



WSI Operating Report

fiscal year to date through
June 30, 2020—Final

Key Performance Indicators

FY 2020 numbers in this report are a snapshot at quarter end unless stated otherwise

Color Code = Positive Condition, Watch Condition, Neutral

Fiscal Year Ending:	FY2017	FY2018	FY 2019	FY 2020	FY 2020	Target*
Injury Services (Claims)						
Total Claims Filed - # of new claim filings received	20,045	19,868	19,916	18,826	18,826	NA
Total Indemnity Claims Filed - # of new claims filed for wage loss benefits	2,383	2,429	2,423	2,577	2,577	NA
Injured Workers with Out of State Addresses - # of claims filed by injured workers with out of state addresses	2,925	2,614	2,755	2,441	2,441	NA
Accepted Fatalities - # of fatal claims accepted	15	19	19	14	NA	NA
Claims Filed/100 Covered Workers¹ - # of new claims filed divided by the covered workforce	4.91	4.90	4.86	4.54	NA	NA
Indemnity Claims Filed/100 Covered Workers¹ - # of new indemnity claims filed divided by the covered workforce	0.58	0.60	0.59	0.62	NA	NA
Average Covered Workforce¹ - based on Job Service ND Employment and Wages data	408,107	405,367	409,559	414,371	NA	NA
Claims With Activity - activity = a new claim filing, payment made, or a reapplication for benefits on an existing claim	33,603	32,494	32,457	30,883	30,883	NA
Auto-adjudicated Claims as a Percent of Total Claims Filed - % of claims filed that met the initial auto-adjudication requirements	19%	18%	17%	17%	NA	NA
Percent of Claims Adjudicated within 14 Days - % of claims were the initial determination of compensability was made within 14 days of the registration date	41%	40%	39%	40%	NA	50%
Claim Ultimate Acceptance Rate (adjusted)² - % of claims filed that are ultimately accepted (excludes incidents)	91%	92%	91%	90%	NA	NA
Percent of Initial Indemnity Payments Made within 14 Days of Claims Registration - % of claims where the initial indemnity payment was made within 14 days of registration	48%	48%	48%	51%	NA	55%
Percent of Claims Pending Over 31 Days - % of all claims in pending status that are over 31 days old	12%	11%	11%	9%	NA	10%
Average New Claims per Claim Adjuster³ - average number of new claims assigned to each adjuster per year	409	423	433	409	409	NA
Average Active Claims per Claim Adjuster^{3, 4} - excludes auto-adjudicated claims - Average active indemnity claims - Average active medical only claims (excludes auto-adj.) - Average active claims	51 130 181	49 222 271	47 280 327	42 225 267	NA NA NA	NA NA NA

1—"Average Covered Workforce" is based on Job Service ND data (received in June each year for the previous calendar year)

2—Calculation excludes those claims filed that did not seek medical treatment, no signed injured worker report was received, claims that were withdrawn by the worker, and claim technical denials (claims denied because the IW has not returned forms required to adjudicate the claim such as; FROI, PIQ, RMQ, etc.
This data is preliminary until final figures are taken in September each year.

3—The number of adjusters reduced from 53 to 52 in March 2016, to 51 in May 2016, 49 in November 2016, 48 in November 2017, 47 in February 2018, and 46 in April 2019.

4—In January 2018 the auto closure process for Medial Only Claims was increased from 90 days to 180 days.

Industry averages or standards related to workers' compensation are difficult to obtain as there exist differences between programs and their corresponding laws from state to state. Consequently, targets are reflected as ultimate goals in many cases, rather than as an industry average or standard.

