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PRESIDENT'S MESSAGE

Wow! Can you believe we are already rounding out the fourth quarter? It has been a whirlwind of a year and I am sure you are looking forward to 2022 as much as I am.

Speaking of 2022, I sure hope to see all of you at the AASCIF Annual Conference in Big Sky, Montana. We're going to open registration soon, so be on the lookout for that information in the new year. The team at Montana State Fund is staying very busy planning what is shaping up to be an exciting event. I know we are all looking forward to seeing what they have planned for us!

Additionally, we are looking forward to the annual all-committee meeting in January when the committee members will collaborate and build the theme and content for the conference. Mark your calendars to join us in Big Sky on July 10–13 for our 2022 Annual Conference.

As we near the end of the year, I want to wish all of you a safe holiday season! Best wishes to everyone for a great 2022!

Jason Clark
President & CEO
CompSource Mutual Insurance Company



FEATURES From AASCIF

2021 AASCIF COMMUNICATION AWARD WINNERS ANNOUNCED

Each year, the AASCIF Communication Awards recognize the best, most creative, and effective communications programs created by member organizations. 2021 was no exception as our member funds submitted their best work to be considered.

With nearly 75 total entries across 11 categories, the competition was fierce. A number of state funds took home multiple awards.

2021 winners are:

Category 1 – Excellence in Design

1st – Chesapeake Employers’ Insurance Company – Virtual Meeting Toolkit

2nd – WorkSafe NB – Embracing the New Normal as We Safely Return to Work

3rd – Texas Mutual Insurance Company – 2020 Community Affairs Annual Report

Category 2 – Excellence in Writing

1st – SAIF – Lives Changed Forever

2nd – Pinnacol Assurance – “A CEO’s Insights: A View from the Corner Office” Monthly Blog

3rd (Tie)

- SFM Mutual Insurance Co. – Working From Home: Tips to Keep Employees Safe and Engaged
- Texas Mutual Insurance Company – Working Safely During COVID-19 Article Series

Category 3 – Agent Communications

1st – Missouri Employers Mutual – Pjammin’ with MEM

2nd – Chesapeake Employers’ Insurance Company – Extra! Extra! Commission Campaign

3rd – Texas Mutual Insurance Company – Online Enhancements Agent Communication

Category 4 – Policyholder Communications

1st (Tie)

- LWCC – LWCC 2020 Dividend
- SAIF – OSHA Guideline Updates

3rd – SFM Mutual Insurance Co. – De-Escalation Team Training for Schools

Category 5 – External Campaign

1st (Tie)

- Missouri Employers Mutual – 25th Anniversary Campaign
- The Beacon Mutual Insurance Company – Rhode Islanders Helping Rhode Islanders

3rd – LWCC – Champions of Louisiana

Category 6 – Social Media Campaign

1st – Texas Mutual Insurance Company – Worker’s Stories Social Media Campaign

2nd – Missouri Employers Mutual – COVID-19 Social Engagement

3rd – Ohio Bureau of Workers’ Compensation – Ohio Safety Congress and Expo 2021 Social Media Campaign

Category 7 – Multimedia Production

1st – Missouri Employers Mutual – Restaurants and COVID Podcast

2nd – SAIF – Home Office Ergo

3rd – Pinnacol Assurance – Pinnacol “I Am” Video

Category 8 – Website/Mobile App

1st – Texas Mutual Insurance Company – Agent Home Page

2nd (Tie)

- State Compensation Insurance Fund – SafeAtWorkCA.com Content Marketing Website Refresh
- Pinnacol Assurance – Apprenticeship Website

Category 9/10 – Internal Communications Excellence

1st – Montana State Fund – National Safety Month

2nd – WorkSafeNB – Supporting Employees Who Support Employers (COVID-19)

3rd – SAIF – SAIF Good News

Category 11 – Open Category

1st – Chesapeake Employers’ Insurance Co. – COVID-19 Safety Reminders Jobsite Safety Banners “Custom Imprinted”

2nd – Ohio Bureau of Workers’ Compensation – Ohio Workers’ Compensation Medical & Health Symposium 2021

3rd – Texas Mutual Insurance Company – Online Safety Summits

Congratulations to our 2021 award winners!

CHALLENGES AND SUCCESSES OF AASCIF MEMBER COMPANY CLAIMS PROFESSIONALS

To date, the COVID-19 pandemic has not led to the financial impact on the workers’ compensation industry that was initially predicted. But, in terms of claims handling and for the claims professionals charged with answering the call of the pandemic, it has had a profound impact over the past year and a half. While each state and each AASCIF company developed their own response to their particular situations, common themes are evident. Most companies relied heavily on the expertise and empathy of their claims professionals to step up and serve their customers in need during an unprecedented event. Indeed, workers’ compensation claims professionals are among the unsung heroes of the pandemic, helping businesses and their employees manage through a tumultuous time. The pandemic has impacted each of us, our communities, and companies in numerous ways. Amidst all the inconvenience, suffering, and tragedy, there are countless stories of resilience, adaptation, creativity, and teamwork amongst AASCIF claims organizations. The following vignettes highlight the challenges and successes of claims professionals from some of our AASCIF member companies.

Workforce Safety & Insurance—North Dakota

On March 13, 2020, a state of emergency was declared in the state of North Dakota through executive order in response to the public health crisis resulting from COVID-19. Beginning March 25, 2020, Workforce Safety & Insurance (WSI) would extend workers’ compensation benefits to first responders and health care providers.

North Dakota does not cover communicable disease and the emergency order created coverage for certain employee groups exposed in frontline response, so everything was new to us. We knew we would receive an influx of COVID-19 related claims and we knew we had to be consistent with the application of this emergency executive order. We concluded we would have one claims adjuster handle all COVID-19 related claims. When we approached the adjuster that we had selected to handle these claims, she was extremely moved that she was the one chosen for the undertaking of such an important project. Along with that honored feeling, the feeling of terror slipped in. This adjuster knew that she had to be very clear on what was to be covered and ensure that she remained consistent in the application of this executive order, and she wanted to ensure she met WSI’s expectations.

At first, the claims trickled in which gave her time to perfect her process and to fully understand what and who was to be covered. However, it didn’t take long before the influx of claims came in and she was ready! She quickly built a strong

rapport with our state's larger medical facilities where ND saw the influx of claims, and together they mastered their structured system of how to communicate and obtain the necessary information quickly for this adjuster to care for our injured employees.

We peaked, then plateaued, we peaked again, and then entered a bit of a valley for her to catch her breath. But during the steepest peak, some colleagues stepped in, not only to assist her with the adjudication piece, but to provide support, encouragement, and to lift her up on her tough days. At that point, it became clear of how the support of her team and her supervisor impressed upon her success to ensure WSI was caring for our injured employees and this accomplishment ranks rather high as one of the greatest experiences of her WSI career.

On February 22, 2021, this executive order was rescinded.

MEMIC—Maine

On Sunday, March 15, 2020, MEMIC employees were notified they would be working full time remote for two weeks due to COVID-19. We are now a year and half into the pandemic and MEMIC continues to work full time remote with the option of going into the office.

