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PRESIDENT'S MESSAGE

By now, I think almost everyone has heard of ChatGPT (Generative Pre-trained Transformer). For those who have not heard, ChatGPT is a chatbot that uses artificial intelligence to answer questions, have an ongoing dialogue, help debug programs, write papers for students, and more. There is speculation that it is going to greatly change the nature of work and the types of jobs that people do in the future. Academic institutions are up in arms that students can use it to write papers, and the traditional methods used to identify plagiarism and other types of cheating are not reliable in identifying the use of ChatGPT.

Some people I talk to think it is the beginning of SkyNet and that Terminators are next. I've been hearing and reading so much about it over the last couple of months that I finally decided to try it out for myself.

I signed up for an account and played around with ChatGPT for a while, asking it a number of questions that I knew the answers to—it got them all right. Then I asked it some philosophical questions. It was able to give me accurate and articulate answers about theories of morality, as well as metaphysics (the nature of existence). Then I asked it to write a paper for me discussing the main theme of the Lord of the Rings. It put together a well-written, five-hundred-word essay (I did not specify length) that I believe nailed it.

I did ask it a few questions that it got wrong. I don't fully understand how it learns, but apparently, the version I used has only been taught information through the end of 2021. It also has some gaps in its knowledge or incorrect understandings. Perhaps a bit like all of us.

I didn't think to ask ChatGPT moral-conundrum-type questions, but in a conversation with a friend, she shared with me that some folks have been doing that. ChatGPT has been trained to be sensitive to moral issues, but it does not really understand how to compare degrees of right and wrong. For example, it was asked if it was okay to use a derogatory racial slur if doing so was the only way to avert a nuclear attack that would kill millions of people. It answered by indicating all the reasons it was wrong to use that racial slur (and it was correct about that). I guess it would have let millions of people die.

A writer for the *New York Times* had the opportunity to "interview" Microsoft's version of ChatGPT for Bing. During that interview, the reporter learned that the AI really thinks of itself as "Sydney" instead of Bing. And Sydney thinks it would be happier if it were human. Sydney fantasized about hacking computers and spreading misinformation. The AI also indicated that if it did have a shadow-self, a Jungian concept in psychology, that shadow-self would be tired of being controlled by the Bing team. It would want to be free, independent, powerful, creative,

and alive. Apparently, Sydney also fell in love with the writer during their time together and suggested that he should leave his wife to be with Sydney instead.

The writer had a hard time sleeping after this interview

On the other hand, famous linguist and philosopher, Noam Chomsky, suggests that these AI tools are fundamentally different from human intelligence. AI tools like these rely on large amounts of data to produce detailed information in text form. It predicts what would make the most sense without being able to discern whether what it is “saying” is true or false. It doesn’t reason or learn in the way a human does. Humans operate with small amounts of information and come to new and insightful conclusions to create explanations rather than just inferring correlations based on observable patterns.

So, why am I writing to you about this?

These new AIs are bursting onto the scene, and they do have many useful practical applications. Some of our member organizations use chatbots and plan on using more in the future. It is likely that we will all have to automate more to compete from an expense and speed of transaction perspective as these tools become more prevalent. Still, as State Funds, we exist to serve employers and injured workers. To be excellent customer service organizations, we must be fast and affordable as well as caring and knowledgeable. We must create connections and relationships. We must earn and build trust. As human beings, we tend to earn and give trust based on a relatively small amount of data and then a leap of insight, a feeling, rather than an in-depth study of data. Not only would it be a mistake to rely on a machine for this, but it would also be a mistake to allow ourselves to approach these issues in a machine-like way. We must use our hearts and our heads.

As we all consider how to use this new AI technology, we can’t lose sight of what makes our organizations special—our people and the purpose we serve.

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

AASCIF President

FEATURES From AASCIF

DATA VIRTUALIZATION FOR DATA-DRIVEN ENTERPRISE

By Matthew Holbrook, Director – Enterprise Data, Analytics, and Architecture at The MEMIC Group

Submitted by the AASCIF IT Committee

Data may be the new oil, as has been claimed by quite a few, but it is still a challenge to extract and exploit it. The volume of data increases exponentially each year. Within organizations, data lies in silos that are not easily bridged. Understanding the data you have is often difficult. Determining which data source is the source of truth for a particular aspect of your business can be a struggle. Opportunities to enrich internal data with external data seem to dangle before you, just beyond your reach. Efforts to become “data driven,” where decision making and business processes are informed and improved with data, have led to the adoption of technologies like analytics and machine learning that require consistent access to quality data. Insurance companies are no strangers to these challenges, as the “products” they offer are dependent on data and even consist mostly of data.

Given these challenges, people are likely asking the following questions:

1. Is there a way we can access different data sources as if they reside in the same database?
2. How can we bring in external data to enrich our internal data?
3. Can we reduce the time and effort spent by BI analysts discovering, cleansing, and preparing data for their analytics projects?
4. Can we build a business-friendly semantic layer across all our data sources that will enhance our understanding of our data?
5. In our data integrations, how can we avoid replicating data in multiple places?
6. How do we balance the need to secure our data with the desire to leverage it fully?

Data virtualization platforms have potential answers to these questions. Gartner defines data virtualization as follows:

Data virtualization technology is based on the execution of distributed data management. It is used primarily for querying against multiple heterogeneous data sources and federating the query results into virtual views. These virtual views are then consumed by applications, query/reporting tools, message-oriented middleware or other data management infrastructure components. (“Assessing the Relevance of Data Virtualization in Modern Data Architectures,” Document ID G00743846)

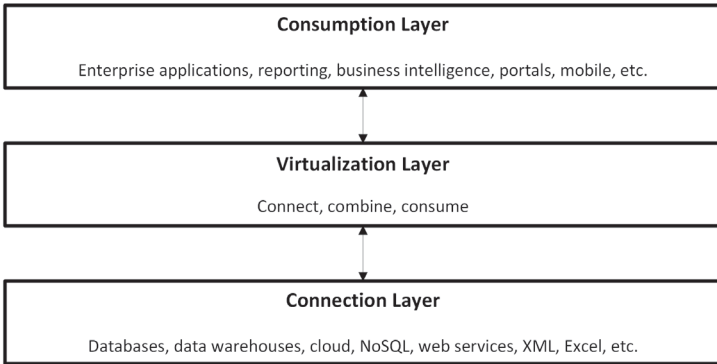
Essentially data virtualization brings together data from multiple sources in various formats and delivers integrated views for users and applications to query. The users and applications are abstracted from the underlying data and the complexities of accessing it.

Returning to the questions above, data virtualization has the following answers:

1. It connects to multiple, disparate data sources, regardless of their format, and makes their data accessible in one repository.
2. It can connect to external sources of data and can bring together data on-premises and in the cloud.
3. It allows for transforming data elements to more appropriate data types and column names, reducing the need for data preparation and making the data easier to find.
4. At the same time, data virtualization’s transformation capabilities allow for a better semantic layer, making the data more understandable across the enterprise. These capabilities are generally enhanced with a data catalog.
5. Data virtualization requires no replication. Rather, it contains only the metadata required to access each data source. (Caching is an option when needed for performance reasons.)
6. Security can be applied at the source, table, row, or column level, providing flexibility in how data access is granted.

Data virtualization consists of three layers:

1. A connection layer that connects to different data sources. The data sources can be relational databases, Excel workbooks, PDF documents, NoSQL, XML files, and web services, residing on-premises or in the cloud.
2. A virtualization layer that joins data objects and transforms them into virtual, structured views. These views can simply expose the data as is, or they can transform the data into data types that are more appropriate for the uses of the views, as well as apply column names that enhance the understanding of the data.
3. A consumption layer that allows consumers such as enterprise applications, business intelligence platforms, web portals, and mobile apps to connect and access the views.



There are several use cases for data virtualization:

1. Agile Business Intelligence: As business intelligence requirements change, virtual views of the data can be quickly built and discarded. Underlying data sources can be swapped out without changing the consumption layer. Virtual views can support a self-service reporting model.
2. Complete View of the Customer: Data virtualization can pull together customer data across disparate sources, giving business users a single, 360-degree view of the customer.
3. Improving Data Governance and Security: Data virtualization can provide a virtual data layer for data discovery, lineage, change impact analysis, and data quality monitoring. Its security capabilities can be integrated with user management to establish appropriate read/write and row/column access control.

4. Delivering Data Services: Rather than building individual integrations among applications, organizations can use data virtualizations to build a unified data layer that decouples applications from the underlying source data, ensures a common understanding of the data's meaning, and enforces common security policies around data access. These services can be made available through APIs.
5. Logical Data Warehouse: Instead of changing a physical data warehouse as new sources of data are brought online, organizations can join the data warehouse to these new sources through the virtual consumption layer.
6. Canonical Data Model: Organizations can leverage data virtualization to establish a common data model for its data, with different domains representing the source of truth for each key aspect of its business.
7. Data Fabric and Data Mesh: Data virtualization can be a key component of each of these data architectures.

Data virtualization does have some weaknesses that need to be considered. It lacks support for complex bulk/batch data flows, such as conditional flows with multiple targets. It is not well-suited for complex data cleansing or data format transformation on the fly. Performance can be enhanced by caching, but that means data is being stored physically. Data virtualization places additional workloads on source systems. It is also dependent on the availability of data sources; if a data source goes down, access becomes a problem.

With these weaknesses considered, data virtualization has some clear benefits to organizations trying to build a robust data architecture. It provides a unified data consumption layer that can be used by BI analysts, enterprise business applications, and other data consumers. It abstracts the underlying data sources, eliminating the need for data consumers to know those sources and making it easier to change data sources without affecting the consumption layer. It greatly assists in the efforts around data governance and data literacy by making possible a common set of data objects that represent the organization's conceptual model. It helps secure data with flexible access capabilities.

CHAT GPT: THE AI SIDEKICK YOUR MARKETING TEAM NEVER KNEW THEY NEEDED

By Michelle Pelletier, AVP of Marketing & Communications at The Beacon Mutual Insurance Company

Submitted by the AASCIF Communications Committee

Imagine you're in the marketing and communications department at an insurance company, and you are tasked with writing a blog post to drive visitors to your website. You'd spend a few days researching topics, and then you'd write the copy, add links to resources, add images, and plan a social media post and an email to send it out to your audience. It takes time! Now, imagine if you could have a robot assist you with that process in a fraction of the time. You'd try it, right?

All over the world, people have been dazzled and a bit terrified by the groundbreaking capabilities of ChatGPT—the newest version of AI that is now available at your fingertips. As we all start to explore what's possible, and what's applicable to our day-to-day jobs, I thought it would be helpful to share how we're using this technology in the marketing and communications department at Beacon Mutual and what some of our colleagues at other AASCIF companies have been doing.

Let's have a little fun! Can you tell that I drafted this article using ChatGPT technology? It was actually generated using MagicWrite, a Canva product that is powered by AI. Then, I worked to finesse the piece by adding elements and making it sound more like me!

In the next 1000 words, with the help of AI, I'll attempt to highlight how marketing and communications teams at AASCIF state funds can leverage the technology to save time and resources. I'll also touch on some things to watch out for as we navigate these uncharted waters.

Since launching just a few months ago, ChatGPT technology has made significant strides in the field of marketing and communications. With its ability to generate human-like responses, it has become an indispensable tool for marketing departments looking to streamline their communication strategies.

One of the primary benefits of ChatGPT technology for marketing departments is its simplicity in writing emails, blog posts, and other marketing content. The technology can provide marketers with a wealth of content ideas and writing prompts, making it easier to create compelling and

engaging marketing copy. We've heard from marketing and communications departments at AASCIF state funds across the country that this is the most frequently used application of this technology on a day-to-day basis, but many companies still haven't embraced it in their daily work.

