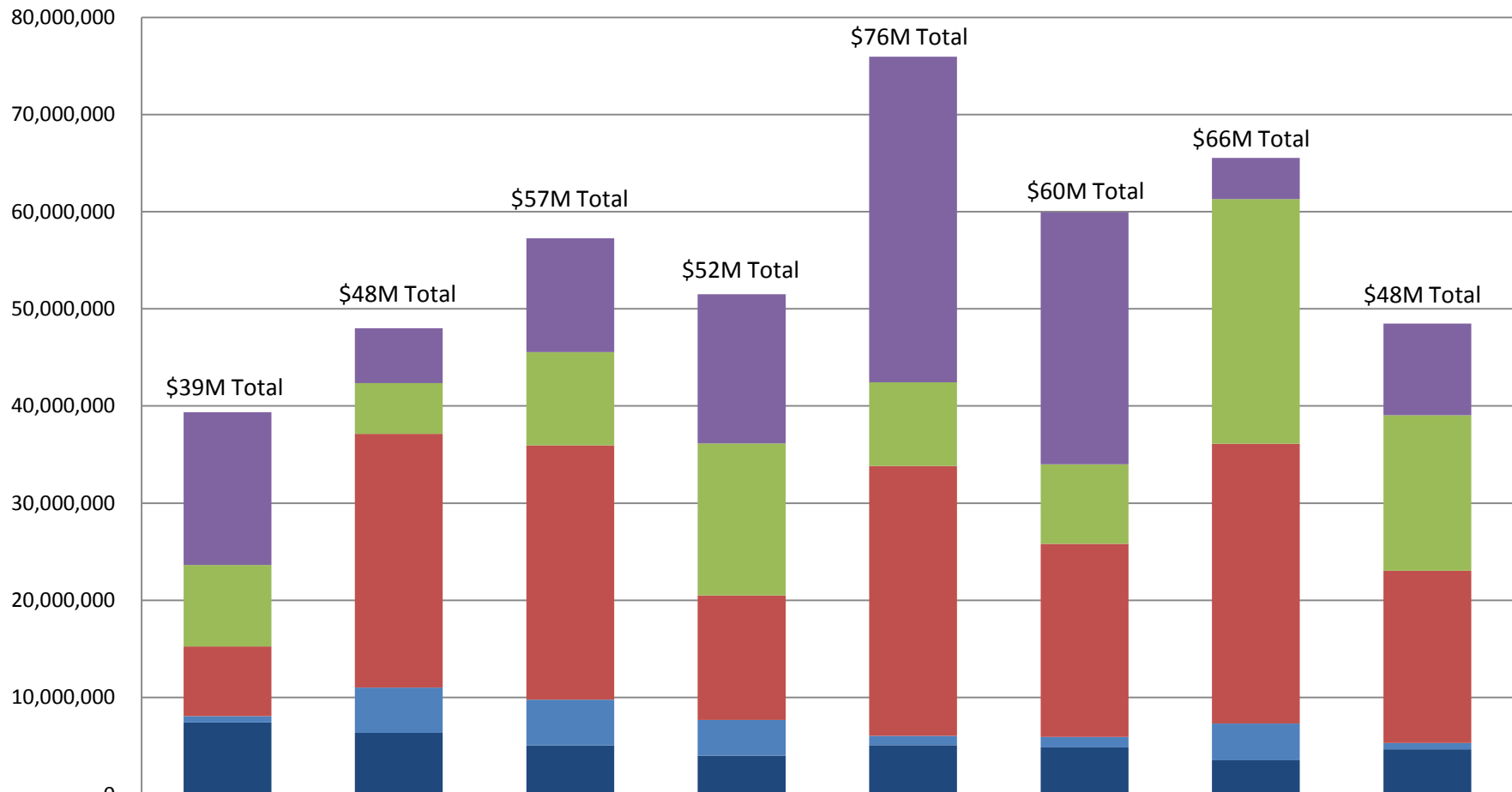
FISCAL YEAR 2014 TORT CLAIM INDEMNITY PAYOUT ANALYSIS

OFFICE OF RISK MANAGEMENT
Lucy Isaki, State Risk Manager
360-407-8143

September 3, 2014

Statewide Indemnity Payouts for FY 07-14

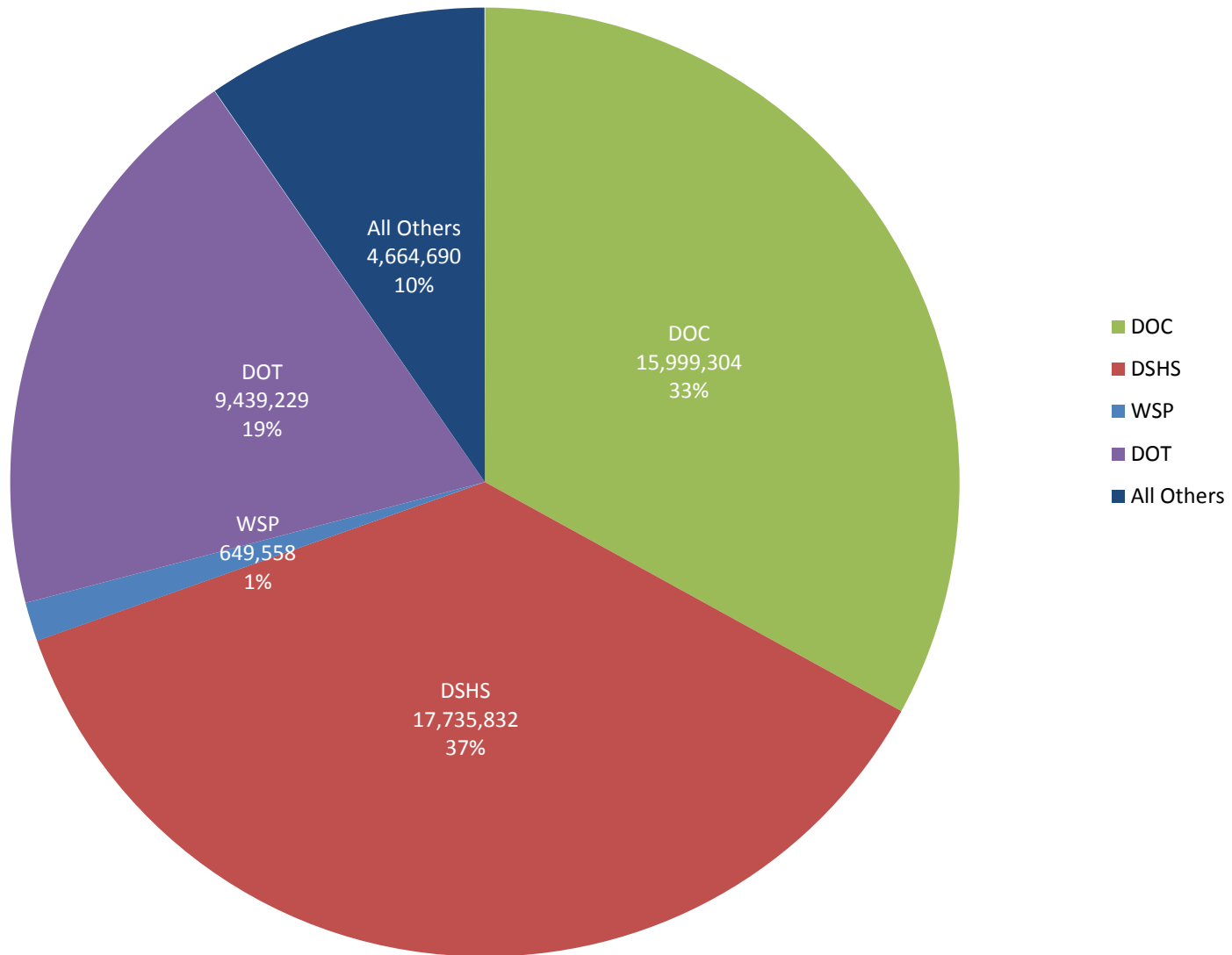
(Includes WSDOT Marine Division Payouts and Excludes UW and Excess Insurance Refunds)



