AASCIFNEWS

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WHAT'S INSIDE

AASCIF
American Association of State Compensation Insurance Funds

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PRESIDENT'S MESSAGE

Hello, all! We just wrapped up another successful Virtual All-Committee Meeting to plan the 2022 Annual Conference in Big Sky, this July 10–13. A sincere "thank you" to all committee volunteers, advisors, and executive monitors. We couldn't do this incredible work without you!

As many of you know, the All-Committee Meeting is held every January to begin planning content and strategizing for the annual conference and the year ahead. At the meeting, the committees were tasked with developing themes and ideas on which to focus for the 2022 Annual Conference. In partnership with AASCIF staff, we were able to solicit proposals from vendors and partners who may be interested in participating in the annual conference prior to our planning meeting.

I hope everyone is getting excited about the 2022 Annual Conference, taking place in Big Sky, Montana, at the Big Sky Resort. The conference host team at the Montana State Fund and the AASCIF staff team have been working hard to design a great conference, and I am looking forward to seeing everyone there! Conference registration will open in March, so stay tuned for more information to come soon.

And while you're thinking about what you'll learn at our upcoming conference, I hope all of you are continuing to use our Member Connection to communicate and collaborate. The unique value of AASCIF is our ability to learn from our collective successes and challenges. The Member Connection gives us an easy place to do that virtually and year-round.

Jason Clark
President & CEO, CompSource Mutual Insurance Company
President, AASCIF

FEATURES From AASCIF

THE ELUSIVE FREE LUNCH
EXPLORING THE BENEFIT OF DIVERSIFICATION IN PRIVATE CREDIT

"Diversification is the only free lunch" in investing, says the quote attributed to Harry Markowitz who was awarded the Nobel Prize in Economics for his pioneering work on the subject. In the years since, it has become a universal investment maxim.

DWS

DWS is the sponsor of AASCIF's Finance & Investment Track.

By Audie Apple, Investment Specialist-Private & Real Assets, Americas, DWS, and Jeff Behring, Senior Investment Team, Northwestern Mutual Capital

While there is universal agreement that diversification is important, how are investors to know if they are getting enough? And is it possible to have too much of a good thing? The answers may vary by asset class based on their own idiosyncratic features. Credit investments, for example, are generally viewed as lower on the risk spectrum, but paradoxically, diversification is just as critical as in other higher-octane investments—perhaps more so.

Contractual Returns but Negative Skew

Credit investors sit senior to equity and further benefit from contractually determined returns providing the investor some level of risk mitigation. The trade-off is that the upside is capped. The best outcome is you get your principal back, along with interest. The downside, however, is on par with equities—when things go badly, you can lose your entire investment.

This simple distinction has profound implications in determining how much diversification is prudent. Even for the best managers, eventually a credit will suffer a loss—and sometimes a severe loss. For an equity investor, the risk of large losses may be offset by outsized gains on other investments in the portfolio that may return several times the amount of the original investment. Only a couple of exceptional "winners" may cover the drag of several "losers" in the portfolio.

In contrast, a credit portfolio does not benefit from this possibility. Any losses incurred impact returns in a manner proportionate to the position weight in the overall portfolio.

This fact is not lost on portfolio managers. A review of active strategies in public markets reveals a clear pattern in the level of portfolio diversification when comparing equity portfolios to fixed-income portfolios. Generally, fixed-income portfolios diversify across more investments.

So How Is Private Credit Different?

Taking private junior debt as an example, a casual viewing of a representative set of portfolios suggests that many such portfolios hold about 20–30 investments. Is there something endemic to private credit investments that make diversification on a scale comparable to managers of public fixed-income strategies unnecessary?

There are a few distinctions specific to private credit:

- The bespoke nature of private credit investments: The structure of each investment is the result of a negotiation between the lender and the control stakeholder. As such, investments are not uniform across the portfolio.
- In addition to traditional cash-pay debt instruments, private credit portfolios often also include payment-in-kind (PIK) instruments that at times have features that "blur the lines" between traditional debt and equity. Additionally, private credit lenders are at times able to negotiate an equity "kicker" as a condition of closing on the junior debt investment that may come in the form of warrants or direct equity investments.
- Lastly, given the presence of equity warrants and direct equity investments, it seems plausible that the risk/return characteristics of a private credit portfolio could be materially different than a traditional fixed-income strategy. Perhaps diversification on a scale commensurate with homogenous public fixed-income is not necessary.

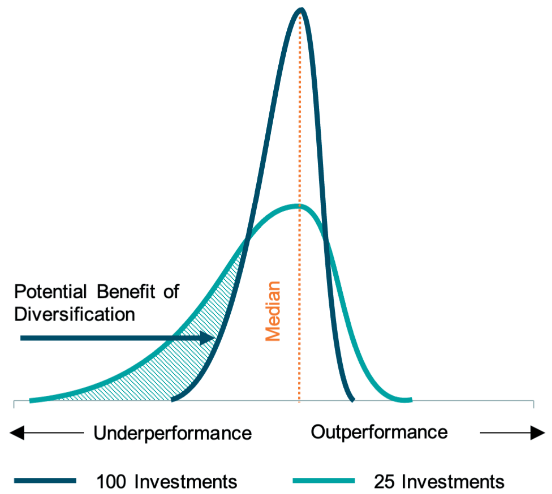
Digging Into the Data…

Thoughtfully considering the impact of diversification on portfolio outcomes requires sufficient data to support a robust analysis—a material challenge for private market strategies, especially credit which is a more nascent asset class.

To conduct this analysis, we utilized Northwestern Mutual Capital's 20-year investment history covering 368 junior debt investments. This data captures a diverse set of investments spanning all of the examples cited above—traditional cash-pay 2nd Lien and Mezzanine investments, as well as PIK securities. The data set also includes equity "kickers" in the form of warrants and direct equity investments negotiated in conjunction with a debt investment.

We set out to dimension the potential benefit of diversification for a private market junior credit portfolio considering both the diverse character of credit instruments as discussed above, as well as to determine if the presence of equity exposure makes higher levels of diversification less important.

FIGURE 1. DISTRIBUTION OF RETURNS BY DIVERSIFICATION LEVEL



Note: See detailed simulation notes at the end of the article in Appendix

The "Historical Resampling" Methodology

We framed the analysis to explore a single key question: What is the chance an investor will experience an outcome worse than what was expected?

To answer that question, we used an approach known as "historical resampling" to simulate the performance of randomly generated portfolios. Each investment in the data set has an equal chance of selection as we simulate the performance of hypothetical portfolios of 25 investments drawn from the data. We repeated that process 100,000 times to establish a range of possible outcomes in a way that captures the unique character of a strategy with a diverse range of investments as described above.

We then repeat the process, this time randomly selecting 100 investments from the data for each portfolio. The results are modelled in **Figure 1**.

The first observation is that the median result for both portfolios is, as you would expect, virtually identical. This approach takes underwriting skill off the table in considering outcomes and isolates the impact of a single variable—the degree of diversification.

A second observation is that the negative skew still shows up for both portfolios as the positive outliers (portfolios) **outperform** by **less** than the negative outliers **underperform**, resulting in an asymmetrical distribution curve. The negative skew of the credit investments overwhelm the modest levels of equity exposure captured in the data from warrants and direct equity investments.

