AASCIFNEWS

SUMMER ISSUE | 2026

WHAT'S INSIDE

AASCIF
American Association of State Compensation Insurance Funds

PRESIDENT'S MESSAGE

When everyone reads this the 2026 AASCIF Annual meeting in Albuquerque, New Mexico will have been held. Thanks to Kellie Mixon and her team for hosting a wonderful conference.

Annual conferences always make me nostalgic. I recall attending my first AASCIF Annual Conference in Kalispell Montana in 1985. I don't remember too many of the details but I do recall the passion that all of the "State Fund" leaders had about keeping workers safe and helping them recover if they were injured. That passion has stuck with me for over 40 years. As many things around us change, the core mission of each of our member companies or agencies has stayed steadfast.

AASCIF members continue to care about our policyholders' employees and keeping them safe and we have so many more tools than we ever have to help achieve that. While the membership has changed, some have moved on, others have changed their structure, we continue to be motivated by a true compassion for the worker. Every committee that AASCIF has supports different aspects of our members' businesses and how to bring the best out of each discipline in support of that basic need to support or policyholders' quest to keep their workers safe and to help them recover if they do get injured on the job.

I have been working professionally 46 years, the last 42 at SFM Mutual. I was the original controller when the Minnesota "State Fund" was founded in 1984. I have seen a lot of trade organizations, professional organizations and various consultants, none provide members the opportunity to learn from professional peers like AASCIF does. Please keep participating on your committees, the annual meeting and other peer group get togethers. You will not regret it!

FEATURES From AASCIF

THE AI JOURNEY WITHIN OUR WORKERS' COMPENSATION COMPANIES

By Ruchir Jaipuriyar – MEMIC. Chris Frassanito – New Mexico Mutual Casualty Company. Alan Ibach – North Dakota WSI and Matt Smith – Texas Mutual

Artificial intelligence is no longer a futuristic concept for workers' compensation carriers and Third-party Administrators; it is reshaping how we manage claims, underwrite risk, and support injured workers. Across our industry, organizations are learning what works, what's not working, and how to build the governance and security needed for sustainable, responsible use of AI.

Why AI, Why Now?

Workers' compensation has always been data rich and process heavy. Insureds balance rising claim complexity, aging workforces, and increasing regulatory scrutiny, all while trying to improve outcomes and contain costs. AI offers a way to do more with the data we already have summarizing, predicting, and flagging patterns at a speed and scale that is hard to maintain by humans.

Importantly, AI is not here to replace humans on all fronts. AI does not have a great record with human judgment. It is best positioned as an assistant that handles repetitive, tedious work so adjusters, nurses, underwriters, and safety professionals can focus on the human side of claims and risk.

What's Working?

Most early wins in workers' compensation come from using AI to automate repetitive tasks and exposing insights that make expert staff more effective and productive. We have a few examples of where AI works well and assists teams throughout the workers' compensation environment.

New Mexico Mutual' Innovation department deployed an AI-powered chatbot across its workers' compensation ecosystem, the goal was straightforward: give policyholders, providers, agents, and injured workers faster access to the information they need 24/7/365. 2025 data shows that the bet is paying off. The chatbot averaged 442 unique users per month and handled over 6,000 sessions across four distinct personas, with engagement peaking mid-year during the renewal and audit season. Providers alone generated nearly 2,300 sessions and over 3,900 automated decision-tree transactions, effectively replacing what would have been thousands of phone calls and emails for claims adjuster lookups, billing due dates, and payment status checks.

The data also reveals that AI adoption is growing at New Mexico Mutual. Policyholders were the most active user group, leaning heavily on both self-service workflows and frequently asked questions (FAQs) for tasks like setting up autopay, checking policy status, and requesting loss run reports. Providers, by contrast, were almost entirely transaction driven and 97% of their interactions were automated workflows rather than FAQs; reflecting the fast paced, high volume nature of claims and billing cycles. Agents showed strong operational dependency on the chat bot for underwriter communication, document retrieval, and policy servicing, while injured workers, though the smallest group, used the chatbot for targeted needs like finding their adjuster, checking payment status, and accessing pharmacy cards.

One of the most tangible wins came from improving escalation handling. Early in the year, policyholders who needed a live representative were expected to navigate to a separate portal and the data showed they simply weren't doing it, resulting in 216 unresolved escalation attempts in the first eight months. After enhancing the chatbot to handle a more contextual framework, that number dropped to just 36 for the remainder of the year, and the user experience became more seamless. On the technical side, the chatbot's backend APIs processed over 41,700 requests with a 71% success rate, with the team actively using invalid request data to refine authentication flows and expand workflow coverage. The failed intent logs where users typed requests the bot couldn't handle have become a roadmap for what to build next, from denial explanation workflows for providers to remittance request handling and expanded billing support.

Along the same front, North Dakota Workforce Safety & Insurance (WSI) launched its chatbot in August 2023, marking a significant step toward enhancing customer engagement through AI. Since its deployment, the team has continued to refine and optimize the chatbot's performance. WSI currently sees an average of 107 to 290 unique chatbot users each month, contributing to more than 6,500 interactions to date. While achieving consistent accuracy has been a challenge, ongoing efforts from WSI team members have steadily improved performance to approximately 80 percent.

In addition, the WSI Legal Team has begun exploring the use of Microsoft Copilot to assist in summarizing medical bill notes. Early testing indicates strong potential, suggesting that AI tools may play an increasingly valuable role in streamlining internal processes.

Smarter Claims Intake and Triage

AI is proving its value at the very front end of the claim classifying incoming documents and extracting key data from First Notice of Loss forms, medical reports, and legal correspondence. Artificial Intelligence is automatically generating concise claim summaries, so adjusters don't have to read dozens or hundreds of pages before acting. It's also routing claims to the right adjuster or nurse based on severity, complexity, and specialized expertise.

MEMIC is modernizing its claims operations through an AI-driven routing capability that matches each incoming claim to the most appropriate adjuster or nurse based on complexity, expertise, and workload. Traditionally, claim assignment has relied on claims managers to manually review each case, assess complexity using individual judgment, and assign it accordingly. While effective, this approach is time consuming, introduces variability, can delay early claim handling, and often leads to uneven workload distribution making it increasingly difficult to scale.

To address these challenges, MEMIC is implementing a data driven model that combines AI based complexity scoring with an intelligent routing engine. Each new claim is automatically evaluated using a model trained on claim characteristics and historical outcomes such as cost and resolution time, producing a standardized complexity classification and recommended assignment profile. This score is then combined with operational data such as handler experience, specialization, workload, and queue levels to determine the most appropriate assignment in near real time. Higher complexity claims are routed to experienced adjusters or specialized nurses, while lower complexity claims are directed to junior or higher capacity resources, ensuring claims are handled at the right level from the start.

The model also aligns handler expertise with claim type, routing specialized or long tail cases to those with relevant experience while assigning standard claims to general adjusters. Workload balancing is a core component, helping distribute assignments more evenly and reducing backlog risk. Business rules and operational constraints including new hire limitations, special handling requirements, and capacity thresholds are built directly into the routing logic. MEMIC is also expanding the model to incorporate availability data, such as PTO and leave schedules, to avoid assigning claims to unavailable staff.

The solution will operate with a human in the loop design. Claims Team Managers will review AI generated scores and recommended assignments and can accept, or override decisions as needed, ensuring flexibility and supporting continuous improvement of the model.

This approach is expected to deliver meaningful business impact. Claim assignments will be faster, with near real time routing eliminating manual bottlenecks. Claims will be more consistently matched to the appropriate level of expertise, improving outcomes and reducing rework. Standardized scoring will reduce subjectivity, while more balanced workloads will help mitigate burnout and improve efficiency. At the same time, the model will enable MEMIC to scale operations more effectively without a proportional increase in staffing.

As with any AI implementation, governance remains a priority. MEMIC will monitor claim distribution and workload balance, maintain human oversight and override capability, and continuously validate and refine the model to ensure alignment with business objectives, operational realities, and legal requirements.

Generative AI for Notes and Communication

Generative AI tools have started to change how companies handle unstructured data. AI Tools can summarize large medical files and adjuster notes into key points and timelines. It's also excellent at drafting routine letters and emails, acknowledgments, status updates, and appointment reminders that staff can quickly review and send.