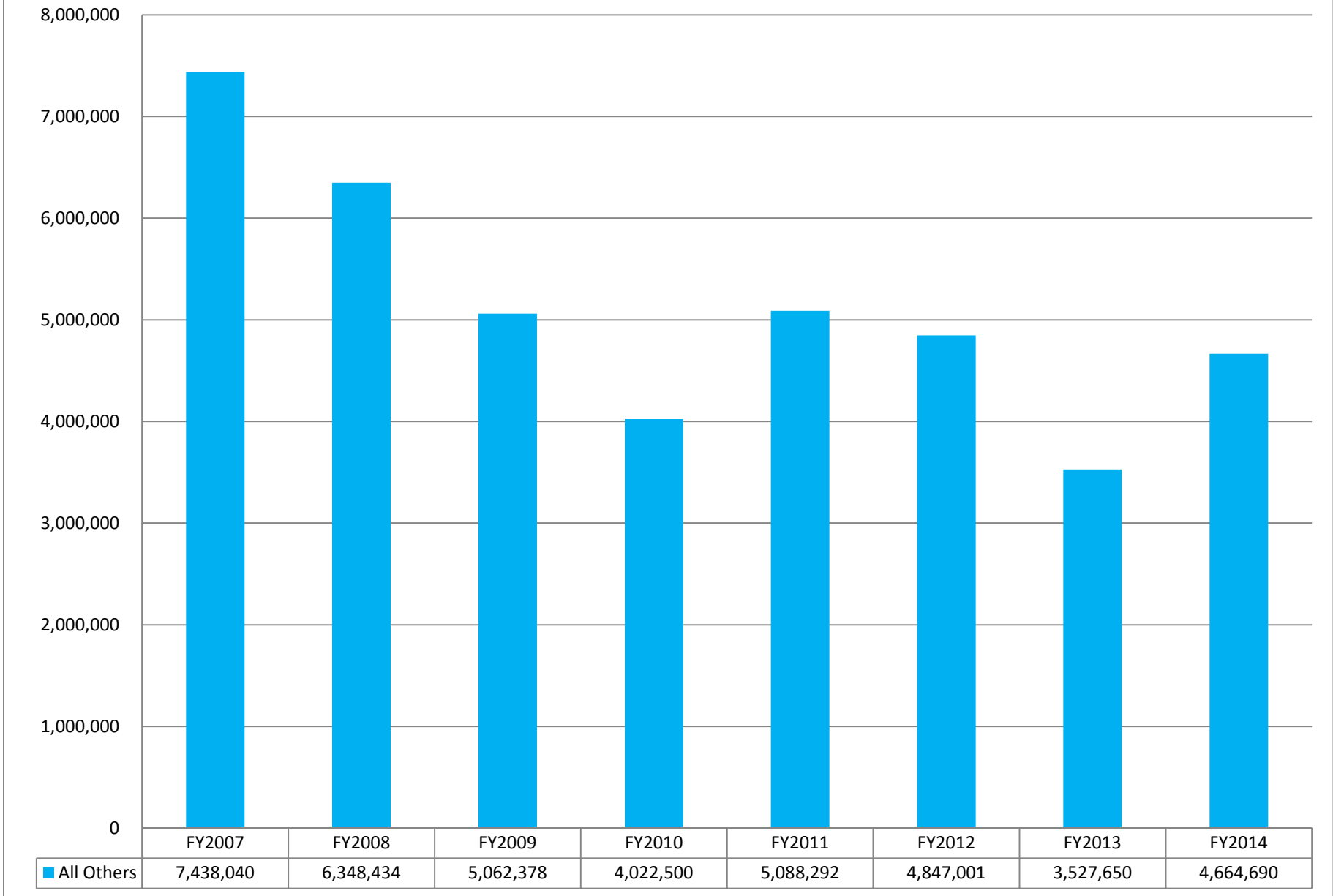
	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
■ DOT	15,736,081	5,667,135	11,735,594	15,358,651	33,515,455	25,942,804	4,237,470	9,439,229
■ DOC	8,383,092	5,214,219	9,591,948	15,656,156	8,616,624	8,192,717	25,195,682	15,999,304
■ DSHS	7,166,321	26,125,145	26,186,733	12,809,977	27,791,834	19,895,522	28,792,362	17,735,832
■ WSP	636,495	4,659,828	4,694,945	3,656,758	943,159	1,072,951	3,792,894	649,558
■ All Others	7,438,040	6,348,434	5,062,378	4,022,500	5,088,292	4,847,001	3,527,650	4,664,690

FY 14 Statewide Indemnity Payout Distribution (\$48,488,613)

(Includes WSDOT Marine Division Payouts and Excludes UW and Excess Insurance Refunds)



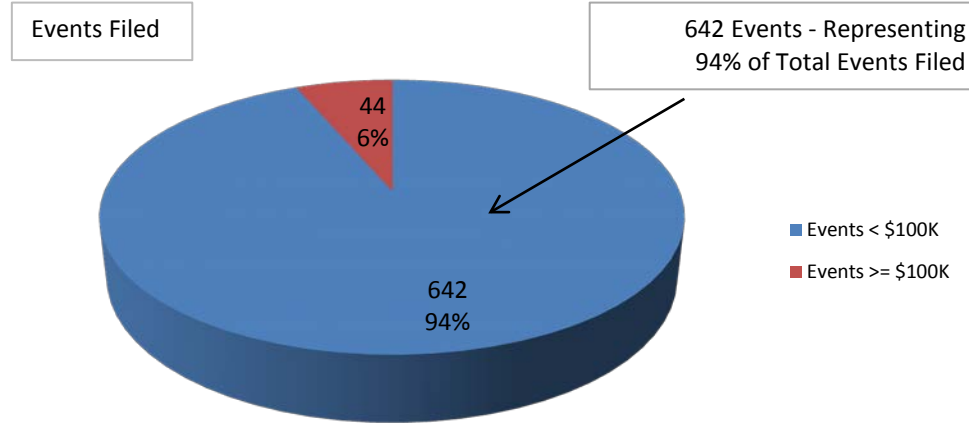
All Other State Agency Indemnity Payouts FY 07-14



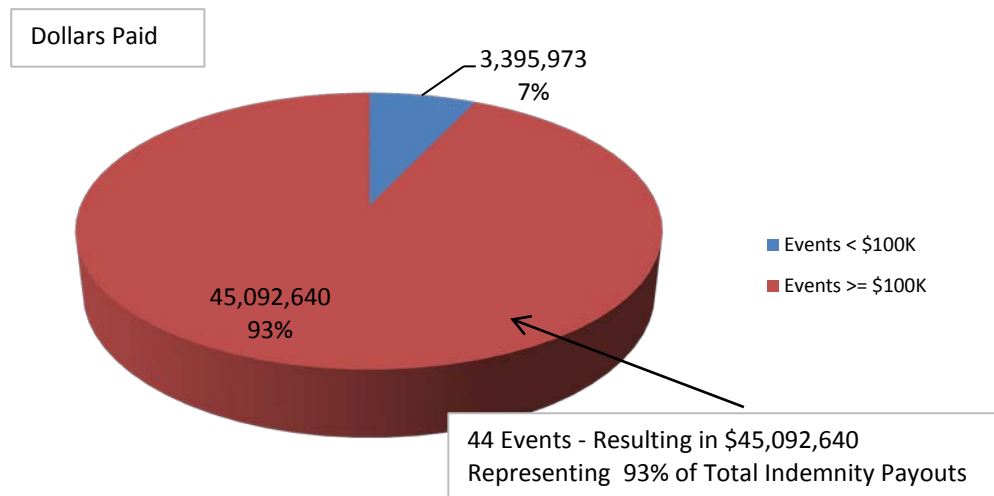
Fiscal Year 2014 Frequency / Severity

94% of Event Payouts are Less Than \$100,000 each and are 7% of Total Indemnity Payouts
The Remaining 6% of Event Payouts are 93% of Total Indemnity Payouts

