

WSI

North Dakota Workforce
Safety & Insurance



2024

OPERATING REPORT

Fiscal year to date through June 30



Key Performance Indicators

FY 2024 numbers in this report are a snapshot at quarter end unless stated otherwise

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

Fiscal Year Ending:	FY2021	FY 2022	FY 2023	FY 2024	FY 2024 Projection	Target*
Injury Services (Claims)						
Total Claims Filed - # of new claim filings received	17,856	17,483	18,128	17,042	17,042	NA
Total Indemnity Claims Filed⁴ - # of new claims filed for wage loss benefits	3,571	2,602	2,486	2,324	2,324	NA
Injured Employees with Out of State Addresses - # of claims filed by injured employees with out of state addresses	2,029	2,200	2,387	2,235	2,235	NA
Accepted Fatalities - # of fatal claims accepted	13	12	15	12	NA	NA
Claims Filed/100 Covered Workers^{1,4, 5} - # of new claims filed divided by the covered workforce	4.62	4.46	4.51	4.13	NA	NA
Indemnity Claims Filed/100 Covered Workers^{1,4, 5} - # of new indemnity claims filed divided by the covered workforce	0.91	0.66	0.62	0.56	NA	NA
Average Covered Workforce¹ - based on Job Service ND Employment and Wages data	386,414	391,512	402,018	412,536	NA	NA
Claims With Activity - activity = a new claim filing, payment made, or a reapplication for benefits on an existing claim	28,269	27,602	27,957	27,754	27,754	NA
Auto-adjudicated Claims as a Percent of Total Claims Filed - % of claims filed that met the initial auto-adjudication requirements	16%	17%	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%	38%	34%	34%	NA	50%
Claim Ultimate Acceptance Rate (adjusted)² - % of claims filed that are ultimately accepted (excludes incidents)	84%	87%	88%	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	46%	45%	38%	49%	NA	55%
Percent of Claims Pending Over 31 Days - % of all claims in pending status that are over 31 days old	9%	9%	11%	10%	NA	10%
Average New Claims per Claim Adjuster³ - average number of new claims assigned to each adjuster per year	415	416	432	406	406	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	39 217 256	41 222 263	41 235 276	36 224 260	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 June 2024, there were 42 caseloads assigned to Claims Adjusters.

4—Per the Governor's Executive Order, Fiscal Year 2021 COVID-19 claims created aberrations with some of these numbers including an increase in total indemnity claims and a decrease in ultimate acceptance rates.

5—This measure reflects the organization's performance in achieving strategic objectives as outlined in the strategic plan.

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:	FY2021	FY 2022	FY 2023	FY 2024	FY 2024 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	15%	11%	12%	14%	NA	7%
Days to Adjudicate Bills ¹ - % of bills paid within 31 days of receipt of bill	96%	97%	96%	95%	NA	95%
Percent of Medical Spend for Prescriptions - % of medical payments that is for prescriptions	7%	7%	4%	4%	NA	NA
Percent of Drug Spend for Opioids - % of payments for prescriptions that is for opioids	43%	45%	41%	35%	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	320 238 82	337 265 72	302 240 62	234 168 66	234 168 66	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	31 9 22	25 7 18	13 1 12	5 2 3	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	455 334 121	445 385 60	494 368 126	529 378 151	529 378 151	NA NA NA
Number of New On-site Nurse Case Management Cases Assigned - # of new on-site NCM cases assigned during the fiscal year	732	783	729	819	819	NA
Cost of Out of State Nurse Case Management - Total dollars spent on out of state nurse case management	\$213,033	\$181,008	\$192,517	\$239,316	\$239,316	NA
Total Scholarships Paid Costs - Total Paid on scholarships each year	\$216,994	\$156,131	\$156,197	\$126,108	NA	NA