MEMIC is enabling its workforce to leverage generative AI through Microsoft 365 Copilot to improve how employees capture information and communicate. By making Copilot broadly accessible and embedding it into everyday tools like Outlook, Teams, and Word, MEMIC is equipping employees to more efficiently generate meeting notes, summarize discussions, and draft emails and communications. This initiative is focused on reducing time spent on administrative tasks while improving the clarity and consistency of internal and external communications.

Historically, activities such as documenting meeting notes, summarizing discussions, and drafting follow-up emails have been manual and time-intensive, often leading to variability in quality and missed details. These tasks, while essential, can consume a significant portion of an employee's day and limit time available for higher-value work. MEMIC's approach introduces Copilot as a practical, embedded assistant that helps streamline these activities directly within existing workflows.

Using Copilot, employees can generate meeting summaries and extract key points, decisions, and action items from

conversations, reducing the need for manual note-taking and post-meeting synthesis. The same capability extends to communication, where Copilot assists with drafting emails and refining messaging based on context, tone, and intent. This allows employees to produce clearer, more consistent communications more quickly, while still maintaining ownership and accountability for the final output. These use cases—drafting, summarization, and meeting notes—are explicitly supported as approved applications of AI within MEMIC's enterprise guidelines.

To support responsible adoption, MEMIC has established governance and usage guidelines that define how generative AI tools should be used across the organization. Employees are trained to use Copilot for appropriate productivity scenarios while adhering to data privacy and security policies. Human oversight remains a core principle, with employees responsible for reviewing and validating all AI-generated content before use.

This approach is expected to deliver measurable benefits. Employees can spend less time on routine documentation and communication tasks, while improving the quality and consistency of outputs. Meetings become more actionable with clearer summaries and follow-ups, and communications are more concise and effective. At the same time, the organization benefits from establishing a standardized, governed approach to generative AI that can scale across functions and roles.

How IT is Using AI and Code Development

Information Technology (IT) departments are transforming their operations by integrating Artificial Intelligence (AI) with modern software engineering practices. Rather than relying solely on external vendor platforms, internal IT teams are increasingly leveraging automated code generation, low-code frameworks, and API integrations to develop tailored, in-house solutions.

In addition, IT teams are using AI-driven tools to analyze system errors, accelerating the triage process and enabling faster identification and resolution of issues.

At Texas Mutual, AI is being put to work on one of the industry's most persistent challenges: modernizing aging legacy applications. The organization has launched a focused proof of technology to validate whether vendors can apply advanced agentic AI tools and techniques to application deconstruction, documentation, and refactoring. The goal is straightforward—assess, in a time bound and tightly scoped manner, whether AI enabled capabilities can modernize a single business application and demonstrate a practical path toward a cloud-native target state. Just as important, Texas Mutual is bringing its internal developers into the process for educational purposes, allowing them to observe the methods, tooling, and delivery approach firsthand and build organizational capability for the work ahead.

The application candidates include single-tier Java Enterprise Edition (J2E) applications, in which the user interface, business logic, and data access components are bundled into one large deployment package running on a traditional IBM WebSphere Application Server, a familiar profile for many carriers carrying technical debt. Within this constrained scope, vendors are expected to use advanced AI tooling to deconstruct the source code and document application logic, dependencies, and integrations; recommend appropriate target-state options using AWS cloud-native services and patterns; and apply agentic AI techniques to rebuild or refactor the application so it can run in that recommended target state. The work will leverage Texas Mutual–provided source code repositories, artifact repositories, build and deployment pipelines, and will operate entirely within applicable information security policies and data handling requirements. Comprehensive testing of unit-component, integration, end-to-end, and regression will be also built directly into the build and validation process.

Consistent with the human-in-the-loop principle seen across responsible AI efforts, Texas Mutual's application subject matter experts will remain central throughout. They will validate the deconstructed business logic, scope, and intent, along with risk exceptions, test coverage, test results, security review, data handling, and post-deployment outcomes. Ultimately, one of Texas Mutual's key objectives is to learn how quickly meaningful analysis, deconstruction, modernization planning, and software refactoring can be completed when advanced AI and agentic delivery techniques are applied to a well-defined, constrained application scope.

Adoption and Change Management

Successful organizations invest heavily in communication, training, and co designing tools with the teams who will use them.

While many organizations have made meaningful progress in applying AI across their operations, several common challenges remain as they work to scale adoption and realize consistent value. One of the primary gaps is variability in employee adoption and usage. While tools such as Microsoft 365 Copilot and similar AI assistants are being rolled out broadly, employees are often at different stages of comfort and proficiency, making it difficult to drive consistent, enterprise-wide impact. In many cases, users have access to AI capabilities but have not yet fully embedded them into daily workflows, limiting overall return on investment.

A related challenge is AI literacy and training. Early efforts tend to focus on awareness and compliance, but organizations quickly recognize that this is not sufficient to drive meaningful adoption. Employees need more practical, role-specific guidance on how to apply AI within their day-to-day responsibilities. Without targeted enablement, usage often remains limited to basic productivity tasks rather than scaling into higher-impact business applications, creating a gap between potential and realized value.

Another constraint is the balance between access and governance. Many organizations take a deliberate approach to restrict AI usage to approved platforms in order to ensure data privacy, security, and regulatory compliance. While this provides necessary control, it can also slow experimentation and limit exposure to the broader AI ecosystem. As a result, innovation tends to be more controlled and incremental, which can extend the time needed to identify, validate, and scale new use cases.

Additionally, a significant portion of AI initiatives are still in pilot or early-stage deployment, with limited experience operating at production scale. Moving from experimentation to sustained value requires clear success metrics, operational integration, and defined ownership within the business. Without these elements, organizations may struggle to transition from isolated use cases to enterprise-wide capabilities that deliver measurable outcomes.

Finally, organizations continue to navigate the need for responsible AI practices, including data privacy, transparency, and human oversight. Employees remain accountable for AI-generated outputs, and safeguards are required to prevent misuse or unintended consequences. While these controls are essential, they can introduce issues into the user experience if not carefully balanced with usability and efficiency.

Overall, these challenges reflect a broader industry trend: strong early AI adoption, followed by the need to strengthen training, governance, and operational integration to achieve value at scale.

In Summary

The workers' compensation industry is still in the early stages of its AI journey, but the direction is clear. Across carriers and TPAs, AI is already improving customer service, streamlining claims operations, enhancing communication, and helping employees focus on higher value work. The organizations highlighted in this paper demonstrate that success is not driven by technology alone, it comes from pairing innovation with strong governance, thoughtful change management, and a commitment to keeping people at the center of every process.

As AI capabilities continue to evolve, the greatest opportunities will belong to organizations that approach adoption with both ambition and discipline. Those that invest in training, establish clear guardrails, measure outcomes, and maintain human oversight will be best positioned to realize sustainable value. AI should not be viewed as a replacement for the expertise, empathy, and judgment that define workers' compensation professionals. Rather, it is a powerful tool that can augment human capabilities, reduce administrative burden, and enable better decisions. The journey is far from complete, but the lessons learned so far make one thing evident: responsible AI has the potential to transform workers' compensation, creating a more efficient, responsive, and effective system for employees, employers, and the injured workers.

PREMIUM LEAKAGE: PERSPECTIVES FROM STATE FUNDS AND MUTUAL INSURERS

Premium leakage remains a significant challenge across workers' compensation insurance, occurring when actual exposures differ from those on which premium was originally estimated. Common causes include payroll underreporting, incorrect classifications, unreported subcontractor exposures, operational changes, and reporting errors. While underwriting serves as the first line of defense, premium audit is widely viewed as the final and most important control for validating exposures and ensuring premium accuracy. Perspectives from state funds and mutual insurers across the country reveal common themes of collaboration, technology, education, and customer engagement, while each organization emphasizes unique approaches to reducing leakage. Below are some perspectives from several State Funds and Mutual Insurers across the country.

Chesapeake Employers Insurance Company

Sarah Parker, Director of Premium Audit

Chesapeake Employers views premium audit as both a compliance function and a customer service opportunity. The organization believes that many premium leakage issues arise from misunderstandings involving classifications, subcontractor reporting, officer exclusions, payroll limitations, and operational changes rather than intentional misreporting.

To address these challenges, Chesapeake emphasizes proactive communication and policyholder education to help employers understand their exposures before issues escalate into audit disputes. The company also stresses the importance of cross-functional collaboration among Premium Audit, Underwriting, Claims, Safety, Loss Control, Policy Services, and Information Technology. Sharing information across departments enables earlier identification of classification concerns, operational changes, and reporting discrepancies.