Further, compared to the return distribution for a 100-investment portfolio, the distribution for a portfolio of 25 investments is flatter with fewer outcomes at or near the median and more "outlier" results—both positive and negative. **Simply stated, the more concentrated the portfolio, the greater the chance you will get something different than you had expected.**

Focusing on the left tail of the distributions, the potential benefit of higher levels of diversification becomes clear—the likelihood that a manager with identical underwriting skills will produce a portfolio that underperforms expectations is greater for more concentrated (less diversified) portfolios.

Another way of demonstrating the potential benefit is to consider the probability of underperforming the median result (what you think you are getting).

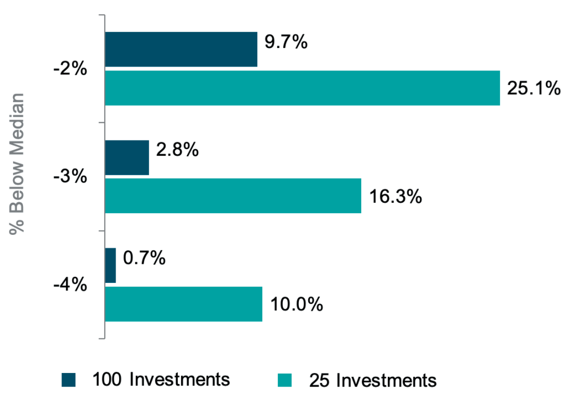
As depicted in **Figure 2**, the chance of experiencing a return 400 bps below the median is 1-in-10 for the 25 investment portfolio—almost 15x greater than the 100 investment portfolio.

The "100-Year Flood"

It comes as no surprise that the potential benefit of diversification is greatest in the most extreme economic dislocations—the "100-Year Flood" that seems to occur every 10–20 years in financial markets. A closer examination of the left tail of the return distribution demonstrates that the incremental downside for the more concentrated portfolio relative to the diversified portfolio increases materially in the more extreme outcomes: at the 99th percentile, the more diversified portfolio exhibits more resilience posting a return of 9.6% compared to 5.2% for the concentrated portfolio (as shown in **Figure 3**).

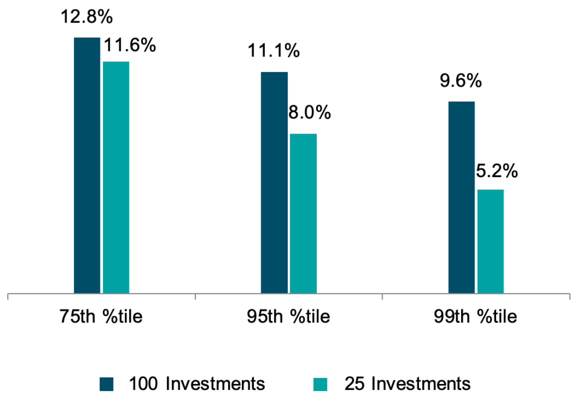
Given the character of the return distribution these portfolios exhibit, it seems prudent to focus more on the downside scenarios and less on the potential of higher returns exhibited by the right tail. Even at their best, private junior debt strategies do not have the potential to generate upside returns commensurate with private equity managers. Investors may be better served reaching for return at the strategic asset allocation level by allocating more to equity to enhance return expectations and look to consider private credit to contribute to the role of fixed-income in the overall portfolio by serving as ballast.

FIGURE 2. CHANCE OF A RETURN OF X% BELOW THE MEDIAN



Note: See detailed simulation notes at the end of the article in Appendix

FIGURE 3. 75TH, 95TH AND 99TH PERCENTILE RETURNS (GROSS)



Note: See detailed simulation notes at the end of the article in Appendix

Implications…

To the extent that managers and investors agree that credit is not the place to "reach" for returns, why are junior credit portfolios generally more concentrated?

One key reason may simply be that it is difficult to do so. Private investments must be sourced one-by-one. Constructing a portfolio of 100 investments over a typical

4-year investment period requires a very robust deal sourcing team and network that takes time to develop—as well as an exceptional level of productivity. For a manager to target 100 investments for a fund probably implies that they will source 1,000 or more actionable deals, which is no small task.

To be clear, the number of credits is not the only key consideration for maintaining prudent levels of diversification. Sector and industry weights, as well as less obvious common risk factor exposures that cross industry lines, matter also. That said, it seems that diversification across credits—a more obvious distinction among portfolios—may not be getting the consideration it should.

So How Much Is Too Much?

In public markets, it is easier to capture the beta of an asset class in a low-cost way by indexing. And while that can place a limit on optimal diversification for an active manager, this is not the case in private markets. In our view, there is no widely accepted approach or vehicle that provides an investor exposure to the multiple return sources captured by private credit investing. The trade-off placing a barrier on optimal private credit diversification is more likely associated with the cost of sourcing and executing 100 investments versus only 20–30. For investors, that cost is reflected in fund terms and expenses.

Whatever the optimal level of diversification for private credit portfolios, the evidence is strong that investors would be wise to pay close attention to the level of credit diversification in their allocation to the asset class. It may not be an entirely free lunch, but maintaining prudent levels of diversification would appear to increase the likelihood that you will enjoy the lunch you were anticipating and less likely that you will leave the table hungry.

Appendix: Diversification Simulation Notes

The selected investments' performance does not represent the performance of any single fund. The selected investments were selected at random and therefore were not managed as a single portfolio. No investor has achieved the returns shown. Returns are presented on a gross basis and do not include the deduction of carried interest, management fee or expenses, the application of which would reduce materially the returns to an investor. Net figures are not available because The Northwestern Mutual Life Insurance Company's ("Northwestern Mutual") general account is a principal account that is managed by Northwestern Mutual Investment Management Company, LLC ("NMIMC"), and therefore did not pay carried interest or performance-based fees, and effective management fees paid in respect of investments are not feasible to compute. Please refer to the Private Placement Memorandum for additional information on why net figures are not feasible to compute.

Each portfolio was randomly generated from a subset of all junior capital investments (unrealized and realized) made by the Northwestern Mutual general account between 2000 and 2020. The subset was created by taking all junior capital investments (unrealized and realized) made by the Northwestern Mutual general account during the time period (totaling 368 investments1) and removing investments that (i) DWS & North-western Mutual Capital ("NMC") believed were outliers (investments with IRRs over 200% were excluded, which resulted in the exclusion of 1 investment from the analysis) and (ii) were not, in DWS & NMC's judgment, sufficiently realized (specifically, investments less than 12% realized, which resulted in the exclusion of 40 investments from the analysis). That subset was then used to create hypothetical portfolios by randomly selecting a certain number of investments from the subset to match the specified portfolio size (portfolios of 25 and 100 investments in this analysis) and the IRR was calculated with respect to the hypothetical portfolios. Each investment from the subset would be equally likely to be included in, or excluded from, each hypothetical portfolio. The process of creating a random portfolio from the subset and calculating portfolio level IRR was repeated 100,000 times for each portfolio size and the statistical metrics illustrated are based on the IRR's of the 100,000 simulated portfolio IRR's for each portfolio size.

