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American Association of State Compensation Insurance Funds

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PRESIDENT'S MESSAGE

Welcome to spring. As I write this, many of us have recently wrapped up the annual AASCIF CEO and National Issues meeting in Washington, DC. We just missed the peak of the cherry blossoms but, for a guy from Minnesota, even the tail end of the season and the apple blossoms peaking meant a lot!

Our two-day meeting featured several interesting, impactful and informative speakers. We started with the new CEO at NCCI, Tracy Ryan, who presented an update on the important role the NCCI plays in keeping workers' compensation systems in each state healthy. We moved on to renowned author and professor Douglas Brinkley for his analysis of presidents in the 20th and 21st centuries. After that, we heard from Prudence Pritter with a guide to succession planning. We closed the day with a CEO panel moderated by Nick Manzanec from Montana, who posed questions regarding CEO succession planning. The panel included Art Thompson (North Dakota Workforce Safety), Holly O'Dell (Montana State Fund) and me (SFM Mutual – Minnesota).

The second morning opened with a presentation on safety and security in the workplace and at home from Richard Ryan, a former FBI agent who is now the Director of Security for the King Salman Development in Riyadh, Saudi Arabia. We ended our meeting with David Jones and Joe Eannello from Capital Counsel giving us a congressional and presidential update.

I came away with plenty to share with my C-suite, including better ways of doing things, different ways of thinking about things, and new ideas to noodle on. I could end my update right there, but I want to use this as the jumping off point to discuss the unique value that organizations like mine find in AASCIF.

During the CEO meeting, we had a robust discussion regarding the importance (or lack of importance) of AASCIF participation each of the member firms perceives. Kudos to the members who dared say things like "I am wondering if AASCIF provides value to my organization or if the meetings just represent a bonus trip for certain employees."

After all the years and all the changes I've seen go by, I can say that AASCIF membership has provided a great deal of value to our organization and its employees. I cannot tell others they'll always have the same experience, but I'm proud to share some of the advantages that AASCIF membership has provided for us at SFM Mutual.

- Idea sharing: When AASCIF members get together (be it at an in-person committee meeting, a virtual committee meeting, or the annual meeting) they share ideas about how to provide the best service possible to their policyholders, their employees, and the injured worker.

PRESIDENT'S MESSAGE CONTINUED

- Real-world best practices: If you are working through a problem, chances are that there are members of AASCIF who have been through that very same thing and can tell you how to do it right. Meeting with an AASCIF colleague who has been down this road before is like having access to a living "how-to" manual.
- Vendor analysis: When SFM was performing a search for an investment advisor, our CFO reached out to peers on the Finance and Investment Committee for references on specific partners. The advice proved to be invaluable, helping us select a firm that's been a great fit for us.
- Sounding board: Having peers that know your problems and who you trust is a great sounding board. For example, AASCIF CEOs provided just that kind support to each other throughout the COVID pandemic.
- The best work comp training ground going: Workers' compensation is often described as an apprenticeship business. There is just a lot to learn to be good at becoming an expert in claims, underwriting, loss prevention or payroll auditing, let alone an adept defense attorney, medical bill review specialist or investment manager. AASCIF has helped show SFM proven ways to educate and train our professionals.

While it is not my intention to tell people what AASCIF membership should mean to them, I do feel that it is within my role to remind all our members of the benefits that AASCIF colleagues are reaping on a regular basis. In my humble opinion: *try it, you will like it!*

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

FEATURES From AASCIF

THE AI HYPE: DON'T FORGET THE BASICS OF YOUR BUSINESS

Curated by Abby Halland, SFM Mutual Insurance Company, and Sriraman Srinivasan, Beacon Mutual Insurance Company

Submitted by the AASCIF Analytics Committee

Disclaimer: This article has been improvised using artificial intelligence tools, including ChatGPT, Perplexity, and other generative AI models.

Let's face it—AI is everywhere these days. From the news headlines to boardroom discussions, artificial intelligence has become the shiny new toy everyone wants to play with. And why wouldn't they? It promises to transform how we work by automating tedious tasks, uncovering hidden insights, boosting efficiency, and helping us make better decisions. In the workers' compensation insurance world, this tech wave has executives buzzing with possibilities.

But here's the thing—in our rush to embrace the latest technological marvel, we risk forgetting what makes our businesses tick. AI isn't a magical solution that will fix everything overnight. Think of it more like a good assistant—helpful when used properly, but not a replacement for the fundamentals of your business.

For those of us in workers' comp insurance, this means we still need to focus on truly understanding our customers, delivering excellent service, and nurturing relationships with all our stakeholders. AI should enhance these core activities, not replace them. Finding that sweet spot between your tried-and-true business practices and innovative technology is what will set you up for lasting success.

Generative AI vs. Analytical AI: What's the Difference and Why Should You Care?

Before jumping on the AI bandwagon, it's worth understanding that not all AI is created equally. Two main flavors are making waves in our industry, each with its own strengths and applications.

Generative AI—like the now-famous ChatGPT, Microsoft's CoPilot, and similar language models – can create content, generate data, and mimic human conversations. This is the kind of AI that's grabbing headlines because it can write emails, process documents, handle customer service chats, and even create training simulations that feel remarkably human.

Analytical AI, on the other hand, is the behind-the-scenes workhorse that's been quietly revolutionizing insurance for years. It's all about crunching numbers and finding patterns in data to help with decision-making. Those predictive models that help assess risk. That's analytical AI. The systems that flag potentially fraudulent claims? Also, analytical AI. Even how we price premiums has been influenced by these mathematical approaches.

While generative AI gets all the glory on social media and news outlets, many workers' comp insurers have been using analytical AI for quite some time with impressive results. It's worth remembering that despite all the excitement around chatbots and content generators, they're not the only AI game in town. The more established analytical AI approaches continue to deliver real value, and their foundations are much more solid than some of the newer technologies.

How AI Is Changing the Workers' Compensation Landscape

When you combine both analytical and generative AI approaches, you get a powerful toolkit that's reshaping how workers' compensation insurance companies operate across the board.

In the claims department, AI is taking over tedious tasks like summarizing lengthy medical records and incident reports. This means claim adjusters can process claims faster and focus more on the complex cases that require human judgment. Technology is also getting better at spotting potentially fraudulent claims by identifying suspicious patterns that might slip past human reviewers.

For underwriters, AI is a game-changer when it comes to assessing risk. By analyzing mountains of applicant data and predicting future claims patterns, these tools help create more accurate pricing models. Imagine having an assistant who could instantly compare a new business against thousands of similar accounts and suggest the optimal coverage and pricing—that's what AI brings to the table.

Even premium audits—traditionally a time-consuming and paper-heavy process—are getting streamlined. AI can quickly analyze financial documents and payroll records, ensuring that premiums are calculated correctly and flagging any discrepancies that need human attention.

In finance departments, reporting and forecasting have become less of a headache with AI summarizing complex financial data and automating reconciliations. IT teams are using AI to optimize system performance and strengthen data governance, while customer service representatives have AI-powered chatbots handling routine inquiries so they can focus on more complex customer needs.

Marketing teams are gaining deeper insights into customer behavior, allowing for more personalized outreach. And legal departments are using AI to speed up contract analysis and ensure regulatory compliance without mind-numbing manual review.

By weaving these AI capabilities throughout their operations, workers' comp insurers can work more efficiently, cut costs, and ultimately provide better service to policyholders and injured workers.

Let's Get Real: The Limitations of Generative AI

While it's easy to get swept up in the excitement around generative AI—especially after seeing a tool like ChatGPT craft a surprisingly coherent email or report—we need to be honest about its limitations.

For starters, these sophisticated language models are resource hogs. They require serious computing power and massive amounts of data to function well. Not every worker's comp insurer has the tech infrastructure or budget to implement these tools effectively across their organization.

There's also the very real risk of over-reliance. Sure, generative AI can sound remarkably human, but it lacks the creativity, emotional intelligence, and strategic thinking that your team brings to the table. In our industry, many decisions require nuanced judgment and an understanding of complex human situations – areas where AI still falls noticeably short.

Think about evaluating a complex claim involving multiple injuries, pre-existing conditions, and potential mental health impacts. An experienced claims professional brings years of human insight and empathy to that situation in ways that no algorithm currently can.

Keeping Your Data Safe in the AI Era

As we rush to adopt AI, we can't afford to overlook the growing concerns about data security and privacy. AI systems are data-hungry beasts, and with all that information processing comes an increased risk of breaches or misuse.

As industry experts James Bianco and Chris Frassanito recently pointed out in their article "Safeguarding Worker's Compensation Data in a Dangerous Digital World" from the Winter Issue 2025, our industry sits at a particularly vulnerable intersection: "The workers' compensation insurance industry occupies a unique and critical position within the broader economic landscape. Operating at the confluence of healthcare, legal, and financial systems, it presents a rich and complex ecosystem that unfortunately attracts cybercriminals like moths to a flame."

The sensitive personal and medical information we handle makes us an attractive target. Workers' compensation carriers need to ensure that any AI systems they implement follow strict protocols for data protection and privacy.

We're also operating in a regulatory environment that's still playing catch-up with AI technology. While clear AI regulations are still developing, it's evident that regulators are paying increasing attention to how these tools are used in insurance. Getting ahead of the curve by building robust data governance frameworks now will save massive headaches when new regulations inevitably arrive.

Finding the Sweet Spot: Innovation with a Solid Foundation

At the end of the day, whether we're talking about generative AI, analytical models, or any other technological innovation, these tools should complement your business, not define it. The workers' comp insurance industry has an advantage here—we operate in a well-established, heavily regulated environment that encourages a more measured approach to adopting new technologies.

This gives us the opportunity to avoid getting caught up in hype cycles and instead focus on technologies that deliver tangible value. The most successful carriers will be those that strengthen their fundamentals first—excellent customer service, accurate risk assessment, efficient claims management—and then strategically layer AI capabilities on top of that solid foundation.

Remember that fancy tech tools aren't worth much if your customers don't trust you or if your core business processes are broken. By maintaining focus on business fundamentals while thoughtfully incorporating AI where it adds real value, workers' compensation carriers can navigate this technological revolution successfully and come out stronger on the other side.

A PRIMER ON PHARMACEUTICAL PRICING FOR WORKERS' COMPENSATION PROFESSIONALS

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Submitted by the AASCIF Claims Committee

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Prescription drug pricing in the United States (US) is notoriously complex and can become confusing for payers, policymakers, and patients. Workers' compensation professionals, tasked with managing medical costs for injured workers, frequently encounter pharmacy bills with unfamiliar terms and bewildering price calculations. Why does the same medication have so many different "prices," and how do these translate into what a workers' compensation insurer pays? This article offers a structured overview of how drug pricing works, with a focus on mechanisms relevant to workers' compensation. I will break down the drug supply chain, define key pricing benchmarks, and explain the differences between brand name and generic drug pricing. Along the way, I'll explore case examples illustrating how pricing nuances can impact workers' compensation claims and demystify why drug prices often seem opaque – examining the role of pharmacy benefit managers (PBMs), rebates, and other factors that add layers of complexity. The goal is a clear primer that arms you with a better understanding of "what's in a drug price," helping you make informed decisions in managing pharmacy benefits for injured workers.