MEMIC was prepared to work remotely compared to other companies. We had implemented a hybrid work schedule prior to the pandemic and due to our technology, we were able to continue business as usual.

The real challenge was understanding COVID-19 and how it would affect our policyholders and the incoming claims. MEMIC decided to have designated claim handlers adjust all the COVID-19 claims. Once COVID-19 claims were reported to MEMIC, we would have roundtables with the claim handler, claim team manager, director of claims, vice president of claims, and the director of legal services. Due to the uniqueness of these claims, MEMIC modified our investigative approach.

After a couple of months, MEMIC decided roundtables were no longer needed unless a unique situation was identified that had not been addressed in the past. The Management Team was confident the claim handlers knew how to investigate each claim and would make informed decisions on compensability.

While the claims eased off in the summer of 2020, there was a spike in the fall of 2020. Due to the high volume of incoming claims, MEMIC no longer had the luxury of having designated claim handlers adjust these claims. At this point, all claim handlers were expected to handle COVID-19 claims and this included our Quality Review Team. Fortunately, the incoming claims have slowed down again. Due to our technology and

resources, MEMIC was able to continue to manage claims appropriately and effectively.

LWCC—Louisiana

Louisiana's COVID-19 numbers starting spiking mid-March 2020. Our chief claims officer personally reached out to each policyholder with the report of the first COVID-19 claim. We investigated each COVID-19 claim using a two part test. First, there must be a positive test and secondly, as per the statute for occupational disease, contracting the virus must be peculiar to and characteristic to the occupation and there must be a direct exposure at work. We dedicated one investigative claims representative to handle all COVID-19 reported claims. Needless to say, some compensability decisions were challenging, but the majority of our accepted COVID-19 claims were for first responders.

As for our own employees, what an outstanding group! Our company went from the majority of employees working in the office to all employees (with the exception of a skeleton crew) working remote in the blink of an eye. We can all appreciate the challenges associated with changing work environments. The office remained open with safety protocols in place for employees who chose to come to the office. We returned to the office briefly in November 2020, however, due to another spike in positive cases, we resumed remote status. We have officially returned to the office as of June 14, 2021. It is refreshing and energizing to see all of our coworkers in person again.

The Beacon Mutual Insurance Company—Rhode Island

Early in the pandemic we recognized that it would be difficult to determine causation given spotty contact tracing and a general lack of information about how COVID-19 was transmitted. Wanting to do the right thing and recognizing that the most at-risk populations were healthcare professionals and first responders caring for COVID-19 patients, we implemented a voluntary presumption for those employees. At the time, the governor's daily press briefings were must-see TV, and during a briefing she announced Beacon Mutual's presumption. In doing so, she omitted the very important detail that it only applied to employees of our policyholders. Almost immediately, we were consumed with phone calls from healthcare providers across the state seeking to file claims—many were not employees of our policyholders. Our teams did an amazing job that day, answering each call with empathy and providing guidance to each caller about how to receive the help they sought. Looking back, it's now a bit humorous, but it demonstrates the confusion that existed in the early days of the pandemic.

Like other AASCIF companies, we experienced waves of claim filings—slowly at first, and then seemingly hundreds all at once. We assembled a COVID-19 team to manage the incoming, but quickly needed to expand the team to manage the volume. This team had to understand the unique conditions of the pandemic, contact trace sources, and deliver timely benefits. They provided care and comfort to those most impacted by the disease: the critically ill and the families of loved ones lost.

Fortunately, the vast majority of claims were minor. Most of our customers' employees recovered in a few weeks. Sadly, a handful of claims have been more serious, including a number of fatalities. Through it all, the Beacon Claims Team has proudly served our customers and their employees in need with extraordinary expertise and empathy.

Missouri Employers' Mutual—Missouri

Managing COVID-19 cases was both a challenging and rewarding endeavor for the MEM claims staff. The rewards have ultimately come in the form of thank you letters from IW's and recognition from the Department of Insurance and governor's office, as well as our many agent partners. Most of the challenges stemmed from our governor's executive order which provides that first responders who contracted or are quarantined for COVID-19 are presumed to have an occupational disease arising out of and in the course of employment. The order's presumption is rebuttable, but that rebuttal requires a new "clear and convincing" evidentiary standard which brings forth a multitude of issues (complexities in proof, no prior case law or experience on the standard, etc.), such that any practical use of the rebuttal is almost impossible, especially given the political and reputational ramifications associated with these claimants.

One particular case proved to be very sensitive when MEM initially denied a death claim for a police officer that led to undesired publicity. The denial was appropriate under prior law and supported by the medical report. However, we determined that it may not hold up under the scrutiny of the new, very pro-worker executive order if it reached the highest court, where the court would be reviewing the governor's intent, not the legislature's—something unique for us (but not something we wanted to challenge). We made a very quick reversal, paid the death benefits, and it ended up very favorable for all involved. We learned the hard way that greater care must be taken when investigating and determining compensability in first responder COVID-19 cases under this very unusual legal standard and social context. Fortunately, all worked out well and the widow, policyholder, adjuster, and all stakeholders are

pleased with the manner in which it was ultimately handled as everyone communicated constantly.

HEMIC—Hawaii

Because airborne pathogen claims are considered non-compensable in Hawaii, we didn't experience the volume of complications that many other AASCIF carriers faced in managing COVID-19 claims. However, the pandemic did have an impact on our ability to care for our injured workers given the intermittent shutdowns and severe restrictions mandated by the state. Recognizing challenges faced in accessing timely medical care, we were the first carrier to approve telehealth in Hawaii. Our quick response in approving telehealth allowed our injured workers to receive the timely care they needed and aid in their recovery. In addition to serving our WC customers, and doing so in a remote fashion, HEMIC stepped up to the plate and offered our assistance to the Department of Labor Disability Compensation Division as the majority of their staff were relocated to the Unemployment Division to manage the onslaught of claims filed during the pandemic. In doing so, we not only fulfilled our mission to our WC customers and their employees during the pandemic, but also came up with creative ways to resolve existing claims without burdening the division so they could continue efforts to process unemployment benefits. I am so proud of our team and their diligence in ensuring we delivered best in class customer service despite the challenges of dealing with this historic pandemic.

State Accident Fund—South Carolina

Like many other AASCIF members, the South Carolina State Accident Fund encountered many obstacles during the COVID-19 pandemic. Our agency instantly faced the question of "How are we going to meet the daily needs for the agency while also protecting our employees?" Being a small agency, there are many daily activities that must be done which are not automated and require a human presence.

We did not want to put SAF's frontline workers (i.e., mail room personnel, records management personnel, etc.) at an increased risk of infection. We also have several members of the staff in those areas with comorbidities that could put them in more danger than some of the other employees. We also have a good deal of young parents at our agency and, like many of you, we didn't want to force them to choose between their children and work.

To solve these issues, we looked toward key management personnel that could step in and fill important roles. For instance, our chief counsel and director of accounting started to open and process the mail while the deputy director and director

of claims learned how to scan and index documents. However, the story could not be told without also saying that the remaining employees that were sent home didn't miss a beat. We saw, like many other funds, a rise in production among our various departments.