Technology and analytics are becoming increasingly important components of Chesapeake's strategy. Automation, enhanced reporting capabilities, and emerging AI tools help identify accounts with a greater likelihood of exposure discrepancies, allowing auditors to focus on higher-value reviews. While technology improves efficiency, Chesapeake maintains that experienced auditors remain essential for evaluating complex operations and ensuring proper classification of risk. Ultimately, the organization views premium leakage prevention as fundamental to maintaining fairness, rate adequacy, and financial stability.

Hawaii Employers Mutual Insurance Company (HEMIC)

Eric England, Assistant Vice President, Specialty Risk Underwriting & Product Development

HEMIC defines premium leakage as the difference between the premium expected based on understood exposures and the premium ultimately collected based on actual exposures. The organization notes that leakage may result from payroll underreporting, incorrect classifications, unreported subcontractor exposure, operational changes, or other discrepancies, whether intentional or unintentional.

While underwriting serves as the initial checkpoint through analysis of payroll and classification codes, HEMIC emphasizes that premium audit is the primary control for identifying and correcting exposure discrepancies. Strong audit processes, collaboration between underwriting and audit, and the use of advanced software and AI tools are viewed as critical to success.

HEMIC also highlights the important roles played by Claims and Safety. Claims professionals can identify discrepancies by comparing injury descriptions with assigned class codes, while Safety teams provide valuable insight into actual workplace exposures and job functions. These controls support accurate reporting to rating organizations such as NCCI and help ensure experience ratings properly reflect employer risk.

As a mutual insurer, HEMIC believes minimizing premium leakage strengthens financial performance, supports long-term dividend potential for policyholders, and promotes premium equity throughout the workers' compensation system. The organization stresses that premium leakage represents more than simply uncollected premium; it reflects unrecognized exposure that can impact underwriting accuracy, pricing, forecasting, and overall industry integrity.

Missouri Employers Mutual (MEM)

Chris Grassi, Senior Premium Consultation (Audit) Manager

MEM views premium leakage prevention as a strategic objective that extends far beyond the audit process itself. While premium audit serves as the final verification point, the company believes exposure accuracy must be addressed throughout the entire policy lifecycle.

Education and engagement are central to MEM's approach. The organization works closely with policyholders and agents to improve understanding of classification accuracy and the importance of reporting operational changes. Premium Audit also collaborates with Sales through agency events and training programs, positioning auditors as consultative resources during risk evaluation.

Technology and analytics play a key role in supporting classification accuracy, pricing, and audit effectiveness. MEM uses data tools to identify potentially misclassified policies, target higher-risk accounts, and improve auditor efficiency by reducing administrative workload. The company's online audit platform allows policyholders to securely submit audit information electronically, increasing audit capacity and enabling broader review of policies without additional staffing.

MEM also underscores the importance of a strong feedback loop between Premium Audit and Underwriting. Audit findings help improve future classification accuracy and underwriting decisions, allowing root causes of leakage to be addressed earlier in the policy lifecycle. Overall, MEM focuses on building accountability, accuracy, and confidence through education, collaboration, and technology.

Maine Employers Mutual Insurance Company (MEMIC)

Julia Gerrity, Manager of Audit Operations

Comp-As-You-Go (CAYG) and premium audit form the foundation of MEMIC's premium integrity strategy. CAYG provides transparent, real-time payroll reporting throughout the policy term, improving premium accuracy, reducing large audit adjustments, and helping identify potential reporting discrepancies earlier.

Premium audit serves as a critical validation step, confirming classifications, exposures, and payroll accuracy. MEMIC also utilizes a risk-rating methodology to identify the most appropriate audit approach for each policy, allowing resources to be focused where they provide the greatest value.

Together, these processes reduce premium leakage, protect audit integrity, ensure premium accurately reflects risk, and deliver a more predictable, customer-focused experience for policyholders.

Montana State Fund (MSF)

Will Anderson, AVP – Policy Services

Montana State Fund emphasizes the customer experience aspect of premium audit. While reducing premium leakage is important to maintaining financial health, MSF views audit as an opportunity to strengthen trust and demonstrate commitment to Montana employers.

The organization focuses on educating policyholders about how premium is calculated, answering questions, and making the audit process as transparent and collaborative as possible. MSF believes that when employers understand the purpose and value of an audit, they are more likely to engage constructively and provide accurate information.

Its customer-centric philosophy emphasizes proactive communication, responsiveness, and empathy while maintaining technical excellence. MSF believes accurate premium benefits all stakeholders by promoting fairness among employers and protecting the long-term stability of the workers' compensation system. The organization's perspective highlights that premium leakage prevention is not solely a technical exercise but also a relationship-building opportunity.

Ohio Bureau of Workers' Compensation (BWC)

Jeremy Bernard, Director of Premium Audit & Kendra DePaul, Director of Underwriting

Ohio BWC approaches premium leakage through a structured audit strategy driven by historical data analysis and risk prioritization. The organization seeks to maximize review of unique policies each year while concentrating efforts on accounts that present the highest likelihood of reporting errors.

Audit selection is based on factors such as payroll reporting patterns, assigned class codes, industry characteristics, claims activity, payroll service vendor usage, and prior audit history. Ohio BWC targets approximately 12,000–12,500 unique policies annually to improve payroll reporting accuracy and reduce errors associated with class code assignments.

The organization also identified a unique leakage risk associated with its online straight-through processing platform introduced in 2021. Because employers select class codes themselves during the application process, classification errors are common. To mitigate this risk, BWC manually reviews every issued policy to verify the accuracy of class code assignments despite the significant workload involved.

Looking ahead, Ohio BWC believes AI could further enhance both the audit and application processes by improving data analysis, rule application, validation activities, and classification accuracy.

SFM Mutual Insurance Company

Ashley Butcher, Team Business Leader & DeAnne Misgen, Premium Audit Team Leader

SFM focuses heavily on accurate classification at policy inception as a primary defense against premium leakage. Despite increasing automation and rapid quoting processes, underwriters continue to review each submission to verify that descriptions of operations align with assigned class codes before issuance.

The company has observed recurring classification challenges, particularly within construction and healthcare industries, as well as frequent omissions involving companion class codes. Correcting these issues early helps improve underwriting accuracy and reduces audit disputes later.

From an audit perspective, SFM concentrates on areas where leakage is most frequently identified. A major focus involves determining whether workers qualify as independent contractors or employees, particularly in Minnesota where statutory requirements have changed. The company also pays close attention to companion code classifications, housing allowances for agriculture and church operations, and the proper use of clerical (8810) and telecommuter (8871) classifications.

SFM's philosophy is straightforward: striving for technical accuracy naturally leads to the identification and correction of common sources of premium leakage.

Collectively, these organizations demonstrate that premium leakage prevention is not solely an audit function. Rather, it is an enterprise-wide effort that combines underwriting discipline, audit expertise, technology, education, and collaboration across service teams and agencies to ensure premiums accurately reflect risk while maintaining fairness and financial stability throughout the workers' compensation system.

SELECTING THE RIGHT INTELLIGENT DOCUMENT PROCESSING TOOL: OUR JOURNEY FROM STRATEGY TO PROOF OF CONCEPT

By Roberta De Bruijn (New Mexico Mutual)

Intelligent document processing (IDP) uses AI to automatically extract, interpret, and process information from large volumes of structured, semi-structured, and unstructured documents, converting human-readable content into usable business data with minimal manual effort.

IDP is reshaping how organizations manage, extract, and use information from complex documents, and with more than 100 vendors now active in the market, selecting the right IDP solution requires more than comparing features. It requires a clear understanding of business pain points, priority use cases, existing systems, implementation timelines, long-term maintenance expectations, and the measurable outcomes the organization wants to achieve.

Starting with the Business Problem

Our selection process began with the creation of an AI roadmap designed to identify where IDP could deliver the greatest business value. This roadmap helped us understand which use cases were most urgent, which departments would benefit the most, and how IDP could support both near-term operational improvements and future innovation opportunities.

The roadmap included input from the Underwriting, Claims, Premium Audit, Provider Relations, Risk and Safety, Marketing, Human Resources, and Legal departments. Through this work, Claims emerged as the highest-priority area for IDP because of the volume, complexity, and unstructured nature of the documents handled by the department. Many of these documents are lengthy, multi-page medical records containing terminology and data points that must be organized, grouped, and made available for downstream processes.

