



WHAT'S INSIDE

1 PRESIDENT'S MESSAGE

2 FEATURES FROM AASCIF

- 2 The Value of Governance and Accountability in Enterprise Risk Management: How Far Do We Take It?
- 3 Utilizing Monte Carlo Simulations in Economic Capital Modeling: Enhancing Capital Modeling Sophistication with Stochastic Modeling Tools
- 6 Pay Transparency
- 8 Safeguarding Worker's Compensation Data in a Dangerous Digital World
- 12 State Funds Services: For Us, By Us

16 AROUND AASCIF

- 16 Louisiana
- 17 Maryland
- 18 Minnesota
- 19 Missouri
- 19 North Dakota
- 20 Oregon
- 21 Saskatchewan
- 22 Washington

PRESIDENT'S MESSAGE

Best wishes for a safe and healthy 2025 to all AASCIF members, partners and associates.

I want to start by acknowledging the great job that Vern Steiner performed in his two-year term as AASCIF president. Vern has a knack for thinking both strategically and tactically and communicating his vision to all of us in the AASCIF cohort. I appreciate his leadership and look forward to filling his large shoes going forward.



As Vern mentioned in his last letter of 2024, my own connection with AASCIF dates back 40 years. It is my belief and conviction that AASCIF is the best thing going when it comes to bringing workers' compensation professionals and topical experts together to learn from one another. Over the years, I've come to rely on AASCIF for the latest and greatest (which might not be the latest) ways to provide top-notch service to our policyholders and their employees.

During my long connection to AASCIF, I've seen state funds come and go, and some companies have changed their organizational structure. While most of the people I first met in 1984 are no longer associated with AASCIF, the value of the organization remains very high to me. The connections made between AASCIF peers continue to flourish, resulting in each of our firms providing a better workers' compensation insurance product. Based on the high demand for committee slots, this belief is shared throughout the AASCIF community.

If you haven't made plans yet to participate in the 2025 Annual Meeting to be held October 15–19 in New Orleans, I would encourage you to do so.

Here's to a successful 2025!

Very truly yours,

Terry Miller
President & CEO
SFM Mutual Insurance Company (Minnesota)

FEATURES From AASCIF

THE VALUE OF GOVERNANCE AND ACCOUNTABILITY IN ENTERPRISE RISK MANAGEMENT: HOW FAR DO WE TAKE IT?

By: Deneen Richard, AVP, Chief Internal Auditor—LWCC

Submitted by the AASCIF ERM Committee

In today's complex business environment, effective enterprise risk management (ERM) is key for organizations to navigate unpredictable events or issues and achieve their strategic objectives. Crucial to ERM are the principles of governance and accountability, which ensure that risks are identified, assessed, and managed in an organized and transparent manner. But how far should organizations take these principles to maximize their value?¹

The Role of Governance in ERM

Governance in ERM refers to the guiding risk management activities that are defined in organizational policies, procedures, and practices. Governance establishes the roles and responsibilities of various stakeholders, from the board of directors to operational managers, ensuring that risk management is integrated into the organization's overall strategy. Effective governance provides several key benefits:

1. **Strategic Alignment:** Ensures that risk management efforts are aligned with the organization's strategic goals by helping boards oversee risk as part of strategic planning and execution, but not separate risk from the strategy. Additionally, ERM helps drive clarity for managing and overseeing risk to enabling better decision-making and resource allocation.
2. **Risk Culture:** Promotes a culture of risk awareness and proactive risk management across the organization by fostering a consistent view of risk, recognition of changes in risk, and reporting structure for risk.
3. **Compliance:** Helps organizations comply with regulatory requirements and industry standards, reducing the risk of legal and financial penalties through continuous monitoring and audit preparedness.

4. **Transparency:** Enhances transparency and accountability, building trust with stakeholders, including investors, policyholders, agents/brokers, and employees through clear communication, regular reporting, and stakeholder engagement.

The Importance of Accountability

Accountability in ERM means that individuals and teams are held responsible for managing risks and internal controls within their areas. According to the Committee of Sponsoring Organizations of the Treadway Commission (COSO) there are three lines of defense within each organization. The first line of defense are the business and operational units that manage controls and internal control measures. The second line of defense includes the partnership with the risk and compliance units that oversee risk. The third line of defense includes Internal Audit. Identifying the layers of accountability is essential for several reasons:

1. **Ownership:** Encourages ownership of risk management processes, leading to more effective identification and mitigation of risks by empowering employees and setting clear accountability.
2. **Performance Measurement:** Allows for the measurement and evaluation of risk management performance, facilitating continuous improvement. Performance Management can be achieved through defining key performance indicators, regular and continuous monitoring, and conducting regular internal and external audits.
3. **Responsiveness:** Ensures that risks are addressed promptly and effectively, minimizing potential negative impacts on the organization. Responsiveness to risks can be achieved through training and awareness, early risk identification, and efficient and effective risk response plans.
4. **Ethical Conduct:** Promotes ethical behavior and decision-making, reducing the likelihood of misconduct and fraud. Training and Education, as well as developing and enforcing a Code of Ethics sets the tone and provides guidelines for the organization to follow.

Balancing Governance and Accountability

While governance and accountability are critical to ERM, organizations must strike a balance to prevent becoming overly bureaucratic and inflexible.² Overly strict governance can stifle innovation and agility, while insufficient accountability can lead to poorly managed or unmanaged risks, toxic work cultures and other organizational failures. Here are some considerations for finding the right balance:

1. Tailored Approach: Customize governance frameworks and accountability mechanisms to fit the organization's size, complexity, and risk profile by assessing organizational needs, utilizing technology to streamline processes and facilitate real-time monitoring, and creating policies and procedures to meet your organization's needs.
2. Flexibility: Be agile in risk management processes to adapt to emerging risks and changes in your organization.
3. Empowerment: Empower employees at all levels to take ownership of risk management, fostering a culture of accountability and continuous improvement leading to more effective risk identification and mitigation.

4. Technology: Leverage technology to streamline risk management processes, enhance data analytics capabilities, and make more informed decisions.

Conclusion

Governance and accountability are foundational elements of effective enterprise risk management. By establishing clear governance frameworks and fostering a culture of accountability, organizations can better navigate risks and achieve their strategic objectives. However, it is essential to balance between control and versatility, ensuring that risk management efforts are both effective and flexible. Ultimately, the value of governance and accountability in ERM lies in an organization's ability to create a resilient and sustainable organization.³

Sources

¹ AccountingInsights Team, "Governance and Risk Management: A Framework for Success," *accountinginsights.org*, January 13, 2025

² Isorobot, "The Role of Enterprise Risk Management in Improving Corporate Governance," *isorobot.io*, February 13, 2024

³ Portions of this article were generated with the assistance of CoPilot.

UTILIZING MONTE CARLO SIMULATIONS IN ECONOMIC CAPITAL MODELING ENHANCING CAPITAL MODELING SOPHISTICATION WITH STOCHASTIC MODELING TOOLS

By: Kaila McCracken, Vice President, Business Intelligence & Analysis – The MEMIC Group

Submitted by the AASCIF Finance Committee

If you're anything like me—an insurance professional tasked with forecasting future financial performance for your organization—the past couple of months have been chaotic, to say the least. Election cycles always create uncertainty for financial markets, and this one has been no exception, particularly given the challenging economic factors that already existed prior to the election: inflation, heightened interest rates, and recession risk, to name a few.

One benefit to come out of this enduring uncertainty is that it has helped many companies recognize the importance of viewing capital modeling and stress testing as a real opportunity for business insights as opposed to primarily a

required regulatory exercise. For many insurance carriers, this high-risk and high-potential environment has fostered a renewed interest in leveraging capital modeling to help guide business planning, internal decision-making, and appropriate risk appetite.

