

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, 2023

****Final****

Key Performance Indicators

FY 2023 numbers in this report are a snapshot at quarter end unless stated otherwise

Color Code = Positive Condition, Watch Condition, Neutral

Fiscal Year Ending:	FY2020	FY2021	FY 2022	FY 2023	FY 2023 Projection	Target*
Injury Services (Claims)						
Total Claims Filed - # of new claim filings received	18,826	17,856	17,483	18,128	18,128	NA
Total Indemnity Claims Filed⁴ - # of new claims filed for wage loss benefits	2,577	3,571	2,602	2,486	2,486	NA
Injured Employees with Out of State Addresses - # of claims filed by injured employees with out of state addresses	2,441	2,029	2,200	2,387	2,387	NA
Accepted Fatalities - # of fatal claims accepted	14	7	12	15	NA	NA
Claims Filed/100 Covered Workers^{1,4} - # of new claims filed divided by the covered workforce	4.54	4.62	4.46	4.51	NA	NA
Indemnity Claims Filed/100 Covered Workers^{1,4} - # of new indemnity claims filed divided by the covered workforce	0.62	0.91	0.66	0.62	NA	NA
Average Covered Workforce¹ - based on Job Service ND Employment and Wages data	414,371	386,414	391,512	402,018	NA	NA
Claims With Activity - activity = a new claim filing, payment made, or a reapplication for benefits on an existing claim	30,883	28,269	27,602	27,957	27,957	NA
Auto-adjudicated Claims as a Percent of Total Claims Filed - % of claims filed that met the initial auto-adjudication requirements	17%	16%	17%	17%	NA	NA
Percent of Claims Adjudicated within 14 Days - % of claims where the initial determination of compensability was made within 14 days of the registration date	40%	40%	38%	34%	NA	50%
Claim Ultimate Acceptance Rate (adjusted)² - % of claims filed that are ultimately accepted (excludes incidents)	90%	84%	87%	88%	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	51%	46%	45%	38%	NA	55%
Percent of Claims Pending Over 31 Days - % of all claims in pending status that are over 31 days old	9%	9%	9%	11%	NA	10%
Average New Claims per Claim Adjuster³ - average number of new claims assigned to each adjuster per year	409	415	416	432	432	NA
Average Active Claims per Claim Adjuster³ - excludes auto-adjudicated claims - Average active indemnity claims - Average active medical only claims (excludes auto-adj.) - Average active claims	42 225 267	39 217 256	41 222 263	41 235 276	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—As of March 2023, there were 42 caseloads assigned to Claims Adjusters.

4—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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Color Code = **Positive Condition**, **Watch Condition**, Neutral

Fiscal Year Ending:	FY2020	FY2021	FY 2022	FY 2023	FY 2023 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	10%	15%	11%	12%	NA	7%
Days to Adjudicate Bills ¹ - % of bills paid within 31 days of receipt of bill	84%	96%	97%	96%	NA	95%
Percent of Medical Spend for Prescriptions - % of medical payments that is for prescriptions	7%	7%	7%	4%	NA	NA
Percent of Drug Spend for Opioids - % of payments for prescriptions that is for opioids	42%	43%	45%	NA	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	453 309 144	320 238 82	337 265 72	302 240 62	302 240 62	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	53 15 38	31 9 22	25 7 18	13 1 12	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	556 375 181	455 334 121	445 385 60	494 368 126	494 368 126	NA NA NA
Number of New On-site Nurse Case Management Cases Assigned - # of new on-site NCM cases assigned during the fiscal year	813	732	783	729	729	NA
Cost of Out of State Nurse Case Management - Total dollars spent on out of state nurse case management	\$414,812	\$213,033	\$181,008	\$192,517	\$192,517	NA
Total Scholarships Paid Costs - Total Paid on scholarships each year	\$187,286	\$216,994	\$156,131	\$156,197	NA	NA

