

our purpose

To care for injured workers



our business

Providing workers' compensation and safety services



WSI

North Dakota Workforce
Safety & Insurance



Loyal
Caring
our core values
Forthright



our strategy

- ✓ Exceptional People
- ✓ Exceptional Service
- ✓ Financial Stability



WSI Operating Report

fiscal year to date through
June 30, 2021 - Final

Key Performance Indicators

FY 2021 numbers in this report are a snapshot at quarter end unless stated otherwise

Color Code = Positive Condition, Watch Condition, Neutral

Fiscal Year Ending:	FY2018	FY2019	FY 2020	FY 2021	FY 2021 Projection	Target*
Injury Services (Claims)						
Total Claims Filed - # of new claim filings received	19,868	19,916	18,826	17,856	17,856	NA
Total Indemnity Claims Filed⁵ - # of new claims filed for wage loss benefits	2,429	2,423	2,577	3,571	3,571	NA
Injured Employees with Out of State Addresses - # of claims filed by injured employees with out of state addresses	2,614	2,755	2,441	2,029	2,029	NA
Accepted Fatalities - # of fatal claims accepted	19	19	14	7	NA	NA
Claims Filed/100 Covered Workers^{1,5} - # of new claims filed divided by the covered workforce	4.90	4.86	4.54	4.62	NA	NA
Indemnity Claims Filed/100 Covered Workers^{1,5} - # of new indemnity claims filed divided by the covered workforce	0.60	0.59	0.62	0.91	NA	NA
Average Covered Workforce¹ - based on Job Service ND Employment and Wages data	405,367	409,559	414,371	386,414	NA	NA
Claims With Activity - activity = a new claim filing, payment made, or a reapplication for benefits on an existing claim	32,494	32,457	30,883	28,258	28,258	NA
Auto-adjudicated Claims as a Percent of Total Claims Filed - % of claims filed that met the initial auto-adjudication requirements	18%	17%	17%	16%	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	40%	39%	40%	40%	NA	50%
Claim Ultimate Acceptance Rate (adjusted)^{2,5} - % of claims filed that are ultimately accepted (excludes incidents)	92%	91%	90%	77%	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%	51%	46%	NA	55%
Percent of Claims Pending Over 31 Days - % of all claims in pending status that are over 31 days old	11%	11%	9%	9%	NA	10%
Average New Claims per Claim Adjuster³ - average number of new claims assigned to each adjuster per year	423	433	409	415	415	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	49 222 271	47 280 327	42 225 267	39 217 256	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 employee report was received, claims that were withdrawn by the employee, 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 48 in November 2017, to 47 in February 2018, 46 in April 2019, and 43 in May 2021.

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

5—Per the Governor's Executive Order, COVID-19 claims have created aberrations with some of these numbers including an increase in total indemnity claims and a decrease in ultimate acceptance rates.

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.

Key Performance Indicators

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Fiscal Year Ending:	FY2018	FY2019	FY 2020	FY 2021	FY 2021 Projection	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	17%	23%	10%	15%	NA	7%
Days to Adjudicate Bills ¹ - % of bills paid within 31 days of receipt of bill	87%	75%	84%	96%	NA	95%
Percent of Medical Spend for Prescriptions - % of medical payments that is for prescriptions	9%	8%	7%	7%	NA	NA
Percent of Drug Spend for Opioids - % of payments for prescriptions that is for opioids	38%	33%	42%	43%	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 - # of new in-state voc rehab cases - # of new out-of-state voc rehab cases	458 284 174	503 303 200	453 309 144	320 238 82	320 238 82	NA NA NA
Number of Injured Employees in Retraining Programs - # of injured employees enrolled in a retraining program - # of injured employees enrolled in an in-state program - # of injured employees enrolled in an out-of-state program	112 19 93	71 18 53	53 15 38	31 9 22	NA NA NA	NA NA NA
Number of New Nurse Case Management Cases Assigned - # of new NCM cases assigned during the fiscal year - # of new in-state NCM cases - # of new out-of-state NCM cases	563 328 235	517 317 200	556 375 181	455 334 121	455 334 121	NA NA NA
Number of New On-site Nurse Case Management Cases Assigned - # of new on-site NCM cases assigned during the fiscal year	964	914	813	732	732	NA
Cost of Out of State Nurse Case Management - Total dollars spent on out of state nurse case management	\$763,374	\$665,638	\$414,812	\$213,033	\$213,033	NA
Total Scholarships Paid Costs - Total Paid on scholarships each year	\$175,894	\$210,341	\$187,286	\$216,994	NA	NA