When used appropriately, capital modeling can help organizations make better decisions around enterprise strategy and risk appetite. While insurance companies are generally (and justifiably) cautious about taking risks, capital modeling can point out not only where risk should be avoided but also where there is opportunity for increasing enterprise risk appetite without jeopardizing solvency.

This article explores the case for investing in capital modeling and the ways it can be leveraged to support enterprise risk appetite decisions, specifically through the utilization of Monte Carlo simulation tools.

What is Economic Capital?

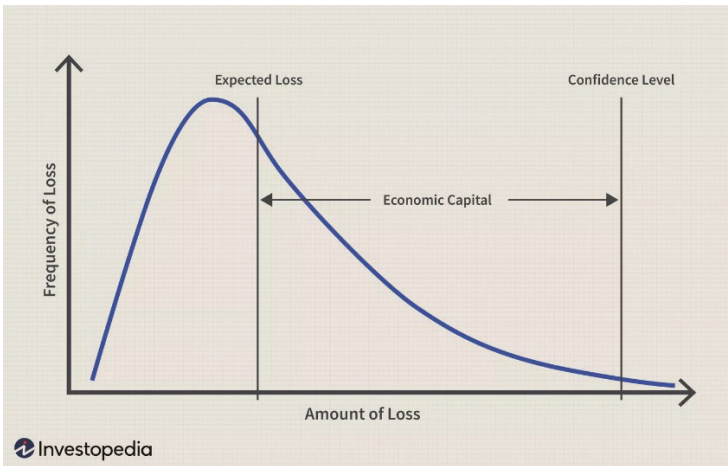
Economic capital (EC) is the capital amount an organization needs available to safely support its risk appetite. This is different from risk-based capital (RBC), which is a regulatory metric for determining the statutory minimum amount of capital an insurance company is required to maintain to sustain its fiscal obligation to policyholders. While RBC can still be a helpful tool in risk management, EC is geared more towards a

company's internal assessment of risk appetite and long-term sustainability.

For an insurance company, a comprehensive analysis of economic capital might determine how to calibrate tolerance in risk appetite. For example, a well-capitalized insurance company with a low underwriting risk appetite and a low investment risk appetite might determine that there is ample economic capital to support shifting some of its investment portfolio from fixed income securities into the equity market. Conversely, an organization that primarily underwrites high-risk industries might determine that due to their claim frequency or severity, they need to keep a relatively liquid portfolio to avoid selling at a potential loss.

How is Economic Capital Determined?

EC is, at its most simple, an assessment of how much capital is needed to support a given risk or endeavor. The factors that go into this assessment include the size and financial strength of an organization, that organization's frequency and severity of loss, and the statistical confidence level of the analysis. This is illustrated helpfully in the below chart from Investopedia:



How Can I Model Economic Capital?

There are a number of different ways economic capital modeling can be applied, with three of the most common being:

- **Sensitivity Testing:** Evaluation of the variability of results inherent in normal operations.

- **Scenario Testing:** Evaluation of the variability of results when considering specific, measurable scenarios, which might include deviations to assumptions and factors related to volatility driven by regulatory changes, stock or bond market disruptions, or global pandemics, among others.
- **Stress Testing:** Bespoke scenarios that simulate significant events and their impact on surplus or other key metrics.

What is a Monte Carlo Simulation?

A Monte Carlo simulation is a computer algorithm that utilizes random sampling to model the likelihood of established outcomes to occur. The method derives its name from Monaco's infamous Monte Carlo Casino, as chance and randomness are key to casino games, and it was invented during WWII to make more strategic decisions despite uncertain conditions.

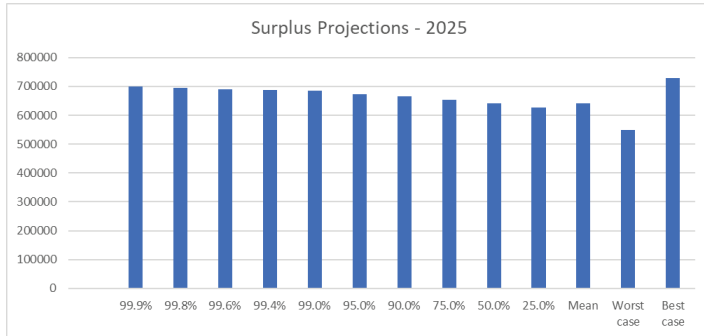
How Can I Utilize Monte Carlo Simulations to Support These Modeling Efforts?

At the MEMIC Group, our economic capital modeling team utilizes an Excel add-in called @RISK to run sensitivity, scenario and stress testing on key financial metrics. Whereas a standard financial model might have static inputs for revenue, expense and anticipated income or loss, this homegrown type of stochastic model utilizes Monte Carlo simulations to generate a range of potential outcomes based upon probability distributions assigned to various model inputs.

For example, a standard 2025 financial projection for a fictional insurance company (let's call them ABC P&C) might include estimated premium of \$500M, estimated loss and loss adjustment expense (LAE) of \$250M, and estimated operating expenses of \$150M, with a final combined ratio estimate of 80. While this is ABC P&C's *plan*, they know there are a number of factors throughout the year that might challenge (or improve) their ability to generate new business or manage claims. As a result, ABC P&C wants to see a range of potential outcomes, and their associated impact on the surplus and the bottom line, based upon premium landing anywhere between \$450M and \$550M, loss and LAE landing anywhere between \$200M and \$300M, and expenses ending up anywhere between \$100M and \$200M.

Once these parameters are established, this kind of model will run a Monte Carlo simulation generating as many individual

scenarios as the user wants, up to 100,000. The output can then be analyzed to determine best case, worst case, and most likely scenarios, with options to display distribution graphs like this:



While this is an example of creating a sensitivity test around a business plan, Monte Carlo simulations can also aid in establishing a reasonable business forecast. For example, an analyst could evaluate historical premium, loss, and expense trends and create probability distributions based on those ranges rather than around a point estimate. Additionally, these simulations can be integrated with data like historical interest rates and used to help estimate investment portfolio volatility and the associated impact on surplus or operating ratios. Tools that offer integration with Excel also make the model easy to use, interpret, and convert into consumable visualizations.

As with any modeling tool, caution is key. It's critical to remember that the model relies on inputs to generate results, so the narrower the range of probability distributions input are, the more stable the associated output will be. For this reason, many organizations will run both the "expected" sensitivity testing iteration of the Monte Carlo simulation as well as specific scenarios that are designed to produce more extreme results due to the more volatile input ranges.

Conclusion

There are a variety of tools on the market that can assist in enhancing your organization's economic capital modeling work, but the most important factor when choosing a solution is ensuring it's one that your teams can interpret. Even as inflation cools and interest rates begin to come down, we can be confident that the complexity inherent to insurance and financial analysis will not abate. As a result, it has never been more important for carriers to understand the risks they are taking and the associated impact on their economic capital to ensure they remain prepared for an increasingly uncertain (and risk rich) future.

Sources

<https://www.investopedia.com/terms/e/economic-capital.asp>

<https://content.naic.org/insurance-topics/risk-based-capital>

<https://www.ibm.com/think/topics/monte-carlo-simulation>

PAY TRANSPARENCY

By: Mickey Willard, PHR, HR Business Partner—SFM

Submitted by the AASCIF HR Committee

In today's modern workplace, the concept of pay transparency is gaining traction as organizations strive for greater equality and fairness among their employees.

Pay transparency refers to the practice of openly sharing salary information within a company, allowing employees to see what their colleagues are earning for similar roles, requiring companies to post salary ranges on job postings. This transparency can have a significant impact on various aspects of the workplace, from promoting fairness and equality to boosting employee morale and productivity.