The hypothetical portfolios included herein have been provided to assist prospective investors in evaluating an investment in the fund, but should not be relied upon as a representation of future portfolios or actual results. Actual portfolio construction will depend upon a number of factors, including available investment opportunities and macroeconomic and geopolitical conditions, among other considerations. There can be no assurance that diversification will actually be achieved. Differences between hypothetical and actual results may be material and adverse and will depend on, among other factors, economic conditions, future operating results, the value of the assets and market conditions at the time of acquisition and disposition, all of which may differ from the circumstances on which the hypothetical portfolios are based. Past performance does not guarantee future results.

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ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) FACTORS

By Beth Vandehey, ERM Committee Member

Numerous studies over the past several years have concluded that companies with high ESG ratings are consistently more profitable and less volatile than their lower-rated peers. A long list of reasons have been theorized for this correlation, but the conclusion is consistent: positively managing ESG risks reaps positive results. Many companies are using an ESG framework to more comprehensively evaluate their risks. This framework may be useful in assessing risk factors, including the reputational impact of waste and pollution decisions, choice of investment portfolio holdings, and diversity, equity, and inclusion programs. Employing an ESG framework can help the workers' compensation industry identify new risks and respond to them more effectively. The chart2 below outlines some of the common exposures companies face related to environmental, social, and governance topics.

Environmental Social and Governance are the three main factors that socially responsible investors measure when deciding whether to invest in a company. It is a generic term used in capital markets.

Peer Guidance on ESG

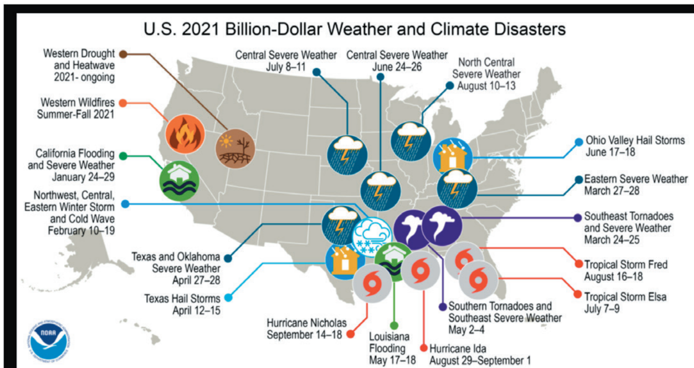
At a recent AASCIF Enterprise Risk Management (ERM) Committee monthly meeting, all nine of the participants noted their companies are somewhere between researching implementation of an ESG framework to already reporting on risks and metrics. However, most participants noted that ESG risks were not formally aggregated into an ESG framework at their companies.

All participants agreed that starting small, utilizing existing metrics, and building over time is the best way for an ESG framework to add value to the organization. Using the lens of ESG to assess the impact of risks identified in the organization's ERM risk register for their companies is a good starting point.

Though ESG is driven by a need to understand the financial impacts to the company, many are doing the ESG analysis because they want to be good stewards and have sustainable business models.

Climate Disaster Events and Their Effect to Insurers

The National Centers for Environmental Information1 reported that the 2021 western wildfire event were just one of 18 separate billion-dollar weather and climate disaster events that occurred across the United States in the first nine months of 2021. An increase in the number and intensity of climate disasters is just one example of environmental, social, and governance risks likely to impact workers' compensation insurance over the coming years.



*This map denotes the approximate location for each of the **18 separate billion-dollar weather and climate disasters that impacted the United States January–September 2021**.*

As an example, the extreme heat event in June of 2021 led to Washington State breaking local all-time weather records. Three consecutive extreme heat days happened early in the summer. While Western Washington typically has mild summers, the jet stream—along with a heatwave formed by two pressure systems—created a heat dome. This early season heat dome heightened the risk of forest wildfires and raised concerns about the hazards of breathing smoke filled air. OSHA safe air rules, created years ago, weren't deemed sufficient, and the Washington State Labor & Industries (L&I) responded by issuing emergency Wildfire Smoke Rules to protect the workers affected by the hazards associated with inhaling wildfire smoke. Several other states and British Columbia have considered similar rules.

New safety rules can help reduce the occurrence of occupational injuries and illness associated with both smoke inhalation and excessive heat and, thereby, reduce future worker compensation claims, all resulting from changes in environmental exposures.

Do you know what your company is doing to evaluate ESG? Given the increase in interest from rating agencies and boards, it may be a good time to evaluate the future risks that could impact your workers' compensation system.

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1 https://www.ncei.noaa.gov/news/calculating-cost-weather-and-climate-disasters
2 https://marketbusinessnews.com/financial-glossary/esg-definition-meaning/

HOW INSURERS CAN OPTIMIZE CLAIMS: AUTOMATION AND HUMANS IN THE LOOP

By Jim Kremer, Tony Sault, and Preetham Peddanagari, EY

Submitted by the AASCIF Finance & Investment Committee

Just because technology allows insurers to automate the entire claims process doesn't mean it's the right approach for every claim.

For quite a few years, claims leaders in insurance have been rightfully focused on automating as many steps of the claims management process as possible. The modernization of claims platforms and the deployment of chatbots, document ingestion tools, and artificial intelligence (AI) for data extraction during the last several years has helped some insurers improve productivity and indemnity performance in some lines of business, while also reducing costs.

However, many insurers have experienced suboptimal returns on their initial investments in automation. In some cases, pilot programs could not be scaled. In others, advanced tech has only been applied to certain workflows (e.g., the use of chatbots or document portals within the first notification of loss stage). To some extent, the culprit has been a technology-first approach that focused on the tangible economic benefits of automation, while downplaying the customer experience upside.

While the technology is definitely ready to make the dream of straight-through processing an operational reality, many forward-looking insurers are now rethinking their approach to optimize their claims operations not just for financial gains, but also to meet rising customer expectations. Complete, end-to-end automation may not be the only way to achieve peak performance in claims. This article will address a number of key strategic questions that insurers must address if they are to build on process automation in claims to enhance the value they offer customers.

Seeing Claims in the Big Picture of Customer Relationships

For years, cost reduction has been the top priority for claims organizations. Some insurers have managed to reduce costs and increase efficiency and accuracy by automating certain claims tasks and workflows. Automation can also streamline settlement timelines and increase process transparency, both of which are critical drivers of customer satisfaction relative to claims. These are important gains, but many claims leaders wonder where to go next. After all, more technology is not the end game and efficiency is only one key metric for claims performance.

Now that straight-through processing is well within reach, more insurers are asking themselves if there is risk in entirely removing the human interaction that some customers value. The personal touch can be especially valuable in the wake of events with high emotional impact (e.g., car accidents, property damage, personal injury). Just because nearly all claims can be no-touch, doesn't mean they should be. Insurers should not pass up the opportunity to provide right-touch service for customers that they rarely interact with.

To a large extent, it's a matter of being there for customers precisely when and how they want you to be there for them. In many cases, that means high-efficiency, tech-driven resolution. But in others, some human touch will lead to better outcomes.

Giving Customers the Experiences They Want

In redesigning their client processes and evaluating their technology options, insurers would do well to consider whether insureds would like to have a choice. An emerging leading practice is "human in the loop" process design that provides customers with access to human support if and when they need it.

This flexibility is advantageous given the huge demographic range of insurance customers. It's something of a stereotype to say that younger customers prefer all-digital interactions and older policyholders prefer human (or at least phone) contact when resolving claims. But it's also largely true, meaning insurers must be flexible to meet the preferences of all their customers. Those options can come with incentives (e.g., expedited payments) to guide behavior. Insurers can leverage their existing customer data to make precise offers that balance financial, operational, and experiential metrics.