Identifying Priority Use Cases

Use Case 1: Automated Document Indexing. The top priority use case is the automatic indexing of documents within the enterprise content management system (ECM), including the extraction of key metadata required for filtering, searching, and routing documents more efficiently. Automated document indexing dramatically reduces search times, eliminates manual data entry errors, and helps to ensure regulatory compliance.

Use Case 2: Medical Record Data Extraction for Claims. The second use case focuses on developing and implementing an AI solution to improve the efficiency and accuracy of the workers' compensation claims process. The solution is designed to read medical records and extract critical information such as return-to-work status, Maximum Medical Improvement status, impairment ratings, pain levels, and details related to new injuries. This capability supports better decision-making, improves client service, identifies trends, and helps reduce claim durations and associated costs.

Use Case 3: Provider Outcome Insights. The third use case expands opportunity by using AI to read medical records and claim comments to extract information such as return-to-work data, Maximum Medical Improvement status, impairment ratings, physical therapy visits, prescription details, and new injury indicators. Today, this information is not consistently structured in a way that supports analysis. Capturing it through IDP would create new visibility into provider and vendor outcomes, both within and outside the network.

Evaluating the IDP Market

The market is broad, and IDP solutions vary significantly in how they are packaged, deployed, integrated, and maintained. To develop a broader view of the vendor landscape, we combined industry research with specialist input to evaluate 12 vendors across the following categories:

- Dedicated IDP product providers
- Vendors that offer IDP as part of a broader platform
- Hyperscalers with document intelligence capabilities
- IDP-as-a-service providers
- Solution providers with implementation and integration services

We reviewed vendors from a wide range of backgrounds, including automation, optical character recognition, ECM, cloud services, and newer AI-native platforms. This diversity reinforced the importance of selecting a solution that aligned not only with our immediate indexing needs, but also with our broader AI and digital transformation roadmap.

Among our selection criteria, we prioritized vendors that offered modern AI-native capabilities, strong extraction

performance on complex documents, cloud-based functionality, integration flexibility, reasonable cost, and the potential to achieve strong straight-through processing results for automated document indexing.

Based on this evaluation, we selected INFRRD© for the proof of concept because it is a dedicated IDP provider with a modern, AI-first platform. Its most compelling capabilities

include an intuitive, easy-to-use, human-in-the-loop interface; the ability to extract data from complex, unstructured documents; contextual understanding that supports accurate data extraction; and summarization and consolidation of key fields such as treatment plans and diagnostic findings. It also supports rapid model development and integration with our enterprise applications, and its team showed a strong understanding of our requirements and deep expertise through their live demonstrations.

Creating the Proof of Concept: Early Results and Lessons Learned

Before beginning the proof of concept, we worked with business teams to define success metrics and confirm the outcomes that would determine whether the solution could support our operational and strategic goals.

The proof of concept required significant requirements gathering and close collaboration with the business. During this phase, we built eight AI models for data extraction and classification. The results were impressive and demonstrated that we can build and deploy applications that were previously difficult to imagine. This work reinforces how quickly technology is changing the way business processes can be designed and executed.

One important finding from the proof of concept is that data extracted from medical documents is often multivalued by nature. A single document may contain multiple providers, CPT codes, body parts, dates, treatment references, and other attributes. This has important implications for the design of the target system storing and managing the extracted information. The solution must support these multivalued relationships, so the data can later be used for attribute comparison, change detection, medical timeline creation, provider analysis, and other advanced use cases.

The proof of concept also provided valuable insight into the integration required with the Guidewire Insurance Suite, the ECM, and other related applications. Understanding these integration points early will be critical as we move from proof of concept to production readiness.

Preparing for Production

Following the proof of concept, our next steps include finalizing development, creating additional models, validating integration requirements, and preparing the solution for production deployment.

As we move forward with the replacement of our ECM system, automated indexing, data extraction, and metadata generation will play important roles in improving how claims and medical documents are filtered, searched, and used across the organization.

The upcoming historical migration to the New ECM also presents a significant opportunity. By extracting key data from historical documents during migration, we can create a valuable foundation for future analytics, operational insights, and additional AI-enabled use cases.

Looking Ahead

The IDP proof of concept has confirmed that intelligent automation can unlock meaningful value from complex, unstructured documents. The team must have time to learn and adapt to how the IDP solution functions, both independently and in conjunction with the ECM. As the team gains experience, minor adjustments to the original implementation plan may be necessary. Our willingness to remain flexible, refine our approach, and incorporate what we learn along the way will be critical to the program's long-term success.

As we continue this journey, our focus will remain on aligning technology decisions with business priorities, building scalable capabilities, and creating a foundation that supports both operational efficiency and future innovation.

BEYOND THE EPISODE: HOW AASCIF CARRIERS ARE TURNING PODCASTS INTO BUSINESS STRATEGY

Podcasting is no longer a side experiment for workers' compensation carriers. Across the industry, it is becoming a practical business tool—helping carriers extend expertise, create reusable content, and stay connected with key audiences. That shift is happening as podcast listening becomes a familiar way for professionals to learn and stay informed on their own time.

Podcast Listening Has Gone Mainstream

According to Edison Research's 2025 Infinite Dial, 73% of Americans have now consumed a podcast-roughly 210 million people-and monthly podcast consumption has more than doubled since 2017. For carriers trying to reach business owners, safety professionals, agents, and organizational leaders, that audience is no longer niche; podcast listening is already part of how many professionals consume information.

At the same time, carriers are competing for attention in an environment where policyholders and agents are often overwhelmed by emails, webinars, and traditional communications. Podcasting gives carriers a different kind of touchpoint—one that fits into the workday and reaches people when they have time to listen.

For workers' compensation carriers, the fit is especially strong. The industry must explain complex issues before they become urgent, build trust with policyholders and agents before claims arise, and reinforce safety and workforce knowledge over time. When done well, a podcast provides a recurring way to be useful—not just visible.

The examples that follow show how MEM Mutual Insurance (MEM), MEMIC and SAIF are applying that potential in distinct ways. Together, they illustrate that podcasting's value depends less on the format itself and more on how clearly it is tied to audience, purpose and organizational need. Each approach offers a different model for turning audio into business strategy.

MEM Mutual Insurance (MEM): Building a Scalable Content Engine

MEM entered the podcasting space in 2017, when the format was still gaining momentum across industries. What began as a test of a new marketing channel quickly became a broader content strategy. Today, MEM publishes episodes twice a month for business owners, managers, safety professionals, and organizational leaders, using guest interviews to feature internal and external expertise and reinforce its industry perspective.

MEM's strongest differentiator is how deliberately it uses each episode as a content multiplier. Recordings are transformed into blog posts, social media content, newsletter features, and pull quotes. Transcripts are archived in a long-term content library, allowing the team to revisit past conversations and align them with seasonal topics or emerging needs.

The podcast is fully owned and produced by MEM's marketing team, giving the organization control over topic selection, production quality, and distribution. A mix of internal and external subject matter experts keeps the content credible and varied.

MEM measures engagement through downloads and pageviews, but its value extends beyond those metrics. One additional benefit has been internal education: employees can use episodes to build industry knowledge in an accessible, repeatable format. The variety of guests across industries and geography has enabled MEM to establish partnerships by building a network outside of traditional work comp endorsed services.

Over time, MEM has refined its approach around consistency, topic selection, guest quality, and promotion. The team has also embraced AI-assisted editing tools to improve production efficiency. Looking back, MEM would have increased its publishing frequency earlier, underscoring the importance of momentum in building an audience.

MEM takeaway: MEM's experience shows that a podcast can become more than a show; it can serve as a content infrastructure that supports multiple channels and audiences.

Access MEM's podcast:

https://www.mem-ins.com/podcast

MEMIC: Extending Safety Expertise Through Practical Education

MEMIC's podcast strategy is rooted in a different priority: delivering practical safety education to policyholders and other

external audiences. Launched in 2019 by the Loss Control team, the *Safety Experts Podcast* reinforces workplace safety practices and offers guidance that listeners can apply within their own organizations.

The podcast is closely aligned with MEMIC's mission of preventing workplace injuries and promoting safety leadership. Its audience includes safety professionals, risk managers, supervisors, policyholders, and agents. Episodes focus on timely, actionable topics, including seasonal risks, emerging issues, and specific tools or strategies employers can use.

MEMIC uses a flexible format that includes expert interviews, solo episodes, and occasional roundtable discussions. This variety allows the team to match the format to the topic while keeping the content practical and engaging. Shorter solo episodes, often 20 to 30 minutes, are especially effective for focused safety education.

