AASCIFNEWS

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WHAT'S INSIDE

AASCIF
American Association of State Compensation Insurance Funds

PRESIDENT'S MESSAGE

We just concluded the AASCIF 2023 annual conference in Denver. The team at Pinnacol hosted a wonderful conference appropriately focused on the future of work. We heard from a number of great speakers with different perspectives about the future of work—ranging from how work will be done, where it will be done, what will be done by AI, and the implications of all of this on worker health.

Personally, I left the conference with a combination of enthusiasm for the opportunities the future will bring and a healthy dose of understanding that both the type and pace of change will create new challenges for all our organizations. The challenges we face are both in how we run our organizations and how we fulfill our mission of improving worker safety and health. Working in hybrid and remote environments creates new opportunities for our organizations and employees while it simultaneously creates new challenges connecting with one another. Many of our customers are managing through the same issues, and the line between work health issues and other health issues may become harder to detect. Our country was already experiencing an epidemic of loneliness pre-pandemic. Now one of the cornerstones of social interaction—the office or workplace—plays a diminished role in offsetting social isolation. On the other hand, for some workers, this increased flexibility relieves stress and improves their quality of life.

One thing is certain: Tomorrow will not look like yesterday. The ability to adapt to these changes will be a must for all of us. To develop and hone our ability to change we must have trust in one another, our organizations, and the purpose we all serve. One of the most important take-aways I had from this year's conference was trust that AASCIF member organizations are all working towards the same goal of helping their state navigate the future by helping employers and injured workers manage and thrive through this new set of risks. I'm proud to be a member of AASCIF and to get to learn from all of you!

Vern Steiner, President & CEO of the State Compensation Insurance Fund
AASCIF President

FEATURES From AASCIF

SECURE EMPLOYEES ARE SAFE EMPLOYEES: ADDING PSYCHOLOGICAL SAFETY IMPROVES RESULTS

By: Jessica Jack, Diversity, Equity, and Inclusion Business Partner at SAIF

Submitted by the HR Committee

Let's talk safety.

As workers' comp professionals, we regularly consider the safety and well-being of others. From our internal employee programs to our external safety and health consulting and our broad-sweeping vision statements, it's at the heart of what we do.

But there's more to it than physical safety; psychological safety is part of the equation, too.

Physical safety and psychological safety are intrinsically connected, so focusing on both can boost overall success. When we intentionally create a psychologically safe environment for all employees, they feel secure at work. And when employees feel their voices matter, they tend to use those voices to look out for each other and keep each other safe.

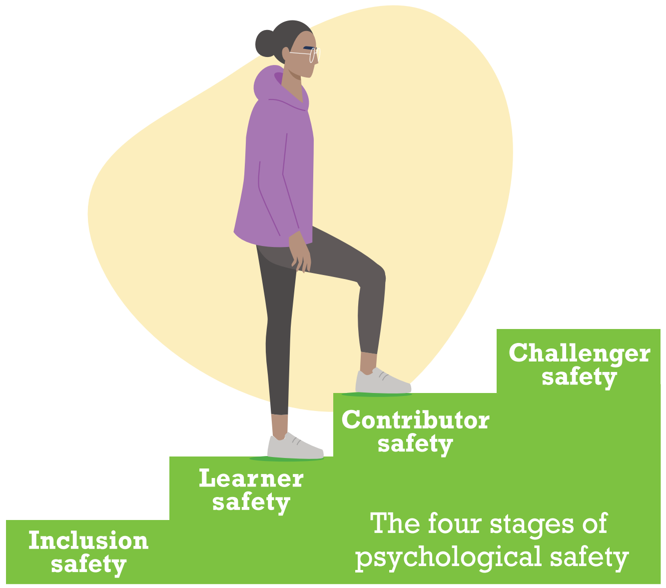
Psychological Safety

"Psychological safety" was coined by organizational behavioral scientist Amy Edmondson. She defines it as "the belief that one will not be punished or humiliated for speaking up with ideas, questions, concerns, or mistakes."[1] She describes psychological safety as a shared sense of trust and support for appropriate risk-taking and vulnerability within group relationships. It's the environment in which we feel we belong.

Psychologically safe teams pursue innovative ideas, raise concerns early, are highly engaged, and have open conversations. Studies show that teams with more psychological safety were rated as effective twice as much by their leaders. They also brought in more revenue, innovated more, and kept retention high because employees were more engaged.[2]

In contrast, groups that have lower levels of psychological safety tend to be more dysfunctional. Interpersonal dynamics are challenging. Trust levels are low. There is a fear of reprisal and retribution. New ideas stall because the personal consequences of getting it wrong are too high.

Dr. Timothy R. Clark describes psychological safety as four stages that we move through, where we feel included, safe to learn, safe to contribute, and safe to challenge the status quo. All without fear of being embarrassed, marginalized, or punished in some way.[3]



The Safety Stages

We start at inclusion safety because we thrive when we feel seen, which unlocks the following stages. To create inclusion safety, it helps to understand cultural difference, but you don't need to be an expert in those differences, just sensitive to and appreciative of them. Take time to think about what that looks like for you personally and your organization. An example may be accessible parking spots or signage in Spanish or even hosting hybrid meetings because you have satellite offices.

[1]Edmondson, Amy (2018), *The Fearless Organization*

[2]re:Work Understanding team effectiveness

[3]Clark, Timothy R. (2020), *The Four Stages of Psychological Safety*

The next stage is learner safety, where we add the universal need to learn and grow. Here we feel safe to engage in the discovery process by asking questions and experimenting. Leaders empower learning by creating a supportive environment that removes the fear of making mistakes.

Contributor safety is the next stage, where team members make a difference by using their talents and abilities. We are invited to add ideas and perspectives, and even if those are wrong or not possible, the contributions are valued. Leaders can pay attention to how folks contribute and invite them to do so in the way that is most comfortable for them.

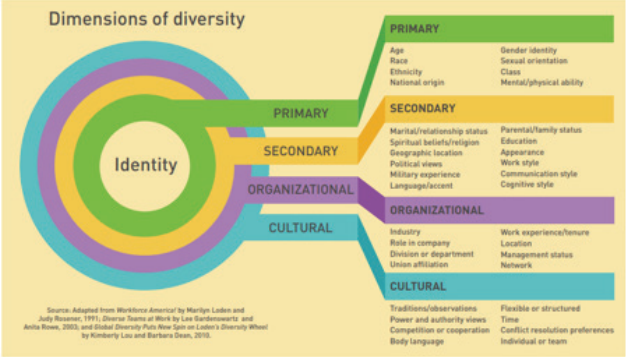
The final stage, challenger safety, allows us to challenge the status quo without retribution, reprisal, or the risk of personal damage. Think constructive dissent or sharing an idea that changes the way we do things and reaches greater innovation. This may also present itself in preventing a critical piece of information from being withheld because someone did not feel safe enough to share it.

We thrive in environments that respect us and allow us to do these things. If we don't feel safe, fear shuts us down and we hold back to minimize personal risk. But when our environment nurtures psychological safety and we feel safe, there are marked increases in confidence, engagement, and performance.[4]

Diversity, Equity, and Inclusion

Key to the first stage, inclusion safety, is understanding the diversity of our workplaces. Taking in the full landscape of our diverse employee and customer base may seem daunting. We recommend starting in self-awareness of your own cultural grounding. Consider the many dimensions of diversity that swirl together and intersect to make you uniquely you; your unique culture (See "Dimensions of diversity" graphic).

Then engage in cultural curiosity and consider the lenses of those around you. How those lenses frame the words they say, their interactions with you, and ultimately how they experience the world?



Diversity is a reality.Inclusion is a choice.[5] To tap into that rich resource of diverse ideas, we need to be intentional in creating inclusive spaces. Leaders must create an environment where it's safe for all employees, with all their many dimensions of diversity, to be their authentic selves and innovate without fear of reprisal, punishment, or humiliation.

Psychological Safety and Physical Safety

In a 2009 study, neuroscientist David Rock found that "the feeling of being excluded provoked the same sort of reaction in the brain that physical pain might cause."[6] Fascinatingly, the brain is just as distracted by exclusion as it is by a physical injury—an interesting link for workers' compensation.

In addition to the clear benefits of inclusive workplaces on the employee experience, there is an opportunity to deepen our safety and health efforts by including psychological safety.

Safety culture is the way safety is managed in the workplace; it often reflects the attitudes, beliefs, and values that employees share in relation to safety. Comprehensive safety programs are inherently driven by psychological safety, empowering employees to identify, to address, and to be a part of their safety culture.

Now, culture can be tricky. It's an invisible force that both shapes us and is shaped by us. Our patterns of thought become habits; habits on a team create norms; and a collection of norms in an organization is a culture. Regardless of title or position, each and every employee is a cultural architect inside our organizations, modeling behaviors and reinforcing cultural norms.[7]

A psychologically safe company culture, where employees are safe to learn, contribute, and challenge, is a comprehensive safety culture where all play a role in keeping each other safe.

It becomes the responsibility of all employees—leaders and safety professionals, especially—to create a psychologically safe environment where people are able to speak up when they see unsafe behaviors or processes, and feel safe to implement innovation without negative consequences or punitive action. Additionally, just like physical safety, if something hurts, we won't do it again. If an employee brings something up and is met with resistance, they're not likely to repeat that act of vulnerability.

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[4]McKinsey & Company: Psychological safety and the critical role of leadership development

[5]Lee Gardenswartz and Anita Rowe (2003), *Diverse teams at work*

[6]David Rock (2009), *Managing with the Brain in Mind*

[7]Clark, Timothy R. (2020), *The Four Stages of Psychological Safety*

We can't do our jobs if we're focused on our safety. And we would never allow someone to repeatedly be physically injured without taking action. Exclusion might not be reported on the way physical injuries are, but we need to make every effort to keep it from happening. Especially since our brains know no difference

Ways to Build Belonging

1. **Validate even the small successes.** When folks feel seen, they feel included. This is the opposite of 'if something hurts, don't do it again.' In physical safety, we would praise the worker who identified a near miss that led to a change, for example.

2. **Work to learn.** Be (respectfully) curious about individuals. Curiosity is deliberate, it takes effort. If we think we know the answer, we stop learning, we stop seeking solutions. It is, however, not the responsibility of underrepresented communities to teach us. So do your homework with intentional online searches and look for curated content compiled by experts in the field.[8]

3. **Demonstrate situational humility.** Recognize that you don't have all the answers in all situations. It's real, it's vulnerable, and it opens your teams up for diverse problem solving by inviting all to participate.

4. **Acknowledge your own fallibility.** Pushing past ego tendencies and recognizing that additional research may be needed is incredibly powerful. That tells employees that leaders value keeping them safe over simply answering the question based on some perception of leadership.

5. **Encourage a culture of contribution.** Be intentional about creating spaces where all feel empowered and safe to contribute. Just like physical safety, it's a continued effort where everyone is involved.

