



FISCAL YEAR 2018 TORT CLAIM INDEMNITY PAYOUT ANALYSIS

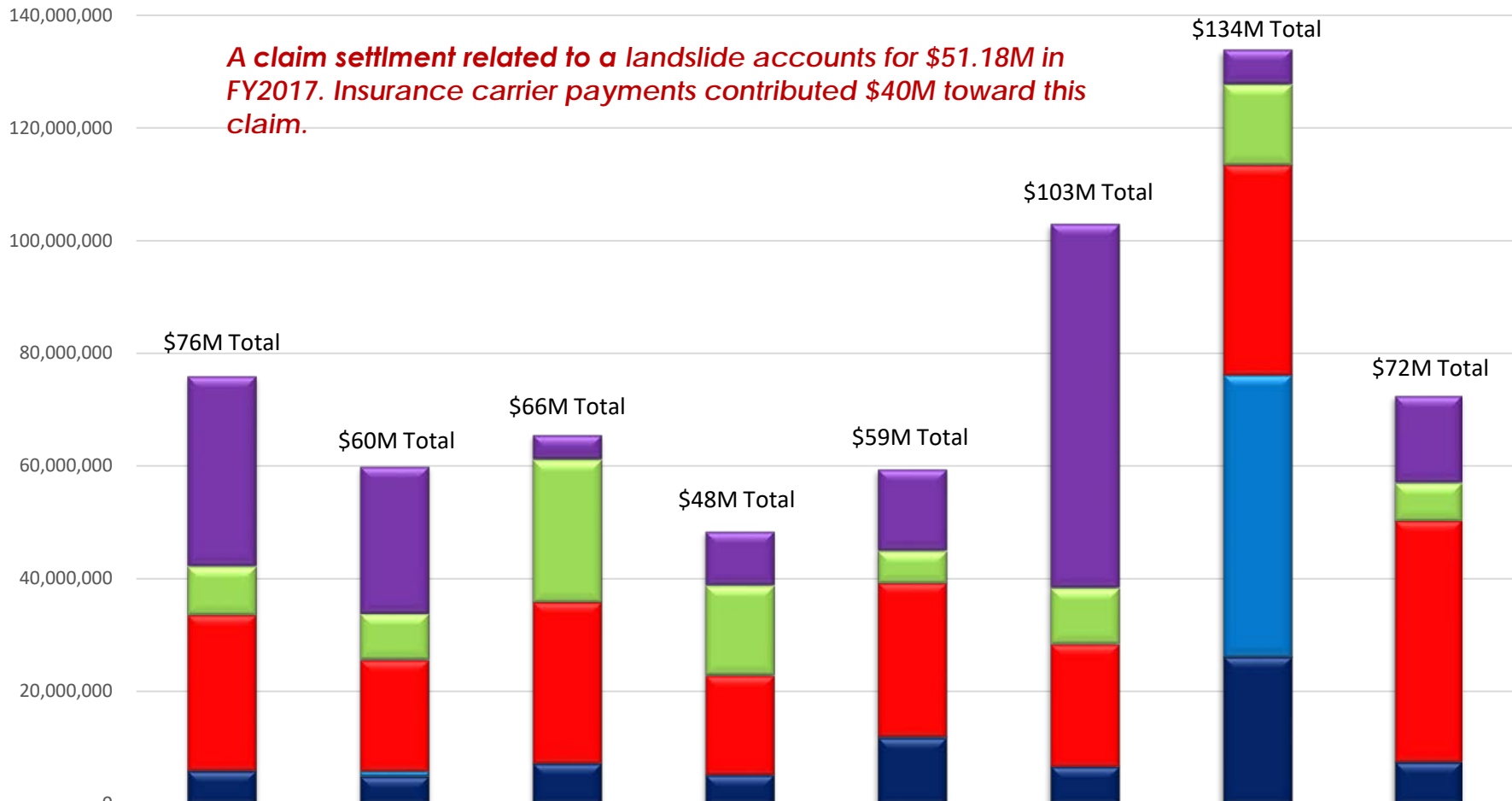
OFFICE OF RISK MANAGEMENT
Jason Siems, State Risk Manager
360-407-8729

August 28, 2018

Statewide Indemnity Payouts for FY 11-18

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

A claim settlement related to a landslide accounts for \$51.18M in FY2017. Insurance carrier payments contributed \$40M toward this claim.

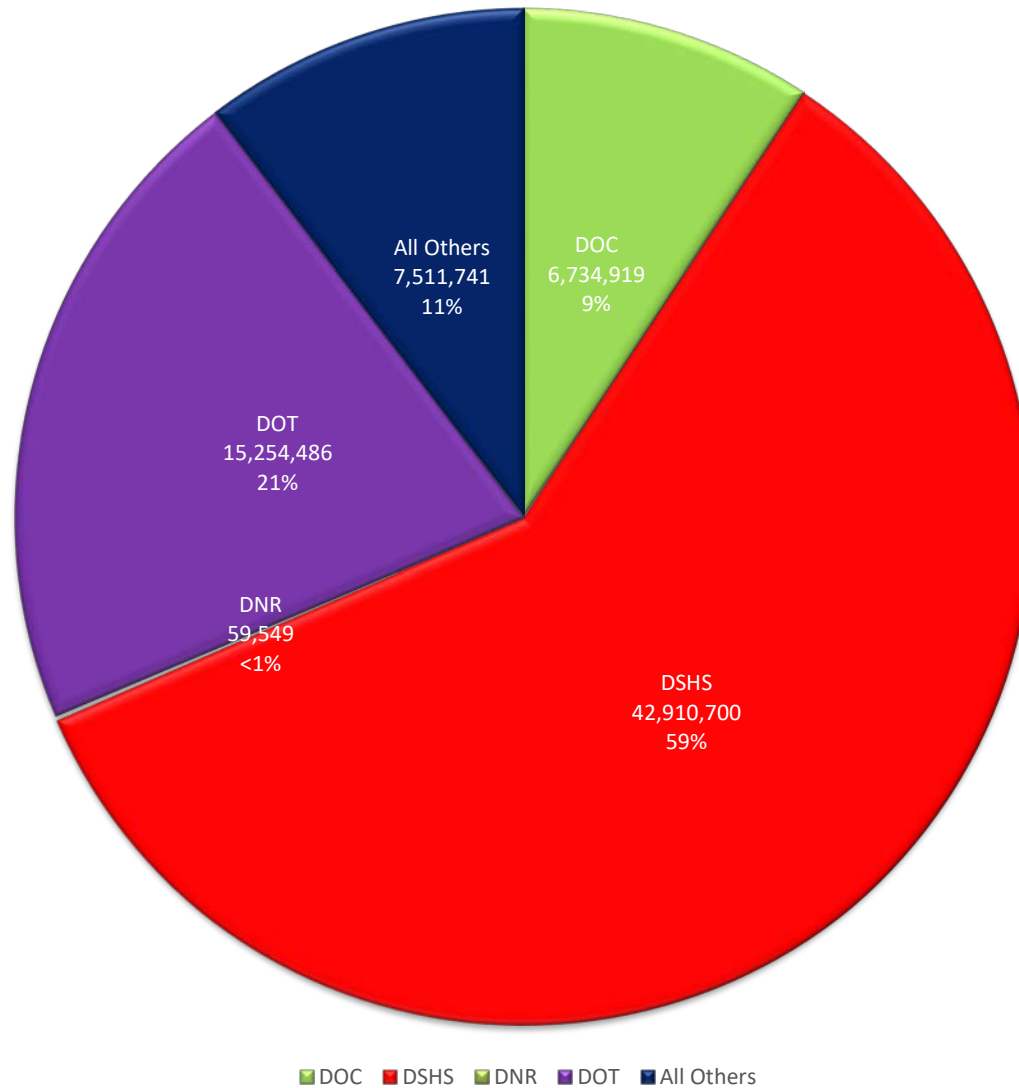


	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
■ DOT	33,515,455	25,942,804	4,237,470	9,439,229	14,352,216	64,311,819	6,129,090	15,254,486
■ DOC	8,616,624	8,192,717	25,195,682	15,999,304	5,665,919	9,978,979	14,234,869	6,734,919
■ DSHS	27,791,834	19,895,522	28,792,362	17,735,832	27,394,840	21,894,312	37,262,249	42,910,700
■ DNR	68,952	923,679	39,939	62,741	307,534	(129,831)	50,087,041	59,549
■ All Others	5,962,499	4,996,274	7,280,605	5,251,507	11,782,580	6,736,988	26,071,968	7,511,741