Only a few of the events resulting in claims paid, are greater than \$100,000



Most of the events resulting in claims paid, are for less than \$100,000



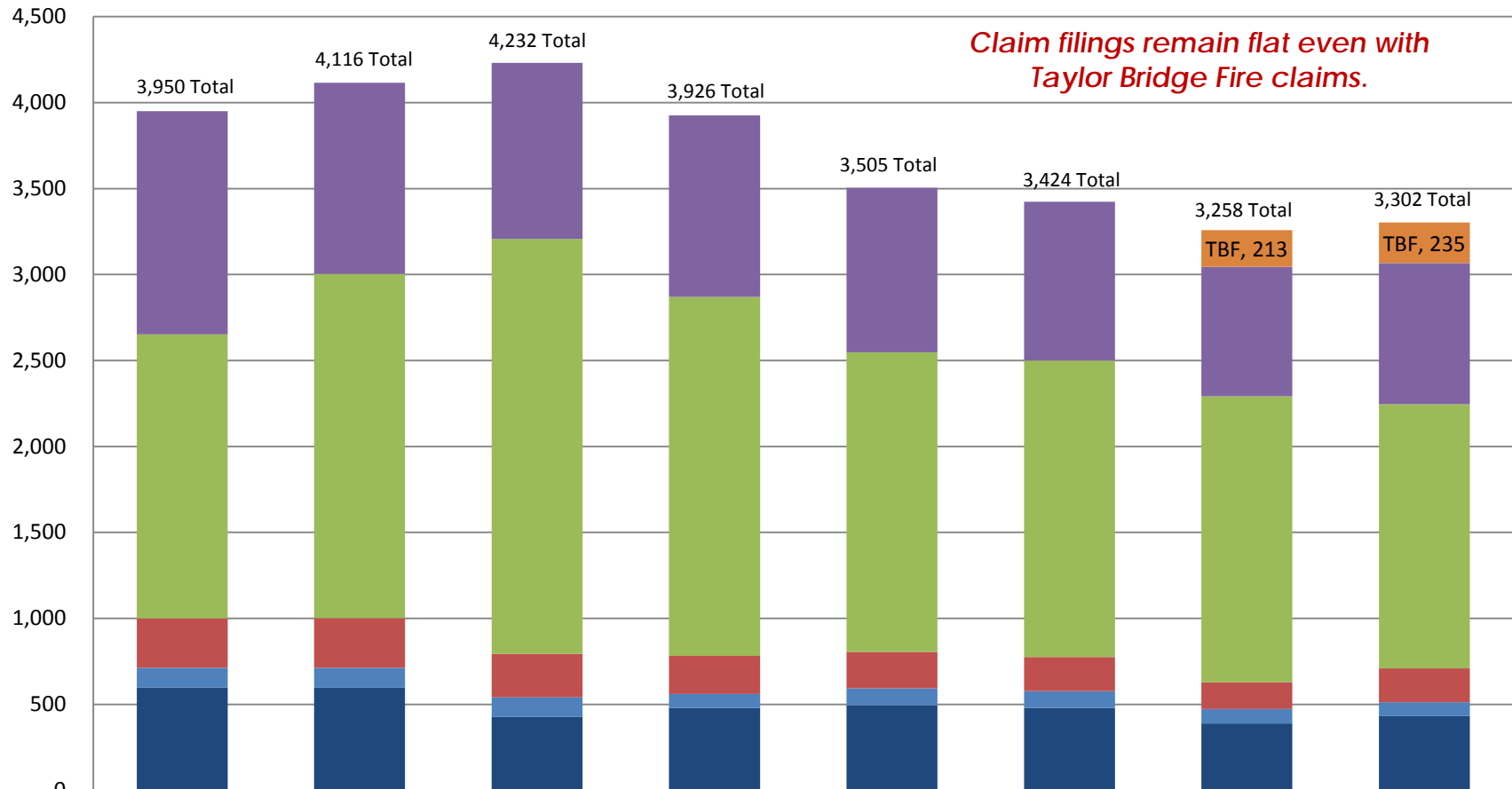
Large Payouts Result from a Small Number of Events (Severity = High / Frequency = Low)

(Includes WSDOT Marine Division Payouts and Excludes UW and Excess Insurance Refunds)

FY 2007	WSP	Amount	Percent	DSHS	Amount	Percent	DOC	Amount	Percent	DOT	Amount	Percent	All Others	Amount	Percent
Events > \$100K	2	386,250	61%	7	6,770,000	94%	8	7,992,500	95%	19	14,168,487	90%	8	6,069,251	82%
Events < \$100K	61	250,245	39%	65	396,321	6%	290	390,592	5%	347	1,567,593	10%	51	1,368,790	18%
2007 Total	63	636,495		72	7,166,321		298	8,383,092		366	15,736,081		59	7,438,040	
FY 2008	WSP	Amount	Percent	DSHS	Amount	Percent	DOC	Amount	Percent	DOT	Amount	Percent	All Others	Amount	Percent
Events > \$100K	3	4,205,500	90%	20	25,599,449	98%	7	4,574,985	88%	12	4,297,830	76%	10	4,153,003	65%
Events < \$100K	43	454,328	10%	61	525,696	2%	343	639,234	12%	329	1,369,305	24%	51	2,195,431	35%
2008 Total	46	4,659,828		81	26,125,145		350	5,214,219		341	5,667,135		61	6,348,434	
FY 2009	WSP	Amount	Percent	DSHS	Amount	Percent	DOC	Amount	Percent	DOT	Amount	Percent	All Others	Amount	Percent
Events > \$100K	4	4,527,667	96%	18	25,208,174	96%	13	8,769,455	91%	16	10,050,835	86%	8	3,716,100	73%
Events < \$100K	48	167,278	4%	73	978,559	4%	411	822,493	9%	296	1,684,759	14%	50	1,346,278	27%
2009 Total	52	4,694,945		91	26,186,733		424	9,591,948		312	11,735,594		58	5,062,378	
FY 2010	WSP	Amount	Percent	DSHS	Amount	Percent	DOC	Amount	Percent	DOT	Amount	Percent	All Others	Amount	Percent
Events > \$100K	3	3,332,000	91%	18	11,961,162	93%	11	14,864,584	95%	16	13,570,168	88%	7	1,777,500	44%
Events < \$100K	47	324,758	9%	62	848,816	7%	359	791,572	5%	288	1,788,483	12%	46	2,245,000	56%
2010 Total	50	3,656,758		80	12,809,978		370	15,656,156		304	15,358,651		53	4,022,500	
FY 2011	WSP	Amount	Percent	DSHS	Amount	Percent	DOC	Amount	Percent	DOT	Amount	Percent	All Others	Amount	Percent
Events > \$100K	2	518,813	55%	19	27,204,647	98%	6	7,970,000	92%	13	32,453,500	97%	12	3,805,734	75%
Events < \$100K	46	424,345	45%	60	587,187	2%	280	646,624	8%	252	1,061,955	3%	47	1,282,559	25%
2011 Total	48	943,158		79	27,791,834		286	8,616,624		265	33,515,455		59	5,088,293	
FY 2012	WSP	Amount	Percent	DSHS	Amount	Percent	DOC	Amount	Percent	DOT	Amount	Percent	All Others	Amount	Percent
Events > \$100K	2	795,000	74%	14	19,409,488	98%	8	7,480,000	91%	13	24,706,303	95%	8	3,149,349	65%
Events < \$100K	48	277,951	26%	54	486,033	2%	242	712,717	9%	220	1,236,501	5%	53	1,697,652	35%
2012 Total	50	1,072,951		68	19,895,521		250	8,192,717		233	25,942,804		61	4,847,001	
FY 2013	WSP	Amount	Percent	DSHS	Amount	Percent	DOC	Amount	Percent	DOT	Amount	Percent	All Others	Amount	Percent
Events > \$100K	3	3,227,000	85%	18	28,230,000	98%	11	24,685,736	98%	9	3,361,612	79%	8	2,147,620	61%
Events < \$100K	45	565,894	15%	63	562,362	2%	229	509,946	2%	205	875,859	21%	50	1,380,030	39%
2013 Total	48	3,792,894		81	28,792,362		240	25,195,682		214	4,237,471		58	3,527,650	
FY 2014	WSP	Amount	Percent	DSHS	Amount	Percent	DOC	Amount	Percent	DOT	Amount	Percent	All Others	Amount	Percent
Events > \$100K	1	370,001	57%	14	17,285,641	97%	10	15,523,181	97%	6	8,425,000	89%	13	3,488,818	75%
Events < \$100K	36	279,557	43%	56	450,191	3%	186	476,123	3%	194	1,014,229	11%	40	1,175,873	25%
2014 Total	37	649,558		70	17,735,832		196	15,999,304		200	9,439,229		53	4,664,691	