Historically, employee compensation was shrouded in secrecy. Salaries were rarely discussed because it was not “polite,” and employers did not disclose their compensation for job openings until making an offer. And even then, the pay ranges were not provided. Discussing pay is often an uncomfortable conversation.

However, this sentiment is changing. The landscape has and will change because of the popularity of pay transparency laws. At the same time, the impact of social media has lessened the secrecy of pay — it is not considered as private as it was decades ago.

What is Pay Transparency?

In recent years, legislators have crafted laws designed to require employers to be more transparent with salary ranges and benefits. Depending on the jurisdiction, these laws require employers to:

- Provide applicants the salary range for a posted position at a specified point during the hiring process
- Provide employees salary range upon request, when changing jobs, or upon hire
- Include salary range in job postings
- Outline benefit information

Why Are These Laws Gaining Momentum?

One of the biggest reasons that these laws have gained popularity is because of their intent to promote fairness and reduce pay disparities based on factors like gender, race, ethnicity and age.

Requiring employers to provide information about pay ranges is aimed to empower applicants and employees, to have a better understanding of what their pay potential is or can be. These laws are meant to enhance employee rights in the workplace.

[CNBC reported on June 7, 2024](#), that in Colorado, which was the first state to pass a pay transparency law in 2019, publicized salaries increased by 3.6% after the law went into effect, which could indicate that greater transparency gave workers more leverage to negotiate their pay. That same report states that workers across generations support transparent pay policy and want to work for companies that embrace them.

The phenomenon of being treated fairly is nothing new and people will tie back equal pay to being treated justly. There is a famous study about fairness using Capuchin monkeys: [Two Monkeys were Paid Unequally](#). This experiment demonstrated the importance of the equity theory, i.e. the idea that workers like maintaining a balance between their efforts/reward and effort/rewards of their peers.

According to NFP, the sense of having fair pay leads to strong retention and serves as a strong recruitment tool. Engaged talent is the name of game. There is a movement to be more transparent with pay. Absent pay disclosure by employers, employees will fill in their own gaps about pay issues.

How Does Pay Transparency Benefit Business?

[Revealing pay data](#) when posting a job may motivate job seekers to apply for a job. According to a survey conducted by Indeed US job seekers earlier this year and found that 75 percent of them would be more likely to apply for a job if it included salary data. Postings that included pay rates attracted 30 percent more applicants on the site. “With the tight labor market, pay transparency seems to be one of the new tactics employers can use to attract workers,” says Cory Stahle, an economist at Indeed who conducted the study. To see additional details about how pay transparency

As stated in the CNBC report of June 7, 2024, transparent pay policies are getting a bigger push among businesses that operate in multiple states, says Joy Rosenquist, a counsel at Littler, a labor and employment law firm. She goes on to state that it can also be a “valuable retention and recruitment tool for business.

“The employer that discloses information more than they're required to is someone who garners more trust from a candidate pool and from their employees,” Rosenquist said.

According to the Society of Human Resources Management (SHRM), as pay transparency becomes more and more mainstream, research indicates employers with transparent pay practices can benefit by attracting potential employees and retaining employees. Research has found that companies that have a more transparent approach to their pay practices, increase their employee retention.

Said research indicates that pay transparency has a 30% chance of decreasing intent to leave across sentiment levels, [according to new research from Payscale](#), a Seattle-based compensation software firm. Moreover, pay transparency can create a more equitable and inclusive work environment. When employees have access to information about salaries, they are better equipped to advocate for fair compensation and negotiate effectively. This can empower employees to have more control over their own career advancement and financial well-being.

Additionally, pay transparency can foster a culture of trust and openness within an organization. When employees feel that salary decisions are based on objective criteria and not influenced by bias or favoritism, confidence in the company's leadership and decision-making processes can be strengthened. This, in turn, can lead to higher levels of employee engagement, satisfaction and retention.

How this affects our AASCIF members and how they do business varies greatly depending on the state in which they do business. Pay transparency laws are often state-driven initiatives. Several of our AASCIF partners reside in states that have been navigating pay transparency laws or similar pay transparency requirements for several years. Those state funds have been dealing with this topic for quite some time, and may be ahead of their peers, who are just now needing to traverse the state-imposed requirements of pay transparency practices.

Currently, there are 9 states that have pay transparency laws in place, and several others are implementing them in 2025 or have them in the works to be passed at the legislative level. As noted above, this trend is impacting how companies do business and may change the landscape of a business culture. Some businesses have been more private about this topic than others, and the challenges of becoming fully transparent with pay practices can influence many things within an organization.

The following states have both local and statewide pay transparency laws in effect: Washington, California, Nevada, Colorado, Hawaii, New York, Rhode Island, Connecticut, Maryland and Washington, D.C.

Meanwhile, Minnesota, Vermont and Illinois have passed

pay transparency laws with an effective date of January 2025. Ohio and New Jersey do not have statewide laws, but there are local jurisdictions with pay transparency laws in effect. It is important to know how these laws affect your business. For further information regarding Pay Transparency laws, you can visit [GovDocs](#).

Pay Transparency: Practical Implications.

Implementing pay transparency is not without its challenges. Some companies may be hesitant to adopt this practice due to concerns about confidentiality, competitiveness, and potential discord among employees. There is also a fear that revealing salary information could lead to dissatisfaction among those who feel they are not being fairly compensated. That said, companies may be forced to do it because of new legislation.

Despite these challenges, there are ways to successfully introduce pay transparency in the workplace. This can be done through clear communication and education about the reasons for implementing pay transparency, as well as the benefits it can bring to both employees and the organization. It is also important to establish clear guidelines and processes for sharing salary information and addressing any concerns or discrepancies that may arise. Ensuring your management team has the proper tools to effectively navigate conversations surrounding compensation will benefit all parties.

How to get your organization ready for pay transparency involves ensuring your company has a strong pay program foundation and solid compensation philosophy to be able to have effective communications.

[Salary.com](#) recommends before implementing pay transparency, there should be a discussion and or review of your company's pay philosophy. If your company culture is less transparent, before implementing pay transparency, it's necessary to discuss and implement a pay philosophy in your workplace. A pay philosophy sets out why the organization pays people what they pay and gives managers guiding principles to make pay decisions with. It sets out what goes into making compensation decisions and how compensation is tied to the outcomes the organization wants to achieve. That said, many companies have found a proverbial pothole - the lack of an established pay philosophy. [In a 2020 survey](#) conducted by Salary.com, only 44% of businesses admitted to having an actual plan to address pay equity in place. A common barrier to this? Lacking a shared and consistent pay philosophy can create obstacles.

Start by building a solid foundation in your compensation architecture and philosophy.

“Our strategy was ‘Let’s build a foundation and make sure our comp philosophy and comp practices are on a solid foundation before we move onto pay transparency,” said Ann Oleson, Director of Global Compensation at Match Group. During a training session for managers regarding pay matters, which was hosted by Oleson and Stacey Rapacki, VP of Compensation Strategy at Northwell Health, they provided guidance as to how to empower managers to engage in clear and open dialogue about pay.

“To bring leaders along in the change management journey, it’s essential to involve them from the beginning. Senior leaders need to understand the approach being taken, and they should be educated and trained like the rest of the leaders and managers. While it may feel scary to show ‘how the sausage is made’, it’s critical to be honest about where the company is today and where it’s going. Employees and candidates want to know what to expect for pay, and if the company doesn’t get ahead of the narrative, someone else will. People are posting ranges, screenshots, contracts, and other information related to salaries and wages, so it’s essential to shape and own your compensation story proactively.”