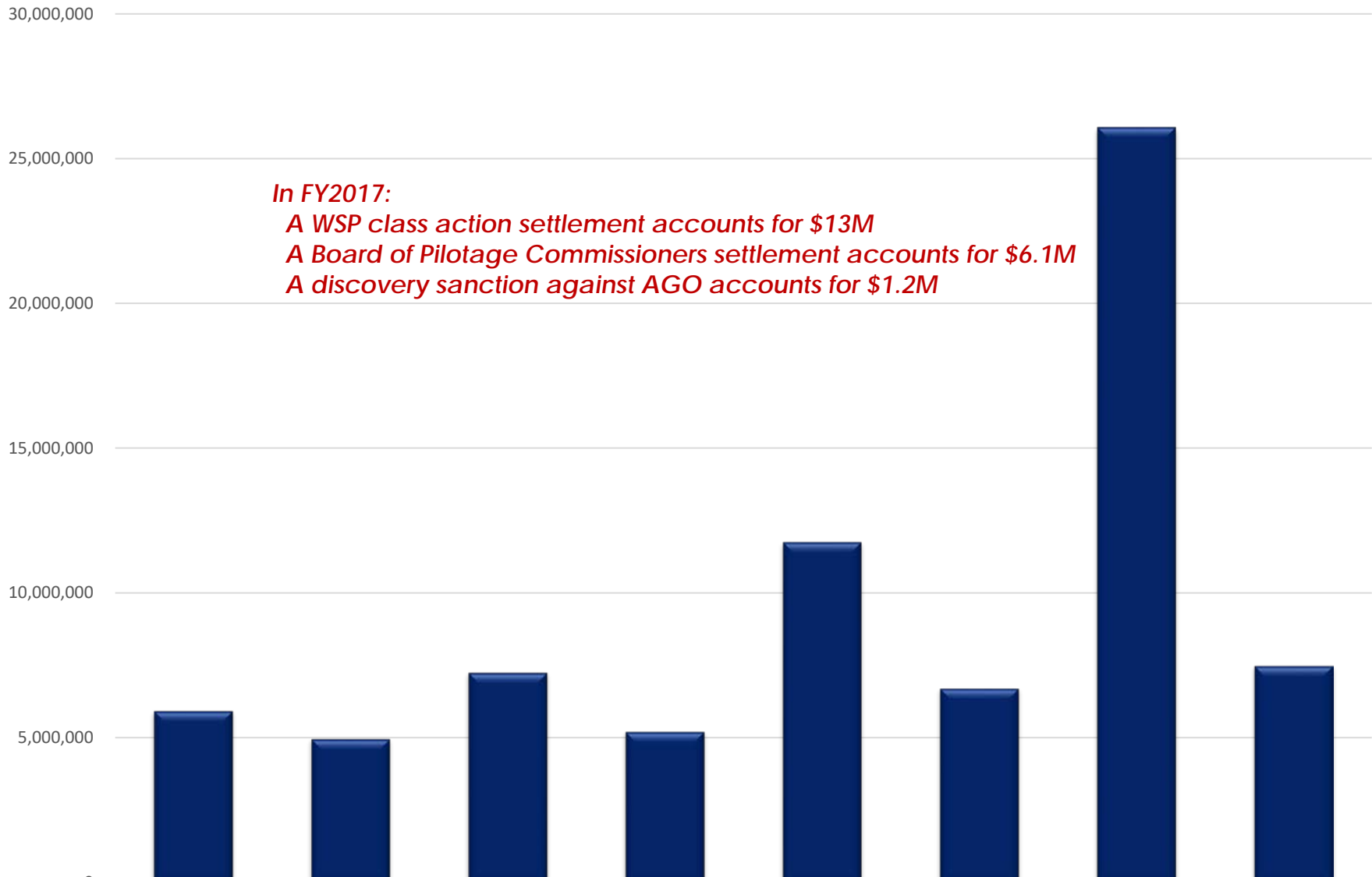
*Marine Division reimburses the self insurance fund for its payouts.

FY 18 Statewide Indemnity Payout Distribution (\$72,471,394)

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



All Other State Agency Indemnity Payouts FY 11-18

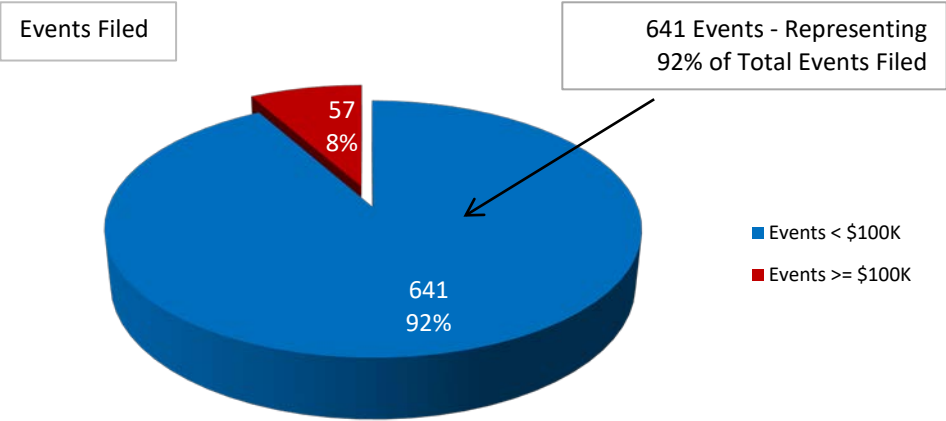


In FY2017:
 A WSP class action settlement accounts for \$13M
 A Board of Pilotage Commissioners settlement accounts for \$6.1M
 A discovery sanction against AGO accounts for \$1.2M

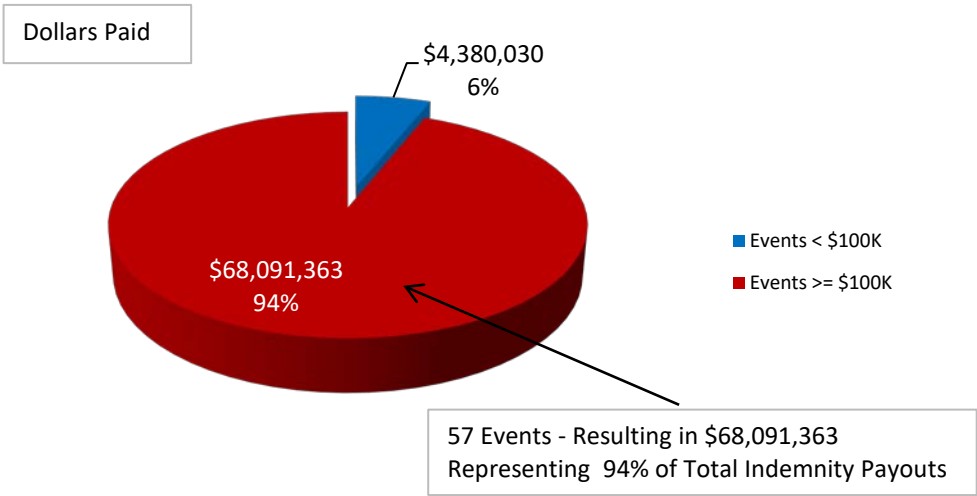
Fiscal Year 2018 Frequency / Severity

92% of event payouts are less than \$100,000 each and make up 6% of total dollars paid out for indemnities
The remaining 8% of event payouts make up 94% of total dollars paid out for indemnities

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)