¹— Includes HCFA, UB, and Dental

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Key Performance Indicators

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Fiscal Year Ending:	FY2018	FY2019	FY 2020	FY 2021	FY 2021 Projection	Target*
Employer Services						
Lag Time to Report Injuries - % of claims reported within X day(s) of the date of injury						
- within 1 day	54%	54%	54%	51%	NA	NA
- within 14 days	88%	88%	89%	87%	NA	NA
- within 31 days	94%	94%	94%	93%	NA	NA
Total Active Employer Accounts By Premium Size - Total number of active employer accounts (snapshot)	24,148	24,467	24,574	24,778	NA	NA
- Minimum (\$250)	5,431	5,642	5,934	6,172	NA	NA
- \$251—\$5,000	13,548	13,708	13,800	14,097	NA	NA
- \$5,001—\$25,000	3,610	3,551	3,373	3,242	NA	NA
- \$25,000—\$50,000	767	761	751	654	NA	NA
- \$50,001—\$100,000	421	424	370	329	NA	NA
- Over \$100,000	371	381	346	284	NA	NA
Number of New Applications Received - number of applications received for new employer accounts	2,726	2,978	2,825	2,871	2,871	NA
Number of Accounts Cancelled - number of employer accounts cancelled	2,059	2,080	2,041	1,995	1,995	NA
Average Number of Audits Per Auditor - Average number of premium audits completed by each premium Auditor (includes phone audits)	185	180	137	176	176	200
Net Premium Adjustment - Net effect of all premium adjustments	\$257,386	\$176,485	\$113,593	(\$396,976)	NA	NA
Delinquent Premium as Percent of In Force Premium ¹ - Total delinquent premium divided by the in force premium	3.15%	2.51%	2.14%	1.93%	NA	< 2%
Delinquent Accounts - Total number of delinquent employer accounts	368	266	179	166	NA	NA
- Current FY 20-21	261	186	131	129		
- FY2019—2020	45	47	24	17		
- FY2018— 2019	29	14	13	8		
- FY2017— 2018	19	10	7	6		
- Prior Fiscal Years	14	9	4	6		
Total Delinquent Premium—Accts in Active Collections ¹ - dollar amount of premium, interest, and penalties owed by all accounts in collections.	\$7,906,503	\$6,284,635	\$4,961,411	\$3,944,103	NA	NA
- Current FY 20-21	\$2,843,462	\$1,611,162	\$1,959,323	\$1,846,183		
- FY2019—2020	\$1,749,118	\$667,845	\$1,346,533	\$638,873		
- FY2018— 2019	\$1,489,339	\$1,302,937	\$347,390	\$214,350		
- FY2017— 2018	\$1,632,330	\$1,179,231	\$960,303	\$242,937		
- Prior Fiscal Years	\$192,253	\$1,523,459	\$347,862	\$1,001,760		

¹— Of the \$3,944,103 premium in collections, \$132,538 (8 accounts) are in litigation or bankruptcy status.

Key Performance Indicators

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Fiscal Year Ending:	FY2018	FY2019	FY 2020	FY 2021	FY 2021 Projection	Target*
Legal						
Legal Orders Issued ¹ - number of legal orders issued (includes stipulations)	1,097	1,064	1,161	1,021	1,021	NA
Hearings Requested ¹ - number of hearings requested during the fiscal year (1st level litigation—does not include district or supreme court cases)	234	176	223	180	180	NA
Administrative Hearings Held ¹ - number of hearings held during the fiscal year (wins, losses & remands)	164	155	145	120	120	NA
Litigation Rate ¹ - # of hearings requested/# of NODs Issued	0.82%	0.62%	0.83%	0.71%	NA	NA
Open Subrogation Cases - Total number of open subrogation cases	620	535	608	456	NA	NA
Avg Days Hearing Request to Final Resolution ¹ - avg number of days from hearing request to closure , regardless of resolution type.	324	304	215	205	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	309	294	173	173	NA	215
Claimant Attorney Fees and Costs ² - Total fees and costs paid to claimant attorneys	\$428,558	\$309,163	\$342,150	\$336,169	\$336,169	NA
Office of Administrative Hearings (OAH) Fees and Costs ³ - total fees and costs paid to OAH	\$807,760	\$571,398	\$666,305	\$588,666	\$588,666	NA
WSI Counsel Fees and Costs ³ - total fees and costs paid to WSI outside counsel (defense counsel)	\$1,295,809	\$1,066,283	\$1,242,773	\$1,188,609	\$1,188,609	NA
SIU Return on Investment - total savings + restitution/fraud investigations costs + budget	\$9.33	\$16.32	\$17.08	\$10.12	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	6.65%	6.92%	5.09%	6.39%	6.39%	NA
Total Documents Imaged - total number of documents imaged during the fiscal year	1,497,597	1,475,624	1,078,137	1,251,665	1,251,665	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)	97.64%	95.23%	98.07%	99.16%	NA	99.50%

1— Includes injured employee and employer cases.