¹— Includes HCFA, UB, and Dental

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Fiscal Year Ending:	FY2021	FY 2022	FY 2023	FY 2024	FY 2024 Projection	Target*
Employer Services						
Lag Time to Report Injuries - % of claims reported within X day(s) of the date of injury						
- within 1 day	51%	54%	55%	55%	NA	NA
- within 14 days	87%	89%	89%	89%	NA	NA
- within 31 days	93%	94%	94%	94%	NA	NA
Total Active Employer Accounts By Premium Size - Total number of active employer accounts (snapshot)	24,778	25,452	26,401	27,159	NA	NA
- Minimum (\$250)	6,172	7,375	7,880	8,498	NA	NA
- \$251—\$5,000	14,097	13,099	13,464	13,721	NA	NA
- \$5,001—\$25,000	3,242	3,675	3,702	3,617	NA	NA
- \$25,000—\$50,000	654	652	670	661	NA	NA
- \$50,001—\$100,000	329	354	383	351	NA	NA
- Over \$100,000	284	297	302	311	NA	NA
Number of New Applications Received - number of applications received for new employer accounts	2,871	3,182	3,744	3,779	3,779	NA
Number of Accounts Cancelled - number of employer accounts cancelled	1,995	1,966	2,065	2,225	2,225	NA
Number of Audits Completed - Total number of premium audits completed (includes phone audits)	1,053	1,039	826	666	666	NA
Net Premium Adjustment - Net effect of all premium adjustments	(\$396,976)	(\$177,373)	\$345,296	\$172,240	NA	NA
Delinquent Premium as Percent of In Force Premium¹ - Total delinquent premium divided by the in force premium	1.93%	1.9%	1.4%	0.8%	NA	< 2%
Delinquent Accounts - Total number of delinquent employer accounts	166	186	176	144	NA	NA
- Current FY 23-24	129	153	160	121		
- FY2022—2023	17	15	7	15		
- FY2021—2022	8	8	4	5		
- Prior Fiscal Years	12	10	5	3		
Total Delinquent Premium—Accts in Active Collections¹ - dollar amount of premium, interest, and penalties owed by all accounts in collections.	\$3,944,103	\$3,562,759	\$2,720,146	\$1,512,367	NA	NA
- Current FY 23-24	\$1,846,183	\$1,685,859	\$1,307,968	\$821,213		
- FY2022—2023	\$638,873	\$884,965	\$205,863	\$80,854		
- FY2021—2022	\$214,350	\$319,033	\$304,639	\$449,517		
- Prior Fiscal Years	\$1,244,697	\$672,901	\$901,676	\$160,783		

¹— Of the \$1,512,367 premium in collections, \$133,052 (6 accounts) are in bankruptcy status. .

Key Performance Indicators

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Fiscal Year Ending:	FY2021	FY 2022	FY 2023	FY 2024	FY 2024 Projection	Target*
Legal						
Legal Orders Issued ¹ - number of legal orders issued (includes stipulations)	1,021	817	764	751	751	NA
Hearings Requested ¹ - number of hearings requested during the fiscal year (1st level litigation—does not include district or supreme court cases)	180	140	127	119	119	NA
Administrative Hearings Held ¹ - number of hearings held during the fiscal year (wins, losses & remands)	120	94	78	58	58	NA
Litigation Rate ¹ - # of hearings requested/# of NODs Issued	0.71%	0.60%	0.53%	0.52%	NA	NA
Open Subrogation Cases - Total number of open subrogation cases	456	497	611	328	NA	NA
Avg Days Hearing Request to Final Resolution ¹ - avg number of days from hearing request to closure , regardless of resolution type.	205	220	177	166	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	173	189	182	161	NA	215
Claimant Attorney Fees and Costs ² - Total fees and costs paid to claimant attorneys	\$336,169	\$245,247	\$193,797	\$138,937	\$138,937	NA
Office of Administrative Hearings (OAH) Fees and Costs ³ - total fees and costs paid to OAH	\$588,666	\$506,726	\$373,110	\$355,140	\$355,140	NA
WSI Counsel Fees and Costs ³ - total fees and costs paid to WSI outside counsel (defense counsel)	\$1,188,609	\$1,123,811	\$876,746	\$807,940	\$807,940	NA
SIU Return on Investment - total savings + restitution//fraud investigations costs + budget	\$10.45	\$5.35	\$8.44	\$6.42	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 - employee separation/total employees	6.39%	9.06%	8.28%	7.76%	7.76%	NA
Total Documents Imaged - total number of documents imaged during the fiscal year	1,251,665	1,281,663	1,307,416	1,310,187	1,310,187	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)	99.16%	98.63%	97.67%	98.63%	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.