Intelligent Automation Starts With Insight

Designing the right experience and optimizing claims performance starts with understanding what customers want. Customer journey maps can provide critical insights into all the potential moving parts and different touchpoints and activities that can be involved in claims. In inventorying the many different paths a claim can take to resolution, many insurers are surprised to find a great deal of variability. Despite the unique paths customers take, many journeys feature common sub-processes and tasks, which means microservices can be reused when automating broader processes and workflows.

Technology can help provide the necessary visibility. Robust analytical and process mining tools are available to capture customers' digital footprints across channels and systems to produce visual maps of current customer journeys.

The value of customer journey mapping is that it can clarify where process standardization and automation can have the biggest impacts. Even more importantly, customer journeys can reveal the specific opportunities for delighting clients to increase long-term engagement and loyalty. Experience shows that providing timely and proactive status alerts is one such moment. Conversely, customer journey maps can highlight the highest risk areas where processes often break down (e.g., when handing off to service providers).

Knowing which types of customers are most likely to need help and when they'll need it can help insurers build trust. Again, insurers can use data and analytics to anticipate which claims are likely to lead to service failures and take proactive steps to keep the claim on track. Increased levels of trust are increasingly important to insurers seeking to use customer data in new ways.

Specifically, insurers will need permission to take full advantage of data streams from homes, vehicles, and workplaces, as well as from sensors on corporate assets. In the future, mobile apps and other smart tech can use data from these sensors to provide automated notifications to initiate claims or alert consumers and business owners to necessary repairs or maintenance. Risk prevention is a huge opportunity for commercial insurers in particular. Success requires that they can educate consumers about these capabilities and sell them on the benefits.

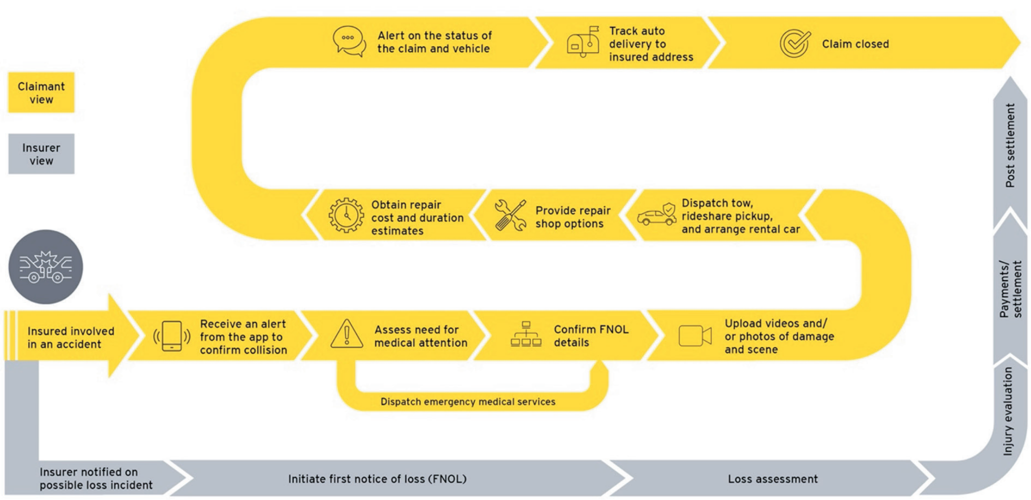
Addressing Technology and Operational Questions

Building on customer insight, insurers must evaluate, select, and deploy technologies based on their usefulness and impact within a holistic and integrated end-to-end claims environment. Modernized platforms provide the critical foundation for using the most powerful emerging tech in the most sophisticated ways. Robust cloud environments and effective application programming interfaces (APis) are also required for firms that want to move quickly and at scale.

From AI and advanced analytics to robotic process automation (RPA) and chatbots to document intelligence portals, all tech must support specific customer journeys and business objectives. The use of drones, IoTconnected sensors, and mobile apps will also factor into the strategy for claims automation. More broadly, the approach for using technology within claims should be aligned to the company's IT and data strategy.

Using intelligent automation to enhance the customer experience in claims also requires operating model adjustments. Obviously, future claims teams will be leaner and feature more analytical and data science skills. Human adjusters and analysts will be focused on exceptions, particularly anomalous claims that could be fraudulent. More insurers are also turning to third parties to boost performance in specific parts of the claims process. The best tech in the world won't deliver optimal returns if the process and organizational design aren't aligned.

Future of claims



The Vision for Touchless Claims in Automotive Lines

- *Telematics notifies claims system of an accident.*
- *Chatbot contacts customer to report accident, pre-populating known data and prompting customer to share more (e.g., accident photos, medical reports).*
- *Automated back-end operations (predictive analytics, data population).*
- *Chatbot presents settlement options.*
- *Customer is notified of payment.*

The Bottom Line: Finding the Right Balance

Claims have always been a "moment of truth." Neither consumers nor insurers want claims to occur, but when they do, they are critically important to both parties. Consumers want help solving their problems—quickly, seamlessly, and with help available if they need it. Insurers are looking for efficiency and accuracy and to eliminate the risk of fraud and a bad claims experience. In the relatively low-touch relationship between consumers and their insurance companies, a successful claims experience can be a powerful retention tool.

A claim is a meaningful touchpoint in that it can make a skeptical customer into a loyal, lifelong advocate. Ideally, it converts a transactional relationship into something more like an enduring, mutually beneficial partnership, based upon high degrees of customer loyalty and trust and a clear sense of value.

To master the moment in the context of ever rising customer expectations and technological possibilities, insurers must balance the benefits of an extremely efficient touchless process with the potentially richer value of highly personalized experiences. Further, they should provide options for customers who have varying personal preferences for interacting with their carriers.

To support such a flexible claims environment, insurers must carefully map and rationalize all customer journeys, automate the right steps in those journeys, and then deploy the right mix of tools and tech to execute effectively. It's a significant effort, but we believe the upside potential of better, faster, and smarter—not to mention higher-value and lower cost—claims processing will prove worth the effort for most insurers.

Summary

Optimizing claims performance requires a balance of highly efficient, no-touch processing with personalized experiences that allow customers to get help when and how they want it.

Jojo Dutta Roy and Suzanne Sherriff contributed to this article.

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IT SECURITY AT HOME

By Ann Morberg, Montana State Fund

Were you recently contacted about a malicious virus that is attacking your home computer? Won a lottery in a foreign country you have never heard of? Is your car warranty expiring soon? Were you recently notified that you failed to file your taxes and the police are on their way with a warrant?

It seems like threats are **EVERYWHERE** these days. Whether it's hackers, scam artists, or the latest cybercrime, we are always under the constant threat of being exploited at work, home, or even the nearest Starbucks. Unfortunately, cybercrimes, scams, and hacking attempts are here to stay, and it's up to cybersecurity professionals and company IT departments to stay a step ahead of these dangers and criminal activities.

In the mobile world we live in today, companies have found the need for greater flexibility to deliver tools to their employees that enable them to conduct business anywhere, anytime, and across a variety of remote devices. From an IT perspective, this has created a security nightmare for IT departments and businesses alike as they race to secure data and business assets from the reach of cybercriminals. It is a challenge that businesses face within the confines of their own walls and now the homes and remote spaces of their employees also.