Statewide Tort Claim Filing for FY 07-14

(Excludes UW, Counties, Cities, Public School Districts, and Non State Entities)



	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
TBF	0	0	0	0	0	0	213	235
DOT	1,298	1,113	1,025	1,056	957	924	753	822
DOC	1,653	2,002	2,413	2,089	1,743	1,725	1,664	1,536
DSHS	286	288	254	221	212	198	156	196
WSP	115	117	112	81	98	98	83	82
All Others	598	596	428	479	495	479	389	431

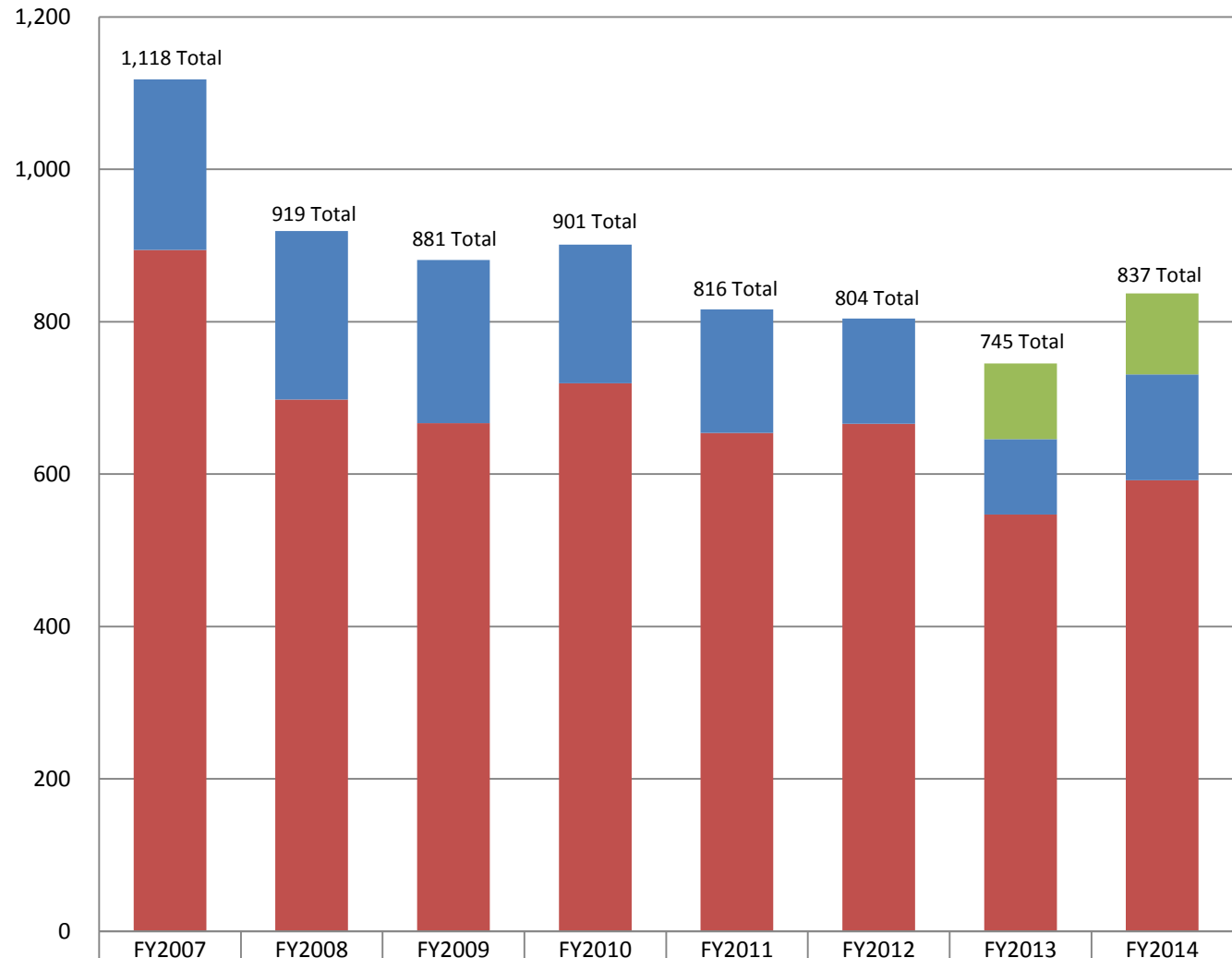
Distribution of DOC Claims Filed FY 07 - 14



Distribution of DOT Claims Filed FY 07 - 14

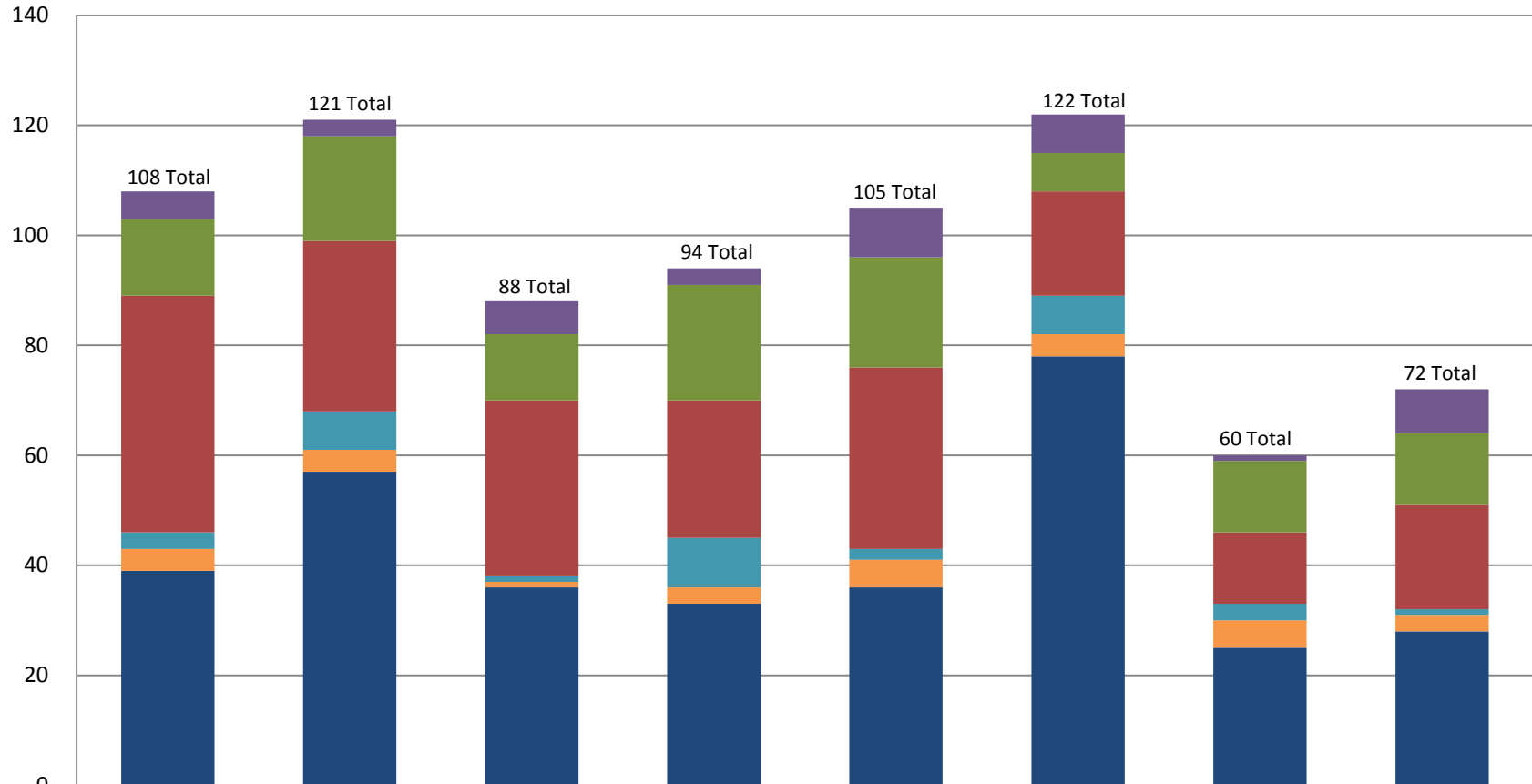
(Includes WSDOT Ferries Claims)