To learn more about how to provide guidance for training managers in to engage in clear, open dialogue, follow this link: [How to Train Your Managers to Discuss Pay Transparency \(syndio.com\)](https://syndio.com)

SAFEGUARDING WORKER’S COMPENSATION DATA IN A DANGEROUS DIGITAL WORLD

By: James Bianco, Application Development Manager—The Beacon Mutual Insurance Company; and Chris Frassanito,

IT Infrastructure Manager—New Mexico Mutual

Submitted by the AASCIF IT Committee While A.I. gets all the hype and creates more buzz, the spotlight should be on cybersecurity. The workers’ compensation insurance industry occupies a unique and critical position within the broader economic landscape. Operating at the confluence of healthcare, legal, and financial systems, it presents a rich and complex ecosystem that unfortunately attracts cybercriminals like moths to a flame. While digital transformation has undoubtedly streamlined operations and improved efficiency, it has also introduced a multitude of cybersecurity vulnerabilities. This article will guide you through the dangerous digital world of these challenges and inform you of practical solutions being implemented by AASCIF members to help you navigate the cybersecurity landscape.

According to a Salary.com’s 2023 Pay Transparency – *How to Achieve Pay Transparency for your Company* whitepaper, even if your company operates in a state that has yet to pass dedicated legislation, the writing is on the wall – pay transparency is changing the landscape, one way or another. As stated earlier, despite the challenges of implementation, this is really a win-win for employees and employers alike. With pay transparency – and pay equity – achieved, discriminatory practices will be diminished, employees will be more empowered to do their best work, and the right candidates will more easily find the right jobs. However, that doesn’t mean it’ll be a quick and easy road getting there.

Conclusion

Pay transparency is a powerful tool for promoting equality, fairness, and trust in the workplace. By embracing this practice, organizations can create a more inclusive and supportive environment where every employee feels valued and respected. While there may be challenges to overcome, the benefits of pay transparency far outweigh the potential drawbacks. Ultimately, it is an essential step towards creating a more equitable and harmonious workplace for all.

The Cyber Minefield: Navigating the Challenges

Workers’ compensation insurers handle a gold mine of sensitive data, including personal information, medical records, financial data, and employment histories. A delicious buffet of options for cybercriminals not just to target organizations, but also individuals. This makes Workers’ compensation organizations a prime target for cyberattacks with potentially devastating consequences. Based on discussions with several different AASCIF members the following is a list of challenges facing Workers’ compensation insurers as the calendar turns to 2025

- Volume of Sensitive Data at Risk: Imagine a data breach exposing confidential data around Protected Health Information, Personal Identifiable Information, payment card industry data and thousands of policies and claimant records. The repercussions would be catastrophic, ranging from identity theft and financial fraud to severe reputational damage and legal liabilities.
- A Complex Environment: The workers’ compensation system is a complex web of interconnected stakeholders, including employers, employees, healthcare providers,

legal representatives, and insurance carriers. This intricate ecosystem presents multiple points of vulnerability. A breach in one entity can quickly have a domino effect, compromising the entire system.

- **The Ransomware Threat:** Ransomware attacks have become a considerable threat, with cybercriminals targeting organizations holding critical and time-sensitive data. For workers' compensation insurers, any disruption in claims processing can have severe legal and financial repercussions. The pressure to quickly resolve claims may force insurers to pay hefty ransoms, further enticing cybercriminals. After all, everyone likes to get paid quickly
- **Regulatory Compliance:** Navigating the complex regulatory landscape adds another layer of complexity. Insurers must comply with laws like HIPAA and ever-changing state-specific regulations, which mandate strict data protection standards. Non-compliance can result in hefty fines, legal penalties, and irreparable damage to an insurer's reputation.
- **Legacy Systems:** Many insurance companies still rely on some older legacy systems. These outdated systems often lack robust security features, making them easy targets for sophisticated attackers. Integrating modern cybersecurity tools with these legacy systems can be an additional challenge.
- **Third-Party Risk:** Insurers frequently collaborate and integrate with third-party vendors for claims processing, data analytics, and other services. These vendors may not have the same level of cybersecurity maturity as the insurer itself, creating potential weak links that hackers can exploit.
- **The Insider Threat:** Don't underestimate the threat of friendly fire. In-house threats, whether malicious or accidental, can pose significant risks. Employees or contractors with access to sensitive data can inadvertently expose the organization to breaches or even deliberately misuse information.

Fortifying the Fortress: Effective Cybersecurity Solutions

Given these challenges, insurers and organizations managing workers compensation must implement a multi-layered defense strategy to safeguard their data and operations. Here are some of the key mitigation measures used by AASCIF members:

1. Data Encryption:

- o Encrypting data both in transit and at rest is paramount. This ensures that even if data is

intercepted, it remains unreadable to unauthorized parties.

- o Implement strong access controls to limit data access based on roles and responsibilities and on a "need to know" basis. This principle of "least privilege" minimizes the potential damage from a compromised account. This includes both user and system accounts.
- o **Key Tools:** Data encryption software, multi-factor authentication (MFA), and robust identity and access management (IAM) solutions.

2. Embrace Zero Trust:

- o The Zero Trust security model operates on the principle of "never trust, always verify." It assumes that every request, whether from inside or outside the network, is a potential threat.
- o Continuously monitor user activities, segment networks to contain potential breaches, and regularly validate the security status of all devices accessing the network.
- o Implement a data classification system and enforce the classifications using data loss prevention system. This will help you identify where sensitive data is being stored and transmitted.

3. Endpoint Security and Locking Down the Front Line:

- o Endpoints, such as employee laptops, smartphones, and other connected devices, are often the first line of defense and, unfortunately, a common entry point for attackers.
- o Deploy robust endpoint security solutions, including antivirus and anti-malware software, and utilize device management tools to enforce security policies.
- o Regularly update and patch all software to address known vulnerabilities.
- o Implement encryption with integrated operating system tools like Bitlocker.
- o Administrator accounts should not be shared across multiple devices and regular password rotation should be automated with tools like Local Administrator Password Solution (LAPS), or third-party tools.
- o Users should not have administrative rights on the local machine to help prevent installation of malicious software

4. Penetration Testing and Finding the Weak Spots:

- o Simulate cyberattacks to identify vulnerabilities in your systems and test the effectiveness of your defenses. Conducting penetration testing once a year by a third party should be a common practice.
- o Penetration testing can uncover weaknesses before attackers exploit them, allowing for proactive remediation. The findings must be timely mitigated commensurate with the severity.
- o Use the insights gained from penetration testing to refine your security posture and ensure compliance with regulatory standards.

5. Cybersecurity Awareness Training:

- o Provide training that can significantly reduce the risk of user error, such as clicking on malicious links or falling for social engineering schemes.
- o Educate employees about phishing scams, social engineering tactics, and other cyber threats on an annual basis.
- o Motivate employees with small rewards and recognition for exhibiting cybersecurity best practices
- o Track and display key metrics to reinforce the importance of cybersecurity awareness and encourage employee engagement.
- o Track Security Training Metrics:

1. Completion rate, pass rate
 2. Failure rate
 3. Failure rate by employee
 4. Completion rate by employee.
- o Phishing simulation metrics:
 1. Cumulative results by employee
 2. Response rate
 3. Report rate
 4. Failure rate
 5. Failure by phishing type. E.g. Attachment, Credential Harvesting, Malicious link clicks.

6. Incident Response Plan: Preparing for the Inevitable:

- o Cybersecurity committees with vested stakeholders that can review the plan, update policies and procedures and report out to upper management and the Board of Directors
- o Develop a comprehensive incident response plan that outlines the steps to be taken during a cyberattack and make sure to involve various stakeholders within the business units including Legal, Human Resources, Marketing and Customer Service.
- o Define clear roles and responsibilities for the response team and establish clear communication channels.
- o Conduct regular drills and tabletop exercises to test effectiveness and ensure that the team can respond quickly and efficiently in the event of an attack.
- o Don't forget to include communication plans, legal notifications, and forensic investigators as part of the Incident Management Plan.

