



2022

Performance Evaluation of North Dakota Workforce Safety and Insurance



July 29, 2022



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Governor of North Dakota
The Legislative Assembly
Chairperson of the Workforce Safety and Insurance Board of Directors
Chairperson of the Workforce Safety and Insurance Board Audit Committee
Executive Director of Workforce Safety and Insurance

We are pleased to submit this report summarizing the results of the 2022 Performance Evaluation of Workforce Safety and Insurance (WSI). The Performance Evaluation primarily covers activities at WSI during Calendar Years 2019 through 2021, although some components of the evaluation cover a broader span.

The purpose of this Performance Evaluation was to assess certain aspects of WSI and to provide recommendations for improvement. In that regard, the Performance Evaluation features two Elements including:

- COVID-19 claims management practices subject to three executive orders issued by the Governor
- Industry and employer assistance. Within this element, we looked at practices tied to the identification of recurring incident trends pertaining to both industries and individual employers, various analyses and reports provided by WSI, training and education, and trends among first year employees

Recommendations in this evaluation were made pertaining to each of the Elements where we felt opportunities existed to improve performance or modify and/or enhance statutory and administrative provisions. Sixteen recommendations were made, all but one of them in Element Two.

The report consists of this executive summary, sections pertaining to each Element, recommendations, and WSI responses to the recommendations.

We want to thank all those at WSI who assisted us in the Performance Evaluation process with a special note of thanks to the Internal Audit staff.

Sedgwick CMS – Risk Services Practice

Roseville, California

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Element One – COVID-19 Claims

Introduction

For this element, the State of North Dakota is interested in:

- A review of a sample of COVID-19 claims to determine if claims occurred, were assessed, and processed during the appropriate period according to the Executive Orders (EO) issued by the Governor of North Dakota
- A review of EO 2020-12, 2020-12.1 and 2020-12.2
- An understanding of each EO and the employee group subject to those EOs. Specifically, EO 2020-12 pertains to first responders and healthcare providers who contract COVID-19. EO 2020-12.1 pertains to funeral home directors and funeral home workers who contract COVID-19. EO 2020-12.2 pertains to direct care providers who contract COVID-19

Background

To complete the evaluation, we undertook various steps to assess Workforce Safety and Insurance's (WSI) management of COVID-19 cases submitted by North Dakota employers during the covered period of the Executive Orders. EO 2020-12 was signed on March 25, 2020 and took effect retroactively to March 13, 2020. EO 2020-12.1 took effect on April 16, 2020. EO 2020.12.2 was signed on July 28, 2020, but retroactively applied to July 1, 2020. Each of the EOs were rescinded on February 22, 2021.

We reviewed the EOs both independently and in discussions with WSI Claims and Legal staff. Of particular importance to us in the information gathering stage was to understand the rules WSI applied based on the Orders. Notably, WSI staff identified that each order should apply to employees who were exposed to COVID positive patients, residents, inmates, and other individuals who may have been under the direct care of those employees. WSI determined the intent of the EOs was not to cover employees who contracted COVID-19 either through exposure to a co-worker with COVID or as the result of community spread.

To develop a sample, we asked that WSI produce a listing of all COVID cases reported and include details such as the date of injury, claim costs, whether the case was accepted or denied, the name of the employer, and the nature of the claim (quarantine or positive test results). From that listing we took our sample.

We developed an audit form to capture the following relevant data on each sampled case:

- Name of employee
- Claim number
- Date of injury
- Whether the date of injury was in the coverage period of the applicable executive order

- Name of employer
- Occupation of the employee
- Whether the occupation of the employee was covered by an EO
- Accepted/Denied status
- Name of adjuster
- Nature of the claim
- Medical paid
- Wage loss paid
- Assessment of compensability decision making
- Any other relevant case information

For each case reviewed, we captured the above information. To do this, we completed some of our reviews onsite and completed the rest through a remote connection that allowed us to access individual cases securely.

In reviewing WSI's report of COVID-19 cases, we learned that all but 59 of the claims reported were from employees who could be potentially covered by EO 2020-12. There were no COVID-19 claims submitted by funeral home employers, so there is no information to provide on EO 2020-12.1. The remaining 59 cases were subject to EO 2020.12.2.

As there were no cases filed pursuant to EO 2020-12.1, we provide a summary of key provisions pertaining to the other two EOs. For EO 2020-12, the order included the following:

- Coverage would be provided to first responders, health care workers and all occupations included under North Dakota Century Code (NDCC) Section 65-01-02 (11)(b)(1) who are exposed to COVID-19 in the course of employment
- Covered employees included a "healthcare provider, firefighter, peace officer, correctional officer, court officer, law enforcement officer, emergency medical technician, laboratory personnel, or an individual trained and authorized by law or rule to render emergency medical assistance or treatment, including an individual rendering aid under" NDCC Section 32-03.1, the Good Samaritan Act. Healthcare provider is further defined to include "personnel at the state crime laboratory or any commercial or research laboratory that handles blood, bodily fluid, or tissues"
- Those employees covered under this EO would be eligible for up to 14 days of wage replacement and medical coverage if quarantined
- Benefit eligibility under quarantine was further defined to include requirements that the quarantine was authorized pursuant to an order of a treating healthcare provider or public health officer. Wage loss benefits would be paid unless the worker received lost wage benefits from another source
- For employees who tested positive to the COVID-19 virus and who could demonstrate that the "infection resulted from a work-related exposure," wage loss and medical benefits would be provided

In March 2020, WSI developed guidelines for COVID-19 coverage for frontline healthcare workers and first responders that identified those occupations covered under EO 2020-12. In addition to the obvious occupations included under the EO, WSI also included such jobs as “patient registration staff, laundry attendants, coroners, receptionists and patient intake coordinators, hospital social workers, and hospital security staff.” Jobs specifically excluded from coverage included, “billing and coding staff, document processing staff, administrative office personnel, and information technology staff”

EO 2020-12.2 extended coverage to individuals employed by:

- “A provider of treatment, care, programs or services to individuals with intellectual or developmental disabilities...” as well as, “The Life Skills and Transition Center”
- Coverage would apply in situations where an employee at such employment settings “is exposed to, or diagnosed with COVID-19 resulting from contact with an individual to whom services are being provided”

Throughout the performance evaluation process, we provided updates on our progress to the State Auditor and WSI staff on the following dates: March 31, 2022; April 30, 2022; May 31, 2022; and, June 15, 2022, as required in the State’s Request for Proposal.

Findings

Given that there were no funeral home employee claims and only 59 claims pertaining to EO 2020.12.2, we first took our sample which was to be predicated on 10% of the total claims. There were 2,551 cases on WSI’s COVID report, and we selected 255 of those. Of the 2,551 cases on the report, there were 262 of them with dates of injury after the rescission date of 2/22/21. Those 262 cases were excluded from the sample as all of them were legitimately denied as being outside the EO coverage periods. So, the 255 cases reviewed represent a little over 11% of the total COVID-19 cases that were filed with dates of injury within the coverage periods.

WSI explained at the outset of our review process that COVID-19 cases were identified via a combination of factors including a specific group accident identifier, a unique ICD9 code, and unique nature of injury and cause of injury codes.

In discussing the management of cases generally with WSI staff, we learned the following:

- Waiting periods for wage loss benefits were waived
- Nearly all cases were managed by a single adjuster, but other adjusting assistance was provided when COVID-19 case frequency increased. For instance, there were 125 COVID-19 cases with dates of injury in April 2020. By contrast, there were 518 cases with dates of injury in October 2020
- WSI sought reimbursement for its COVID-19 claims costs through the Coronavirus Aid, Relief, and Economic Security (CARES) Act subject to the applicable statutory timeline (December 31, 2020) such that full reimbursements were obtained on most claims filed during the period when the EOs were in effect

- WSI also informed employees who had denied claims that they may seek reimbursement through the Medical Expense Assistance Program (MEAP). MEAP allowed employees who had been exposed to COVID up to \$1,000 and up to \$5,000 for employees who treated but did not have insurance. MEAP required employees to submit their claims within a narrow window running from December 9, 2020, to December 20, 2020, and we saw many claims where such notice letters were sent to employees advising them of this reimbursement opportunity. Nearly all those notices were sent in the week leading up to December 9

We also had indicated in our proposal that our sample would include a representative sample by Executive Order, so the 255-case sample includes 249 cases covered under EO 2020-12 and 6 cases covered under EO 2020-12.2. The sample was also selected based on a reasonable share of denied and accepted cases. Within the sample, we reviewed:

- 28 Denied Quarantine cases
- 25 Accepted Quarantine cases
- 127 Denied Positive cases
- 75 Accepted Positive cases

In the denial grouping, we found many cases that were denied on technical grounds. For a claim to be successfully asserted in North Dakota, employees must complete their portion of a first report of injury. In at least 59 of the cases, a denial issued because an employee had not completed the first report. Further, it was WSI's consistent practice to request on at least two occasions that the employee complete the first report before a denial would issue. It is our view that at least some of these cases would have been accepted had employees completed their portion of the first report of injury.

The other common reasons for denials included an acknowledgment on the part of the employee that their exposure did not occur due to an exposure in the workplace to a patient/resident/inmate or the employer asserted that there was no known exposure in the workplace to an infected patient/resident/inmate. Exposures to infected co-workers were considered outside the scope of the EOs by WSI.

While the case review process was limited to a roughly 11% sample of those claims potentially covered by the EOs, we did review trends among certain healthcare entities across the full case listing. These healthcare entities tended to show up more frequently in the sample, so we were curious about how each of these entities compared to each other when evaluating acceptances v. denials. Without identifying each employer here in the report, the table below shows the results of this comparison. WSI knows the individual entities to which these results apply.

As we noted above when referencing denial rationale, one of the reasons was that the employer was unable to identify that a workplace exposure to a COVID-19 positive patient/resident/inmate had occurred. We are not able to speak to the COVID-19 tracking of those under the care of these entities, but the rates of accepted v. denied claims among the entities have sufficient differences to wonder about their internal processes for evaluating exposure.