¹— Includes HCFA, UB, and Dental

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Key Performance Indicators

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Fiscal Year Ending:	FY2020	FY2021	FY 2022	FY 2023	FY 2023 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%	51%	54%	55%	NA	NA
- within 14 days	89%	87%	89%	89%	NA	NA
- within 31 days	94%	93%	94%	94%	NA	NA
Total Active Employer Accounts By Premium Size - Total number of active employer accounts (snapshot)	24,574	24,778	25,452	26,401	NA	NA
- Minimum (\$250)	5,934	6,172	7,375	7,880	NA	NA
- \$251—\$5,000	13,800	14,097	13,099	13,464	NA	NA
- \$5,001—\$25,000	3,373	3,242	3,675	3,702	NA	NA
- \$25,000—\$50,000	751	654	652	670	NA	NA
- \$50,001—\$100,000	370	329	354	383	NA	NA
- Over \$100,000	346	284	297	302	NA	NA
Number of New Applications Received - number of applications received for new employer accounts	2,825	2,871	3,182	3,744	3,744	NA
Number of Accounts Cancelled - number of employer accounts cancelled	2,041	1,995	1,966	2,065	2,065	NA
Average Number of Audits Per Auditor - Average number of premium audits completed by each premium Auditor (includes phone audits)	137	176	148	118	118	200
Net Premium Adjustment - Net effect of all premium adjustments	\$113,593	(\$396,976)	(\$177,373)	\$345,296	NA	NA
Delinquent Premium as Percent of In Force Premium¹ - Total delinquent premium divided by the in force premium	2.14%	1.93%	1.9%	1.4%	NA	< 2%
Delinquent Accounts - Total number of delinquent employer accounts	179	166	186	176	NA	NA
- Current FY 22-23	131	129	153	160		
- FY2021—2022	24	17	15	7		
- FY2020—2021	13	8	8	4		
- FY2019—2020	7	6	3	2		
- Prior Fiscal Years	4	6	7	3		
Total Delinquent Premium—Accts in Active Collections¹ - dollar amount of premium, interest, and penalties owed by all accounts in collections.	\$4,961,411	\$3,944,103	\$3,562,759	\$2,720,146	NA	NA
- Current FY 22-23	\$1,959,323	\$1,846,183	\$1,685,859	\$1,307,968		
- FY2021—2022	\$1,346,533	\$638,873	\$884,965	\$205,863		
- FY2020—2021	\$347,390	\$214,350	\$319,033	\$304,639		
- FY2019—2020	\$960,303	\$242,937	\$156,649	\$130,110		
- Prior Fiscal Years	\$347,862	\$1,001,760	\$516,252	\$771,566		

¹— Of the \$2,720,146 premium in collections, \$25,909 (6 accounts) are in bankruptcy status.

Key Performance Indicators

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<i>Fiscal Year Ending:</i>	FY2020	FY2021	FY 2022	FY 2023	FY 2023 Projection	Target*
Legal						
<i>Legal Orders Issued</i> ¹ - number of legal orders issued (includes stipulations)	1,161	1,021	817	764	764	NA
<i>Hearings Requested</i> ¹ - number of hearings requested during the fiscal year (1st level litigation—does not include district or supreme court cases)	223	180	140	127	127	NA
<i>Administrative Hearings Held</i> ¹ - number of hearings held during the fiscal year (wins, losses & remands)	145	120	94	78	78	NA
<i>Litigation Rate</i> ¹ - # of hearings requested/# of NODs Issued	0.83%	0.71%	0.60%	0.53%	NA	NA
<i>Open Subrogation Cases</i> - Total number of open subrogation cases	608	456	497	611	NA	NA
<i>Avg Days Hearing Request to Final Resolution</i> ¹ - avg number of days from hearing request to closure , regardless of resolution type.	215	205	220	177	NA	NA
<i>Avg Days to ALJ Decision (Office of Administrative Hearings)</i> ² - Calculated as a 6 month rolling average—Excludes; employer cases, stipulations and withdrawals	173	173	189	182	NA	215
<i>Claimant Attorney Fees and Costs</i> ² - Total fees and costs paid to claimant attorneys	\$342,150	\$336,169	\$245,247	\$193,797	\$193,797	NA
<i>Office of Administrative Hearings (OAH) Fees and Costs</i> ³ - total fees and costs paid to OAH	\$666,305	\$588,666	\$506,726	\$373,110	\$373,110	NA
<i>WSI Counsel Fees and Costs</i> ³ - total fees and costs paid to WSI outside counsel (defense counsel)	\$1,242,773	\$1,188,609	\$1,123,811	\$876,746	\$876,746	NA
<i>SIU Return on Investment</i> - total savings + restitution/fraud investigations costs + budget	\$17.08	\$10.45	\$5.35	\$8.44	NA	NA
Other						
<i>FTE Authority</i> - number of full-time-equivalent employees legislatively allowed	260	260	260	260	260	NA
<i>Turnover Rate—All WSI Employees</i> ⁴ - employee separation/total employees	5.09%	6.39%	9.06%	8.28%	8.28%	NA
<i>Total Documents Imaged</i> - total number of documents imaged during the fiscal year	1,078,137	1,251,665	1,281,663	1,307,416	1,307,416	NA
<i>Average System Availability/Accessibility During Core Business Hours</i> - average percent of time the WSI computer systems were accessible to WSI employees (between 7:00 am and 6:00 pm)	98.07%	99.16%	98.63%	97.67%	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.