[8] Harvard Business Review: It's not your coworkers' job to teach you about social issues by Lily Zheng

Diverse teams, behaving inclusively, boost innovation for better outcomes. While diversity, equity, and inclusion are, of course, personal, they are also good for business. Psychologically safe employees strengthen organizations. We all play a role in creating belonging and we all benefit from the solutions, ideas, and frankly fun and enjoyable (and safer!) workplaces that come from folks feeling empowered to be their authentic selves and bring the full breadth of their talents.

It takes courage to be inclusive. It takes inclusion to succeed.

References

Edmondson, Amy (2018), *The Fearless Organization*

re:Work Understanding team effectiveness

Clark, Timothy R. (2020), *The Four Stages of Psychological Safety*

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Harvard Business Review: It's not your coworkers' job to teach you about social issues by Lily Zheng

CHANGE MANAGEMENT: PEOPLE MANAGERS ARE THE KEY TO HELPING OUR TEAMS MANAGE CHANGE

By Sarah Feist, Director of Policyholder Services, and Krisi Kunz, Change Management Specialist, at Workforce Safety & Insurance

Submitted by the Policyholder Services Committee

It's been said that one of the few certainties in life is change. It is widespread and constant at times. In our industry, it's common to see changes to policies, technology, products, employees' roles, and corporate structures. Most see change as being scary and uncomfortable, but if we are resistant to change, we risk so much: innovation, professional development, better business opportunities, increase in competitive edge, and—most unfortunate—being left behind.

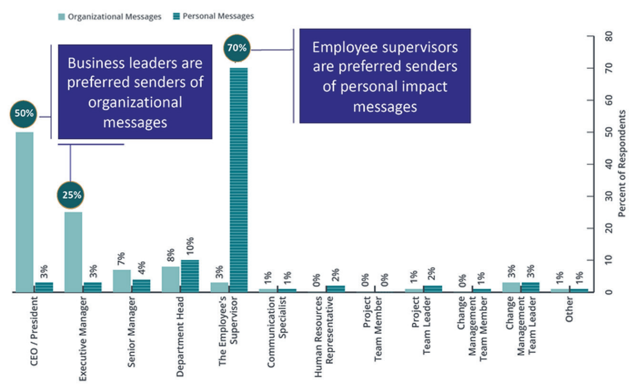
Recently, there has been a newfound level of awareness of change and its impact on internal and external stakeholders that has us embedding mitigation strategies within our business plans. An entire organization benefits from a structured methodology that is flexible and adaptable to ensure its most valued assets; the people, are supported during any change.

You may remember an education track at the 2022 Annual Conference in Big Sky lead by Krisi Kunz, Workforce Safety & Insurance, and Kendra DePaul, Ohio Bureau of Workers' Compensation, that highlighted the primary change management assessment tools and use of detailed communication plans. There was also a newsletter article titled "Change Management: A Tale of Two Companies" written by Amy Mayer, Workforce Safety & Insurance, and Tami Johnson, SAIF Corporation, that outlined a multi-year initiative to develop and implement a change management strategy to support two large scale system replacement projects. Both the presentation and the article demonstrated how agencies can develop these structured methodologies to care better for their people during any change.

So how do we as leaders drive a successful change? The answer lies with the individuals who manage the day-to-day operations of any organization. These are the individuals with the greatest ability to influence others, these individuals are People Managers.

Importance of People Managers

Engagement with people managers has been named a top contributor to change management success in Prosci's Best Practices in Change Management benchmarking research since 2011. People managers are crucial to change success because of their relationship and proximity to employees affected by change. Prosci research shows that a majority of employees prefer to receive personal messages about changes directly from their managers, who are well positioned to help employees move through their individual ADKAR (**A**wareness, **D**esire, **K**nowledge, **A**bility, **R**einforcement) journeys.



Source: Prosci Best Practices in Change Management – 11th Edition

People Managers must understand their five critical CLARC roles identified by Prosci, how to perform them, and how each role connects to the ADKAR Model.

5 CLARC Roles

Effective communication by people managers is necessary but not sufficient to drive successful change adoption. Prosci research shows that people managers have five unique and important roles to play during times of change:

Communicator: As a communicator, the people manager builds *awareness* of the need for change with their team. Employees want to receive messages about how a change will affect their work and team directly from the person they report to. An employee's supervisor is the conduit for information about the organization, work being done, and changes to that work as a result of projects and initiatives.

Liaison: As a liaison, people managers influence *reinforcement* to sustain the change. People managers engage with and liaise between their employees and the project team, providing information from the team to their direct reports. Perhaps more importantly, they provide feedback from their employees to the project team. Managers are in the best position to provide design input, usability results and employee comments on particular aspects of the solution to the project team. They are also positioned to identify functionality needs and concerns during the implementation phase of the project.

Advocate: As an advocate, people managers influence *desire* to participate and support the change. Employees look to their immediate supervisors for direct communication messages about a change and to evaluate their level of support for the change effort. If a people manager only passively supports or even resists a change, their direct reports will likely do the same. This means that people managers need to demonstrate their support for change in active and observable ways. But first they must engage with and support the change as employees. Change practitioners enable this by creating targeted and customized tactics for managing the change with people managers. Once they are well-equipped for the change, people managers can then effectively guide others through their individual change journeys.

Resistance Manager: When fulfilling the role of resistance manager, people managers influence an employee's *desire* to participate and support a change, as well as *reinforcement* to sustain the change. To manage resistance, people managers are in the best position to proactively define what resistance looks like for their group, the root causes of such resistance, and unique barriers to change. They can then offer solutions to help impacted people address the barriers. When people managers have the right training and tools, they also manage resistance as it occurs.

Coach: The coach role focuses on developing *knowledge* on how to change, as well as *ability* to implement desired skills and behaviors. People managers coach individual employees throughout the change, providing the necessary training, information and support they need to effectively adopt and use the change. During coaching activities, people managers may also address barrier points that inhibit successful change.

Workforce Safety & Insurance and Change Management

Even though we know that change is a constant in life, 2020 thrust us into rapid, hard, confusing, and unknown changes. A team of employees within the State of North Dakota recognized this and developed an initiative to help our team members manage personal change as well as help others. Through a partnership with Prosci Inc, TeamND pushed out training at a statewide level by creating an internal Prosci certified training team whose members include employees from a variety of state agencies. Beginning in January 2021, and continuing today, this training team offers a variety of statewide class offerings for employees and more specifically people managers. With certified practitioners and trainers filling full-time job positions within a vast majority of state agencies, TeamND has begun to embed change management practices within daily operations and team member thought processes.

Within WSI we are fortunate to have one of the TeamND change management trainers as a full-time team member. The WSI Change Management Specialist developed an in-house training plan for all WSI team members. This training plan included a series of on demand eLearning courses that all team members are required to complete. The development of our people managers was taken one-step further through mini-informational sessions, referred to as Change Management Moments, at monthly managers meetings.

Our Specific Approach

WSI Team members also had the option to take their learning to the next level, which the leaders within Policyholder Services took advantage of by participating in additional in-depth change management courses focused on the fundamentals, the roles of people managers, the roles of sponsors, and becoming certified change practitioners.

The Policyholder Services team embraces its roles as communicator, liaison, advocate, resistance manager and coach to build awareness, desire, knowledge, ability, and reinforcement. The team works hard to reach its aspiration of natural adaptation of change management within its daily processes.

The team recently embarked on a multi-layered initiative stretched over many years focusing on enhancements to the payroll reporting processes of its policy stakeholder. These projects have impacted both internal and external stakeholders related to employer onboarding, paperless reporting requirements and modifying the reporting frequency. The initial project did not include the principles of change management within the timeline but rather were very process driven. The team now includes a people change element within the project roadmap with phase one always being preparation work through internal engagement by:

- Delivering repetitive, consistent, and visible project communications to the team,

- Conducting targeted training events for the impacted business units,
- Holding brainstorming sessions to gauge competencies for the benefits and risks associated to the changes, and
- Requesting employee feedback for project improvements.

This first step has leveraged very insightful information for the whole team about system limitations, concerns over caseload management and leads on external stakeholder communications. The system limitations were addressed with the assistance of our business representatives and analysts. To find workload balance, the team came together with innovative suggestions on other key processes such as decreasing delinquent payrolls, increasing payroll reconciliation by the system, and adopting new account activation standards and procedures. And lastly, external communications are already identified based on the teams' efforts and are being tailored to specific groups of policy stakeholders to provide the applicable content.

Results

By engaging our team before the project started, we were able to gain buy in, limit resistance, make improvements and ensure a successful outcome for future completion of the project. Most importantly we were able to provide an opportunity for our whole team to take ownership and have pride in making contributions to the project. The efforts in phase one are now a standard to effectively prepare the team to begin phase two of deployment.

Helpful tips for People Managers:

1. Communicate, people need to understand the why behind the change. Be specific about what success looks like and how the change will help achieve organizational goals.
2. Involve people in the planning process. Get input from employees and allow them to help shape the change.
3. Provide training and resources. Make sure people have the knowledge, tools and support they need to implement the change successfully.
4. Lead by example. As a leader, you need to model the change you want to see. Demonstrate the new behaviors and ways of working to show people how it can be done.
5. Change can cause uncertainty, anxiety, and resistance. Listen to people's concerns and validate their feelings.
6. Recognize people and celebrate milestones as you reach benchmarks along the way. Positive reinforcement will help sustain momentum for future change.
7. Be patient but persistent. Change takes time, keep communications constant while giving people the time they need to adapt.
8. Check in regularly to identify areas of improvement. Make refinements to ensure retention of the new processes over time.

Change Management is important, it's difficult but with guiding principles that include communication, involvement, planning and flexibility; success is achievable.

MANAGING THE RISK OF UNFAIR BIAS AND DISCRIMINATION IN AI INSURANCE APPLICATIONS

By Phoebe Murphy, ACAS, MAAA, VP & Chief Actuary, Texas Mutual Insurance Company & Michelle Sheppard, FCAS, MAAA, Corporate Actuary, Missouri Employers Mutual Insurance Company

Submitted by the Analytics Committee

Introduction

Artificial Intelligence (AI) use in the insurance space has been a hot topic the past several years. With the increase in technological advancements and access to new technologies such as ChatGPT, the use of AI will continue to expand rapidly. AI is bringing significant advances in the insurance industry, allowing companies to increase efficiencies, reduce costs, and enhance the customer experience. However, along with the benefits, AI can pose significant risks if not used and managed appropriately. One of these risks is the propensity of AI models to introduce or enhance bias in our business decisions.[1]

Historical Context

The conversation around unfair discrimination and its impact on the availability and affordability of insurance has been an ongoing discussion for many years. By its nature, insurance is discriminatory. The industry assesses risk and decides whether the risk is "insurable" and at what price. History shows, however, that the insurance industry can have a disparate impact on communities. The inability to access insurance products at affordable prices due to redlining beginning in the 1930s seriously impacted minority and low-income communities. Laws and regulations such as the Unfair Trade Practices Act and rating statutes have addressed unfair discrimination. Professionalism standards within the industry, such as the Casualty Actuarial Society's Statement of Principles Regarding Property and Casualty Insurance Ratemaking, include language and expectations to ensure rates are not excessive, inadequate, or unfairly discriminatory. The Statement of Principles requires "proper actuarial procedures be employed to derive rates that protect the insurance system's financial soundness and promote equity and availability for insurance consumers."