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Fiscal Year Ending:	FY2021	FY 2022	FY 2023	FY 2024	FY 2024 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	79%	80%	80%	82%	NA	75%
<i>Percent of Medical Bills Received Electronically (EDI)</i> - % of bills submitted that were received through electronic submission (includes Carisk)	57%	75%	86%	86%	NA	80%
<i>Payroll Reports Received Electronically</i> - % of payroll renewal reports that were received on-line	99%	99%	97%	97%	NA	100%
<i>Employer Applications Received Electronically</i> - % of employer applications for insurance that were received online	96%	97%	91%	91%	NA	100%
<i>Percentage of UR Requests Received Electronically</i> - % of UR requests received electronically through myWSI	37%	48%	52%	61%	NA	75%

Fiscal Year Ending:	FY2021	FY 2022	FY 2023	FY 2024	FY 2024 Projection	% Change 23 to 24
Paid Cost Data						
<i>Indemnity Benefits Paid</i>	\$48,848,646	\$43,373,551	\$43,153,269	\$41,146,481	\$41,146,481	(5%)
<i>Medical Benefits Paid</i>	\$62,278,332	\$59,418,016	\$67,580,298	\$76,926,092	\$76,925,934	14%
<i>ALAE (all non-legal) Paid</i>	\$2,351,338	\$2,173,640	\$2,267,244	\$2,442,448	\$2,442,448	8%
<i>ALAE (legal) Paid</i>	\$2,398,629	\$2,055,526	\$1,701,202	\$1,434,011	\$1,434,011	(16%)
<i>Total Paid Costs</i>	\$115,876,945	\$107,020,734	\$114,702,013	\$121,949,032	\$121,948,874	6%

Fiscal Year Ending:	FY 2021	FY 2022	FY 2023	FY 2024
Customer Satisfaction				
<i>Employer Satisfaction¹</i> - mail survey conducted by Logit US in February each year—based on a scale of 1 to 5 with 5 being the highest.	4.39	4.39	4.34	4.41
<i>Injured Employee Satisfaction¹</i> - telephonic survey conducted by Logit US in February each year—based on a scale of 1 to 5 with 5 being the highest.	4.22	4.18	4.16	4.24
<i>Medical Provider Satisfaction¹</i> - on-line and mail survey conducted by Logit US every even numbered year—based on a scale of 1 to 5 with 5 being the highest.	3.64	NA	3.94	NA

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

1—This measure reflects the organization's performance in achieving strategic objectives as outlined in the strategic plan.