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Fiscal Year Ending:	FY2017	FY2018	FY 2019	FY 2020	FY 2020	Target*
Injury Services (Medical Services)						
Percent of Outstanding Bills Over 30 Days Old ¹ - % of bills, entered but not paid, that are > 30 days from the date received—snapshot	9%	17%	23%	10%	NA	7%
Days to Adjudicate Bills ¹ - % of bills paid within 31 days of receipt of bill	82%	87%	75%	84%	NA	95%
Percent of Medical Spend for Prescriptions - % of medical payments that is for prescriptions	9%	9%	8%	7%	NA	NA
Percent of Drug Spend for Opioids - % of payments for prescriptions that is for opioids	42%	38%	33%	42%	NA	NA
Injury Services (Return to Work)						
Number of New Voc Rehab Cases Assigned - # of new in state voc cases assigned during the fiscal year	511	458	503	453	453	NA
- # of new in-state voc rehab cases	282	284	303	309	309	NA
- # of new out-of-state voc rehab cases	229	174	200	144	144	NA
Number of Injured Workers in Retraining Programs - # of injured workers enrolled in a retraining program	NA	112	71	53	NA	NA
- # of injured workers enrolled in an in-state program	NA	19	18	15	NA	NA
- # of injured workers enrolled in an out-of-state program	NA	93	53	38	NA	NA
Number of New Medical Case Management Cases Assigned - # of new MCM cases assigned during the fiscal year	NA	563	517	556	556	NA
- # of new in-state MCM cases	NA	328	317	375	375	NA
- # of new out-of-state MCM cases	NA	235	200	181	181	NA
Number of New On-site Medical Case Management Cases Assigned - # of new on-site MCM cases assigned during the fiscal year	NA	964	914	813	813	NA
Cost of Out of State Medical Case Management - Total dollars spent on out of state medical case management	\$1,076,996	\$763,374	\$665,638	\$414,812	\$414,812	NA
Total Scholarships Paid Costs - Total Paid on scholarships each year	\$196,045	\$175,894	\$210,341	\$187,286	NA	NA

¹— Includes HCFA, UB, and Dental

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Fiscal Year Ending:	FY2017	FY2018	FY2019	FY 2020	FY 2020	Target*
Employer Services						
Lag Time to Report Injuries						
- % of claims reported within X day(s) of the date of injury						
- within 1 day	55%	54%	54%	54%	NA	NA
- within 14 days	88%	88%	88%	89%	NA	NA
- within 31 days	94%	94%	94%	94%	NA	NA
Total Active Employer Accounts By Premium Size						
- Total number of active employer accounts (snapshot)	24,228	24,148	24,467	24,574	NA	NA
- Minimum (\$250)					NA	NA
- \$251—\$5,000	5,309	5,431	5,642	5,934	NA	NA
- \$5,001—\$25,000	13,163	13,548	13,708	13,800	NA	NA
- \$25,000—\$50,000	4,038	3,610	3,551	3,373	NA	NA
- \$50,001—\$100,000	843	767	761	751	NA	NA
- Over \$100,000	456	421	424	370	NA	NA
	419	371	381	346	NA	NA
Number of New Applications Received						
- number of applications received for new employer accounts	2,686	2,726	2,978	2,825	2,825	NA
Number of Accounts Cancelled						
- number of employer accounts cancelled	3,182	2,059	2,080	2,041	2,041	NA
Average Number of Audits Per Auditor						
- Average number of premium audits completed by each premium Auditor (includes phone audits)	210	185	180	137	137	200
Net Premium Adjustment						
- Net effect of all premium adjustments	\$243,799	\$257,386	\$176,485	\$113,593	NA	NA
Delinquent Premium as Percent of In Force Premium ¹						
- Total delinquent premium divided by the in force premium	3.69%	3.15%	2.51%	2.14%	NA	2%
Delinquent Accounts						
- Total number of delinquent employer accounts	598	368	266	179	NA	NA
- Current FY 19-20	NA	261	186	131		
- FY2018—2019	NA	45	47	24		
- FY2017—2018	NA	29	14	13		
- FY2016—2017	NA	19	10	7		
- Prior Fiscal Years	NA	14	9	4		
Total Delinquent Premium—Accts in Active Collections ¹						
- dollar amount of premium, interest, and penalties owed by all accounts in collections.	\$10,260,030	\$7,906,503	\$6,284,635	\$4,961,411	NA	NA
- Current FY 19-20	NA	\$2,843,462	\$1,611,162	\$1,959,323		
- FY2018—2019	NA	\$1,749,118	\$667,845	\$1,346,533		
- FY2017—2018	NA	\$1,489,339	\$1,302,937	\$347,390		
- FY2016—2017	NA	\$1,632,330	\$1,179,231	\$960,303		
- Prior Fiscal Years	NA	\$192,253	\$1,523,459	\$347,862		

¹— Of the \$4,961,411 premium in collections, \$2,183,366 (22 accounts) is in litigation or bankruptcy status.