While many of the historical examples of redlining and alleged discrimination have centered around personal lines of insurance, such as homeowner's insurance and private passenger auto insurance, the impact of unfair discrimination within workers compensation is easy to imagine. The inability of a minority-owned business to secure affordable and quality workers compensation insurance would result in the inability to open or continue the business. Communities with a high proportion of minority-owned businesses would fail to thrive and then experience job loss, a decline in sales tax, a decline in local services, and an increase in poverty. Unfair bias can also appear in models unrelated to insurance pricing, such as models used to drive marketing campaigns or detect potential fraud (protected classes could be inadvertently excluded from marketing campaigns or be targeted unfairly for fraud investigations).

What Is Bias and Why Is It a Problem?

AI bias exists when AI models make systematically unfair decisions for certain groups of people.[2] Two of the most common ways AI bias is often introduced are:

1. Historical Bias: If the data being used to create the model reflects human prejudices, then the model will as well.
2. Representation Bias: Occurs when the sample of the data used in the model may not be representative of the population as a whole.

As we build and deploy AI models, it is important that insurance professionals are aware of the potential for bias and try to avoid or mitigate the impact of these biases. As the saying goes, "with great power comes great responsibility." AI tools and methods, which are highly reliant on computation and automation, may be less transparent and less understood than traditional methods and have the potential to harbor bias that may not be obvious and could go undetected, especially if left unexamined. The National Association of Insurance Commissioners (NAIC) Principles on Artificial Intelligence state that "AI systems should not be designed to harm or

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[1] www.casact.org/sites/default/files/2021-06/Statement%20of%20Principles%20Regarding%20P%26C%20Casualty%20Insurance%20Ratemaking_2021.pdf

[2] www.pwc.com/us/en/tech-effect/ai-analytics/algorithmic-bias-and-trust-in-ai.html

deceive people and should be implemented in a manner that avoids harmful or unintended consequences and corrects and remediates for such consequences when they occur." The industry has a responsibility to remain diligent in protecting the availability, affordability, and sustainability of the market. The industry must continue to assess for risk of bias and unfair discrimination within the business and practices of insurance, which includes but is not limited to ratemaking, underwriting, and claims.

While insurance is inherently discriminatory, we are charged with ensuring that we avoid unfair discrimination in our rates. Unfair discrimination can stem from the use of factors that are seemingly neutral, but that have a negative impact on a protected class when used in a rating model. Some of the ways that models may exhibit unfair discrimination are:

Disproportionate Impact: When the output of a model impacts a certain group of people more negatively than others.

Unintentional Bias: When a particular factor or combination of factors can result in the same conclusions that a prohibited factor would (while those factors themselves are not prohibited).

Disparate Treatment: The intentional mistreatment of a group based on a protected characteristic.

Proxy Discrimination: The use of rating factors that disproportionately affect a protected class.

An example of a commonly used variable that may introduce unfair discrimination in a model is the use of credit score. While a person's financial status may be a good indicator of risk, historically unfair lending practices may have resulted in lower credit scores for the Black and Hispanic populations—making the credit score a poor indicator of the true financial status of the individual.

Recent Activity and Guidelines

Since 2019, the insurance industry has seen several efforts on the national and state level to address unfair bias and discrimination as it relates to AI.

In 2020, the NAIC formed the Special Executive Committee on Race and Insurance. This committee is the coordinating body on "identifying issues related to 1) race, diversity, and inclusion within the insurance sector; 2) race, diversity, and inclusion in access to the insurance sector and insurance products; and 3) practices within the insurance sector that potentially disadvantage people of color and/or historically underrepresented groups." For property and casualty, the committee is tasked with "research and analysis of insurance, legal, and regulatory approaches to addressing unfair discrimination, disparate treatment, proxy discrimination, and disparate impact" as well as "Developing analytical and regulatory tools to assist state insurance regulators in defining, identifying, and addressing unfair discrimination in property/casualty (P/C) insurance, including issues related to:

1. Rating and underwriting variables, such as socioeconomic variables and criminal history, including:
    - Identifying proxy variables for race.
    - Correlation versus causation, including discussion of spurious correlation and rational explanation.
    - Potential bias in underlying data.
    - Proper use of third-party data.
2. Disparate impact consideration.

Colorado passed a law in 2021 requiring insurers to test their big data systems to ensure they are not unfairly discriminating against consumers based on a protected class and take corrective action if harmful effects are discovered. Colorado Revised Statute § 10-3-1104.9 defines "unfairly discriminate" and "unfair discrimination" to include "the use of one or more external consumer data and information sources, as well as algorithms or predictive models using external consumer data and information sources, that have a correlation to race, color, national or ethnic origin, religion, sex, sexual orientation, disability, gender identity, or gender expression, and that use results in a disproportionately negative outcome for such classification or classifications, which negative outcome exceeds the reasonable correlation to the underlying insurance practice, including losses and costs for underwriting."[3]

The Colorado Statute and others that are likely to follow present several practical challenges to insurers. The American Academy of Actuaries addressed a number of these challenges and made several recommendations in a letter to the Commission of the Colorado Division of Insurance in early 2022[4] regarding the development of regulations associated with the newly passed law. Some of these include:

- Defining the meaning of and ways to assess or measure "disproportionately negative outcome" and "reasonable correlation."

[3] doi.colorado.gov/for-consumers/sb21-169-protecting-consumers-from-unfair-discrimination-in-insurance-practices

[4] www.actuary.org/sites/default/files/2022-02/Academy_Comments_CO_DOI_02.04.22.pdf

- Creating rules that are understood consistently by insurers, regulators, and the public.
- Accessing data for protected classes as the insurance industry generally does not collect protected class data today.
- Classification of persons into protected groups.
- Credibility of results

What Can Companies Do?

While the focus on the risk of unfair discrimination within workers compensation may not be the primary focus of consumer groups, legislators, or regulators today, we must consider how unfair discrimination may manifest within our line of business. The call now is to consider how the intersection of artificial intelligence with insurance business practices may bias against protected classes, resulting in unintended and disparate impacts to individuals and communities. How can we get started?

First, insurance professionals should stay up to date on research related to bias and fairness in insurance models. Sources of information include:

- AI Institute's Annual Report
- Partnership on AI
- Alan Turing Institute's group on Fairness, transparency, and privacy

Additional resources can also be found at the end of this article.

Next, implement a framework for model risk management, including assessing potential bias. A key component is the engagement of a diverse group of stakeholders for oversight of the process of identifying, assessing, and mitigating bias.

1. Identify what decisions are directed or informed by algorithms, predictive models, machine learning, or artificial intelligence within the organization. Specifically, we might consider questions such as:
   - o If a segmentation model is used for marketing offers, services, or other processes, does the segmentation unintentionally bias against protected classes?
   - o If credit characteristics are used within the rating algorithm or underwriting models, are these correlated with a protected class?
   - o Are protected classes adequately represented in the training data?
   - o If modeling for care standards or services, how does utilization impact the result? Does utilization of service vary for protected classes or geography?
2. Assess the potential risk of bias within these models, using fact-based conversations around the potential human biases. Consider:
   - o Data—Internal v. external, sourcing, quality, bias, representation of protected classes, missing data, correlation with disallowed variables, etc.
   - o Model predictions—are the predictions explainable?

Managing model bias

There are several methods we can use to manage bias that may exist in the model, either prior to creating the model (preprocessing methods), during the modeling process (in-processing methods), or prior to using the model's predictions (post-processing methods).

Preprocessing Methods: Methods that aim to remove the bias from the underlying data. They can be used to ensure that the input data is balanced and fair, so that the decisions being made are not correlated with a protected attribute. Techniques used include reweighting the data, resampling the data, or applying a disparate impact remover.

In-processing methods: Methods that modify the learning algorithm to minimize discrimination during the model training by changing the objective loss function or imposing the fairness constraint directly into the optimization process.

Post-processing methods: Methods that are applied after a model has been trained and allow you to use the model's predictions so that they are uncorrelated with the protected attribute and achieve fairness without having to retrain the model. Some of these methods include the Bayes optimal equalized odds predictor, reject option classification, and the use of calibrated equalized odds.

Conclusion

As the insurance industry embraces the transformative potential of AI, it must do so responsibly, with a steadfast commitment to avoiding unfair bias and discrimination. The historical context of discrimination in insurance is a stark reminder of the potential consequences if we fail to address these issues proactively. To ensure the responsible and equitable use of AI in insurance applications, industry professionals must be vigilant in identifying and mitigating bias within their models.

Additional Resources

The resources below provide additional guidance related to research on bias, protected classes, and unfair discrimination in insurance, including frameworks for model risk management and assessment techniques.

American Academy of Actuaries, "Big Data and Algorithms in Actuarial Modeling and Consumer Impacts," November 2021: www.actuary.org/sites/default/files/2021-11/BigData_and_Algorithms_in_Actuarial_Modeling_and_Consumer_Impacts.pdf

Casualty Actuarial Society Research Paper Series on Race and Insurance Pricing: www.casact.org/publications-research/research/research-paper-series-race-and-insurance-pricing

National Association of Insurance Commissioners, Center for Insurance Policy and Research, "Race & Insurance": www.content.naic.org/cipr-topics/race-insurance

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THE ETHICS OF ARTIFICIAL INTELLIGENCE IN WORKERS' COMPENSATION INSURANCE: KEY CONSIDERATIONS FOR ESTABLISHING SUITABLE GOVERNANCE

By Jim Romano, Corporate Risk Office at MEMIC

Submitted by the Enterprise Risk Management Committee

I read a report recently about a panel of Artificial Intelligence (AI) robots at a United Nations summit who said that they could, eventually, run the world better than humans. What is that old saying? "Potential is just another way of saying you haven't done it yet!" The AI-bots also said that humans should proceed with caution when embracing artificial intelligence.

Even though the insurance industry is proceeding with caution, there is no denying that the rapid advancements in artificial intelligence have revolutionized many industries, including the insurance industry.

For the workers' compensation insurance industry, AI technologies offer promising opportunities to streamline processes, enhance efficiency, and improve decision-making in claims, underwriting, loss control, customer service, marketing, and fraud detection. However, the integration of AI into insurance operations necessitates careful consideration of ethical implications and the establishment of robust governance frameworks.