Key Performance Indicators

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Fiscal Year Ending:	FY2020	FY2021	FY 2022	FY 2023	FY 2023 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	73%	79%	80%	80%	NA	75%
<i>Percent of Medical Bills Received Electronically (EDI)</i> - % of bills submitted that were received through electronic submission (includes Carisk)	46%	57%	75%	86%	NA	80%
<i>Payroll Reports Received Electronically</i> - % of payroll renewal reports that were received on-line	88%	99%	99%	97%	NA	100%
<i>Employer Applications Received Electronically</i> - % of employer applications for insurance that were received online	65%	96%	97%	91%	NA	100%
<i>Percentage of UR Requests Received Electronically</i> - % of UR requests received electronically through myWSI	24%	37%	48%	52%	NA	75%

Fiscal Year Ending:	FY2020	FY2021	FY 2022	FY 2023	FY 2023 Projection	% Change 22 to 23
Paid Cost Data						
<i>Indemnity Benefits Paid</i>	\$58,529,566	\$48,848,646	\$43,373,551	\$43,153,269	\$43,153,269	(1%)
<i>Medical Benefits Paid</i>	\$81,263,870	\$62,278,332	\$59,418,016	\$67,580,298	\$67,580,298	14%
<i>ALAE (all non-legal) Paid</i>	\$2,636,626	\$2,351,338	\$2,173,640	\$2,267,244	\$2,267,244	4%
<i>ALAE (legal) Paid</i>	\$2,524,459	\$2,398,629	\$2,055,526	\$1,701,202	\$1,701,202	(17%)
<i>Total Paid Costs</i>	\$144,954,521	\$115,876,945	\$107,020,734	\$114,702,013	\$114,702,013	7%

Fiscal Year Ending:	FY 2020	FY 2021	FY 2022	FY 2023
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.	4.37	4.39	4.39	4.34
<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.	4.18	4.12	4.12	4.07
<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	3.64	NA	3.94

Injured Employee survey population includes claims 60-120 days post acceptance, closed claims, claims open longer than 1 year, and denied claims.

Key Performance Indicators

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Financial Statements

Statement of Financial Position	Audited FY 2020	Audited FY 2021	Audited FY 2022	Audited FY 2023	Year-to-Year Variance
Cash & Investments	\$ 2,135,666,091	\$ 2,321,004,395	\$ 2,074,946,533	\$ 2,081,066,175	\$ 6,119,642
Receivables	25,241,671	17,127,319	19,817,821	17,078,043	(2,739,778)
Building & Other	18,968,055	19,131,137	18,981,067	\$ 18,979,227.00	(1,840)
Total Assets	2,179,875,817	2,357,262,851	2,113,745,421	2,117,123,445	3,378,024
Deferred outflows pension/OPEB	9,369,752	26,895,377	16,840,922	25,232,375	8,391,453
Total Assets and Deferred Outflows	2,189,245,569	2,384,158,228	2,130,586,343	2,142,355,820	11,769,477
Accounts Payable	121,064,509	108,097,035	108,482,499	106,382,919	(2,099,580)
Pension/OPEB Liability	18,564,850	44,706,443	14,689,842	38,303,140	23,613,298
Unearned Premium	104,215,341	92,039,810	90,087,368	87,692,697	(2,394,671)
Unpaid Loss & LAE, discounted *	1,029,792,000	1,000,099,000	998,771,000	950,231,000	(48,540,000)
Total Liabilities	1,273,636,701	1,244,942,288	1,212,030,709	1,182,609,757	(29,420,952)
Deferred Inflows Pension/OPEB	9,443,399	7,644,414	29,340,209	16,522,715	(12,817,494)
Net Position	906,165,470	1,131,571,525	889,215,425	943,223,348	54,007,923
Total Liabilities, Deferred Inflows & Net Position	\$ 2,189,245,569	\$ 2,384,158,228	\$ 2,130,586,343	\$ 2,142,355,820	\$ 11,769,477