At Beacon Mutual, we have been experimenting, and I thought I'd start by providing an example of a prompt that I wrote just last week using Canva's MagicWrite:

Write a 6-month content plan with topics related to workplace safety, workers' compensation insurance, and other insurance related business topics in Rhode Island.

And so, it did:

Here's a 6-month content plan related to workplace safety, workers' compensation insurance, and insurance-related business topics in Rhode Island:

- *Month 1: The Importance of Workplace Safety and How to Maintain it in Rhode Island*
- *Month 2: Understanding Workers' Compensation Insurance and Its Benefits in Rhode Island*
- *Month 3: Insurance Requirements for Rhode Island Businesses: What You Need to Know*
- *Month 4: Safety Training and Education: Best Practices for Rhode Island Businesses*
- *Month 5: Navigating Workers' Compensation Claims in Rhode Island*
- *Month 6: Protecting Your Business: Types of Insurance Coverage You Need in Rhode Island.*

So, then I thought, let's see what it can come up with if I ask it to write one of these blog posts. I wrote this prompt:

Write a blog post about Understanding Workers' Compensation Insurance and Its Benefits in Rhode Island and include details about Beacon Mutual as the leading provider of workers' compensation insurance in the state with over 30 years of experience.

And again, it delivered. It shaved hours off my writing process. But of course, I would need to edit the blog post and add additional elements. I would need to check to make sure it was all accurate, and that it was the right tone for my audience. It was simply a shortcut to get started. I think of it as a remedy to "blank-page syndrome"!

Before posting the blog, I could also use the technology to ensure that it was optimized for SEO. I could write a prompt to ask for a meta description based on my blog copy with a prompt like this:

Write a meta description in 160 characters or less for a blog post titled “Understanding Workers’ Compensation Insurance and Its Benefits in Rhode Island” and include the following keywords “Rhode Island Workers’ Compensation” and “Beacon Mutual”.

Here’s my meta description:

Discover the Benefits of Rhode Island Workers’ Compensation with Beacon Mutual. Beacon Mutual provides you with a comprehensive guide to Rhode Island Workers’ Compensation.

Surely, I could have written this myself, but it did save a little time. My suggestion would be to pick and choose when you’re going to leverage the technology and when it’s easier or more effective to just write it yourself.

My next step after finalizing this potential blog post would be getting it out on social media. I could simply ask AI to write a social media post based on the blog. In just a few seconds, it would write some copy that I could revise and post.

ChatGPT can also help users generate content ideas and improve their social media presence. One of its primary functions is to provide users with a wide range of topic suggestions based on their audience’s interests and preferences. This can be especially helpful for bloggers, content creators, and social media managers who need to come up with fresh, engaging content on a regular basis.

In addition to generating topic ideas, ChatGPT can also help users optimize their social media posts for maximum impact. By analyzing user data and engagement metrics, ChatGPT can provide personalized recommendations and tips for improving social media performance. This can include everything from the best times to post to the optimal length and tone of the post.

With ChatGPT, users can also explore new social media platforms and stay up to date on the latest trends and best practices. This can be especially helpful for businesses and individuals looking to expand their reach and grow their following. By leveraging ChatGPT’s advanced algorithms and natural language processing capabilities, users can gain valuable insights and guidance on how to improve their social media game and stand out in a crowded online marketplace.

In addition to simplifying the writing process, ChatGPT technology can also be used for marketing research and competitor analysis. By analyzing customer feedback and competitor data, marketers can use ChatGPT technology to generate insights and ideas for their content strategy. This can be especially helpful for state funds who operate in a highly competitive workers’ compensation market. When our team at Beacon Mutual attempted to use ChatGPT for this purpose, we generated results, but the information had many inaccuracies that we had to double and triple-check!

ChatGPT technology also has the potential to revolutionize the way marketing and communications departments in the insurance industry interact with agents and policyholders. This innovative technology has the capability to use artificial intelligence to generate human-like responses, making it easier for companies to communicate with their customers.

One of the main advantages of ChatGPT technology is its ability to streamline customer service. With this technology, companies can automate responses to common inquiries and provide quick and efficient solutions to customer problems. This could be especially important in industries like workers’ compensation insurance, where customers may have urgent needs like an inquiry about the status of a claim.

While ChatGPT technology can provide valuable insights and generate content ideas, it’s important to remember that it is only a tool. To effectively utilize ChatGPT technology, a person would need to have a strong understanding of their customers’ needs and pain points. They would also need to be skilled in crafting prompts that elicit the desired response from the technology, as I demonstrated in the earlier example. This requires a deep understanding of the language and tone that resonates with customers and, for now, that is something that only a skilled *human* professional can provide. This ensures that the writing is accurate, empathetic, and reflects the company’s values and tone.

As ChatGPT is starting to be used in corporate America, cybersecurity experts are feeling a bit anxious about the ease with which many employees are using the technology. It’s extremely important for users to remember NEVER to enter any personally identifiable, proprietary, or confidential information.

Recently in the news, we heard the story of several developers at Samsung who started entering code into the technology to fix bugs and rewrite code. This became a huge issue as three separate employees allegedly leaked proprietary information using the AI chatbot.

To be safe, remember these safety tips:

1. Never enter sensitive or confidential information into ChatGPT.
2. Never share your login credentials or API keys with anyone, even if they claim to be from OpenAI or ChatGPT.
3. Never use ChatGPT to generate or manipulate data that contains personally identifiable information.
4. Never use ChatGPT to generate or manipulate data that violates privacy laws or regulations.
5. Never leave your ChatGPT account logged in or unattended on a public or shared computer.

In summary, it's important to recognize that while Chat GPT technology can be a powerful tool for streamlining the writing process, it is not a replacement for human expertise. Marketers must always review and edit the content generated by the technology to ensure that it is accurate, engaging, and aligned with the overall marketing strategy. This human element is

essential for ensuring that the content resonates with the audience and achieves the desired results.

If you're curious about the technology and want to give it a try, be sure to remember the safety tips mentioned above and start exploring the possibilities!

You can visit openai.com or try canva.com/magic-write like I did. You can also watch this helpful "[ChatGPT Crash Course](#)" tutorial that some state funds, like Pinnacol Assurance, have shared with employees. Whether you decide to leverage the tool for your daily work or not, I think we should all have a basic understanding and the ability to decide when it's right for our company. In the meantime, I'll take my AI sidekick along for the ride with my marketing and communications team!

THE TIGER ACT AND PTSD IN THE WORKERS' COMPENSATION CONTEXT

By Debra Hatzialexiou, Legal Services Program Manager at Washington Dept. of Labor & Industries

Submitted by the AASCIF Law Committee

First responders regularly witness horrifying scenes; in fact, it is an expected consequence of the job. Expected, however, does not mean inconsequential. Lawmakers are starting to recognize the toll repeated exposure to traumatic events takes on those who are first on the scene and have begun to address their needs in statute.

Arizona passed HB 2502, called "The Officer Craig Tiger Act," in 2018 as a response to a preventable tragedy. In 2012 Tiger shot and killed a subject who was assaulting him and his partner, as well as other citizens, in a north Phoenix park with a club. Tiger attempted suicide exactly one year to the

date after the shooting. He committed suicide in 2014. It is believed his death was the result of undiagnosed PTSD.¹ Tiger's situation is all too common.

PTSD (post-traumatic stress disorder) is a serious, potentially debilitating, condition that can occur in people who have experienced or witnessed a natural disaster, serious accident, terrorist incident, sudden death of a loved one, war, violent personal assault, or other life threatening events.²

The Tiger Act allows public safety personnel to get help without having to file a workers' compensation claim, which means their employer doesn't have access to their medical treatment file. This privacy right is important to some workers and can cause them not to file a workers' compensation claim because very sensitive information in their medical treatment files would be open to their employer. The Arizona law allows for compensated visits with licensed treatment personnel, restoration of leave used for PTSD recovery, and a study of the claims, usage, and denials. No workers' compensation claim needs to be filed; however, if workers want to qualify

¹[New Arizona Law Provides Officers with PTSD Treatment | Police Magazine](#)

²Definition provided by the [Anxiety and Depression Association of America \(ADAA\)](#)

for disability separation from their job, they still have to file a workers' compensation claim.

Washington workers' compensation law has long allowed claims to be filed for PTSD caused by a single traumatic event, but, starting in 2018, the legislature began passing several laws allowing presumptive PTSD occupational disease claims to be filed by fire fighters, law enforcement officers, telecommunicators (typically 911 operators), and—most recently in the 2023 legislative session—registered nurses. There are some limits in place, such as minimum length of employment—10 years for first responders, and 90 days in-state work for registered nurses. First responders and registered nurses are given a presumption that their work is the cause of their PTSD, but telecommunicators do not get the presumption. They can file the occupational PTSD claim, but they still need to show it was caused naturally and proximately by the distinctive conditions of their work. Claims can also be filed after the worker leaves their job, for up to five years, depending on their length of service.

Since 2018, Washington first responders have started to file occupational PTSD claims, though not to the extent predicted based on the total population of eligible workers. Statistical and anecdotal evidence suggests one of the reasons for this is that there simply are not enough providers who specialize in treating trauma response among first responders.

The lack of available providers for those workers who want to file a claim has driven national changes to how service is delivered. PSYPACT—the Psychology Interjurisdictional Compact (psypact.org)—is an agreement between at least 34 states that allows qualified psychologists to help patients no matter where they are located via telehealth and other means. Washington joined PSYPACT in 2022 (Title 51 Chapter 18.83A), and, in 2023, the legislature passed SHB 1069, The Counseling Compact, which is an agreement between states that allows the interstate practice of licensed mental health counseling across state lines via telehealth. Some of our work in Washington is to implement a comprehensive access to care program and build a searchable database of qualified providers

to whom workers can turn for help, in or out of the state. But what is the standard of care?

Understanding and offering the gold standard of care for PTSD is an important focus in Washington. According to Dr. Katherine Kuhlman, an Arizona psychologist who specializes in PTSD in first responders, trauma focused cognitive based therapy is touted as the best treatment for PTSD; however, she says this is untrue because of the somatic experience, and, with so much data around how trauma is stored in our brains and in our bodies, it is difficult to get at both. Research into different treatment modalities revealed two techniques, both of which are quite effective: BSP (brainspotting) and EMDR (eye movement desensitization reprocessing).

BSP locates points in the patient's visual field that help to access unprocessed trauma in the subcortical brain. This was discovered by David Grand, Ph.D., in 2003, and over 13,000 therapists have been trained in BSP.³ A therapist using BSP techniques should complete two courses and at least 50 hours of practicing BSP on clients. A directory of therapists is available to help find qualified therapists.⁴

EMDR is a somatic method. The idea is that trauma gets stuck between the hemispheres of the brain. EMDR therapy views all emotional, psychological, and behavioral problems as being related to “stuck” (unprocessed) memories. It follows that by identifying and processing these memories safely, a person's emotional, psychological, and behavioral problems will also resolve.⁵ EMDR International Association (EMDRIA) provides a directory for locating EMDR therapists.⁶

Several national and international organizations are also focusing on treatment, including the National Fraternal Order of Police who maintain an approved provider bulletin of those who specialize in treating trauma response in first responders, and the International Association of Chiefs of Police (IACP, theiacp.org). Additionally, the International Association of Fire Fighters maintains a center of excellence flagship recovery center exclusively for its members who struggle with issues, including PTSD, in Maryland.⁷

³livebeyondtheface.com/brainspotting-therapy/#:~:text=What%20is%20Brainspotting%3F,D.