The Pharmaceutical Supply Chain: Who Sets the Price?

Understanding drug pricing starts with the pharmaceutical supply chain – the journey from the drug manufacturer to the patient – and the key stakeholders who influence price at each step (**Figure 1**). In a typical supply chain, a manufacturer develops and produces a drug, assigning it a list price known as the Wholesale Acquisition Cost (WAC).[1] The manufacturer usually sells large quantities of the drug to a wholesaler, not directly to individual pharmacies. Wholesalers purchase medications in bulk from many manufacturers and then distribute them to pharmacies, adding a modest markup to cover their distribution costs. Pharmacies, in turn, dispense drugs to patients and must cover their own operating expenses (pharmacists' salaries, overhead, etc.) through the difference between the reimbursement they receive and their cost to acquire the drug.

Most of our drug pricing definitions stem from this theoretical supply chain. However, when we introduce a payer representing a large population (e.g., a large population of workers' compensation patients), the supply chain pricing dynamics become more convoluted. Additionally, when we consider wholesalers and pharmacies get discounted prices, the compendium-based "list price" figures (e.g., WAC) become less relevant. Typically, a patient in a workers' compensation scenario is not paying out of pocket; instead, the payer is typically a workers' compensation insurance carrier or self-insured employer. This payer often contracts with a Pharmacy Benefit Manager (PBM) to manage the prescription benefit. The PBM acts as an intermediary between the pharmacy and the insurer, handling claim processing, establishing pharmacy networks, and negotiating drug prices and rebates with manufacturers.[2] In essence, the PBM aggregates the purchasing power of many payers to negotiate better rates than an individual insurer or employer could on its own.

It's worth noting that prescribing physicians and nurses play an indirect but important role in pricing dynamics. The prescriber's choice of drug (e.g. opting for a brand name medication when a generic is available) sets in motion the entire supply chain transaction. In workers' compensation, patients generally have no copay and may not question the cost, so the physician's decision can heavily influence whether a high-cost or lower-cost therapy is used.[3] Many states have regulations encouraging generic substitution in workers' compensation prescriptions, but prescribers can sometimes insist on "Dispense as Written," which may result in a higher-cost brand being dispensed.[4] Thus, multiple parties – manufacturers, wholesalers, pharmacies, PBMs, insurers, and prescribers – all have a hand in what a drug costs a workers' compensation program.

Key Drug Pricing Benchmarks and Acronyms Defined

Defining which price is the focus of the conversation is often the most confusing part for anyone making decisions about pharmacy benefits. The most common lay reference to a drug price uses the "list price" from the manufacturer – not considering the final net price paid for insured patients or considering any markups along the supply chain after the manufacturer. Additionally, most news and academic journal articles on "patient affordability" only focus on out-of-pocket costs for the patient being treated and fail to account for the annual premiums paid by all beneficiaries for the plan.

In the case of prescription drugs, the complexity of the pharmaceutical supply (Figure 1) introduces many new terms and when we write new policy using different price definitions there is the potential for unintended consequences (Table 1). In the most basic form, a pharmaceutical manufacturer sells drug to a wholesaler, which in turn sells to a pharmacy, who ultimately sells the drug to the final consumer (the patient). Most of our drug pricing definitions stem from this theoretical supply chain. However, when we introduce a payer representing a large population (e.g., a large population of workers' compensation patients), the supply chain pricing dynamics become more convoluted. Additionally, when we consider wholesalers and pharmacies get discounted prices, the compendium-based "list price" figures (e.g., WAC or AWP) become less relevant.

Brand vs. Generic Drug Pricing

One of the most significant factors affecting drug costs in workers' compensation is whether a medication is a **brand** or **generic** drug. Brand name drugs are typically new medications introduced under patent protection. The manufacturer has market exclusivity which allows the manufacturer to set a high price with limited competition. In practice, brand drug prices in the US tend to be very high[5], especially if the drug addresses a unique medical need. These prices are often justified by manufacturers in terms of recouping research and development costs, funding future innovation, and accounting for the clinical value the drug provides.[6]

Regardless of justification, the key point is that for the period of patent exclusivity (often up to 20 years from patent filing, which translates to around 6–12 years on market after FDA approval)[7], the brand manufacturer essentially sets the market price. They publish a WAC (list price) that might be, say, $1,000 for a month's supply. The AWP could then be around $1,200 (20% higher). Payers usually don't pay that full amount thanks to negotiated discounts or rebates, but even after these price adjustments, the net costs for brand drugs can be substantial.

Generic drugs, by contrast, enter the market after a brand drug's patent expires. Multiple generic manufacturers may produce the same product, and these competitors drive the price down dramatically. An analysis from the FDA found that once 4-5 generic competitors have entered the market, the prices drop by more than 80% compared to the brand name drug price.[8] The success of the US generic drug market has provided some of the lowest prices for generics compared to international markets.[5]

How Price Definitions Impact Reimbursement Formulas

From a reimbursement standpoint, brand name drugs and generic drugs are often handled differently in contracts and fee schedules. A common approach is to reimburse brand-name medications based on AWP (a percentage of AWP with a pharmacy dispensing fee, such as "AWP – 17% + $0.95 dispensing fee"[9]). Since a brand name drug is produced by a single manufacturer, there is typically just one AWP set for the product. For generics, this AWP-based approach can be very problematic as the compendium list prices (WAC and AWP) are often quite different from the true acquisitions costs for wholesalers or pharmacies.[10] Even if a PBM sets a much steeper AWP discount rate, such as "AWP – 85% + $0.40 dispensing fee"[9], the AWP for a generic drug could still be incredibly inflated **(Table 2)**.

In recent years, the "NADAC plus a dispensing fee" pharmacy price model has gained in popularity with several states implementing this approach within their fee-for-service Medicaid.[11,12] While on its face, this approach seems pretty straightforward and offers a much better solution when compared to using an AWP- or WAC-based pricing methodology, there are still issues when using NADAC that policymakers should consider. First, NADAC is based on a monthly survey of a relatively small number of outpatient pharmacies in the US conducted by a national accounting firm contracted by the Centers for Medicare and Medicaid Services (CMS).[13] The survey is voluntary and focuses on independent and chain pharmacies – excluding closed door pharmacies such as mail order or specialty pharmacies.[14] In April 2024, generic drug prices in the NADAC survey dropped by approximately 19% and the National Community Pharmacists Association reported that the drop was not related to the updated survey methods but that CMS reported the changes were due "to a meaningful increase in pharmacy participation"[15] – in other words, a large number of pharmacies with substantial pricing discounts reported low enough prices to bring the national average down. This raises significant concerns regarding the acquisition cost data collection and analysis process.

Second, a cost-plus model requires a professional "dispensing fee" to be applied to all prescriptions. While this sounds simple, setting an appropriate dispensing fee rate can be challenging. If the fee is uniformly applied to all prescriptions regardless of day supply quantities, pharmacy type, or medication type, then the fee will likely "overpay" for relatively simple prescriptions, shorter durations, and for high-volume pharmacies.[16] A flat rate would also "underpay" for more complex prescriptions that require more pharmacy staff time or for small pharmacies that have a very low volume of prescriptions.[16]

Conclusions

Armed with this knowledge, workers' compensation professionals can better navigate drug pricing. When reviewing PBM contracts or pharmacy bills, one can recognize what the pricing terms mean (AWP minus what? NADAC applied? How big are the rebates and who keeps them?). When working with clinical staff or prescribers, one can appreciate the value of generics and the cost impact of certain brands. In broader discussions – whether with claims adjusters, medical case managers, or finance executives – this foundational understanding supports more informed decision-making.

No single article can remove all the complexity in drug pricing, but by breaking down the elements, we hope to make it easier to follow. In workers' compensation, where managing costs must be balanced with ensuring injured workers get the medications they need, this information can enable professionals to ask the right questions and seek the most cost-effective strategies. Ultimately, understanding what's in a drug price helps us all be better stewards of our workers' compensation spend, while still focusing on the primary goal: helping injured employees recover and return to work safely.

TABLE 1. SELECT DRUG PRICING TERMS WITH ADDITIONAL CONTEXT AND COMMENTARY.

Drug Price Term	Place in Supply Chain	Expert Commentary
Wholesale Acquisition Cost (WAC)	The manufacturer's list price and meant to serve as a proxy for the price a wholesale company pays to acquire the drug.	This is a compendium price listed in databases such as MediSpan and Redbook. This price is commonly used in news articles as it is easily accessible, but it is incredibly misleading.
Average Wholesale Price (AWP)	This is a compendium price meant to be a proxy for the price a pharmacy pays to acquire the drug from a wholesale distributor.	This is a compendium price listed in databases such as MediSpan and Redbook. For brand name drugs, the AWP is typically around 20-23% higher than WAC. However, for generic drugs this AWP has substantial variation and is not reliable.
Usual & Customary (U&C)	This represents a pharmacy's "cash price" without insurance. It is a common term in retail businesses.	Pharmacies have advertised low U&C prices to gain market share for decades. Famous cash-based pricing schemes for generic drugs include things like the Walmart "$4 list" or other pharmacies advertising a low price without the use of insurance.
Out-of-Pocket (OOP) Cost	This represents the patient's amount owed to the pharmacy at the time of dispensing. It can include obligations such as a deductible and/or copayment based on benefit design.	This is the amount most important to an individual patient trying to make a decision at the pharmacy counter. While OOP costs limits have become more popular in policy circles, all OOP discussions should include total cost and premium cost impacts,
National Average Drug Acquisition Cost (NADAC)	This is a pharmacy cost estimate based on a national "Retail Price Survey" conducted by Myers & Stauffer, LC through a contract with CMS.	The NADAC has grown in popularity to more accurately represent pharmacy acquisition costs, however survey methods create potential reporting biases and does not include any off-invoice price discounts or rebates from wholesalers to pharmacies.
Dispensing Fee	This represents a flat prescription-level fee for the pharmacy's professional services.	Dispensing fees are meant to account for the cost to dispense the drug without any relationship to the actual price of the drug itself. Dispensing fees have traditionally been minimal (e.g., <$1) in most contracts, but have increasingly become more common in "cost+" benefit designs.
Net Price	This is meant to represent the final price paid by a health plan or PBM after all rebates or discounts are accounted for.	While we have more sophisticated ways to estimate the size of rebates for some brand name drugs, there are still substantial challenges with the full accounting for all price concessions at a prescription-level.