7. Advanced Threat Detection: Staying Ahead of the Curve:

- o Intrusion detection systems (IDS), security information and event management (SIEM) systems, and behavioral analytics tools can help identify suspicious activity and prevent attacks before they cause significant damage.
- o Monitoring for unusual file downloads, abnormal network traffic, malicious process execution, suspicious registry changes, unusual memory usage, fileless malware, rapid file encryption (indicating ransomware), unauthorized access attempts, unusual user behavior, privilege escalation, and attempts to modify system configurations

8. Vendor Risk Management: Protecting Your Supply Chain:

- o Evaluate the cybersecurity practices of third-party vendors and enforce security requirements through contracts.
- o Conduct regular vendor audits to assess their security protocols and ensure they are meeting the necessary standards.
- o Limit vendor access to only the necessary systems and data to minimize the potential impact of a breach within their environment.

9. Software Updates: Closing the Gaps:

- o Regularly update and patch all software, including operating systems, applications, and network devices.
- o This crucial step addresses known vulnerabilities and prevents attackers from exploiting them.
- o Employees and home users should update Apple iOS software under settings on Apple devices. Firmware updates on home routers, usually done from the router portal. Firmware on Laptops and Desktops that can be found on vendor websites.

10. Cyber Insurance: A Safety Net:

- o Invest in a comprehensive cyber insurance policy to mitigate the financial impact of data breaches, ransomware attacks, and other cyber incidents.
- o Cyber insurance can help cover costs associated with data recovery, legal expenses, and business interruption.
- o Most provide credit monitoring, Forensic investigation, Vulnerability scanning reports, and in some cases the ransom payouts.

11. Operationalize Cybersecurity:

- o Embed Security Measures throughout the organization:
 - Incorporate layers of security into everyday processes, policies, and practices.
 - Ensure security is an ongoing effort, not a one-time initiative.
- o Establish Security Governance Framework:
 - Involve leadership with clear responsibilities assigned to corporate leaders.
 - Leaders should report to the Board of Directors.
 - Track policies, procedures, workflows, and program improvements, including meeting minutes, and report back to management.

- o Create Crisis Management Plans:
 - Address employee communications, alternative work locations, and other resource requirements.
 - Develop escalation plans involving upper management, legal, cyber insurance carriers, and forensic investigators.
 - Implement communication plans for interactions with employees, media, and other third parties during an incident.

Navigating the complex world of cybersecurity demands a proactive, multi-layered strategy. By adopting these solutions and staying agile in response to the ever-evolving threat landscape, workers' compensation insurers can safeguard their data, reduce risks, and maintain the trust of their clients. The task of fortifying your cybersecurity strategies is going to be an ongoing, living breathing process. The operationalization & socialization of these processes is critical so that they can be understood from cubicles to executive offices to the Board of Directors. Reporting metrics and committee reviews with clear requirements will help mature processes, establish life cycles, and improve accountability. It's important to remember that even the most advanced cybersecurity defenses cannot protect against an employee who succumbs to a phishing email promising a free vacation in the Bahamas. Some temptations are simply too strong to resist.

STATE FUNDS SERVICES: FOR US, BY US

By: Kendra DePaul, Director of Underwriting—Ohio Bureau of Workers' Compensation

Submitted by the AASCIF Policyholder Services & Underwriting Committee

As we start 2025, the Underwriting & Policyholder Services Committee wanted to take a pause to reflect on the challenges and successes of the AASCIF state funds. State funds are special and well placed to serve the unique customers of each state. Although not as large as some private carriers, state funds are always looking at ways to be innovative and provide an excellent customer experience.

Getting workers' compensation through the state fund is not always the cheapest option. What sets the state funds apart is the services they offer their policyholders. The state funds have committed to protect both employees and employers by providing not only insurance, but safety services, return-to-work best practices and more.

For this quarterly newsletter, we asked members of the Underwriting & Policyholder Services committee to share the special initiatives they are currently implementing or plan to introduce that prioritize the customer experience and motivate employers to choose state funds for their workers' compensation needs.

KEMI, Melissa Worrell, Underwriting Supervisor

In 2025, KEMI established a Safety Grant Program designed to encourage and assist insureds who wish to purchase equipment or participate in safety training that substantially reduces or eliminates injury and illness associated with a particular task or operation. With a cap of \$250,000 the program allows active policyholders up to \$2,500 to purchase safety equipment or training. In just the first week of the program KEMI received 55 requests and numerous informal inquiries. The most common items have been fall protection and AEDs. Safety Manager, Jeff Floyd stated, "this is a great opportunity to reach every policyholder in the state as well as smaller businesses that we don't always get to see."

Montana State Fund (MSF), Brad Cozzie, Underwriting Manager

MSF is dedicated to becoming Montana's preferred partner in workers' compensation. To achieve this goal, MSF is conducting an in-depth analysis of its pricing structure to identify ways to enhance competitiveness in the marketplace. Additionally, they are strengthening the customer experience

by restructuring billing and invoicing procedures to address common friction points that may result in increased phone calls and cancellations.

Leveraging recent successes, MSF effectively communicates the advantages of partnering with them. Their focus extends beyond the types of products they deliver; it also encompasses how they deliver them and their commitment to offering significant value to customers. MSF is intentional in finding better methods to enhance service distribution through a multifaceted and multidisciplinary approach, especially during the onboarding of new customers. Their initiatives include:

- IT/System Enhancements
- Legal Support
- Claims Management
- Internal Medical Management
- Safety Management Consulting
- Underwriting and Customer Support Specialists

Furthermore, MSF is committed to improving and strengthening its relationships with appointed independent agencies. By supporting them, MSF enables them to better assist their clients, reinforcing a mutual commitment to service excellence.

Our message at MSF is that we firmly believe our return on investment lies in the growth of new business opportunities, improved loss ratios, and increased customer retention. A commitment to be an indispensable partner in achieving a safer, healthier, and more prosperous Montana.

Washington State Department of Labor & Industries (L&I) – Michelle O'Brien, Employer Services Program Manager

In Washington State, an employer may not realize that an injury claim has been filed. Many small employers are unaware of their role in helping workers return to work. They may also be unaware of incentives and assistance offered by L&I that are available to them.

In 2016, in response to recommendation from the Joint Legislative Audit & Review Committee, L&I established the Early Contact Team (ECT). The team was created to "empower employers by providing just in time education to create a culture of safety and return to work."

The team's goal is to improve education and outreach by contacting employers within 24 hours of L&I receiving a time-loss claim.

Upon receipt of a time-loss claim, Underwriters jump into action and call employers to educate them on the services and benefits available to help control claim costs. Staff also provide education on the benefits of light-duty jobs and options to obtain cost reimbursements, including light-duty wage reimbursements.

Over 22,000 employers are contacted by ECT annually. For employers who are interested in learning more about specific services, ECT staff act as liaison between employers and other programs within the agency by creating referrals to them. These include assistance in creating a return-to-work process, and getting them connected with Risk Management, Division of Safety and Health, and other programs.

A small group of employers have opted out of receiving a phone call from the ECT team. These often are employers who have more frequent injury claims, and therefore are already aware of the services our agency offers.

L&I assesses the effectiveness of ECT through a survey of employers. Employers have overwhelmingly expressed appreciation for the calls. Their comments include:

- “When a claim occurs, there is too much to learn and know when you have a business to run.”
- “It was helpful to learn about employer rights and how to initiate a safety plan and set up a return-to-work program within their business.”