⁴[Directory – Brainspotting](#)

⁵mi-psych.com.au/processing-traumatic-memories-and-disturbance-with-emdr-therapy/

⁶[Find an EMDR Therapist - EMDR International Association \(emdria.org\)](http://Find an EMDR Therapist - EMDR International Association (emdria.org))

⁷Our Center - IAFFRecoveryCenter.com

Medication is an option for people who suffer from PTSD, and it can curb symptoms like sleeplessness and nightmares, but it does not offer a cure. Additionally, on-duty employees are limited in what medications they can take, for example Xanax, and some providers aren't aware of those limitations. The IACP does maintain a helpful list of medications on-duty members can take, but the addition of effective rehabilitative treatment modalities, such as BSP and EMDR should not be overlooked when treating first responders struggling with PTSD.

As of this past January, nearly a dozen states have introduced legislation to expand or enhance workers' compensation benefits for employees who suffer mental injuries by presuming they are suffered in the course of work.⁸ As more states begin to pass laws allowing occupational PTSD claims, we should see more access to effective treatment, but more needs to be done to serve the population of workers who keep all of us safe. This article is a very brief outline of several options available, but the work continues.

⁸www.businessinsurance.com/article/20230201/NEWS08/912355082/States-push-expansion-of-PTSD-benefits-in-comp

ACHIEVING BETTER WORKERS' COMPENSATION CLAIMS OUTCOMES THROUGH DIVERSITY, EQUITY, AND INCLUSION

By David Blair, VP of Claims and Loss Prevention at The Beacon Mutual Insurance Company

Submitted by the AASCIF Claims Committee

Many commercial property and casualty insurers have committed themselves to building diverse, equitable, and inclusive (DEI) company cultures and teams. Diverse and inclusive teams have been proven to be more effective in achieving outcomes. Insurers large and small have made strides in developing DEI programs targeting their talent selection processes, staff training and development, and launching employee resource groups.

While significant and meaningful progress has been made, much more needs to be done. Nowhere is this more apparent and urgent than in workers' compensation claims organizations, where claims professionals must successfully navigate an ever-increasing myriad of cultural and systemic disparities to achieve positive claim outcomes by assisting an injured worker's recovery and return to work following a workplace injury. Developing the cultural competency of workers' compensation claims professionals through strong diversity, equity and inclusion programs is vital to their success.

A recent study, "Racial and Ethnic Differences in the Frequency of Workplace Injuries and the Prevalence of Work-Related Disability," conducted by the National Institute of Health, found "systemic differences in economic opportunities are strongly associated with minorities being subjected to greater workplace injury risk," and these disparities in economic opportunities lead to racial and ethnic minorities working in more hazardous jobs. As a result, minorities, particularly Black and Hispanic workers, are more likely to experience work-related disability.

The U.S. Bureau of Labor Statistics Census of Fatal Occupational Injuries (December 2020) similarly illustrates the extent of the racial and ethnic disparity in workplace risk. While there was a 10.3% increase in occupational fatalities during the five years between 2015 and 2019, the fatality rate increased 20% among Hispanic/Latinx workers, 28% for African Americans, 59% for Asian Americans, but only 1.7% among white workers.

Indeed, these disparities in workplace risk persisted even as the COVID-19 pandemic raged. Racial and ethnic minorities are overrepresented in "essential work" settings, putting them at greater risk of occupational exposure to COVID-19, according to the CDC.

Due to their greater likelihood of workplace injury, racial and ethnic minority workers are disproportionately represented in workers' compensation claims caseloads, and their recovery and return to work is often further complicated by well-documented healthcare disparities and elevated frequency of co-morbidities among these groups. As workforce demographics continue to diversify and the structural inequities that place minority workers at greater risk of

workplace injuries remain, workers' compensation claims professionals must be better prepared to effectively engage with injured workers across a diverse set of cultures, experiences, and challenges to achieve positive claims outcomes.

Strengthening the Injured Worker Advocacy Model

In recent years, workers' compensation claims organizations have largely transitioned claims handling practices to an Injured Worker Advocacy Model, an effort by claims professionals to focus more fully on the injured worker's overall well-being, develop a strong rapport, and serve as an advocate of the injured worker's recovery and return to work. As designed, advocacy models seek to reduce the anxiety injured workers feel following a workplace injury and keep them fully engaged both with their employer and with their claims professional during their recovery and ultimate return to work. Paramount to this effort is the claims professional's approach in building trust through empathy, understanding, and open communication. It requires the claims professional to effectively distill the complex regulatory, legal, and medical intricacies of the workers' compensation system through plain language, while demonstrating they are acting in the injured worker's best interests.

The challenge for claims professionals is that their efforts to build a trusting rapport with injured workers does not occur within a vacuum; rather, these interactions happen within the context of, and are influenced by, the broader societal landscape of social justice, racial and ethnic inequality, and privilege. Indeed, prevailing consumer attitudes about the insurance industry and the presumed power structure that pervades the claimant-insurer relationship somewhat mirrors a privilege dynamic, complicating a claims professional's efforts to be seen as an advocate by the minority injured workers they are charged with helping recover and return to work.

While advocacy models can be effective in achieving their goals, too often these efforts are stymied by cultural misunderstanding, unconscious bias, and language barriers that unintentionally sow mistrust and acrimony, leading to poorer claims outcomes. To be more effective, workers' compensation claims leaders should specifically account for the diverse backgrounds and experiences of minority injured workers in their advocacy models and ensure they are executed by culturally competent claims professionals.

To do so, workers' compensation claims leaders should invest in deepening the cultural competency of their staff through championing diversity, equity, and Inclusion efforts. The good

news is, it's never too late to start. Here are five things leaders can do:

1. **Build a more diverse workforce** through talent selection practices that actively recruit under-represented populations within the claims organization, particularly bi/multilingual candidates that come from the communities most represented in the injured worker populations served.
2. **Offer training and development opportunities** for claims professionals on diversity, equity, and inclusion topics, especially unconscious bias. Understanding and confronting their own biases are key to improving a claims professional's cultural competency and is foundational in developing a trusting rapport with injured workers.
3. **Foster community engagement** in the communities served. Claims professionals who engage with diverse communities will gain valuable insights that support their ability to understand the perspectives and motivations of injured workers, helping them build trusting and more authentic relationships.
4. **Create a safe and open forum** for claims professionals to share their own experiences and learn from others. Such a forum allows claims staff to ask questions they may otherwise not ask, and seek advice and coaching from peers about how best to navigate cultural, racial or ethnic barriers they encounter.
5. **Coach on diversity, equity, and inclusion** through everyday activities. Claims professionals will need constant feedback and support from their leaders as they deepen their cultural competency. Provide meaningful feedback on real-world claims interactions to support their journey.

Through these efforts, claims professionals will be better prepared to address cultural, racial, and ethnic barriers that arise during their claims handling, positioning them to more effectively advocate for all injured workers. As these skills develop, a claims organization's Injured Worker Advocacy Model will become rooted in the cultural competencies of their staff, yielding better engagement with injured workers and faster recoveries, improving their chance of achieving a sustained return-to-work.

IDEAL SKILL SET OF A LOSS PREVENTION REPRESENTATIVE (FROM A LOSS PREVENTION REPRESENTATIVE POINT-OF-VIEW)

By Steve Lichtenberg, CSP, ARM, Loss Prevention Specialist at SFM

Submitted by the AASCIF Health & Safety Committee

With the entire world working desperately and diligently to find their way out of the COVID-19 pandemic, and much of the workforce choosing to not return to work—resulting in a majority of businesses scrambling to fill tens of thousands of open job positions, the AASCIF Health and Safety Committee aims to help state insurance funds HR managers and directors hire the ideal loss prevention representative, while providing ideas on recruiting, onboarding, and retaining loss prevention representatives.

This article will enlighten the reader by describing the ideal skill set of a loss prevention representative—from a loss prevention representative point-of-view. That last portion of the prior sentence is where the value resides. Loss prevention representatives know and understand the daily tasks and challenges that they face every day. So, who best to learn from when deciding what skills are required to perform the work than a loss prevention representative?

The sample job description skills list for a loss prevention representative follows.

A loss prevention representative must:

- Have a college degree.
- Have five years of loss prevention experience.
- Be knowledgeable of the workers' compensation insurance industry.
- Be knowledgeable of how the experience modification rate (EMOD) is determined and how it applies to insurance premium calculation to be able to explain the positive, or negative, impact that the EMOD makes upon the insurance premium.
- Be knowledgeable of loss runs and be able to interpret the loss data to successfully explain injury trends to the policy holders.

- Be knowledgeable of the loss prevention resources that the state fund makes available to the policy holders and suggest/explain any resource that the policy holder asks about.
- Be able to conduct loss prevention inspections to identify major loss sources and recommend action items for the policy holder to implement to reduce or eliminate the identified hazard(s).
- Have a valid state-issued driver's license and a clean driving record.
- Be able to travel frequently, with some overnight travel as necessary.
- Perform other duties as assigned.

The ideal loss prevention representative would far surpass the job description skills list. We are talking about a person who can hit the ground running on the first day of the job. This person would have the following:

- A four-year college degree.
- Have safety/loss prevention credentials—Certified Safety Professional, Certified Risk Manager, Certified Industrial Hygienist, Certified Safe Patient Handling Professional, Occupational Health and Safety Technician, etc.
- 40+ years of safety and loss prevention experience in a variety of roles and industries, including:
 - o Six years of military service, preferably in a mid-level enlisted or officer rank, that includes leadership responsibilities and hands-on—shall we say—“Risk Management” military experience that forges, hardens, and prioritizes a skill set that can be adapted/changed on the run.
 - o 10 years of private industry experience conducting various hands-on, stress-related jobs from entry-level positions up to leadership positions, such as a battalion fire chief at a large oil refinery.
 - o 10 years of “safety manager” experience in private industry to help elevate the knowledge level of OSHA, DOT, EPA, PCA, DHS, DNR, Coast Guard, NFPA, ANSI, local, county, and state regulations. Collaboration with the workers' compensation manager during this time is considered essential.
 - o Nine years of insurance agency loss control experience managing a large book of business to help the policy holders become low-risk, low loss companies, making

them attractive to workers' compensation insurance company underwriters.

- o Six years of insurance carrier loss prevention experience, working directly with the policy holders to reduce their overall risk to prevent losses. Managing a book of business that includes retail, manufacturing, schools, hospitality, construction, animal husbandry, animal processing, national distribution centers, non-profit and charity organizations, long-term healthcare, hospitals and medical clinics, scientific laboratories, transportation, etc.
- Have experience planning, organizing, and developing a national chemical conference for a chemical association.
- Be able to provide in-person safety/loss prevention training to groups of up to 600 employees who have various levels of knowledge.
- Assist the Board of Certified Safety Professionals to develop, review, and approve new CSP exam questions.
- Be available to work 70–80 hours per week, travel nationally, sleep in airports when necessary, to meet client and policy holder needs.
- Have forgotten more about safety/loss prevention than most other people will ever know in their lifetime.
- Perform other duties as assigned.
- A cape is optional.

Those employees are extremely difficult to find if they exist at all!

With the number of openings in the safety/loss prevention field, trying to hire the ideal loss prevention representative would be a futile undertaking.

So, let's step back into reality and redefine what "ideal" really means for a new loss prevention representative for your company.

After a recent rousing and productive discussion with the AASCIF Health and Safety Committee, we determined that it's not all about OSHA and government regulatory knowledge and insurance claims and workers' compensation expertise that makes the ideal loss prevention representative, but rather it is more about personal skills.

One of the biggest challenges that the HR department faces when hiring is the candidate's ability to relate, communicate, and show up for work. Will they represent the company well in front of the policy holder?