Table 1.1 – Acceptance Rate

Employer	Accepted	Denied	Total	% Accepted
A	111	17	128	87%
B	69	207	276	25%
C	54	33	87	62%
D	182	339	521	35%
E	87	5	92	95%

Data in the aggregate among cases with dates of injury within the EO coverage periods shows that there were 1,311 denied claims and 976 accepted claims. So, the overall average of accepted claims is 42.7% of the sample. Were we to segregate Employers B and D on their own, their case acceptance rate is 31.5% (251 cases accepted out of 797). For all remaining employers, the case acceptance rate is 48.7% (725 cases accepted out of 1,490).

When we see differences like this, it doesn't necessarily mean that there was a flaw in the investigative process among one group or another. Differences like this do suggest that it would be worthwhile to know how thorough employers may have been in their own internal investigative processes to determine exposure and/or require quarantine. As well, just as we wonder about the low acceptance rates for Employers B and D, we also wonder about the high acceptance rates for Employers A and E.

As we begin to provide summary findings among the quarantine and positive cases, we begin with some comments about all COVID-19 cases in general:

- By the time we commenced our case reviews in March 2022, all EOs had been rescinded for more than one full year
- Only one case was resolved through litigation
- Only four cases remained in an active status (all other files were closed)

The summaries that follow pertain to trends observed with each of the four case groupings in the audit sample (Quarantine – Denied, Quarantined – Accepted, Positive – Denied, and Positive – Accepted).

Quarantine Cases

Denied Cases: For a case to be denied appropriately, we looked to evaluate the rationale for those decisions. And in this group of cases we found no inappropriate denials.

In this group, cases were denied for the following legitimate reasons:

- The occupation of the employee was not one that was covered by either of the EOs under which claims were filed
- Employees who received income for the full duration of the quarantine from another source were ineligible for wage loss benefits

- There was no evidence of a work-related exposure. Paragraph 2(a) of Executive Order 2020-12 stated in part that for a case to be compensable, “the worker must be subject to a quarantine resulting from a work-related exposure...”

Accepted Cases: When evaluating the accepted quarantine cases, we sought to confirm that occupations were covered by EO. They were.

For a case to be accepted, there had to be a known work exposure as we referenced above – Paragraph 2(a) of the EO. In all 25 quarantine cases that were accepted, an exposure was known to have occurred.

The EO allowed that quarantine benefits may be paid for up to 14 days and we found no accepted quarantine claims where wage loss benefits were paid for more than 14 days. We also agreed with the benefit rate calculations as completed by WSI staff.

Several of the accepted claims were ones where employees with known exposures had wages continued during the full duration of the quarantine or for a part of their time away from work. That meant that some cases only had medical benefits paid, or that wage loss benefits were paid only for that portion of the time away from work not covered by the employer. Cases in this group included Claims 16, 24, 43, 54, 83, 103, and 136.

Positive Cases

Denied Cases: In looking at denied positive cases, we observed that denials issued for various reasons, many of which are similar to the reasons for denied quarantine cases. As we reviewed cases, we should add that if we had questions about decisions, we sought clarification from WSI staff. We did not come across any cases where we ultimately concluded that the denials were inappropriate.

The common reasons for cases to be denied in this circumstance included the following:

- Exposure to the virus occurred via a co-worker, family member, friend, or member of the community
- Employees were not covered due to their occupation by any executive order
- Employees alleged an exposure in the workplace when the workplace did not house any positive patients at the time of the exposure
- Employees did not complete the first report of injury, and in many cases where this occurred it appeared to be because employees were tested at their workplace without incurring any medical expense. As well, salaries were continued by employers during the period employees remained off work. As such, employees in this scenario had no out-of-pocket expenses
- The date of possible exposure and the appearance of symptoms did not then lead to a logical reason to accept the case. For instance, in case 42, an employee last worked on 4/26/20 but did not develop any COVID symptoms until 5/16, so the 20-day gap between exposure and symptoms did not justify accepting the claim

As was the case with denied quarantine cases, we found numerous instances of MEAP letters sent in December 2020, so employees could, if they qualified, submit a timely request for reimbursement under the MEAP provisions.

Accepted Cases: EO 2020-12 indicates that if those employees covered under the EO test positive and can prove a work-related exposure that workers' compensation benefits will be paid. Workers covered under these provisions included volunteers as well as paid employees. Like provisions applied to workers covered under EO 2020-12.2.

We found that documentation supporting the decision to accept cases was consistently maintained. This documentation included concurrence on the part of the employer as well as the employee that an exposure to a patient/resident/inmate/etc. had occurred. Generally, there was medical evidence in the files that the employee had tested positive. An occasional exception may occur (see claim 27) where the employer reported the positive test result, but the test result report itself never reached the file.

Temporary total disability benefits were paid consistent with wage information provided by an employer and in circumstances where an employee may be working two jobs, wages from both employers were considered (see claims 28 and 32 for examples of this). Benefit rates were accurately derived and the payment periods well documented.

In the sample, we came across one case where benefits were provided for an employee who worked for an employer covered via EO 2020-12.2 prior to the effective date of that EO (see claim 35 with a date of injury of 5/31/20). The employee appeared to provide direct patient care and it appeared that for that reason benefits were paid.

Conclusions and Recommendation

In this review, we have found that WSI has made claim decisions on the cases in the sample in a logical and reasonable way given the content of the executive orders, notably EO 2020-12. Litigation was extremely sparse in the sample and with COVID cases, in general. There were almost no requests for reconsideration submitted by employees.

As regards to the frequency of technical denials due to an employee's failure to submit their first report of injury, we found instances where the employee ultimately did submit their report, had been exposed to COVID in the workplace, and tested positive, that previously denied cases were subsequently accepted.

By the time we present this report to the legislature, the orders will have been rescinded for about 18 months. So, we don't make the following recommendation with an expectation that something should be done retroactively to adjust case decisions.

Recommendation 1.1 (Low Priority): Because of the patterns of accepted v. denied cases that we noted previously in this section from a select group of employers that had a significant percentage of the overall COVID case volume, we recommend that clear documentation standards for each employer be developed, should circumstances like this recur.

Employers were in a position of trying to evaluate whether a workplace exposure had occurred. File notes generally summarized employer positions on denied claims that no known workplace exposure had occurred (excluding those claims that were denied for technical reasons – no first report of injury from the employer). What we would like to have seen with greater frequency in the denied case groups, is more detailed evidence in the files for how an employer came to that conclusion. As an example, it's one thing to say that there was no known exposure in the workplace. It is still another to say something like the employee wore personal protective equipment (PPE) at all times when around COVID-19 positive patients or did not work around COVID positive patients at all or provide other rationale to support a denial.

WSI Response: Concur. WSI does not regulate employer participation in the claim filing process, but WSI will make suggestions to an employer. There are many reasons why acceptance rates varied widely within this employer group. Ultimately, WSI processes the claims in the form they are filed. In the event there is a dispute with the outcome, further investigation will be conducted. Clearer documentation can always be achieved. Should WSI operate under an Emergency Order during the next global pandemic, we will attempt to do so.

Element Two – Industry and Employer Assistance

Introduction

At the heart of this element is the sentiment that “every North Dakota employee deserves a safe work environment and every employer deserves to have healthy employees.” WSI Loss Control’s expressed purpose is to care for injured workers while being “loyal, caring, and forthright” (their core values).

Therefore, for this element of the performance evaluation, the State of North Dakota is interested in evaluating the following:

- WSI’s vision is “a safe, secure, and healthy North Dakota workforce.” Does WSI identify recurring incidents in certain industries (*addressed below in Part One*) or with certain employers (*addressed below in Part Two*) and proactively reach out to aid? Do they track data to analyze trends and then take preventative actions?
- Safety training and education are an integral element of safety. WSI Loss Control provides many training resources that employers can utilize to train employees at no additional cost including a Learning Management System, OSHA training, and loss control consulting. Does WSI monitor who is utilizing the different resources and encourage participation for employers with consistent issues? (*addressed below in Part Three*)
- As teenagers start working, they are learning new skills and often working in unfamiliar environments. A majority of WSI’s claims, for all ages of workers, occur within the first year on the job. Are they taking proactive measure to reduce the number of claims filed in the first year? (*addressed below in Part Four*)

Background

To achieve the above objectives, we first sought to gather sufficient information. We received and reviewed the following files from WSI:

- Claims data for three years (January 1, 2019 through December 31, 2021), each year valued as of 12 months.
- Standard industry and employer trending related reports from the Loss Control Department, including the monthly Target Account List, quarterly Experience Rate 5 Year report, Sample target (new & other), and the annual Detailed Claims and Injury Characteristics Report.
- Samples of files that are shared with employers, including Loss Run by Injury Date YTD, Loss Run - Active Claims, Loss Run Detail Report, Frequency Ratio Report, Frequency Severity Report, Projected Experience Rate, Employer Trend Analysis, Employer Time Loss Breakdown Analysis, Employer Safety Dashboard, Employer Data at a Glance, Employer Trend Analysis (for Non-Safety Program Participants), and Employer Dashboard (for Non-Safety Program Participants).

- A list of Loss Control consultations completed over the last three years as well as Loss Control presentations, booths, and webinars.
- Loss Control’s Thematic Goals for 2018 - Enhancing Customer Experience.
- Two samples of Loss Control’s focused initiatives for specific industries, including Building Custodians-Janitorial Service STF, and Oil/Gas Slips Trips Falls.
- Job Descriptions for the following positions within the Loss Control Department: Education Special Programs Supervisor, Employer Services Education Coordinator, Loss Control Research Analyst, Safety Consultant, and Safety Consultant Manager.
- Written Policies-Procedure for High-Risk-Experience Factor - Safety Incentive Program Outreach.
- Excerpts from Employer Survey Reports for May 2019, May 2020, and June 2021.
- Internal Audit of Loss Control SIPs - Final Report #2022-02 and SIP Total Accounts and Final Audit Chart.
- Operating Reports Qtr 06.30.2021 and Qtr 12.31.2021.
- Understanding the Experience Rate revised April 2020 and 2022 - Experience Rating presentation.
- Five-year summary of claims by Length of Employment – Months and Five-year summary of Claims by Length of Employment – Years.
- Excerpt from Employer Services Feb 2022 presentation regarding first year injuries and the corresponding pivot table results.
- A listing of associations that have received Safety Training & Education Program (STEP) grant funding.
- Data pertaining to safety program participation and training usage.