Like MEM, MEMIC integrates podcast content into a broader content strategy. Episodes support blogs, webinars, training sessions, educational materials, and internal or external communications, helping reinforce key messages across multiple channels.

The podcast is produced in-house, including recording, editing, and distribution. That model provides quality control but also requires disciplined processes around guest preparation, scheduling, audio quality, and production time. To support consistency, MEMIC uses pre-recording discovery calls and clearer guest guidelines.

MEMIC tracks downloads and engagement, but it also sees the podcast as a relationship-building tool. The show has created networking opportunities with industry experts, some of whom now proactively seek to participate. Looking ahead, MEMIC is exploring short-form training content, AI-assisted editing, and new recording platforms to improve efficiency while maintaining quality.

MEMIC takeaway: MEMIC's experience shows how podcasting can expand specialized expertise beyond a single training session or policyholder interaction.

Access MEMIC's Safety Experts Podcast:

https://www.memic.com/podcast

SAIF: Strengthening Internal Connection Through Storytelling

SAIF's podcast strategy shows how audio can support internal communication and employee learning. Unlike MEM and MEMIC, which primarily serve external audiences, SAIF uses podcasting to help employees better understand the organization, the workers' compensation system, and the roles of colleagues across the company.

Its current podcast, *Unlocking SAIF*, is about one year old and represents the latest evolution of SAIF's internal audio programming. Designed for employees, the podcast helps demystify workers' compensation and provides listeners with greater visibility into the company's operations.

In a hybrid and largely remote environment, SAIF needed a communication channel that felt more personal than traditional internal updates. Each episode features a host and two guests from different roles, giving employees multiple perspectives on a topic and showing how different functions contribute to the organization's mission.

SAIF measures success through listens and playback completion rates, with a focus on depth of engagement rather than reach alone. High completion rates suggest that employees are not only starting episodes but finding enough value to stay with them.

The podcast has helped employees, especially new hires and remote workers, better understand areas outside their immediate roles. Key lessons include involving guests early in the planning process, managing scheduling challenges, and recognizing that audio can be more efficient and accessible than video when production demands are a concern.

SAIF takeaway: SAIF's model demonstrates that podcasting can also strengthen internal alignment by helping employees understand how their work connects to the broader system.

Together, these examples point to a broader shift: podcasting works best when it is connected to a larger communication, education, or content strategy. The strongest programs use audio to make expertise more accessible, deepen audience relationships, and extend the value of conversations beyond the episode itself. The model may differ by carrier, but the foundation is the same: a clear audience, a clear purpose, and a sustainable plan to deliver value over time.

Key Trends Shaping Podcasting in Workers' Compensation

While each carrier's podcast strategy is distinct, several common themes are emerging across workers' compensation:

1. Podcasting is Expanding Beyond Marketing

What began as a marketing experiment for some carriers is increasingly used for training, internal communication, employee learning, and policyholder education. That

evolution reflects a broader shift: podcasting is no longer just a promotional channel but a strategic platform for building trust, sharing expertise, and sustaining engagement over time.

2. Content Repurposing Maximizes Value

The strongest programs treat each episode as the starting point for a broader content ecosystem. When conversations are repurposed as articles, social posts, newsletters, training materials, or internal resources, carriers extend the life of the content and increase the return on the effort required to produce it.

3. Audience-Centric Design is Critical

Successful podcasts are built on a clear understanding of the audience and the value the content should deliver. Whether the target audience is policyholders, agents, safety professionals, or employees, the most effective programs tailor topics, formats and distribution strategies to the audience's needs—and continue refining them based on feedback and engagement data.

4. Operational Discipline Drives Sustainability

Podcasting can feel conversational and informal to the listener, but sustainable programs depend on disciplined execution behind the scenes. Consistent publishing cadences, clear guest preparation, reliable production workflows, and defined promotional plans help ensure the channel remains manageable and valuable over time.

5. Innovation Continues—But Thoughtfully

Carriers are exploring AI-assisted editing, shorter content formats, new recording platforms, and additional distribution channels. The common thread is intentionality: innovation is most valuable when it improves efficiency, expands access, or enhances the audience's experience without compromising quality.

6. Measurement is Moving Beyond Downloads

As podcasting becomes more strategic, carriers are still working through how to measure its impact. Downloads, pageviews, and completion rates remain useful signals, but they do not fully show whether a podcast is supporting policyholder retention, deepening agent engagement, building employee knowledge, or prompting audience action. The next stage of measurement is about connecting content to outcomes: how audiences think, learn, engage, and act. The carriers best positioned to lead will be those that build feedback loops showing whether their podcasts strengthen relationships, support learning, and advance broader business goals.

In practice, those feedback loops may be simple at first. A marketing team might ask agents which episodes help them explain topics to clients. A safety team might track which episodes generate follow-up questions from policyholders. An internal communications team might monitor whether employees revisit certain episodes during onboarding or training. None of these signals replace traditional analytics, but together they can show whether the podcast is becoming part of how the organization teaches, supports, and connects with its audiences.

That is why the most important questions in podcast planning are strategic rather than technical. Equipment, platforms, and editing workflows matter, but they should follow a clear understanding of audience, purpose, sustainability, and impact.

Questions for Carriers Considering or Refining a Podcast

- Who is the audience, and what do they need to understand or do differently?
- What organizational goal will the podcast support?
- How will each episode be reused across other channels?
- What workflow is needed to sustain production?
- What signals will show whether the podcast is changing knowledge, behavior, or relationships?

The Bottom Line: A Voice That Extends Beyond the Episode

The question for carriers is no longer whether podcasting belongs in the communication mix. It is how intentionally they will use it: what expertise they will elevate, which audiences they still need to reach, and what conversations can help move those audiences from awareness to action.

For workers' compensation carriers, the potential is especially meaningful because the work is rooted in service, education, prevention, and trust. Podcasting gives carriers another way to bring those values forward—not through a one-time campaign, but through an ongoing conversation that can meet audiences where they are. When connected to a clear strategy,

each episode can do more than share information; it can extend expertise, reinforce relationships, and help important ideas spread more widely across people and organizations.

That requires carriers to think not only about what they publish, but also about what they want their audiences to understand, trust, remember, and do differently as a result.

The next phase of podcasting will belong to carriers that build for impact—not just reach.

WHAT YOU SHOULD BE ASKING YOUR PORTFOLIO MANAGER

By Alton Cogert (President & CEO) & Lucy Rimsky (Director), Strategic Asset Alliance

While the structure of the investment program differs across State Funds, most State Funds utilize a third-party portfolio manager (or multiple managers) in some capacity; either to manage their entire portfolio or certain asset classes. It is important for State Funds to delegate, and not abdicate, investment management responsibilities, which requires proper oversight and understanding of how their appointed manager(s) is making decisions and implementing them. This is especially prudent for Board/Committee members given the fluid nature of member tenure and dynamics, as well as the challenges that come with maintaining a consistent, successful investment program.

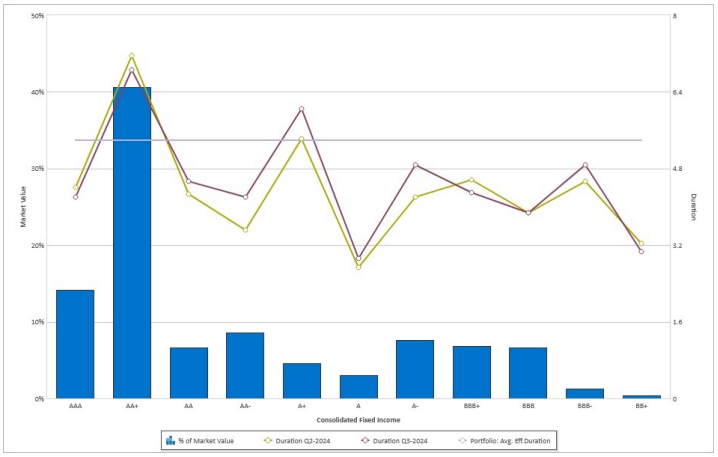
Asking an investment manager the right questions is crucial to this process and responsibility. It may seem simple on the surface, but knowing what questions to ask (and when) can be difficult to do.

From a strategic perspective, State Funds should strive to learn about their manager's perspective on the decisions they make and why they make them. Additionally, State Funds are all too familiar with the monthly or quarter report provided by their manager, which often times is filled with reports and charts that can be difficult to decipher or internalize conceptually.