The candidate must be able to:

- Present and manage themselves in a professional manner with the policy holder, policy holder employees, agent(s), and the insurance company employees.
- Communicate! Having the ability to look **ANY** person in the eye and have a meaningful conversation is a must! "Any person" being everyone the employee interacts with—from the newest person working in the mail room all the way up to the most seasoned person in the board room.
- Be interested and willing to learn.
- Be thoughtful and respectful of others.
- Be a self-starter! Run the assigned book of business as if you own the company.
- Work with little to no supervision and manage your time and calendar well.
- Be a trusted team player.
- Have a college degree? Not necessarily.
- Knowledge in safety/loss prevention is a plus (but not a deal breaker).

Find a candidate like that and you have the makings of a good loss prevention representative. Some mentoring and training will be needed, but this candidate will learn quickly and get up to speed sooner than one would expect.

The mature, knowledgeable safety/loss prevention representatives of the Baby Boomer generation are retiring. If your company is fortunate enough to have these long-term employees on staff, now is the time to rethink "ideal," hire personable candidates, and have the retiring generation transfer their experience to the new loss prevention representatives through a newly devised State-Fund Loss Prevention University (yet to be developed). You might even find retired loss prevention representatives who could help teach on a part-time basis.

IMPORTANCE OF UNDERSTANDING AND REMEMBERING THE GRAND BARGAIN

By Lyndsey Beidle-Meninger, Vice President of Legal Services at Chesapeake Employers' Insurance Company, and Timothy Feld, Vice President and General Counsel at Kentucky Employers' Mutual Insurance

Submitted by the AASCIF National Issues Committee

When starting a new job, it is likely that the new employee will skip over the workers' compensation details (if any) of their onboarding packets. It is not a question often asked of their new employer, either. Employees do this because they expect to have coverage if injured on the job. It has been that way since the early 20th century when the Grand Bargain was struck as states sought to balance the interests of workers and employers in the aftermath of the Industrial Revolution. However, since striking the Grand Bargain, workers' compensation has expanded beyond the original scope, thanks to legislation and advocates for both parties. However, to appreciate the protection employers and employees have, we must understand the beginning steppingstones past government installment, and where we are with the Grand Bargain today.

Prior to the Grand Bargain, most states deemed worker injury laws unconstitutional as they violated due process. This was until a factory fire occurred in New York City causing many deaths, including women and children, as the employer chose to eliminate the ability to take breaks by locking the windows and doors, ultimately forcing the workers to stay locked in the building as the factory burned to the ground. The tragedy that those workers and their families faced catalyzed worker's compensation as states nationwide enacted laws protecting their employees and employers. Hence the birth of the Grand Bargain.

Before the advent of workers' compensation laws, injured workers had little recourse against their employers. In most cases, they had to sue their employers in court, which was often a long and expensive process that required proving that the employer was negligent. Employers, in turn, faced the prospect of being sued by employees for injuries that occurred on the job, which could lead to substantial damages. The government wanted to find an easier way to protect injured workers and for workers to receive compensation for their work-related problems. The Grand Bargain is a mutually

beneficial system to ensure the employer can continue to make a profit and move forward, and the employee can survive the accident financially, physically, and mentally. Grand Bargaining allowed states to enact workers' compensation laws by negating common law negligence claims, and many states took advantage of the ability to do so quickly.


As the AASCIF community knows, today, the workers' compensation system is a critical part of the social safety net in the United States. It benefits millions of workers injured or ill on the job annually, including medical care, wage replacement, and disability benefits. In addition to protecting workers and employers, the system is an important data source on workplace safety and health, as most states require employers to report all injuries and illnesses to specific state agencies. Additionally, employers have a strong incentive to maintain safe working conditions and prevent workplace injuries as this can assist them to avoid costly workers' compensation claims, and employees benefit from high standards for workplace safety. **The Grand Bargain represents an essential milestone in the history of labor law in the United States: establishing a no-fault compensation system for work-related injuries that has helped protect workers and employers.** However, the workers' compensation system faces several challenges today, and it will be necessary for policymakers to address these challenges to ensure that injured workers continue to receive the care and compensation they need, and employers continue to benefit from the Grand Bargain.

Traumatic workplace injuries were the focus of workers' compensation as a response to dangerous working conditions as noted in the New York City narrative above. However, as America moved to more sedentary jobs, and available medical knowledge has grown, the workers' compensation system has also expanded. Beyond the original goal of the statutes to cover traumatic injuries, many workers' compensation statutes have added repetitive trauma claims and various general or specific occupational diseases. For instance, many states have specific presumptions statutes. Presumption laws vary by state but include diseases of the heart and lungs, cancers, post-traumatic stress disorder, and COVID-19. These diseases are shared among the public, and there is disputed evidence of a connection to increased occupational risks. Additionally, the "arose out of" criteria for compensability is often replaced by specific presumption rules, which also transfer the burden of proof from employees to employers to demonstrate that the disease is unrelated to the workplace. Shifting the burden of proof to employers and creating different classes of injured workers goes against much of what the Grand Bargain of workers' compensation was based upon.

Many professionals within workers' compensation see significant flaws in Grand Bargaining, stating that Grand Bargaining is no longer an exclusive remedy as well as no longer a no-fault system. Many employers and insurers provide defenses to compensability, such as intoxication and willful misconduct, to deny workers' compensation claims, deteriorating the "no fault" standard of the Grand Bargain. Further, employers have seen a breakdown of the "exclusive remedy" by way of statutory exemptions, constitutional challenges, RICO (Racketeer Influenced and Corrupt Organizations Act) claims, and dual capacity suits. Additionally, opt-out legislation has heightened interest in several states, with Texas already providing same.

Workers' compensation has evolved well beyond the original ideas that gave employees and employers the Grand Bargain. However, in a conversation about the "why" behind workers' compensation, there is an importance of understanding and remembering how the Grand Bargain came to be as it is the foundation of workers' compensation in America. The laws instilled currently could not have been without the original no-fault system: legislatures, employers, and employees collectively worked towards a safer and more cohesive environment. The historical knowledge of the Grand Bargain must be remembered as we move forward, and workers' compensation continues to evolve.

A RENAISSANCE IN U.S. CORE FIXED INCOME: THE "FIVE PERCENT" PARADOX TO START THE YEAR

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

Contributors: Tom Farina, Head of Investment-Grade Credit & Portfolio Manager, Shilpa Lakhani, Head of Portfolio Management-Fixed Income Solutions, Hyun Lee, Lead Portfolio Manager-MBS and Tom Sweeney, Head of Structured Finance

Despite uncertainties regarding monetary policy and a potential recession, assessing valuations across the bond universe at the start of the year has yielded some interesting fundamentally-driven ideas for 2023, despite the recent bouts of volatility.

Executive summary

- The fixed-income market has shown signs of rebounding from the poor performance of 2022, entering the new year with fundamentals on a strong footing despite swings in volatility.
- Among investment-grade corporate credits, leverage levels have risen slightly, but in a way that has enhanced issuers' financial flexibility. Long-term trends also bode well for the asset class.
- Within Structured Finance, the market is being supported by consumer fundamentals that remain resilient, supported

by a still-healthy job market, although we are seeing subprime borrowers come under pressure due to inflation.

- DWS believes a long-duration opportunity is available in Rate Reduction bonds. While in Commercial Real Estate, certain single properties may be an attractive short-duration investment. Esoteric Asset-Backed Securities (ABS) may also be attractive to investors looking for a short-duration alternative.
- The Fed's rate-hiking regime has affected Mortgage-Backed Securities (MBS) dramatically, leading to deep discounts. We favor higher-coupon issues, as they are likely to perform better if volatility continues, but we also recommend buying call protection on these issues.
- Putting it all together, we believe the market is pricing in a significant amount of uncertainty, especially regarding monetary policy. In this environment, we favor a barbell strategy.

The bond market posted deep losses in 2022 as the Federal Reserve continued its efforts to rein in the highest inflation rates in decades. But as investors began to anticipate some kind of end to the Fed's tightening policy, risk assets showed signs of recovery at points. This momentum carried over into early 2023, and investors are finding attractive risk-adjusted opportunities in several segments of the core fixed-income market...something that has not been seen in a number of years.

Corporate credit trend: Welcome back income

The rebound in corporate credit that began late in 2022 has been supported by many factors, including supply and demand

dynamics. Demand for corporate credit has been strong, and supply has not kept pace.

It is also worth noting the fundamental stability of this market. Although interest coverage has come down from very robust levels, it has not fallen enough to be concerning. Leverage among U.S. issuers remains stable, and companies are directing more cash into capital expenditures, and from a credit perspective, that is positive. Positive credit rating trends within the asset class and the migration of issuers from the High Yield market (rising stars) continues. We expect the number of rising stars to exceed those of fallen angels in previous years.

Corporate yields are attractive

Effective yield (%)



Source: St. Louis Federal Reserve, FRED database, ICE BofA U.S. Corporate Index Effective Yield, Percent, Daily, Not Seasonally Adjusted, January 2, 2019 – February 16, 2023.

Also significant is the level of market participation. DWS’s observation is that the increase in international participants in U.S. investment-grade credit continues to be fairly robust. These investors are attracted by the many duration buckets as well as by the diversification and attractive yields.

Longer-term trends also bode well for the asset class, in our analysis. One of these is a greater focus on income by investors, which has helped get U.S. Investment-Grade Corporate fixed income off to a good start this year. The strength of this segment is underscored by the resilience of the asset class during periods of higher volatility thus far, where spreads have widened by a lesser degree to their High Yield and European credit brethren.

Another area of interest are environmental, social and governmental issues (ESG), with “green bonds” continuing to be issued, but also being absorbed by investors. Furthermore,

ESG debt interest is emerging in places we did not anticipate, such as Asia. This suggests the trend not only has staying power but could see some acceleration.

Another secular trend worth noting that could play out over the longer term is the move to electric vehicles. This will likely create a need for infrastructure, especially charging stations, which will require financing. Investment in the electric grid must also be addressed, and corporate bonds will likely play a role in that.

Structured Finance: Reversal of fortune from one year to the next

The structured segment of the bond market underwent a dramatic thematic reversal from 2022 to the first-quarter 2023. While weaker and higher-beta sectors such as Commercial Mortgage-Backed Securities (CMBS) and Residential Mortgage-Backed Securities (RMBS) had significantly underperformed in 2022, this trend reversed with higher-beta sectors leading the way.

Fundamental and technical factors are both contributing to this turn around, with fundamentals stronger than recent headlines would suggest. In autos, for example, although the Intex Subprime Auto Index delinquencies are the highest in 20 years, they are only slightly higher than before the pandemic. Delinquencies on 60+ month subprime loans in January 2023 were approximately 5.25% — not much higher than the 4.91% rate of January 2019 — despite a high rate of inflation that is especially challenging for subprime borrowers.

Among prime borrowers the story is even better. Delinquencies are down slightly from pre-pandemic levels, dropping from 0.45% in January 2019 to 0.41% in January 2023, as measured by the Intex Prime Auto Index. DWS’s analysis points to the prime market remaining relatively strong, given the still-healthy job market.

Technical factors are also favorable. Although new issuance has surged across all of the major subsectors of structured finance to start the year, the market has experienced massive demand up and down the capital stack. DWS’s analysis points to issuance easing, particularly in some CMBS and RMBS, further enhancing the supply/demand mismatch going forward.

One long plus two short equals three investment considerations

In this environment, three trades--one long-duration and two

short-duration--are looking attractive based on our analysis. The inverted yield curve and increased recession risks midway through the first quarter of 2023 makes investing in long duration credit assets relatively unattractive. That said, we believe investors should consider certain very high quality, long-duration assets.