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Fiscal Year Ending:	FY2017	FY2018	FY2019	FY 2020	FY 2020	Target*
Legal						
Legal Orders Issued ¹ - number of legal orders issued (includes stipulations)	1,314	1,097	1,064	1,161	1,161	NA
Hearings Requested ¹ - number of hearings requested during the fiscal year (1st level litigation—does not include district or supreme court cases)	281	234	176	223	223	NA
Hearings Held ¹ - number of hearings held during the fiscal year (wins, losses & remands)	188	164	155	145	145	NA
Litigation Rate ¹ - # of hearings requested/# of NODs Issued	0.94%	0.82%	0.62%	0.83%	NA	NA
Open Subrogation Cases - Total number of open subrogation cases	702	620	535	608	NA	NA
Avg Days Hearing Request to Final Resolution ¹ - avg number of days from hearing request to closure , regardless of resolution type.	284	324	304	215	NA	NA
Avg Days to ALJ Decision (Office of Administrative Hearings) ² - Calculated as a 6 month rolling average—Excludes; employer cases, stipulations and withdrawals	258	309	294	173	NA	215
Claimant Attorney Fees and Costs ² - Total fees and costs paid to claimant attorneys	\$344,139	\$428,558	\$309,163	\$342,150	\$342,150	NA
Office of Administrative Hearings (OAH) Fees and Costs ³ - total fees and costs paid to OAH	\$671,246	\$807,760	\$571,398	\$666,305	\$666,305	NA
WSI Counsel Fees and Costs ³ - total fees and costs paid to WSI outside counsel (defense counsel)	\$1,310,586	\$1,295,809	\$1,066,283	\$1,242,773	\$1,242,773	NA
SIU Return on Investment - total savings + restitution//fraud investigations costs + budget	\$13.55	\$9.33	\$16.32	\$17.08	NA	NA
Other						
FTE Authority - number of full-time-equivalent employees legislatively allowed	260	260	260	260	260	NA
Turnover Rate—All WSI Employees ^{4, 5} - employee separation/total employees	3.50%	6.65%	6.92%	5.09%	5.09%	NA
Total Documents Imaged - total number of documents imaged during the fiscal year	1,515,651	1,497,597	1,475,624	1,078,137	1,078,137	NA
Average System Availability/Accessibility During Core Business Hours - average percent of time the WSI computer systems were accessible to WSI employees (between 7:00 am and 6:00 pm)	96.99%	97.64%	95.23%	98.07%	NA	99.50%

1— Includes injured worker and employer cases.

2—Includes injured worker cases only.

3—Includes all fees and costs paid regarding injured worker cases only.

4—Turnover rate does not include temporary employees.

5—Fiscal Years 2018 and 2019 include 7 VSIP terminations each year

Key Performance Indicators

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Fiscal Year Ending:	FY2017	FY2018	FY2019	FY 2020	FY 2020	Target*
On-Line Services						
<i>On-line Claims as a Percent of Total Claims Filed</i> - % of claims filed that were received on-line	67%	69%	73%	76%	NA	75%
<i>Percent of Medical Bills Received Electronically (EDI)</i> - % of bills submitted that were received through electronic submission (includes Noridian and Carisk)	NA	27%	46%	55%	NA	30%
<i>Percent of Medical Bills Received Electronically (Carisk)</i> - % of bills submitted that were received through Carisk	NA	17%	37%	47%	NA	25%
<i>Payroll Reports Received Electronically</i> - % of payroll renewal reports that were received on-line	84%	86%	88%	99%	NA	100%
<i>Employer Applications Received Electronically</i> - % of employer applications for insurance that were received online	64%	65%	65%	84%	NA	65%