This article explores the ethical aspects of using AI in workers' compensation insurance and outlines some key factors to take into consideration when setting up governance for AI implementation.

Transparency

One of the fundamental ethical considerations in AI adoption is the ability to understand and explain the decisions made by AI systems. Insurance companies must ensure transparency in the use of AI algorithms and models. This involves providing clear explanations for the factors influencing the AI's decision-making process, especially when it comes to claims management, policy pricing and reserving. Establishing transparency fosters trust, helps detect biases, and allows for the identification and rectification of potential errors or discriminatory practices.

Fairness and Bias Mitigation

AI systems are only as unbiased as the data on which they are trained. Although an AI-trained grammar evaluation tool will flag this as a repeat sentence, it warrants repeating: *AI systems are only as unbiased as the data on which they are trained*. Insurance companies must carefully assess the source data used for AI algorithms to avoid perpetuating existing biases or discrimination in workers' compensation claims management. It is crucial to ensure that AI models are trained on diverse, representative datasets to avoid disproportionately affecting certain demographics or perpetuating systemic inequalities. Regular audits and testing should be conducted to monitor and address any biases that may arise in AI systems.

Data Privacy and Security

Workers' compensation insurance involves the collection and analysis of sensitive personal data. Insurance companies must prioritize the protection of individuals' privacy rights and establish robust data security measures. Compliance with relevant data protection regulations, such as the California Privacy Rights Act or other applicable local laws, is essential. Organizations must obtain informed consent, handle data responsibly, and implement safeguards against unauthorized access or data breaches to protect the confidentiality of personal information.

Human Oversight and Accountability

While AI can enhance decision-making processes, human oversight remains paramount. Insurance companies should establish clear roles and responsibilities for humans in the loop, ensuring that trained professionals oversee and validate the decisions made by AI systems. Human oversight provides an avenue for accountability, reduces the risk of errors, and ensures that AI remains a tool rather than an independent decision-maker. Additionally, companies should have mechanisms in place to address customer concerns, provide channels for appeals, and rectify any errors made by AI systems.

Continual Monitoring and Auditing

AI algorithms and models are not static; they evolve over time. Regular monitoring and auditing of AI systems are necessary to ensure ongoing compliance with ethical standards and regulatory requirements. Insurance companies should establish mechanisms to track and assess the performance and behavior of AI systems. Continual monitoring helps identify potential biases, errors, or issues that may arise as the system interacts with real-world data and enables timely intervention and updates to maintain fairness and accuracy.

Collaboration and Industry Standards

Insurance companies should actively engage in collaboration and support the establishment of industry-wide standards for the ethical use of AI in workers' compensation insurance. Collaboration among industry stakeholders, policymakers, and regulatory bodies fosters the sharing of best practices and the development of guidelines that promote ethical AI adoption. By working together, organizations can address emerging ethical challenges, align practices, and ensure the responsible and beneficial use of AI technology.

Artificial Intelligence Governance Frameworks

The Society of Actuaries has published a paper—the "Ethical Use of Artificial Intelligence for Actuaries." The paper includes a technical overview of AI tools and disciplines and provides guidance on understanding the ethics of implementing AI and recognizing the potential hazards and how to avoid them. The Society of Actuaries paper proposes five pillars of ethical AI as overall guidance for actuaries:

1. Responsibility: For what a developer creates and uses.
2. Transparency: Ensure the algorithm of an AI is viewable.
3. Predictability: Output has predictability and consistent results.
4. Auditability: Outcomes can be inspected.
5. Incorruptibility: Protection from manipulation.

The Executive Committee of the National Association of Insurance Commissioners adopted Principles on Artificial Intelligence in 2020. Their four principles are intended to establish high-level guidance to ensure AI use is:

1. Fair and Ethical: Respect the rule of law and be consistent with the risk-based foundation of insurance.
2. Accountable: Ensure that AI systems operate in compliance with these principles.
3. Compliant: Comply with all applicable insurance laws of regulations and stakeholders including regulators and consumers.
4. Secure, Safe, and Robust: Secure, safe, and robust throughout the entire AI system life cycle including during adverse conditions.

The Advisory Body of the European Commission has identified seven requirements for the ethical use of AI that include:

1. Human Agency and Oversight: Human-in-the-loop, on-the-loop, and in-command approaches.
2. Technical Robustness and Safety: AI systems need to be resilient and secure.
3. Privacy and Data Governance: Quality and integrity of the data.
4. Transparency: Humans must be informed of the system's capabilities and limitations.
5. Diversity, Non-Discrimination, and Fairness: Accessible to all without bias.
6. Societal and Environmental Well-Being: AI systems should benefit all human beings. Their social and societal impact should be carefully considered.
7. Accountability: Mechanisms should be put in place to ensure responsibility and accountability for AI systems and their outcomes. Adequate and accessible redress should be ensured.

Artificial Intelligence at Maine Employers Mutual Insurance Company

At MEMIC, our Systems Use Policy includes guidelines for AI use and incorporation into business processes. Our Chief Information Security Officer and Corporate Risk Officer provide training, updates and reminders on AI resources, data, plug-ins, APIs, enterprise risk, third-party & vendor risk, cybersecurity risk, operational risk, legal risk, and reputational risks. We have AI-related partnerships, and all our partners have a commitment to ethical AI practices including all the key factors mentioned above. MEMIC uses predictive loss analytics from Gradient A.I. to supplement our internal actuarial analysis.

If You Can't Beat Them, Join Them

Just for fun, I asked the Google AI model, Bard, what ChatGPT would say are the most important issues related to the use of artificial intelligence in the insurance industry. Bard said that ChatGPT might mention "the need for a clear business case before investing in AI. Insurance companies need to have a clear understanding of the potential benefits and risks. They also need to be able to quantify the expected return on investment."

ChatGPT said "no comment" when asked what Google Bard would say are the most important issues related to the use of artificial intelligence in the insurance industry.

Conclusion

The integration of artificial intelligence in workers' compensation insurance offers significant advantages, but it also poses ethical challenges that need careful consideration. Transparency, fairness, data privacy, human oversight, continual monitoring, and collaboration are key elements in establishing ethical governance for AI use in insurance companies. By prioritizing these considerations, insurance providers can harness the potential of AI while ensuring that AI is used responsibly and ethically throughout the workers' compensation insurance industry.

ESG AND INVESTMENT STRATEGY: TMANAGING WITHIN AN EVOLVING LANDSCAPE

By Matt Reilly, Institutional Solutions, and Matt Daly, Head of Corporate and Municipal Teams, Conning

Submitted by the Finance Committee

There are likely few insurance company executives who don't know that ESG stands for environmental, social, and governance factors and that insurance companies should consider them in both business operations and portfolio investment strategies.

However, there is a broad gap in understanding what it means to incorporate ESG principles and why companies should consider doing so. For workers' compensation firms (and all insurers), leaders must be well informed of the growing awareness of the ESG phenomenon as it reaches across all sectors of the economy.

ESG can touch most areas of the business including the company's operations, underwriting practices, pricing, and investment management practices. State insurance commissioners, the Securities and Exchange Commission (SEC) and rating agencies are among those with regulatory oversight and the regulatory environment is far from settled.

Yet ESG engagement seems to be on a rapid upswing, according to Conning-sponsored surveys of insurance professionals. Insurers who don't engage and take the time to learn more about ESG and its potential impact may find themselves at a disadvantage. One of the more challenging aspects may be in incorporating ESG into the investment process, but Conning has insights into best practices and is prepared to further assist insurers in this critical undertaking.

An Evolving Regulatory Environment

While ESG appears to be a well-known entity, it is still a relatively new concept. As such, the ESG regulatory and reporting requirements are still in their early stages and continue to evolve, creating a significant challenge for insurers trying to keep pace with an issue of such potentially far-reaching consequences.

For example, in January 2016, the California Department of Insurance introduced its "Climate Risk Carbon Initiative" in "an effort to evaluate the degree to which California insurers might be impacted by the effects of climate change on the economy."[1] The state insurance commissioner asked insurers to voluntarily divest all their thermal coal holdings and foreshadowed the April 2016 mandate that insurers with more than $100 million in premium would be required annually to disclose their fossil fuel investments including oil, gas and coal.

In September 2020, the New York Department of Financial Services (NYDFS) outlined its guidance on "Managing the Financial Risks from Climate Change."[2] The agency said it expected "all New York insurers to start integrating the consideration of the financial risks from climate change into their governance frameworks, risk management processes, and business strategies." The NYDFS issued its 22-page official guidance in November 2021.[3]

California and New York are large insurance markets and on their own can affect a significant amount of activity of insurers writing business in those states. They are also often the leading edge of regulatory reform as many other states tend to follow their lead.

The SEC has been developing rules for public companies to report on their climate-change impact and sustainability, an effort that has been the point of much discussion. The finalization of these rules continues to be delayed and now has been pushed out until later in 2023,[4] however many companies have already begun to incorporate some of the early guidance into their reporting.

In the meantime, A.M. Best has incorporated ESG considerations into many steps of its credit ratings process including Balance Sheet Strength, Operating Performance, Business Profile and ERM.[5] And a number of states are currently debating how and what to implement in terms of future stress testing and disclosures.

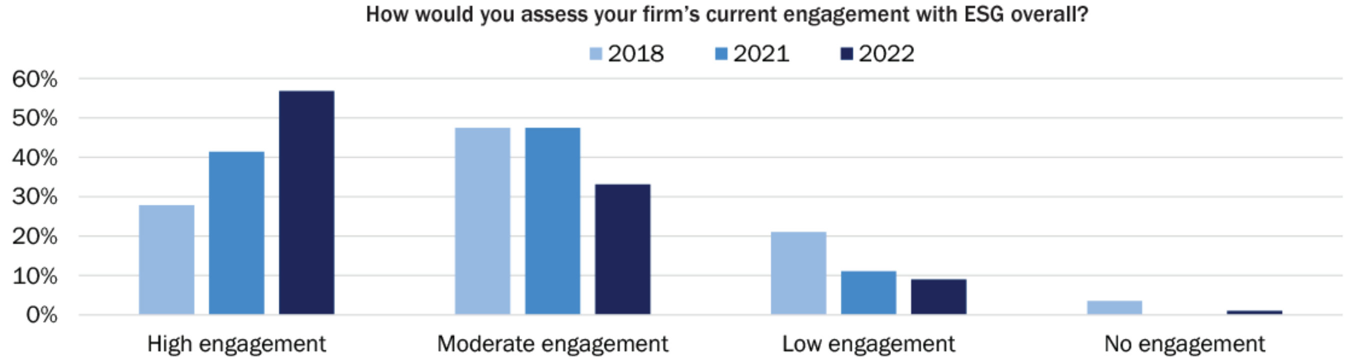
While trying to stay ahead of anticipated requirements may be a wise consideration for insurers, moving forward without clear guidance is not without risk.