Road construction and maintenance personal property claims inflate the number of DOT claims. Taylor Bridge Fire claims account for an increase in DOT claims in FY 13 and FY 14.

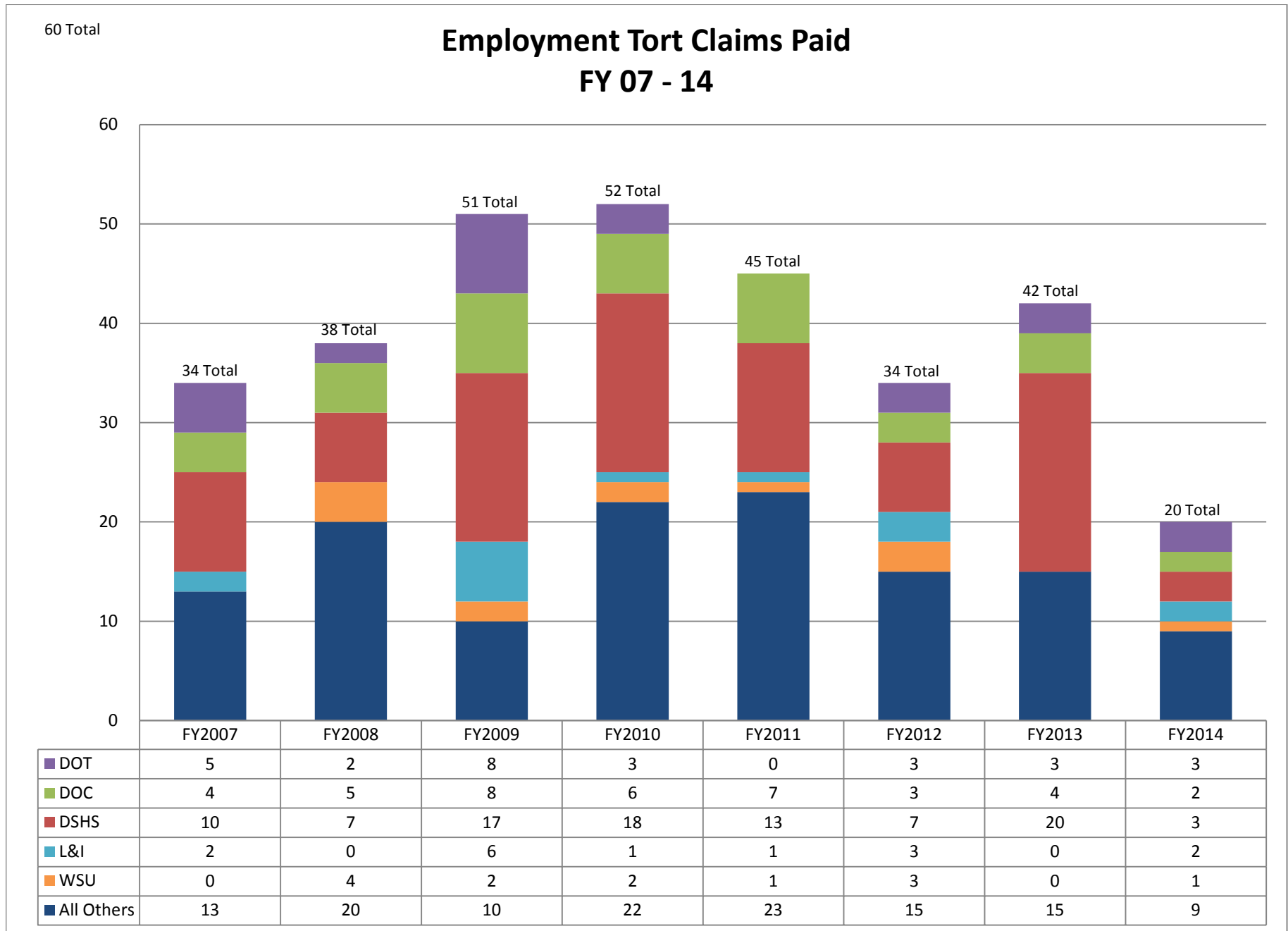


	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Taylor Bridge Fire Claims	0	0	0	0	0	0	99	106
Non Road Construction Maintenance Claims	224	221	214	182	162	138	99	139
Road Construction Maintenance Claims	894	698	667	719	654	666	547	592