Regarding incoming COVID-19 claims, SAF worked with the governor's office and other state agencies with employees at high risk to encourage the affected agencies to file all related claims. SAF made a promise to review each case on its own merits. SAF set up a Claims COVID Task Force to review all incoming COVID-19 claims. SAF ultimately accepted a handful of cases (out of approximately 120) where our Claims and Legal Teams felt there was no reasonable explanation other than "the employee contracted COVID-19 while in the course of scope of their employment." Ultimately, the South Carolina legislature did not pass a presumption or act regarding COVID-19.

Bureau of Workers' Compensation—Ohio

At the outset of the COVID-19 pandemic, employees at the Ohio Bureau of Workers' Compensation (BWC) packed up their desks and headed home, spreading our operations from 11 locations to roughly 1,700 homes across the state. We successfully transitioned from working exclusively in the office to our homes in just a few days with little to no disruption to our customers.

As the pandemic was accelerating, we were just about to launch our new Vision, Mission, and Core Values initiative to staff, a critical endeavor designed to unify our personnel around a singular purpose—providing excellent experiences for our customers. Key to that would be humanizing our agency and making personal connections, taking the "bureau" out of Bureau of Workers' Compensation so to speak.

Ohio was under a strict stay at home order for three months. Workers suffered debilitating unemployment. Employers struggled to make ends meet.

We presumed injured workers would experience delays in seeking medical attention, so we immediately extended temporary total disability payments by 45 days, expanded telemedicine, and pursued settlement on permanent partial awards. For customers who struggled to get an appointment with their physician, we called their medical provider to facilitate their appointment. Lastly, we created a special team to manage COVID-19 claims. We did not create a presumptive law. We applied our current exposure law and policy for occupational disease claims to COVID-19.

We forgave employer premiums for six months, offered premium dividends of nearly \$10 billion, and extended payment deadlines. This move helped workers keep their jobs, doing our part to maintain stability in Ohio.

Our staff experienced stress caused by the pandemic, as well. Some had to care for parents, educate their children, and maintain rigorous production in their positions at BWC. Some colleagues contracted COVID-19 and were sick for prolonged periods of time.

We pulled together. We offered flexible work schedules during quarantine and the school year. We stepped up our virtual time spent together with walking meetings in which team members put on headphones, connected to their phones, and walked while they discussed work. We had virtual lunch breaks and ate together over Microsoft Teams, sometimes as lunch and learn meetings about stress reduction and inclusion and diversity. We connected and shared the workload, as well as sharing funny videos showing our work from home offices, our pets, our children, and even our quarantine haircuts.

As we look to return to normal in the next few months, we feel we are returning to our work environment better than before the pandemic began. It's a COVID-19 success story.

SIF, Idaho Workers' Compensation—Idaho

Adjusting COVID-19 claims has provided the workers' compensation industry with new hurdles and challenges. However, with new hurdles and challenges comes the opportunity to collaborate in new ways and develop solutions that positively serve our stakeholders. One of the challenges we are starting to face is long-tail COVID-19 claims, which are referred to as Post-Acute Sequelae of COVID-19, or PASC. The following is an example of how SIF was able to meet this new challenge, collaborate with several stakeholders, and provide the injured worker with the best possible outcome.

The injured worker is an employee for a healthcare company who contracted COVID-19 after being exposed at work. The injured worker initially had no apparent complications, however, with time he developed generalized weakness and depression. For the first few months, the injured worker's care was managed by his personal physician assistant. Ultimately, due to stalled treatment, we worked with the physician assistant to refer the injured worker to a clinic dedicated to managing PASC ran by a prominent local hospital.

Once the injured worker was established with this clinic, we worked closely with the clinic to get the injured worker plugged into a physical therapy regime that was developed

for generalized weakness post-COVID-19. Additionally, in discussions with the injured worker, it was apparent that part of his depression was from being unable to work.

With this newfound information, we coordinated with the insured and were able to develop a new position within his restrictions while still allowing him to work in his department with his colleagues. This greatly helped the injured worker, and after two months of physical therapy and two days per week of work, he asked to return to full-time work.

THE ETHICAL IMPLICATIONS OF ARTIFICIAL INTELLIGENCE, PREDICTIVE ANALYTICS, AND WORKERS' COMPENSATION CLAIMS LITIGATION

By Michael D. Lynch, Esq., The Beacon Mutual Insurance Company

Last year, I wrote an article for AASCIF on predictive analytics and claims litigation. I concluded that predictive analytics should be part of your future claims litigation plans. I also warned that company lawyers, both corporate and defense, need to consider the potential ethical, regulatory, and governance issues to be confronted when implementing and using this new technology. This article will focus on the ethical implications confronting the lawyer in the use of this technology.

Preliminarily, each licensed lawyer is bound by his or her state's ethical rules. All states' canons or rules include an attorney's duty of competence. Rule 1.1 of the Model Rules of Professional Responsibility of the American Bar Association is a template and sets forth that "[t]o maintain the requisite knowledge and skill, a lawyer should keep abreast of changes in the law and its practice, including the benefits and risks associated with relevant technology."¹ Research and the benefits and risks associated with the use of predictive analytics is a necessary step for a lawyer and a legal department involved in claims litigation. When you decide that litigation predictive analytics will be part of your company's future, the lawyer must recognize there are other ethical implications associated with the use of this emerging technology.

Conclusion

After a brief respite during the summer of 2021, the spread of the Delta variant led to new waves of COVID-19 infections and new claims for workers' compensation benefits. Workers' compensation claims professionals continue to handle these claims with the professionalism and grace they show every injured employee each and every day.

At its 2019 annual meeting, the American Bar Association (ABA) adopted Resolution No. 112 urging courts and lawyers to address the emerging ethical and legal issues relating to the use of artificial intelligence (AI), or predictive analytics, in the practice of law. The ABA summarized those issues as bias, explainability, and transparency of automated decisions; the ethical and beneficial usage of AI and the controls and oversight of its use; and the vendors that provide the technology. How are such issues incorporated into a lawyer's ethical responsibilities?

The study "Legal Ethics in the Use of Artificial Intelligence"² found that while the ABA has yet to publish formal ethics rules on artificial intelligence use by lawyers, its authors suggested that in addition to Rule 1.1, referenced above, there are three other duties to consider to avoid such issues from becoming a problem for your company or practice. The first is the Duty to Communicate or the lawyer's obligation to discuss the decision to use artificial intelligence in his or her decision making, including its risk and limitations, with the client. How is this accomplished? Two places to start are the company issued insurance policy and the retainer agreement between the attorney and the client. Disclose its use in both and explain its benefits. Of course, the retainer agreement should also reference the lawyer's independent professional judgment that remains despite the use of AI.

The next to consider is the Duty of Confidentiality. As I raised last year, the implementation of artificial intelligence tools may necessitate client confidences to be shared with others. If so, lawyers must take precautions to ensure that information is appropriately safeguarded. If the work is done in-house, carefully craft policies and procedures for access on a need-to-know basis. If using a vendor, meticulously draft and review the contracts with software vendors to ensure confidentiality.