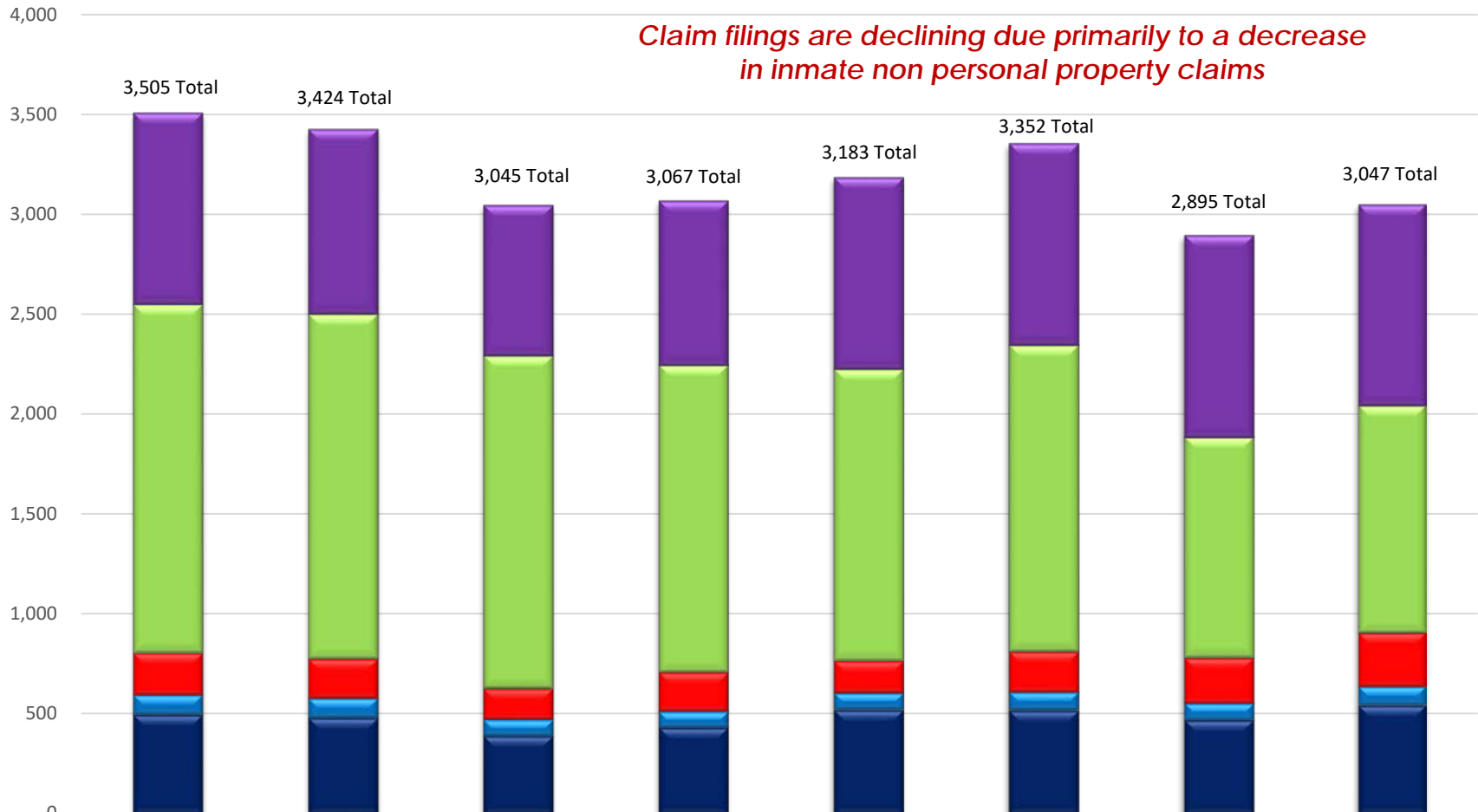
(Includes WSDOT Marine Division Payouts and Excludes UW and Excess Insurance Refunds)

FY 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%
Total FY 2011	48	943,159		79	27,791,834		286	8,616,624		265	33,515,455		59	5,088,292	
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%
Total FY 2012	50	1,072,951		68	19,895,522		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%	51	1,381,265	39%
Total FY 2013	48	3,792,894		81	28,792,362		240	25,195,682		214	4,237,470		59	3,528,885	
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%
Total FY 2014	37	649,558		70	17,735,832		196	15,999,304		200	9,439,229		53	4,664,690	
FY 2015	WSP	Amount	Percent	DSHS	Amount	Percent	DOC	Amount	Percent	DOT	Amount	Percent	All Others	Amount	Percent
Events > \$100K	2	5,272,877	96%	12	26,733,397	98%	5	5,013,910	88%	16	12,861,588	90%	17	5,170,221	78%
Events < \$100K	36	211,669	4%	48	661,443	2%	178	652,009	12%	215	1,490,628	10%	45	1,435,347	22%
Total FY 2015	38	5,484,546		60	27,394,840		183	5,665,919		231	14,352,216		62	6,605,568	
FY 2016	WSP	Amount	Percent	DSHS	Amount	Percent	DOC	Amount	Percent	DOT	Amount	Percent	All Others	Amount	Percent
Events > \$100K	3	665,000	60%	24	21,184,206	97%	9	9,425,000	94%	13	63,027,201	98%	12	3,798,515	69%
Events < \$100K	48	434,895	40%	71	710,106	3%	220	553,979	6%	193	1,284,619	2%	43	1,708,748	31%
Total FY 2016	51	1,099,895		95	21,894,312		229	9,978,979		206	64,311,819		55	5,507,263	
FY 2017	DNR	Amount	Percent	DSHS	Amount	Percent	DOC	Amount	Percent	DOT	Amount	Percent	All Others	Amount	Percent
Events > \$100K	21	36,648,745	98%	10	13,751,530	97%	9	4,942,459	81%	1	50,000,000	100%	13	23,863,222	92%
Events < \$100K	70	613,505	2%	197	483,339	3%	238	1,186,631	19%	9	87,041	0%	44	2,208,745	8%
Total FY 2017	91	37,262,249		207	14,234,869		247	6,129,090		10	50,087,041		57	26,071,968	
FY 2018	DNR	Amount	Percent	DSHS	Amount	Percent	DOC	Amount	Percent	DOT	Amount	Percent	All Others	Amount	Percent
Events > \$100K	0	0	0%	22	42,076,618	98%	4	5,923,738	88%	13	13,979,904	92%	13	6,111,105	81%
Events < \$100K	9	59,549	100%	77	834,082	2%	177	811,181	12%	182	1,274,582	8%	43	1,400,637	19%
Total FY 2018	9	59,549		99	42,910,700		181	6,734,919		195	15,254,486		56	7,511,741	

Statewide Tort Claim Filing for FY 11-18

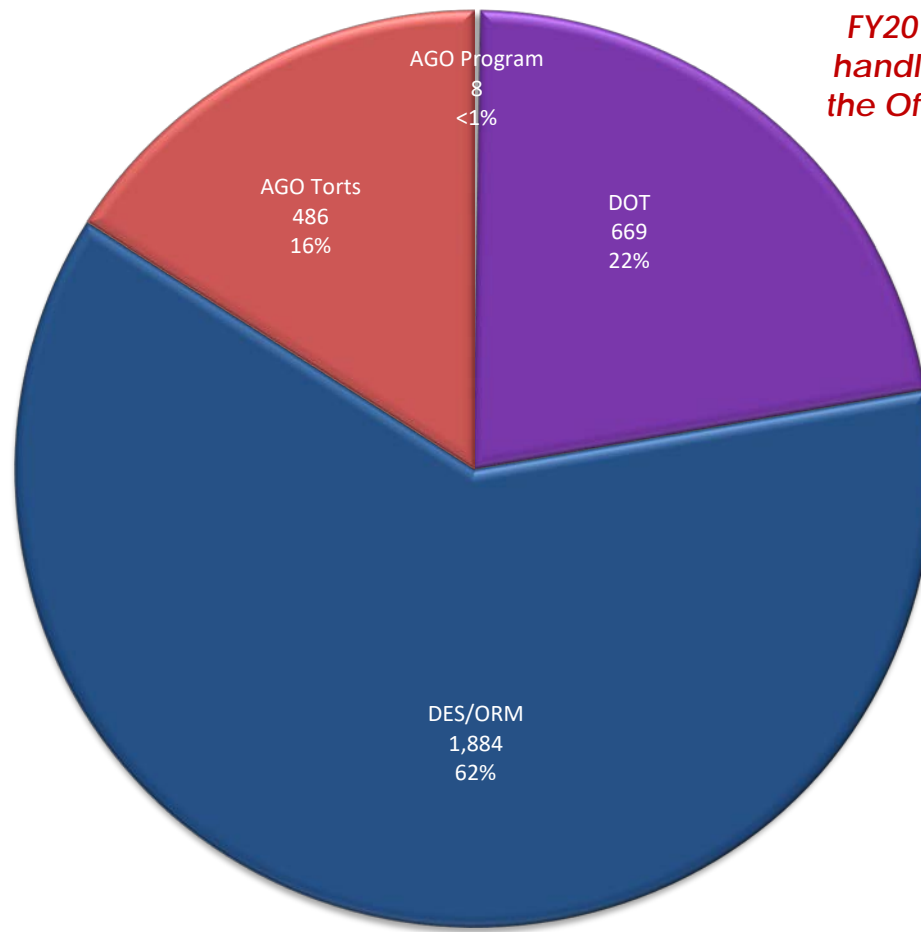
(Excludes UW, Counties, Cities, Public School Districts, and Non State Entities)