With the onset of COVID in 2020, many companies found themselves ill-prepared to take on these home security challenges while enabling their employees to work remotely, ensuring secure data transmission, and the implementation of practices to safeguard business technology assets. For the first time, businesses and their employees were finding themselves outside the protection and security layers of their company's IT department. Things such as web filtering, which used to keep employees from going to malicious sites, network firewalls, that can block known malicious websites, and IP filtering all had to be re-evaluated and, in some cases, re-engineered to meet the compliance standards for securing company data and creating a safe working environment that benefited businesses and their staff.

Security layers are in place to keep the company's data and resources safe. Employees working outside the secure space of a company can be easy targets for hackers, especially if the company hasn't ensured all the same security layers are in place for employees working remotely. Companies do not have control over an employee's home network and workstation configuration, but they do have control of how employees connect to the company network and what devices they use to do it.

Scenario:

A work from home employee is using a personal computer or laptop. The employee uses a VPN connection and two-factor authentication to get into the company network, but while connected, they copy and paste confidential files to their personal computer so they can work offline or while traveling. Their personal computer also has their account set with admin rights, since that's how most personal accounts are created. The employee sometimes uses the company webmail and has it synced with their personal email for convenience and downloads email attachments to their personal computer. Unknown to the user, their home computer has been compromised and all their files, including company data they had stored locally, has been stolen. The company doesn't know what information has been lost, and likely doesn't know about the incident because it happened on a personal computer.

Things to Consider:

- Only use company-approved devices.
- Never use accounts with admin rights on company or personal computers. Those rights should only be used to install new software.
- Disable the option to cut and paste from a remote desktop session to your personal computer.
- Do not allow items to be downloaded or copy/pasted from work email to personal computers.
- Have network firewall rules in place that allow specific IP ranges to securely connect into the network.
- Use a secure connection when utilizing remote desktop.
- Work from home devices properly update with security patches.

Again, regardless of the form cybercrime takes on, be it hackers, scams, malicious software, etc., these threats are here to stay. We can protect ourselves through education and implementing basic levels of security measures, such as those listed above, to safeguard ourselves from these attacks when working remotely.

A LOOK AHEAD FROM THE POLICYHOLDER SERVICES AND UNDERWRITING COMMITTEE

The last few years have brought state funds plenty of challenges. We have navigated through a pandemic and assisted both our employees and customers with operating in a new world. There have been staffing struggles, times of economic uncertainty, and sometimes even a sense of panic. As we have navigated these challenges, we also continue to innovate and improve our customer experience. As a committee, we have been reflecting on what we have accomplished in 2021 and what 2022 will bring.

Unanimously, we hope to start being able to travel and see colleagues in person at the AASCIF Annual Conference in Montana, and other workers' compensation gatherings. We can honestly say we have missed the robust personal connection that these interactions provide.

As we plan for 2022, the Policyholder Services and Underwriting Committee have been pondering what will be the biggest challenges in the next year. Members of the committee have shared what they are anticipating in their individual states

New Mexico Mutual—Cynthia Luna, Director of Underwriting and Customer Service

Underwriting challenges resume for New Mexico Workers' Compensation with an average 5.5% rate reduction for 2022 and an accumulative 7-year rate reduction of 42%. We are slowly recouping from the decline in oil and gas operations in our state, along with the ongoing occupational impacts of COVID. We continue to see national package carriers entering the state.

With the additional carriers, it has created a competitive job market and we continue to focus on employee engagement and retention. New Mexico is not a state with numerous insurance industry opportunities. Remote opportunities have become popular for employees to still live in New Mexico with the ability to work in other states and has impacted our ability to recruit out of state talent who we would need to move to our state for our open positions.

We continue to work on our innovation in both underwriting and servicing technology. In 2021, we implemented a bot to assist with the automation of renewals. With the ever-changing technology, we are finding ways to make it easier for our policyholders to pay their premium and provide streamlined and efficient customer service. We implemented straight-through processing in 2017 and continue to enhance our tools for our agency partners to easily navigate and have a quicker quote turnaround.

Idaho SIF—John Pavliga, Underwriting Director

We thought for sure we'd be out engaging agents and directly written insureds face-to-face by now. We also thought we would be back to in-person audits and loss control visits. But, we're still stuck in a time loop like everyone else. We're still working mostly remotely, and that's likely to continue a bit longer as Idaho struggles with the latest COVID surge that's kept our hospitals at or near capacity.

Whatever new challenges pop up, we'll keep moving forward with our key strategic initiatives—shifting agency submissions and quoting into our new online portal, developing our data analytics capabilities, and retooling our operations to eliminate friction and become more responsive to agents and insureds.

MEMIC—Shana Pike, Manager, Statutory Filings

The biggest challenge Maine Underwriting will tackle in 2022 will be a proposed 10.3% rate decrease, which is being seen across the country. This rate decrease comes at the same time as medical costs and inflation are on the rise. Competition has increased in Maine, with many carriers looking to expand their book and being willing to offer high commission to agents and drop premiums to make a splash in the market. Investment income is very high currently, which puts more capital in carriers' pockets, giving them more ability to take underwriting chances and expand appetite (soft market). MEMIC's long-term relationships with our agency partners will be essential to our success in 2022.

KEMI—Michael Huff, Business Development & Specialty Accounts Manager

One of the biggest challenges that KEMI continues to face in Kentucky is the sustained soft market cycle that has made it difficult to obtain new business submissions and, ultimately, write new business. As with most of the country, NCCI filed another loss cost decrease in 2022. Data gathered from multiple insurance outlets shows that workers' compensation has been the most profitable commercial insurance line of insurance for the last few years.

Our staff at KEMI has had discussions with many of our largest insurance agencies and have identified several reasons why we have had a difficult time writing new business. Below are the top three reasons we have compiled:

1) **Agencies dealing with price increases on other commercial lines.** Workers' compensation is stable, and most carriers have filed workers' compensation rate decreases. As agents receive commercial line renewal quotes, they focus on the package lines where they are experiencing renewal price increases. If there is a monoline workers' compensation carrier currently on the coverage and the agents receive a price decrease on the workers' comp renewal, they don't take the workers' compensation renewal to market.
2) **Multiple workers' compensation carriers filed and currently writing in Kentucky.** Basically, insurance agents have a lot of mouths to feed. If a workers' compensation renewal goes out to market, KEMI is competing against many competitors that are asking for opportunities from agents. With the previously mentioned rate decreases, it is at a point where it is very difficult to write a desirable risk while maintaining underwriting discipline.
3) **Staffing challenges at agencies.** For the first time that I recall in my 17 years of working at KEMI, we have a staffing shortage at the account manager/customer service representative level at a lot of larger agencies. These challenges are another reason why workers' compensation renewals do not go to market if the customer and agent are satisfied with the service and price provided by the current carrier.

SFM Mutual Insurance—Rhonda Wills, Business Manager ARP

SFM Mutual is currently working to enhance our online application process to include larger accounts written in real time, looking at those accounts specifically with $10,000– $25,000 in premium. We are also looking again at predictive modeling and using our own analytics to establish ways to allow agents to write their business same day. SFM continues to look at technologies and be open to enhancing the agency relationship.