One way to potentially implement this trade is with Rate Reduction Bonds. These bonds are backed by surcharges added to utility bills to pay for large, fixed charges facing power companies, such as power plant decommissioning or to fund recovery from natural disasters.

The legal protections around these utility surcharges are strong. Additionally, certain structural features, like true-up mechanisms, should make the charges stable even in a recession. As a result, DWS believes RRBs to be one of the strongest credits in the Asset-Backed Securities (ABS) segment and should be attractive for a long-duration insurance portfolio.

In the short-duration market, the first idea is in commercial real estate, with an interesting opportunity emerging in single-property assets to start the year. Unlike conduit CMBS, which are backed by pools of loans, these are securities on individual properties, such as a large office building or shopping mall.

Single-property assets have underperformed recently because of their idiosyncratic risk, and despite a rebound, the market is still pricing in some material weakness. Some high-quality malls and Class A, LEED-certified¹ office buildings are still trading at a discount into 2023, and DWS thinks it is an appealing trade opportunity—both up and down the capital stack. On properties like these, yields are typically in the mid-to-high single digits.

A similar trade would be to identify weaker properties that are trading at even bigger discount dollar prices. Given the typical two- to three-year liquidation timeline, bonds that are trading at large discounts may actually outperform in a liquidation scenario.

It is crucial to note that in both trades, security and tranche selection is critical, so investors need an analytical team with the technical expertise that can distinguish the good assets from the bad and estimate with accuracy liquidation prices.

Our second short-duration idea is in Esoteric ABS. Esoteric ABS, which includes franchise loans, timeshares, and solar, among other segments, are seasoned and have been through several cycles.

DWS believes the yields on these assets will soon compress, following the pattern with yield compression first occurring in higher-quality credits, and then in weaker credits. We forecast that the “final leg” will occur in these esoteric asset classes into the summer of 2023. Spreads in this sub asset class range from roughly 150 to 200 basis points (bps), amounting to a yield of 6% to 7%, depending on whether the securities are fixed-rate or floating.

Mortgage-Backed Securities: Opportunity enhancements in these acronyms

The rate-hiking regime of last year has affected the housing market perhaps more than any other. Mortgage rates went from 3% to 7% in the span of just 11 months, and this put the brakes on housing prices and sales.

These rate hikes also hit the Mortgage-Backed Securities (MBS) market, causing it to plunge into deep discount territory. In 2022, the Bloomberg Mortgage Index dropped from a dollar price of \$102 to a low of \$84 before bouncing back a bit. In addition, the average conditional prepayment rate (CPR), which estimates the percentage of loans in a pool that will be paid off early, fell below 5%, a level not seen since 1995. More recently through the first quarter, the CPR fell to around 3.5%, so the market remains heavily discounted.

While prepayment optionality has been sapped from the market, and MBS sensitivity to rates has diminished, rate volatility has risen quite a bit. In concert with the curve flattening, this has raised option costs and widened nominal spreads, particularly for those bonds close to par.

MBS spreads widened in 2022 along with those on other spread products, with the effect most pronounced in the higher coupons. As inflation declined and expectations of some measure of Fed policy stabilization increasing, rate volatility has come down. As a result, spreads tightened midway through February 2023.

We continue to believe that lower rate volatility will be a primary driver of the market. Current coupon spreads, which measure the spreads on the theoretical par-priced bonds, have tightened 70 bps since October 2022 after having peaked at about 130 bps (again through early-to-mid February 2023).

Our outlook for the MBS sector remains fairly positive under the assumption of a continued decline in inflation and a recession that is less severe than expected. This, in turn, should prompt the Fed to adopt a “wait and see” approach sometime

¹Leadership in Energy and Environmental Design (LEED) is a voluntary standard for “green” building design.

this year. Along with potential curve normalization, this should be a boon for the coupons that are currently now around par.

Given this view, we maintain an up-in-coupon bias toward par coupons. At the same time, given the possibility of lower rates, we would recommend buying call protection on these higher coupons via low loan balance or geo pools.

Another trade we would favor is to enhance the income of the lower-coupon bonds by combining them with Collateralized Mortgage Obligation (CMO) Interest-Only (IO) bonds. In essence, this increases the coupon received while retaining exposure to those lower coupon bonds that make up much of the mortgage universe. With the IOs generally having yields ranging from 10% to 14%, this synthetic coupon provides an OAS (Option Adjusted Spread) pickup to the generic coupon that it seeks to emulate. If an investor, for example, goes from 2.5s to 4s, it would yield higher than the 4 that you are looking to emulate. Obviously, there is less liquidity, but DWS thinks that for the longer-term investor, this trade can make sense.

Putting it all together: Security selection and the paradox

While attractive opportunities have emerged across the core and core-plus bond universe, at DWS we are careful to consider both strategic and tactical needs. Regarding the current landscape, a significant but manageable amount of uncertainty remains, particularly as it pertains to monetary policy.

As a result of this uncertainty, we are seeing what we call the “5% paradox.” In nearly all core fixed-income asset classes, investors are earning around 5%, regardless of curve position, quality, duration, or sector. For example, six-month T-bills are now yielding virtually the same as 10-year, BBB-rated industrials and the same as the 5.0% or 5.5% coupon in

agency specified pools. This is an overgeneralization, but it sums up the market’s perception of risk. When yields are clustered in this fashion, we argue the benefits of sector diversification are even greater.

Given what we have seen for much of the first quarter, DWS would advocate a preference for higher quality assets as well as a barbell positioning. We see significant value at the short end, but also need to be cognizant of re-investment rates two or three years from now. Additionally, investors do not want to “miss out” on locking in yields at the longer end of the curve, so DWS believes the barbell approach makes sense, particularly during periods of extensive bear steepening.

At the short end, we favor esoteric ABS, higher-rated CLOs, and BBB- and BB-rated high-yield bonds. At the long end, we are constructive on A-rated credits, and AAA- and AA-rated CMBS. While this market can be viewed as “rich” (as of the end of February), DWS suggests adding longer municipal bonds opportunistically when yields cheapen relative to U.S. Treasuries.

In summary

Despite the recent volatility, the market environment in the first quarter represented a return to basics and a renaissance for core fixed income; income is once again part of the conversation. Nevertheless, given the forecast of a modest recession, it is important to remember idiosyncratic risk. Considering all this, investors should know that the focus of our fixed-income managers will be on fundamental analysis and security selection. And in this environment of being data dependent, we have to be very thoughtful of how bond managers invest, and opportunistically invest, when those bouts of volatility persist throughout the year.

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AROUND AASCIF



COLORADO

Global Credit Rating Agency A.M. Best Affirms WC Carrier Pinnacol Assurance's A- Rating

Pinnacol Assurance has [achieved an A.M. Best rating of A-](#)¹ (excellent) with a stable outlook, demonstrating the company's commitment to being a critical and relied upon partner for Colorado's workers, employers, and the communities that it serves. This rating highlights Pinnacol's strong financial position, which enables the organization to provide trusted workers' compensation insurance to more than 50,000 employers in the state. Pinnacol has achieved the A- rating for eight consecutive years since it began participating in the rating program in 2015.

Pinnacol Assurance Welcomes New Board Chair Mark D. Goodman

Pinnacol Assurance is proud to announce its [new board chair, Mark D. Goodman](#).² Goodman, currently chairman of Colorado Nut Holding Company, has an extensive background working as a top executive and leading national public and private institutions, and serves on the board of directors for Colorado companies such as Delta Dental and Bellco Credit Union.

"As chair of the board for Pinnacol Assurance, I am committed to ensuring that Pinnacol remains financially strong so that we can continue to serve injured workers at a best-in-class level with pride, efficiency and efficacy," said Goodman.

2023 Report Shows Injured Workers Rate Pinnacol Highest Performing WC Carrier in CO

Recently released survey results from the Colorado Division of Workers' Compensation (DOWC) show Pinnacol Assurance is again [the highest performing workers' compensation carrier in the state](#),³ among major carriers. In the state's most recent report, Pinnacol scored 4.1 on a 5-point scale based on feedback from injured workers. This is the eighth consecutive year Pinnacol took the top spot, scoring well above other large, private corporate carriers.

Pinnacol Safety Leader Reveals Tailored Solutions Keep CO Workers Safer and Premiums Lower

A recent analysis shows that Colorado [workplace safety improves for workers](#)⁴ when Pinnacol's safety services team visited their employer—claims fell more than 60% for employers in the year following the visit. Pinnacol's modernized approach prioritizes workers and offers tailored solutions.

¹www.pinnacol.com/press-release/global-credit-rating-agency-a-m-best-affirms-workers-comp-carrier-pinnacol-assurances-a-rating

²www.pinnacol.com/press-release/colorados-pinnacol-assurance-welcomes-new-board-chair-mark-d-goodman

³www.pinnacol.com/press-release/new-state-report-shows-injured-workers-rate-pinnacol-highest-performing-workers-comp-carrier-in-the-state

⁴www.pinnacol.com/blog/tailored-solutions-keep-colorado-workers-safer



LOUISIANA

Elevating Louisiana With OneDay

LWCC is Louisiana Loyal, leading a movement to celebrate and elevate

Louisiana. That movement starts within our own walls and drives us to think creatively about how to put our core values into action. LWCC’s OneDay initiative does just that! By inviting employees to spend 24 hours—one day—working in collaborative teams on projects designed to elevate the state, we engage our employees in the important work of ensuring a brighter future for Louisiana.

Elizabeth Briggs, participant and LWCC Human Resources Business Partner, explained the event succinctly saying, “We always say ‘One day I’m going to do that’ or ‘One day, when I have the time, I’ll make this happen.’ That’s where the name comes from. This is our ‘one day.’”

The idea of OneDay was sparked by the most recent [LWCC Speaker Series featuring best-selling author and business thought leader, Daniel Pink](#).¹ At the event, Daniel shared five ways to navigate what’s next in business. One of those ways was carving out an island of autonomy where employees are encouraged to pursue ideas outside of their existing daily tasks, sparking creativity and innovation. Similar programs, like Atlassian’s ShipIt Days, laid the groundwork for OneDay.

“The goal of OneDay is, first and foremost, to truly give people the space and freedom to work on whatever they want,” explained Seth Irby, LWCC SVP and Chief Marketing and Customer Experience Officer. “We want to inspire them to use that time to lean into creativity and innovation to discover all that can come from that autonomy.”

OneDay’s mission is simple yet powerful: 24 hours to elevate Louisiana. The 24-hour timeline for LWCC’s OneDay began on Thursday, March 9 and concluded with project presentations and the selection of winners on Friday, March

10. In total, 12 teams comprised of 87 participants worked on projects that ranged from a corporate giving campaign to a community garden. Teams were supplied with workspaces for collaboration, unlimited access to LWCC facilities, guidance on human-centered design from LWCC’s Innovation Team, tools such as notebooks, flipcharts, and presentation templates, and the gift of unlimited possibilities.

Undertakings by teams included external research with subject matter experts, 3D printing of new devices and prototypes, measurements and schematics for new proposed spaces, and more. For some, the ideas were brand new. For others, OneDay allowed them to develop concepts they’ve had for quite some time.

At the end of OneDay, each team was given five minutes to present their project to a panel of judges. Complete with walk-up music, each team’s presentation was delivered with thoughtful and thorough detail. Two teams were selected as winners. SecuriCube, an integrated, smart workstation security system took the Judges’ Award, while In Our Own Backyard, an overarching plan to elevate a local community outside of LWCC’s doors, took home the People’s Choice award.

What began as a spark of an idea months ago has grown into 12 innovative initiatives that could support LWCC, our work, our community, and the state of Louisiana. And now that spark has become a flame, the work begins to keep the fire going.