Claim filings are declining due primarily to a decrease in inmate non personal property claims



	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
■ DOT	957	924	753	822	958	1,008	1,010	1,004
■ DOC	1,743	1,725	1,664	1,536	1,459	1,533	1,104	1,138
■ DSHS	212	198	156	196	163	204	230	270
■ WSP	98	98	83	82	85	91	83	95
■ All Others	495	479	389	431	518	516	468	540

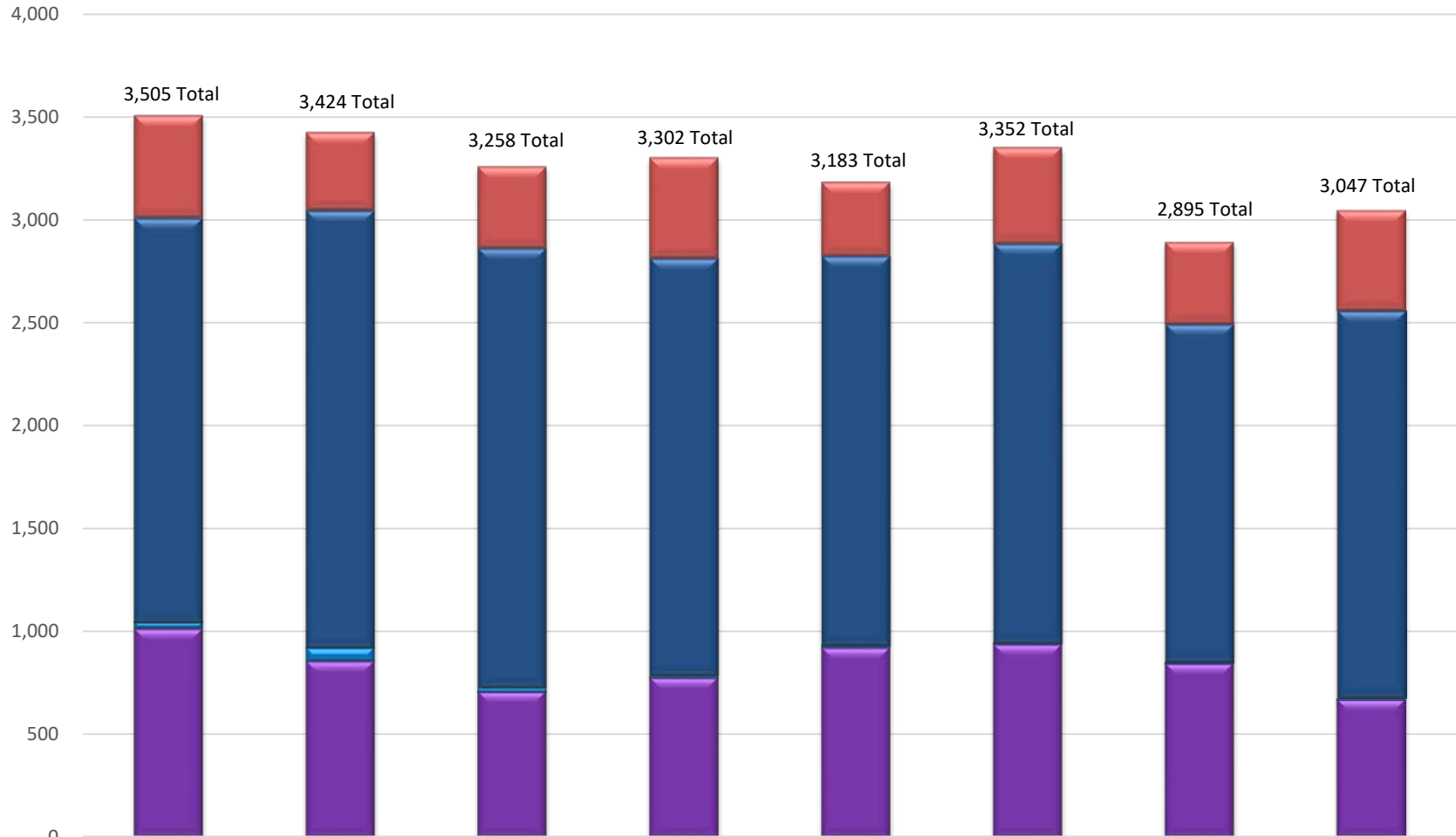
FY 18 Tort Claim Filing by Investigative Office Assigned



62% of tort claims filed in FY2018 were administratively handled (denied or settled) by the Office of Risk Management.

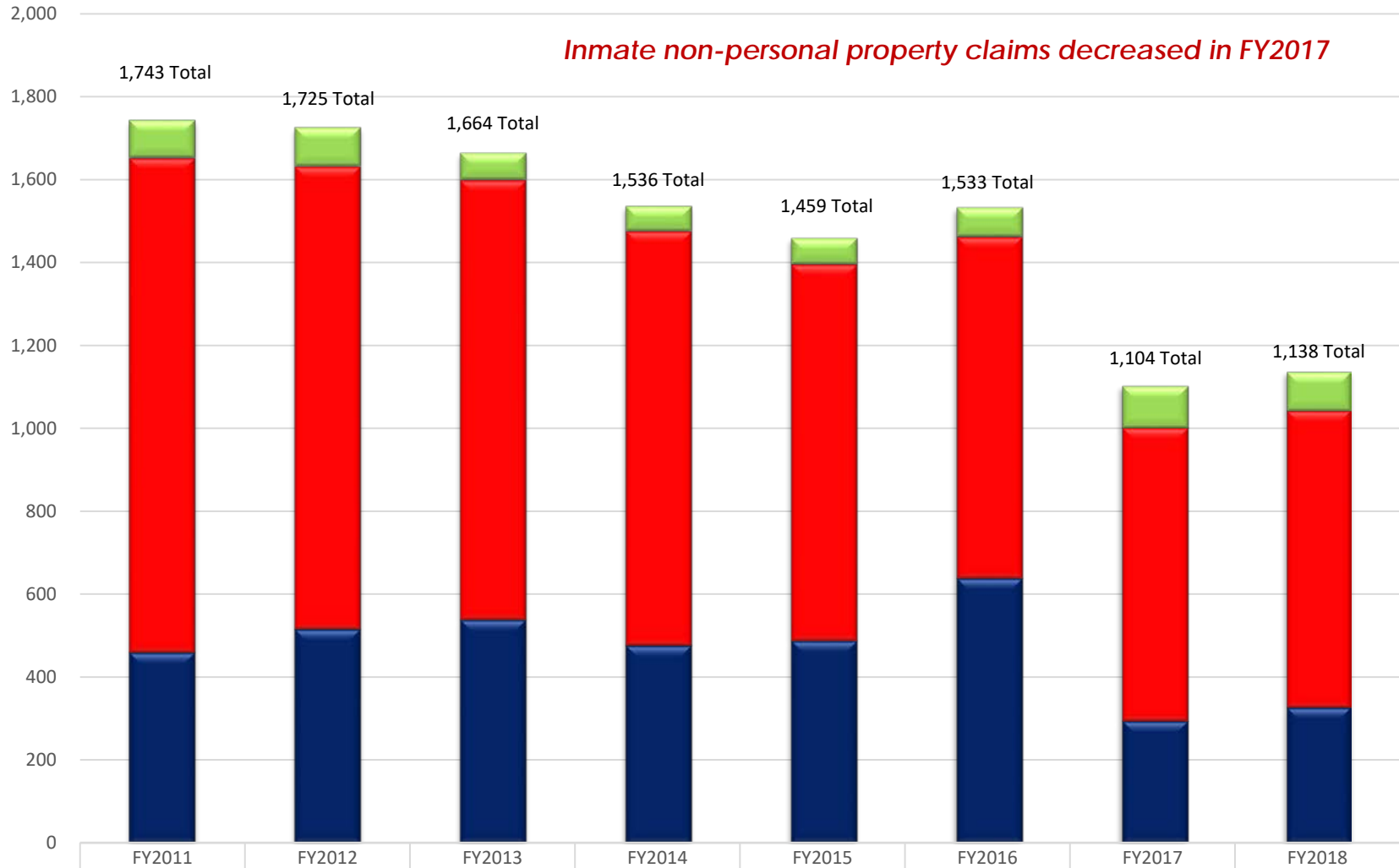
■ AGO Program ■ DOT ■ DES/ORM ■ AGO Torts