We also undertook the following activities:

- Participated in an introductory kick-off meeting. Attending from WSI was the WSI Director, Chief Operating Officer, General Counsel, Chief of Injury Services, Chief of Employer Services, Director of Loss Control, Education/Special Programs Supervisor, Safety Consultant Manager, Loss Control Ergonomics Coordinator, Claims Director, Claims Unit Supervisor, Internal Auditor, and Internal Audit Director. From the WSI Audit Committee, the Audit Committee Chair joined, and from the State Auditor’s office, the State Auditor and two Audit Managers attended.
- Conducted interviews with the WSI Director, Chief Operating Officer, Chief of Employer Services, Director of Loss Control, Safety Consultant Manager, Education/Special Programs Supervisor, Loss Control Research Analyst, select Safety Consultants, Director of Policy Holder Services, Employer Premium Compliance Specialist, Claims Director, and a small group of policyholders.
- Engaged in coordination and fact-finding discussions and emails with the Internal Audit Director.
- Secured remote access to the WSI computer systems to facilitate review of employer files, consultant documents and the Learning Management System.

To assess whether WSI identifies “recurring incidents in certain industries or with certain employers and proactively reach out to aid,” and if they “track data to analyze trends and then take preventative

actions,” we first completed our own review of the 2019, 2020, and 2021 claims data and compared it to existing reports by WSI. To observe trends among industry groupings for the purpose of evaluating safety efforts, COVID claims were excluded from the data set we used to give a more consistent comparison between 2019, 2020, and 2021 data.

Please note that when asked to evaluate whether WSI is identifying trends and subsequently reaching out or taking preventive actions as noted in the RFP, we are defining outreach as those activities specifically pertaining to the identified trends. While we believe that safety incentive programs are an effective tool to prevent injuries and recognize the considerable effort that goes into the design and management of such programs, for the purposes of this report, we are looking for methods of outreach that also go beyond program participation.

Findings

Part One: Industry Trends and Outreach

Industry Trends

WSI publishes a Detailed Claims and Injury Characteristics Report annually that includes claims for the most recent 5 years. These are included on the WSI website under Safety/Forms & Resources/Resources. Four sections of this report give an analysis of claims by rate class. There is a section for the distribution of all claims by rate class, the top ten distribution of all claims by rate class, distribution of indemnity claims by rate class, and the top ten distribution of indemnity claims by rate class. The most recent Detailed Claims and Injury Characteristics report at the time of this performance evaluation was from FY2020 and covers claims from July 1, 2015, through June 30, 2020.

WSI has also created Detailed Claims Analysis reports covering the most recent 5 years of claims for 14 of their high-risk industries. These are provided on the WSI website under Safety/Forms & Resources/Industry Trends. Reports for 14 such rate classes are currently provided online, and include:

- Agriculture (rate classes 0006, 0007, and 0050)
- Auto Repair (rate class 3630)
- Building Construction (rate class 5410)
- Building Custodians/Janitorial (rate class 9007)
- Electrical (rate class 5190)
- Hospital (rate classes 9040 and 9042)
- Law Enforcement (rate class 7720)
- Manufacturing (rate class 3504)
- Nursing Home (rate class 9041)
- Oil & Gas (rate classes 1320, 6203,6204,6205, 6206 & 6208)
- Restaurants (rate class 9071)
- Schools, Libraries & Institutions (rate class 9062)

- Stores – Retail (rate class 8000)
- Trucking (rate class 7215)

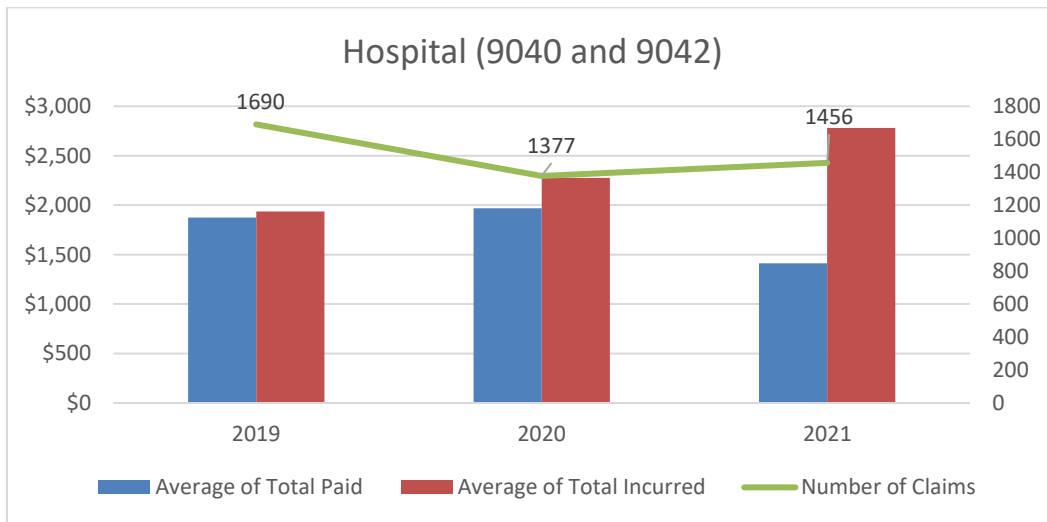
These industry specific reports give details regarding frequency and severity of claims, as well as trends among gender, age, time of day, length of employment, day of injury, month of injury, body part, cause of injury, and nature of injury.

Using the claims data that we received covering the period of January 1, 2019, through December 31, 2021 (each year valued as of 12 months, COVID claims excluded), we identified the following high frequency industries based on rate class for focus:

1. Hospitals (9040 and 9042)

This industry reported the highest frequency of claims of all the industry groups for the three-year reporting period. However, the number of (non-COVID) claims reported declined from 2019 to 2020. The number of claims reported in 2021 was greater than 2020, but not up to 2019 levels.

Chart 2.1 – Number of Claims and Average Costs for Hospitals (9040 and 9042)



- Cut, Puncture, Scrap Injured by: Objects Being Lifted or Handled is the most frequent cause of injury, closely followed by Struck or Injured by: Fellow Worker Patient and Strain or Injury by: Miscellaneous Strain.
- Struck or Injured by: Fellow Worker Patient and Strain or Injury by: Miscellaneous Strain were the most severe causes of claims (based on total incurred).
- Lumbar (Low Back) was the most frequent part of body affected, followed by Knee.
- Parts of body accounting for the most severe claims are Head, Shoulder, Knee and Lumbar (Low Back), in that order.

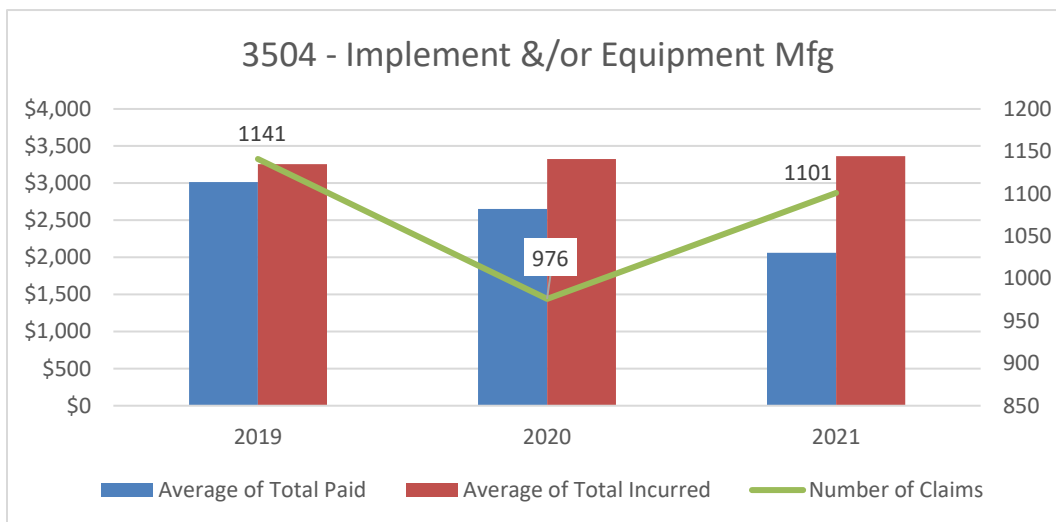
- Medical Assistants & Other Healthcare Support Occupations, and Registered Nurses are the two occupations with the most frequent claims in this industry. These two occupations also represent the highest total cost incurred of the occupations.

Little hospital-based specific outreach is recorded on Loss Control’s presentations, booths, and webinars listing. However, both the ND Healthcare Association and the ND Hospital Association have received funding through WSI’s STEP grant program.

2. 3504 - Implement &/Or Equipment Mfg

Manufacturing represented the second highest number of claims for the three-year reporting period. While frequency declined in 2020, the 2021 frequency is back up, close to that of 2019.