¹https://www.americanbar.org/groups/professional_responsibility/publications/model_rules_of_professional_conduct/rule_1_1_competence/comment_on_rule_1_1/

²https://www.squirepattonboggs.com/-/media/files/insights/publications/2019/02/legal-ethics-in-the-use-of-artificial-intelligence/legaethics_feb2019.pdf

The last duty is Supervision. Any lawyer involved in the process of implementing predictive analytics must supervise its use and understand the technology well enough to ensure ethical and regulatory compliance. Practically speaking, how does the lawyer do this? First, the investigative phase of the use of predictive analytics needs to include a lawyer as part of the team. Once the decision is made to use predictive analytics, a lawyer needs to be part of the project team. The lawyer will oversee insurance policy changes and contracts with vendors, small and large, to ensure confidentiality and privacy compliance. Chart the data and information used to ensure there is no built-in bias to the detriment of either the insurer or the insured. He or she will also develop and captain an audit trail to ensure ongoing ethical and regulatory compliance.

In summary, if done right, predictive analytics will become a valuable tool in the claims litigation process. Keeping a well-informed lawyer involved in its development and implementation will avoid ethical and regulatory issues to the benefit of the injured worker, the insured employer, and the insurance company.

POSITIVE DEVELOPMENTS IN AIR AMBULANCE SERVICES FOR WORKERS' COMPENSATION

By Dennis Lloyd, WCF Mutual Insurance Company, with support from the AASCIF National Issues Committee

Recently, there have been positive developments toward resolution of ongoing issues relating to air ambulance services provided to workers' compensation claimants, potentially benefiting insurers, self-insured employers, and injured workers. The Air Ambulance and Patient Billing (AAPB) Advisory Committee was formed after former President Donald Trump signed the FAA Reauthorization Act of 2018. Generally speaking, the FAA Act required the Secretary of Transportation, in consultation with the Secretary of Health and Human Services, to establish an advisory committee to review options to improve the disclosure of charges and fees for air medical services, better inform consumers of insurance options for such services, and protect consumers from balance billing.

The Government Accountability Office (GAO) published a report in March 2019 which indicated that although relatively few patients receive air ambulance transports, those patients who do generally have no control over the decision to be transported by air ambulance or the selection of the air ambulance provider. The GAO explained that the median bill in 2017 from air ambulance providers exceeded \$36,000 for a helicopter transport and \$40,000 for a fixed-wing transport. In addition, most were unable to negotiate such prices as air ambulance providers relied on provisions in the Air Deregulation Act of 1978 (ADA) stating that federal law preempts

state-level economic regulation of air carriers—i.e., with regard to regulating rates, routes, and services.

The AAPB Advisory Committee's efforts to address such issues began with the committee's first meeting held in Washington, D.C., January 15–16, 2020, at which it several topics were discussed, including:

1. An overview of the air ambulance industry
2. Air ambulance costs and billing
3. Insurance and air ambulance payment systems
4. Disclosure and separation of charges, cost shifting, and balance billing

Then, in April of 2020, the Secretary of Transportation formed three subcommittees, each tasked with further investigation and debate of potential resolutions relating to the following issues:

- A. Subcommittee on Disclosure and Distinction of Charges and Coverage for Air Ambulance Services
- B. Subcommittee on Prevention of Balance Billing
- C. Subcommittee on State and DOT Consumer Protection Authorities

The workers' compensation industry was well-represented on the AAPB Advisory Committee by Ray Pickup, the chief executive officer of AASCIF member WCF Mutual Insurance Company. As a representative of workers' compensation insurers and self-insured employers, Mr. Pickup served on the subcommittee tasked with working on the prevention of

balance billing. In spite of Mr. Pickup's efforts, the work of the subcommittee was almost entirely directed at health insurance, as opposed to issues relating to workers' compensation.

In the committee and subcommittee meetings, DOT representatives were unwilling to discuss the Texas Supreme Court decision that the ADA does not preempt state laws which provide a fair and reasonable reimbursement standard for air ambulance bills. The Texas ruling is based on the Tenth Amendment to the US Constitution and the federal anticommandeering doctrine, as well as the McCarran Ferguson Act, a federal law that insulates state insurance laws from federal preemption. DOT representatives also did not address state law developments, such as Florida's House Bill 747 signed into law by Governor DeSantis in 2020 which required insurers to provide only "reasonable reimbursement" to air ambulance providers.

Interestingly, the Subcommittee on the Prevention of Balance Billing spent much effort toward the development of a DOT-created administrative structure offering a federal dispute resolution mechanism to mediate billing disagreements between the parties. However, neither the cost nor funding of this solution was addressed, nor was this dispute resolution mechanism designed with state workers' compensation systems in mind. Nevertheless, it did maintain the interest and support of the air ambulance providers and the health insurers and was seen as a positive development for their situation.

The remaining work of the subcommittees stretched into early 2021 with virtual meetings being held to tie down issues, such as defining key terms. Since the committee's work began on air ambulance and patient billing, it became abundantly clear that health insurance, not workers' compensation insurance, was intended to drive the main report.

Even so, Mr. Pickup worked diligently to ensure that workers' compensation issues were heard, and the DOT agreed to issue a minority report. The challenge was how to effectuate a minority report that presented and protected the position of workers' compensation insurers and self-insured employers using the principles advocated by the Texas Supreme Court and the Florida reimbursement statutes. That is, it remained to be seen whether the committee would incorporate the principle that fair and reasonable reimbursement based on state law will withstand a federal challenge because of Tenth Amendment anticommandeering protections. And because state legislatures can enact workers' compensation laws for the purpose of regulating the business of workers' compensation insurance, such laws would withstand federal preemption because of the McCarran Ferguson Act. These two areas could then become a

safe haven for state regulation of air ambulance operation and reimbursement in various state workers' compensation systems.

As the minority position developed, Mr. Pickup was able to clarify that the term insurance in the dispute resolution mechanism, as it applied to balance billing disputes, was applicable only to health insurance and not workers' compensation insurance. This clarification of the definition of the term insurance, to exclude workers' compensation insurance, eliminated the need for a minority report. Talk about workers' compensation and balance billing ended. Past explanations about individual state workers' compensation systems and their adjudication processes, the exclusive remedy, and the prohibition against balance billing of workers for the cost of medical benefits they received, carried the day. The DOT report in chief was simplified with the elimination of the workers' compensation insurance question.

Another federal law development further buffered workers' compensation from the discussion of the balance billing problem and reinforced the definitional exclusion of workers' compensation from the work of the AAPB. The No Surprises Act was signed into law in late 2020, although most sections of this legislation will not go into effect until January 2, 2022. Although not mentioning workers' compensation insurance, the No Surprises Act:

- Protects patients from receiving surprise medical bills resulting from gaps in coverage for emergency services and certain services prohibited by out of network facilities, including air ambulances.
- Holds patients liable only for their in-network cost sharing amount, while giving providers and insurers an opportunity to negotiate reimbursement.
- Allows providers and insurers to access an independent dispute resolution process in the event disputes arise around reimbursement.
- Requires both providers and health plans to assist patients in accessing health care cost information.