2—Includes injured employee cases only.

3—Includes all fees and costs paid regarding injured employee 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:	FY2018	FY2019	FY 2020	FY 2021	FY 2021 Projection	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%	79%	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%	57%	NA	30%
<i>Percent of Medical Bills Received Electronically (Carisk)</i> - % of bills submitted that were received through Carisk	NA	17%	37%	50%	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%	96%	NA	65%
<i>Percentage of UR Requests Received Electronically</i> - % of UR-C and UR-Chiro requests received electronically		13%	24%	37%	NA	75%

Fiscal Year Ending:	FY2018	FY2019	FY 2020	FY 2021	FY 2021 Projection	% Change 20 to 21
Paid Cost Data						
<i>Indemnity Benefits Paid</i>	\$67,675,970	\$61,563,811	\$58,529,566	\$48,848,646	\$48,848,646	(17%)
<i>Medical Benefits Paid</i>	\$82,949,779	\$83,563,362	\$81,263,870	\$62,278,332	\$62,278,332	(23%)
<i>ALAE (all non-legal) Paid</i>	\$2,756,191	\$2,692,070	\$2,636,626	\$2,351,338	\$2,351,338	(11%)
<i>ALAE (legal) Paid</i>	\$3,164,761	\$2,236,686	\$2,524,459	\$2,398,629	\$2,398,629	(5%)
<i>Total Paid Costs</i>	\$156,546,701	\$150,055,929	\$144,954,521	\$115,876,945	\$115,876,945	(20%)

Fiscal Year Ending:	FY 2018	FY 2019	FY 2020	FY 2021
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	4.42	4.32	4.37	4.39
<i>Injured Employee 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	4.13	4.15	4.18	4.12
<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	3.54	NA	3.64

Injured Employee 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 Employee 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	Audited FY 2021	Year-to-Year Variance
Cash & Investments	\$ 1,932,162,512	\$ 2,074,420,197	\$ 2,135,666,091	\$ 2,321,004,395	\$ 185,338,304
Receivables	28,559,010	26,566,995	25,241,671	17,127,319	(8,114,352)
Building & Other	16,172,317	18,182,336	18,968,055	\$ 19,131,137.00	163,082
Total Assets	1,976,893,839	2,119,169,528	2,179,875,817	2,357,262,851	177,387,033
Deferred outflows pension/OPEB	14,672,967	12,610,293	9,369,752	26,895,377	17,525,625
Total Assets and Deferred Outflows	1,991,566,806	2,131,779,821	2,189,245,569	2,384,158,228	194,912,658
Accounts Payable	119,572,075	126,454,496	121,064,509	108,097,035	(12,967,474)
Pension/OPEB Liability	26,052,564	26,869,548	18,564,850	44,706,443	26,141,593
Unearned Premium	114,585,609	115,278,892	104,215,341	92,039,810	(12,175,531)
Unpaid Loss & LAE, discounted *	1,049,386,000	1,090,944,000	1,029,792,000	1,000,099,000	(29,693,000)
Total Liabilities	1,309,596,248	1,359,546,936	1,273,636,701	1,244,942,288	(28,694,412)
Deferred Inflows Pension/OPEB	824,398	1,701,948	9,443,399	7,644,414	(1,798,985)
Net Position **	681,146,160	770,530,937	906,165,470	1,131,571,525	225,406,056
Total Liabilities, Deferred Inflows & Net Position	\$ 1,991,566,806	\$ 2,131,779,821	\$ 2,189,245,569	\$ 2,384,158,228	\$ 194,912,658