Chart 2.2 – Number of Claims and Average Costs for 3504 - Implement &/Or Equipment Mfg



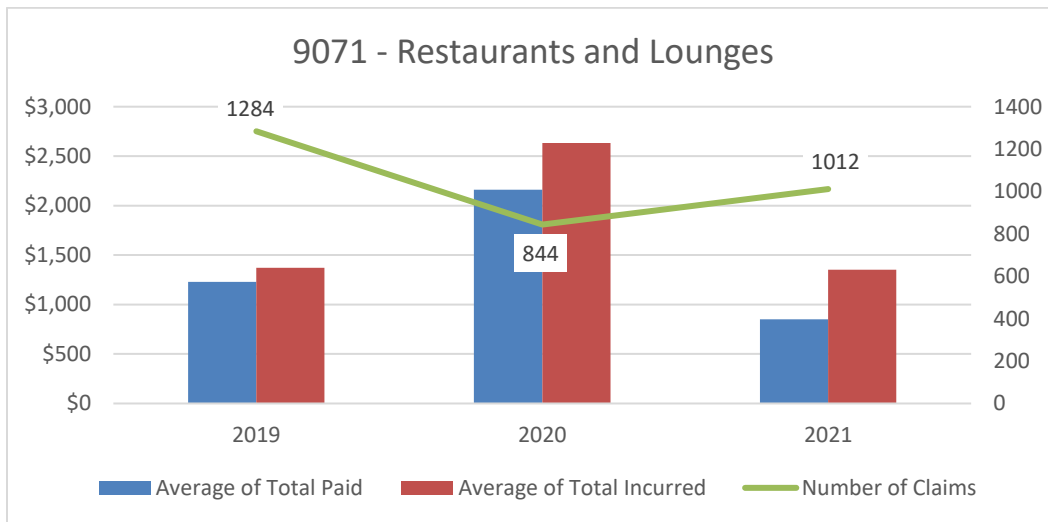
- Strain or Injury by: Miscellaneous Strain and Strain or Injury by: Lifting were the two most frequent and severe causes of injuries for this industry. Foreign Body in Eye and Struck or Injured by: Object Being Lifted or Handled were the next two most frequent causes of injury, but these were not nearly as severe as the previous two causes of injury.
- Lumbar (Low Back) and Eye tied for the most frequent part of body affected, followed closely by shoulder.
- Shoulder and Lumbar (Low Back) were the two most severe parts of body affected in this industry.
- Miscellaneous Assemblers & Fabricators, and Welding/Soldering/Brazing Workers were the two most frequent occupations affected. These occupations were also the most severe. Laborers and Freight, Stock, and Material Movers, Hand was the third most frequent and severe occupation in the manufacturing industry.

Some outreach to this industry was noted on the presentations, booths, and webinars listing. It showed a variety of safety topics discussed including incident investigation, safety leadership, hazard recognition, slip/trip/fall prevention, and personal protective equipment (PPE).

3. 9071 - Restaurants

The 2020 frequency of restaurant claims declined by 34% when compared to 2019, and the 2021 number of claims are down by 21% when compared to 2019. However, claims from this industry tend to be the least severe in terms of average total incurred per claim for the three-year period among the industries appearing on this list.

Chart 2.3 – Number of Claims and Average Costs for 9071 - Restaurants



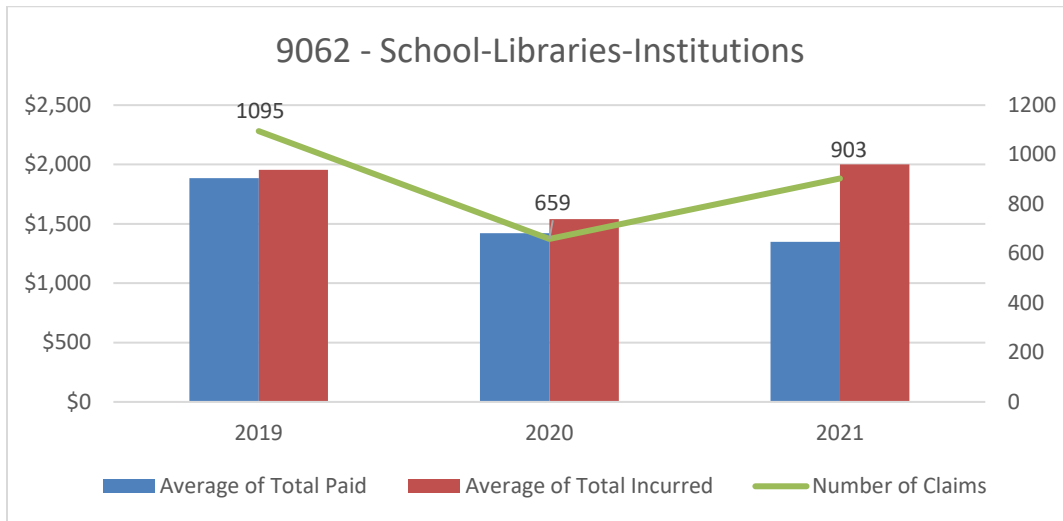
- Cut, Puncture, Scrap Injured by: Hand Tool Utensil Not Powered and Cut, Puncture, Scrap Injured by: Objects Being Lifted or Handled were the two most frequent causes of injury for restaurants.
- The most severe causes of injury for restaurants were all Fall, Slip, or Trip related: Miscellaneous Fall or Slip, From Liquid or Grease Spills, and On Same Level.
- The three most frequent parts of body affected were Hand, 1st/Index Finger, and Thumb.
- The two most severe parts of body affected were head and knee.
- The four most frequent occupations affected were Cooks; Food Preparation Workers; Food Preparation and Serving Related Workers; and All Other and Waiters & Waitresses. These four occupations accounted for 65% of the claims in this industry.

Minimal outreach was recorded on the presentations, booths, and webinars listing specifically to this industry.

4. 9062 - School-Libraries-Institutions

In this industry, the 2020 frequency of non-COVID claims declined by 40% when compared to 2019, but 2021 numbers are only down by 18% when compared to 2019. Claims in this industry tend to be less severe than other industries in terms of average total cost incurred per claim.

Chart 2.4 – Number of Claims and Average Costs for 9062 - School-Libraries-Institutions



- The most frequent cause of injury for this industry is Struck or Injured by: Fellow Worker Patient, accounting for 19% of the claims in this industry. This was followed by the Fall, Slip, or Trip Injury: On Ice or Snow cause of injury, accounting for 13% of claims.
- The following four Fall, Slip, or Trip Injury categories: On Ice or Snow, On Same Level, Miscellaneous Fall or Slip, and From Liquid or Grease Spills accounted for four of the top six most severe categories in terms of total cost incurred. The total cost incurred for these four categories together amounted to 51% of the total cost incurred for the industry.
- Knee was the most frequent part of body affected, followed by lumbar (low back). Many of these claims were attributed to the slip/trips causes discussed above, but lifting claims were also prevalent in the lumbar (lower back) part of body category.
- Not surprisingly, Other Teachers and Instructors was the most prevalent occupation affected, accounting for 60% of the claims for this industry.

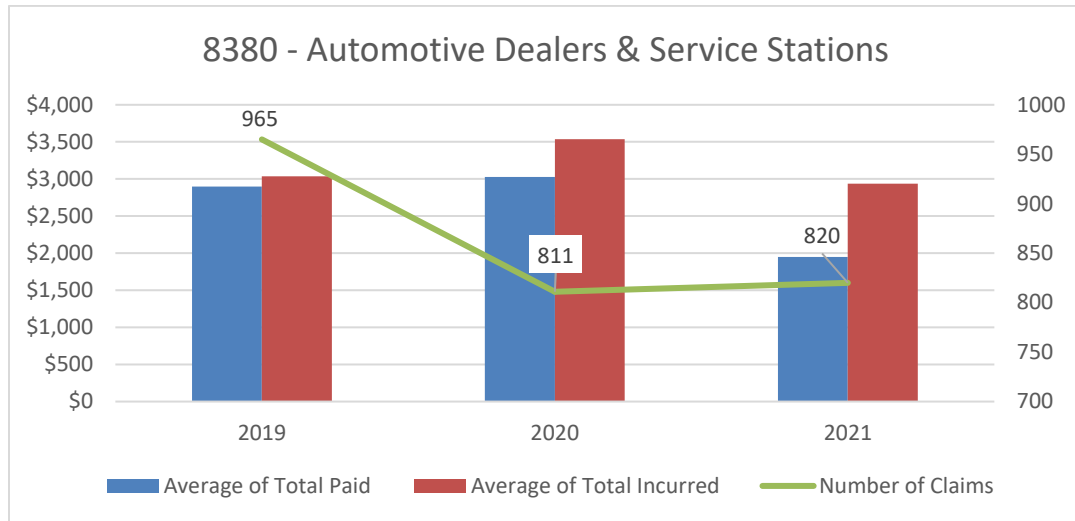
We noted very little preventive outreach toward this industry when reviewing WSI’s presentations, booths, and webinars listing.

5. 8380 - Automotive Dealers & Service Stations

The frequency of claims reported in 2020 by this industry declined by 16% when compared to 2019, and 2021 frequency has remained similar to 2020. Please note that this rate class does not appear

on WSI’s website (under Safety/Forms and Resources/Industry Trends) of the 14 high-risk industries for which Detailed Claims Analysis reports are available.

Chart 2.5 – Number of Claims and Average Costs for 8380 - Automotive Dealers & Service Stations



- The most frequent (and second most severe) cause of injury in terms of total cost incurred for this industry is Strain or Injury by: Miscellaneous Strain. The next two most frequent causes of injury are Cut, Puncture, Scrap Injured by: Objects Being Lifted or Handled and Struck or Injured by: Object Being Lifted or Handled.
- The most severe cause of injury category for this industry is Fall, Slip, or Trip Injury: On Ice or Snow.
- Lumbar (low back) is the most frequent part of body affected in this rate class, followed by the eye, the hand and the shoulder.
- Shoulder claims were by far the most severe part of body affected in this industry, accounting for 26% of the total cost incurred. Claims affecting the head followed as the second most severe, and claims affecting the knee were the third most severe category.
- The Automotive Service Technicians and Mechanics was most frequently affected, accounting for 35% of the number of claims.