Unexpectedly, the No Surprises Act and the definitional exclusion of workers' compensation insurance boiled up as unfinished business, of sorts, at the last AAPB Committee meeting. As one of the last items of business, a committee member asked whether the DOT was going to revisit the issue of the Airline Deregulation Act (ADA) and its supremacy over state law, especially in workers' compensation matters. Mention was made of the Texas Supreme Court decision that the ADA does

not preempt state laws that provide a fair and reasonable reimbursement standard for air ambulance bills, and the McCarran Ferguson Act, the federal law that insulates state insurance laws from federal preemption. Committee members asked for a last meeting to address whether the ADA was good public policy or whether, because of the collective work of the DOT's AAPB, Congress should be asked to revisit the ADA.

The DOT adjourned the committee meeting to consider the request and to review its authority. After a few days, the DOT confirmed that it had authority to hear this issue and set up another virtual meeting to consider these matters.

At the AAPB Advisory Committee meeting held on August 11, 2021, the committee discussed the impact of the ADA on the states' ability to regulate air ambulance operations and whether to recommend that the ADA be amended to improve the regulation of air ambulance operations. The Advisory Committee meeting was led by Blane Workie, assistant general counsel for the Office of Aviation Consumer Protection, and Lisa Swafford, deputy assistant general counsel for operations, U.S. Department of Transportation, as DOT representative and chair of the AAPB Advisory Committee.

The Advisory Committee heard presentations by Charles Enloe of the Department of Transportation's Office of Litigation and Enforcement, Charlotte Taylor of Jones, Day on behalf of the air ambulance operators, Brian Webb of the National Association of Insurance Commissioners, Matt Baumgartner of Ambrust Brown for the workers' compensation industry, and Joseph House for the National Association of State EMS Officials.

On behalf of the workers' compensation industry, Mr. Baumgartner argued that the passage of the ADA was never actually intended to displace state regulation of workers' compensation reimbursement processes for air ambulances. Further, history proves workers' compensation is a complex, highly regulated state system that has efficiently balanced the interests of all stakeholders, including workers, employers, and providers of medical services. Baumgartner also raised the troublesome scenario where injured workers could potentially be balance billed for air ambulance services if air ambulance operators successfully argued that the ADA preempted state workers' compensation laws—including laws which prohibited the billing of injured workers. If the ADA preempted traditional state law workers' compensation protections enforcing employer and employee rights, ADA preemption would lead to a billing and collection "free-for-all" regarding air ambulance billing disputes.

In a remarkable turn of events, Mr. Baumgartner's arguments succeeded and at the conclusion of the meeting, the Advisory Committee approved the following four recommendations:

- A carve out of services by air ambulance providers in relation to workers' compensation from the ADA preemption provisions.
- A narrow exemption for air ambulance operators from ADA preemption to the extent necessary to align with the No Surprises Act relating to network participation, reimbursement and balance billing, and transparency.
- A general carve out of air ambulance operators from ADA preemption, except for federal regulation of the safety of aircraft.
- A carve out of air ambulance operators from ADA preemption to allow states to license medical services on aircraft even if the services are related to price, routes, or services.

Going forward, Blane Workie of the Department of Transportation will draft the subcommittee's recommendations for distribution to the Advisory Committee. The Advisory Committee members are to review the written recommendations only to verify whether any wordsmithing is required. Committee members will not be able to make substantive changes to the recommendations. The final recommendations included in a report to the Advisory Committee will be sent to the Secretary of Transportation, the Secretary of Health and Human Services, and to Congress pursuant to section 418 of the FAA Reauthorization Act of 2018.

Although much work remains to be done in order for Congress to make needed changes to the ADA, the result is a positive development for workers' compensation insurance and state regulation. Thanks to Ray Pickup, CEO of WCF Mutual Insurance, and Attorney Matt Baumgartner who very capably represented AASCIF and workers' compensation insurers and self-insured employers.

WHAT WERE THEY THINKING?

By the AASCIF Safety and Health Committee

Safety professionals are always striving to find the magic bullet, the holy grail, the secret formula for preventing injuries. Finding creative ways to assist our policyholders can result in significant changes in their workplaces. This, of course, can mean fewer injuries and substantial monetary savings for both the insured and the insurer. There are a lot of tools in the toolbox to be sure—OSHA compliance assistance, written policy templates, effective safety training, and personal protective equipment recommendations to name a few. But what do we do when workers appear to simply ignore the rules or blatantly violate their training and end up hurting themselves? It's so tempting to throw up the hands and with a heavy sigh utter, "what were they thinking?"

How many times have you heard this question about injured workers? Maybe you've even said it yourself. Other common responses include, "they should have known better" or "they just don't listen." When an injury occurs, the immediate reaction might be to blame the injured worker. Administering a safety program is not easy and putting fault on the injured is an expedient solution, but truly the wrong approach since it really isn't a solution at all. The right solution is to identify why workers are engaging in unsafe behaviors and then motivate them to consistently behave safely in the future.

Why do people behave unsafely? After all, Maslow's Hierarchy would tell us that "safety" is a fundamental need. Values, beliefs, and customs vary society to society, but we all have similar needs. Human nature dictates our response to imminent danger—the fight or flight response is the result. We are programmed for self-preservation. However, given the number of workplace injuries each year, it's clear that this is not enough to ensure workers' safety.

There are an infinite number of variables that influence behavior, but there is one underlying reason why people engage in specific behaviors, be they safe or unsafe. People act in ways that will bring them positive consequences. Human beings don't intentionally behave in ways that will result in negative consequences. That oversimplifies the psychology, but knowing this will help you to understand why employees are doing what they are doing.

There are consequences for every action—some are positive and some are negative. People want positive consequences, and they will act in a way that will most likely bring about those positive outcomes in the quickest and easiest way. Furthermore, when a behavior results in a positive consequence, the

memory of that positive result acts as a trigger for the same behavior the next time. This cycle is likely to continue until a negative consequence occurs. Sometimes this is hard to see when a worker does something that results in an injury. That certainly isn't a positive consequence, so why would they behave in such a way? The answer lies in the timing and the likelihood of each consequence.

For example, we all know that driving too fast has a lot of potential negative consequences. Getting a ticket or causing an accident are negative consequences. So, why do so many people speed? The reason is that these could happen, but probably won't happen. Additionally, if one does happen it probably won't be anytime soon. It's an uncertain negative consequence that has little power over our current behavior. Since none of those negatives are likely to occur, the positive consequence wins the day. Getting to our destination quicker, or perhaps having more fun driving faster, gives us a positive consequence. We think we save a minute or two on the drive (although, often not the case in reality), so the behavior continues despite the risks.

Applying this knowledge to the behaviors we see when working with insureds can help us and the policyholder understand why these behaviors exist, how to stop the unsafe, and how to encourage the safe behaviors. Examine the unsafe behavior and find all the possible consequences. There will be at least one. Once you have that information, you can take steps to eliminate the positive consequence.