Statement of Activities	Audited FY 2020	Audited FY 2021	Audited FY 2022	Audited FY 2023	Year-to-Year Variance
Premium Earned	\$ 249,266,651	\$ 202,212,728	\$ 185,024,385	\$ 208,563,867	\$ 23,539,482
Premium Discount	(27,218,336)	(25,831,990)	(21,828,633)	(22,514,194)	(685,561)
Ceded Reinsurance Premium	(680,864)	(767,031)	(650,841)	(767,603)	(116,762)
Net Premium Earned	221,367,451	175,613,707	162,544,911	185,282,071	22,737,160
Incurred Losses & ALAE	77,118,595	83,712,042	100,819,467	62,390,118	(38,429,349)
ULAE and G&A Expenses	37,553,741	41,267,980	37,207,205	42,243,324	5,036,119
Operating Expense	114,672,337	124,980,023	138,026,672	104,633,442	(33,393,230)
Underwriting Income (Loss)	106,695,114	50,633,684	24,518,239	80,648,629	56,130,390
Investment & Other Income	125,364,362	247,142,702	(199,371,737)	57,971,445	257,343,182
Dividend & Other Expense	(96,424,944)	(72,370,330)	(67,502,602)	(84,612,149)	(17,109,547)
Change in Net Position	\$ 135,634,532	\$ 225,406,056	\$ (242,356,100)	\$ 54,007,925	\$ 296,364,025

EXPENSE RATIOS

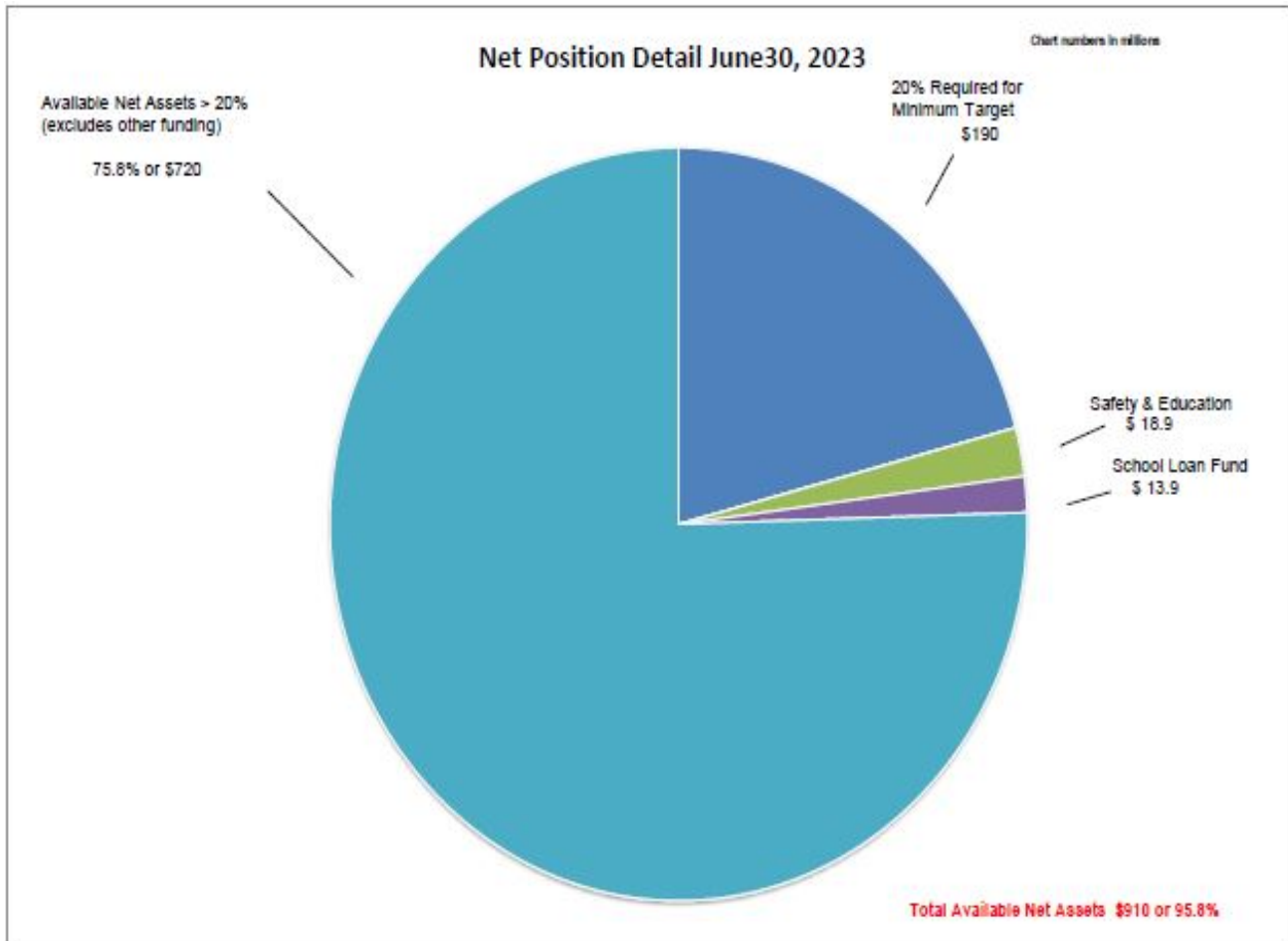
FY Admin Expense Ratio	16.91%	23.40%	22.80%	22.71%
Incurred Loss Ratio	34.73%	47.46%	61.78%	33.53%
Combined Ratio	51.64%	70.86%	84.58%	56.24%