The team takes pride in educating and empowering the employer community. The team raises awareness of best practices and services available that not only improve injured worker outcomes, but also lower claim costs and premium rates. It’s a win-win!

Workforce Safety & Insurance (WSI), Sarah Feist, Director of Policyholder Services

WSI strives to develop strong relationships and partnerships with employers to help carry out its purpose of caring for injured workers. They continue to be ranked as the lowest premium state in the nation per the 2022 Oregon Premium Rate Ranking Study and have reduced employer premiums for the ninth consecutive year.

In 2024, WSI launched our “Get Home Safe” initiative dedicated to elevating safety as a core value in every organization. Employers are provided easy-to-use tips, tools, and ready-to-use messages and video assets to share the Get Home Safe story effectively. Employees connect with WSI messaging because it emphasizes protecting personal passions and lifestyle through workplace safety. WSI has issued \$76

million in ergonomic grants since 2005 and introduced a new pilot phase expanding existing programs that explores new technologies that could enhance workplace safety.

In 2025, WSI plans to expand its ability to support those who risk their lives to serve and protect the citizens of North Dakota by offering a onetime Military Premium Discount program for businesses with a majority ownership by an active military member, veteran, or surviving spouse. This new initiative aims to support North Dakota’s goal of being the most military friendly state. WSI already offers programs that give back through offsetting costs of routine medical exams for full-time firefighters and law enforcement through its Serve & Protect Reimbursement Program.

www.gethomesafend.com

Maine Employers’ Mutual Insurance Company (MEMIC) Julia Gerrity, Manager, Premium Audit Operations

In 2025, MEMIC will go live with a new Policy Administration and Billing system. This is a significant milestone as they have been operating with a legacy admin system since MEMIC’s inception in 1993. The new system’s flexibility will simplify operations and allow them to stay current with the latest technological innovation. It will also improve the ease of doing business with agency partners and enhance the policyholder experience by reducing wait times.

As a mutual insurance company, MEMIC is dedicated to sharing success directly with our policyholders. Since 1998, MEMIC has distributed a remarkable \$370 million in capital and dividends to Maine policyholders. The dividend reflects the hard work and dedication of employers committed to creating safer workplaces. From Leah Hitchcock in Underwriting “Beyond that, we aim to set ourselves apart from competitors through exemplary Loss Control and Claims Services. We recently launched a safety campaign - Walk Safe This Winter - to combat one of Maine’s most common and dangerous winter hazards, slipping on ice. The campaign aims to connect policyholders to winter safety tips and resources. We also continue to strengthen and promote our other existing safety resources, including workshops, webinars, a video lending library, 40+ safety professionals on staff with industry experience, our Safety Experts podcast, and Safety Net blog, along with a myriad of other resources/services.”

Each policyholder has the opportunity for claims reviews where a MEMIC employee provides a detailed analysis of each open claim, including information related to the medical, disability, legal and financial aspects, as well as an action plan

for claim resolution. Employers can dictate the frequency of these reviews, from annually, quarterly, or more frequently.

In addition to claims and loss control services, MEMIC's audit department is continuously striving to enhance its customer service experience. Every audit is conducted by a MEMIC employee, and in 2025 the Audit team is focused on gaining efficiencies allowing us to spend more time helping valued customers. MEMIC's audit team is also focused on gathering customer feedback in 2025 by launching monthly customer surveys. This process is an essential step in gathering valuable feedback from customers to enhance service quality. By reaching out to customers after their audit is complete, the survey can capture their experience with their MEMIC auditor and the audit process, including ease of communication, clarity of instructions, and overall satisfaction. This feedback allows MEMIC to identify areas for process improvement, streamline the audit experience, and ensure that future interactions are as efficient, and customer focused as possible. Regular surveys also help build stronger relationships by demonstrating a commitment to continuous improvement and customer care.

HEMIC (Hawaii Employers Mutual Insurance Company), Eric England, Underwriting Director

Since inception in 1997, HEMIC has made it their mission to proudly take care of Hawaii's businesses and to be Hawaii's thought leader for workers compensation. As the largest writer in the state, we believe it is our privilege and our responsibility to do so, something we call Kuleana. We do that by making sure we provide the best service to our agents and policyholders through every means, from Safety, Claims, Underwriting, Accounting and Premium Audit.

It can be difficult overcoming some of the challenges of being a State Fund, or in our case, a mutual carrier serving that marketplace. However, realizing our role and putting the focus on providing the best products and services that we can offer helps us to stay ahead of those challenges and compete as a "carrier of choice" rather than simply a "carrier of last resort".

Our 24/7 telephonic Nurse Triage Program helps our many small businesses who may never have had experience with a workers compensation claim navigate the best possible course of action. Our Large Deductible program helps with the larger and more complex businesses find the most profitable way to have our Claims expertise and at the same time have some control over the adjusting process. Our 'Aepay online payroll reporting program gives our businesses with fluctuating payrolls and jobs more flexibility in managing their premium flow throughout their policy period and avoid large adjustments on their final premium audit. Our Safety team, collaborating with Underwriting and Claims, commits to formal service plans for all our larger policyholders and meet regularly to monitor results and identify any needs to help keep our businesses safe and performing well. We have paid dividends every year since 2007 to our safe and loyal policyholders and it's our goal to do that every year. Even a small dividend amount can be the difference in a small business staying afloat. We also established the HEMIC Foundation to ensure that we are focused on supporting local community needs and contribute our individual time, fundraising and financial contributions.

It's clear that state funds and other "last resort" carriers that fill that same space have to go above and beyond to fulfill our missions and keep our customers happy. Providing coverages, tools and services designed to help employers run safe workplaces and succeed in business is an ever-evolving challenge, but one that unites us for the greater good. The more we collaborate with each other and understand the changing workforce and exposures, the more we can contribute to better Workers' Compensation solutions and improvements in our industry and in the communities around us.

AROUND AASCIF



LOUISIANA

LWCC Donates \$20,000 Through Holiday Giving Program

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

To determine the three finalists, LWCC’s Agency Council, an advisory group composed of top-performing agents, assessed the nominees based on their philanthropic mission and efforts to better the state. The top three were brought to a public vote, garnering nearly 2,500 votes, which was used to determine the distribution of the funds. The three nonprofits receiving donations were Empower 225 located in Baton Rouge, Louisiana Organ Procurement Agency (LOPA) located in Baton Rouge, and Providence House, located in Shreveport.

“This year’s Holiday Giving Program showcased the incredible power of collaboration and community spirit,” said Tim Reier, LWCC Agency Relations Manager. “By working together with our agent partners and the public, we’ve not only strengthened our relationships, but also empowered organizations that are driving positive change in Louisiana.”

For more information about the Holiday Giving Program or LWCC’s other Louisiana Loyal initiatives, please visit www.lwcc.com



LWCC Speaker Series Featuring Renee Mauborgne Helps Raise \$58,000 for the Kids’ Chance Scholarship Program

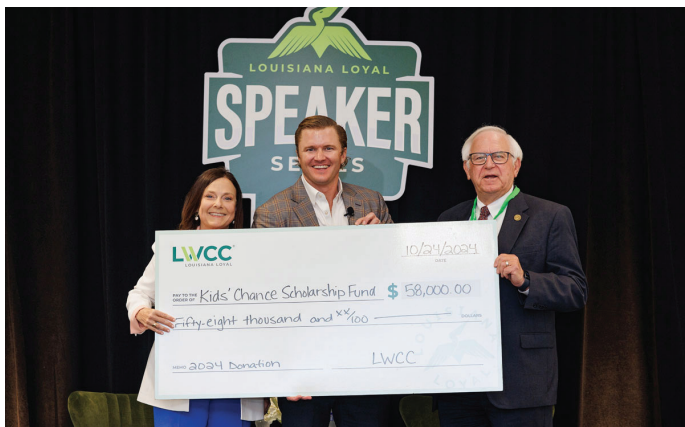
Together with its agent and business partners, LWCC donated \$58,000 to the Louisiana Bar Foundation (LBF) Kids’ Chance Scholarship Program during its annual Speaker Series, featuring Renee Mauborgne, a management and strategy expert and best-selling co-author of Blue Ocean Strategy, Blue Ocean Shift, and the recently released Beyond Disruption.