Statement of Activities	Audited FY 2018	Audited FY 2019	Audited FY 2020	Audited FY 2021	Year-to-Year Variance
Premium Earned	\$ 263,461,595	\$ 265,383,498	\$ 249,266,651	\$ 202,212,728	\$ (47,053,923)
Premium Discount	(27,903,950)	(27,409,766)	(27,218,336)	(25,831,990)	1,386,346
Ceded Reinsurance Premium	(3,538,657)	(184,860)	(680,864)	(767,031)	(86,167)
Net Premium Earned	232,018,988	237,788,871	221,367,451	175,613,707	(45,753,744)
Incurred Losses & ALAE	112,591,087	136,483,581	77,118,595	83,712,042	6,593,447
ULAE and G&A Expenses	37,843,562	38,296,813	37,553,741	41,267,980	3,714,239
Operating Expense	150,434,649	174,780,394	114,672,337	124,980,023	10,307,686
Underwriting Income (Loss)	81,584,339	63,008,477	106,695,114	50,633,684	(56,061,430)
Investment & Other Income	103,120,243	141,565,758	125,364,362	247,142,702	121,778,340
Dividend & Other Expense	(111,369,772)	(115,189,458)	(96,424,944)	(72,370,330)	24,054,614
Change in Net Position **	\$ 73,334,810	\$ 89,384,777	\$ 135,634,532	\$ 225,406,056	\$ 89,771,524

EXPENSE RATIOS

FY Admin Expense Ratio	16.07%	16.09%	16.91%	23.40%
Incurred Loss Ratio	47.80%	57.35%	34.73%	47.46%
Combined Ratio	63.86%	73.45%	51.64%	70.86%

EXPENSE RATIOS (excluding Safety expenditures)***

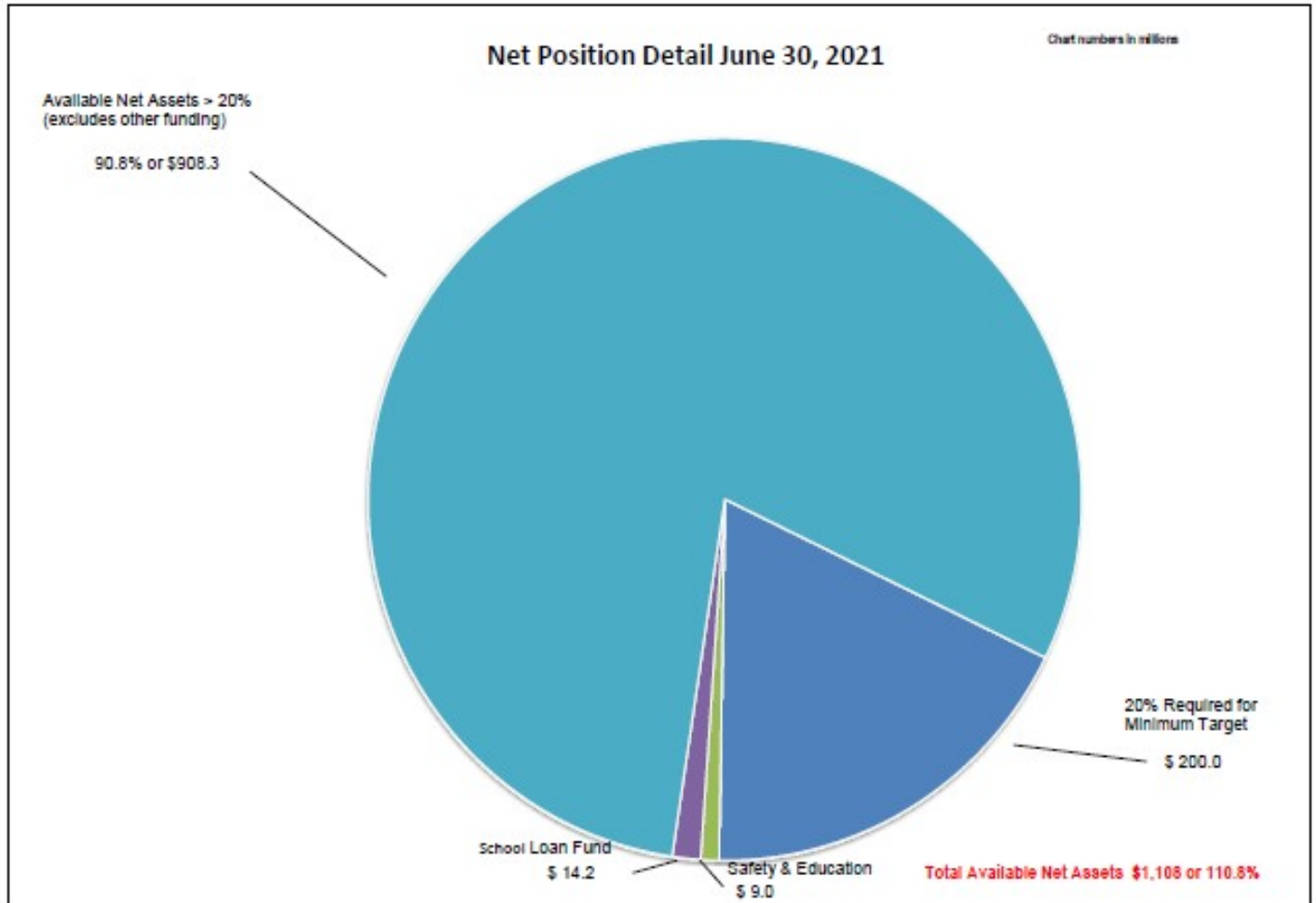
FY Admin Expense Ratio ***	14.36%	14.92%	15.60%	21.96%
Incurred Loss Ratio	47.80%	57.35%	34.73%	47.46%
Combined Ratio	62.16%	72.27%	50.33%	69.43%