Key Performance Indicators

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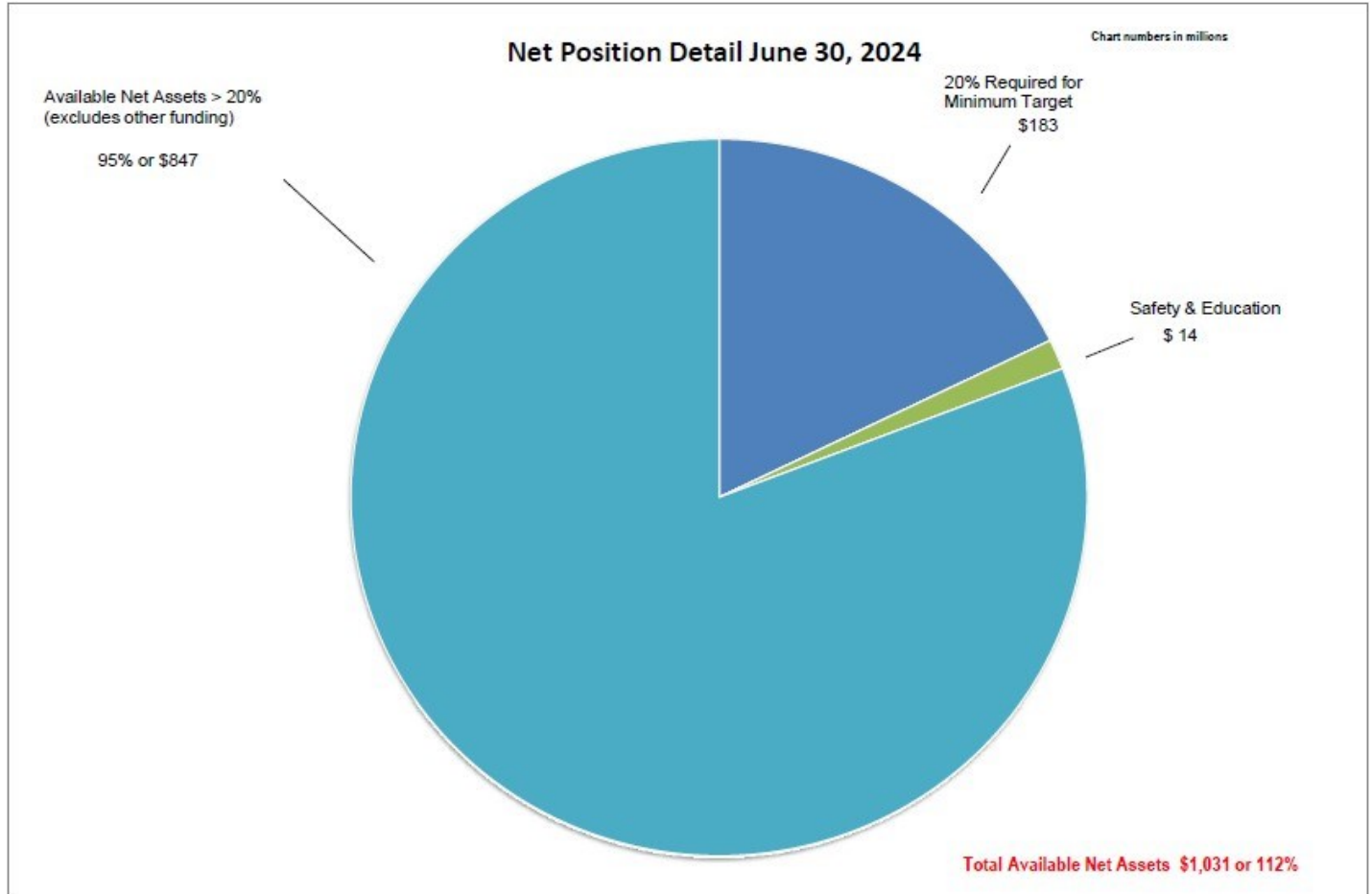
Financial Statements