FIGURE 1. DRUG PRICING TERMINOLOGY IN THE CONTEXT OF A SIMPLE (A) AND COMPLEX (B) SUPPLY CHAIN.

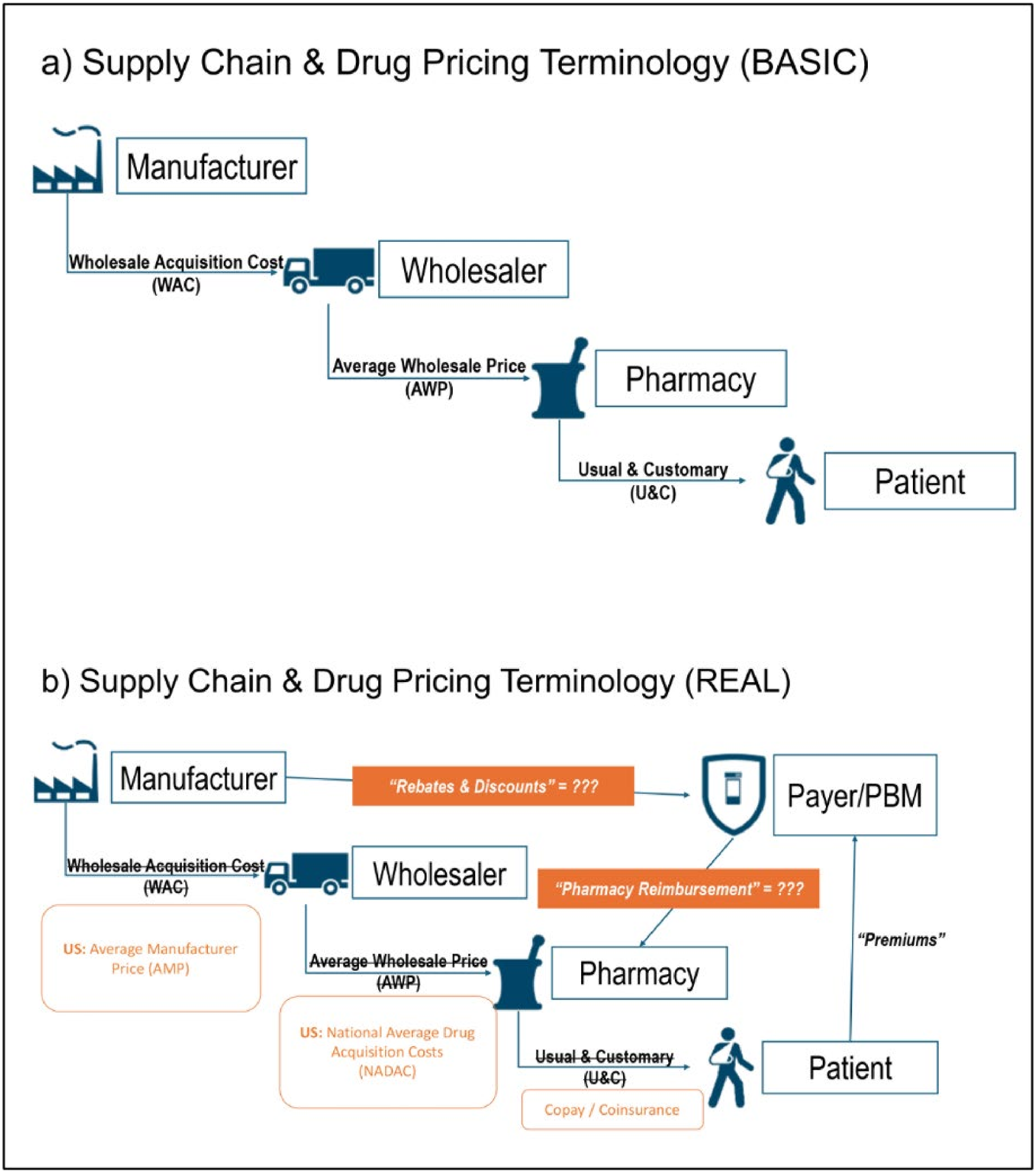

TABLE 2. SELECTED IMATINIB AND ABIRATERONE ACETATE DRUG PRICES IN REDBOOK 2024.

Table 2. Selected imatinib and abiraterone acetate drug prices in Redbook 2024.

Product	Manufacturer	WAC (per unit)	AWP (per unit)	Markup (%)
Abiraterone Acetate, 250mg tablets, 120-count bottle				
	Wockhardt USA	1.88	97.21	5,084
	5 different manufacturers	1.88	97.08	5,077
	Northstar Rx	1.88	93.53	4,888
	Hikma Pharmaceuticals	5.00	92.09	1,742
	Apotex	8.33	92.09	1,005
	Mylan Pharmaceuticals	14.17	97.21	586
	Teva Pharmaceuticals	29.16	97.21	233
	Patriot Pharmaceuticals[a]	76.57	91.88	20
	CivicaScript[b]	1.33	1.60	20
Imatinib mesylate, 400mg tablets, 30-count bottle				
	Upsher-Smith Laboratories	4.17	364.41	8,646
	3 different manufacturers	4.33	364.41	8,309
	2 different manufacturers	5.04	394.66	7,731
	Teva Pharmaceuticals	14.57	364.41	2,401
	Chartwell Rx	18.00	394.66	2,093
	Apotex	19.18	364.40	1,800
	Hikma Pharmaceuticals	45.61	364.41	699
	Northstar Rx	78.52	376.95	380
	Mylan Institutional[c]	11.70	14.04	20
	Major Pharmaceuticals	66.67	80.00	20

a) Patriot Pharmaceuticals is a wholly owned subsidiary of Janssen Pharmaceuticals, the brand manufacturer for Zytiga® (abiraterone acetate)
b) CivicaScript is a sister company to CivicaRx, formed in partnership with Blue Cross Blue Shield organizations
c) Mylan & Mylan Institutional are subsidiaries of Viatris, formed in 2020 through the merger of Pfizer's Upjohn division and Mylan. They produce imatinib products with different prices for institutional use.

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NAVIGATING THE OVERLAP: HOW CANADIAN WORKERS' COMPENSATION INTERACTS WITH PUBLIC HEALTH CARE

By Sophie Ferré, J.D.—General Counsel, Saskatchewan Workers' Compensation Board

Submitted by the AASCIF Law Committee

Introduction

The following article provides a brief overview of the history of public health care and workers' compensation in Canada. It then provides a condensed explanation the Canada Health Act and the interaction between the public health care system and the workers' compensation system. There is a particular focus on the Saskatchewan Workers' Compensation Board based on this author's specific knowledge.

The History of Medicare and the Canada Health Act

Prior to the Second World War, health care services in Canada were delivered and paid for privately. As early as 1947, certain provincial governments in Canada started implementing publicly funded health services at the provincial level. Federally, the Canadian Parliament passed the *Hospital Insurance and Diagnostic Services Act* in 1957, which was an early first step in federal/provincial funding of publicly insured health care services.

Saskatchewan was an early leader in the development of universal health care insurance coverage. In the 1960 Saskatchewan general election, Tommy Douglas (Premier of Saskatchewan 1944-1961) campaigned with a promise of universal publicly funded health care system for Saskatchewan. Winning the election Premier Douglas became known as the "Father of Medicare" in Canada.

Implementation of universal health care in Saskatchewan was initially met with resistance by Saskatchewan physicians who, in 1962, commenced a strike and refused to provide care in opposition to the proposed plan. The physician strike lasted 23 days and was resolved through a fee-for-service agreement between the Province of Saskatchewan and Saskatchewan College of Physicians and Surgeons. The fee-for-service model still exists today in Canada. In Saskatchewan, the College of Physicians and Surgeons is now the regulatory body for physicians and the Saskatchewan Medical Association is the representative organization for physicians and negotiates a fee schedule with the provincial government every 3 to 4 years.

Between 1961 and 1964 the Canadian Federal Government mandated the Royal Commission on Health Services to study and consult on the future of health care in Canada. The Commission was chaired by Canadian Supreme Court Justice Emmett Hall (formerly a Chief Justice of Saskatchewan), and at the conclusion of their work the Commission recommended a universally funded national health care plan based upon the Saskatchewan model. However, jurisdiction for the administration of health care was within the authority of provincial governments. Therefore, the Federal Government opted to implement a decentralized model within which provinces would receive federal funding if an applicable province's health care system met the following criteria: (1) the funding system had to be a publicly administered; (2) the system had to provide universal coverage to residents; (3) the coverage had to be for medically necessary services; and (4) coverage had to be portable when residents moved to another province. The new model was codified in the 1966 *Medical Care Act*, but the Act did not come into force until 1968.

In 1984, the Canada Health Act was passed in the House of Commons. It effectively combined and replaced the *Hospital Insurance and Diagnostic Services Act* of 1957 and the 1966 *Medical Care Act* and it continues to exist and apply in 2025.

The History of Workers' Compensation in Canada

Workers' compensation, having origins in Germany, Great Britain and the United States, found roots in Canada in the early 20th Century. In 1910, the provincial government of Ontario appointed Sir William Meredith, Chief Justice of the Common Pleas and of the Ontario High Court of Justice, to study workers' compensation systems around the world and their potential application to the province of Ontario. In 1913, Sir William Meredith produced what is now known as the Meredith Report and presented it to the Ontario government.

The report proposed a system based on five principles (now known as the Meredith Principles):

1. No-fault compensation, which means workers are paid benefits regardless of how the injury occurred. The worker and employer waive the right to sue. There is no argument over responsibility or liability for an injury.
2. Security of benefits, which means a fund is established to guarantee funds exist to pay benefits.
3. Collective liability, which means that covered employers, on the whole, share liability for workplace injury insurance. The total cost of the compensation system is shared by all employers. All employers contribute to a common fund. Financial liability becomes their collective responsibility.

4. Independent administration, which means that the organizations who administer workers' compensation insurance are separate from government.

5. Exclusive jurisdiction, which means only workers' compensation organizations provide workers' compensation insurance. All compensation claims are directed solely to the compensation board. The board is the decision-maker and final authority for all claims.

The report also proposed draft legislation which became the *Workmen's Compensation Act* of 1914 in Ontario. Worker's compensation legislation was eventually passed in all provinces at different times. In Saskatchewan it came into force in 1929.

What are Insured Services Under the Canada Health Act

The purpose of the Canada Health Act (CHA) and the provisions for the transfer of payments to provincial governments are outlined in section 4 and section 5 of the CHA as follows:

> 4 The purpose of this Act is to establish criteria and conditions in respect of insured health services[1] and extended health care services[2] provided under provincial law that must be met before a full cash contribution may be made.
>
> 5 Subject to this Act, as part of the Canada Health Transfer, a full cash contribution is payable by Canada to each province for each fiscal year.