Here are 8 key questions to ask your investment manager; these questions aren't designed to be the only questions a State Fund would ask its investment manager. However, they help staff and Boards/Committees better understand their manager's process, as well as the overall investment program.

Questions to Ask When Reviewing Investment Reports

1. **Credit Duration: Are you combining credit and interest rate risk within a given credit rating? If so, why is this the case? Have you considered the risks inherent with that strategy and are we being compensated for taking that risk?**



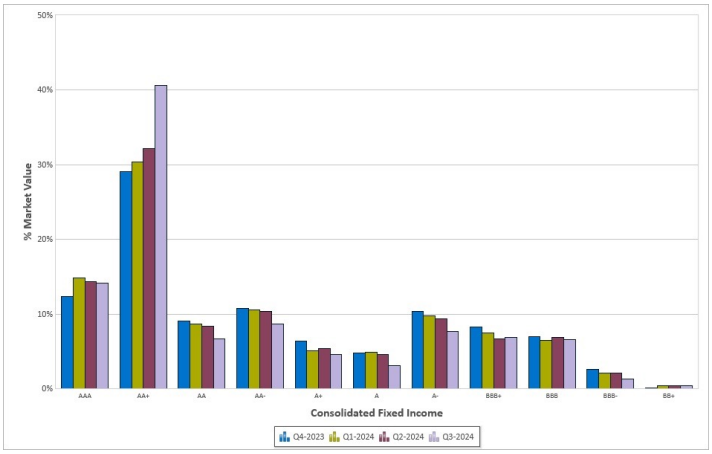
How to Read this Chart: *Each vertical bar displays the amount invested in each credit rating. The horizontal line indicates the average portfolio duration. The other line graphs correspond with the duration within a given credit rating.*

Credit Duration analysis is a common report provided to State Funds, given most fund portfolios will be primarily allocated towards investment-grade fixed income bonds. This report combines credit risk and interest rate risk *(aka duration).* A bond's duration gauges how its price may fluctuate due to interest rate changes.

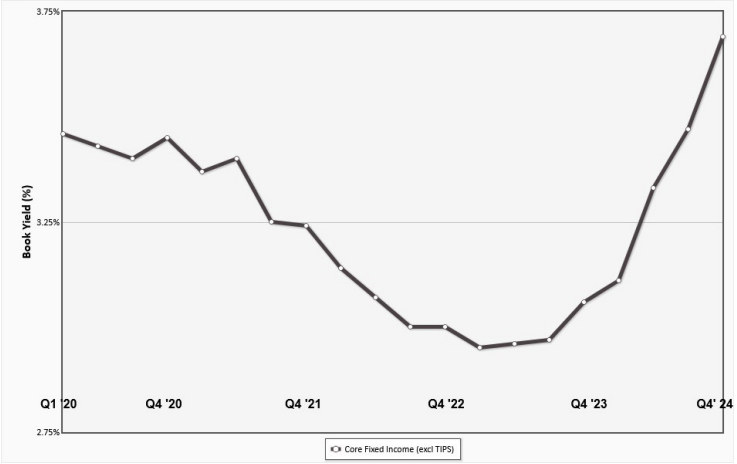
Credit rating agencies provide the same rating for a given issuer, irrespective of how long it takes a bond to reach maturity. For example, an issuers' two-year bond is given the same credit rating as its ten-year bond, even though predicting the likelihood of repayment becomes more difficult when looking over longer time spans.

Ideally, the duration for any given credit rating will not vary much from the portfolio's overall duration. However, if duration increases as credit risk increases (shown through an upward sloping line), it can be a sign for problems to come as it relates to the value of the bond portfolio. In addition to identifying potential issues, asking your manager these questions can also help leadership better understand the fixed income portfolio from a risk management and governance perspective.

2. **Credit Rating: Are we being compensated for the portfolio credit risk we are taking? Why? Is the portfolio's credit exposure trending in any material direction?**



3. **Book Yield Trending: Assuming there's little or no change in interest rates, how do you expect this chart will look in two or three years?**



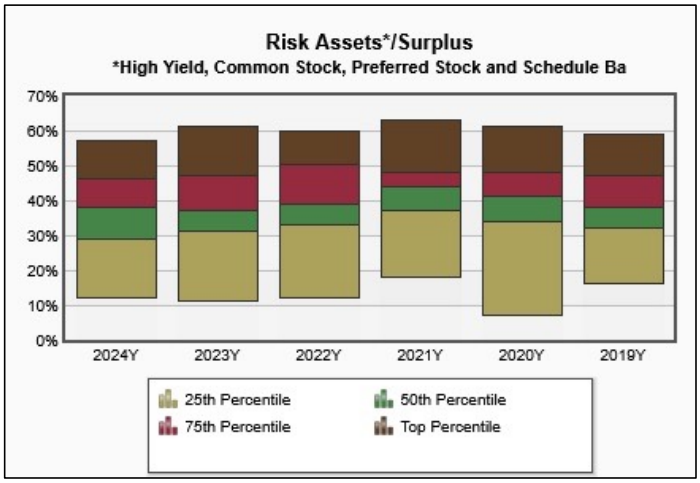
Credit Rating reports come in many iterations, but perhaps the most common iteration that State Funds receive is a "Credit Rating Detail' report, which highlights the percentage of the fixed income portfolio that is invested in any given detailed credit rating (over multiple quarters).

In most instances, a State Fund's investment policy will explicitly state how the portfolio should be allocated towards to certain credit sectors. For example, *"…between 50-75% in AA-rated bonds."* By asking questions focused on risk exposure, your portfolio manager should be able to clearly explain and identify how it adheres to the investment policy, along with how they are able to apply an appropriate risk/reward proposition while working within those stated limits. These questions also help leadership become well-versed with other aspects of their investment policy, such as allocation limits, risk management policies, and portfolio objectives.

Book Yield is a key metric for any State Fund's performance report, given the heavy allocation towards investment-grade fixed income. Book Yield shows the expected return over a fixed income security's expected life based on its cost. It incorporates both coupon income and accretion or amortization of premiums or discounts. Furthermore, when book yield is multiplied by book value, it represents a close approximation of the actual income a State Fund can expect to earn over the near term.

Asking your manager where they see your fixed income portfolio's book yield trending over a multi-year period can help explain how and why they've structured the portfolio the way they have. By also asking them to provide a forward-looking perspective or outlook, this discussion can often offer a clearer understanding of the manager's ability to align their investment knowledge with the State Fund's financial position. They may also share their expectations of the investment landscape over the near term, which can help the fund's leadership anticipate shifts in the portfolio or the markets more generally.

4. **Risk Assets to Surplus: Has the potential 'worst case' scenario impact to our surplus changed since our current risk asset allocation was first implemented?**



By design, State Fund portfolios are never fully diversified; allocating most of the portfolio towards investment-grade fixed income to account for policy holder obligations, reserves and sufficient risk capital. Risk assets, which are any investment outside of investment-grade fixed income, provide greater potential yields, but with greater risk of loss and/or return volatility.

A strong surplus position may allow funds to take on additional risk. In turn, increasing the amount of risk assets relative to surplus should correspond with an increase in expected return. However, leveraging too much risk relative to your surplus that is not properly compensated can be detrimental to your investment portfolio

Your surplus has many demands: underwriting, reserving, risk management, state regulations, etc.; investments are just one component as it relates to how your surplus can be utilized in your organization's best interest. Asking your manager how potential impacts might have changed can often generate key discussions about the firm's objectives and flag potential warning signs ahead of time. This is especially important as a Board/Committee's risk tolerance must always be taken into account; if leadership is not comfortable with the amount of risk or negative impacts seen in the portfolio, then immediate action must be taken.

Questions That Are (Usually) Never Asked

Often times, after a meeting has concluded, the questions that staff and Board/Committee didn't know to ask end up being what they think about most.

"Did I ask the right questions?"

In our experience, these four questions are highly effective in better understanding your manager's perspective, but they often go 'unasked.'

5. **Why don't we realize some losses on an investment and reinvest at better yields?**

   Broadly speaking, State Funds will have most of their portfolio invested in bonds that are highly unlikely to default *(i.e. U.S. Treasuries and Agencies, Government guaranteed mortgage-backed securities, etc.).* If a State Fund were to realize losses on an investment, it would make that loss permanent, even though the loss in value was (likely) temporary. So, it's easy to say, "don't realize any losses" and move on to the next item on the agenda.