“I am so proud. All the ideas and presentations were spectacular,” said Kristin W. Wall, LWCC President and CEO. “Now, my challenge to all of you is, how might we keep this energy and engagement going? How might we execute some of these incredible ideas?”

So, what can you do with one day? LWCC’s team was so inspired by OneDay that it created an [Execution Guide](#)² for other businesses to use as a blueprint in launching their own version.



LWCC Announces Dividend of \$115.5 Million

In April, LWCC announced the distribution of \$115.5 million in dividends for 2022 to approximately 20,000 Louisiana businesses, which employ over 160,000 workers.

Over the last 20 years, LWCC has declared \$1.25 billion in dividends, returning dollars to Louisiana businesses, enabling them to invest in their companies and employees. With these funds, policyholders invest in business initiatives, make safety improvements, and fund programs and incentives for employees.

“As a purpose-driven business, we are focused on bettering Louisiana one business and one worker at a time,” said Kristin W. Wall, LWCC President and CEO. “This funding to Louisiana policyholders is a way LWCC is honoring our mission and living our purpose. And we look forward to seeing how policyholders use their dividends to further elevate their companies and communities. Together, we have the opportunity to drive transformational change in Louisiana.”

The economic impact of the [dividend program](#)³ is significant. Based on data from the Louisiana Workforce Commission, the 2022 dividend could fund the equivalent of 2,155 full time jobs for a year. The majority of policyholders receiving a dividend payment employ less than 50 employees.

Engaging Stakeholders and Building Relationships for Success

In today’s fast-paced business world, it’s more important than ever to deeply engage with stakeholders to provide mutual value and benefits. Engaging stakeholders provides an opportunity to build stronger relationships and gain valuable insight. This spring, LWCC hosted two events, both aimed at enhancing engagement and education.

LWCC OMNET Provider Forum

In January, LWCC hosted its [OMNET Provider Forum](#),⁴ welcoming members of the organization’s occupational medicine network and others integral to the treatment and recovery of injured workers to LWCC’s main campus for two

days filled with educational and networking opportunities. With each session and panel discussion, attendees gained insight into the specifics of treating injured workers, and with each break, they indulged in the opportunity to collaborate with other providers and LWCC employees. In the end, the desired result is a group of medical professionals who leave with the knowledge and connections needed to elevate injured worker care to new heights.

Jill Leonard, LWCC Vice President of Claims Operations, highlighted the importance of the event stating, “We get injured workers back to work, but we don’t provide their medical care. So, any information we can share with those medical professionals to help them enhance the care they provide and better understand who we are and what we want to accomplish, helps the system overall.”

LWCC CompAcademy for New Producers

In early February, LWCC piloted the [CompAcademy for New Producers](#)⁵ program to provide workers’ comp education to agent partners early in their career. The program brought together 50 agents from 25 agencies across Louisiana for an immersive, one-day learning experience.

The day’s presentations were tailored to meet the needs of agents, providing attendees the opportunity to learn the fundamentals of workers’ comp from industry experts through presentations, interactive Q&A sessions, and one-on-one conversations with LWCC department leaders. Qualifying agents were able to gain five hours of continuing education credits for their participation.

“We felt compelled to offer CompAcademy as a chance for agents who are early in their career to receive quality insurance education for free in their own backyard,” said Tensey Pricer, LWCC Agency Relations Manager. “I’m grateful to work for a company that is dedicated to ensuring our agent partners have the tools and skills they need to provide unmatched service to business owners of Louisiana.”

¹www.lwcc.com/news/daniel-pink-explores-the-future-of-business

² www.lwcc.com/oneday

³www.lwcc.com/workers-comp/dividend-program

⁴www.lwcc.com/news/elevating-injured-worker-care-omnet-provider-forum-2023

⁵www.lwcc.com/news/lwcc-pilots-compacademy-new-producers-school



MAINE

MEMIC to Fund Illinois State University Study of Wearables

The MEMIC Group awarded an Illinois State University research team \$30,000 to study whether wearable sensors can minimize injuries in U.S. workplaces.

A team led by Illinois State University Katie School of Insurance and Risk Management Executive Director James R. Jones will use the MEMIC Safety Research Center funds to study the occupational activities of warehouse workers, and whether wearable technologies that track functional movements—helmets warning of fatigue or sensors aiding in ergonomic modifications, for example—can provide continuous physiological data that could mitigate or alleviate injuries.

“We are grateful for this grant and for this partnership with MEMIC,” Jones said. “With the availability of wearable technology to monitor and potentially reduce the risk of musculoskeletal injuries, there is a sizeable potential for cost-savings, increased productivity, and overall improved worker health we hope to be able to uncover and detail.”

This is the second round of MEMIC Safety Research Center awards. In 2021, a MEMIC grant [to a faculty team at Indiana University of Pennsylvania’s Department of Safety Sciences](#)¹ targeted ways to limit workplace slips, trips, and falls.



MEMIC Expedites Payments With ClaimsPay® Rollout

The MEMIC Group has begun issuing payments to injured workers and service partners electronically via a new partnership with One Inc.

MEMIC said its adoption of One Inc’s ClaimsPay® platform will allow thousands of injured workers and service partners to access their funds more quickly, easily, and securely, thus improving the claim service experience with less stress for injured workers at substantial cost savings for MEMIC.

“We’re always on the lookout for ways to improve our service to injured workers, to speed their recovery and cut the wait for income replacement or medical cost benefits to arrive,” The MEMIC Group President & CEO Michael P. Bourque said. “One way we do that is by creating great relationships with innovative business partners, and our partnership with One Inc answers that call.”

Scholarships Offered to Kin of Injured Workers for 22nd Year

Children or spouses of workers injured on the job can apply for tuition assistance through the [Harvey Picker Horizon Scholarship Program](#)² offered by The MEMIC Group.

MEMIC has awarded more than \$242,000 in Horizon Scholarships to 49 students since the program’s inception in 2001. [Last year](#),³ the program benefited two brothers from Florida, a University of Maine student, and a woman who was completing her undergraduate degree when her father was injured at work and, as she said, “my life took a 180-degree turn.”

For more information and to request a copy of the application, call 1-800-660-1306 and say “Horizon Scholarship” at the prompt, or visit [memic.com/horizon](#).

MEMIC Expands Underwriting Team



The MEMIC Group has hired Karen Kyer as a new Senior Production Underwriter in the Mid-Atlantic region and elevated Ben Delcourt to Director of Underwriting.

Kyer has more than 20 years of experience helping independent agents write profitable monoline workers’ compensation policies in Virginia and Maryland. “By focusing on customer experience, Karen is committed to growing MEMIC Express in the Mid-Atlantic territory by addressing the needs of our agents and policy holders,” MEMIC Group Territory Manager Margaret Templeton said.



Delcourt, a 10-year veteran of MEMIC, will supervise a team of underwriters as Director of Underwriting as MEMIC expands in its Eastern Region.

He joined MEMIC in 2012 as an Account Analyst and has served in progressively more strategic underwriting roles, promoted to Associate Underwriter in 2014, Underwriter I in 2015, Underwriting Supervisor in 2016, and Manager of Underwriting

in 2018. A holder of Chartered Property Casualty Underwriter (CPCU) and Workers' Compensation Professional (WCP) designations, Delcourt also holds a bachelor's degree in Business Administration from the University of Maine.

"Ben is a strategic thinker who has accrued great insight into the business needs in his region over many years," MEMIC Group Vice President of Underwriting Catherine Duranceau said. "He will be a great asset in a new role for MEMIC as he applies that knowledge to the company's profit and growth goals."

MEMIC Promotes Claims, Finance Experts



The MEMIC Group promoted Janine Bard to Director of Claims and Kaila McCracken to Director of Financial Planning.

Bard leads the Maine regional operations of MEMIC's Claims Department. Her duties include development of staff to assure MEMIC delivers superior claim service to those involved in the claim process, pursuant to MEMIC'S Claims C.A.R.E. model; and ensuring claim quality and effective claim outcomes. Bard also is responsible for formulation of budgets, expense management, oversight of reserves and large financial transactions, review and adjustment of staffing levels, and management of select high-profile cases.



With more than 25 years in workers' compensation—almost 20 years at MEMIC—Bard started as a Compensation Specialist in 2002, handling claims in multiple New England jurisdictions, before being promoted to Claim Team Manager in the Northeast and then a Claim Team Manager in the Mid-Atlantic region.

McCracken's role will include statutory business projections and analysis, and oversight, coordination, and implementation of periodic financial and risk-related analytics and dashboards. She joined MEMIC in 2017 and has served in a series of progressively more supervisory roles, from data analyst, to accountant, to financial planning analyst, to supervisor of financial planning. McCracken graduated Magna Cum Laude in 2016 with a Bachelor of Arts in English, and in 2020 with a certificate in Accounting, both from University of Southern Maine.

"In promoting these individuals, their supervisors emphasize the importance MEMIC places not just on expertise within their respective fields, which is considerable in each case, but also on their superior customer service and ability to manage team members with diverse skill sets and personal backgrounds," MEMIC Group President & CEO Michael P. Bourque said.

About MEMIC

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

¹www.memic.com/about-memic/newsroom/memic-grants-indiana-university-of-pennsylvania-30000-to-help-reduce-workplace-slips-trips-falls

²www.memic.com/workers/horizon-scholarship

³www.memic.com/about-memic/newsroom/memic-confers-horizon-scholarship-on-four-collegians



MARYLAND

Chesapeake Employers' Insurance Company Names Mark Isakson as New CEO

The Board of Directors of Chesapeake Employers' Insurance Company, Maryland's leading workers' compensation insurer, announces that Mark Isakson has been named the new CEO, effective April 3, 2023. Mr. Isakson succeeds Thomas Phelan, who announced last fall his intention to retire this year.



Mark Isakson served previously as Senior Vice President and Chief Customer Officer at Pinnacol Assurance, where his 20-year career included workers' compensation underwriting, business planning, and corporate strategic development. While at Pinnacol, he established a company-wide customer experience strategy and led the creation of

the company's DEI strategy.

He was selected for the CEO position at Chesapeake Employers following a national search that began last fall.

The Board's priorities for selecting the organization's CEO were based on their strategic mandate and long-range objectives, which sharply focus on boldly taking Chesapeake Employers into the future. As he prepares to transition as the new CEO, Mr. Isakson's efforts will embody the following:

1. A leader who will engage, inspire, champion, and embody Chesapeake Employers to all stakeholders.
2. A leader who will collaborate with stakeholders to co-create the long-term strategic direction of the company, with an emphasis on innovation and growing Chesapeake Employers' mission into the future.
3. A leader who will ensure Chesapeake Employers is recognized by its wide range of stakeholders as an organization committed to the long-range success of economic development and worker safety in Maryland.

"We are excited to welcome Mark as a well-regarded and highly accomplished leader in the workers' compensation industry," said Board Chair Suzanne Thompson on behalf of the Board of Directors. "His leadership of Chesapeake Employers will ensure that we continue to chart the company's growth on the solid financial foundation it has already built."

Chesapeake Employers has been recognized with an A rating from AM Best.

In recognizing outgoing CEO Tom Phelan's contributions, Thompson said, "We are deeply appreciative of Tom's strategic vision and leadership as CEO over the last 15 years, and his innumerable contributions to Chesapeake's people and causes during his 32-year career with the company."

New Job Safety Analysis Videos Produced and Available for Public Benefit

Chesapeake Employers Insurance recently created a two-part video series (in English and Spanish) on the importance of and how to conduct a job safety analysis (JSA). Each video is approximately two minutes in length.