* Liabilities are discounted at 5% for FY 2018. The discount rate was reduced to 4.5% effective FY 2019, increasing liabilities by \$44.3 million. January 2019 Reinsurance Commutation Agreement increased cash \$50.5M, increased reserve liabilities \$39.8M, and decreased IBNR expense \$10.7M.

** 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: \$2,526,185 YTD.

Key Performance Indicators



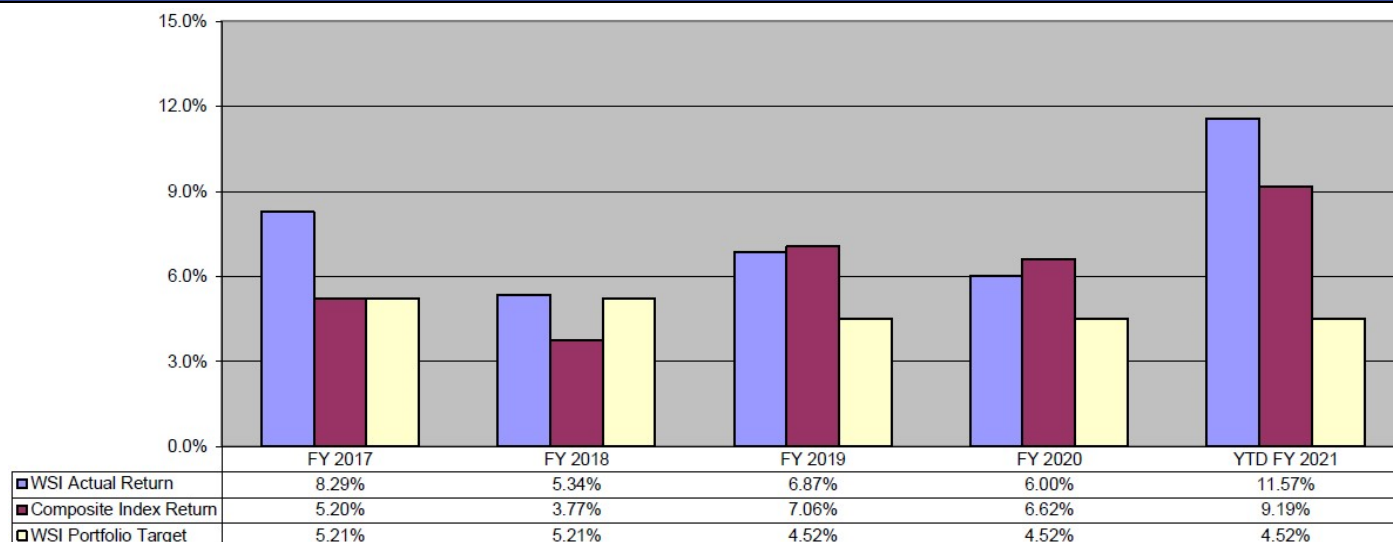
	Audited June 2019	Audited June 2020	Audited June 2021
NET POSITION or "SURPLUS"	\$ 770,530,937	\$ 906,165,470	\$ 1,131,571,525
Actuarially Estimated Discounted Financial Reserve Liabilities Discount rate @ 4%	1,090,944,000	1,029,792,000	1,000,099,000
Net Position (Surplus)	\$ 770,530,937	\$ 906,165,470	\$ 1,131,571,525
2009 HB 1035 Allowable Deductions from Net Position (Surplus)			
Safety Education & Grants	14,258,955	11,487,672	9,039,610
Revolving School Loan Fund	14,357,945	14,292,962	14,194,839
Total Exclusions from Net Position (Surplus)	28,614,900	25,760,634	23,234,449
Available Net Position (Fund Surplus)	\$ 741,916,037	\$ 880,404,836	\$ 1,108,337,076
	68.0%	85.5%	110.8%