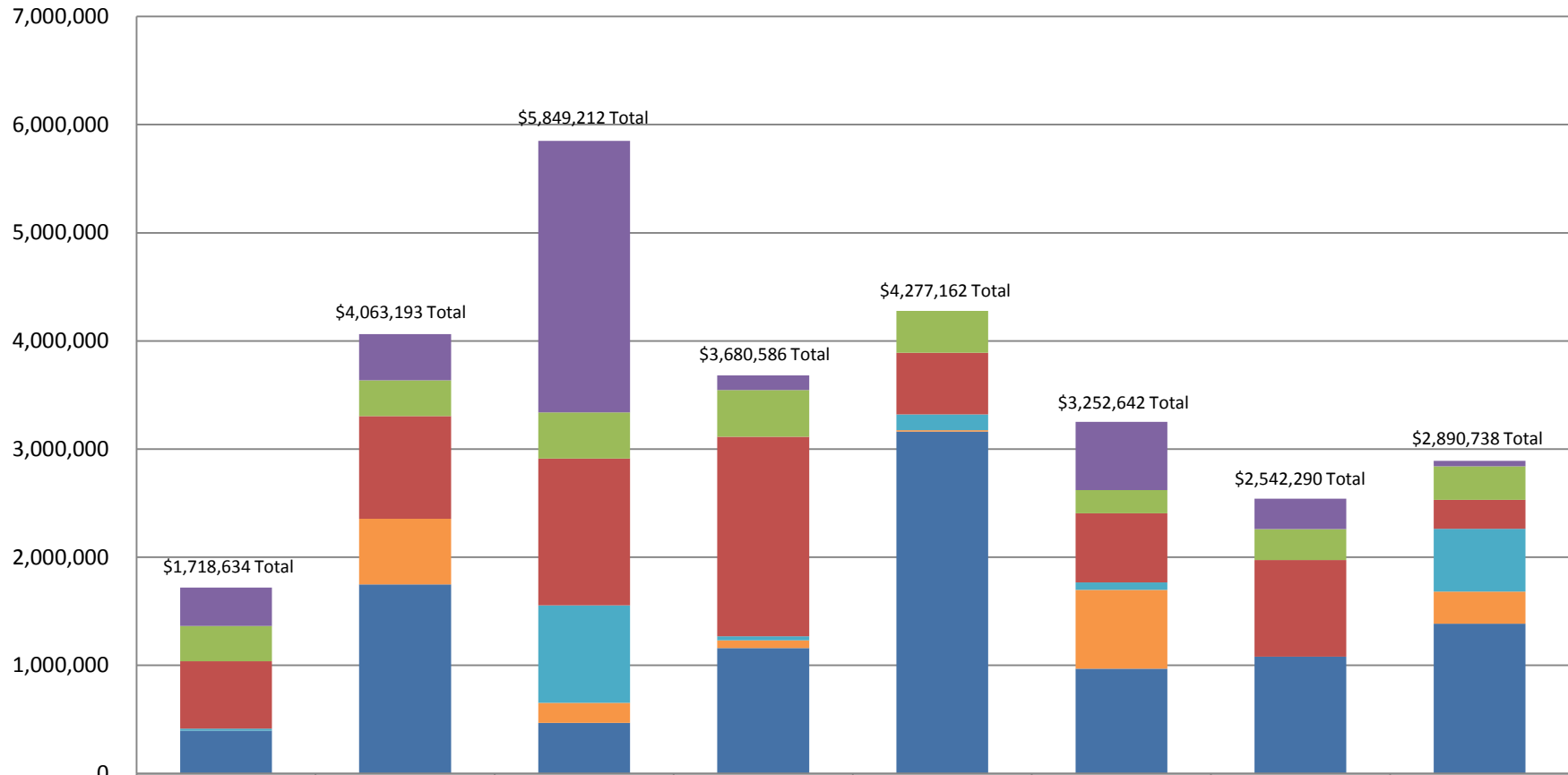
Employment Tort Claims Filed FY 07 - 14



	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
■ DOT	5	3	6	3	9	7	1	8
■ DOC	14	19	12	21	20	7	13	13
■ DSHS	43	31	32	25	33	19	13	19
■ L&I	3	7	1	9	2	7	3	1
■ WSU	4	4	1	3	5	4	5	3
■ All Others	39	57	36	33	36	78	25	28

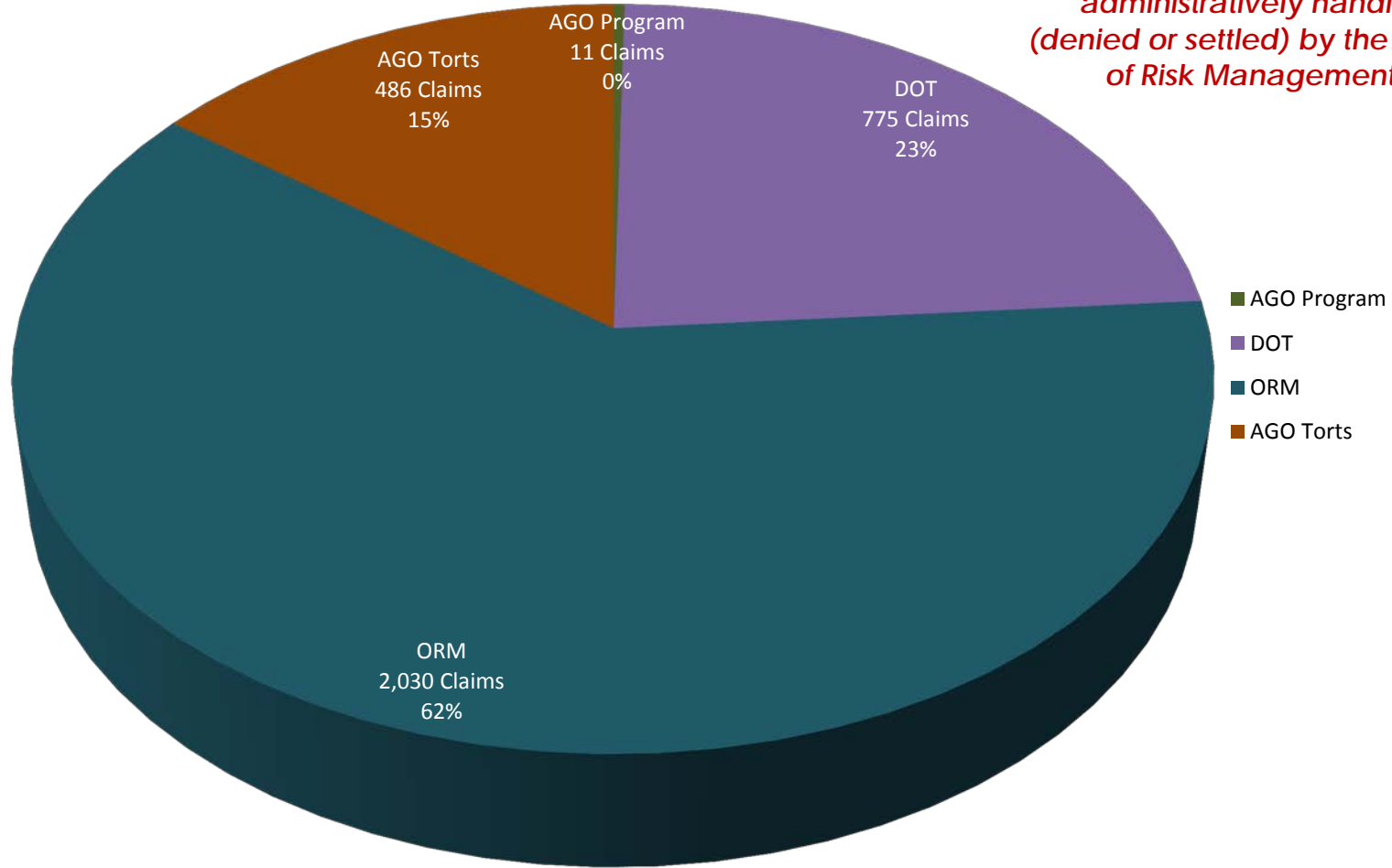


Employment Indemnity Payouts by Agency FY 07 - 14



	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
■ DOT	355,301	427,000	2,509,689	135,000	0	631,483	282,706	50,691
■ DOC	325,000	332,000	428,000	431,501	387,500	215,000	284,577	310,188
■ DSHS	623,375	947,710	1,357,104	1,845,712	569,286	638,543	894,814	267,348
■ L&I	19,030	0	900,713	37,000	145,000	69,500	0	580,765
■ WSU	0	607,462	184,254	71,104	13,642	730,000	0	295,972
■ All Others	395,928	1,749,021	469,453	1,160,269	3,161,734	968,117	1,080,193	1,385,774