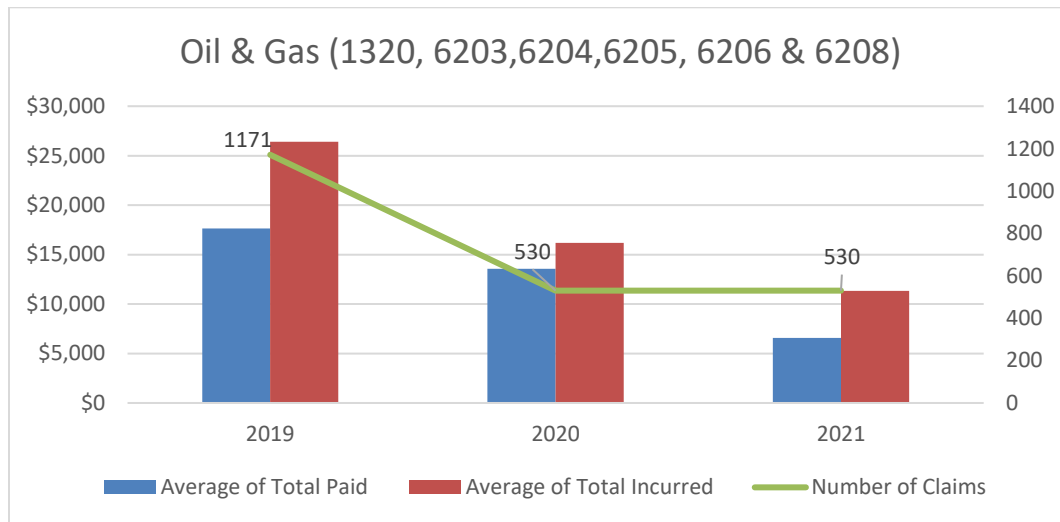
Minimal preventive outreach toward this industry was noted when reviewing the presentations, booths, and webinars listing.

After identifying five high-risk industries based on high claim frequency, we shifted our focus to severity. The following five industries exhibited high severity (based on total cost incurred) and had a frequency of claims greater than 1000 for the three-year reporting period:

6. Oil & Gas (1320, 6203, 6204, 6205, 6206 & 6208)

The Oil & Gas industry has the highest average cost incurred per claim of all the industry groupings having more than 1000 claims. However, the severity of claims has been steadily declining over the three-year period. The frequency of claims is also decreasing. The number of claims reported in 2020 declined by 55% in frequency from 2019, and then the number of claims reported remained stable between 2020 and 2021. Please note that there is one outlier claim in this industry that occurred in 2019. If this claim were excluded from the data set, this industry would still have the highest total cost incurred, and the chart below would still show a decreasing severity trend over the three-year period, but the average cost incurred in 2019 would be just under \$20,000 instead.

Chart 2.6 – Number of Claims and Average Costs for Oil & Gas (1320, 6203, 6204, 6205, 6206 & 6208)



- Strain or Injury by: Miscellaneous Strain claims were the most frequent cause of claim, followed by Miscellaneous Fall or Slip.
- Struck or Injured by: Motor Vehicle claims were the most severe claims in this industry but there were only five claims of this type (the outlier claim mentioned above fell into this cause category). Caught In, Under or Between: Machine or Machinery was the second most severe category, followed by Struck or Injured by: Falling or Flying Object.
- The three most frequent parts of body affected were the shoulder, knee, and lumbar (low back). In terms of total cost incurred, the neck was the most severe part of body affected, followed by the shoulder.
- 77% of the claims in this industry were reported by the following four occupations: Driver/Sales Workers and Truck Drivers; Helpers—Extraction Workers; Laborers and Freight, Stock, and Material Movers, Hand; and Other Extraction Workers. These four occupations represent 88% of the total cost incurred.

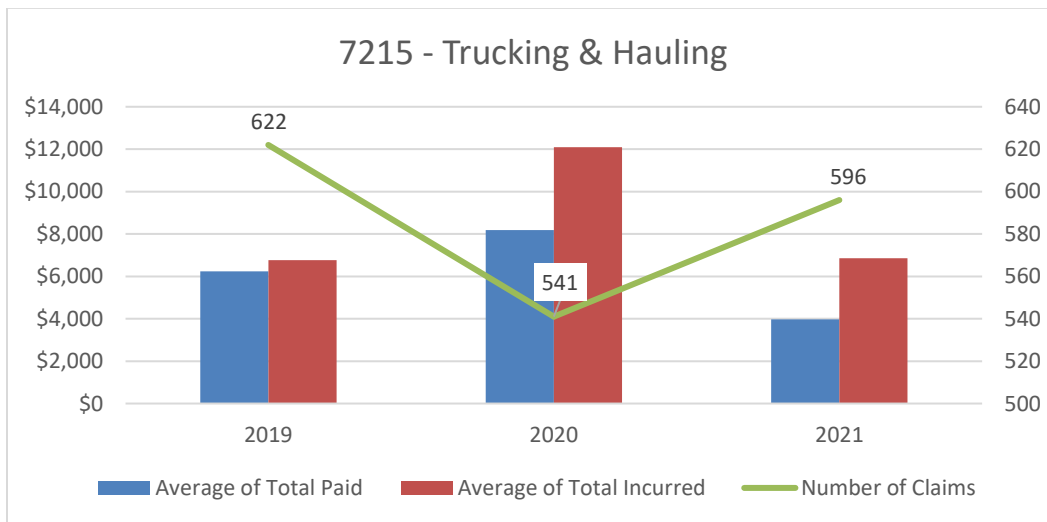
Significant outreach has been directed toward the oil and gas industry by Loss Control in the form of presentations, booths, and webinars. Choices in Safety and other general safety topics were most often presented to this group.

Additionally, WSI has allied with several safety associations within this industry. ND Petroleum Council has received a STEP grant through WSI since 2019 to provide training and education to their association members. One Basin – One Way training is a standardized safety orientation program that was developed by Producers and Contractors in the Bakken for Contractors that work in the Bakken. For example, in 2021, 9376 employees completed the 4-hour training, and 2815 employees completed the refresher training. This is also discussed further below in the section titled Industry Based Outreach.

7. 7215 - Trucking & Hauling

For this category, there is one outlier claim that occurred in 2020. If this claim were removed from this category, it still would remain the second most severe industry grouping, but the average total incurred in 2020 would be closer to that of 2019 and 2021.

Chart 2.7 – Number of Claims and Average Costs for 7215 - Trucking & Hauling



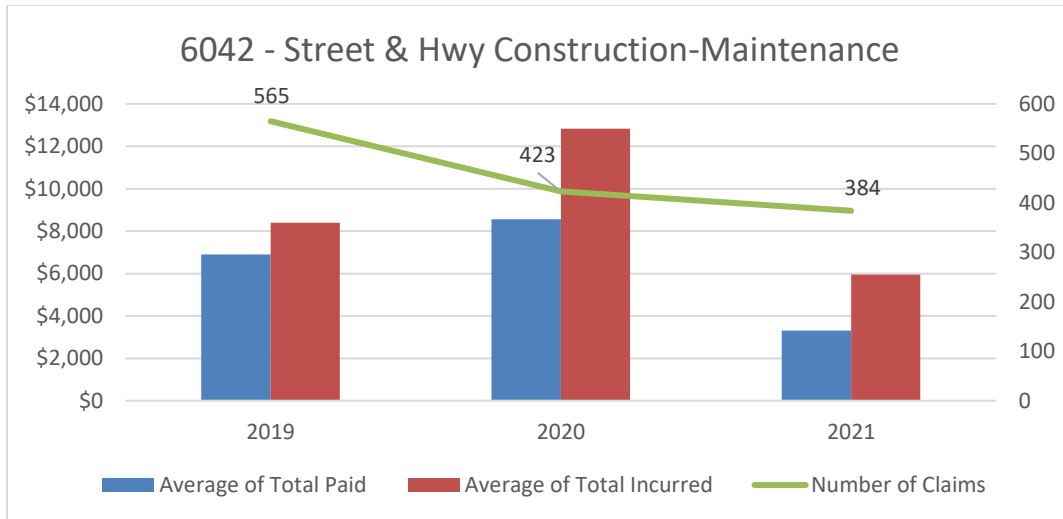
- Strain or Injury by: Miscellaneous Strain was the most frequent cause of injury for this industry.
- The most severe causes of injury were Fall, Slip, or Trip Injury: From Different Level, Fall, Slip, or Trip Injury: On Ice or Snow, and Strain or Injury by: Miscellaneous Strain.
- The most frequent part of body affected was Lumbar (Low Back), followed by the shoulder. Interestingly, these parts of body along with the Cervical (Neck) were also the most severe part of body affected in this industry.
- Driver/Sales Workers and Truck Drivers was the most frequent occupation affected, accounting for 66% of the number of claims and 78% of the total cost incurred.

Outreach by Loss Control to this industry was observed on the presentations, booths, and webinars listing. It included topics such as Navigating the WSI Safety Programs in the Trucking Industry, Loss Control educational materials, and Choices in Safety. Also, ND Motor Carriers has received a STEP grant since at least 2016 to help provide funding for their annual conference which provides training and education to their members.

8. 6042 - Street & Hwy Construction-Maintenance

The number of claims in this industry have steadily declined from 2019 to 2021. This category contains one outlier claim from 2020 that if it were excluded, this industry grouping would rank lower, just under 5410 - Building Construction in terms of total incurred for the industry group. Please note that this rate class does not appear on WSI’s website (under Safety/Forms and Resources/Industry Trends) of the 14 high-risk industries for which Detailed Claims Analysis reports are available.