Insurer ESG Engagement is Growing: Survey

Given the growing regulatory concerns, insurers have become increasingly engaged with ESG principles and are also expecting greater ESG engagement among their vendors and other business partners, according to a Conning-sponsored survey.

In fall 2022, Conning's survey of some 300 insurance professionals found that more than half (57%) of respondents said their company had a high engagement with ESG, up from 41% in 2021 and nearly double that of respondents' views of their firms in 2018 (see Figure 1). Fewer companies reported having moderate or low engagement during the same period.

Figure 1 Increasing ESG Engagement at Insurers



Prepared by Conning, Inc. Source: ©2023 Conning, Inc. The *Conning Risk Assessment Survey of U.S. Insurers* utilized survey technology provided by Qualtrics, LLC. In 2022, surveys were sent to approximately 4,000 U.S. insurance company decision makers with 303 qualified responses (2021 survey was sent to approx. 7,000 U.S. insurance company decision makers with 280 qualified responses). Results may not be representative of any one respondent's experience as they reflect an average of all, or a sample of all, of the experiences of surveyed U.S. insurance company decision makers. Qualtrics, LLC was paid a fee for services rendered.

Several insurance company stakeholders can influence insurers' ESG engagement—shareholders/policyholders, employees, lenders, regulators, and parent companies—but respondents in Conning's 2022 survey noted a significant increase since 2021 in the importance of agents and brokers. One reason for the increased role of agents and brokers as influencers is that those two groups are increasing their own ESG engagement, driven by pressure on agents and brokers to report on their ESG activities from both customers and regulators (see Figure 2).

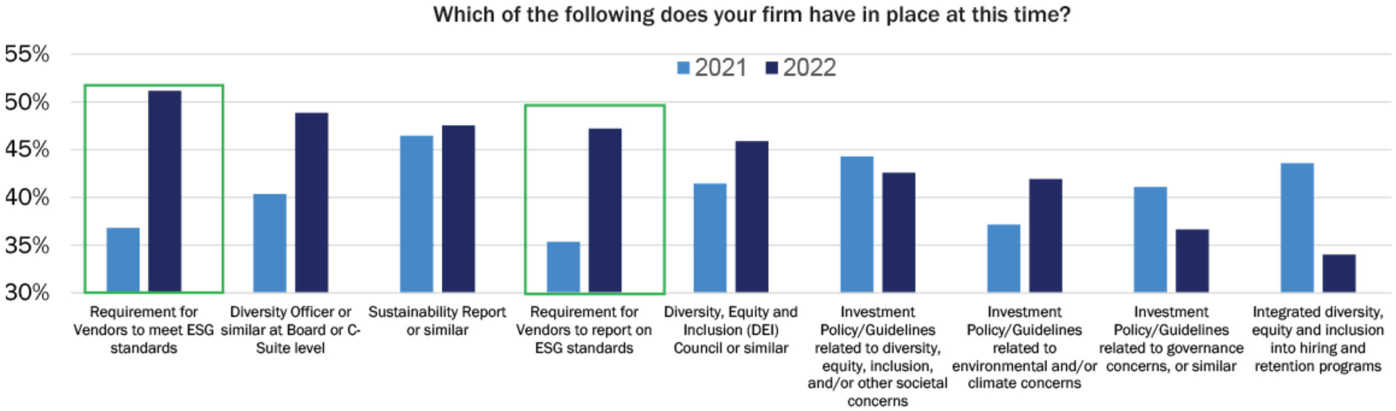
Figure 2 Brokers/Agents Increase in Importance as ESG Influencers for Insurers

Prepared by Conning, Inc. Source: ©2023 Conning, Inc. The *Conning Risk Assessment Survey of U.S. Insurers* utilized survey technology provided by Qualtrics, LLC. In 2022, surveys were sent to approximately 4,000 U.S. insurance company decision makers with 303 qualified responses (2021 survey was sent to approx. 7,000 U.S. insurance company decision makers with 280 qualified responses). Results may not be representative of any one respondent's experience as they reflect an average of all, or a sample of all, of the experiences of surveyed U.S. insurance company decision makers. Qualtrics, LLC was paid a fee for services rendered.

In another sign of increasing ESG engagement, 85% of survey respondents agreed to adhering to ESG standards in their investment portfolios, consistent with responses in 2021, but also noted that this effort has its challenges. For example, 78% of respondents agreed with the statement "Implementation of ESG in the investment process requires significant resources (staff effort/reporting/technology)." And 81% also said they plan on increasing analytics around new risks such as climate and ESG.

Insurers surveyed in 2022 also reported increases versus 2021 in their demands for partners to meet and report on ESG standards (see Figure 3). While insurers are apparently helping spread the word regarding ESG, this trend suggests partners may be valuable in helping insurers meet their goals for ESG compliance. In a period when insurers continue to outsource services, the value of partners in developing and documenting ESG compliance can be a significant benefit, if not table stakes, in their efforts to win outsourcing mandates from insurers.

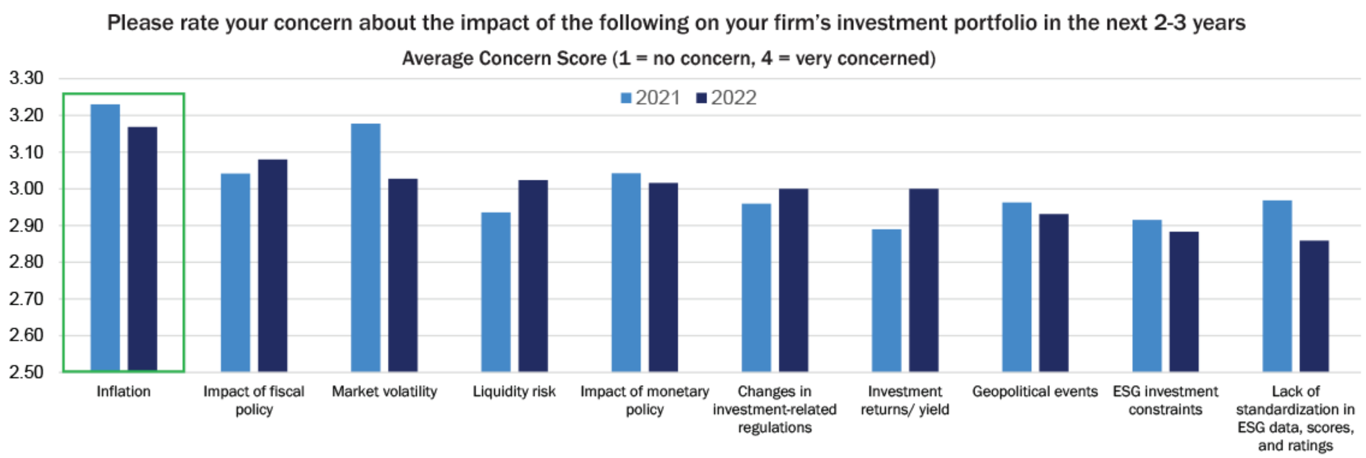
Figure 3 Increasing ESG Expectations of Insurers on Their Partners



Prepared by Conning, Inc. Source: ©2023 Conning, Inc. The *Conning Risk Assessment Survey of U.S. Insurers* utilized survey technology provided by Qualtrics, LLC. In 2022, surveys were sent to approximately 4,000 U.S. insurance company decision makers with 303 qualified responses (2021 survey was sent to approx. 7,000 U.S. insurance company decision makers with 280 qualified responses). Results may not be representative of any one respondent's experience as they reflect an average of all, or a sample of all, of the experiences of surveyed U.S. insurance company decision makers. Qualtrics, LLC was paid a fee for services rendered.

Although ESG is expected to be a meaningful consideration for insurers over the next few years, it currently trails other traditional investment risks. Survey respondents said inflation was their leading concern (as it was in our 2021 survey) when asked about the greatest risk in their portfolios in the next two to three years (see Figure 4). As ESG continues to gain significance, it is important to note that it does not supersede other investment considerations. Rather, it serves as an additional factor that insurers must take into account.

Figure 4 Inflation Continues to be Insurers' Top Investment Concern



Prepared by Conning, Inc. Source: ©2023 Conning, Inc. The *Conning Risk Assessment Survey of U.S. Insurers* utilized survey technology provided by Qualtrics, LLC. In 2022, surveys were sent to approximately 4,000 U.S. insurance company decision makers with 303 qualified responses (2021 survey was sent to approx. 7,000 U.S. insurance company decision makers with 280 qualified responses). Results may not be representative of any one respondent's experience as they reflect an average of all, or a sample of all, of the experiences of surveyed U.S. insurance company decision makers. Qualtrics, LLC was paid a fee for services rendered.

Incorporating ESG Into the Investment Portfolio

Conning's approach to incorporating ESG into investment strategies is to integrate ESG factors directly into the investment research process.

While most investment research focuses on financial information, ESG factors provide non-financial material information that can generate a more holistic understanding of an investment, which in itself is a plus. Conning analysts provide a proprietary ESG risk factor rating of strong/average/weak to our analysis, which is used to enhance our understanding of an investment and can influence our views of both fundamentals and valuations.

ESG factors add to our understanding but aren't a definitive position on an issuer or security, and we also note that we do not express or overlay any view around morality as part of pure investment considerations – we are agnostic on the subject. However, the information is part of our analysis and is available should clients want to weigh ESG factors more heavily in their investment decisions.

ESG analysis also helps us integrate transition risk into the fundamental assessment of both industries and issuers. Transition risk relates to the migration to a world of lower carbon emissions and the various implications related to regulatory constructs and technological change. Analyzing transition risk helps us understand the exposure of companies and sectors to this lower-emissions environment and their respective levels of preparedness.

Customizing for Client Needs

Given the unique business and investment needs of each insurer, companies should also have the ability to overlay their unique ESG preferences and objectives in their investment portfolio.

This overlay can include both economic and non-economic targets, but it is a discussion that should begin at the enterprise corporate level and then flow down to investment portfolio guidelines and/or strategy. It is meant to help a company address its ESG goals and interests yet still meet the insurer's key investment objectives.

Managing and monitoring this process requires tools that allow for customized solutions. For example, an insurer may want to include screens to help avoid or add certain types of securities. These could be based on ratings, efforts to improve ESG compliance in a portfolio, or avoiding certain areas that might not align with an insurer's mission. We have also seen insurers employ more active strategies in an overlay, such as an ESG-labeled bond sleeve or a carbon emission-reduction objective, or a strategy of impact investments to achieve targeted social outcomes. There are significant opportunities to customize strategies and reporting to meet an array of insurance company needs.

Greater Demands on Portfolio Management

The ESG movement is currently in progress, and insurers are poised to benefit by acquiring comprehensive knowledge about the subject and understanding its impact on their firms. Given the evolving regulatory landscape, employing and managing ESG principles will inevitably contribute to the complexity and challenges insurers encounter.