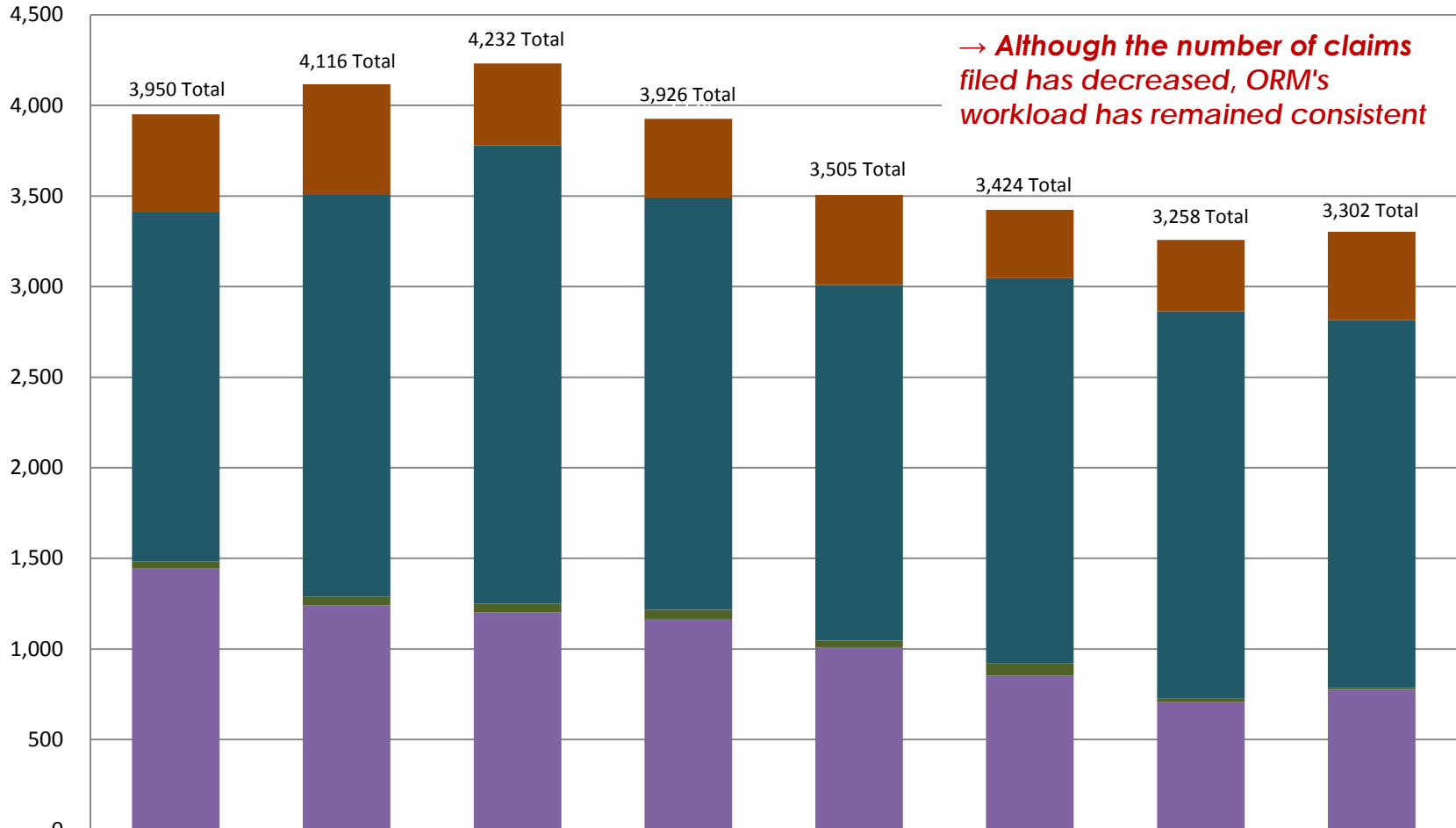
FY 14 Tort Claim Filing by Investigative Office Assigned



62% of tort claims filed are administratively handled (denied or settled) by the Office of Risk Management.

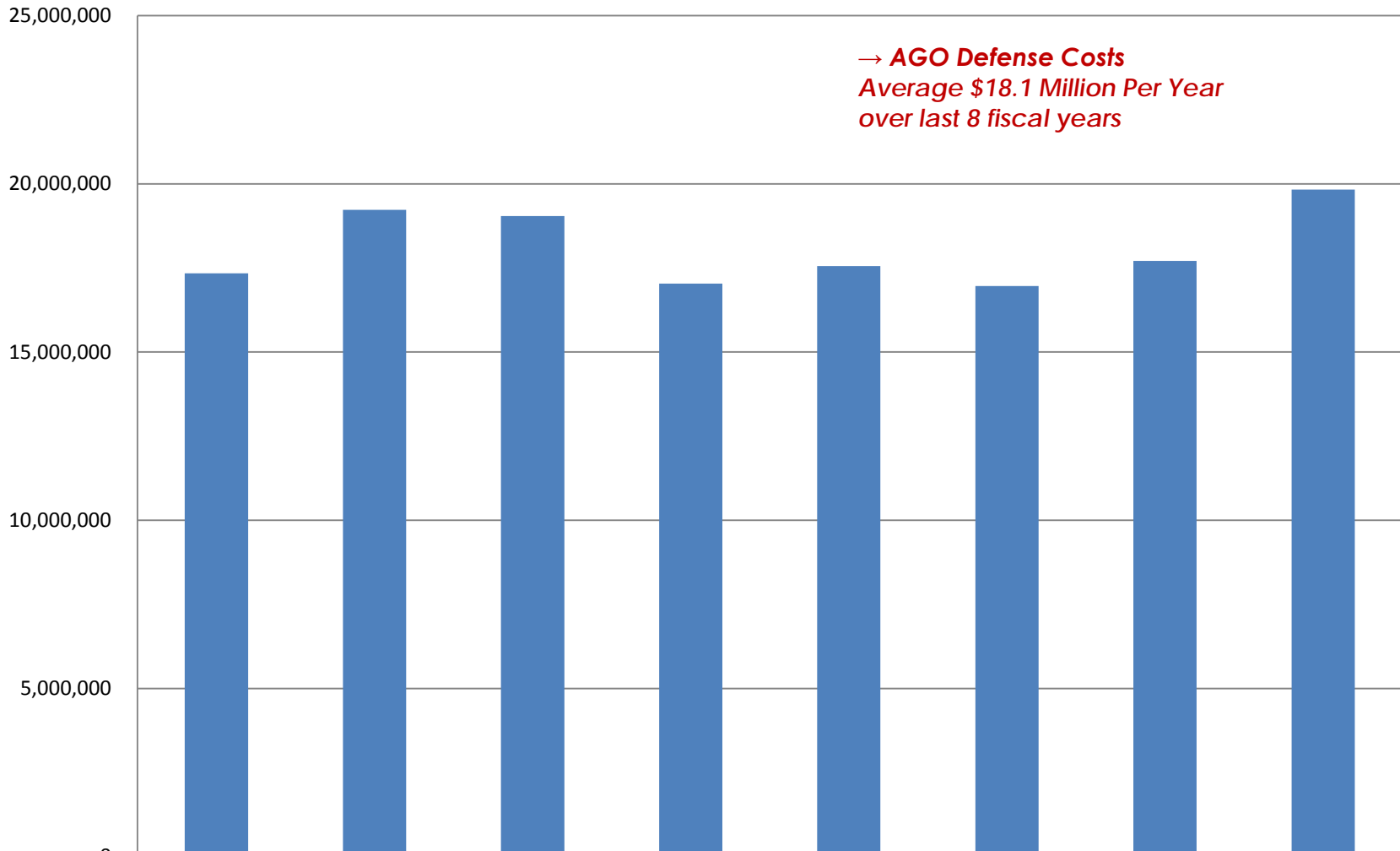
- AGO Program
- DOT
- ORM
- AGO Torts

FY 07 - 14 Tort Claim Filing by Investigative Office Assigned



	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
AGO Torts	536	606	452	434	495	378	394	486
ORM	1,932	2,221	2,529	2,275	1,964	2,124	2,136	2,030
AGO Program	38	49	50	51	36	68	21	11
DOT	1,444	1,240	1,201	1,166	1,010	854	707	775

Total AGO Defense Costs FY 07 - 14 \$144,572,344



■ AGO Defense Costs	17,340,335	19,225,608	19,037,926	17,030,863	17,554,111	16,959,996	17,708,777	19,830,237
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Fiscal Year 2014
July 1, 2013 – June 30, 2014
Highest Tort Indemnity Payouts

Washington State Department of Social and Health Services Claims and Litigation

Claim: 30070806
Claimants: Six children:
V.A.C.
D.J.C.
A.V.C.
R.B.G.
R.G.C.
A.S.C.
Date of Incident: 01/01/08
Date Claim Filed: 02/10/12
Indemnity Paid: \$1,273,085.32 (V.A.C. only)

Six children alleged that DSHS failed to protect them from Maria Esquivel (an alleged friend of plaintiffs' mother) who, while living with the plaintiffs, subjected plaintiffs to physical, emotional, and psychological abuse, and neglect and maltreatment. Plaintiffs claim severe physical, mental and emotional injuries, and negligent investigation. There were numerous referrals to DSHS and the police. Esquivel allegedly harmed the father, Raphael Sr. as well as the children. Sadistic actions by Esquivel are alleged to have been visited on all the children. \$1.273 million was paid to V.A.C. in FY14, and in FY15, the remaining five children were paid a total of \$6,726,914.30. Both settlements were reached in mediation.