"Insured Health Services"[1] are defined as:

> hospital services[1.1], physician services[1.2] and surgical-dental services[1.3] provided to insured persons1.4, but does not include any health services that a person is entitled to and eligible for under any other Act of Parliament or under any Act of the legislature of a province that relates to workers' or workmen's compensation.
>
> "Hospital Services"1.1 are defined as:
>
> any of the following services provided to in-patients or out-patients at a hospital, if the services are medically necessary for the purpose of maintaining health, preventing disease or diagnosing or treating an injury, illness or disability, namely,
>
> (a) accommodation and meals at the standard or public ward level and preferred accommodation if medically required,
>
> (b) nursing service,
>
> (c) laboratory, radiological and other diagnostic procedures, together with the necessary interpretations,
>
> (d) drugs, biologicals and related preparations when administered in the hospital,
>
> (e) use of operating room, case room and anaesthetic facilities, including necessary equipment and supplies,
>
> (f) medical and surgical equipment and supplies,
>
> (g) use of radiotherapy facilities,
>
> (h) use of physiotherapy facilities, and
>
> (i) services provided by persons who receive remuneration therefor from the hospital,
>
> but does not include services that are excluded by the regulations.

"Physician Services"[1.2] means any medically required services rendered by medical practitioners.

"Surgical-Dental Services"[1.3] means any medically or dentally required surgical-dental procedures performed by a dentist in a hospital, where a hospital is required for the proper performance of the procedure.

"Insured Persons"1.4 means, in relation to a province, a resident of the province other than

(a) a member of the Canadian Forces,

(b) [Repealed, 2012, c. 19, s. 377]

(c) a person serving a term of imprisonment in a penitentiary as defined in Part I of the Corrections and Conditional Release Act, or

(d) a resident of the province who has not completed such minimum period of residence or waiting period, not exceeding three months, as may be required by the province for eligibility for or entitlement to insured health services.

"Extended Health Services"[2] means the following services, as more particularly defined in the regulations, provided for residents of a province, namely,

(a) nursing home intermediate care service,

(b) adult residential care service,

(c) home care service, and

(d) ambulatory health care service.

To receive the funding outlined in sections 4 and 5 of the CHA, the provincial health care system must provide the services outlined above in accordance with the provisions of section 8 to 12 of the CHA. These provisions codify the same four principles that were proposed in 1966, specifically: public administration, comprehensiveness, universality and portability. Failure to comply with these requires can, and does, result in a loss or claw back of transfer payments.

What Health Benefits are Provided by the Saskatchewan Workers' Compensation Board

The Saskatchewan Workers' Compensation Board provides several health benefits, some of which meet the criteria to be considered either Insured Health Services or Extended Health Care Services under the CHA, others of which do not. For example, services such as physiotherapy, exercise therapy, massage, chiropractor, acupuncture, mental health counselling, rehabilitation services are not considered Insured Health Services or Extended Health Care Services under the CHA and would typically be paid for out of pocket by Canadian residents. These services can be procured and funded by the Board for workers outside of the public healthcare system.

Who Pays for What?

The public health care system is funded in each province through federal transfer payments (with funds generated through revenues or taxes) and provincial funding (with funds generated through revenues or taxes). Provincial Workers' Compensation systems are "arm's length" with reporting structures to provincial governments, however they maintain a level of independence and are entirely funded by employer premiums. Because employers receive the benefit of the no fault workers' compensation insurance regime, there is an expectation that employer premiums fund the entirety of the costs of a worker's claim regardless of who delivers health care services for injured workers.

By way of example, where a worker requires Insured Health Services or Extended Health Care Services, the public system provides those services to workers. However those costs are invoiced to the Saskatchewan Workers' Compensation Board, and the costs are reimbursed to the provincial government or, the case of a physician, to that physician on a fee-for-service basis. This prevents the taxpayer from funding expenses which should appropriately be assigned to employers through their premiums.

Conclusion

The overlap of Canadian workers' compensation systems and the public healthcare system emerges from a history of implementing publicly administered services for the benefit Canadian residents. The importance of assigning the cost of these services to the appropriate owners is highlighted in how the two systems interact with each other through the funding and billing practices. While there are many additional complexities to analyze, such as public healthcare wait times, the application of the definitions in the CHA, and the selection of medical providers, the foregoing constitutes an introduction to workers compensation in Canada.

WHY WORKERS' COMPENSATION STAKEHOLDERS SHOULD BE CONCERNED ABOUT SOCIAL INFLATION/LEGAL SYSTEM ABUSE

Submitted by the AASCIF National Issues Committee with contributions by Lee Ann Alexander, Steve Bennett, and Rhonda Hurwitz

As a workers' compensation professional, you might be wondering why social inflation[1]—a term increasingly heard as juries award ever-growing and seemingly out-of-control "nuclear verdicts"—should concern you. These verdicts drive insurance claims costs higher, prompting both business and insurance communities to seek legal system abuse reforms at both state and federal levels. After all, the workers' compensation exclusive remedy doctrine was *supposed* to protect the workers' compensation state systems from most litigation and provide a protective barrier between the world in which we operate, and the general wider world of civil litigation and the runaway jury verdicts businesses and insurers are having to contend with. However, looking ahead, our community must be vigilant about social inflation and legal system abuse.

Before delving into specific concerns within workers' compensation, it's important to understand examples and explanations of social inflation and legal system abuse. These include higher jury awards or "nuclear verdicts", increased visibility of verdicts and cases on social media, greater attorney involvement and advertising in insurance, rises in third-party litigation financing, widespread distrust in large corporations, and the expansion of "bad faith" statutes in several states. Of specific note, third-party litigation financing involves external entities financing lawsuits in exchange for a portion of the settlement or award. It can lead to more aggressive litigation strategies and higher settlement demands, further driving up costs (and potentially premium) and taking cases outside of our usual workers' compensation systems.

As you likely know, specifically, in workers' compensation, the exclusive remedy doctrine generally withstands challenges that could thrust a business and its insurer into court to defend against tort actions; however, this isn't always the case. We continue to witness a deterioration in "the grand bargain".[2] Sometimes the protective wall of the grand bargain is completely breached and the same wall continues to be threatened across the nation elsewhere. The system is perpetually at risk of cracks in its exclusive remedy barrier due to ill-advised legislative enactments or unfavorable court decisions.

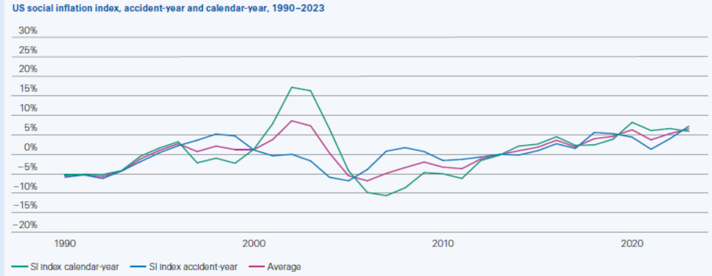
Additionally, the employers' liability part of the workers' compensation policy (Coverage B) seems to be generating increasing interest. Third-party claims brought under Coverage B now often involve creative attempts to overcome the exclusive remedy protections of the workers' compensation act. The issues here can be complex and involve third-party actions, gross negligence claims, constitutionality questions, and dual capacity suits. Also implicated can be the duty to defend under a reservation of rights, and the possible involvement of multiple insurers with general liability, excess, and workers' compensation exposure, further complicating matters. As successful liability lawsuits and nuclear verdicts (those resulting in awards of $10 million or more) gain more press and public attention—and that of the trial bar—social inflation is likely to impact the workers' compensation legal arena as well.[3]

As you consider what social inflation could mean for the state-based workers' compensation system, here are some sobering statistics taken from Swiss Re Institute's Sigma report No 4/2024:

Measuring social inflation

We have constructed a "Social Inflation Index" by disentangling claims growth from other claims drivers such as economic inflation, exposure growth and frequency trends. Claims trends differ based on calendar- or accident-year data due to reserving. Both indices show more similar development since the mid-2010s and, since both views send a valid signal, we take the average for a single metric. Our US social inflation index shows values greater than zero since 2014, rising to around 7% by 2023. We thus estimate that social inflation contributed 7 ppt to liability claims growth in the US last year.

US social inflation index, accident-year and calendar-year, 1990–2023

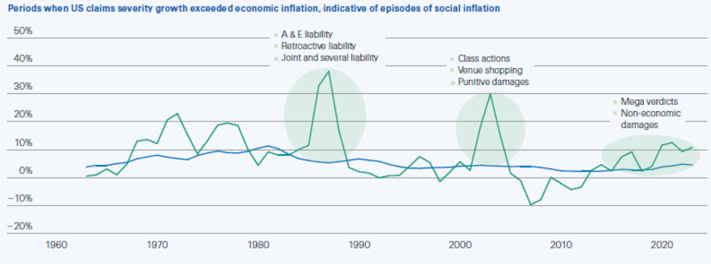


Source: Swiss Re Institute

Changing nature of social inflation

Prior episodes of social inflation in the 1980s and 2000s were driven by material changes to tort law and an expansion of access to mass tort. The current episode of social inflation in the US starting in the mid- 2010s has been mostly caused by outsized awards in bodily injury cases.

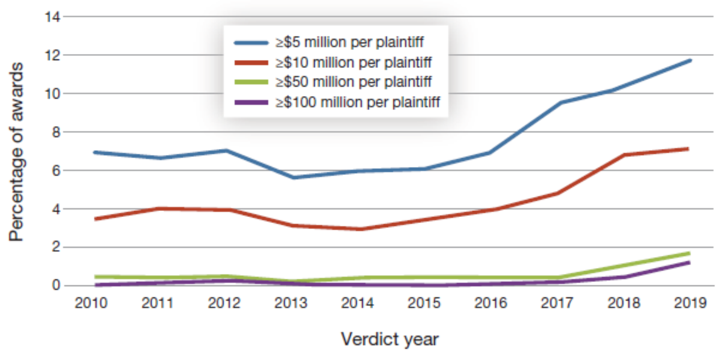
Periods when US claims severity growth exceeded economic inflation, indicative of episodes of social inflation



Source: Swiss Re Institute

And this chart from a 2024 Rand study, *What is the Evidence for Social Inflation*:

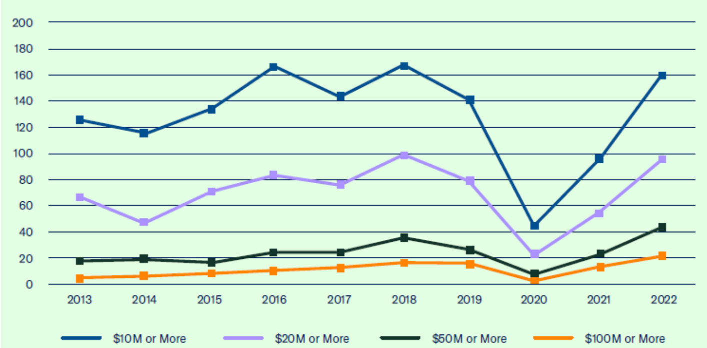
Trends in the Percentage of Inflation-Adjusted PI/WD Trial Awards That Are Large



NOTE: *N* = 15,017 trial awards. We defined a *large* award as at least $5 million. Awards and cutoffs are shown in 2019 dollars.