However, Conning believes that ESG is additive to the investment practice. In fact, incorporating ESG analysis into the investment research process offers several advantages as it facilitates a more holistic view of securities and issuers. Insurers have ample opportunities to customize investment strategies and portfolios to effectively address their unique needs and interests concerning ESG issues. Our firm stands ready to help insurers build investment strategies that align with their unique business needs and risk tolerance.

Matthew Reilly, CFA, is a Managing Director on Conning's Institutional Solutions team and leads the team responsible for the creation of investment strategies and enterprise solutions for insurance companies. He joined Conning in 2015 as a portfolio manager before assuming his current role in 2018, and previously was with New England Asset Management in Enterprise Capital Strategy and Client Service roles. Mr. Reilly earned a degree in economics from Colby College.

Matthew Daly, CFA, is a Managing Director and Head of Corporate and Municipal Teams at Conning. He is a member of the firm's Investment Policy Committee, Sustainability Leadership Group and the team managing Conning's dividend equity strategies. Prior to joining Conning in 2003, he held credit analyst roles with Webster Bank, Brown Brothers Harriman & Co., and FleetBoston. Mr. Daly earned a degree in economics and business administration from Gordon College.

ABOUT CONNING

Conning is a leading investment management firm with a long history of serving the insurance industry. Conning supports institutional investors, including insurers and pension plans, with investment solutions, risk modeling software, and industry research. Founded in 1912, Conning has investment centers in Asia, Europe and North America.

Disclosures:

These materials contain forward-looking statements. Investors should not place undue reliance on forward-looking statements. Actual results could differ materially from those referenced in forward-looking statements for many reasons. Forward-looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying any forward-looking statements will not materialize or will vary significantly from actual results. Variations of assumptions and results may be material. Without limiting the generality of the foregoing, the inclusion of forward-looking statements herein should not be regarded as a representation by the Investment Manager or any of their respective affiliates or any other person of the results that will actually be achieved as presented. None of the foregoing persons has any obligation to update or otherwise revise any forward-looking statements, including any revision to reflect changes in any circumstances arising after the date hereof relating to any assumptions or otherwise.

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THE HUMAN LAYER

By Ann Morberg, Security Specialist at Montana State Fund

Submitted by the IT Committee

For as long as humans have tried to protect their valuables, the layered security concept has been used. A layered security approach is put in place so if one layer is breached, there are multiple other layers in place to protect the data. A successful cybersecurity program will have seven layers; Physical, Network, Perimeter, Endpoint, Application, Data, and the Human Layer. All seven security layers are equally important. Although, one of those layers is the hardest to configure, program, and update. Yet the Human Layer can be the easiest to defeat. The Human Layer is complex and difficult because you can't program a human. People have their own thoughts, experiences, and emotions. You can train people, but you can't guarantee they will apply the training or remember it in a crucial moment. Most people want to be helpful. We are taught from an early age to be polite and help others, but, unfortunately, being polite can be a security risk that results in a vulnerable security layer.

Social engineering threats are on the rise, and they focus on targeting the Human Layer through human interactions. Companies are improving their technology security layers making it more difficult for bad actors to gain access to networks. This is making social engineering tactics more popular than ever. Common Social Engineering tactics include email phishing, text phishing, phone call phishing and in person contact to gain access into secure facilities. The Human layer can bypass a lot of security layers that are in place to protect our data. Getting an employee to click a phishing email, share their network credentials or hold a secure door open to a facility can be an easier and faster way to bypass complex security layers.

A recent physical penetration test on a secure facility was designed to target the Human Layer. This physical penetration test was performed to test the employees who work there. The tester showed up to the front door and it was locked and required a badge for entry. The tester, dressed in casual clothes and in his mid 30's, decided to make a phone call to a friend while waiting for employees to either enter or exit the facility. He only had to wait five minutes for an employee to enter the secure facility. The tester simply followed the employee inside after the employee card swiped into the building. The employee did not ensure that they were not followed. The tester remained on the phone with his friend during this entry and made his way into an empty conference room to continue his conversation. The tester finished his phone call and walked around the facility to see what information he could gather. The tester made his way to copy machines where he tested ports for access into the network. He put a keylogger on conference room computers where he captured screen shots and keystrokes and then made his way to another conference room where he used the VOIP lines to connect his laptop and make his way onto the network. The tester didn't have a badge and during his travels around the building he was never challenged by an employee. He instead was greeted with smiles and grins as he walked around. The Human Layer he encountered was very friendly.

Another physical penetration test that was performed at a different location gained access to the secure facility by entering through an unlocked window at night. The tester walked around the facility and checked windows, and lucky for him, one window opened right up and allowed him access. He had access inside the building all night because an employee failed to lock a window when they left.

I have worked in the security field for 30 years, and for 21 years I worked within classified environments with very strong physical security. To access my office, I had to go through badge swipes, retina scans, palm scans, and be locked in a mantrap and released after all security parameters were met. It was engrained in us to never hold doors for people while entering a facility, everybody had to card swipe into and out of the facility, and to always be aware of your surroundings. If anybody was caught allowing somebody to tailgate, termination of employment was a very strong possibility. While I no longer work in a classified environment with the stringent physical security measures, it is still engrained in me to be aware of my surroundings while entering a secure facility and to never allow tailgating. My actions help keep data and assets secure.

Most people have heard of Ted Bundy; he took advantage of people's kindness by pretending to be hurt while carrying heavy items to his car. People would see him struggling, offer to help him to his car, and he would kidnap them. Of course, not everybody you help is going to cause you harm, but when it comes to accessing a secure facility it is the employees responsibility to ensure they are not allowing people to enter who are not authorized.

With more people working from home or in a hybrid work environment, it is not as easy to recognize people at work anymore. Security is not up to the IT Security Team, or to the Physical Security team, it falls on every employee to be aware and do their due diligence. A security team should consist of hundreds of people, the entire staff of a company. While employees won't be configuring firewalls or patching workstations and servers, employees are the ones who may click phishing emails, access the internet where malicious software could be installed on their workstation and they also enter and exit the secure facility. The Human Layer plays a vital role in Cyber Security, and all employees should know how important their actions are to keeping data safe.

AROUND AASCIF

LOUISIANA

LWCC Announces 2022 Safest 70 Award Winners

In May, LWCC announced its 2022 Safest 70 Award recipients. Established in 2008, this award was created to honor policyholders who share LWCC's commitment to workplace safety and consistently go above and beyond safety expectations to exemplify leadership in improved working environments.

From employee fitness programs and medical screenings to online classes and safety incentives, these Louisiana companies are finding new ways to prioritize workplace safety and employee wellbeing.

"LWCC is Louisiana Loyal, catalyzing a movement to celebrate and elevate Louisiana," said Kristin W. Wall, LWCC's President and CEO. "Our Safest 70 Awards provide an excellent opportunity to put a spotlight on policyholders who are actively committed to creating a safer workplace for all."

Winners must be in good standing with LWCC for five consecutive years and work effectively with the LWCC Safety Services Team. Recognized companies seek ways to proactively improve workplace safety and are also quick to react and respond when potential safety hazards are identified, often in partnership with LWCC's Consultants on Call.

To learn more about the 2022 award winners, click here.

LWCC Hosts Ranjay Gulati to Provide Insights on the Power of Purpose

LWCC continued its Speaker Series at the Foster Learning Center by hosting Ranjay Gulati, renowned business expert, Harvard Business School professor, accomplished author, and leading business researcher. During the event, Ranjay drew upon his experience to put forth a thought-provoking presentation to LWCC employees, agent partners, and policyholders, as well as business and community leaders, regarding the challenges faced by companies of all sizes and the crucial role purpose plays in sustaining their success.

In today's business landscape, purpose has become increasingly emphasized, with a remarkable shift observed across organizations of all sizes and industries. And while it is clear that the role of purpose had a meteoric rise, Ranjay focused on understanding its benefits. What exactly did businesses stand to gain from identifying, communicating, and pursuing a purpose? The answer, according to his in-depth analysis, comes down to three fundamental impacts: directional, motivational, and relational.

As he concluded, Ranjay shared that by embracing purpose as a directional compass, motivational catalyst, and relational cornerstone, companies can unlock their true potential and foster a better world around them. At LWCC, we operate with the purpose of helping Louisiana thrive. By bringing the incredible message and insights of speakers like Ranjay to the Foster Learning Center, we hope to drive our own initiatives forward by helping others do the same.

To explore deeper into Ranjay's message, click here.

MAINE

MEMIC Adds Underwriting Talent in Eastern Region

The MEMIC Group continues adding experienced insurance industry talent to its Eastern Region with the addition of underwriters Julie M. Smith in the Southeast and Jeremy Card in New England.

Senior Production Underwriter Julie M. Smith joined MEMIC in May. Her background and experience in insurance includes multi-line commercial underwriting for national and regional carriers, as well as agency sales and marketing management.

“As I step into my role as production underwriter at MEMIC, I am excited to work closely with my agents to form trusted partnerships and provide exceptional service and support,” Julie said. “I am proud to be a part of the MEMIC Group and their commitment to workplace safety.”

Julie holds a Bachelor of Arts degree from Radford University in Virginia and earned her Certified Insurance Counselor (CIC) designation in 2004. In her free time, she enjoys spending time with her two sons and her extended family and friends. Julie resides in Charlotte, N.C.

“Julie is an enthusiastic and knowledgeable industry veteran who I expect will hit the ground running,” Southeast Territory Manager Roger Comer said. “We’re excited to have her on the team as we continue to build relationships in the Carolinas.”

Production Underwriter Jeremy Card joined MEMIC in April, bringing more than a decade of experience with him from the agency side.

Jeremy was introduced to the insurance industry when his job selling telecom products spurred an offer from an agency as a producer-in-training. He then developed a loss control department for a small independent agent in New York while obtaining his Associate in Risk Management (ARMTM) certification and used the pandemic as an opportunity to deepen his knowledge of risk management and injury prevention by earning his Chartered Property Casualty (CPCU) designation in less than two years.

He earned a Bachelor of Science in Hospitality Management from Syracuse University and an MBA from Benedictine University, which he achieved part-time while working. A native New Yorker, Jeremy lives in Connecticut and spends the majority of his time cooking for family and playing golf when time permits.

“I studied hospitality to feed my passion for connecting with and helping people,” Jeremy said. “Workers’ compensation is the ultimate version of that, connecting with agents and helping organizations protect their employees and their bottom lines.”

“In his insurance career, Jeremy has done a great job building relationships with agents and brokers, in multiple territories,” Northeast Territory Manager Jim Keck said. “He has a unique sales and safety background that lines up well with our MEMIC core values, so we are very excited to have him join the team and excited to see him grow our already strong book of business with our partner agencies in Rhode Island and, particularly, in Connecticut.”

New MEMIC Safety Officer an Expert in Utilities, Schools

The MEMIC Group continues adding talent to ensure the safety of their policyholders’ workers with the addition of Safety Management Consultant Allison Short.