Statement of Financial Position	Audited FY 2021	Audited FY 2022	Audited FY 2023	Jun-24 FY 2024	Jun-23 FY 2023	Year-to-Year Variance
Cash & Investments	\$ 2,321,004,395	\$ 2,074,946,533	\$ 2,081,066,175	\$ 2,156,194,451	\$ 2,081,066,175	\$ 75,128,276
Receivables	17,127,319	19,817,820	17,078,043	12,875,854	17,078,043	(4,202,189)
Building & Other	19,131,137	18,981,067	\$ 18,979,228.00	\$ 18,754,940.06	18,979,227	(224,287)
Total Assets	2,357,262,851	2,113,745,421	2,117,123,446	2,187,825,245	2,117,123,445	70,701,800
Deferred outflows pension/OPEB	26,895,377	16,840,922	25,232,375	17,183,199	25,232,375	(8,049,176)
Total Assets and Deferred Outflows	2,384,158,228	2,130,586,343	2,142,355,821	2,205,008,444	2,142,355,820	62,652,624
Accounts Payable	108,097,035	108,482,499	106,382,919	110,257,369	106,382,919	3,874,450
Pension/OPEB Liability	44,706,443	14,689,842	38,303,140	26,356,500	38,303,140	(11,946,640)
Unearned Premium	92,039,810	90,087,368	87,692,697	84,963,889	87,692,697	(2,728,808)
Unpaid Loss & LAE, discounted ¹	1,000,099,000	998,771,000	950,231,000	917,681,000	950,231,000	(32,550,000)
Total Liabilities	1,244,942,287	1,212,030,709	1,182,609,756	1,139,258,759	1,182,609,757	(43,350,998)
Deferred Inflows Pension/OPEB	7,644,414	29,340,209	16,522,715	21,115,301	16,522,715	4,592,586
Net Position	1,131,571,525	889,215,425	943,223,349	1,044,634,384	943,223,348	101,411,036
Total Liabilities, Deferred Inflows & Net Position	\$ 2,384,158,228	\$ 2,130,586,343	\$ 2,142,355,821	\$ 2,205,008,444	\$ 2,142,355,820	\$ 62,652,624
Statement of Activities	Audited FY 2021	Audited FY 2022	Audited FY 2023	Jun-24 FY 2024	Jun-23 FY 2023	Year-to-Year Variance
Premium Earned	\$ 202,212,728	\$ 185,024,385	\$ 208,563,867	\$ 205,956,129	\$ 208,563,867	\$ (2,607,738)
Premium Discount	(25,831,990)	(21,828,633)	(22,514,194)	(23,927,980)	(22,514,194)	(1,413,786)
Ceded Reinsurance Premium	(767,031)	(650,841)	(767,603)	(990,701)	(767,603)	(223,099)
Net Premium Earned	175,613,707	162,544,911	185,282,070	181,037,448	185,282,071	(4,244,623)
Incurred Losses & ALAE	83,712,042	100,819,467	62,390,118	76,124,379	62,390,118	13,734,261
ULAE and G&A Expenses	41,267,980	37,207,205	42,243,324	41,797,458	42,243,324	(445,866)
Operating Expense	124,980,023	138,026,672	104,633,442	117,921,837	104,633,442	13,288,395
Underwriting Income (Loss)	50,633,684	24,518,239	80,648,628	63,115,611	80,648,629	(17,533,019)
Investment & Other Income	247,142,702	(199,371,737)	57,971,445	117,778,065	57,971,445	59,806,620
Dividend & Other Expense	(72,370,330)	(67,502,602)	(84,612,149)	(79,482,640)	(84,612,149)	5,129,509
Change in Net Position	\$ 225,406,056	\$ (242,356,100)	\$ 54,007,924	\$ 101,411,035	\$ 54,007,925	\$ 47,403,111
EXPENSE RATIOS						
FY Admin Expense Ratio	23.40%	22.80%	22.71%	22.96%	22.71%	
Incurred Loss Ratio	47.46%	61.78%	33.53%	41.82%	33.53%	
Combined Ratio	70.86%	84.58%	56.24%	64.78%	56.24%	
EXPENSE RATIOS (excluding Safety expenditures)						
FY Admin Expense Ratio	21.96%	20.21%	19.27%	20.17%	19.27%	
Incurred Loss Ratio	47.46%	61.78%	33.53%	41.82%	33.53%	
Combined Ratio ²	69.42%	81.99%	52.80%	61.99%	52.80%	

1 - Liabilities are discounted at 4% effective FY 2021.

2 - This measure reflects the organization's performance in achieving strategic objectives as outlined in the strategic plan.