Fiscal Year Ending:	FY2017	FY2018	FY2019	FY 2020	FY 2020	% Change 19 to 20
Paid Cost Data						
<i>Indemnity Benefits Paid</i>	\$72,241,832	\$67,675,970	\$61,563,811	\$58,529,566	\$58,529,566	(4.9%)
<i>Medical Benefits Paid</i>	\$90,990,097	\$82,949,779	\$83,563,362	\$81,263,870	\$81,263,870	(2.8%)
<i>ALAE (all non-legal) Paid</i>	\$3,138,034	\$2,756,191	\$2,692,070	\$2,636,626	\$2,636,626	(2.1%)
<i>ALAE (legal) Paid</i>	\$2,836,742	\$3,164,761	\$2,236,686	\$2,524,459	\$2,524,459	12.9%
<i>Total Paid Costs</i>	\$169,206,705	\$156,546,701	\$150,055,929	\$144,954,521	\$144,954,521	(3.4%)

Fiscal Year Ending:	FY 2017	FY 2018	FY 2019	FY 2020
Customer Satisfaction				
<i>Employer Satisfaction</i> - mail survey conducted by Issues & Answers in February each year—based on a scale of 1 to 5 with 5 being the highest. Prior to FY2017 surveys were conducted twice a year	4.41	4.42	4.32	4.37
<i>Injured Worker Satisfaction</i> - telephonic survey conducted by Issues & Answers in February each year—based on a scale of 1 to 5 with 5 being the highest. Prior to FY2017 surveys were conducted twice a year	3.99	4.13	4.15	4.18
<i>Medical Provider Satisfaction</i> - on-line and mail survey conducted by Issues & Answers every even numbered year—based on a scale of 1 to 5 with 5 being the highest.	NA	NA	3.54	NA

Injured Worker survey population includes claims 60-120 days post acceptance, closed claims, claims open longer than 1 year, and denied claims. Starting in fiscal year 2017 Injured Worker and Employer Satisfaction surveys are conducted once a year (Spring).

Key Performance Indicators

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Financial Statements

Statement of Financial Position	Audited FY 2018	Audited FY 2019	Audited FY 2020	Year-to-Year Variance
Cash & Investments	\$ 1,932,162,512	\$ 2,074,420,197	\$ 2,135,666,091	\$ 61,245,894
Receivables	28,559,010	26,566,995	25,241,671	(1,325,324)
Building & Other	16,172,317	18,182,336	18,968,055	\$ 785,719
Total Assets	1,976,893,839	2,119,169,528	2,179,875,817	60,706,289
Deferred outflows pension/OPEB	14,672,967	12,610,293	9,369,752	(3,240,541)
Total Assets and Deferred Outflows	1,991,566,806	2,131,779,821	2,189,245,569	57,465,748
Accounts Payable	119,572,075	126,454,496	121,064,509	(5,389,986)
Pension/OPEB Liability	26,052,564	26,869,548	18,564,850	(8,304,698)
Unearned Premium	114,585,609	115,278,892	104,215,341	(11,063,551)
Unpaid Loss & LAE, discounted *	1,049,386,000	1,090,944,000	1,029,792,000	(61,152,000)
Total Liabilities	1,309,596,248	1,359,546,936	1,273,636,701	(85,910,236)
Deferred Inflows Pension/OPEB	824,398	1,701,948	9,443,399	7,741,451
Net Position **	681,146,160	770,530,937	906,165,470	135,634,532
Total Liabilities, Deferred Inflows & Net Position	\$ 1,991,566,806	\$ 2,131,779,821	\$ 2,189,245,569	\$ 57,465,748

Statement of Activities	Audited FY 2018	Audited FY 2019	Audited FY 2020	Year-to-Year Variance
Premium Earned	\$ 263,461,595	\$ 265,383,498	\$ 249,266,651	\$ (16,116,847)
Premium Discount	(27,903,950)	(27,409,766)	(27,218,336)	\$ 191,431
Ceded Reinsurance Premium	(3,538,657)	(184,860)	(680,864)	\$ (496,004)
Net Premium Earned	232,018,988	237,788,871	221,367,451	(16,421,420)
Incurred Losses & ALAE	112,591,087	136,483,581	77,118,595	(59,364,986)
ULAE and G&A Expenses	37,843,562	38,296,813	37,553,741	(743,071)
Operating Expense	150,434,649	174,780,394	114,672,337	(60,108,057)
Underwriting Income (Loss)	81,584,339	63,008,477	106,695,114	43,686,637
Investment & Other Income	103,120,243	141,565,758	125,364,362	(16,201,396)
Dividend & Other Expense	(111,369,772)	(115,189,458)	(96,424,944)	18,764,514
Change in Net Position **	\$ 73,334,810	\$ 89,384,777	\$ 135,634,532	\$ 46,249,756