Finally, below is a chart from the U.S. Chamber of Commerce Institute for Legal Reform's 2024 publication, *Nuclear Verdicts*:

Figure 2: Number of Reported Nuclear Verdicts, 2013 – 2022



In essence, the reason you should be concerned about social inflation and legal system abuse is that they pose significant threats to the workers' compensation landscape. As juries continue to award ever higher awards – often in what appears to be an indictment of big business and corporate behavior – it's also reasonable to draw the conclusion that the same emotional responses could drive courts and legislatures to change the playing field for workers' compensation in a way that makes the system further subject to the emotional whims of juries.

Given these concerns, what actions should workers' compensation professionals and leaders take? The answer is multifaceted:

1. **Improve Corporate Transparency:** Address widespread distrust in large corporations by enhancing transparency and fostering trust within communities. Demonstrating corporate responsibility and ethical behavior can help mitigate negative perceptions that contribute to social inflation.
2. **Collaborate for Advocacy and Reform:** Ensure collaboration with other insurers, businesses, and civil justice organizations. Collaborative efforts can lead to more effective advocacy and reform, strengthening the workers' compensation system.
3. **Educate Legislators:** Educate state legislators about the historical context of workers' compensation and the grand bargain. This proactive approach ensures that legislators are informed about the potential impacts of ill-advised legislative changes.
4. **Proactive Litigation Strategies:** Employ proactive litigation strategies that utilize affirmative defenses and make informed decisions regarding Part B cases. This can help protect against claims that seek to circumvent the exclusive remedy protections.

By taking these steps, we can better safeguard the integrity of the workers' compensation system against the challenges posed by social inflation and legal system abuse.

END NOTES

[1] Social inflation is defined by the National Association of Insurance Commissioners as "[A] term that describes how insurers' claims costs are increasing above general economic inflation. This is generally thought to be due to a trend in increasing litigation costs brought by plaintiffs seeking large monetary relief for their injuries. The "social" aspect of the term represents shifting social and cultural attitudes about who is responsible for absorbing risk (the insurer or the plaintiff). The varying demographic makeup of jury pools, an increasing public distrust of large corporations, and the influences of social media and legal marketing can all influence jury verdicts and awards…."

[2] The concept of the deterioration of the Grand Bargain will be discussed in greater length in National Issues' Quarter 4 article.

[3] During the National Conference, a session on Coverage B/Part 2 will be discussed.

AI'S TRANSFORMATIVE IMPACT ON INSURANCE LOSS PREVENTION AND SAFETY RISK MANAGEMENT

Insights from AASCIF 2024 and Beyond

By Stacy Rose, CPCU, CSP, Regional Manager – Safety Services at Texas Mutual Insurance Company; Damian Simoneaux, CSP, Safety Services Manager at Louisiana Workers Compensation Corporation; and Jim Ash, CSP, ARM, WSI Safety Consultant Manager

The insurance industry is in the midst of a technological revolution, and artificial intelligence (AI) is at the forefront of this transformation. At the American Association of State Compensation Insurance Funds (AASCIF) 2024 conference held in Providence, Rhode Island, a pivotal session illuminated how AI-powered tools are reshaping loss prevention consulting—an essential function within the insurance ecosystem. From predictive analytics to resource development, AI is not merely a tool but a collaborator that enhances the capabilities of human consultants. This article explores these advancements, delves into current applications of AI in organizational settings, and expands the discussion to address AI's growing role in safety risk management—a critical intersection of insurance and workplace safety.

The Evolution of Loss Prevention in the AI Era

Loss prevention consultants have long relied on their expertise, experience, and analytical skills to identify risks, recommend mitigation strategies, and support safer workplaces. However, the advent of AI is amplifying these efforts in ways previously unimaginable. The AASCIF 2024 session highlighted several key areas where AI is driving change: predictive analytics, research, quality assurance, and resource development. These advancements are enabling consultants to shift from reactive to proactive strategies, ultimately reducing claims and improving outcomes for insurers and policyholders alike.

Predictive Analytics: Seeing the Future of Risk

One of the most transformative applications of AI in loss prevention is predictive analytics. By harnessing vast datasets—historical claims, real-time monitoring, and behavioral patterns—AI algorithms can identify risks with remarkable precision. For example, in industries such as oil and gas, police protection, or individual and family services, AI can uncover trends like equipment failure rates, ergonomic hazards, or high-risk behaviors that might otherwise go unnoticed. This allows consultants to prioritize interventions where they will have the greatest impact, tailoring strategies to specific industries or even individual workplaces.

In safety risk management, predictive analytics takes this a step further. AI can integrate data from wearable devices, environmental sensors, and incident reports to forecast potential safety incidents before they occur. For instance, an AI system might detect early signs of worker fatigue based on biometric data from smart wearables, prompting timely interventions like rest breaks or schedule adjustments. This proactive approach not only prevents injuries but also aligns with insurers' goals of reducing claims and enhancing workplace safety.

Research: An AI-Powered Knowledge Base

The research process, once a time-intensive task requiring hours of manual review, is being revolutionized by AI. Tools like Google Gemini and ChatGPT allow consultants to access industry-specific information—such as best practices for fall prevention in construction or the latest standards for chemical handling—in mere seconds. This rapid access to knowledge empowers consultants to stay ahead of emerging risks and innovations, ensuring their recommendations are both current and evidence-based.

In safety risk management, AI's research capabilities extend to analyzing regulatory updates, scientific studies, and even social media chatter about workplace incidents. For example, an AI tool might scan posts on X to identify recurring safety concerns in a particular sector, providing real-time insights that inform risk management strategies. This ability to synthesize vast amounts of data enhances decision-making and strengthens the consultant's role as a trusted advisor.

Quality Assurance: Elevating Consistency and Professionalism

AI is also enhancing the quality of loss prevention deliverables. From refining service letters to generating detailed safety recommendations, AI tools ensure clarity, consistency, and compliance with regulatory standards. For instance, an AI-powered editor might polish a consultant's report, eliminating jargon while preserving the intended message. Similarly, AI can cross-check safety recommendations against current OSHA guidelines, flagging gaps or inconsistencies.

In safety risk management, quality assurance takes on added importance. AI can assist in auditing safety protocols, identifying discrepancies between written policies and actual practices. This capability is particularly valuable in high-risk industries, where even minor oversights can lead to significant incidents. By streamlining quality reviews, AI frees consultants to focus on strategic oversight rather than administrative minutiae.

Resource Development: Efficiency Meets Customization

Perhaps the most exciting development is AI's role in creating safety resources. Consultants can now use AI to draft policy documents, develop training materials, and even translate content into multiple languages—all with unprecedented speed. For example, an AI tool might generate a customized fall protection training module for a construction firm, complete with visuals and industry-specific examples, in a fraction of the time it would take manually. This efficiency allows consultants to scale their efforts, delivering tailored resources to diverse clients.

In safety risk management, AI-driven resource development is a game-changer. Imagine an organization needing a multilingual safety manual for a global workforce: AI can produce accurate translations in minutes, ensuring all employees receive consistent, accessible information. Additionally, AI can simulate training scenarios—such as emergency evacuations—using augmented reality, providing immersive learning experiences that enhance retention and preparedness.

AI in Action: Current Organizational Applications

Organizations across the insurance and safety sectors are already leveraging AI to enhance their operations, with successful implementation hinging on close collaboration between safety, IT, and data science departments. This cross-functional approach ensures AI tools are not only technically sound but also practically applicable in the field. At Texas Mutual Insurance Company, for instance, AI is being integrated into risk assessment workflows through a joint effort of safety experts, data analysts, and IT specialists. This collaborative approach has enabled safety services teams to more effectively identify high-risk accounts and prioritize interventions. Similarly, Louisiana Workers Compensation Corporation has fostered interdepartmental teamwork to explore AI for analyzing claims data, uncovering patterns that inform targeted loss prevention strategies. The synergy between claims adjusters, data scientists, and IT professionals has been crucial in translating complex data insights into actionable safety measures. Meanwhile, consultants like Jim Ash are partnering with AI experts and industry specialists to streamline research and develop client-specific safety recommendations, improving both efficiency and impact. These examples underscore that successful AI implementation is not merely a technological fix, but an organizational evolution requiring seamless collaboration across multiple disciplines.

Beyond insurance, industries such as manufacturing, healthcare, and transportation are adopting AI for safety risk management. In manufacturing, AI-powered cameras monitor production lines for unsafe behaviors, alerting supervisors in real time. In healthcare, AI analyzes patient handling data to reduce musculoskeletal injuries among staff. In transportation, AI integrates with telematics to predict driver fatigue, preventing accidents before they happen. These examples illustrate AI's versatility and its potential to bridge loss prevention and broader safety goals.

Benefits and Challenges of AI Integration

The AASCIF 2024 session underscored both the promise and the pitfalls of AI in loss prevention and safety risk management.

Benefits

1. **Rapid Access to Information:** AI delivers insights quickly, enabling faster decision- making.
2. **Deeper Data Analysis:** Consultants can refine queries to explore data in greater detail.
3. **Innovation:** AI generates fresh perspectives on longstanding challenges.
4. **Efficiency:** Reduced time on research and resource creation frees consultants for strategic work.
5. **Scalability:** AI builds on existing knowledge, adapting to new contexts effortlessly.

Challenges

1. **Over-Reliance Risks:** Dependence on AI could diminish critical thinking skills.
2. **Lack of Originality:** AI may recycle existing solutions rather than fostering innovation.
3. **Data Quality Concerns:** The "garbage in, garbage out" principle threatens reliability.
4. **Validation Gaps:** Reduced manual research may weaken idea validation.
5. **Bias Potential:** AI outputs may reflect biases in training data, skewing recommendations.

To address these challenges, organizations must adopt a balanced approach, pairing AI's analytical power with human judgment. In safety risk management, this means using AI as a tool for identifying risks while relying on experts to interpret findings and implement solutions in context.

AI and Safety Risk Management: A Deeper Dive

While loss prevention focuses on reducing insurance claims, safety risk management aims to protect workers and operations holistically. AI's role in this domain is expanding rapidly, offering tools to anticipate, mitigate, and respond to hazards.

Real-Time Risk Monitoring

The integration of AI with Internet of Things (IoT) devices is transforming safety risk management. Smart sensors in warehouses, for example, can detect temperature spikes or equipment malfunctions, triggering AI-driven alerts to prevent fires or breakdowns. Similarly, AI-powered wearables track vital signs, predicting heat stress or fatigue among workers in high- risk environments like mining or construction. This real-time monitoring shifts safety from a reactive to a preventive discipline.