FY 11 - 18 Tort Claim Filing by Investigative Office Assigned



	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
AGO Torts	495	378	394	486	357	466	398	486
DES/ORM	1,964	2,124	2,136	2,030	1,891	1,942	1,645	1,884
AGO Program	36	68	21	11	16	8	9	8
DOT	1,010	854	707	775	919	936	843	669

Distribution of DOC Claims Filed FY 11 - 18



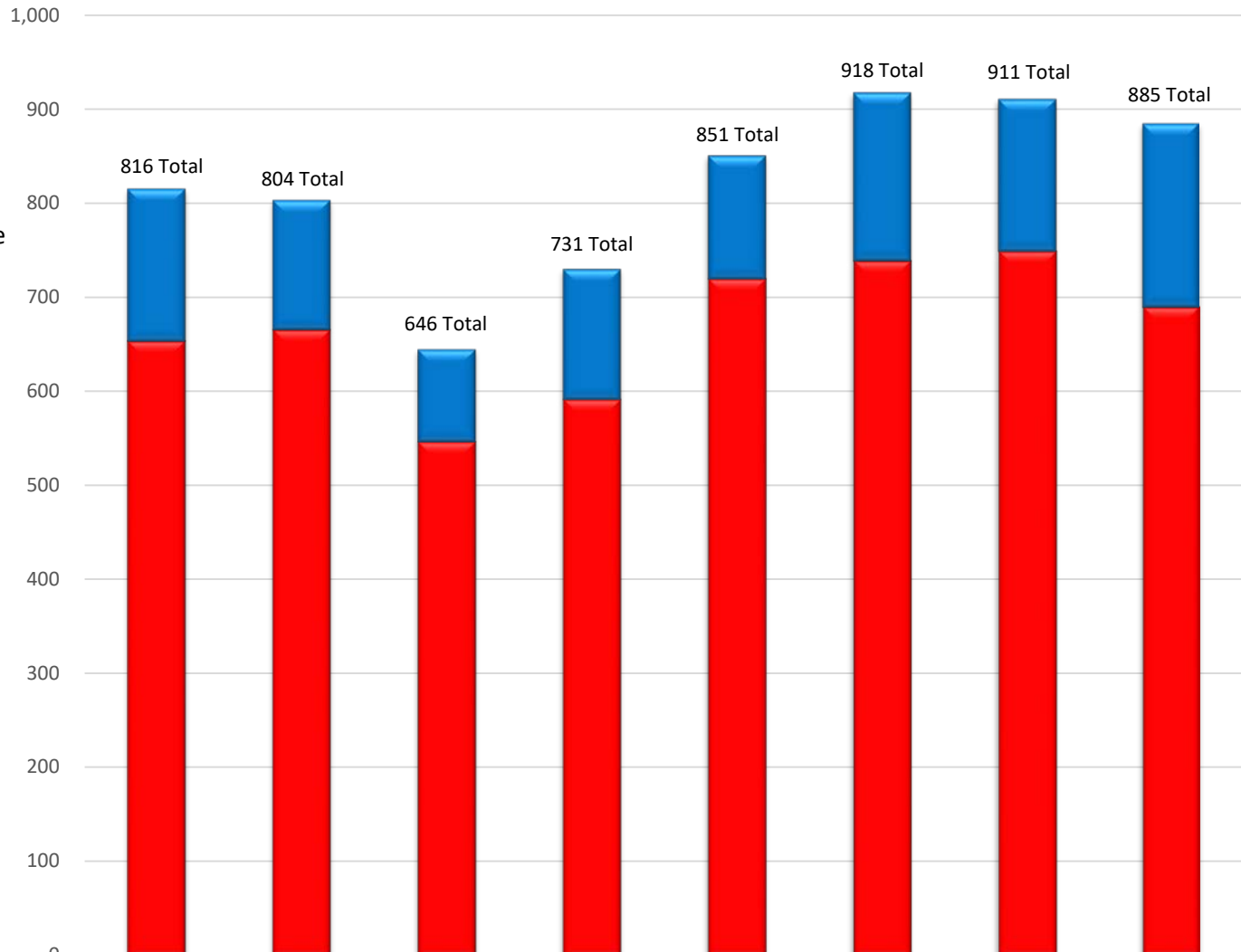
■ Non Inmate	91	93	65	60	63	71	102	95
■ Inmate PP	1,193	1,117	1,061	1,000	909	824	708	716
■ Inmate Non-PP	459	515	538	476	487	638	294	327

Distribution of DOT Claims Filed FY 11 - 18

(Includes WSDOT Ferries Claims)

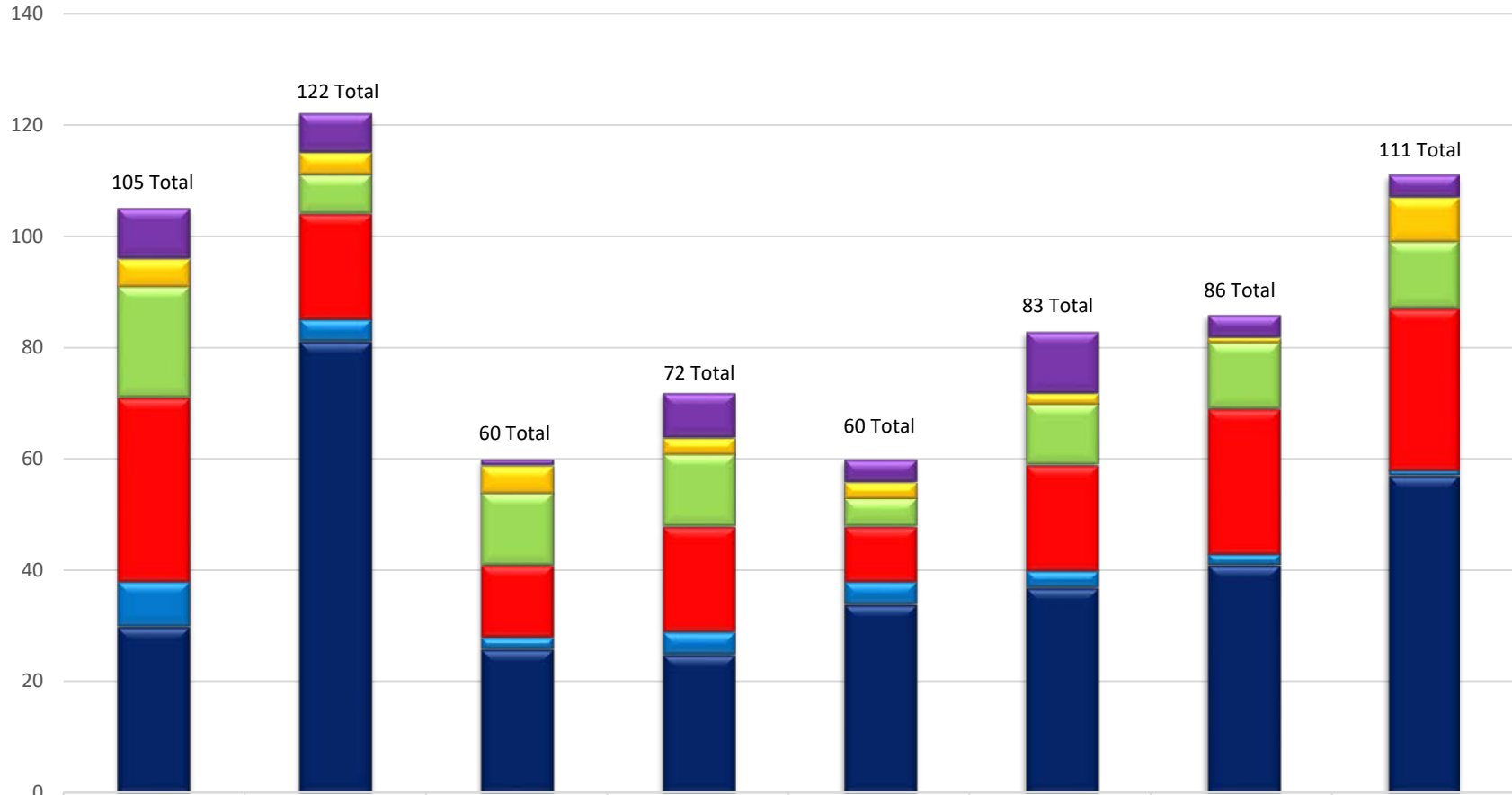
Road construction and maintenance personal property claims inflate the number of DOT claims.