Allison comes to MEMIC with nearly 10 years of occupational health and safety experience, including work for Auburn University and Southern Company, one of the largest U.S. utilities.

Her technical skills and knowledge provide value to MEMIC policyholders in the areas of electrical safety, fleet safety, industrial hygiene, ergonomics, hazardous building materials, manufacturing safety, and training. Short will be based in Georgia to service MEMIC policyholders in the Southeast.

Allison’s range of experience and diverse education demonstrate her adaptability and desire to translate knowledge across industries. She holds Certified Safety Professional (CSP) and Certified Instructional Trainer (CIT) certifications, is an authorized OSHA Outreach Trainer for General Industry, and also is certified as an asbestos inspector.

She holds a Bachelor of Fine Arts from the University of Georgia and is pursuing a master’s degree in Industrial and Organizational Psychology from Auburn University. Allison also holds two professional certificates from the Georgia Institute of Technology: the Safety and Health Management Certificate and the Industrial Safety and Health Certificate. Allison is involved with the American Society of Safety Professionals (ASSP) and Women in Safety Excellence (WISE), serving as a volunteer leader on the WISE advisory committee. Her territory encompasses the entire state of Georgia.

“I believe educating the workforce and empowering them to make safe, informed decisions is essential to keeping people safe at work,” Allison says. “I encourage teams to be curious, communicate, and adapt to find the best solutions for functional workplace safety.”

MEMIC Makes Moves to Bolster Its Board

MEMIC appointed Hilary A. Rapkin the new chairwoman Board of Directors and elected Kevin Raye a new board member at its annual meeting June 12.

Rapkin joined the board in 2016 and has served on the Compensation Committee and as chairwoman of the Audit Committee. She serves as Chief Legal Officer at the Portland-based payments company WEX, overseeing its global legal, regulatory compliance and government affairs.

“With what seems to be an ever-greater speed of change, I believe Hilary is well suited to lead the board through MEMIC’s many exciting opportunities for growth and efficiency in the coming years,” said Lance Smith, outgoing chairman of the board.

Raye is co-owner and chairman of Raye’s Mustard Mill, a fourth-generation business in Eastport, Maine, and a real estate broker with Due East Real Estate. He graduated Bates College and served in the offices of Olympia Snowe and as Chief of Staff in Snowe’s U.S. Senate office in Washington, along with eight years in the Maine Senate, including being unanimously elected to serve as president.

About MEMIC

The MEMIC Group includes MEMIC Indemnity Company, MEMIC Casualty Company, and parent company Maine Employers’ Mutual Insurance Company; all rated “A” (Excellent) by A.M. Best. The MEMIC Group holds licenses to write workers’ compensation across the entire country. The group insures and serves more than 20,000 employers and their estimated 300,000 employees with dedicated safety and injury management service teams from Maine to Florida.

MINNESOTA

SFM Foundation awards 16 new scholarships, holds 2023 golf fundraisers

Fifteen years after the SFM Foundation began their mission to help make college affordable for students affected by work injuries, they’ve granted 232 scholarships totaling $3.7 million.

This includes $502,000 awarded to 16 new recipients announced in May. Six of these students are from Iowa and 10 are from Minnesota.

Over 125 scholarship recipients have graduated since the SFM Foundation’s inception in 2008, and there are currently 72 active scholarships. Scholarships are awarded regardless of the workers’ compensation insurer.

Thanks to the generous support of event sponsors and donors, the Foundation has been able to reach these families in need.

The Foundation’s golf fundraisers are the primary source of fundraising for their scholarship fund, and 2023 was no exception. The Minnesota golf event has become one of the largest charity golf tournaments in the state. This year’s event on June 12 raised an astounding $125,000 for the scholarship program. The Iowa golf outing is a newer event and continues to grow each year. This year’s event on May 22 raised $45,000 for scholarships.

Mark your calendar for the Foundation’s annual fall fundraising online auction and in-person event in early November.

The pandemic has made it more difficult to find scholarship recipients. If you know of someone who would qualify for an SFM Foundation scholarship, please direct them to sfmfoundation.com.

About the SFM Foundation

The SFM Foundation provides scholarships for students whose parents were seriously injured or killed while working for Minnesota or Iowa employers. SFM Foundation is an affiliate of Kids’ Chance of America in Iowa and Minnesota and is also known as [Kids’ Chance of Iowa](). To learn more about the cause, visit [www.sfmfoundation.com]().

MISSOURI

MEM CEO Jim Owen to Retire in 2023, Roger Walleck Selected as Successor

Jim Owen, President and CEO of Missouri Employers Mutual will retire at the end of 2023, after more than a decade with the company. Roger Walleck has been named the new President and CEO of MEM, effective Jan. 1, 2024.

Walleck has served as Vice President and Chief Underwriting Officer at MEM since 2017. He directs the company's pricing and risk selection activities and leads the Customer Care, Premium Consultation, Safety and Risk Services and Underwriting Teams.

"The board was pleased to find our ideal candidate was an internal one," said Board Chair Charles A. Caisley. "With a strong track record of building high-performing teams and delivering exceptional results, we are confident that Roger will lead us to new heights of success."

Owen is working closely with Walleck to ensure a smooth transition. "Roger is dedicated to our mission, agents and policyholders. He exemplifies what we stand for as an organization and will continue to do so as he begins this new chapter in his career.

Jim Owen

Roger Walleck

NEW YORK

New York State Insurance Fund Launches Campaign to Help Employers Promote Mental Wellness in the Workplace

New York's Largest Workers' Compensation Insurer Offers Mental Wellness Toolkit for Any Company Wishing to Lower Worker Stress, Improve Employees' Work Environment

The New York State Insurance Fund (NYSIF), the state's largest workers' compensation insurer and one of the 10 largest nationwide, today announced a new campaign to raise awareness of mental wellness as an essential component of workplace health. The campaign helps all employers, including those who are not NYSIF policyholders, create an employee mental wellness action plan, marshalling information from multiple sources.

"Stress and mental wellness are emerging as exceedingly important workplace variables as workers return to the office in higher numbers," **said NYSIF Executive Director and CEO Gaurav Vasisht.** "NYSIF's campaign empowers employers with strategies to reduce mental health stigma, encourage open dialogue between supervisors and employees, and offer guidance on self-care and resiliency."

Recent workplace surveys reinforce the importance of mental wellness for employers. In its 2022 Work and Well-Being Survey, the American Psychological Association (APA) found 81% of U.S. workers said how employers support their employees' mental health will be an important consideration when they seek future job opportunities. According to the APA's 2021 Work and Well-Being Survey, 59% of workers have experienced negative impacts of work-related stress, while 87% of employees said support from their employer would help their mental health.

Interested companies can access, customize, and download their action plan at www.nysif.com/wellness. which can help them plan a "Mental Health Awareness Week," and view other resources to learn more about how mental health concerns can impact workplace morale and productivity.

The initiative is informed by NYSIF's annual mental wellness week, which began last June for its 1,800 employees across New York State and was held again this spring. The weeks featured outside speakers specializing in mental health in the workplace, giveaways to promote healthier eating and thinking, and internal communications promoting tips and statistics on the impact of mental wellness on overall health. NYSIF also shared resources and helplines to connect employees with services for additional help when needed. NYSIF's mental health week was well received, with 74% of NYSIF employees calling it "excellent" or "very good" in an internal survey both years.

"NYSIF learned important lessons during our internal mental wellness week which we now share with any interested company," said Vasisht. "We believe businesses want to foster workplaces that value the mental health and wellness of their workers, and that workers are increasingly prioritizing this type of workplace culture."

New York State Office of Mental Health Commissioner Dr. Ann Sullivan said, "The last few years have been extremely stressful for working people across New York State. Employers taking the initiative to support the emotional health and wellness of their employees will benefit from a happier and healthier workforce. We are proud to support the NYS Insurance Fund's efforts to promote wellness and improve the work environment for New Yorkers. OMH also provides numerous resources to support mental health and wellness on our website. I hope people will review this information and gain important knowledge about self-care and addressing stress, anxiety and depression."

About NYSIF

With nearly 200,000 policyholders, $1.9 billion in annual premiums, and over $20 billion in invested assets, NYSIF is the largest workers' compensation carrier in New York State and among the 10 largest nationwide. NYSIF's mission is to guarantee the availability of workers' compensation, disability insurance, and paid family leave at the lowest possible cost to New York employers while maintaining a solvent fund. Since its inception in 1914, NYSIF has fulfilled this mission by competing with other insurance carriers to ensure a fair marketplace while serving as a guaranteed source of coverage for employers who cannot secure coverage elsewhere. NYSIF strives to achieve the best health outcomes for injured workers and be an industry leader in price, quality, and service for New York employers. For more information, visit nysif.com.

NORTH DAKOTA

NDWSI Young Professionals Network Award

The Bismarck-Mandan Young Professionals Network held its annual Cinco Awards & Celebration Event on Wednesday, May 3rd to celebrate the 18th anniversary of the network and honor members, partners, and the winners of the Top 10 Young Professional Workplaces. The Top 10 Young Professional Workplaces award recognizes local businesses committed to recruiting and retaining talented young professionals. Eligible businesses, those employing young professionals (ages 40 and younger), are measured on criteria related to the active development and execution of strategies advancing the employment of young professionals in the workplace and the quality and type of benefits offered.

North Dakota Workforce Safety & Insurance received one of the Top 10 Young Professional Workplaces awards. The nomination highlighted the culture and servant leadership philosophy shared by team members of WSI, which is to promote goodwill amongst our fellow team members by advocating the principles of servant leadership in our community; our purpose—to care for injured workers, core values—to be loyal, caring and forthright, and our strategy—exceptional people, exceptional service, and financial stability; our team member benefits, including professional development support; bildU leadership program and various teams within WSI; supporting team member wellness and mental health; the longevity of team members; and succession planning. It is an honor for WSI to be among the Top 10 Young Professional Workplaces in Bismarck-Mandan. We are a top workplace for young professionals because of our exceptional people.

In attendance to accept the award were (left to right): Miranda Miller, Katherine Hedstrom, Denise Osmond, Art Thompson, Mary Selzler, Sarah Feist, and Samuel Nelson.

WSI Declares 50% Dividend for 2023-24 Policy Year

During the June 2023 WSI Board meeting, the Board of Directors made a recommendation to issue a 50% premium dividend credit to policyholders.

The dividend credit will be applied against policyholders renewing during the Fiscal Year 2023-24 policy year, who are in good standing with the agency and are not minimum premium accounts. The credit will reflect 50% of the prior year's premium less safety discounts, ensuring no account total is less than $250 after the dividend credit is applied.

Favorable investment results have resulted in the fund exceeding statutory surplus requirements. When surplus requirements are exceeded, dividends are required.