Claim: 30070508
Claimants: Schmidt, Loralynne - Guardian ad Litem for
R.B.
J.B.
K.B.
P.B.
S.B.
Z.B.
Date of Incident: 01/21/98
Date Claim Filed: 09/16/10
Indemnity Paid: \$9,000,000

Plaintiff, Guardian ad Litem (GAL) for six children, alleged that DSHS should have been aware that the biological mother of the children physically, sexually, and emotionally abused the minor plaintiffs. Plaintiff GAL further alleges that after the children were removed and placed in foster care, they suffered additional physical, mental, and sexual abuse. The mother, together with Matthew Hepple, a registered sex offender, had custody of the children. Many referrals about the children were made to DSHS. An investigative assessment of Hepple mistakenly stated Hepple had completed sex offender treatment and that the mother followed a safety plan for the children. The family moved to New Mexico but DSHS did not make meaningful contact with the authorities in that state. Torture was alleged to have ensued after the move. Finally, one of the children ran away and reported the abuse to the authorities. Settlement was reached at mediation.

Claim: 30070798
 Claimant: R.R.
 Date of Incident: 06/01/92
 Date Claim Filed: 01/30/12
 Indemnity Paid: \$3,000,000

Plaintiff R.R. alleges that DSHS failed to remove her from her home where her mother's live-in boyfriend, Christopher Hamburg, physically and sexually abused her for years. At the age of 11, plaintiff became pregnant by Hamburg. Plaintiff alleges she was continually raped, sodomized, and exploited by Hamburg from 1995 to 2010. Plaintiff claims emotional and physical injuries, negligent investigation, sexual exploitation, and punitive damages. Settlement followed mediation and direct negotiations.

[Washington State Department of Corrections Claims and Litigation](#)

Claim:	31072528	31071958	31072589	31072623	31071836
Claimants:	Binschus, Fred Binschus, Julieann	Rose, Andrea Rose, Chester	Rose, David Radcliffe, Pamela	Gillum, Gregory N. Gillum, RGG Gillum, MLG Gillum, JoAnn	Lange, Carla J. Lange, Leroy B.
Date of Incident:	09/02/08	09/02/08	09/02/08	09/02/08	09/02/08
Date Claim Filed:	08/28/09	08/28/09	08/28/09	08/28/09	08/28/09
Indemnity Paid:	\$2,970,000	\$1,250,000	\$1,500,000	\$1,350,000	\$1,250,000

On September 2, 2008, Isaac Zamora killed six people and injured four others. Those killed include Julieann Binschus, Chester Rose, Deputy Ann Jackson, Daniel Radcliffe, Greg Gillum and Leroy Lange. Those injured include Fred Binschus (shot twice), Richard Treston (stabbed twice); Ben Mercado, (shot); and Trooper Troy Giddings (shot). Zamora had an extensive criminal history. Plaintiffs alleged, among other things, that DOC failed to keep contact with Zamora, failed to issue a warrant for his failure to report, and failed to establish an offender's supervision plan. Plaintiffs claimed wrongful death, emotional injuries, financial loss, negligent supervision and training, and regulatory violations. Settlement was reached at mediation. The total paid for this event was \$8,320,000.

Claim: 31075575
Claimants: Bolstad, Chad E.
Date of Incident: 10/10/10
Date Claim Filed: 03/23/11
Indemnity Paid: \$2,900,000

Plaintiff alleges that defendants negligently placed Michael West (DOC #726489) in the Airway Heights Corrections Center, knowing that West had a long history of violence. When West was placed in Mr. Bolstad's cell, West attacked Bolstad, according to the claim. Plaintiff suffered multiple facial fractures, and his right eye was gouged into his skull. His left eye was ripped out of its socket. The plaintiff was left totally blind. Plaintiff's claim states he had extreme pain, disfigurement, disability, mental distress, loss of enjoyment of life, and past and future medical expenses. Settlement was reached at mediation and a trust was created for Bolstad.

Washington State Department of Transportation Claims and Litigation

Claim: 40574101
Claimants: Remme, Lanny J.
Remme, Laura A.
Remme, Eric S.
Remme, Daniel K.
Wagner Remme, Gregory H.
Schrader, Kelly K.
Davis, Rebecca A.
Remme, Marcus D.

Date of Incident: 04/02/11
Date Claim Filed: 08/21/12
Indemnity Paid: \$1,500,000

Plaintiffs allege that Lanny Remme was riding his bicycle southbound from University Village toward the Montlake Bridge when he approached the north end of the bridge along the east sidewalk. Lanny Remme's front wheel encountered a raised 2+ inch lip on the sidewalk whereupon the bicycle was forcibly stopped sending Mr. Remme over the handlebars and slamming him head-first onto the sidewalk pavement. Plaintiff suffered a fractured neck, leaving him with permanent quadriplegia. Plaintiffs claimed emotional injuries, permanent physical damages, disfigurement, loss of bodily functions and independence, negligent maintenance, design, and construction, loss of consortium, wage loss, and financial expenses. Settlement followed mediation and direct negotiations.

Claim: 40572988
Claimants: Gamper, Rodney J
Gamper, Barbara
Date of Incident: 05/17/09
Date Claim Filed: 06/24/11
Indemnity Paid: \$1,100,000

Plaintiff Rodney Gamper alleges he lost control of his motorcycle while making a left turn because he hit 2-inch ruts/peaks in the roadway. Plaintiff also alleges that there were no warning signs about the rough road. Plaintiff suffered injuries to his legs, lungs, torso and head. Plaintiff Barbara Gamper alleged loss of consortium. Settlement was reached at mediation.

Claim: 40571537
Claimants: Van Lear, Keith A.
Van Lear, Lisa
Date of Incident: 07/23/08
Date Claim Filed: 10/09/09
Indemnity Paid: \$3,750,000

Plaintiffs were riding their motorcycle when a vehicle driven by Jill Link hit them while driving through an intersection, which threw them both off the bike and dragged Lisa down the road. Plaintiffs allege that DOT and Ms. Link were negligent. Plaintiffs claim pain and suffering, property damage, medical expenses, wage loss, and loss of enjoyment of life. The case was settled on appeal.

Claim: 40573930
Claimants: Huether, Beverly L.
Huether, Barbara A.
Date of Incident: 04/16/11
Date Claim Filed: 06/28/12
Indemnity Paid: \$1,750,000

Plaintiffs were walking in a crosswalk on Pacific Avenue at the northeast corner of the I-5 off-ramp in Olympia. Co-defendants Elisah and Kevin Moran failed to give plaintiffs the right-of-way, causing the Morans' vehicle to hit Barbara Huether throwing her several feet down the road and causing severe injuries. Plaintiffs claim DOT was negligent in its design, construction, and maintenance of the crosswalk. Plaintiff Barbara suffered severe physical injuries. Plaintiffs claimed emotional, physical, financial damages, and attorney fees. Settlement was reached at mediation.