Chart 2.8 – Number of Claims and Average Costs for 6042 - Street & Hwy Construction-Maintenance



- Strain or Injury by: Miscellaneous Strain was the most frequent cause of injury. Fall, Slip, or Trip Injury: Miscellaneous Fall or Slip was both a frequent and severe cause of injury for this industry.
- Of the five most severe causes of injury for this industry, three were vehicle related: Miscellaneous Motor Vehicle, Struck or Injured by: Motor Vehicle, and Motor Vehicle: Vehicle Upset. These three categories accounted for 43% of the total cost incurred for the three-year period.
- Shoulder is the most frequent part of body affected in this industry, and it would have also been the most severe part of body category were it not for a single, severe MVA that affected the brain. Lumbar (Low Back) claims were the second most frequent.
- Laborers and Freight, Stock, and Material Movers, Hand; Heavy Vehicle and Mobile Equipment Service Technicians and Mechanics; and Driver/Sales Workers and Truck Drivers were the three

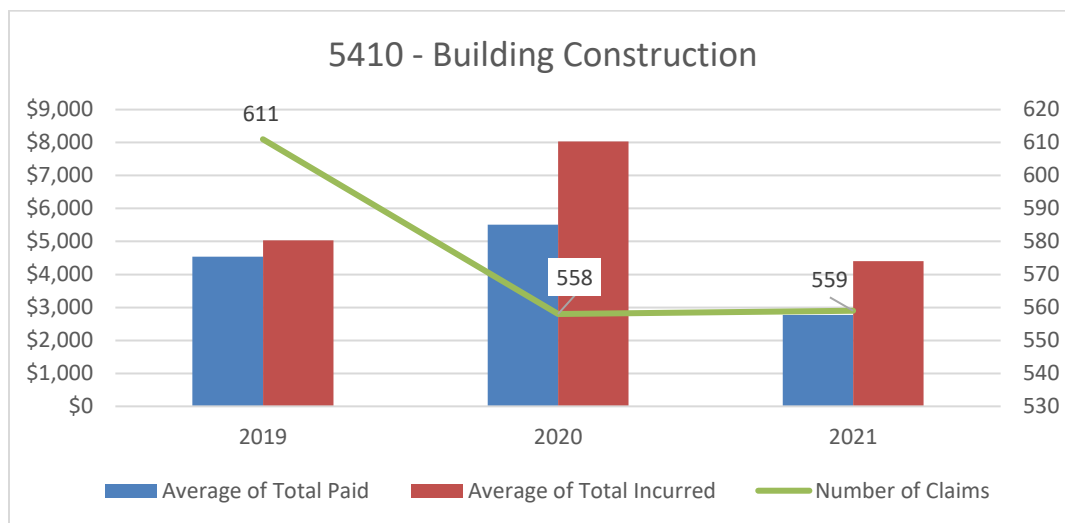
most frequent occupations affected in this industry.

Some outreach by Loss Control to this industry is recorded on the presentations, booths, and webinars listing but it was unclear what specific topics were covered. Also, the Associated General Contractors (AGC) and the ND Construction Council have received STEP grant funding and may provide industry specific resources.

9. 5410 - Building Construction

The number of claims in this industry declined from 2019 to 2020 and remained stable in 2021. One outlier claim occurred in this industry in 2020. If this claim were removed from this category, the average total incurred would have been slightly but steadily declining each year from 2019 to 2021.

Chart 2.9 – Number of Claims and Average Costs for 5410 - Building Construction



- The most frequent cause of injury for the Building Construction industry is Foreign Body in Eye (accordingly, the most frequent part of body affected was the eye). However, this cause of injury is not the most severe for the industry, as these types of claims average only \$343 in total cost incurred.
- The next three most frequent causes of injury are Cut, Punctured, Scrape Injured by: Objects Being Lifted or Handled, Strain or Injury by: Miscellaneous Strain, and Strain or Injury by: Lifting. These three causes of injury together account for 24% of the number of claims in this industry group.
- The two most severe causes of injury in this industry were Fall, Slip, or Trip Injury: From Different Level and Fall, Slip, or Trip Injury: From Ladder or Scaffolding. These two categories together account for 48% of the total cost incurred for this industry. Even if the outlier claim from 2020 (discussed previously) was removed, these two cause categories combined would still account for 35% of the total cost incurred.

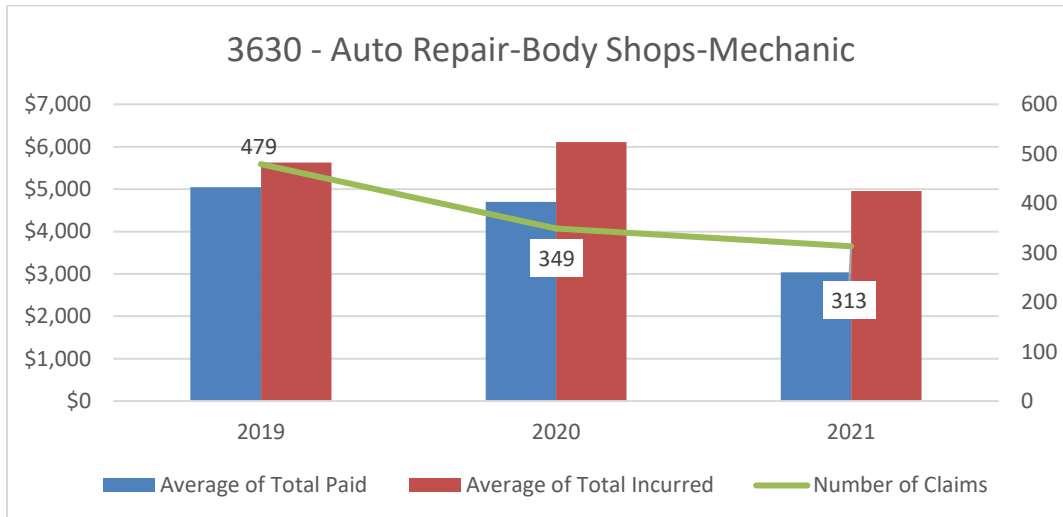
- The second most frequent part of body affected, after the eye, was Lumbar (Lower Back).
- The most severe part of body affected was cervical (neck). Shoulder claims were the second most severe.
- The two most frequent occupations affected in this industry were Carpenters, followed by Laborers and Freight, Stock, and Material Movers, Hand.

Outreach to the construction industry was recorded on the presentations, booths, and webinars spreadsheets. Topics most often include PPE and Choices in Safety. Additionally, ND WSI has partnered with several safety associations within this industry (discussed further below in the section titled Industry Based Outreach). For example, the Associated General Contractors (AGC) of ND has received a STEP grant through WSI since 2007 providing training and education to their members. Examples of the training that was provided include OSHA 10, OSHA 30, Trenching & Excavation, MSHA Part 48 New Miner Training, Confined Space, Design & Control of Highway Workzones, Hydrogen Sulfide (H2S) and Benzene Awareness, and Naturally Occurring Radioactive Material (NORM). Also, consistent monthly member contacts and consultations occur.

10. 3630 - Auto Repair-Body Shops-Mechanic

The number of claims in this industry has steadily declined over the three-year period.

Chart 2.10 – Number of Claims and Average Costs for 3630 - Auto Repair-Body Shops-Mechanic



- The most frequent cause of injury for the Auto Repair-Body Shops-Mechanic industry is Foreign Body in Eye (accordingly, the most frequent part of body affected was the eye). However, this cause of injury is not the most severe for the industry, as these types of claims average only \$385 in total cost incurred.
- The next three most frequent categories of injury for this industry are Cut, Punctured, Scrape Injured by: Objects Being Lifted or Handled, Strain or Injury by: Miscellaneous Strain, and Struck or Injured by: Object Being Lifted or Handled.

- The most severe cause of injury for this industry is Struck or Injured by: Object Being Lifted or Handled.
- The most severe part of body affected was the shoulder, followed by lower leg.
- The most frequent occupation affected by this industry is Maintenance Workers, Machinery.

Some outreach by Loss Control specifically to this industry group is recorded on the presentations, booths, and webinars listing and it appears that general safety topics were covered.

As a summary comment about all industries, WSI has partnered with the North Dakota Safety Council through a STEP grant to help fund their annual conference which provides training and education to all areas/industries, including the ones listed above since 2007. Prior to Covid, the conference would draw anywhere between 800-1000 participants and vendors.

Industry Based Outreach

WSI Loss Control does organize broad-based safety campaigns by industry. For example, the Region 8 alliance with OSHA, NIOSH, the State of North Dakota and the Bakken Basin Safety Consortium was created to collectively “provide North Dakota’s employers and workers with information, guidance, and training resources on hazard recognition and prevention within the oil and gas industry upstream and midstream operations. The Consortium and its members agree to work collectively with OSHA, NIOSH, and ND State Agencies on implementing a robust safety systems approach to advance the health and safety of employees within the oil and gas industry. The overarching goal of this Alliance is to reduce the number of occupational exposures to physical and chemical hazards, which can result in injuries and fatalities.”¹

For the construction and energy services industries, there is a Region 8 alliance between OSHA and the Coalition of Trench Training Partners, including North Dakota Workforce Safety & Insurance (WSI) and the North Dakota Safety Council (NDSC). The goal of the alliance is “to provide North Dakota’s employers and workers with information, guidance and training resources that will assist them in implementing a robust systems approach to advancing the health and safety of employees within trenching and excavating in the construction industry and the energy services industry. The overarching goal of this Alliance is to reduce the number of occupational exposures to physical and chemical hazards, which can result in injuries and fatalities.”²

There is also an agreement between WSI and the Coalition of Trench Training Partners, including the North Dakota Safety Council (NDSC), the Associated Builders & Contractors (ABC) of Minnesota & North Dakota, the Associated General Contractors (AGC), the Energy Coalition for Contractor Safety (ECCS), North Dakota One Call, and Bakken Basin Safety Consortium. The alliance is organized to “provide North Dakota’s employers and workers with information, guidance and training resources that will assist them in implementing a robust systems approach to advancing the health and safety of employees within trenching and excavating in the construction industry and the energy services industry. The overarching

¹ Taken from https://www.osha.gov/alliances/regional/region8/renewal-agreement_20211215

² Taken from https://www.osha.gov/alliances/regional/region8/agreement_20180503_0

goal of this alliance is to reduce the number of occupational exposures to physical and atmospheric hazards, which can result in injuries and fatalities.”³

WSI also offers support toward and presence in organizations and associations providing safety educational and networking like the Petroleum Education Council (PEC), North Dakota Rural Co-op, and the Firefighters Association.