EXPENSE RATIOS

FY Admin Expense Ratio	16.07%	16.09%	16.91%
Incurred Loss Ratio	47.80%	57.35%	34.73%
Combined Ratio	63.86%	73.45%	51.64%

EXPENSE RATIOS (excluding Safety expenditures)

FY Admin Expense Ratio ***	14.88%	14.87%	15.63%
Incurred Loss Ratio	47.80%	57.35%	34.73%
Combined Ratio	62.68%	72.22%	50.36%

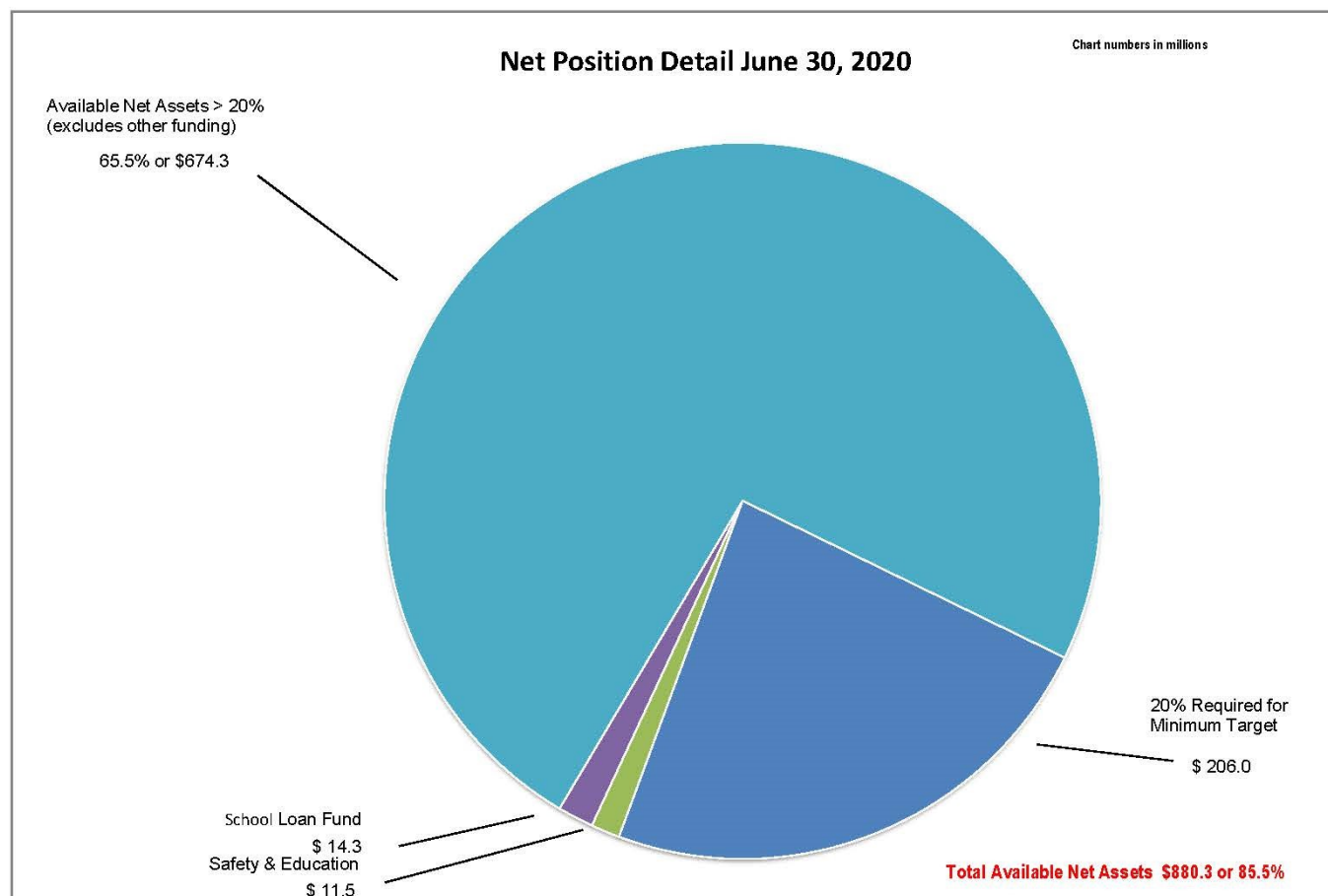
* Liabilities are discounted at 5% for FY 2017 & 2018. The discount rate was reduced to 4.5% effective FY 2019, increasing liabilities by \$44.3 million.