Missouri Employers Mutual (MEM)—Daniel Rogers, Director, Underwriting & Premium Consultation Services

The new year has brought the next phase of our predictive modeling plan at MEM. Initially, we used a model developed by a third-party vendor. We are now using a proprietary model, which is more reflective of our own book and results. With this new model implementation, we are using it to increase our premium threshold for straight through processing. In addition, we continually evaluate our automated underwriting rule base to ensure underwriters can spend their time only on those applications and renewal policies needing further attention. The Missouri Workers' Compensation market, like many around the country, remains very competitive with most carriers taking a base rate reduction in 2022.

Washington Department of Labor and Industries—Keith Bingham, Employer Services Program Manager

In Washington, our existing workers' compensation system consists of more than 100 interconnected systems developed since the mid-1980s. The system is outdated and uses more than 40 programming languages, some obsolete. We are launching a multi-year systems modernization effort to replace most of our existing applications with a modern cloud-based solution.

We continue to experience underwriting challenges with employers creating independent contractor business models to avoid workers' compensation responsibilities.

Ohio Bureau of Workers' Compensation (BWC)—Kendra DePaul, Interim Director of Underwriting

At Ohio BWC, we continue to look at ways to automate our processes and implement efficiencies. We know that customers desire quotes, policies, and endorsements completed quickly, so we continue to work on these efforts. In late 2021, we joined many other AASCIF state funds in implementing straight through processing, which allows some employers to have their policy issued in real-time at the end of their application. The new process also allows for improved communication to customers with a live chat support option. We continue to monitor the process and anticipate tweaks to improve class code assignment, as well as other enhancements.

With the increase of remote work, we also continue to see employers allowing their employees to choose where they want to work. Obviously, this has workers' compensation implications, as each state has its own laws and rules for workers' compensation. In 2022, educational efforts may need to address what coverage through Ohio BWC provides, potential coverage gaps, and the solutions available to employers, including our Other States Coverage program.

LWCC—Kyle Rickards, AVP Underwriting

This year, LWCC is focused on making it easier for our customers to do business with us by implementing a new Agent Portal and Underwriting Workbench and maximizing straight through processing opportunities. As many new workers' compensation Insurtechs enter the market, we want to make sure we keep up with the rest of the industry when it comes to rapidly changing customer experience expectations and technology. We've noticed that customers want things faster than ever. Prioritizing our agent partners, we are focused on trying to meet our customers where they are at.

On the underwriting side, we are starting to encounter challenges related to inflation. Employers are having to pay the same workers more money to retain them. Insureds are wanting net rate decreases because they are not adding additional employees, just having to pay the same number of employees higher wages. As we review larger accounts, we are taking this into account to monitor possible impact on indemnity, if any.

In Closing

Although each state fund is different, we also have a lot in common. As we plan the educational sessions for the 2022 conference, we will be tapping the experience of each of these committee members to have meaningful discussions and gain insight from each other's experiences.

THREE REASONS TO DIVERSIFY YOUR TEAM

By Dima Ghawi, Leadership Consultant and Executive Coach

Submitted by the HR Committee

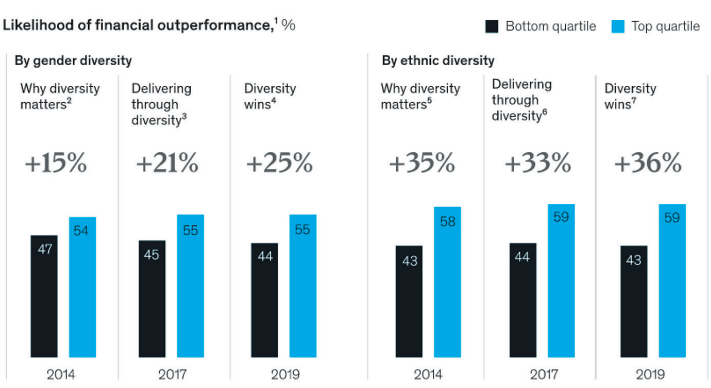
Beyond creating opportunities and developing organizations that reflect the rich, diverse world we live in, diversity as a strategy increases business growth, client retention, and employee engagement. True implementation of diversity leads to positive changes within and outside of the workplace environment, inspiring employees and attracting more clients.

A myriad of studies have highlighted the tangible effects of diversity. Below are the three main benefits:

Increased Business Results

According to McKinsey & Company's 2019 analysis, gender-diverse companies—particularly among executives—were 25% more likely to have above-average profitability than their competition. Similarly, ethnically and culturally diverse companies outperform their competition by 36% in profitability. In other words, diversity brings concrete economic benefits to an organization, helping them increase productivity and professional drive through greater communication and understanding. Moreover, the table below demonstrates that the economic benefits of diversity have increased over time, suggesting the organizational value of diversity will continue to grow.

The business case for diversity in executive teams remains strong.



[1]Likelihood of financial outperformance vs the national industry median; p-value <0.05, except 2014 data where p-value <0.1. [2]n = 383; Latin America, UK, and US; earnings before interest and taxes (EBIT) margin 2010–13. [3]n = 991; Australia, Brazil, France, Germany, India, Japan, Mexico, Nigeria, Singapore, South Africa, UK, and US ; EBIT margin 2011–15. [4]n = 1,039; 2017 companies for which gender data available in 2019, plus Denmark, Norway, and Sweden; EBIT margin 2014–18. [5]n = 364; Latin America, UK, and US; EBIT margin 2010–13. [6]n = 589; Brazil, Mexico, Singapore, South Africa, UK, and US; EBIT margin 2011–15. [7]n = 533; Brazil, Mexico, Nigeria, Singapore, South Africa, UK, and US, where ethnicity data available in 2019; EBIT margin 2014–18.
Source: Diversity Wins data set

McKinsey & Company

Additionally, according to the Harvard Business Review, a team with a member who shares their client's ethnicity is 152% more likely to understand the client. This understanding leads to increased client retention and allows the relevant organization to cater to a wider community. However, employee-client connection is not solely limited to ethnic diversity. Felix Malitsky, president and founding partner of Fortis Lux Financial, provides this example:

"Let's say you're a single mom and part of our financial services team, and you're working with a client who is also a single mom. You know the challenges. If you can help the rest of the team understand that, it's very powerful. From an emotional standpoint, from a connection and support standpoint, it adds a lot of value to our organization."

A Rise in Creativity and Innovation

The incorporation of individuals with unique backgrounds into an organization increases the level of innovation. Numerous studies spanning decades of time demonstrate diversity enhances creativity, point blank. Diversity "encourages the search for novel information and perspectives, leading to better decision-making and problem solving" because people tend to be more diligent and open-minded when working in diverse environments. With a curated team of unique individuals, new ideas break forth, leading the organization toward innovative solutions to complex problems. When these teams are presented with a challenge, they are better able to develop varied and inventive proposals as a result of their wide range of thoughts and experiences. Additionally, these factors increase adaptability and flexibility in the office, allowing the organization to be more competitive in a quick-paced marketplace.

"Diversity inspires innovation and creativity and leads to better decision-making. It is imperative that we work to ensure that the make-up of our firm mirrors that of our clients and the world around us."