Including this recent dividend, total WSI dividends issued in 18 out of the last 19 years amount to approximately $1.8 billion. This includes the estimated $102 million dividend for the 2023-24 policy year.

OREGON

SAIF Promotes Olivia Keefer to Chief Actuarial Officer

Olivia Keefer is SAIF's new chief actuarial officer, as of July 1. She previously served as actuarial director. In her new role, she manages the reserves process, oversees ratemaking and the rate filing process, maintains the economic capital model, and makes recommendations to the CFO, executive team, and board on surplus levels, among other duties.

"Olivia possesses a comprehensive understanding of actuarial science, particularly in the field of workers' compensation," said Chip Terhune, president and CEO at SAIF. "Her previous role as actuarial director has given her the opportunity to showcase her expertise and strong commitment to SAIF's culture, mission, vision, and values."

Keefer holds a Master of Science in mathematics from Oregon State University and a Bachelor of Arts in mathematics from Hamilton College.

Program That Connects Policyholders With HR Services Is a Auccess

In December 2019, SAIF embarked on a mission to provide [HR and employment law resources for our policyholders]. As the program has progressed, our policyholders have been clear about the value this service has added.

Starting in 2020, qualifying employers can receive up to one hour of employment law counsel on an active claim. Consultations beyond one hour are at the employer's expense but at a discounted rate.

Since the program began, we have received over 270 referrals for claims consulting with our employment law partners. The program continues to benefit our smaller policyholders, who would otherwise not have access to an employment law expert.

We continue to receive positive feedback regarding policyholder satisfaction with this service and agreement that the program has enhanced their experience with SAIF.

AGC/SAIF Members Receive More Than $6 Million Retro Return

The Associated General Contractors Oregon-Columbia Chapter (AGC) and SAIF announced a $6,184,522 retrospective return for the 607 companies who participated in the AGC/SAIF group workers' compensation program during 2021–2022. This represents a 17.8% return of paid premiums during the policy year.

These dollars highlight each company's commitment to safety, reducing injuries, and getting people back to work.

This retrospective rating return is in addition to other savings in the AGC/SAIF plan. The total cost savings, including the retrospective rating return, discounts, and individual account electives equal, on average, 40.9% of premium.

RHODE ISLAND

Beacon Mutual Honored as Providence Business News' Best Place to Work for Large Employers

The Beacon Mutual Insurance Company ("Beacon") and its employees are honored to have been selected by the Providence Business News as the **First Place Winner of the Best Places to Work in Rhode Island in the Large Employer category**. This prestigious award highlights Beacon's unwavering commitment to cultivating an exceptional workplace environment for its valued employees. Beacon and its employees are immensely proud of this achievement, as they acknowledge ongoing efforts to foster a supportive, inspiring, and inclusive culture at Beacon.

Upon receiving the award, Beacon Mutual President and CEO, Brian Spero, expressed his gratitude and pride, stating, "We are incredibly honored to receive this prestigious recognition. At Beacon, our employees are our greatest asset, and this award is a testament to our dedication and shared commitment to our core values. We will continue to prioritize the well-being of our employees and provide an environment where they can thrive both personally and professionally for their benefit and the benefit of our policyholders."

The Providence Business News' Best Places to Work Awards program, in collaboration with Best Companies Group, was established to identify, recognize, and honor the finest employers in Rhode Island. This initiative serves as a testament to the significant impact of outstanding workplaces on the economy, workforce, and overall business landscape in the state.

Among the sixty-seven esteemed companies that participated in the 2023 Best Places to Work in Rhode Island survey, Beacon emerged as the recipient of the coveted Best Place to Work title within the large employer category.

The selection process involved two critical components: an evaluation of each nominated company's policies, practices, philosophy, systems, and demographics; followed by an employee survey designed to measure the employee experience. The final rankings were determined based on combined scores, highlighting the top employers that prioritize creating exceptional workplaces in Rhode Island.

In addition, Beacon was among the companies awarded for their spirit shown at the event, and received gifts from R1 Indoor Karting Inc.

Outlined herein are a few anonymous quotes from Beacon employees, based on the survey conducted as part of the Best Places to Work Awards:

"Beacon checks all the boxes. There is a strong culture with a 'do the right thing' mentality. Management cares about employees and I believe I have a stake in the outcomes and direction of the company. Additionally, it is a hybrid, flexible work environment with strong benefits and pay. There is a real sense of community involvement, as well with a goal of helping those in the community where we work and live."

"This organization cares about its employees and is always looking out for our best interest. They care about the community, and they care about people in general. This organization always cares about the employers and employees it insures. I have never myself experienced an insurance company which cares more than this organization."

At Beacon, we passionately believe that our employees are the cornerstone of our success. "If you have employees who work in a great place, it's going to be noticeable to people outside of the company who deal with them," Spero said. "We are always complimented by the people we deal with on how happy our employees are with what they do and how it makes a real difference in how they do their job."

Being named Providence Business News' Best Place to Work for Large Employers is a tremendous honor that reaffirms the commitment to creating an exceptional workplace environment of Beacon, its leadership, and its employees.

Beacon extends its heartfelt congratulations to all the companies honored as part of the 2023 Best Places to Work in Rhode Island. Together, these employers are shaping a vibrant business community which benefits our employees, our organizations, and the entire state of Rhode Island.

SASKATCHEWAN

Saskatchewan WCB Safety Conference Celebrates 25th Anniversary

As workers and employers continue to transform and adapt to broad-reaching change, preventing serious injuries and fatalities, safety self-awareness and mental health continue to be at the forefront of workers and employers in Saskatchewan and around the world. These are three of the relevant workplace issues that were discussed at the Saskatchewan Workers' Compensation Board's (WCB) 25th anniversary of its free, two-day Compensation Institute. More than 700 people registered for the event, which ran May 28–30.

For the first time since 2019, the silver anniversary of Compensation Institute was presented in person for workers, employers, WCB partners, key stakeholders and members of the media throughout the province. Some sessions during the event were livestreamed. The Saskatchewan WCB is the only one in Canada that holds a free educational event like Compensation Institute.

"Compensation Institute is a unique opportunity to learn from each other to continue working together so we can all improve safety at workplaces across Saskatchewan," says Kevin Mooney, the WCB's vice-president of employer services and prevention. "The event offers attendees a front-row seat to sharing ideas about safety and prevention in workplaces across our province and learn about our compensation system. All of this injury prevention work supports the WCB's vision of eliminating injuries and restoring abilities."

For more than two decades, this free, two-day event has been used as a platform for dialogue on safety, prevention and workplace health, to inform, to connect and to engage with WCB customers, staff, partners and stakeholders. Each year, topics are determined by feedback from WCB customers and previous years' attendees.

This year's event offered a lineup of world-class safety speakers and local keynote presenters. Presentations were delivered on a range of topics, experiences and perspectives regarding workplace safety, safety leadership and practices, as well as the WCB system. This year's topics included preventing serious injuries and fatalities, leadership through change and adapting to change, safety communication, safety self-awareness, mental health and burnout, and the Safe Worker and Safe Employer Awards. Compensation Institute attendees also learned about navigating the Saskatchewan WCB system, including the claims process, employer accounts and prevention of serious injuries.

More information on the WCB's 25th anniversary Compensation Institute event is available online at wcbsask.com and on the WCB's YouTube channel.

Saskatchewan WCB Shares 2022 Results in Annual General Meeting

The Saskatchewan WCB shared its 2022 results at its annual general meeting (AGM), held May 30. The WCB's CEO, Phillip Germain, and members of the WCB's executive team also provided attendees with an overview of the WCB's financial, strategic and operating highlights, including 2022 workplace injuries and fatalities statistics.

The WCB has remained in a fully funded position at 114.8% in 2022, an increase from 107.6% in 2021. The improvement in the funded position is primarily related to the reduction in the benefits liability, based on changing claim cost experience compared to expectations, and changes in actuarial methods and assumptions. This position ensures that the organization has the capacity to cover the future costs of all claims in the system.

"Maintaining a strong funding position is vital to support injured workers in our province through benefits and programs to help restore their abilities," says Germain. "A solid funding position also provides employers with the confidence that their needs will be met, as we strive toward enhancing our efficiencies and customer experience."

In March of this year, WorkSafe Saskatchewan, the partnership between the WCB and the Ministry of Labour Relations and Workplace Safety, launched a new strategy that focuses on two key streams of work that will be undertaken to reduce injuries and fatalities—a regulatory and enforcement stream, and a prevention and learning stream. Building on the success of the initial strategy launched in 2019, the new strategy lays out a direction for working together with stakeholders to address high-risk industries and occupations that are resulting in workplace fatalities and injuries.

"Without question, we must continue to work together to make all workplaces in Saskatchewan safe," says Germain. "Working with our stakeholders—including employers, unions, researchers and associations—the updated Fatalities and Serious Injuries Strategy will guide us in our efforts to bring injury rates down. We will continue to work with our partners to enhance our workers' compensation system and to ensure that every Saskatchewan worker returns home safely at the end of each work day."

For more information on these results, the WCB's 2022 annual report is available online at wcbsask.com.

WASHINGTON

Interest in Washington State Stay at Work Program Gets Significant Boost in Connection With New Ad Campaign

The Washington State Department of Labor & Industries (L&I) embarked on a major paid media campaign over the spring and summer to raise awareness of the agency's Stay at Work program. The successful effort targeting employers, drove up requests for information about the program and resulted in a twenty-fold increase in traffic on the Stay at Work web site.

The program provides incentives and partial wage reimbursements to employers that provide light duty work to their injured workers.

"We have a strong program that provides a major benefit to Washington's employers and workers, but frankly, there are not enough taking advantage of it," said Mike Ratko, L&I assistant director for Insurance Services. "Our challenge was to make sure that small- and medium-sized businesses are aware of the program and how it can help them, so it's top of mind for when they need it."

The major effort included a series of focus groups—including one in Spanish—with small- and medium-size business owners to explore potential messages. The agency used that information to develop and test a handful of ad concepts with employers.

The research pointed to using an animated approach telling the story of how a business used the program to help an injured worker. L&I's internal multimedia team produced the video and digital ads in house, in both English and Spanish. The ads were placed on various media platforms, including digital and social media, TV, radio, as well as a postcard mailing to 17,000 targeted employers.

The animated video made its debut during a Seattle Kraken-Colorado Avalanche National Hockey League playoff game. Planning, development and execution of the campaign took place over a nine-month period.

The impact of the campaign was felt as soon as the advertising hit the airwaves. Previously, the program's webpage had less than 100 page views a day. During the campaign, webpage traffic reached 1,000 to 2,000 views each day.

"The results of this campaign have exceeded our expectations. We've seen a steady increase in employers seeking out information about the program as a direct result of this effort," said Michelle O'Brien, L&I Stay at Work program manager.

"Getting injured at work is traumatic. We want employers and workers to know we have a program that can help them during those tough times."