   However, there are times when realizing losses can provide an opportunity for better yields, which means more investment income and a recoup of realized losses *(potentially).*

   Managers call the period of time it takes to make up a realized loss, the 'breakeven period.' It's a simple concept, and one that allows a State Fund the option of considering the tradeoffs between realized losses and more investment income. However, it should be made certain that this 'breakeven period' is a very short period of time and all parties consider how it will impact financial results.

6. **What are other State Funds (or similar organizations) doing?**

   Some managers may have a better advantage than others at answering this question, based on their experience with managing State Fund and/or insurance assets. In any event, this question can help leadership stay in tune with what peers are doing and also provides insight into how well your manager understands the insurance/workers compensation space. Discussions that result from this question can help identify if managers are providing a custom, nuanced response or providing a 'one-size-fits-all' approach.

7. **What would you ask if you were in our shoes?**

   After hearing a client ask their manager this question several years ago, this question has become a favorite of ours to share with others. This question can prove to be meaningful, because investment managers will have to combine/contextualize their investment expertise with their understanding of a State Fund's goals, operations, staffing, governance, etc.

   Unfortunately, all too often, someone who is asked this question will merely parrot back what they had been saying

was important all along. However, by asking them "why" they said what they said, staff and Board/Committee members may find a rather interesting idea at the core of their initial response. This can be time-consuming conversation, but it can also be enlightening.

8. **How do you compare to other managers (quantitatively and qualitatively)?**

   Insurers of all types, whether State Funds, captives, etc., compare themselves to similar peers to identify opportunities for improvement. However, this practice doesn't get applied to their investment managers as often as it should.

   This is both an easy and difficult question for any manager to answer.

   Easy, because qualitative data can be properly presented by investment managers to show how their performance is similar to or exceeds similar firms in the space. Of course, there is always the issue of comparing performance from one account to another due to differing constraints and mandates, but advancements in technology and access have made meaningful data readily available.

   Difficult, because comparing investment management firms is much more complex than only looking at performance. There are numerous quantitative and qualitative factors that should be considered. For example, what level of risk is our investment manager taking on and is the reward worth the risk? How does a firm decide when to buy or sell a security? Generally, the traits that are most useful for State Funds to compare include organizational background, investment team, experience managing insurance assets, investment process and performance (including attribution). How a firm compares in these qualities can provide a clearer picture of the manager's approach and how it aligns with the State Fund's mission.

Asking these questions, when appropriate, can lead to meaningful reviews and meetings with your investment manager. While simple, asking the right questions can make discussions much more robust, which is key in supporting your leadership's ability to properly fulfill its investment duties to the fund.

Important Disclosures:

- *The information provided is impersonal and not take into account the individual circumstances of the recipient.*
- *Investment Adviser does not offer specific investment recommendations to the reviewer of this presentation, which is general in nature and should not be considered a comprehensive review or analysis of the topics discussed.*
- *Despite efforts to be accurate and current, this presentation may contain out-of-date information; Investment Adviser will not be under an obligation to advise the reviewer of any subsequent changes related to the topics discussed during this presentation.*
- *This presentation should not be considered a comprehensive review or analysis of the topics discussed during the presentation.*
- *All investment strategies have the potential for loss. Investing involves risk including complete loss of principal amount invested. Investment Adviser offers no guarantees or promises of success.*
- *A reviewer should not make personal financial, or investment decisions based solely upon this presentation.*
- *This information is not a substitute for or the same as a consultation with an investment adviser in a one-on-one context whereby all the facts of the reviewer's situation can be considered in its entirety, and the investment adviser can provide individualized investment advice or a customized financial plan.*

SFM CEO MILLER TO RETIRE, APONTE NAMED PRESIDENT-ELECT

After more than 40 years with the company, SFM President and CEO Terry Miller will retire at the beginning of 2027.

Miller, one of SFM's original employees, has shepherded the company's growth, helped lead the expansion of SFM's operations and has long been recognized as a leader in the workers' compensation insurance industry.

"I'm proud of what we have accomplished during my time at SFM. We've grown from an organization of eight employees into a company with more than $1 billion in assets," Miller said. "Our commitment to service excellence has propelled our success over the years, and I'm grateful to be part of a company that values doing the right thing by all of our stakeholders."

Miller, who took over as CEO in 2018, was also part of the group that ushered in SFM's strategic business units — interdisciplinary groups rather than siloed departments, which has helped the company better serve its customers. He has been at the forefront of SFM's commitment to technological enhancements, and consistently focused on customer retention and providing better care for injured workers.

"I've always led with, 'Do the next right thing and the results will follow.' I'm a firm believer in that. Every job is important," he said. "It's incredible to see how far SFM has come over the years, and I'm thankful for all the people I've worked with and the experiences I've had here."

SFM's Next President

As Miller has prepared for retirement, SFM and its Board of Directors engaged in long-range planning to identify his successor. In September 2025, Amanda Aponte (formerly SFM's Chief Financial Officer) was promoted to Executive Vice President, setting the stage for her to gradually take on Miller's responsibilities and succeed him as President and CEO.

SFM's Board of Directors in June named Aponte President-elect, a role she will hold until Miller's departure in January 2027, when she will formally take over as the company's President and CEO.

Aponte's journey with SFM began in 2007 as an actuarial intern. Over the years, she rose through the ranks as Actuary, Director of Analytics, Chief Risk Officer and CFO. Her fingerprints are on nearly every financial milestone the company has achieved — from enterprise risk management and reserving strategy to investment diversification and business intelligence.

"I'm honored to step into this position," Aponte said. "While my background is in analytics, my passion is leading people with kindness and empathy. I'm excited to help guide our teams through staffing and technological evolution as we strengthen our reputation as *The Work Comp Experts.*"

She called SFM "mission driven."

"We have a safety-first mindset and we're there for employers and their workers when injuries happen," Aponte said. "We strive to have the right employees that believe in and support that mission, individuals who have the highest service standards and principles. SFM continues to seek policyholders that embrace our expertise, and we will be around to fulfil the long-term promises we make."

For his part, Miller lauded Aponte's financial acumen and vision for SFM, and fully expects her to build on the company's steady growth and success.

"We're proud of Amanda's accomplishments, and I have the utmost confidence in her ability to lead our company and take SFM to new heights," he said.

Miller's last day with SFM is set for Jan. 8, 2027.

New CFO

As part of Aponte's transition to President-elect, Ben Sorensen has been promoted to Chief Financial Officer.

Sorensen, who has been with SFM for nearly four years, has spent his entire career in the insurance industry. Previously the company's Corporate Controller, he oversaw SFM's Finance team.

"I'm excited for the challenge and to continue engaging with our external partners and teams across the company in support of SFM's continued success," said Sorensen, who has a degree in finance and economics from the University of Minnesota's Carlson School of Management. "I'm looking forward to ensuring that the company's financial position continues to promote sustainable, profitable growth, which in turn supports SFM's mission and our ability to take care of all of our stakeholders."

Aponte said she was excited about Sorensen taking on the CFO position.

"Ben brings deep experience in financial planning and analysis, along with a strong focus on learning and growth," she said. "His curiosity and collaborative mindset will further strengthen alignment between our Finance and Analytics teams as they partner to deliver data-driven insights and solutions that move the business forward."

About SFM

SFM, headquartered in Bloomington, Minn., is a customer-owned mutual insurance company providing employers with workers' compensation coverage across 34 states. SFM offers workers' compensation insurance solutions for employers of all sizes, including claims and disability management, cost containment, legal assistance and third-party administration. For more information, visit sfmic.com

AROUND AASCIF

MAINE

The MEMIC Group Names Heather Gagnon as Vice President of Finance and Assistant Treasurer

Heather Gagnon has been named Vice President of Finance, Assistant Treasurer, a newly established role created to help oversee financial accounting and reporting, financial operations, and financial planning for The MEMIC Group.

"We are thrilled to have Heather join the team," said Eileen Fongemie, Senior Vice President, Chief Financial Officer and Treasurer. "Her years of insurance and leadership experience will enhance and strengthen our growing organization."

Read the full press release here.

The MEMIC Group Honors Dead River Company and Melissa Skahan for Excellence in Worker Safety and Workforce Partnership

Dead River Company and Melissa Skahan were honored at MEMIC's Annual Meeting of Policyholders on June 8 in Portland, Maine, for their commitment to worker safety and workforce partnership.