Paul M. Schmidt, Chairman, BakerHostetler

Attracting New Hires

One of the key components of diversity's positive feedback loop is attracting new hires, where genuine implementation of diversity helps grow an organization's talent. The reason why is simple: when looking for work, members of marginalized groups often seek out organizations that value diversity, applying to openings in multicultural and gender diverse offices. A 2020 Glassdoor survey found that 76% of job seekers believe a diverse workforce is a crucial factor when evaluating organizations for potential employment. These numbers only increase for marginalized communities. A diverse work environment makes an organization more attractive to diverse groups, thus leading to further workplace diversity! With this positive cycle, a welcoming and inclusive workplace attracts more individuals with unique experiences, helping ensure an organization can reap all the benefits of diversity.

Diversity is critical to an organization's growth and its competitive advantage. It leads to increases in innovation, greater talent hiring and retention, and beneficial economic outcomes. Diversity is imperative not only for the workplace, but for the community at large, as our workforces should reflect the multicultural, gender diverse, beautiful world we live in.

AROUND AASCIF

COLORADO

Pinnacol Assurance Hires Jennifer Neppel as Chief Investment Officer

Following a national search, Pinnacol Assurance announced that Jennifer Neppel has accepted the role of chief investment officer. Neppel will succeed Chief Investment Officer David Bomberger, who will retire in March after nine years with Pinnacol. An accomplished executive with a deep background in investment management, mostly for large healthcare organizations, Neppel managed captive insurance, operating, retirement, defined contribution, and foundation investment portfolios prior to joining Pinnacol.

Neppel holds the Chartered Financial Analyst (CFA) and Certified Cash Manager (CCM) designations. She is also a distinguished alumna of the University of North Dakota, where she received her Bachelor of Business Administration in information management and finance. She earned a Master of Science in finance from the University of Colorado. Neppel has served on a number of boards and is active in the community. She currently serves on the board and as an Investment Committee member of the Catholic Foundation of Northern Colorado.

Pinnacol Assurance Partners With Denver Zoo on New Penguin Exhibit

For years, Pinnacol has urged Coloradans to "walk like a penguin" to avoid slipping, tripping, or falling when surfaces are wet or icy. "When you mimic how penguins walk—short shuffles, angled feet, outstretched limbs—it can help you stay on your feet and avoid a dangerous fall," said Pinnacol Safety Consultant Randy Philabaum.

Pinnacol jumped at the chance to partner with the Denver Zoo—a Pinnacol policyholder for 20 years—to sponsor a new exhibit that allows penguins to show off their natural biomechanics. Home to 18 endangered African penguins, the Pinnacol African Point exhibit includes state-of-the-art viewing areas and opportunities to learn firsthand from the birds' keepers and other specialists. Pinnacol was spotlighted during the annual Zoo Lights event this winter. The insurer and its penguin friends are also regularly featured on Denver Zoo TV and the zoo's digital content series, "The Flipside."

Pinnacol Grants $154,750 to Colorado Nonprofits

In the second of two grant-making cycles for 2021, Pinnacol Assurance awarded grants totaling more than $154,000 to 10 nonprofit organizations. These grants enable Pinnacol to support programs that help employees stay safe and healthy on the job, provide rehabilitative care to people living with injuries or disabilities, and ensure that Colorado has a robust business climate and the workforce it needs. The company places particular emphasis on supporting organizations that serve underrepresented communities.

"At Pinnacol, caring is part of our company culture," said Edie Sonn, Pinnacol's vice president of communications and public affairs. "For us, it's a natural extension of our business to invest locally in the communities where we work and live. We're grateful to our nonprofit partners that help us make a difference in the lives of Coloradans."

Learn more about the fall 2021 community grant recipients here. In 2022, Pinnacol is moving to an annual grant cycle. Interested organizations can find more information at pinnacol.com/community-relations. Applications are accepted from Colorado nonprofits; they do not need to be Pinnacol policyholders.

For the Third Consecutive Year, Pinnacol Assurance Is Recognized as One of the 50 Most Community-Minded Companies in Colorado

Pinnacol was named an honoree of The Civic 50 Colorado by CSR Solutions and Points of Light for its robust corporate citizenship programming. Pinnacol's grantmaking, corporate volunteerism, scholarships program, compassionate support for injured workers, sustainability efforts, and championing of diversity, equity, and inclusion are all ways it cares for Colorado. This is the third consecutive year that Pinnacol has received this recognition.

In addition to its core corporate social responsibility programs, Pinnacol added philanthropic giving to support businesses, workers, and communities affected by the coronavirus pandemic. Learn more.

LOUISIANA

LWCC Donates $20,000 Through Holiday Giving Contest

In early January, LWCC announced the donation of $20,000 to three Louisiana-based nonprofits working to elevate the state through LWCC's Holiday Giving Contest, an innovative new initiative in collaboration with our agent partners. In lieu of a traditional holiday gift, LWCC invited agent partners to nominate state-based nonprofits leading transformational change.

"LWCC is constantly seeking ways to engage our agent partners in Louisiana Loyal, a movement to celebrate and elevate Louisiana. The Holiday Giving Contest proved to be a powerful way to support innovative nonprofits, while engaging with and supporting the agent community," said Tensey Pricer, LWCC agency relations manager.

To determine the three finalists, LWCC's Agency Council, an advisory group composed of top-performing agents, assessed the nominees based on their philanthropic mission and efforts to better the state. The top three were brought to a public vote, garnering over 650 total votes. Voting was open to both the agent community and the public and voting percentages determined the distribution of the funds. The three nonprofits receiving donations were Kids Join the Fight in New Orleans, Affiliated Blind of Louisiana in Lafayette, and Greater Baton Rouge Food Bank in Baton Rouge.

"We are so grateful to have friends like LWCC. This donation will help provide adaptive aids and technology to further the training of blind, visually impaired, and deaf-blind individuals pursuing independence, employment, and community integration," says Susan Reed, program director, Affiliated Blind of Louisiana Training Center.

Inaugural Speaker Series Featuring Billy Beane Raises $43,000 for the Kids' Chance Scholarship Program

LWCC launched the Speaker Series at the Foster Learning Center on December 8, 2021, hosting Billy Beane, Major League Baseball (MLB) executive and subject of the bestselling book and Oscar nominated film, "Moneyball." The event doubled as the company's annual fundraiser for the Kids' Chance Scholarship Program, a scholarship fund administered by the Louisiana Bar Foundation for dependent children of Louisiana workers permanently injured, totally disabled, or killed in a workplace accident.

In his presentation, Beane outlined how his journey to fame and success was based on his ability to do something different and change an age-old approach. Through the application of statistical analysis, he has transformed not only the Oakland Athletics, but the entire game of baseball by evaluating players differently. During a question-and-answer session, he highlighted the importance of innovative, data-driven decisions, and talented teams in the success of his approach.

"I find it humorous because for so long people called us risk takers. But we were actually the exact opposite," concluded Beane. "We used data and numbers to drive results. And while we didn't win every game, we knew that the data couldn't be wrong and if we stayed the course, we would be successful."

Through collaboration with agent and business partners the event raised over $43,000 for the Kids' Chance Scholarship Program. The program has been important to LWCC for many years as both organizational missions are closely aligned. Workplace injuries impact the entire family and LWCC is proud to have the Kids' Chance Scholarship Program available to support the families of those affected by a workplace injury.