Key Performance Indicators



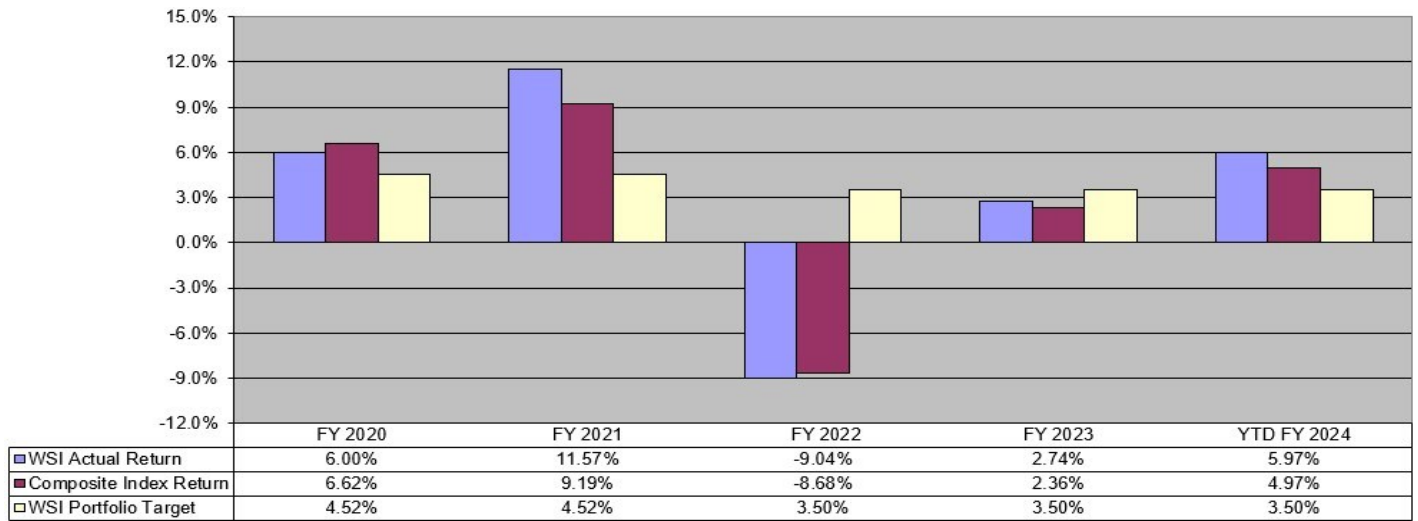
	Audited June 2022	Audited June 2023	Audited June 2024
NET POSITION or "SURPLUS"	\$ 889,215,424	\$ 943,223,349	\$ 1,044,634,384
Actuarially Estimated Discounted Financial Reserve Liabilities	998,771,000	950,231,000	917,681,000
Discount rate @ 4%			
Net Position (Surplus)	\$ 889,215,424	\$ 943,223,349	\$ 1,044,634,384
2009 HB 1035 Allowable Deductions from Net Position (Surplus)			
Safety Education & Grants	5,278,434	18,994,581	13,904,423
Revolving School Loan Fund	14,094,852	13,994,965	-
Total Exclusions from Net Position (Surplus)	19,373,286	32,989,546	13,904,423
Available Net Position (Fund Surplus)	\$ 869,842,138	\$ 910,233,803	\$ 1,030,729,961
	87.1%	95.8%	112.3%

Quarter Ending:	Sep 2023	Dec 2023	Mar 2024	June 2024	Grand Total
Safety Continuing Appropriation Expenditures					
Professional Services	\$78,117	\$138,337	\$129,650	\$123,769	\$469,873
Training/Education	\$11,185	\$12,837	\$197,678	\$163,425	\$385,125
STEP Grant	\$112,439	\$153,058	\$68,696	\$400,394	\$734,587
Serve & Protect	-	\$5,095	\$11,973	\$36,937	\$54,005
Phase III Ergo Grant	\$1,003,600	\$747,171	\$945,198	\$749,752	\$3,445,721
Grand Total	\$1,205,340	\$1,056,497	\$1,353,195	\$1,474,278	\$5,089,310

Key Performance Indicators

Investment data provided as of June 30, 2024

FY 2024 Annual Rates of Return

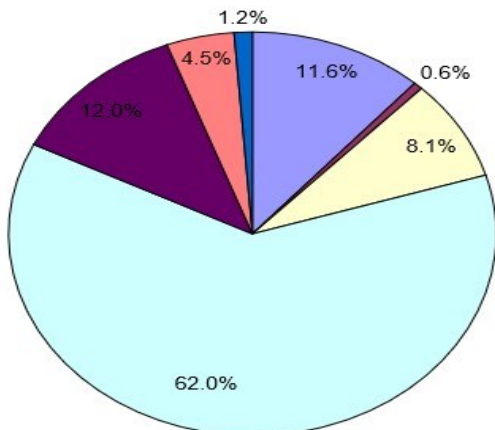


FY 2024 Year to Date Return by Asset Class



WSI Investment Allocation

ACTUAL ALLOCATION



ASSET CLASS — POLICY ALLOCATION

Large Cap Domestic Equity (Target 10%)	Small Cap Domestic Equity (Target 2%)
International Equity (Target 8%)	Domestic Fixed Income (Target 62%)
Diversified Real Assets (Target 12%)	Real Estate (Target 5%)
Cash Equivalents (Target 1%)	