We sometimes see egregious safety violations that just don't make sense. Why would a worker use their hand to clear a jam in a moving machine? Instead of blaming the worker for this, take a look at what the worker gained from this behavior. Find the positive consequence. In this case, clearing a jam quickly without shutting down the machine would save time. In fact, this often becomes standard practice and employees are rewarded for getting the job done efficiently despite the risk. Supervisors who are focused only on production are willing to overlook or even reward this unsafe behavior in order to keep the machine running. Therefore, the worker receives an immediate positive consequence for what we all know to be an unsafe practice. The negative outcome, losing a hand in the machine, is unlikely to occur and therefore doesn't deter the behavior. One of the root causes of this behavior is the workplace culture that rewarded it until the inevitable injury occurred.

So now you know "what they were thinking." Behavior is driven by the likely consequences. With this knowledge, you can see why unsafe behaviors should result in negative consequences in the form of counseling, written warnings, or even

more serious disciplinary action when warranted. Inducing a negative consequence will modify behavior. Unsafe acts simply cannot be ignored. There might not be an injury today, but eventually there will be if the behavior continues. Don't reward people for taking short cuts and risking their own safety. Policyholders who reward people for doing what is right, as well as hold people accountable for following established policies, are the most successful in avoiding injuries.

Think of it this way. If you knew that every time you exceeded the posted speed limit you would immediately receive a \$200 speeding ticket, would you do it again? That immediate, certain, and negative consequence would very quickly eliminate the behavior. If every time you stuck your hand in a moving machine, formal discipline would follow, would you do it again? This isn't easy or a pleasant aspect of workplace safety, but it is definitely required in order to be successful in the long term. Consistency is a must. The consequences, both positive and negative, must be certain in order to influence behavior.

Ensuring negative consequences follow unsafe behaviors is an obligation for any safety program. However, keep in mind that a positive consequence is the most powerful. By encouraging workers and thanking them each time the desired behavior occurs, it will be reinforced. Locking down a machine in order to remove the jam safely is more time consuming but is exactly the behavior that should be rewarded with a positive consequence. People will always look for the positive consequence and, if provided consistently, employees will respond accordingly. Not only will this build a more positive culture, it will also reduce unsafe behaviors in the future.

AROUND AASCIF



COLORADO

Phil Kalin To Retire in Early 2022

Pinnacol President and CEO Phil Kalin announced his plans to retire as of March 31, 2022, after more than eight years with the company. Under his guidance, Pinnacol has reached new heights, including achieving [industry-leading satisfaction scores from policyholders, agents, and injured workers](#); earning [Denver Post Top Workplace](#) awards for the past five years; launching [Cake](#), an award-winning mobile-first platform for small businesses to purchase workers' comp policies; creating one of the [country's top apprenticeship programs](#); receiving recognition as one of [Ward's top 50 property and casualty insurers](#) in the country four years running; and issuing rate reductions and [general dividends for the past six years](#).

“My time at Pinnacol has been the most rewarding of my career,” said Kalin. “It’s been an honor to lead a company of professionals who live their mission of delivering caring protection every single day. Together, we made a good company great, and I’m proud of what we have accomplished.”

Pinnacol’s board of directors has launched a national search for Kalin’s replacement.

All-Virtual Risk Management Symposium Focuses on Community, Adaptability, and Resilience

On September 23, Pinnacol hosted its first ever all-virtual Risk Management Symposium, designed to offer attendees resources they need to manage the unique challenges they faced in 2021 and are expected to face in 2022. Seven sessions by external and internal experts included topics such as creating a sustainable safety culture, coping with trauma, compassion in the future of work, and mindfulness. In addition to live sessions, participants were able to download resources, chat with experts, schedule follow-up meetings, and view select sessions on demand.

Pinnacol Named to Ward’s 50 List of Top Insurance Providers for Fourth Consecutive Year

For the fourth consecutive year, and despite the financial challenges of a global pandemic, Pinnacol was included on [Ward’s 50 list](#) of best-performing property and casualty insurance companies in the United States, as selected by benchmarking analysts at Aon. The annual list is based on superior financial performance over the past five years.

Pinnacol Annual Report Addresses Challenges and Opportunities

In addition to acknowledging the challenges of 2020, including the effects of the COVID-19 pandemic and changes in the workers’ compensation market, Pinnacol reported growth in policyholder and injured worker satisfaction levels. In 2020, Pinnacol gave more than \$465,000 in grants to support Colorado communities, workers, and businesses, and donated nearly \$2.5 million to funds that supported small businesses and communities impacted by the pandemic. Pinnacol lowered rates by an average of 7 percent in both 2020 and 2021, building on five consecutive years of savings for customers. \$50 million in general dividends were distributed to 53,000 Pinnacol policyholders in 2021, adding to the \$70 million in dividends paid in 2020.

[Learn more about Pinnacol’s financial results.](#)



HAWAII

HEMIC Board Declares \$1 Million Dividend

HEMIC has returned policyholder dividends for 15 consecutive years.

The board of directors of Hawaii Employers' Mutual Insurance Company, Inc. (HEMIC) has declared a \$1 million dividend payable to qualifying policyholders. Since 2007, HEMIC's board has declared dividends each year and, with this declaration, will have returned over \$42 million to Hawai'i policyholders.

In just the last two years, HEMIC has returned \$5.5 million to policyholders in dividends and premium relief, helping their customers outlast a worldwide pandemic and the resulting economic impact on Hawai'i.

"HEMIC's operating results have also been negatively impacted by COVID, but we remain committed to paying a dividend to our policyholders," said HEMIC Chief Executive Officer, Marty Welch. "We look forward to continuing to support our policyholders in 2022 and keeping our financial promises to them in the future."

"Being a mutual company makes us unique. Through our conservative, disciplined, and diversified capital management strategy, we are steadfast in our promise to our policyholders to be here for them now and forever," said Jason Yoshimi, HEMIC president and CFO.

To qualify for a dividend, policyholders must be insured with HEMIC for more than one consecutive policy term and demonstrate a commitment to safety. HEMIC is the largest writer of workers' compensation in the state of Hawai'i. While the law does not allow any insurance company to guarantee future dividends, HEMIC's board of directors view the payout of dividends as an important goal for the company.



HEMIC CEO, Marty Welch, Named Board Member of the Year by the Chamber of Commerce Hawaii

The Chamber of Commerce Hawaii named Marty Welch, HEMIC CEO, 2021 Board Member of the Year at its 171st

Annual Membership Luncheon on October 1.

Marty joined the Chamber board in 2013 and was one of two Chair's Choices to serve a two-year term beyond the maximum two three-year board member terms.

During his eight years on the board, Marty served four years on the Budget Finance and Investment Committee and has agreed to serve on the committee in an appointed position for another two years. He has also been involved with many Chamber initiatives, including the One and Done membership drive in 2014 where he won a round trip to Paris for two for his outstanding participation.

Marty always makes himself available to lend expertise on various policy issues and engages in the Chamber's numerous events throughout the year. He also has been actively involved as a mentor for the Young Professionals Program.