Additionally, WSI Safety Consultants collaborate with local safety associations in planning, attending and co-hosting safety workshops, seminars, and meetings where like industry or area employers may gather for training, education and networking related to safety. Associations they currently partner with are:

- ASSE – Northern Plains Section
- Badlands Safety Association
- Minot Area Safety Association – MASA
- Northern Occupational Safety & Health Association – NIOSH
- North Central Safety Association – NCSA
- Northern Region Association of Safety Professionals
- Southwest Area Safety Association – SASA
- Tri-State Safety Association – TSSA
- Williston Area Safety Association – WASA

Since before this audit period, the use of social media (Facebook, LinkedIn, and Twitter) has been in place as a way for WSI to convey information on upcoming safety education events including webinars, workshops, and conferences, as well as providing links to articles on preventing injuries of a specific nature or within specific industries. Notice of upcoming events and webinars are also posted on the WSI website under the Safety tab.

The Safety Training and Education Program (STEP) is another way that WSI can target prevention efforts toward specific industries. As an example, One Basin - One Way! is a safety orientation program for the Oil/Gas industry for whom WSI provides scholarships. This organization has also received a STEP grant for their education programs.

Some Loss Control initiatives may target certain types of injuries that are prevalent in certain industry groups. As an example, the Slips, Trips & Falls Program was added as a Safety Action Menu program following a recommendation from the 2018 performance evaluation. To create and implement the program, an internal team was formed to review data and develop program criteria. Guidelines were established, a brochure was designed, and the program was launched in January 2019. As part of the launch, trend analysis documents were generated to depict slip, trip, and fall trends by rate class and made available to the public. Two examples that we received include one created for the Oil & Gas industry and another for Building Custodian, Janitorial Services.

³ Taken from https://www.osha.gov/alliances/regional/region8/renewal-agreement_20210621

The Loss Control team also partnered with other State agencies and the ND Health Department to create the North Dakota COVID Taskforce. The Taskforce provided COVID based workplace training via webinars and worked with employers that had multiple workplace COVID exposures or positive cases.

Finally, WSI Safety Consultants are located within the geographic region in which they work. This promotes more ready access to Loss Control services and lends employers a resource with an expansive knowledge base related to businesses and practices within their region of operations.

Recommendation 2.1 (Medium Priority): Consider developing more initiatives specific to the high-risk industry groups identified within the first half of this report. Maybe explore the initiation of online campaigns promoted for a specific duration of time. The approach to the initiatives could possibly model that used by Federal OSHA for the Safe+Sound event held annually in August, or their Fall Prevention Stand-Down held annually in May. Additionally, consider using the timing of the Federal initiatives or National Safety Council initiatives as leverage for launching WSI initiatives. The Detailed Claims Analysis reports by industry that are shared online could serve as industry-based benchmarks to compare performance, both before and after, focused initiatives.

WSI Response: Concur. WSI will consider developing more initiatives specific to the high-risk industry groups identified under element 2 within Part One: Industry Trends as well as information provided under the Industry Based Outreach section.

Recommendation 2.2 (Low Priority): Evaluate the viability to create and maintain webpages dedicated to specific industries. The webpage would be a central place to access any industry-based resources, such as local associations, alliances, events, organizations, safety tip sheets, data, etc.

WSI Response: Concur. WSI will evaluate the viability to create and maintain webpages dedicated to specific industries.

Part Two: Employer Trends and Outreach

Employer Trends - Proactive Indicators

According to a Federal OSHA publication, “leading indicators are proactive, preventive, and predictive measures that provide information about the effective performance of your safety and health activities. They measure events leading up to injuries, illnesses, and other incidents and reveal potential problems in a safety and health program. In contrast, lagging indicators measure the occurrence and frequency of events that occurred in the past, such as the number or rate of injuries, illnesses, and fatalities. While lagging indicators can alert you to a failure in an area of your safety and health program or to the existence of a hazard, leading indicators allow you to take preventive action to address that failure or

hazard before it turns into an incident. A good program uses leading indicators to drive change and lagging indicators to measure effectiveness.”⁴

Examples of leading indicator metrics may include but would not be limited to the tracking of hazards and corrective actions identified prior to an injury, illness, or incident, performing regular safety inspections, tracking results from behavioral based safety observations and coaching, conducting committee meetings, measuring the transfer of training to the job, or tracking the number of brake pads changed on fleet vehicles every 30,000 miles. In accordance with SMART principles, they should be Specific, Measurable, Accountable, Reasonable, and Timely, lending the ability to deal with immediate progress and show the likelihood of achieving a loss control goal.

Upon review of Loss Control practices, the following information related to promoting the use of leading indicators was identified:

- Enrollment criteria of the Safety Management Program (SMP) requires that an employer analyze safety performance using leading indicators which measure activities and processes implemented to prevent injuries. They must also monitor lagging indicators which measure post-injury data and provide evidence of enforcing safety policies, rules, and procedures. Part of the measures include a hazard recognition program that identifies, corrects, and controls physical hazards and safety system deficiencies to include a minimum of four inspections per premium year. The employer’s compliance with the program requirements is audited annually by a WSI Safety Consultant.
- Audit notes along with employer files on CAPS confirmed that the Safety Consultants inquire with program participants about their practices around performing and tracking inspections, corrective actions, and training.
- The Learning Management System catalog provides a limited number of modules with education about leading and lagging indicators that explain what they are and what portions can be controlled.
- A local safety association and an industry specific association each received a presentation about indicators from Safety Consultants during the second quarter of 2019.
- All analytical reports generated for employers provide metrics on lagging indicators. These numbers cannot be managed as they reflect that which has already occurred, but they can be used to make changes.

Recommendation 2.3 (Low Priority): To increase awareness as to the value of applying leading indicator methodologies within their safety practices, consider providing additional educational materials and training sessions about indicators, or perhaps promote the topic of leading and lagging indicators as a new outreach initiative.

⁴ Taken from https://www.osha.gov/sites/default/files/publications/OSHA_Leading_Indicators_Guidance-07-03-2019.pdf

WSI Response: Concur. WSI will provide employers educational materials regarding leading indicators and re-emphasize the use of leading indicators as part of the Safety Management Program criteria.

Employer Trends - Collaborative Loss Control Between WSI Departments

To identify and assess sources of proactive indicators that may be available and exchanged for use within WSI, the audit team met with key managers in the Employer Services and Injury Services departments. For this portion, the Chief Operating Officer, Chief of Employer Services, Director of Policyholder Services, Employer Premium Compliance Officer, Director of Claims, and the director and managers of Loss Control were interviewed.

During each interview, inquiry was made as to the types of proactive benchmarks that were in place for identifying employers with a high risk for loss, and at what point information about those employers was exchanged between Policyholder Services and Loss Control or Claims and Loss Control.

Dialogues with Policyholder Services revealed that information is regularly shared from underwriters to Loss Control management upon initially registering an employer under a WSI policy, when an employer receives notice of an increase in premium and contacts WSI wanting to reduce their experience rating, and when contacted by an employer requesting information about the safety incentive programs or other Loss Control services. Although Policyholder Services reviews experience factors regularly as part of the annual policy renewal, there is no trigger mechanism in place throughout the policy year to notify Loss Control directly of increasing rates. Our audit team anticipated that the premium compliance specialist may generate notices of Loss Control needs proactively while working with employers; however, referrals were found to be minimal in this relationship since the primary focus of this role is to target employers not yet enrolled in the North Dakota worker's compensation program.

Next, through conversation with Claims Management, it was verified that their interactions with Loss Control primarily commence after an injury or illness has already occurred. Additionally, Loss Control advised that their practices are not to become involved with claims management or adjudication beyond listening and then generating a referral to the Claims team. There are procedures in place requiring completion of a referral form (C173) from Claims to Safety Consultants for very serious types of incidents (burns, fatalities, and loss of limbs). However, while some claims examiners and adjusters watch for and report to Safety Consultants when a trend of injury types is observed for an employer or a group of employers, there is no mandatory procedure requiring the Claims team to generate referrals for injury or illness trends.

In summary, standard practices of other departments collaborating with Loss Control on proactively reducing an employer's experience rating or injury trend were found to be limited.

Recommendation 2.4 (High Priority): Consider establishing a threshold for experience ratings which triggers Loss Control employer outreach throughout the policy year. In coordination with Policyholder Services, consider comparing the premium to total paid claim amount quarterly. For employers found to have claim expenses equating 60% of their premium or greater, consider establishing that point as a

threshold for a Safety Consultant to reach out with a trend analysis and recommend loss control objectives to prevent further escalation of losses.

WSI Response. Concur. WSI will consider establishing a threshold for experience ratings with policy holder services which triggers Loss Control outreach throughout the policy period.

Recommendation 2.5 (High Priority): Consider establishing a process in Injury Services requiring patterns of injuries and illnesses, like multiple knee injuries or injuries caused by lifting trailer cargo doors (as an example), be reported to the Safety Consultant covering the employer’s region.

WSI Response: Partially concurs. This process currently exists within WSI claim procedures and is employed in referrals for worksites with high injury frequency. WSI will ensure additional training to cover these instances.