MAINE

MEMIC Grants Indiana University of Pennsylvania $30,000 to Help Reduce Workplace Slips, Trips, Falls

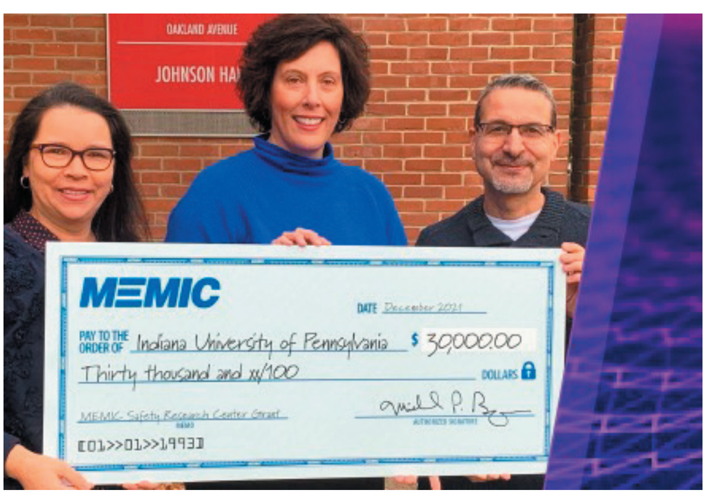
In November, MEMIC awarded $30,000 to a faculty research team in Indiana University of Pennsylvania's Department of Safety Sciences to investigate ways to limit workplace slips, trips, and falls.

Dr. Wanda Minnick will lead the research, along with two co-investigators: Dr. Luz Stella Marin and Dr. Majed Zreiqat. IUP graduate student Cory Gaye and an undergraduate student also will be part of the research team.

The grant is the first administered by the MEMIC Safety Research Center, founded in February 2021 to advance the science of safety by leveraging academic research to effectively address both new and common risks employees and employers face in the modern workplace.

In its proposal, IUP researchers noted injuries caused by slips, trips, and falls were the second most common cause of workplace injury in 2020, accounting for 18.2% of all workplace injuries and illnesses with an estimated direct cost of nearly $11 billion. The incidents are more prevalent in construction industries, which in 2019 had a higher total average rate of slip, trip, and fall injuries than the average in all industries based on U.S. Bureau of Labor Statistics data.

"We are confident our first-ever MEMIC Safety Research Center grant will allow researchers at Indiana University of Pennsylvania to follow through on a number of interesting research questions that will help create actionable solutions to



these preventable injuries," said Dr. Luis F. Pieretti, manager of industrial hygiene at The MEMIC Group and architect of the MEMIC Safety Research Center.

Visit memic.com/research for more information about The MEMIC Safety Research Center and to view requirements for future grant proposals.

Jeannette Carr Promoted to Director of Claim Operations

In this vital customer-facing role, Carr oversees key areas of the Claim Department's workflow, system, and data needs, manages the operational support team to optimize new claim intakes, timely processes paper and electronic mail communications, and administers customer service phone calls and emails.

Prior to her promotion on September 13, 2021, Carr had joined MEMIC as manager of claim operations in 2017, arriving with 17 years of industry experience, including multi-jurisdictional claim handling and claim management. She also has earned WCP designation and carries an array of licenses qualifying her to expertly and efficiently handle claims generated from MEMIC's 22,000 policyholders in nine states.

"I'm excited to lead this incredible team of professionals who I have gotten to know and collaborate with over my years at MEMIC, and together I know we can provide our policyholders an efficient, satisfactory experience during challenging times."

MARYLAND

Chesapeake Employers Introduces Safety Center by Zywave

Chesapeake Employers' Insurance Company proudly introduces a new, value-added resource for policyholders: Safety Center, powered by Zywave. The safety and learning resources available in Safety Center are an advantage of insuring with Chesapeake Employers. Benefits to policyholders include:

- Safety materials created by Zywave, our third-party partner (some in Spanish, as well as English);
- Access to Chesapeake Employers' safety posters, tip sheets, and training topics;
- Access to a variety of safety program templates;
- Access to a unique Learning Management System (LMS) for employee safety training assignments; and
- A tool to help customers accurately complete the mandatory OSHA 300 Log in the event of a workplace accident or injury.

"It's a great resource for our customers because it's so comprehensive with everything all in one place," notes Safety Services Director Kristin Klein.

MISSOURI

MEM Welcomes Claims Industry Leader to Executive Team

Missouri Employers Mutual would like to announce the appointment of Jennifer Langan as vice president and chief claims officer. She will provide strategic leadership in claims outcomes.

At MEM, Langan will drive operational efficiencies, leading a talented team of professionals in several areas, including MEM's Medical Management Program, a comprehensive team of nurse case managers, and MEM's subrogation efforts.

"The claims leader is a vital role for MEM, and Jen is an experienced claims and work comp leader," Jim Owen, MEM president and CEO said. "She possesses the critical leadership capabilities required to set a strategic path forward and continuously improve claims outcomes."

Langan comes to MEM from Amerisure Insurance, where she served as assistant vice president of workers' compensation, overseeing operational budgets, contract negotiations, and claims data analysis. She has more than 17 years of experience in claims and more than 10 years in leadership.

Langan holds a Bachelor of Business Administration in Management from the University of Phoenix and a Master of Arts in Management and Organizational Leadership from National Louis University. She is passionate about people and her career and has coached nearly 50 people into new or elevated professional positions.

Missouri Employers Mutual provides cost-effective work comp insurance to companies of all sizes. Across Missouri, employers turn to MEM for our personalized approach and comprehensive safety programs. We protect employees, save lives, and help organizations move forward with confidence. Learn more at www.mem-ins.com.

OREGON

SAIF Hires Sharifa Gomez as Vice President of Human Resources

Sharifa Gomez has joined SAIF as the vice president of human resources, as of December 1.

In her new role, Sharifa oversees all aspects of HR, including employee engagement and retention; diversity, equity, and inclusion; recruitment; professional development; and compensation and benefits.

"We are thrilled to welcome Sharifa to SAIF," said Chip Terhune, president and CEO of SAIF. "She brings positive leadership, combined with compassionate listening and strong communication skills, to a role that's critical to the strong culture we've cultivated at SAIF."

Sharifa's experience includes more than 18 years working for a variety of organizations in Korea, Canada, and the United States. Most recently, she served as a principal for Jomez Consulting. She received her Bachelor of Arts in employment relations from the University of Toronto.

SAIF's 2022 Policyholder Calendar Celebrates Oregon Restaurants

We raise our glasses to Oregon's restaurants.

During the pandemic, they've managed closures, staffing shortages, changing safety requirements, and supply chain issues. Extra steps have complicated their operations. But, they've done it all while keeping workers safe and their communities fed.

Sharing a meal, a cup of coffee, or celebrating milestones with friends and loved ones is something that we won't soon take for granted.

These 12 restaurants, hailing from communities across the state, are resilient and passionate about what they do. One has been open for more than 80 years; another is just starting out. And all of them create a place for gathering.

A place to savor the food, the drinks, and the moment.

Find out more about the policyholders featured at saif.com/stories.

Winter Safety

With Oregon winters bringing snow, ice, and heavy rain, SAIF prepared two campaigns to help policyholders stay safe.

Three new videos show just how suddenly slips, trips, and falls can occur this time of year. We also rounded up 10 tips for driving in extreme weather.