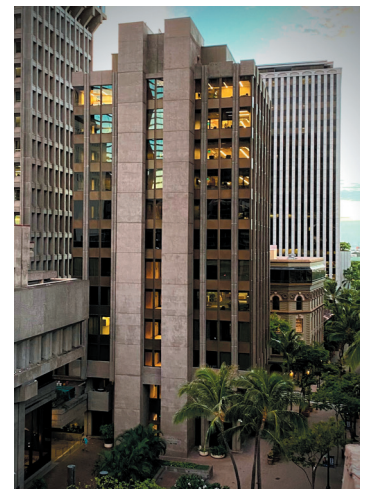
E ho'omaika'i Marty, for your extraordinary service and contributions as a board member.



HEMIC Moves Into a New Home—The HEMIC Tower

This summer, the HEMIC family of companies moved into a new home located in the heart of downtown Honolulu. Affectionally called the HEMIC Tower, this new building allows us to bring our companies and our staff together in a more collaborative and innovative environment.

And to do so in workspaces designed using authentic Hawaiian culture, values, and sense of place as a foundation, expressed in a contemporary, forward-thinking, and intentional way with our vision, mission, and core values in mind.



On July 21, 2021, as part of the preparation for moving in, the HEMIC Tower received a traditional Hawaiian floor-by-floor blessing from a pastor or "Kahu." With COVID protocols in place, our Executive Management Team and a few support

crew were present for this meaningful ceremony, which streamed to the rest of the staff via Teams.

The following day, HEMIC employees officially moved in. Staff were welcomed by “Move Ambassadors” and guided to their departments and individual workspaces. Everyone received uniquely branded welcome kits and participated in fun activities, such as a scavenger hunt to explore many of the building’s uniquely designed features.

The HEMIC Tower is not simply an address change. It represents our adaptation to new ways of working, our investment in our staff, and our commitment to using our mutual connections to deliver on our promise—to care for Hawai’i businesses and workers.



LOUISIANA

LWCC Foundation Announces Phase 3 Grants of Louisiana Well Again

Many citizens struggle with a range of physical wellness vulnerabilities that threaten their health, especially in Louisiana. Over the past year, COVID-19 further exposed these weaknesses. The LWCC Foundation is working to address the root issues of these vulnerabilities by providing funding for programs and initiatives, research, or new innovations that demonstrate the ability for an organization to address the issues that threaten the health and safety of Louisiana citizens.

The foundation’s Louisiana Well Again: COVID-19 Response Package, a \$1.1 million grants and gifts package, is focused on creating a safer and healthier Louisiana in which the workforce can thrive. In late September, the LWCC Foundation announced the 10 recipients of the Phase 3 grants, totaling over \$290,000.

The recipients will use the funds in a variety of ways. Our Lady of the Lake Hospital will use the funds to launch a hypertension outreach program in collaboration with local barbershops. CHRISTUS St. Francis Cabrini Hospital will use grant funds to improve their Healthy Eating Active Living (HEAL) Diabetes response program. Big River Economic and Agricultural Development Alliance (BREADA) will increase access to fresh produce and improve eating habits.

The LWCC Foundation recognizes that these recipients are leading much needed and impactful change, and the grants funds are intended to help continue the pursuit of solutions to many of the state’s health-based concerns. Like LWCC, these recipients are focused on bettering life for Louisiana citizens, driving transformational and sustainable change that will have a long-term impact on the health of all citizens.

Say Hello to the New LWCC.com

LWCC is excited to announce that our new site is live and ready to explore!

LWCC is Louisiana Loyal. Always. And our new site reinforces our dedication to our great state by providing a new, cutting-edge website that improves the customer experience and showcases the best LWCC has to offer via the highest possible functionality.

LWCC.com has been reconstructed to include intentional and user-friendly features, such as intuitive navigation and access to more robust resources than ever before. From paying a bill to finding an agent, reporting a claim to watching safety videos, and everything in between, the newly designed site is the location for all things workers’ comp in Louisiana.

Whether a visitor is an agent partner, policyholder, provider, injured worker, Louisiana citizen, or friend of the organization, the new website has been thoughtfully curated and designed to ensure we can support the workforce of Louisiana and help them thrive. Take a look at lwcc.com.



MAINE

MEMIC Awards Laud 10 Safety-Forward Organizations

The MEMIC Group announced the recipients of its [2021 MEMIC Awards](#), honoring those who demonstrate best practices in workforce safety, injury management, and workforce partnership.

The 2021 recipients of the MEMIC Award for Excellence in Safety:

- MyUS.com of Sarasota, Florida
- Bean Maine Lobster Inc. of Rockland, Maine
- Jamison Door Company of Hagerstown, Maryland
- Martin’s Point Health Care Inc. of Portland, Maine
- Regional School District 10 of Burlington, Connecticut
- TNT Road Company Inc. of Fort Kent, Maine

The 2021 recipients of the MEMIC Award for Excellence in Injury Management:

- Intrepid Powerboats of Dania, Florida
- Kennebec Lumber Company of Solon, Maine
- Bedford Village Inn & Grand Hotel of Bedford, New Hampshire
- Maine Veterans Homes of Augusta, Maine

“These companies have instilled a culture of safety that is an example for all our policyholders, and for the industries in which they operate,” said The MEMIC Group President and CEO Michael P. Bourque. “We’re proud to partner with all our policyholders to make them consistently safer and more productive places to work, and we will continue to deeply collaborate with our policyholders on a team approach to increasing worker safety.”

MEMIC also issued its inaugural MEMIC Award for Workforce Partnership to Ed McKersie, president of ProSearch, Inc., a staffing and recruiting business he founded in Portland, Maine, in 1989.

MEMIC Pays \$17 Million in Dividends to Maine Policyholders

In October, the board of directors of MEMIC [authorized the distribution of a \\$17 million dividend](#) to more than 14,000

eligible employers. The 2021 MEMIC dividend brings the total amount of capital and dividend declarations MEMIC has paid to Maine policyholders to \$316 million since 1998.

The dividend represents about 12 percent of the earned premium in 2018 and is the 10th consecutive year for a double-digit distribution. The average dividend for Maine employers will be \$1,180. More than two dozen policyholders will receive checks greater than \$40,000.

MEMIC’s strong financial status was affirmed earlier in 2021 with an “A” (excellent) rating by industry analyst A.M. Best.

MEMIC Podcaster Draws a Crowd



[Peter Koch](#), manager of digital technology in the MEMIC Loss Control Department and host of the [MEMIC Safety Experts Podcast](#), accepted a Golden Microphone Award from Nancy Marshall of Marshall Communications during a live recording of The PR Maven® Podcast on November 10. Koch’s guest appearance on The PR Maven® Podcast Episode [113](#) was the most downloaded episode in The PR Maven® Podcast’s third year. “We are always looking to spread our message of safety,” Koch said.

[Read more about the award here.](#)

[Listen and subscribe to the MEMIC Safety Experts Podcast here.](#)

MEMIC Adds Two to Mid-Atlantic Underwriting Team

Cindy Beswick of Pennsylvania and Angela Grandrino of Delaware have been appointed senior production underwriter and production underwriter, respectively, by workers' compensation specialist The MEMIC Group to support continued growth in the Mid-Atlantic market.