Behavioral Analysis and Culture Change

Adopting AI calls for intentional change management, recognizing that teams need time and support to adapt to new technologies. This includes training staff to interpret AI outputs confidently and fostering trust in the technology among frontline users. Leaders play a crucial role in guiding this transition, addressing concerns, and highlighting the benefits of AI integration. AI can also influence safety culture by analyzing behavioral data. For instance, an AI system might identify patterns of non-compliance—such as skipped safety checks—and recommend targeted training or incentives to improve adherence. By addressing the human factors behind incidents, AI helps organizations foster a proactive safety mindset, aligning with both risk management and loss prevention goals. The key to success lies in balancing technological capabilities with human insight and experience, creating a collaborative approach that enhances overall safety outcomes.

Crisis Response and Recovery

In the event of an incident, AI enhances crisis response. Machine learning models can simulate disaster scenarios, optimizing evacuation plans or resource allocation. Post-incident, AI analyzes root causes, identifying systemic weaknesses to prevent recurrence. This capability is invaluable for safety managers seeking to strengthen resilience while providing insurers with data to refine risk profiles.

Looking Ahead: AI and Loss Prevention in 2025

As we approach the AASCIF 2025 conference, the conversation around AI in loss prevention and safety risk management will deepen. Key topics will include:

- **Advancements in Risk Assessment:** More sophisticated algorithms will refine loss prediction, supported by real-world case studies.
- **Explainable AI:** Techniques to make AI decisions transparent will build trust among stakeholders.
- **AI and IoT Synergy:** Real-time applications will dominate discussions, from smart wearables to connected workplaces.
- **Skill Evolution:** "AI literacy" will emerge as a core competency for consultants, blending technical and practical expertise.
- **Ethical Considerations:** Panels will tackle data privacy, bias, and responsible AI use.

The 2025 conference will be a critical forum for sharing experiences, from early adopters to newcomers, ensuring the industry navigates this transformation collaboratively.

Conclusion: A Collaborative Future

The insights from AASCIF 2024 and the expanding applications of AI in safety risk management paint a clear picture: AI is not here to replace human expertise but to enhance it. By combining the analytical power of AI with the nuanced judgment of consultants, the insurance industry can achieve more precise risk assessments, more effective prevention strategies, and safer workplaces. For insurers, this means lower claims and better pricing; for policyholders, it translates to reduced incidents and potentially lower premiums.

As we embrace this AI-driven future, professionals must remain adaptable, continuously updating their skills to work alongside these tools. The 2025 AASCIF conference will be a pivotal moment to refine this partnership, ensuring that AI and human ingenuity together create a safer, more resilient world. The future of loss prevention and safety risk management is here— and it's a future of collaboration, not replacement.

BUILDING YOUR BRAND GUIDELINES

Submitted by the AASCIF Communications Committee

By Amy Read and Mike Watters, SAIF

A brand is more than logos, color palettes, typography and templates. It is a *feeling*. When you think about popular brands—Nike, Apple, Coca-Cola, Netflix, Ford—they all evoke feelings. Pick up any Amazon package, and it is actually smiling at you.

When SAIF set out to create our current brand guidelines, we started with how we wanted people to feel. We want them to think of our commitment to leading a workers' comp system that really works for Oregon workers and employers. And we want them to think about our vision to make Oregon the safest and healthiest place to work.

Every interaction with our brand, whether it be our website, an ad, a presentation, or through our social channels, is a chance to make a positive impression and convey who we are.

Our logo, colors, templates, digital components—they all help spread that consistent positive message. But even more than good design, brand guidelines can enhance customer experience, messaging, and accessibility.

So, let's take a deep dive into ensuring your brand guidelines that tell your story.

Design

Before we get into brand assets like logos and color palettes, we'll start with intention. What do you want your design to accomplish?

At SAIF, we have four goals that guide us:

- Give the customer expert guidance: Show them clearly where they are and what they need to do.
- Respect their time: Make things simple, accurate, and efficient for the user.
- Show them we understand: Earn their trust with empathy, reliability, and support. Speak in plain language.
- Give them confidence: Be one less thing to worry about. Empower them with easy, intuitive service.

User research and voice of customer is key in creating, affirming, and refining these goals.

Color Palette

A carefully chosen color palette evokes the right emotions and conveys the brand's personality. At SAIF, we say our color palette is bright, vibrant, and energetic—just like we are! Primary colors should be used consistently to create a cohesive look across all materials and platforms. Our color palette page on SAIF's intranet page has color codes for both print and digital to ensure accuracy and consistency.

Keep accessibility in mind, particularly when deciding on your color palette. Consider how your colors might be viewed by a customer or employee who experiences color blindness. Use a web accessibility color contrast checker to ensure your colors adhere to WCAG guidelines for digital accessibility.

Typography

Typography plays a crucial role in maintaining a professional and consistent brand image. Brand guidelines should specify the use of specific typefaces for different purposes. A primary typeface should be chosen for its readability and clean appearance. The guidelines should also provide instructions on font sizes, line spacing, and text alignment to ensure consistency. You may also specify different typefaces for print and digital.

Imagery

Photos and illustrations used in communications should reflect your company's values and mission. The guidelines should recommend using high-quality, professional images that convey the brand's core messages. Images should be relevant to the content and resonate with the target audience.

Consider creating a repository of images that are appropriate for general use. At SAIF, we have a Flickr page that stores professional photographs of workplace across Oregon that we have visited. But stock photos will also work in a pinch if they adhere to your guidelines.

Avoid images that are clearly not taken in your state, that are too posed or distorted, or that show unsafe behaviors.

When using illustrations, they should be simple and modern. Colors should be similar to your color palette and be consistent with your brand.

Templates

Make it easy for your employees to follow your brand guidelines in their daily work! Provide plug-and-play materials for a variety of business needs, including but not limited to:

- Letterhead
- Name badges, tags, tents
- Agendas
- Certificate of completion
- Covers for notebooks
- Label templates
- Memos
- PowerPoint presentations
- Sign-in sheets
- Teams/Zoom background templates

For PowerPoint presentations, collaborate with your divisions and teams to provide the types of slides they frequently need. Consider creating a demo PowerPoint with many options for each slide type.

In addition to those materials, create guidelines for business cards and instructions on how to create email signature lines.

Logos

Your logo is used in a variety of applications, from business cards to digital banners and social channels. The guidelines should provide specific instructions on how to apply the logo in different contexts to ensure consistency and professionalism. For example, the logo should always be placed in a prominent position and should not be distorted or altered in any way.

Spacing and Sizing

Maintaining appropriate spacing and sizing is crucial for preserving the integrity of the logo. The guidelines should specify the minimum clear space around the logo, ensuring that it is not crowded by other elements and remains easily recognizable.

Backgrounds

The logo can be used on various backgrounds, but it should always maintain sufficient contrast to ensure visibility. The guidelines should recommend using the logo in one color when placed on a colored background and provide examples of acceptable and unacceptable uses.

Incorrect Use

Provide examples of common mistakes, such as stretching or distorting the logo, using unapproved colors, or placing the logo on a busy background. By following these guidelines, companies can ensure that their logo always appears professional and consistent.

Take the time to educate your employees and your external partners on correct logo usages.

Brand Voice, Messaging

The brand voice is the tone and style in which the company communicates with its audience. It should be consistent across all platforms and reflect the company's energy and values. A brand voice can be professional, empathetic, and informative. The guidelines should provide examples of how to write in a way that aligns with the brand voice, ensuring that all communications are clear and engaging.

Voice and Tone

Content should be designed to be accessible to everyone, from customers to stakeholders. The goal is to make the content understandable for all readers. The brand voice should be clear, concise, and – as much as possible - free of jargon. It should convey empathy and support, reflecting the company's commitment to its audience.

Consider specifying a grade level to adhere to for written materials. There are web-based programs that will analyze your website or a block of text and tell you how to make it more readable for your audience. And of course AI can help you refine your messages this way (more on that later).

Messaging

Effective messaging is key to conveying the company's mission and values. Create processes for reviewing messaging, especially for external facing materials and presentations.

Consider a page on your internal website that describes your company, it's mission and values, and how employees can talk about your company in their communities. Your employees are your most important brand ambassadors! Make sure they have the tools to talk about what you do, who you serve, and how your company benefits your state and its employers and workers.

Style Guide

Create an easily accessible style guide that spells out use for frequently-used terms. At SAIF, we follow the Associated Press stylebook, and supplement it with our own internal style guide for insurance terms and acronyms that aren't in the AP stylebook.

Do you use the Oxford comma? Do you have terms unique to your company? List them all here. Empower your employees to use this resource in their daily work.

Data

Create a set of standards for data visualization. Some of them might include specific colors for financial and general data and different colors for other data. You may determine which types of charts work best for certain data sets. At SAIF, we generally don't use pie charts because research shows that it's difficult to interpret. But you'll decide what works best for your data.

But there are universal best practices that anyone creating a data visualization should use:

- **Consider your audience** and think about what would be most useful to them.
- **Use a title and labels.** Title the chart with your main point. It's better to label the data points on your chart or graph directly, rather than use a key.
- **Data should stand on its own.** Everything the reader needs to know should be there.
- **Choose the right type of visual.** Choose a chart or graph that demonstrates your main point. For example, trending data is best shown by a line chart; comparisons are easier to interpret on a bar chart.
- **Don't distort visuals.** This can include things like shortening the y-axis to make it look like there is more difference than there is.
- **Use color and tone to differentiate data points.** Use color to highlight your main point. On most charts, it's best to use only one color.
- **Attribution.** Cite your source. Where did you get this data and when? For PowerPoints, this should be included in the notes. This helps others recreate and update visuals when needed. If the data are external, cite the data source and location. For internal data, include enough information to recreate the data inquiry and include the date the information was captured.

Digital Components

At SAIF, we have a digital component library that was created by our UX team, a cross-divisional team made up of employees from IT, customer experience, and communication and design. It is a toolkit for building webpages and apps. Imagine you have a box full of Lego pieces, each piece representing a different part of a website, like buttons, forms, or menus. A component library is similar, but instead of Lego pieces, it has pre-made parts that developers can use to build websites and apps quickly and consistently.

One-Stop Shop

Create a section on your internal website that spells out your brand guidelines clearly and concisely. Include all aspects of brand management and update it regularly. Remind your employees of the resource regularly, and consider periodic training sessions.

In addition to your communications team, consider creating a cross-divisional brand team that is available for questions. At SAIF, our team is made up of representatives from marketing, communication and design, and learning and development.

And for external partners, create a public webpage or sharable document that spells out your requirements for brand assets like your logo and colors.

Pitfalls

Effective brand management is crucial for maintaining a strong and consistent brand identity. However, there are several common mistakes that companies often make, which can undermine their branding efforts. Here are some of the most frequent pitfalls:

Inconsistent Messaging

One of the most common mistakes different messaging across various platforms. When a brand's message varies from one medium to another, it can confuse the audience and dilute the brand identity.