EXPENSE RATIOS (excluding Safety expenditures)

FY Admin Expense Ratio	15.66%	21.96%	20.21%	19.27%
Incurred Loss Ratio	34.73%	47.46%	61.78%	33.53%
Combined Ratio	50.39%	69.42%	81.99%	52.80%

* Liabilities are discounted at 4.5% effective FY 2019 and 4% effective FY 2021.

Key Performance Indicators



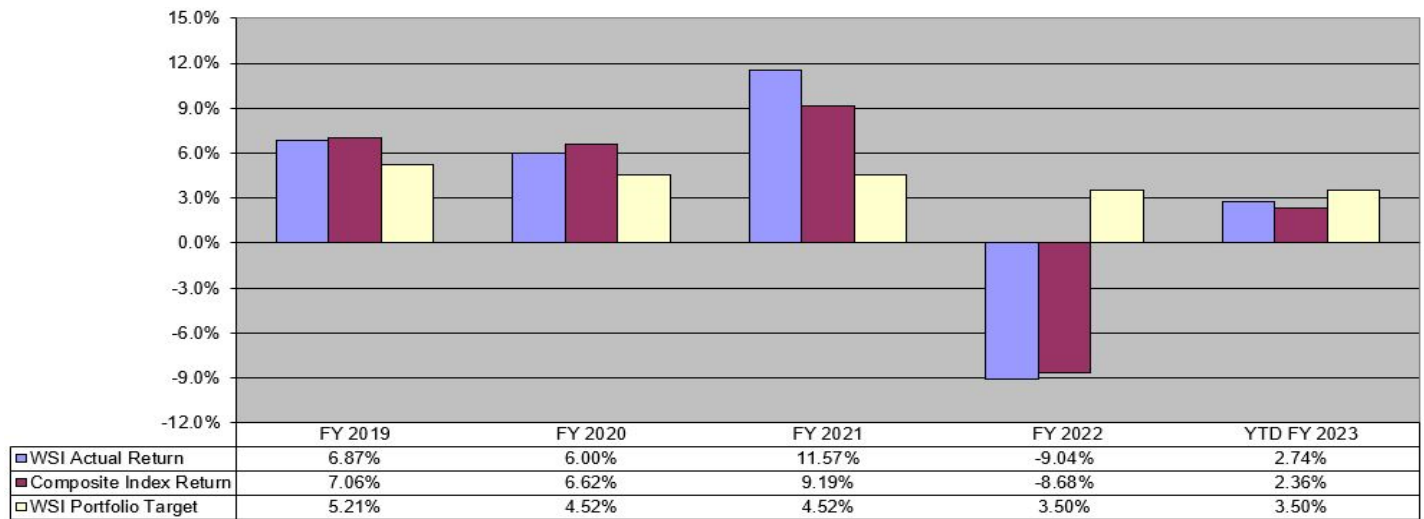
	Audited June 2021	Audited June 2022	Audited June 2023
NET POSITION or "SURPLUS"	\$ 1,131,571,525	\$ 889,215,424	\$ 943,223,349
Actuarially Estimated Discounted Financial Reserve Liabilities	1,000,099,000	998,771,000	950,231,000
Discount rate @ 4%			
Net Position (Surplus)	\$ 1,131,571,525	\$ 889,215,424	\$ 943,223,349
2009 HB 1035 Allowable Deductions from Net Position (Surplus)			
Safety Education & Grants	9,039,610	5,278,434	18,994,581
Revolving School Loan Fund	14,194,839	14,094,852	13,994,965
Total Exclusions from Net Position (Surplus)	23,234,449	19,373,286	32,989,546
Available Net Position (Fund Surplus)	\$ 1,108,337,076	\$ 869,842,138	\$ 910,233,803
	110.8%	87.1%	95.8%