Dead River Company, a leading energy provider serving Maine and the Northeast, received MEMIC's top honor for Excellence in Worker Safety and Employee Care. Melissa Skahan, Vice President of Mission Integration at Northern Light Mercy, received the Excellence in Workforce Partnership Award for her leadership in developing and advancing the +MPOWER Program.

Read the full press release here.

NEW MEXICO

New Mexico Mutual Celebrates 7th Consecutive Top Workplaces Win

New Mexico Mutual has won Albuquerque Journal's Top Workplaces award for the 7th year in a row. 120 employees were invited to take the Energage survey and 91 employees responded (76%). The company achieved an overall workplace experience score of 91%, which is 9% above industry benchmark.

Survey feedback is reviewed by department leaders, and they work internally to address all responses, which has only helped increase the score year after year. In 2024, the overall workplace experience score was 83%. Employees provided positive responses for the following statements:

- "I feel well-informed about important decisions at New Mexico Mutual."
- "I have frequent opportunities to learn and grow at New Mexico Mutual."
- "I am very satisfied with my benefits package."
- "New Mexico Mutual motivates me to give my very best at work."

In addition to the Likert scale for each survey statement, employees also have the option to provide their own comments in response to every statement. The volume of individualized feedback we receive demonstrates the high level of trust and engagement employees feel in providing their personal views. Employees have seen this feedback translated into many engagement initiatives over the last several years.

One recent example is the development and launch of our company intranet, Mutual Connect, in 2025. As of June 2026, the adoption rate of Mutual Connect totaled 96.3% which is 11% over benchmark, 62% of employees were highly engaged within the platform, and content views totaled over 79,000 in just the first year. Because Mutual Connect has become the one-stop source for company communications, department information, a company calendar, and more, employees are feeling more informed and connected than ever before.

New Mexico Mutual Introduces SafetyNow – New Safety Training Resource Platform

New Mexico Mutual has partnered with SafetyNow to provide new safety training resources to our policyholders. Policyholders can access SafetyNow via SSO (single-sign-on) through our website portal and have access to:

- Ready-to-use safety meeting and toolbox talk materials
- Training videos and facilitator resources
- Content designed to support ongoing workplace safety and compliance efforts
- Subscription-based online employee training courses

New Mexico Mutual begin working with SafetyNow in April 2026 to implement the new portal to provide modern workplace safety training and compliance programs. SafetyNow offers over 6,000 online compliance training courses; OSHA training and compliance, WHMIS and hazard communication, Lockout Tagout, fall protection, AED and emergency response, heat and cold stress, ergonomics, and more. Training managers can assign courses, track progress, and pull reports for employees who are assigned specific training within the portal. Workers stay engaged with powerful storytelling and interactive activities and can access the platform from any device. New Mexico Mutual is excited to offer this new platform to our policyholders to assist with workplace safety at a greater capacity!

NORTH DAKOTA

2026-27 WSI Premium Rates and Dividend Credit

Workforce Safety & Insurance (WSI) is pleased to announce the 2026-27 premium rates and a 50% dividend credit for eligible policyholders. These updates reflect WSI's continued commitment to financial strength, responsible stewardship, and long-term value for North Dakota employers.

Dividend Credit

For the eleventh consecutive year, eligible policyholders will receive a 50% dividend credit.

Favorable investment performance has strengthened WSI's fund surplus, allowing a portion of that surplus to be returned to North Dakota businesses. The estimated dividend for the 2026-27 policy year is $91 million, bringing the total dividends returned to North Dakota employers over the past 22 years to nearly $2 billion.

The dividend reflects WSI's ongoing commitment to maintaining a strong financial position while returning value to employers when financial conditions allow.

Premium Rates

WSI also approved premium rates for the 2026-27 policy year with a statewide average rate reduction of 1.8%. The rate reduction combined with the increase in the payroll wage cap, from $45,100 in the 2025-26 reporting period to $46,600, will result in a modest statewide average premium increase of 0.16%.

Premium rate changes vary by industry groups based on a group's claims experience. Industry sector impacts include:

- Goods and services: -5.5%
- Petroleum: -1.6%
- Manufacturing: -1.2%
- Contracting: +0.6%

After more than a decade of consecutive workers' compensation premium reductions, this year's modest change reflects broader trends across the insurance industry, including rising expense ratios and continued medical cost inflation.

Together, the dividend credit and premium rate adjustments reflect WSI's balanced approach to financial strength, disciplined underwriting, operational efficiency, and long-term sustainability, while continuing to deliver value and exceptional service to North Dakota employers.

Get Home Safe Day 2026: North Dakota Elevates Safety Through Statewide Engagement

North Dakota Workforce Safety & Insurance (WSI) hosted its third annual Get Home Safe Day on June 1, 2026: a growing statewide event designed to spotlight the importance of bringing safety into everyday life. The morning gathering brought public agencies, industry partners, and community leaders together at the North Dakota Heritage Center for a shared focus on reducing injuries and strengthening safety cultures.

The event opened with networking and a press conference, followed by an educational session and a panel discussion led by WSI Director Art Thompson. Speakers underscored that safety is more than compliance, it's a value practiced '24/7, at work, play, and home.'

A hallmark of this year's program was its interactive learning environment. Attendees explored hands-on demonstrations featuring impairment-simulation tools, VR-based safety inspections, drone imaging technologies, and fire extinguisher training - showcasing practical approaches to preventing workplace injuries across industries.

What began as a single press conference has evolved into a signature event anchoring the broader Get Home Safe North Dakota initiative. Led by WSI, the effort promotes simple, accessible safety practices that protect workers, families, and communities statewide.

OREGON

Ian Williams is SAIF's interim president and CEO

SAIF's board has named Ian Williams as its interim president and CEO.

Williams assumed the role on April 13, succeeding current president and CEO Chip Terhune as he moved on to a new professional opportunity outside of SAIF.

"Ian has brought strong and thoughtful leadership to SAIF, is deeply engaged in our day to day operations and comes to this position with decades of executive experience. We have the utmost confidence in Ian and his ability to lead SAIF in this period of change," said Tammy Baney, board chair.

Williams joined the SAIF leadership team in 2019 as SAIF's vice president of human resources and became SAIF's chief operating officer in 2021.

SAIF will conduct a nationwide search for a permanent president and CEO.

"In the meantime, the board, leadership team, and employees remain focused and committed to serving Oregon's employers and workers," said Baney.

SAIF wins first place in the Healthiest Employers awards

SAIF was recognized as one of Oregon's Healthiest Employers—earning first place in the 500–1,499 employee category in the Portland Business Journal's awards. This marks SAIF's 16th consecutive year placing in the top three.

The Healthiest Employers program looks at more than just benefits—it takes a comprehensive view of how organizations support the health and well-being of their workforce. Employers are evaluated across several areas, including culture and leadership commitment to well-being, programs and benefits, employee engagement and participation, and communication and accessibility of programs.

Tips for managing wildfire smoke exposure

As Oregon faces several wildfires across the state, SAIF released details on how businesses can prepare for the risk of wildfire smoke impacting air quality. SAIF promoted the safety tips on the *Portland Business Journal* and Portland City Cast podcast. In addition, SAIF released a series of short videos and slideshows on social media.

SAIF has more tips for preparing businesses—before, during, and after wildfire season—at saif.com/prepare.

WASHINGTON

New WA state law's 'medically appropriate' provision now in place

A provision of new legislation, which aims to expand access to medical treatment for injured workers, took effect on June 11, 2026.

Under Engrossed Second Substitute Senate Bill (E2SSB) 5847, medical treatment that does not completely align with L&I medical treatment guidelines, L&I coverage decisions, or established national treatment guidelines may be approved if the procedure is deemed to be medically appropriate for an individual worker based on that worker's particular circumstances.

The new legislation was passed by the Legislature as part of the 2025-26 session.

E2SSB 5847 added language that highlights the medical appropriateness of health care under Washington workers' compensation Title 51. It added a new section stating the legislative intent to increase access to medical treatment in workers compensation and says "network providers must, *when medically appropriate*, follow the department's evidence-based coverage decisions and treatment guidelines."

The Washington workers' compensation system has long prioritized the safety, effectiveness, and medical appropriateness of all health care provided to injured workers.

This legislative change recognizes that treatment decisions should be grounded in evidence-based coverage decisions and guidelines. It also prioritizes individualized review so workers receive care that is medically appropriate – defined as evidence-based, safe and effective, and appropriate for a person's individual circumstances.

This new legislation aligns well with L&I's goal to promote recovery and return to work for each and every worker seeking medical care under Washington workers' compensation.