Road construction claims increased since FY2015. These are the majority of DOT claims.



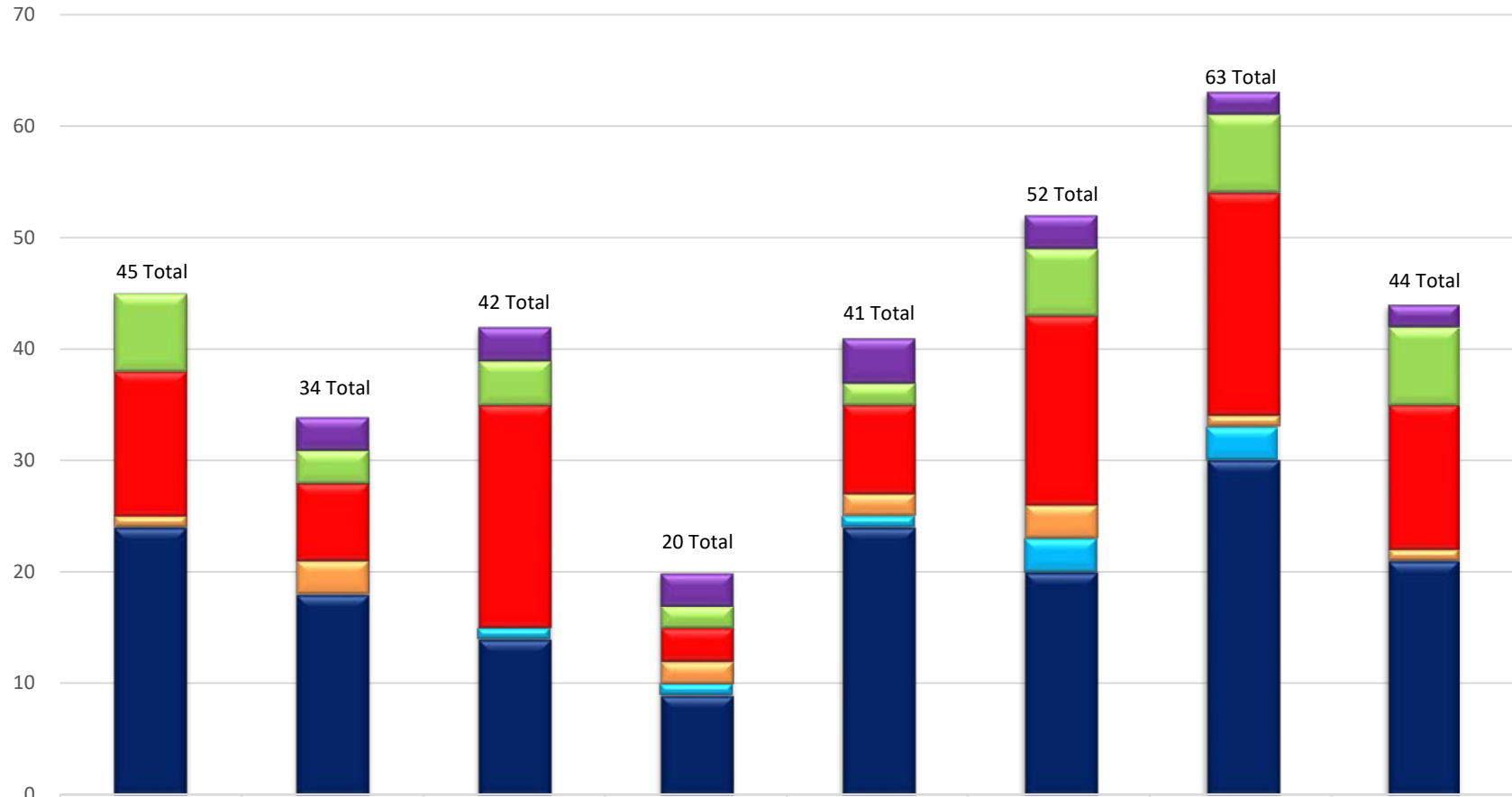
	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Non Road Construction Maintenance Claims	162	138	99	139	131	179	162	195
Road Construction Maintenance Claims	654	666	547	592	720	739	749	690

Employment Tort Claims Filed FY 11 - 18



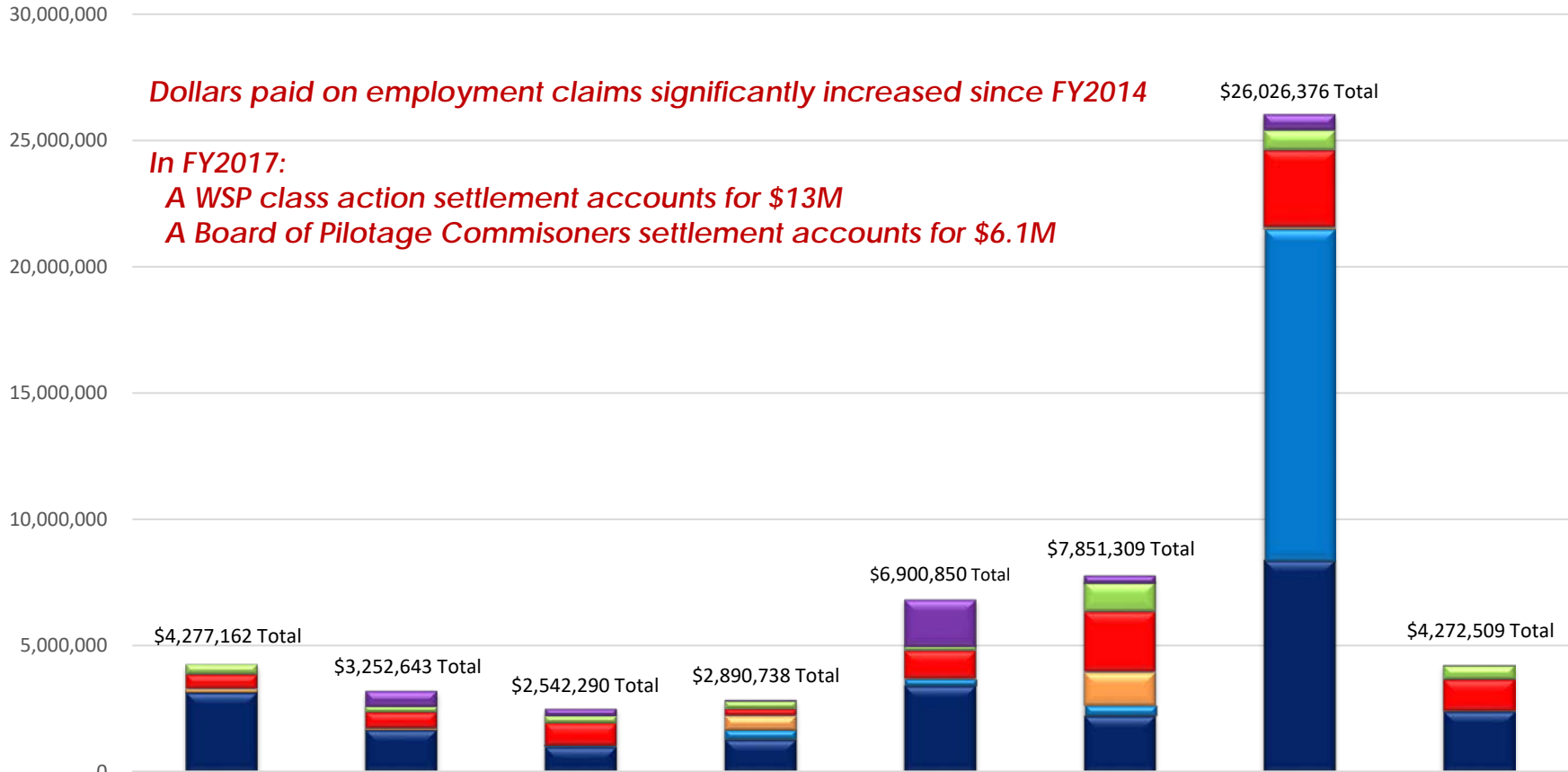
	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
DOT	9	7	1	8	4	11	4	4
WSU	5	4	5	3	3	2	1	8
DOC	20	7	13	13	5	11	12	12
DSHS	33	19	13	19	10	19	26	29
WSP	8	4	2	4	4	3	2	1
All Others	30	81	26	25	34	37	41	57