The Kids’ Chance Scholarship Program provides higher education scholarships to dependent children of Louisiana workers who were killed or permanently disabled as a result of a workplace accident. Since 2004, the program has awarded 349 scholarships totaling over \$940,100 to help students attend a school of their choice.

“LWCC is loyal to Louisiana’s workers, including taking care of injured workers and their families,” said Kristin W. Wall, LWCC President and CEO. “Our organization is proud to support the Kids’ Chance Scholarship Program. These funds help provide opportunities and transform lives through education.”

Featured speaker Mauborgne shared her insights into how businesses can harness the drive to innovate and grow while also being a force for good. In her presentation, Mauborgne outlined a framework for guiding non-disruptive innovation efforts that have been successful for businesses in all sectors of the economy.

[Click here](#) for a full recap and to learn more.



LWCC’s Angel Tree Brightens Holidays for Families in Need

In December, LWCC employees came together to continue the longstanding tradition of Angel Tree, an initiative that aims to make the holiday season brighter for children and families impacted by a catastrophic workplace accident.

This year, over 40 employees helped support seven families through the program by purchasing gifts, donating funds, and serving as program ambassadors. Their collective efforts provided much-needed holiday cheer and comfort to families facing difficult circumstances, exemplifying the spirit of giving and community.

“Being part of Angel Tree is truly humbling, as it brings employees from across LWCC together in such a meaningful way,” says Becky Harris, Claims Account Specialist. “Seeing everyone come together—whether it’s giving their time to select gifts or delivering them to families—shows just how much we care for injured workers and their loved ones.”

Thousands of injured workers across Louisiana rely on LWCC for the support they need to recover and return to work and a meaningful life. Through the Angel Tree initiative, the organization extends its compassion beyond its core business, making a lasting difference in the lives of those they serve and in the broader Louisiana community.

[Click here](#) for the full initiative recap.





MARYLAND

Jodi M. Swartz Joins Chesapeake Employers Insurance as Chief

Growth Officer

Chesapeake Employers' Insurance Company announces Jodi M. Swartz as the company's SVP, Chief Growth Officer, effective February 18, 2025.

Ms. Swartz will play a pivotal role in leading Chesapeake Employers' rebranding and sustained growth objectives. As a member of the company's executive leadership team,

Ms. Swartz will develop a strategic approach to growth and customer engagement encompassing all aspects of the business including market expansion, product and service innovation, new capabilities development, and community impact. She will lead the strategy and teams responsible for brand, marketing, communications, and sales.



With over 20 years of C-suite and leadership experience, Ms. Swartz is a global business-to-business marketing executive with a proven track record of developing and executing comprehensive go-to-market strategies that drive revenue, profitability, and market share for diverse industries including insurance, financial services, professional services, and technology.

Prior to joining Chesapeake Employers, Ms. Swartz served as SVP, Marketing and Communications for PayScale, a global compensation management firm located in Seattle, Wash. Other leadership roles she's held include VP, Growth Marketing and Market Insights for WestRock, a global paper

and packaging solutions company located in Atlanta, Ga.; EVP, Chief Marketing and Communications Officer for National General, an Allstate Company located in Winston-Salem, N.C.; and SVP, Client Experience Digital and Head of Global B2B Revenue Marketing Practice for Weber Shandwick, a global communications and PR agency. Ms. Swartz has been a Baltimore-area resident for more than 20 years and is deeply involved in both the Baltimore and Washington, D.C. marketing communities.

"On behalf of the entire organization, I am thrilled to welcome Jodi as Chief Growth Officer," said Mark Isakson, President and CEO of Chesapeake Employers. "Her diverse experience and proven track record in driving sustained growth and innovation will help lead Chesapeake Employers to new heights as we continue to evolve and strengthen our position in the marketplace. We are excited to have Jodi's leadership and vision guiding us into this next chapter of growth and value benefitting our stakeholders."

About Chesapeake Employers

Chesapeake Employers' Insurance Company is Maryland's largest writer of workers' compensation insurance. It is a nonprofit, non-stock, private corporation. Chesapeake Employers has served as a continuous, guaranteed source for fairly priced workers' compensation insurance since 1914.



MINNESOTA

Schmidt Promoted to Managing Counsel, SFM Updates In-House Law Firm

Following the recent promotion of attorney Aaron Schmidt, SFM's in-house law firm is now Schmidt, Scharfenberg and Hollick.

Schmidt, who has been with SFM since 2015, is the new managing counsel at SFM.



"Aaron's promotion to this role recognizes his client-centered approach to problem solving, and his interest in exploring and leveraging new technologies and processes to enhance the delivery of SFM's in-house claims and legal services," said Kathy Bray, Sr. VP and Chief Legal Officer at SFM.

Prior to joining SFM, Schmidt practiced law at private firms for several years in the areas of workers' compensation, general liability and construction insurance defense.

"I'm excited to take on the managing counsel role at SFM," Schmidt said. "We have so much opportunity for growth and sustained success on our team, and I look forward to continuing SFM's highly respected reputation with the workers' compensation bench and bar."

With Schmidt taking on his new managing counsel position, John Hollick, Chief Defense Counsel, will dedicate more time

to representing SFM and its policyholders in complex claims, as well as mentoring and educating claims personnel, and sharing his 35 years of experience through other projects.

"We are thrilled to begin this new chapter for SFM's in-house legal team," Hollick said. "SFM has the utmost confidence in Aaron and his talents as an attorney, and we are looking forward to having him enhance our delivery of legal services."

About SFM

SFM, headquartered in Bloomington, Minn., is a customer-owned mutual insurance company providing Minnesota, Wisconsin, Iowa, Nebraska, South Dakota, Kansas, Indiana and Tennessee employers with workers' compensation coverage. SFM offers workers' compensation insurance solutions for employers of all sizes, including injury prevention, claims and disability management, cost containment, legal assistance and third-party administration. For more information, visit sfmic.com.



MISSOURI

MEM Moves Forward as Private Mutual Company with Loss Portfolio Transfer to Safety National

MEM, a regional workers' compensation insurance provider, announced it has completed a loss portfolio transfer to St. Louis-based Safety National®.

The transaction reinsures a \$350 million portfolio of workers' compensation liabilities and covers accident years 2023 and prior. The transfer is part of MEM's transition from a state workers' compensation insurance fund to a private mutual insurance company.

"We are proud to partner with a highly rated Missouri company on this transaction that only fortifies our financial position as we transition to a private mutual insurance company," Roger Walleck, MEM President and CEO said.

While the liability is transferred, all of the claims in the portfolio will be handled as they have always been: by MEM's experienced claim staff.

"Our claims care is important to us, and that's why an in-house team of claims professionals will continue to manage the claims in this portfolio," Walleck said.

The completion of the deal followed regulatory approvals.

"Safety National is pleased to partner with MEM by providing this loss portfolio transfer to meet their organizational needs," said Duane Hercules, CEO at Safety National. "We will work diligently to make the transition as seamless as possible."

About MEM

MEM (formerly Missouri Employers Mutual and Previsor) is your Midwest regional workers compensation insurance partner. With 200,000 covered lives and decades of experience, we are committed to serving businesses of all sizes. Our personalized approach focuses on keeping your workplace safe, strong and productive. Learn more at mem-ins.com.