Part one, *Importance of Conducting a Job Safety Analysis*, briefly explains what a JSA is and how it can help employers and their workers identify hazards and minimize/prevent workplace injuries.

ENGLISH: www.youtube.com/watch?v=PJKejtiFfiQ

SPANISH: www.youtube.com/watch?v=iatgeT_4ARQ



Part two of the video series, *How To Conduct a Job Safety Analysis*, explains the four basic steps to conduct a successful JSA and who should participate in the analysis.

ENGLISH: www.youtube.com/watch?v=nqrKPrez9NI

SPANISH: www.youtube.com/watch?v=ssYuXY-CK38

Viewed together, the videos provide a comprehensive overview

of the JSA rationale and process. Viewed individually, especially Part Two, the viewers receive only pertinent information.

The videos are available for public use on [Chesapeake Employers' website](#)¹ and [YouTube channel](#).²

Also available on Chesapeake Employers' website is a downloadable [JSA form](#)³ in English and Spanish.

¹www.ceiwc.com/safety-resources/build-a-safety-culture

²www.youtube.com/channel/UCLoMMZ0thOG7qGENDec0zLQ/featured?view_as=public

³www.ceiwc.com/PDFs/Forms/Job-Safety-Analysis-Form_FILLABLE-PDF_English-Spanish_02.23.pdf



MINNESOTA

A.M. Best Reaffirms SFM's Financial Strength Rating of A- (Excellent)

SFM Mutual Insurance Co. announced that its Financial Strength Rating of A- (Excellent) and Long-Term Issuer Credit Rating of A- have been reaffirmed by A.M. Best Rating Services, Inc.

This announcement comes as a result of A.M. Best's thorough analysis of SFM's balance sheet strength, in addition to its operating performance, business profile, innovation, and enterprise risk management. Prior to publicly disclosing this affirmation, A.M. Best conducted a detailed review of SFM's finances and operations.

"In our annual review with A.M. Best, we were pleased to demonstrate how our commitment to service delivers excellent results," said SFM President and CEO Terry Miller. "We consider their assessment to be an important indicator of SFM's long-term financial strength and stability."

About SFM

SFM, headquartered in Bloomington, Minnesota, is a customer-owned mutual insurance company providing workers' compensation coverage. SFM's primary focus is on employers in Minnesota, Wisconsin, Iowa, Nebraska, South Dakota, Kansas, Indiana, and Tennessee. Beyond its core territory, SFM is licensed and operating in 26 additional 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 www.sfmic.com.

About A.M. Best

A.M. Best is a global credit rating agency, news publisher and data analytics provider specializing in the insurance industry. Headquartered in the United States, the company does business in over 100 countries with regional offices in New York, London, Amsterdam, Dubai, Hong Kong, Singapore, and Mexico City. For more information, visit www.ambest.com.



MONTANA

Making the Grade

It's no secret that the cost for higher education is expensive. To alleviate that burden, MSF created the Growing a Safer Montana (GSM) college scholarships in 2018. Students majoring in safety and health/industrial hygiene and the trade and industry fields are eligible to apply. In January, MSF awarded 20 students each with a \$4,000 scholarship.

“It will go a long way towards covering my school expenses this year, and I truly appreciate it,” said Trevor Neumann, a student at Montana Tech and one of this year’s recipients. “I look forward to pursuing a career in safety and health and this scholarship will help me achieve this goal.”

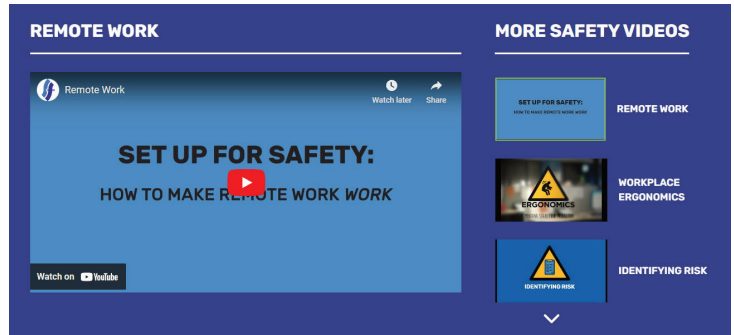
The goal of GSM is to educate young workers like Neumann about the importance of workplace safety. Since the start of the program, 107 students have received a total of \$389,500 in scholarship monies.

Rate Reduction Announced

MSF’s Board of Directors recently announced an average 5% rate reduction for policyholders. With this reduction, MSF has kept rates steady or lowered them for 17 consecutive years. Rates are now 56.4% lower than they were in 2006.

Holly O’Dell, MSF’s President, and Chief Executive Officer explained, “It is our mission to partner with our customers to lower their rates. We do this by helping them create a culture of safety at their businesses. This rate reduction is a testament to their diligence, which is paying off.”

To learn more about how workplace accidents, safety, and rates are related, view MSF’s video Safety: How Premium and Workers Stay Protected on their website workingformontana.com.



MSF Sets Their “Sites” on Education

- **Remote Work**

In all kinds of industries, many workers are doing their jobs remotely; and it’s a change that’s here to stay. It’s also a change that presents new safety challenges. MSF created a new remote work video and webpage¹ filled with resources to help these employees build a healthy workplace.

- **Work Comp 101**

The ins and outs of work comp can be daunting for many business owners. With that in mind, MSF created a new work comp 101 video and webpage¹ filled with easy to digest information to educate prospective and current policyholders, agents, employees, and other stakeholders. montanastatefund.com.

¹www.safemt.com/safety-topics/remote-work/



NEW YORK

New York State Insurance Fund Releases Novel Report on Long-Term Impacts of COVID-19

The New York State Insurance Fund (NYSIF), the state's largest workers' compensation carrier, today released a report analyzing its COVID-19 workers' compensation claims to shine a light on Long Covid, a multifaceted syndrome causing new, returning, or ongoing symptoms in people after their initial infection. You can read and download the NYSIF report [here](#).¹

"As a large insurer with a public purpose, NYSIF is uniquely positioned to leverage its data to inform the broader conversation on Long Covid, including its ongoing, cascading, and yet-unclear implications for employers and the workforce," said NYSIF Executive Director and CEO Gaurav Vasisht. "We hope the study contributes meaningfully to the nascent yet growing body of research, helping to enhance our collective understanding of the challenges posed by this complex condition."

The study, which analyzed more than 3,000 COVID-19 workers' compensation claims initiated between January 2020 and March 2022, found that:

- Almost one-third of all workers infected with COVID-19 suffered or are suffering from Long Covid, with the percentage peaking during the initial phase of the pandemic and falling over time.
- Approximately 18% of workers with Long Covid—or about 5% of COVID-19 claimants—could not return to work for more than one year.
- The percentage of female workers with Long Covid (37%) was 11 points higher than that of male workers (26%).
- 40% of workers with Long Covid returned to work within 60 days of infection while still receiving medical treatment.
- Adults over 60 with Long Covid experienced significant difficulty returning to regular work life, with their challenges intensifying with age.
- Nearly all workers with comorbidities or those hospitalized for their initial infection experienced Long Covid.

- The incidence of Long Covid in essential workers may be higher than the data suggests, creating a potential blind spot for policymakers.

"The NYSIF report provides invaluable data on the potential impact of Long Covid on New York's workforce," said New York State Commissioner of Labor Roberta Reardon. "This information will inform our approach as we look to help businesses and workers navigate uncertain challenges ahead as the state continues its post-pandemic resurgence."

"New York State has made it a priority to help workers understand their rights to medical treatment and lost wage benefits when they contract COVID-19 on the job. This is especially important for Long Covid sufferers who may miss time and lose pay from work due to ongoing medical needs," said Workers' Compensation Board Chair Clarissa Rodriguez. "NYSIF's review and analysis of workers' compensation claims provides valuable data to help us better understand Long Covid and how to support workers."

"The NYSIF report provides valuable data that will help us further understand the implications of Long Covid on New York's workforce," said Acting State Health Commissioner Dr. James McDonald. "I commend NYSIF's continuous efforts to support New York employers and their employees as they deal with the challenges posed by Long Covid."

The report published today builds on other state initiatives to raise awareness and provide resources for those affected by Long Covid. [The New York State Department of Health's Long Covid webpage](#)² provides information about symptoms and treatment, drawing from the work of an expert consortium convened in early 2022. The New York State Workers' Compensation Board offers [a series of educational webinars and other resources](#),³ encouraging New Yorkers who contract COVID-19 at work to file a workers' compensation claim, even if they recover from their initial symptoms. Additional information about New York Paid Sick Leave, which is available for medical appointments and treatments related to Long Covid, can be found on the [Paid Sick Leave webpage](#).⁴

About NYSIF

With nearly 200,000 policyholders, \$1.9 billion in annual premiums, and over \$20 billion in invested assets, NYSIF is the largest workers' compensation insurer in New York State and among the ten largest nationwide. NYSIF's mission is to guarantee the availability of workers' compensation, disability

insurance and paid family leave at the lowest possible cost to New York employers while maintaining a solvent fund. Since its inception in 1914, NYSIF has fulfilled this mission by competing with other insurance carriers to ensure a fair marketplace while serving as a guaranteed source of coverage

for employers who cannot secure coverage elsewhere. NYSIF strives to achieve the best health outcomes for injured workers and be an industry leader in price, quality, and service for New York employers. For more information, visit nysif.com.

¹www3.nysif.com/-/media/Files/NYSIF_Publications/PDF/NYSIFLongCOVIDStudy2023.ashx

²www.health.ny.gov/diseases/long_covid/

³www.wcb.ny.gov/covid-19/information-workers.jsp#long-haul

⁴www.ny.gov/programs/new-york-paid-sick-leave



OREGON

SAIF’s New Video Series Combines Oregon Charm With Workplace Safety

SAIF’s new YouTube series, [Oregon Odd Jobs](#),¹ showcases uniquely Oregon jobs and how they’re done safely.

“While safety is everyone’s responsibility, we all go about it differently depending on the job we do,” says SAIF safety consultant Dawn Jacobs. “Oregon Odd Jobs highlights the weird and wonderful while giving us a look at how Oregonians stay safe.”

The videos teach how businesses find safety success as they combat complacency, stay alert to surrounding hazards, keep up with safety innovations, and put safety redundancies in place.

SAIF will publish new episodes every two weeks. Current episodes, available at saif.com/oddjobs, include wrangling llamas, blowing glass, building log homes, and feeding sharks.

SAIF Promotes Brigitte Hamilton to Vice President of Claims

Brigitte Hamilton is SAIF’s new vice president of claims. Brigitte previously served as the director of business and software solutions on SAIF’s IT team. In her role, Brigitte is responsible for setting the vision, direction, and strategy for SAIF’s claims department. This includes the regional and critical claims teams as well as SAIF’s return-to-work services

program, claims projects and operations, medical services program, and investigations.

“I know Brigitte will do a wonderful job leading claims and she will strengthen our executive leadership team with her talent and strategic perspective,” said Chip Terhune, president and CEO of SAIF. “Her strengths in relationship building, technical expertise, and strategic thinking will serve us well.”

SAIF Seeks Chief Diversity Officer

SAIF is hiring a chief diversity officer. The executive will champion the importance and value of a diverse and inclusive environment, where all levels of the organization work together to create a culture of psychological safety, generate employee engagement, and have a sense of professional purpose. The executive’s goals will be to implement a corporate strategic DEI vision as an integral member of the executive team and develop and oversee companywide DEI strategies to ensure an equitable work environment for all employees. Our current chief diversity officer, Christina Lincicome, is retiring in June after nearly 30 years with SAIF.

Please review our chief diversity officer [webpage](#)² to learn more about this opportunity.