** Net Position from FY 2017 was reduced by approximately \$1 million at the beginning of FY 2018 to implement GASB 75, Other Post Employment Benefits.

*** Denotes the following reduction of Safety & Voc Rehab Expense: \$2,854,266 y-t-d.

January 2019 Reinsurance Commutation Agreement increased cash \$50.5 M, increased reserve liabilities \$39.8M, and decreased IBNR expense \$10.7M.

Key Performance Indicators



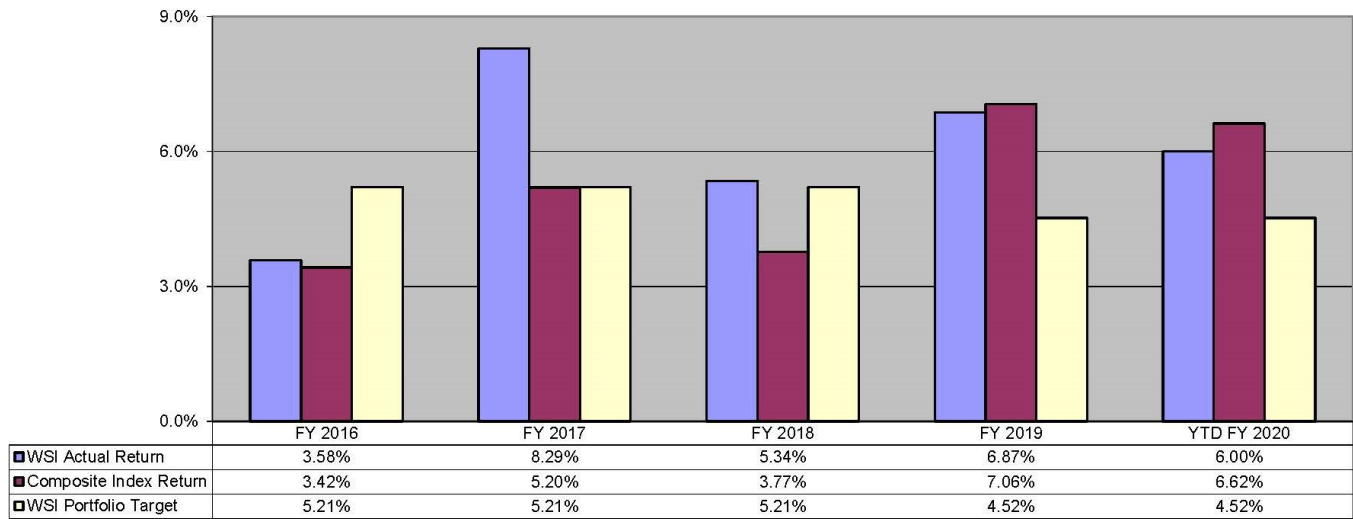
	Audited June 2018	Audited June 2019	Audited June 2020
NET POSITION or "SURPLUS"	\$ 681,146,160	\$ 770,530,937	\$ 906,165,470
Actuarially Estimated Discounted Financial Reserve Liabilities	1,049,386,000	1,090,944,000	1,029,792,000
Discount rate @ 5% in FY 2018; reduced to 4.5% for FY 2019 & FY2020			
Increased liabilities \$44.3 million in FY 2019			
Net Position (Surplus)	\$ 681,146,160	\$ 770,530,937	\$ 906,165,470
2009 HB 1035 Allowable Deductions from Net Position (Surplus)			
Safety Education & Grants	17,074,919	14,256,955	11,467,672
Revolving School Loan Fund	14,457,898	14,357,945	14,292,962
Total Exclusions from Net Position (Surplus)	31,532,817	28,614,900	25,760,634
Available Net Position (Fund Surplus)	\$ 649,613,343	\$ 741,916,037	\$ 880,404,836
	61.9%	68.0%	85.5%