Employment Tort Claims Paid FY 11 - 18



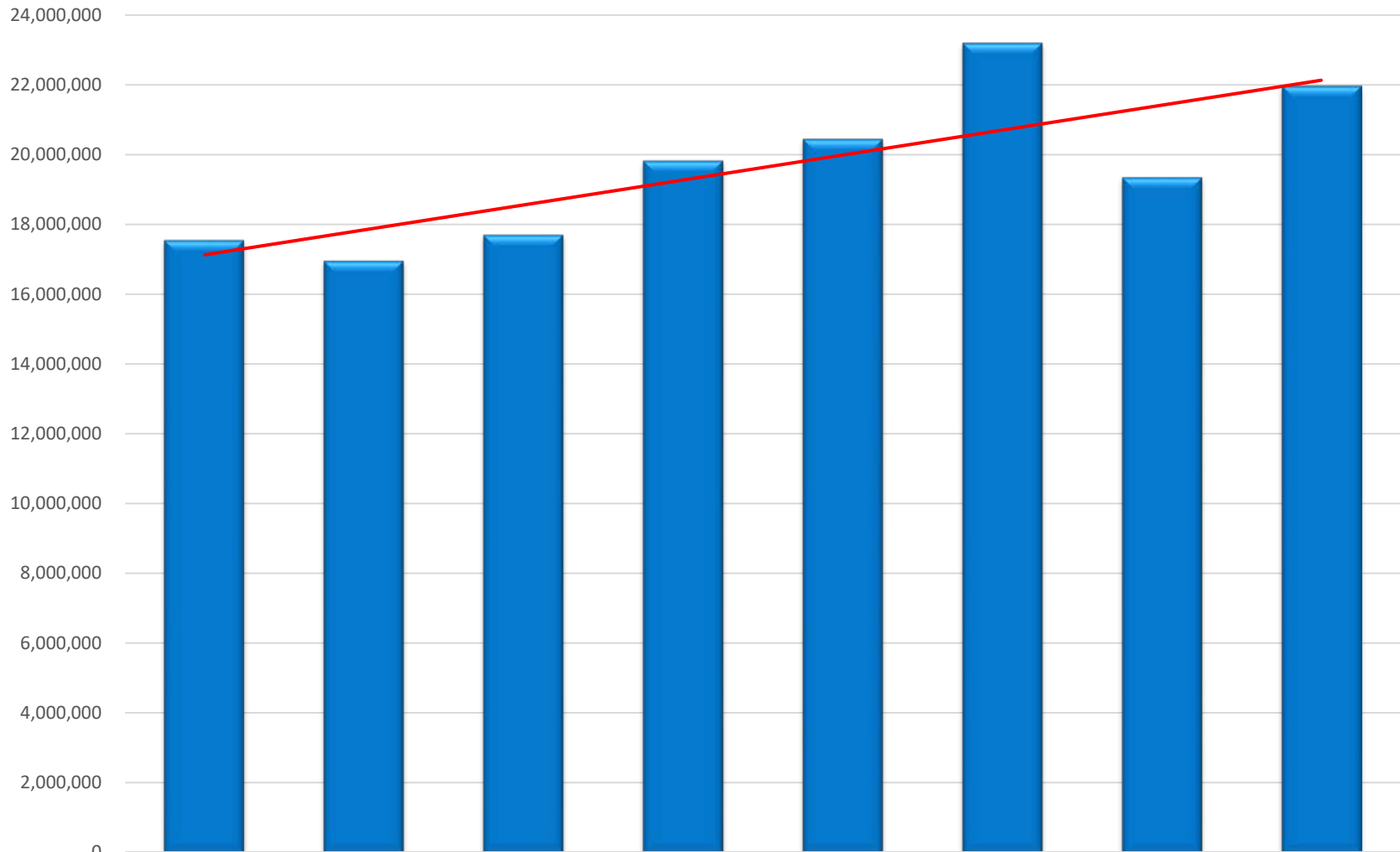
	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
DOT	0	3	3	3	4	3	2	2
DOC	7	3	4	2	2	6	7	7
DSHS	13	7	20	3	8	17	20	13
L&I	1	3	0	2	2	3	1	1
WSP	0	0	1	1	1	3	3	0
All Others	24	18	14	9	24	20	30	21

Employment Indemnity Payouts by Agency FY 11 - 18



	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
DOT	0	631,483	282,706	50,691	1,886,588	330,000	645,765	37,000
DOC	387,500	215,000	284,577	310,188	190,785	1,150,001	785,377	547,955
DSHS	569,286	638,543	894,814	267,348	1,100,756	2,373,587	3,037,257	1,241,300
L&I	145,000	69,500	0	580,765	15,000	1,332,500	81,411	25,000
WSP	0	0	60,000	370,001	272,877	425,000	13,110,000	0
All Others	3,175,376	1,698,117	1,020,193	1,311,745	3,434,845	2,240,221	8,366,567	2,421,253

**Total AGO Defense Costs
 FY 11 - 18
 \$157,048,230**



■ AGO Defense Costs

Fiscal Year 2018
July 1, 2017 – June 30, 2018
Highest Tort Indemnity Payouts

Washington State Department of Early Learning Claims and Litigation

Claim: 35770013
Claimants: J.A.
C.A.
Date of Incident: 01/01/10
Date Claim Filed: 10/02/13
Indemnity Paid: \$1,902,500

Plaintiff minors alleged they were sexually assaulted while attending the All Hours Childcare. Plaintiffs alleged that the Department of Early Learning, who licensed the daycare, knew there was a history of sexual assault of other children at the daycare but did nothing about it. Plaintiffs claimed physical and emotional injuries, negligent licensing, negligent investigation, negligent training, and financial damages.

Washington State Department of Corrections Claims and Litigation

Claim: 31084683
Claimants: Hill, Lindsay
Noel, Craig
Noel, Jane
Hill, Malikai
Lewis, Christopher
Date of Incident: 08/10/15
Date Claim Filed: 01/10/17
Indemnity Paid: \$5,000,000

Claimants alleged that Robert Jackson murdered Lindsay Hill on November 11, 2015, when Mr. Jackson was supposed to still be incarcerated on that date. Claimants alleged that Mr. Jackson had been wrongfully released from prison four months early by the Department of Corrections (DOC) due to a computer glitch of which DOC was aware.

Washington State Department of Social and Health Services Claims and Litigation

Claim: 30071572
Claimants: D.H.
T.H.
R.T.W.
R.L.W.
E.W
Date of Incident: 01/01/90
Date Claim Filed: 04/07/16
Indemnity Paid: \$5,800,000

Plaintiffs alleged they were physically, sexually and mentally abused throughout their placements by DSHS within the foster care system. Plaintiffs each alleged they were subjected to preventable abuses at various placements and that DSHS failed to protect the children in foster care.

Claim: 30071991
Claimant: J.G.
Date of Incident: 07/13/11
Date Claim Filed: 01/3/18
Indemnity Paid: \$5,500,000

Plaintiff alleged DSHS knew or should have known of the unsafe conditions he was forced to live in with his biological mother and step-father. Plaintiff alleged DSHS failed to properly investigate referrals of neglect, physical abuse, and maltreatment, and negligently allowed him to remain in his mother's care. Plaintiff further alleged he was subjected to years of extreme abuse, neglect, and malnutrition. Plaintiff claimed physical, emotional, and psychological injuries, pain and suffering, loss of enjoyment of life, mental anguish, negligent investigation, and failure to remove.

Claim: 30071664
Claimants: K.K.
M.K.
C.M.
A.S.
Date of Incident: 05/12/05
Date Claim Filed: 09/22/16
Indemnity Paid: \$5,375,000

The claimants alleged DSHS should have been aware of the neglect and abuse they were subjected to by their biological father. The claimants alleged DSHS was negligent in placing the children with or in close proximity to their paternal grandparents as they were unfit to be caregivers for them. The claimants alleged DSHS was negligent in placing the children back into the custody of their parents. The claimants alleged DSHS was negligent in their investigation of referrals regarding the children and their biological family. The claimants claimed physical, emotional, and psychological injuries.