About Safety National

Safety National is a leading specialty insurance and reinsurance provider. With a rich history spanning over 80 years, Safety National offers specialized expertise, flexible program and placement design, and unique claims proficiency. Safety National is a member of the Tokio Marine Group and is rated A++ (Superior), FSC XV by A.M. Best. Learn more at www.safetynational.com.



NORTH DAKOTA

NDWSI Director Reappointed by Governor Armstrong

North Dakota Workforce Safety & Insurance (WSI) is proud to share that our Director, Art Thompson, has been reappointed by North Dakota's newly elected governor, Governor Kelly Armstrong. This reappointment reflects Thompson's exceptional leadership, commitment to workplace safety, and the wellbeing of North Dakota's workforce. Since assuming the



role in 2022, Thompson has guided WSI in implementing innovative safety initiatives, improving outcomes for injured employees, and delivering outstanding service across the state.

The reappointment signals strong alignment between WSI and the new administration's vision for workplace safety and workforce well-being. As an active member of AASCIF, WSI remains committed to collaborating with partner organizations to strengthen the workers' compensation system nationwide.



OREGON

Healthiest Employer

SAIF has been recognized as the Healthiest Employer of Oregon.

This recognition in 2024 also marks the 14th consecutive year SAIF has ranked in the top three in the 500 to 1,499-employee size category in the *Portland Business Journal's* Healthiest Employers of Oregon awards.

SAIF's commitment to fostering a healthy and supportive workplace also earned it a place in the Healthiest 100 Workplaces in America awards by Springbuk, where SAIF ranked 92nd amongst thousands of employers across the U.S.

"This recognition underscores our focus on fostering a workplace culture that prioritizes employee belonging, growth, and well-being," said Shannon Rickard, SAIF's chief legal and strategy officer. "We believe a healthy workforce is pivotal to our mission of serving Oregon businesses and workers with excellence. This award reaffirms our dedication to creating an environment where every employee can thrive, contributing their best to our collective success."

Free Ag Safety Seminars

SAIF is visiting cities across Oregon to offer free agriculture safety sessions.

SAIF has offered agricultural safety seminars for nearly 30 years, helping Oregon's farm owners, managers, and workers stay safe in one of the most hazardous industries.

SAIF is conducting 31 free ag safety seminars in 16 cities across Oregon. Seminars will continue through March and 10 of the seminars will be presented entirely in Spanish.

This year's seminars focus on four topics:

- Navigating Oregon OSHA's top citations
- Coexisting with agricultural chemicals
- Cold stress safety on the farm
- Emergency first aid on the farm

SAIF's 2025 Calendar Celebrates the Future of Work in Oregon

There's a new generation at work in Oregon. From innovators and inventors reimagining traditional industries to family businesses being passed to the next generation. From organizations inspiring students in science and technology to an established research hospital embracing new approaches to care.

The businesses and organizations [featured in SAIF's 2025 calendar](#) are reshaping the future of work in Oregon.

SAIF will be celebrating the policyholders featured in the calendar over the next year at saif.com/stories.

SASKATCHEWAN

Saskatchewan WCB approves 2025 premium rates, average among lowest in Canada

The Saskatchewan Workers' Compensation Board (WCB) approved the 2025 average premium rate in December 2024. At \$1.28 per hundred dollars of payroll, the 2025 rate is unchanged from the previous year.

Guided by a mission to protect Saskatchewan workers and businesses today and tomorrow through innovative and effective programs and services, the WCB is proud to maintain an average premium rate that is among the lowest in Canada.

“At the WCB, we work to uphold a balance between stable rates that ensure fairness, transparency, collective liability and predictability, and a fully funded compensation system,” said WCB chair Gord Dobrowolsky. “Claim costs and payroll are the two primary drivers of the 2025 average premium rate. Although we are expecting claim costs to increase, we predict increasing employer payroll will offset those rising costs. Our 2025 average premium rate is among the lowest in Canada.”

In 2025, 76 per cent of Saskatchewan employers covered by the WCB will see a decrease or no change to their industry premium rate, while only 24 per cent will see an increase.

The WCB has a legislative obligation to be fully funded to cover the costs of current and future claims. Under the WCB's sufficiency policy, the WCB targets a range of between 100 and 140 per cent funded.

“The 2025 premium rate ensures we can maintain our funded position,” said WCB CEO Phillip Germain. “While we can keep this year's rate consistent with the past two years, we are seeing claims getting more costly. Along with inflation, we expect claim costs to put long-term upward pressure on premium rates. If we work together to reduce the number of serious injuries and fatalities, we can help minimize the impact of these factors on future premium rates.”

In 2024, the WCB streamlined its investment strategy to improve the long-term expected return on its investments, which benefits employers by reducing the premiums needed to run the compensation system. The WCB also works closely to educate and empower employers to influence their individual premium rates through effective injury prevention and return-to-work programs.

In 2023, for the fourth year in a row, 90 per cent of employers in Saskatchewan achieved zero injuries and zero fatalities in their workplaces. The WCB is working to support workers and employers to prioritize and effectively manage workplace safety. Every year, serious injuries account for approximately 11 to 14 per cent of total claims and more than 80 per cent of claim costs in the system.

WorkSafe Saskatchewan, the partnership between the WCB and the Ministry of Labour Relations and Workplace Safety, continues to invest in programs that support workplace safety as part of its 2023-2028 Fatalities and Serious Injuries Strategy. WorkSafe Saskatchewan designs these programs, targeting the industries with the highest injury rates, to support employers and workers in making Saskatchewan the safest place to work in Canada.

“The WCB will keep collaborating closely with employers, workers, and health-care providers to help prevent work disability through active worker and employer contract, and collaborative return-to-work programs,” said Dobrowolsky. “Together, we're striving to achieve a shared vision of eliminating injuries and restoring abilities in all Saskatchewan workplaces.”

To learn more about how the WCB sets premium rates, visit the WCB website at <https://www.wcbask.com/premium-rates-and-how-theyre-set>.



WASHINGTON

Joel Sacks Reappointed as Director of Washington Labor & Industries

Newly elected Gov. Bob Ferguson has reappointed Joel Sacks as director of the Washington State Department of Labor & Industries (L&I).



L&I oversees Washington state workers' compensation insurance, workplace safety requirements, wage and hour laws, and other key programs.

Washington workers have extensive protections concerning heat exposure, wildfire smoke, and warehouse quotas, along with safety and labor regulations for petroleum refinery workers, ride share drivers, and health care workers in hospitals.

"I'm passionate about worker safety and health, and proud of what we've accomplished. As long as there are people hurt and killed on the job, we have a lot more to do," Sacks said. "Washington is one of the larger workers' compensation insurers in the nation, and we're proud to help tens of thousands of workers heal and return to work every year. I'm honored to work with Gov. Ferguson and continue to serve Washington."

Sacks has served as L&I director since 2013. During that time:

- Washington business and workers reduced the rate of hospitalization for serious worker injuries by more than 30%, with one of the lowest rates of worker fatalities in the nation.
- L&I helped more than 1.4 million people injured or sickened at work get medical care, wage replacement, or both.
- Nearly 80,000 injured workers received support from L&I with return-to-work services. The number who go back to work has increased more than 250 percent.
- About \$161 million in wages have been reimbursed by L&I through its Stay at Work program, which gives incentives to employers to provide light-duty jobs to thousands of injured workers while they heal.

Washington is one of four states that have an exclusive State Fund workers' compensation program. Employers in the state also have an option to self-insure.

Before becoming L&I director, Sacks served eight years at the state Employment Security Department as deputy commissioner and as assistant commissioner for the Budget, Policy, and Communication Division. He spent four years at the Occupational Safety and Health Administration in the U.S. Department of Labor.