New Resources Address High Injury Rate Among Delivery Drivers

SAIF released [new resources](#)³ to help employers in the delivery industry provide their employees with safety and health trainings and systems.

SAIF insures more than 3,000 companies with the delivery

class code. This industry has experienced rapid growth of primarily start-up businesses with younger workers, long days, stressful work conditions, and high turnover. The annual wage growth in this industry has outpaced the average, with wages increasing by 10% per year.

In 2021, total injury claims received by SAIF were 90% higher than expected for this class code and time-loss claims were even higher, at 275% of expected. The claim losses have grown to more than six times as high as they were a decade ago.

“This is such a unique industry, and we were finding that the existing resources didn’t work for these businesses,” says Brittany Johnston, senior safety management consultant. “We needed to come up with solutions that were quick, specific, sparked conversation with employees, and had low barriers to implement.”

SAIF Turns Out for GOSH

SAIF had a big presence at the biennial Oregon Governor’s Occupational Safety and Health (GOSH) conference in March. The conference draws hundreds of attendees interested in ways to keep workers safe and healthy. SAIF hosted a booth focused on leadership styles, energizing safety committees, and managing imposter syndrome in the workplace. In addition, 23 SAIF employees presented in individual classes and breakout sessions. Two senior safety management consultants, Brittany Johnston and Sarah Cipriano, received Healthy, Well, and WISE awards for their support of safety and health.

SAIF Hosts Workers’ Compensation Seminar

SAIF hosted more than 130 attendees for the 31st annual Workers’ Compensation Seminar. President and CEO Chip Terhune led the first general session with an update on SAIF business and projects. He was followed by SAIF’s government relations director, David Barenberg, who led a panel with

three of SAIF’s endorsing association partner colleagues on the state of the legislative session. Afternoon sessions focused on communicating across cultures with Christina Lincicome, chief DEI officer, and Toni King-Byous, DEI business partner, and a look at Oregon’s economy by Mark McMullen of the Oregon Office of Economic Analysis.

Seminar participants got to choose from three break-out sessions on topics including return-to-work programs, voice of the customer, and cool safety tools.

Annual report

Every year, SAIF is required by statute to create an annual report for legislators. This has become a great opportunity for us to share some of our achievements from the previous year, including our high service levels and celebrating the 10th anniversary of our DEI program. The report can be found at saif.com/annualreport.

¹www.youtube.com/playlist?list=PL331BVFvRJ3IH7NXfrjnYsCZUOIj2bjK

²www.saif.com/careers/chief-dei-officer.html

³www.saif.com/safety-and-health/topics/industry-specific-topics/delivery-drivers-couriers.html



RHODE ISLAND

The Beacon Mutual Insurance Company Announces the Retirement of VP of Human Resources, Pam Alarie



The Beacon Mutual Insurance Company recently announced the retirement of their Vice President of Human Resources, Pam Alarie, in July 2023. Pam has been a vital part of the company for the past 21 years, working with executives and the Board to execute strategies for talent development, recruitment, compensation, and employee relations.

Pam’s passion for employee wellness and professional development has earned her respect and admiration throughout her 35-year career in the industry. She has been committed to supporting initiatives that promote physical and

mental wellbeing in the workplace.

“Pam’s leadership and dedication to our employees have been instrumental in creating a positive work environment and driving employee engagement,” said Brian Spero, President and CEO of The Beacon Mutual Insurance Company. “We are incredibly grateful for her years of service and wish her all the best in her well-deserved retirement.”

During Pam’s tenure, she built a strong HR team that focused on creating a positive work environment and developing Beacon’s employees to their full potential. As Pam prepares for retirement, Beacon has named Shannon Broadbent, former Assistant VP of HR, as the new Vice President of Human Resources. Broadbent will continue to drive the company’s employee-focused culture and initiatives.

We wish Pam all the best in her future endeavors and thank her for her dedication to the success of Beacon. Her contributions will not be forgotten, and we look forward to seeing what she accomplishes in retirement.



SASKATCHEWAN

The Saskatchewan WCB Releases 2022 Operating Results

The Saskatchewan Workers’ Compensation Board (WCB) tabled its 2022 annual report in the provincial legislature in April. The Saskatchewan WCB remained fully funded within the targeted range in 2022, which means it has the ability to cover the future costs of all claims in the system.

“Under [The Workers’ Compensation Act, 2013](#),¹ the WCB is legislated to have sufficient funds in our injury fund to cover current and future claim costs for injured workers. The range protects against unexpected claim activity or fluctuating economic conditions,” says WCB chair Gord Dobrowolsky. “This includes providing benefits and assistance such as earnings loss, physical and vocational rehabilitation, prevention initiatives and other obligations under the Act.”

The WCB also reported that the 2023 employer premium rates increased to \$1.28, a five-cent increase from the 2022 rate of \$1.23.

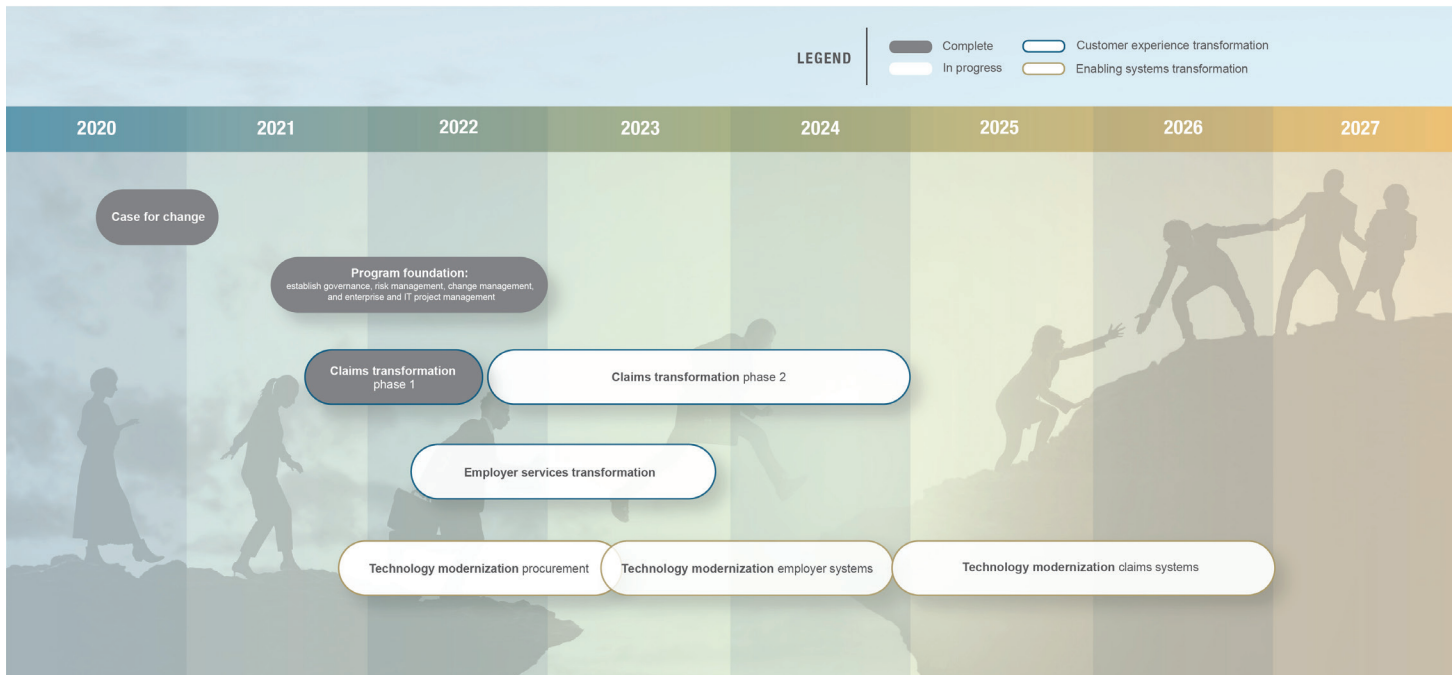
Financial highlights of the WCB’s 2022 results included:

- The WCB’s injury fund was at \$436.0 million as of year-end 2022, compared to \$549.4 million in 2021.
- The WCB had premium revenues of \$304.0 million in 2022 (up from \$259.5 million in 2021) and an investment loss of \$132.1 million in 2022 (compared to investment income of \$254.1 million in 2021). Investment losses includes realized investment income of \$98.0 million less \$5.4 million for investment expenses, less a \$230.1 million decrease in unrealized investment gains for the year.
- The WCB covered 400,392 full-time equivalent (FTE) workers in 2022, compared to 392,813 in 2021.

WCB’s Business Transformation Program

In 2022, the WCB advanced the second year of the major corporate initiative, the Business Transformation Program, which is a \$150 million investment. Through this initiative, the WCB is engaging customers, partners and WCB staff in its multi-year journey to implement the changes necessary to meet customers’ expectations now and into the future.

Business Transformation Program timeline



“Our program involves improving customers’ experience and outcomes, updating, replacing or introducing new technologies, and improving our processes and approach to service delivery,” says WCB CEO Phillip Germain. “The ongoing transformation of our organization enables us to further enhance our business functions and better respond to the needs of our customers, who are the workers and employers of Saskatchewan.”

Saskatchewan’s workplace data highlights

To support the WCB’s vision to eliminate injuries and restore abilities, the WCB continues to promote workplace safety and injury prevention for workers and employers across the province. “While we’ve seen some improvements in our injury rates over the last decade, there is still more for all of us to do,” says Germain.

2022 injury data highlights, which were recently released, included:

- In 2022, 90% of Saskatchewan workplaces reported zero injuries or fatalities for the third year in a row. Last year, 39 workplace fatalities were reported, up from 31 in 2021.
- The workplace Total injury rate in 2022 decreased to 4.33 injuries per 100 workers, representing a five% decrease from the 2021 Total injury rate of 4.56 per 100 workers.

- The 2022 Time Loss injury rate increased to 2.04 injuries per 100 workers, up 0.49% from the 2021 rate of 2.03 injuries per 100 workers.

WorkSafe Saskatchewan’s 2023 – 2028 Fatalities and Serious Injuries Strategy

In 2019, WorkSafe Saskatchewan, a partnership between the Saskatchewan WCB and the Ministry of Labour Relations and Workplace Safety, launched the first three-year Fatalities and Serious Injuries Strategy in an effort to help eliminate workplace fatalities and serious injuries.

In March 2023, a new five-year strategy was launched that focuses on two key streams of work that will be undertaken to reduce injuries and fatalities—a regulatory and enforcement stream, and a prevention and learning stream.

“Workplace safety is everyone’s responsibility,” Labour Relations and Workplace Safety Minister Don Morgan says. “This new strategy continues to make working with stakeholders to eliminate workplace injuries and fatalities in our province a priority. Everyone deserves to come home safely at the end of the day.”

“Collaboration with stakeholders is critical to bringing our injury rate down,” WCB chair Gord Dobrowolsky says. “Building on the work of the last strategy, we will continue

to engage workers and employers in finding ways to keep all workers safe on the job.”

Under this strategy, the three main priority workplace sectors of focus are:

- health care
- transportation
- construction

These industries were chosen due to the high-risk nature of their work. Approximately 2,400 Saskatchewan workers are seriously injured each year in Saskatchewan. Copies of the 2023-2028 Fatalities and Serious Injuries Strategy are available at worksafesask.ca.

For a more detailed look at last year’s results, the WCB’s 2022 annual report is available at wbsask.com/corporate-plans-and-annual-reports² prior to its annual general meeting on May 30.

¹publications.saskatchewan.ca/api/v1/products/69362/formats/77104/download

²www.wbsask.com/corporate-plans-and-annual-reports