Quarter Ending:	Sep 2022	Dec 2022	Mar 2023	Jun 2023	Grand Total
Safety Continuing Appropriation Expenditures					
Professional Services	\$92,374	\$166,757	\$164,673	\$100,855	\$524,659
Training/Education	\$142,600	\$1,896	\$192,806	\$130,600	\$467,902
STEP Grant	\$63,363	\$202,044	\$14,560	\$396,750	\$676,717
Phase II Ergo Grant	\$23,625	-	-	-	\$23,625
Phase III Ergo Grant	\$1,217,746	\$1,158,802	\$1,191,772	\$1,022,630	\$4,590,951
Grand Total	\$1,539,708	\$1,529,499	\$1,563,811	\$1,650,835	\$6,283,853

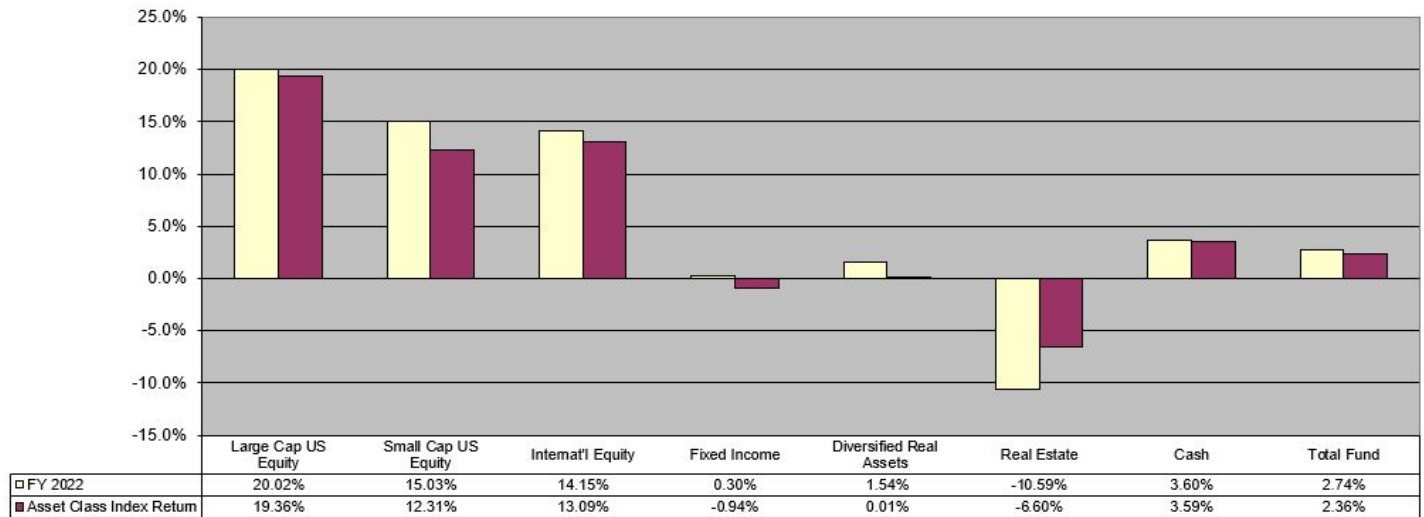
Key Performance Indicators

Investment data provided as of May 31, 2023

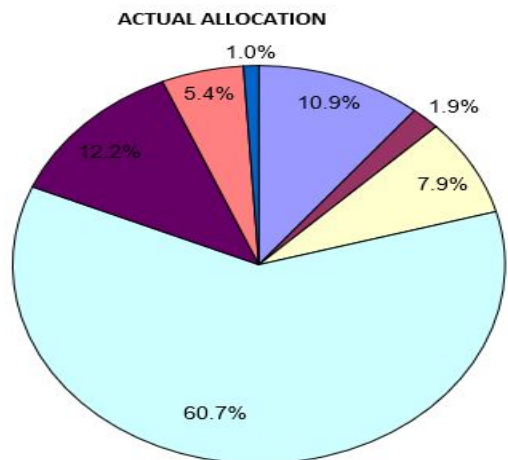
FY 2023 Annual Rates of Return



FY 2023 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%)	