Claim: 30071653
Claimant: C.G.
Date of Incident: 12/12/07
Date Claim Filed: 09/08/16
Indemnity Paid: \$4,050,000

Plaintiff alleged that DSHS knew or should have known of the unsafe condition plaintiff was forced to live in by her biological mother and step-father. Plaintiff alleged that DSHS failed to investigate referrals of neglect, physical abuse, and maltreatment. Plaintiff further alleged she was subjected to years of abuse, neglect, and malnutrition. Plaintiff claimed physical, emotional, and permanent psychological injuries, pain and suffering, loss of consortium, and mental anguish.

Claim: 30071670
Claimant: E.M.
Date of Incident: 07/05/07
Date Claim Filed: 09/30/16
Indemnity Paid: \$3,100,000

Plaintiff J.M., parent of minor E.M., alleged that DSHS knew or should have known that E.M.'s biological father was a registered sex offender. Plaintiff further alleged that DSHS allowed him regular access to E.M. even though there were multiple concerns for her overall safety while in his care. Plaintiffs alleged that E.M. was subjected to sexual abuse when she was returned to father's full-time custody following the dismissal of E.M.'s dependency case. Plaintiff claimed physical injuries, emotional and psychological injuries, negligent supervision and placement, financial damages, and attorney fees.

Claim: 30071261
Claimants: Meline, Robert W
Meline, Kim
Meline, Kristina
Meline, Sara
Meline, Katie
Meline, Jonathan
Date of Incident: 08/19/11
Date Claim Filed: 08/21/14
Indemnity Paid: \$2,941,086.61

Plaintiff is the widow of Robert Meline and mother of Jonathan Meline. Jonathan suffers from paranoid schizophrenia. Plaintiff alleged that Jonathan also has Capgras Syndrome which led him to believe that his parents were "imposters" who had murdered his "real parents." Plaintiffs alleged that Western State Hospital (WSH) failed to properly monitor, treat, and medicate Jonathan who they knew to be dangerous. Plaintiff further alleged that Jonathan was released from WSH without sufficient observation and follow-up and without conducting an assessment of the risk he posed to the general public, and that DSHS failed to advise plaintiffs that Jonathan posed a specific threat to their safety. Jonathan killed his father Robert in the family home. Plaintiff claimed wrongful death and gross negligence.

Claim: 30071553
Claimant: P.K.
Date of Incident: 03/20/03
Date Claim Filed: 03/16/16
Indemnity Paid: \$1,700,000

Plaintiff alleged she was the victim of childhood sexual abuse by her father despite at least two separate reports to DSHS that she had been sexually abused by him. Plaintiff alleged that DSHS failed to investigate and plaintiff was placed in a harmful placement.

Plaintiff claimed suffering from sexual abuse, emotional distress, physical injury, and loss of enjoyment of life.

Claim: 30071297
Claimant: R.N.
Date of Incident: 10/01/89
Date Claim Filed: 11/03/14
Indemnity Paid: \$1,500,000

Plaintiff was placed by DSHS at the Kiwanis Vocational Home for Youth (KVH). Plaintiff alleged that during his placement at KVH, employees sexually and physically abused him. Plaintiff alleged that DSHS knew KVH had a history of misrepresenting qualifications of employees, hiring unqualified employees, failing to report incidents of physical and sexual abuse on resident youths by employees, and fraud. Plaintiff alleged that DSHS knew of the program deficiencies and abuse but failed to address or correct the issues. Plaintiff claimed severe and permanent emotional distress, physical injuries, mental anguish, neglect, mistreatment, negligent supervision, loss of future earnings, and financial damages.

Claim: 30071519
Claimants: K.C.
C.F.
G.F.
Date of Incident: 01/23/02
Date Claim Filed: 01/25/16
Indemnity Paid: \$1,500,000

Plaintiffs alleged that DSHS failed to remove K.C. from his foster care placement despite reporting by K.C.'s school, daycare, counselors, and doctors that he was being abused. Plaintiffs alleged that K.C. was subjected to continuous physical, mental, and sexual abuse. Plaintiffs claimed rape, battery, extreme and irreparable psychological, emotional, and physical injuries, and pain and suffering.

Claim: 30071329
Claimant: T.P.
Date of Incident: 01/01/81
Date Claim Filed: 01/06/15
Indemnity Paid: \$1,317,000

Plaintiff alleged that DSHS negligently placed him in the OK Boys Ranch when it knew or should have known that such placement exposed him to neglect, mistreatment, and denial of basic human services. Plaintiff alleged that DSHS failed to take action and as a result, plaintiff was physically, mentally, and sexually mistreated, and now suffers from severe and permanent mental, emotional, and physical injuries.

Claim: 30071230
Claimants: Z.W.N.
M.W.
Date of Incident: 06/01/08
Date Claim Filed: 06/23/14
Indemnity Paid: \$1,300,000

Plaintiff alleged that DSHS placed her in a foster home where she was sexually abused. Plaintiff further alleged that during the foster home licensing process, the foster father disclosed he had been the victim of sexual abuse and incest but DSHS failed to investigate. Plaintiff claimed physical injuries, permanent sexual and psychological injuries, negligent placement, wrongful placement, failure to remove, financial damages, and loss of enjoyment of life.

Claim: 30070465
Claimants: K.H.
J.H.
Date of Incident: 11/01/03
Date Claim Filed: 06/29/10
Indemnity Paid: \$1,250,000

Plaintiffs alleged that their father and step-mother physically and sexually abused them for years. Plaintiffs' grandmother allegedly reported the abuse to CPS but say nothing was done. Plaintiffs claim abuse, severe emotional distress, and psychological damages.

Claim: 30071677
Claimant: Helgeson, Johannes
Date of Incident: 01/26/14
Date Claim Filed: 10/07/16
Indemnity Paid: \$1,100,000

Plaintiff decedent was a patient at Western State Hospital (WSH) and known by staff to be psychotic and suicidal. Plaintiff alleged that staff was warned that the shower was a danger to someone who might hang himself or herself and, when staff failed to take appropriate precautions, plaintiff hanged himself in the shower. Plaintiff alleged that WSH staff were indifferent to his well-being and failed to adequately supervise and monitor him. Plaintiff claimed physical, emotional, and psychological injuries, wrongful death, financial damages, negligent supervision and training, medical negligent treatment, punitive damages, and civil rights and constitutional violations.

Washington State Department of Transportation Claims and Litigation

Claim:	40573521
Claimants:	Pacific Highway Park LLC
Date of Incident:	01/01/01
Date Claim Filed:	12/08/11
Indemnity Paid:	\$3,466,153.74

Property owners sued WSDOT for inverse condemnation and tort theories of nuisance and trespass due to alleged flooding of their property which they claim was caused by WSDOT.

Claim: 40577538
Claimant: Portillo Cruz, Lilliam L
Portillo, Aron
Portillo, Carlos
Portillo, Khaleb
Date of Incident: 10/24/15
Date Claim Filed: 04/27/16
Indemnity Paid: \$2,400,000

Lilliam Portillo was the driver of a vehicle making a left turn on a green light from northbound SR 509 to westbound SR 518.

Ms. Portillo was allegedly not able to see traffic approaching from her left due to overgrown bushes. As she entered the intersection, the vehicle in which she and her son were traveling was struck by a vehicle that failed to stop for a red light. Ms. Portillo died at the scene of the collision.

Claim: 40577946
Claimant: Johnson, Lloyd D
Date of Incident: 01/01/78
Date Claim Filed: 09/09/16
Indemnity Paid: \$2,400,000

Plaintiff, a WSF employee, alleged he was exposed to asbestos while working on various ferries. Plaintiff claimed pain and suffering, disfigurement, disability, financial damages, defective products, negligent design, and failure to warn.

Claim: 40577066
Claimants: Song, Runjie
Bramley, Graham & Barbara
Becker, Marva L
Strassman, Catherine
Fellores, Arlette & Justin
Iida, Yuki
Reni, Ingeborg & Daniele
Santos, Cristiane
Sato, Mami & Tsutomu & Michiko
Xia Guirong
Oyama, Risa
Date of Incident: 09/24/15
Date Claim Filed: 10/20/15
Indemnity Paid: \$2,200,000

Plaintiffs were passengers or family members of passengers on a charter bus or a Ride the Duck vehicle that collided on the Aurora Avenue Bridge. The charter bus was traveling northbound on the Aurora Bridge when it was struck by a "Ride the Duck" amphibious truck traveling southbound. Plaintiffs claimed physical and emotional injuries, loss of consortium, financial damages, wage loss, and negligent training.