Neglecting Audience Feedback

Companies often focus so much on producing curated, trending content that they forget to engage with their audience. Regularly absorbing audience feedback, answering questions from surveys and comments, and ensuring that the online presence reflects the company's response to this feedback is crucial for effective brand management.

Overemphasis on Trends

While staying current with trends can be beneficial, focusing too heavily on trends can be detrimental in the long term. Companies that rely too much on "buzzy" stories may find that these techniques do not sustain long-term brand loyalty. It's essential to balance trend-based content with content that aligns with the brand's core values and long-term goals.

Ignoring Data Privacy

When using AI and other digital tools for brand management, it's crucial to maintain data privacy. Inputting sensitive information into AI platforms that do not meet the organization's data security standards can lead to significant risks.

Not Aligning With Business Goals

Branding efforts should align with the company's overarching business objectives. Projects and campaigns that do not map to clear and measurable business goals can lead to wasted resources and missed opportunities.

Teaching AI to Use Your Brand Guidelines

Integrating AI into brand management can increase consistency and efficiency. But it's crucial to ensure that AI-generated content aligns with the company's brand guidelines.

Here are some key considerations for teaching AI about company brand guidelines:

Define Your Guidelines

Before using AI, establish clear guidelines and documents for your brand's tone, language, and personality. Be as specific as possible about the type of words, sentence structure, and style your brand uses (e.g., friendly, warm, formal, witty). This helps the AI understand the nuances of your brand voice.

Craft Precise Prompts

When inputting prompts, be clear about the style you want. For example, you might include phrases like "write in a warm and approachable tone" or "use language that reflects [specific brand attributes]." The more detail you provide, the more likely you will get responses that fit your brand voice. You may also consider uploading a document detailing your brand guidelines so AI can learn from that.

Providing sample sentences or phrases in your prompt that align with your brand voice can guide the AI. For instance, if your brand is playful, start your prompts with playful language and examples to set the tone.

Review and Revise

AI may not always perfectly match your brand's tone and voice. It may not understand the nuances of our industry and may introduce errors. Always review and revise AI-generated content to ensure it aligns with your brand guidelines. This includes checking for consistent terminology, appropriate tone, and correct use of visual elements.

Monitor and Update

Regularly monitor AI-generated content and update your guidelines as needed. As AI tools evolve, so should your approach to using them. Continuous improvement ensures that AI remains a valuable asset in maintaining brand consistency.

Conclusion

Brand guidelines are designed to help employees and partners consistently communicate the brand's identity and message. By adhering to your company's brand guidelines, you can ensure that every piece of communication, whether it's a business card or a digital advertisement, reinforces the brand's integrity and professionalism.

Amy Read is the communication and design director at SAIF in Oregon. Contact her at amyrea@saif.com. Mike Watters is the director of customer experience for policyholders. Contact them at mikwat@saif.com. Betsy McCormack, Senior Deputy Communications Director at New York State Insurance Fund, and Erin McBride, Public Information Officer for the Ohio Bureau of Workers' Compensation, also contributed to this report.

AROUND AASCIF

LOUISIANA

LWCC Announces 2024 Safest 70 Award Winners

Earlier this year, LWCC announced the recipients of its 2024 Safest 70 Awards, recognizing Louisiana companies that exemplify excellence in workplace safety and risk management. Winners represent businesses and organizations that have demonstrated a commitment to creating safe and healthy work environments.

Established in 2008, the Safest 70 Awards reflect LWCC's ongoing commitment to promoting safety excellence across the state. By honoring policyholders who prioritize workforce wellbeing, LWCC seeks to foster a culture of safety that benefits employees, businesses, and communities alike.

"At LWCC, our purpose is to help Louisiana thrive, and the efforts of these award recipients embody that," said Kristin W. Wall, LWCC's President and CEO. "By prioritizing workplace safety, they are not only protecting their employees but also driving positive change that improves outcomes for businesses, families, and communities across our state. We are proud to celebrate their achievements."

To be eligible for the Safest 70 Award, companies must be in good standing with LWCC for five consecutive years and work effectively with the LWCC Safety Services Team. Recognized companies proactively improve workplace safety and are quick to react and respond when potential safety hazards are identified, often in partnership with LWCC's safety experts.

The 2024 award recipients represent a diverse range of industries, including construction, healthcare, manufacturing, and education, highlighting the importance of safety across all sectors of the economy. Click here to learn more about the program and meet this year's winners.

Moving FORWARD with OneDay

OneDay 2025 marked the third year of LWCC's signature 24-hour innovation initiative, bringing together 64 employees across eight cross-functional teams to collaborate, ideate, and transform bold ideas into actionable solutions. Aligned with LWCC's strategic plan, FORWARD, the event focused on strengthening stakeholder relationships, innovating benefits and services, and driving future growth.

Throughout the event, participants collaborated on cross-departmental teams, combining diverse perspectives and expertise to tackle key organizational challenges, from technological innovation to employee recruitment and retention. This unique structure fostered creative problem-solving and encouraged knowledge sharing among employees. The event culminated in a series of dynamic pitch presentations to peers and a panel of judges.

Since its inception in 2023, OneDay has become a catalyst for progress at LWCC. The initiative has helped launch projects that improve core business functions, streamline internal processes, and produce measurable results. By empowering employees to lead innovation, LWCC is not only improving service and operations, but also building a stronger, more agile organization for the future.

"OneDay showcases the power of our team's insight and innovation," shared Kristin W. Wall, LWCC President and CEO. "Our employees understand stakeholder challenges firsthand, and when we put them in the driver's seat, the solutions they create are incredible. Through collaboration and creativity, we're driving better service and a stronger future for LWCC and Louisiana."

Organizations interested in launching their own innovation initiative can take advantage of LWCC's free OneDay implementation guide. This resource offers a step-by-step approach to help other businesses spark their own culture of innovation.

To learn more about OneDay 2025 and access the implementation guide, click here.

MARYLAND

Chesapeake Employers Insurance Declares $55 Million Dividend, 8% Rate Decrease

Chesapeake Employers' Insurance Company's Board of Directors declared the company's highest-ever policyholder dividend of $55 million for 2025. Additionally, the company filed an 8% net rate decrease with the Maryland Insurance Administration, effective April 1, 2025.

This marks the eighth consecutive year that the company is declaring dividends for its customers. Chesapeake Employers will begin distributing the 2025 policyholder divided this May. Between 2018 and 2025, Chesapeake will have returned $175 million to Maryland employers. In 2024, nearly 97% of the company's policyholders qualified for a dividend.

"Our unique nonprofit business model enables us to leverage the lowest cost of capital possible to benefit our policyholders by returning the company's profits to customers in the form of dividends and lower rates," explained Mark Isakson, President & CEO of Chesapeake Employers Insurance. "We are pleased to reward and reinvest in our policyholders who make workplace safety a top priority. By doing so, we help minimize uncertainty and the impact accidents and injuries can have on employees and employers."

Dividends are based on performance and are not guaranteed. The policyholder dividend was approved by the Maryland Insurance Administration.

About Chesapeake Employers

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

MINNESOTA

SFM's Financial Strength Rating of A- (Excellent) Reaffirmed by AM Best

SFM Mutual Insurance Co. announced today that its Financial Strength Rating of "A- (Excellent)" and Long-Term Issuer Credit Rating of "a-" have been confirmed again by AM Best Rating Services, Inc.

Following a detailed analysis of SFM's balance sheet, operating performance, business profile, innovation initiatives and enterprise risk management, AM Best reaffirmed SFM's standing. Also, before publicly disclosing the rating in April 2025, AM Best conducted a thorough review of SFM's finances and operations.

"In our annual review with AM Best, we were pleased to once again demonstrate how our commitment to service excellence delivers strong results," SFM President and CEO Terry Miller said. "We consider the organization's assessment to be a key indicator of SFM's long-term financial strength and stability."

About AM Best

AM 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 London, Amsterdam, Dubai, Hong Kong, Singapore and Mexico City. For more information, visit www.ambest.com.

About SFM

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

SFM Hires Chief Medical Director, Dr. Andrew Wilkins

SFM recently hired Dr. Andrew Wilkins as Chief Medical Director.

In his role, he will assist in the management of complex claims, serve as an educational resource, and lead strategic initiatives to better understand what is driving a rise in medical severity and how we can best address it.

"I'm looking forward to taking a holistic approach to complex claims and trying to find solutions that best benefit the patient, the policyholder and SFM as a whole, backed by good medical practices and literature," he said.

By way of background, Wilkins attended medical school in Arizona, followed by a residency in Emergency Medicine at the Medical College of Georgia while on active-duty service. Wilkins then joined the Army's 101st Airborne Division, providing medical care as a Battalion Surgeon in the Middle East, Europe, and at Fort Campbell, Ky.

After transitioning to civilian practice, Wilkins most recently was a staff physician at the Minneapolis VA Medical Center. He serves on the state Medical Services Review Board, is board certified in emergency medicine, and has special interests in medical education and health care leadership.

Outside of SFM, Wilkins enjoys running on the Chain of Lakes, studying history, and spending time in his home state of Idaho. He lives in Minneapolis with his spouse, Bethany, and two young daughters, Olivia and Sasha.

NEW BRUNSWICK

WorkSafeNB Announces Two Major Historic Milestones

In late fall of 2024, WorkSafeNB proudly announced two historic milestones that will benefit New Brunswick's workplaces at its [Annual General Meeting] held virtually.

The 2025 average assessment rate was decreased to $1.10, down from $1.18 in 2024, marking the lowest rate in New Brunswick's history. It is expected to remain the second lowest rate in the country.

Adding to the positive news of a lower average assessment rate, WorkSafeNB announced that, for the first time ever, it will issue performance refund cheques to eligible employers in New Brunswick. The performance refund is possible because of WorkSafeNB's strong funded position, which was 156.1% as of December 31, 2023, well above the target range of 115-125%.

WorkSafeNB's strong funded position is primarily due to the collective efforts of employers, workers, and WorkSafeNB, which have contributed to better-than-expected performance related to injury frequency and return to work outcomes, as well as strong investment returns.

Moreover, these milestones come in a year marked by another achievement: significant benefit improvements for workers. Effective July 1, 2024, wage loss benefits increased from 85% to 90% of net earnings, offering injured workers greater financial security as they recover. Additionally, enhancements in calculating Maximum Annual Earnings now extend full wage coverage to more injured workers, with the MAE increasing from $76,900 to $82,100.

WorkSafeNB Named One of Canada's Top Employers

WorkSafeNB has been named one of Atlantic Canada's Top Employers for 2025.

This prestigious designation recognizes the employers in Canada's four Atlantic provinces that lead their respective sectors in offering exceptional workplaces.