Beswick's career in workers' compensation insurance spans more than 26 years and includes hands-on experience in business development, account management, and strategic relationships. She earned a Bachelor of Science degree from Ursinus College in Collegenille, Pennsylvania, and holds an Insurance Agents License. Grandrino has worked with domestic and foreign lines for small businesses and is currently pursuing her Associate in Commercial Underwriting (AU) designation.

Margaret Templeton, MEMIC territory manager for the Mid-Atlantic region, said "their depth of experience, knowledge of the region, and management capabilities will complement our growing team of seasoned underwriters."



Grandrino



Beswick

MEMIC SVP Sees Industry Expanding Use of AI

MEMIC Senior Vice President of Claims Matt Harmon [writes in Digital Insurance](#) that uses of artificial intelligence in the insurance industry are moving beyond "detect and repair" to "predict and prevent."

"We've always paid close attention to the buzz about the potential for artificial intelligence to transform people's lives in positive ways," Harmon said. "Everyone in the insurance industry has taken notice, as well."

AI has the potential to transform "every aspect of the industry," Harmon said, with analysts projecting insurance companies will increase spending on AI from \$1.2 billion in 2019 to \$3.4 billion in 2024.



OREGON

SAIF Kicks Off Annual Free Farm Safety Seminars Online

SAIF's annual farm safety sessions are heading online this year—at least to start.

SAIF has put on the free seminars for more than 25 years, helping Oregon's farm owners, managers, and workers stay safe in one of the most hazardous industries.

SAIF will hold webinars focusing on four topics: communication skills, fire prevention, "ag hacks," and how to manage the aftermath of a serious injury. More information is available at saif.com/agseminars.

COVID-19 Expertise

In August, SAIF ran a [campaign for policyholders](#) on the role vaccines and masks can play in getting businesses back to work post-pandemic.

As of July, SAIF had received more than three-quarters of the COVID-19 workers' compensation claims in Oregon—with 3,020 claims through the end of the month—and accepted 86 percent of them.

"Workplaces and workers across Oregon have suffered. To prevent illness with COVID-19 and the impact to our workforce, we need to use all the tools we have until we beat this virus once and for all," says Kim Henry, industrial hygienist. "We know that protecting our employees ultimately protects our businesses, our economy, and our communities."

Safety Awards

Two SAIF employees were recognized for their commitment to safety this quarter.

The National Safety Council (NSC) recognized Reva Hartenstein, senior safety management consultant at SAIF, as a 2021 Rising Star of Safety. The award honors 38 young professionals who demonstrated outstanding commitment to workplace safety, particularly throughout the pandemic. Reva was selected for her work providing training and resources for agricultural customers.

The Southern Oregon chapter of the American Society of Safety Professionals awarded Pam Ahr, SAIF's chief safety officer, the Chapter Safety Professional of the Year award for her achievements over the years in the safety profession. The SPY award is the highest such honor that the Southern Oregon chapter can bestow on a safety professional.



SASKATCHEWAN

Saskatchewan WCB Announces 2022 Preliminary Rate

In October, the Saskatchewan Workers' Compensation Board (WCB) announced that the 2022 preliminary average employer premium rate would be \$1.23* per hundred dollars of payroll, an increase over the 2021 rate of \$1.17. The rate is below the rate model requirement of \$1.25 and is among the lowest premium rates in Canada.

"The two key drivers of the 2022 average premium rate are claim costs and payroll," the WCB's CEO Phillip Germain says. "The positive downward trend in claims experience over the past several years is flattening out and, in some cases, reversing. While the number of injury claims has gone down, inflation in claim-related costs, like healthcare, are increasing faster than payroll."

In 2021, the average premium rate was held at \$1.17, below the required \$1.23, to help lift pressure on employers due to the COVID-19 pandemic. By not charging the required premium rate in 2021 and 2022, the WCB will save employers about \$13.4 million in 2021 and \$3.3 million in 2022. The 2022 preliminary average premium rate is the first increase to the average premium rate since 2004.

"We recognize the difficult economic situation employers faced in 2020 and many are continuing to face in 2021 as we slowly begin to recover and adjust to the new pandemic norms," says Germain. "Economic and investment market uncertainty, a consistent number of serious injuries and fatalities, and increasing healthcare costs are putting this pressure on

premium rates." He adds that recent economic announcements in agriculture, construction, government, and mining, however, have signalled that 2022 is likely to be more positive than 2020 and 2021.

*All figures in Canadian funds.

Business Transformation Program Survey Solicits Customer Feedback

Earlier this year, the WCB embarked on a sweeping Business Transformation Program. The five- to seven-year program will modernize the WCB's service delivery through improved internal processes and new technology.

Customer input on the improvements will be key to the success of the program. "In the coming months and years, we will be reaching out to our customers more than ever," says Germain. This fall, for example, the WCB conducted an online survey of workers, employers, and care providers. Respondents were asked whether they would be interested in participating in customer improvement sessions, such as focus groups and workshops, and how they would like to be informed of the progress of the modernization program.

WorkSafe Saskatchewan Launches Slips, Trips, and Falls Campaign

Falls are the second leading cause of serious injuries in Saskatchewan workplaces. To help reduce injuries from slips, trips, and falls, WorkSafe Saskatchewan recently launched an awareness campaign that aims to educate workers on the importance of being aware of their surroundings and taking safer steps. (WorkSafe Saskatchewan is the partnership between the WCB and the Saskatchewan Ministry of Labour Relations and Workplace Safety.)

The multimedia campaign targets industries where falls are most prevalent and highlights industry-related injuries. It also includes online resources on ladder safety and underscores the fact that slips, trips, and falls can result in lifelong conditions, such as debilitating headaches and arthritis.

The first phase of the campaign focuses on the construction sector and general office environments. It runs until the end of 2021.



UTAH

WCF Insurance Promotes Dennis Lloyd and Ryan Andrus

WCF Insurance has promoted Dennis Lloyd to executive vice president, of counsel and Ryan Andrus to senior vice president and general

counsel.

In his new role, Dennis will serve as an advisor to the WCF executive team and board of directors. In his previous role, he was WCF's senior vice president and general counsel. Dennis started at WCF as general counsel in 1981 and has played a critical role during the company's evolution over the past four decades.

"The WCF leadership team and board of directors have relied on Dennis's calm and thoughtful analysis for 40 years," said WCF CEO Ray Pickup. "He has been integral to every step of growth—the acquisition of our subsidiaries, our geographic and product expansion, and every other important decision that has been made at our company. I have been immensely fortunate to have Dennis's steady, experienced hand as general counsel while serving as CEO."

Ryan in his new role as senior vice president and general counsel will oversee all legal functions, including adjudication, subrogation, insurance regulation, and government relations. Ryan will also serve as a legal advisor to the executive team and board. He started with WCF in 2008 and previously held the role of vice president and assistant general counsel.

Ryan holds a bachelor's degree in business administration from the University of Utah and a J.D. from the University of Nevada, Las Vegas. He also earned the Associate in Risk Management and Certified Property Casualty Underwriting designations.