Quarter Ending:	Sep 2019	Dec 2019	Mar 2020	Jun 2020	Grand Total
Safety Continuing Appropriation Expenditures					
<i>Professional Services</i>	\$44,752	\$42,214	\$79,682	\$40,543	\$207,191
<i>Training/Education</i>	\$11,773	\$1,466	\$2,705	\$143,725	\$159,669
<i>STEP Grant</i>	\$23,840	\$95,413	\$177,345	\$188,357	\$484,954
<i>Phase II Ergo Grant</i>	\$417,739	\$316,516	\$810,579	\$392,634	\$1,937,468
Grand Total	\$498,105	\$455,608	\$1,070,311	\$765,259	\$2,789,282

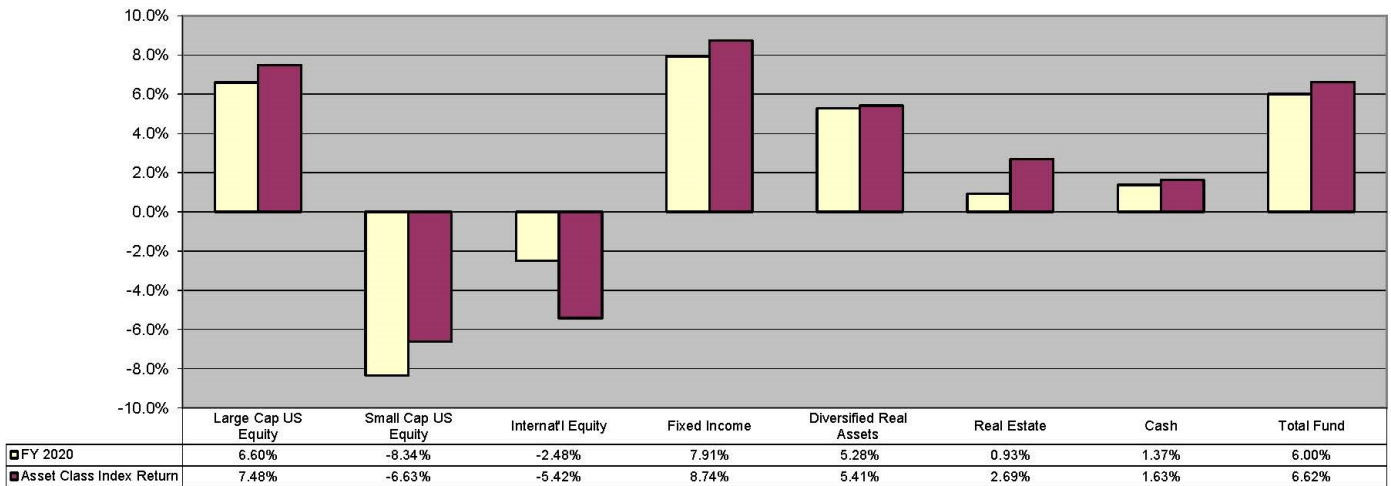
Key Performance Indicators

Investment data provided as of June 30, 2020

FY 2020 Annual Rates of Return

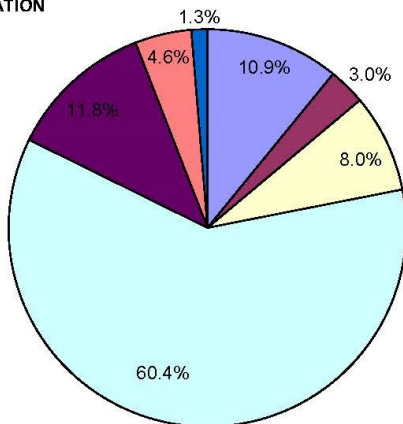


FY 2020 Year to Date Return by Asset Class



WSI Investment Allocation

ACTUAL ALLOCATION



ASSET CLASS -- POLICY ALLOCATION

Large Cap Domestic Equity (Target 11%)	Small Cap Domestic Equity (Target 3%)
International Equity (Target 8%)	Domestic Fixed Income (Target 60%)
Diversified Real Assets (Target 12%)	Real Estate (Target 5%)
Cash Equivalents (Target 1%)	