Employers are evaluated using the following eight criteria: (1) Workplace; (2) Work Atmosphere & Social; (3) Health, Financial & Family Benefits; (4) Vacation & Time Off; (5) Employee Communications; (6) Performance Management; (7) Training & Skills Development; and (8) Community Involvement. Employers are compared to other organizations in their field to determine which offers the most progressive and forward-thinking programs.

WorkSafeNB enjoys strong employee retention rates and a high level of job satisfaction and engagement.

WorkSafeNB's Tim Petersen Appointed AWCBC Chair

We're proud to share that our president and CEO, Tim Petersen, has been appointed chair of the Association of Workers' Compensation Boards of Canada (AWCBC).

The AWCBC is a key national organization that connects Canada's workers' compensation boards and commissions to share knowledge, strengthen partnerships, and promote best practices in workplace health, safety and compensation.

Tim's appointment is a testament to his leadership and WorkSafeNB's strong reputation on the national stage. As chair, he'll play an important role in advancing collaboration across jurisdictions and ensuring Canadian workers and employers continue to benefit from innovative effective programs.

NEW MEXICO

New Mexico Mutual Partners With InvoiceCloud

New Mexico Mutual is proud to announce our new partnership with InvoiceCloud to launch a brand new billing portal for our policyholders.

The new portal offers immediate access to invoices and payment history, while also having the ability to make secure and convenient online payments. As a true AutoPay system, Invoice Cloud gives our policyholders the ability to set up AutoPay one time and have the payment adjust whenever a new charge is introduced.

We're excited to launch this portal this May and have our policyholders experience the enhanced features and functionality of Invoice Cloud.

New Mexico Mutual Wins 2025 Innovation Award by SITE

New Mexico Mutual's Safety and Corporate Development Manager, Jennifer Demiter was recognized by the Society of Insurance Trainers and Educators (SITE) with the Lois A. Markovich Innovation Award for 2025 for the "Mission Possible: Workers' Compensation Fundamentals" agent workshop she created alongside with other team members of New Mexico Mutual.

The "Mission Possible: Workers' Compensation Fundamentals" workshop is a fun, innovative crash course designed to help our agent partners learn all about policies, premium audits, risk management, safety protocols, and claims processes through interactive activities and lively discussions.

The innovation award recognizes organizations for new and innovative training programs as well as commitment to continued improvement through innovation.

NORTH DAKOTA

WSI Reduces Premiums for 10th Year

For the 10th consecutive year, Workforce Safety & Insurance (WSI) will reduce employer premiums. The 2025-26 statewide average rate will decrease by 7.2%. Additionally, North Dakota's payroll wage cap will increase from $43,800 to $45,100 for the 2025-26 premium year.

The overall impact of the 7.2% average statewide rate reduction, coupled with the adjustment in the payroll cap, will lead to an average statewide premium reduction of 5.55%.

All industry groups saw a decrease:

- Manufacturing: 9.8%
- Contracting: 7.5%
- Petroleum: 15.3%

Changes to individual rate classifications range from a 23.8% decrease to an 11.5% increase, with 108 classifications decreasing, 27 increasing, and 4 remaining unchanged.

Over the past decade, WSI has achieved a remarkable 40% reduction in premiums, further enhancing North Dakota's reputation as a business-friendly state.

OREGON

Building a Safety Community at GOSH

At the Oregon Governor's Occupational Safety & Health (GOSH) conference in March, SAIF focused on what it means to create a safety community. Safety communities bring together all types of workers at an organization—even those without formal safety training or experience—to contribute to a strong safety culture. Find resources about building and engaging your safety community on our SAIF at GOSH page.

Celebrating Two WISE SAIF Employees

At the GOSH conference, the American Society of Safety Professionals' Women in Safety Excellence (WISE) group recognized two SAIF employees—Shyra Vaughn and Naomi Hernandez, both senior safety management consultants—for their outstanding contributions to the safety profession.

"These awards are a testament to Naomi and Shyra's incredible contributions and dedication to the field of safety and health," said Paula Jones, regional safety and health manager. "Naomi and Shyra embody the key criteria for selection through their impactful work with SAIF policyholders and their active engagement within their respective ASSP chapters. Their advocacy and mentorship have made a significant difference, inspiring many others to get involved and make positive changes."

Shyra's WISE award nomination commended her for the leadership, collaboration, and organizational skills she displayed as planning chairperson for the ASSP Southern Oregon Safety and Health Conference.

Naomi's WISE award nomination commended her commitment to her ASSP local chapter and the Hispanic Safety Professionals (HSP) interest group, as well as her passion and leadership in developing and presenting safety trainings in both Spanish and English.

SAIF Hosts Agents for Annual Seminar

SAIF's 33rd annual SAIF Workers' Compensation Insurance Seminar, held on April 3, brought together just over 200 appointed agents and SAIF employees. Attendees enjoyed a variety of presentations, including a moderated panel on Oregon's Management-Labor Advisory Committee, a Jeopardy-style game on premium audit, and sessions on customer experience and SAIF's value proposition.

Excited by the enthusiasm created by the event, Kim Turner, director of agency program and agent experience, said, "SAIF is proud to offer agents a wide range of valuable continuing education topics that support the success of Oregon's workers' compensation system and the employers we serve."

New Forklift Safety Video Covers Safety Standards and Best Practices

On average, SAIF has received more than 200 claims from forklift injuries every year for the past 10 years. In response, SAIF created a video that teaches how to safely operate a forklift and discusses important procedures and principles to use before, during, and after getting into the driver's seat.

The full video can be found on YouTube in both English and Spanish, and fulfills a portion of the forklift training required by Oregon OSHA. The videos cover topics including inspection, parking, loading, and general safety.

SAIF produced the video in collaboration with Oregon Risk Management Solutions, Inc, and it was filmed with the help of policyholders Pratum Co-op and Orchard View, Inc.

SASKATCHEWAN

Saskatchewan WCB 2024 Operating Results Announced

The Saskatchewan Workers' Compensation Board (WCB) released its 2024 annual report in April, highlighting significant progress in workplace safety and financial stability. Most notably, the report indicated that Saskatchewan's Total injury rate for 2024 dropped to 3.91 per 100 workers—down from 3.95 in 2023—marking the lowest rate in the province's recorded history for the second year in a row.

The province also achieved its lowest-ever Time Loss injury rate at 1.72 per 100 workers, improving from 1.78 the year before. In addition, for the fifth consecutive year, 90% of Saskatchewan employers recorded zero workplace injuries and fatalities. In terms of overall injury data, the number of workplace fatalities declined to 27 in 2024 from 29 in 2023.

"For yet another year, we've reached historic lows in the province when it comes to workplace safety. This is a significant achievement," said WCB chair Gord Dobrowolsky. "These safety records are the result of the collective dedication of everyone involved in leading safety in their workplaces."

The WCB also reported continued growth in its covered workforce. In 2024, it covered 443,344 full-time equivalent workers, up from 409,158 in 2023. At the same time, the organization maintained strong financial health. The WCB's sufficiency ratio—a key measure of its ability to meet future claim obligations—was 137.5% at year end, within its target range of 100–140%.

Claim costs in 2024 totaled $255 million, compared to $223.4 million in the previous year.

Due to rising payrolls and an increased maximum assessable wage rate, premium revenues climbed to $355.8 million, up from $337.6 million in 2023. Investment income also saw a strong increase, reaching $284.6 million in 2024, up from $172.6 million the year before. The WCB's investment portfolio yielded a return of 12.9% in 2024, compared to 8.2% in 2023. These returns included realized income and unrealized gains or losses on investments during the year, reflecting changes in market value.

The WCB marked a key milestone in the implementation of its multi-year Business Transformation Program, reaching the halfway point in 2024. This initiative is designed to modernize outdated systems and improve service delivery through upgraded technologies, streamlined business processes, updated policies and staff training.

"Through the Business Transformation Program, we are modernizing the WCB's service delivery model to improve the customer experience and support the long-term health of Saskatchewan's compensation system," said WCB CEO Phillip Germain. "When complete, this highly integrated program will enhance the WCB's service delivery, including technological tools, business processes, workplace culture and partner engagement."

The WCB continued to advance its prevention-focused efforts through its partnership with the provincial Ministry of Labour Relations and Workplace Safety under the WorkSafe Saskatchewan partnership. In 2024, this collaboration focused on the ongoing implementation of the 2023–2028 Fatalities and Serious Injuries Strategy, which aims to reduce serious injuries and eliminate fatalities, especially in high-risk sectors such as health care, construction and transportation.

The strategy targets seven key hazards in Saskatchewan workplaces: motor vehicle collisions, asbestos exposure, falls, industrial ergonomics, machinery safety, violence prevention and psychological health. By engaging employers, workers, occupational health and safety professionals and other partners, the strategy continues to make meaningful progress toward safer workplaces.

"While we are heading in the right direction, we have more work to do," said Germain. "Even one fatality or one injury is too many, so we must continue to innovate and focus our injury prevention efforts."

For a more detailed look at last year's results, the WCB's 2024 annual report is available at wcbsask.com/corporate-plans-and-annual-reports. For more information about the fatalities and serious injuries strategy, view the reports at worksafesask.ca/fatalities-and-serious-injuries.

WASHINGTON

Survey: Workers in Washington See Benefits From Light-Duty Jobs

Workers who were offered light-duty jobs returned to work more frequently, compared to their counterparts who did not have the same light-duty job opportunities, according to a new survey from the Washington State Department of Labor & Industries (L&I).

The survey also shows that workers see value in light-duty jobs offered by their employers. Workers whose employers did not offer light-duty jobs reported that they would be interested in such opportunities.

Last year, L&I partnered with Ipsos, an independent research organization, to survey injured workers about their experiences with light-duty jobs—and the experience of those who were not offered such roles. The goal of the research was to identify opportunities to improve L&I's internal processes, outreach efforts, and oversight related to light-duty jobs.

The survey targeted two groups: A random sample of 242 workers who participated in a light-duty job and 145 workers did not participate in light duty. The survey resulted in some interesting findings:

- **Perceived benefits:** Both groups generally agreed on the benefits of light-duty work, but those with firsthand experience were more likely to see its value. Non-participants were more likely to view learning new skills as a key benefit—suggesting employers could enhance light-duty roles by incorporating more skill development opportunities.
- **Strong interest among non-participants:** Over 75% of workers who did not take part in light duty said they would be likely to do so if given the opportunity—reflecting a positive perception and a chance for L&I to broaden the impact of light-duty incentive programs.
- **Higher return-to-work rates:** Participation in light duty was strongly associated with returning to work—92% of participants had returned by the time of the survey, compared with 58% from those who did not participate in light duty.

These findings offer key insights to help L&I and employers across Washington better support injured workers. Enhancing the availability, communication, and flexibility of light duty opportunities can help more workers recover and return to work successfully.