Quarter Ending:	Sept 2020	Dec 2020	Mar 2021	June 2021	Grand Total
Safety Continuing Appropriation Expenditures					
Professional Services	\$22,352	\$49,107	\$45,595	\$70,783	\$187,837
Training/Education	\$11,265	\$1,650	\$177,012	\$143,150	\$333,077
STEP Grant	\$41,123	\$152,383	\$77,182	\$278,350	\$549,038
Phase II Ergo Grant	\$273,275	\$432,941	\$303,556	\$348,338	\$1,358,109
Grand Total	\$348,015	\$636,081	\$603,345	\$840,621	\$2,428,062

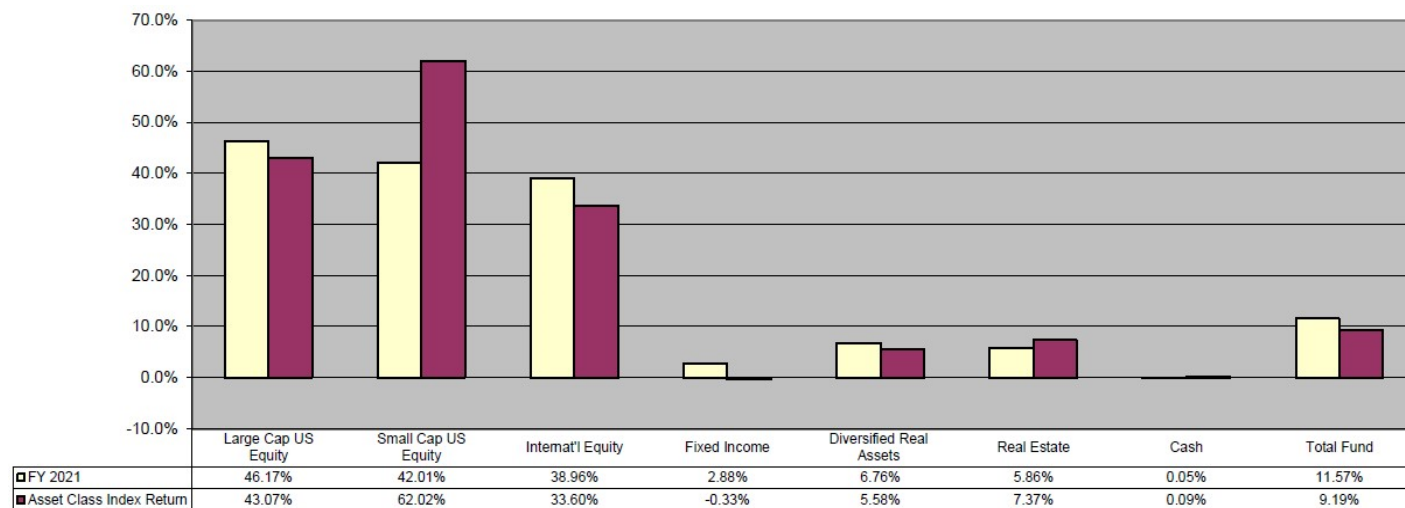
Key Performance Indicators

Investment data provided as of June 30, 2021

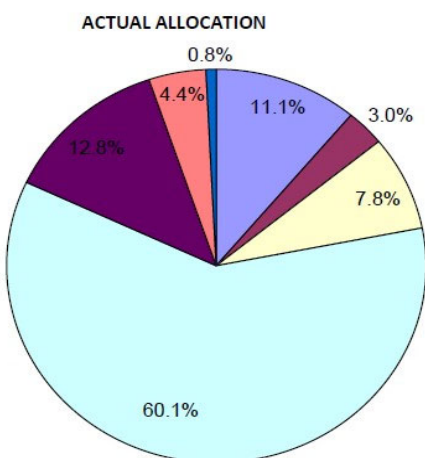
FY 2021 Annual Rates of Return



FY 2021 Year to Date Return by Asset Class



WSI Investment 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%)	