Employer Trends – Standard Reports

After injuries have been reported, there are several ways that WSI uses the claims data to identify outreach opportunities toward those employers. The following are standard daily, monthly, and quarterly reports that are used by Loss Control in a variety of ways:

1. The **Daily Time Loss Report** is distributed every day to the Safety Consultants, and they indicated it is their most frequently used report. It contains a daily listing of the loss time claims and medical only claims for all employers, not just those participating in a safety program. Claim information (such as the employer, claim number, nature of injury, cause of injury, and injury description) is listed by the Safety Consultant’s name. Where appropriate, the Safety Consultant may choose to reach out immediately to the employer. In some cases, the Safety Consultant may decide to rearrange their entire workday to tend to an urgent matter that appears on this list.
2. The **Target Account** list is created monthly and includes accounts that are renewing their annual premium. This report lists accounts with a surcharge (typically an experience rating above 1) and a premium over \$10,000, but some accounts with premiums less than \$10,000 may be listed if they have an extremely high experience rate. If this list ends up being very lengthy, certain employers may be prioritized for outreach. If an employer is removed off this list for that reason, it will be moved onto the Monthly Target List – Other (see below) so that they will at least receive an informational email regarding WSI’s programs and offerings.

The Target Account list gives each employer’s premium, information concerning the current year’s losses, and experience rates for the most recent 5 years. WSI’s Loss Control Consultant then reaches out to the employers on this list. For accounts who are safety program participants that appear on the list, the Loss Control Consultant will work directly with the assigned Safety Consultant to determine appropriate next steps, which may include meetings, phone calls or correspondence (if action is warranted). For accounts that are not participating in a safety program, the Loss Control Consultant will review their history of claims activity to determine what is driving the experience

rate. The Consultant will also look for injury trends and then determine the course of action needed. That could include a meeting, a phone call, and/or an email correspondence. With these meetings or emails, the Loss Control Consultant might include assessments, trend analyses, miscellaneous claims reports, or other pertinent information. This outreach typically happens within a month's time of the report generation, unless it falls during a busy period of renewals. During busier times, the outreach may take up to six weeks following the generation of the report.

3. The **Monthly Target List – Other** is created monthly based on premium period renewals. It is comprised completely of employers who are not Safety Program Participants, have a premium over \$10,000, have 20 or more employees, and have received a reduction in experience rate. While these employers have a better-than-expected loss experience, Loss Control still reaches out because they want them to know that WSI has many resources and services to help them keep their experience rate low and assist them in their safety efforts. Informational emails are sent to these employers regarding WSI's programs and offerings.
4. The **Monthly Target – New** list is also created monthly based on premium period renewals and is comprised of new accounts which are up for renewal for the first time. The number of accounts that appear on this list can vary, but for now, WSI is including any account with an employer premium over \$2,500. Informational emails are sent to each of these employers regarding WSI's programs and offerings.
5. The **Experience Rate 5 Year Report** is created quarterly by the Safety Consultant Manager and is shared with the team of Safety Consultants and discussed in their meetings. This report lists all WSI accounts who are experience rated, regardless of their safety program participation. It provides the account number, employer name, city, the assigned safety consultant if they are a safety program participant (and the safety consultant based on geography if they are not a participant). It also provides the employers' loss experience rates for the most recent 6-7 years. Additionally, a color-coded graph is included that allows for easy visual identification of accounts whose loss experience rates are increasing (or decreasing). The Safety Consultants use this spreadsheet to monitor the accounts in their area. If they happen to notice an increasing experience rate trend among a client, safety consultants can go into the CAPS system and run several different types of loss reports (these are listed with further description below on page 30). Safety Consultants can also request a detailed trend analysis report from the Loss Control Research Analyst if needed. While Safety Consultants are encouraged to follow up with accounts that are identified on this report as having increasing experience rates, there is no formal defined process or set number of follow-ups that they are to perform at regular intervals; follow-up is performed at their discretion.

Employer Based Outreach

As part of evaluating WSI's outreach to employers we identified a group of North Dakota employers to be interviewed that was equal to 1% of the incentive program participant count as of January 2022. Of the percentage we heard back from and interviewed only five of the employers. We would usually interview a larger population to ensure adequate representation and therefore we considered excluding

the results of this small group, however we believe that the feedback lends insight that could apply to policyholders more globally and benefit WSI's efforts toward increasing usage of services as well as the development of future surveys.

Our approach to the interviews was to select employers displaying an uptick in more severe claims and in some cases an increase in claim frequency. We sought to include a mixture of industries, premium groups, and incentive program participants versus non-participants. Our goal was to determine how such services have been received and implemented.

Thereafter, sixteen questions were composed for presentation to each employer with a focus on the following three areas: the use of WSI training and education resources; metrics and means of proactive prevention offered by WSI other than training; and services received related to prevention of new employee injuries. Next, claim loss runs were previewed to familiarize with existing injury trends, lists of presentation attendees, safety consultations, and training usage were reviewed, and CAPS premiums, experience ratings, active program enrollments, and notes of loss control activities were observed. The results from this employer interview process are listed below:

- Four of the five employers have their own learning management system and/or use training services provided through their primary insurance carrier (for multi-state employers), industry associations or other sources.
- Three of the five have received loss runs or analytic reports through WSI, and most obtained the information directly through their myWSI account.
- Contact from WSI related to trends was limited. In fact, most employers were not aware of their existing claim trends yet in the audit team's review of claims, the trends were identified as ranging from fractures and crushing injuries to lifting and eye injuries. Several employers had high counts of disability cases as a trend as well.
- The discussion of leading indicators by consultants was limited to proof of training and safety inspections which is part of the criteria required for safety management, drug free workplace and other program audits.
- A pattern of injuries occurring within the first year of employment was identified by the audit team within the claims data for four of the five employers, however, the employers' awareness of this trend was absent.
- Additionally, only two employers were familiar with the Safety Orientation System (SOS) offered through WSI which requires focus on new hire safety training and mentoring. One of those two employers has failed completing the program for four consecutive years.
- Most of the employers interviewed do attend local or industry-based safety association meetings or similar conferences and expressed value in having those relationships.

Another means of evaluating outreach was to reference the sample Target Account List (dated September 2021). There were 47 employers included on this target list, only seven of which were already safety program participants. All these employer files were reviewed within the CAPS system. Every employer except one that was not already participating in a safety program(s) received a phone call and/or email from either the Loss Control Research Analyst or the Employer Services Education

Coordinator to discuss the safety offerings of WSI Loss Control.

We also selected 23 employer files for review from the Experience Rate 5 Year Report as of 12/21/21. Employers were selected who were experiencing a recent increase in their experience rating (employers from out of state were omitted from this review). Of the 23 employers we reviewed, eight were already safety program participants. Ten received an outreach call and/or email from Loss Control Research Analyst, three received an outreach email from the Employer Services Education Coordinator, and one received contact by a Safety Consultant. The final employer was contacted by a Safety Consultant after being alerted by the underwriter of an increasing experience rate, and subsequently the employer decided to enroll in the SMP and other safety programs.

As mentioned previously, when the Claims staff is aware that a certain type of serious or catastrophic event has occurred, there is a procedure in place for them to fill out a form (C173) and send it as a referral to Loss Control. Loss Control Safety Consultants also have a practice of monitoring social media (Facebook), consulting legal news, and reviewing accident articles for employer-based outreach opportunities as well.

Next, to determine if WSI regularly follows up with isolated events versus recurring trends we chose to review employer files within CAPS for a limited selection of claims (13) which each had very high total incurred cost within the three-year period. In one case where the employer was not a safety program participant, an accident investigation was documented in the CAPS system soon after the injury occurred. For most of the cases, however, the employers were safety program participants, so the follow-up with these adverse events likely would have occurred as part of the annual safety program audit and would not have been specifically documented within CAPS. There were also a handful of cases where employers were not safety program participants and we did not observe documentation of follow-up in the CAPS system, but it is possible they might have received follow-up in a more informal way. Incidentally, some of these cases were coded as having a burn or amputation nature of injury, and this should have triggered an automatic referral from Claims to Safety Consultants.

Lastly, another means of employer-based outreach used by WSI includes inserting flyers with information about WSI's Loss Control services into the envelope sent to employers with their premium billing statement.

Recommendation 2.6 (High Priority): Consider ensuring that Claims staff is aware of and following the set criteria for generating a C173 and sending it to Loss Control promptly. It is important that Safety Consultants be able to conduct accident investigations and root cause analyses as soon as possible after the incident occurs. Not only does this allow them to provide the most accurate investigation, but it also can ensure that employers can mitigate risks as soon as possible.

WSI Response: Partially concurs. This process exists and is employed. It currently requires the exercise of Adjuster judgment and there are suggested parameters within the current procedure. WSI relies upon Adjuster judgment and will ensure additional training, but the

recommendation requires concrete criteria for generating the form and that creates additional inefficiencies.

Employer Based Data Resources

Once specific employers have been identified as being a potential customer for safety services (i.e., whether they were noted on the Target Account list, noted on the Experience Rate 5 Year report, or identified through a Policyholder Services interaction), there are a variety of reports available to both Safety Consultants as well as the employers themselves that give a deeper dive into potential trends. These reports can be run automatically using myWSI by either employers or safety consultants. The ability to use myWSI to automatically generate reports by employers and Loss Control alike is a huge advantage that has been added since the previous performance evaluation. These reports include the following:

- **Loss Run - Active Claims.** This report lists all the open claims for a specific employer.
- **Frequency Ratio Report.** This report lists all the claims accepted in the reporting period.
- **Loss Run Detail Report.** This report shows all the claims filed in the reporting period. The loss run detail report also includes numbers of claims by part of body, cause of injury, and nature of injury.
- **Severity Report.** This report lists all the claims from the past 5 years that had lost time, along with information concerning the claim status and the total costs.
- **Employer Data-At-A-Glance.** This report is a one-page document that graphically shares an employer's top trends in cause of injury, nature of injury, part of body, experience rate, year of employment, and age. Claim counts and brief financial information are also given.
- **Employer Safety Dashboard (safety program participant).** This report gives information for the most recent 5 years regarding payroll, premium, number of employees, experience rate, dividend credit, safety program participation, number of claims, total cost incurred, lost time days, nature of injury (top 5), part of body (top 5), cause of injury (top 5), age of employee, time of injury, gender of employee, length of employment, LMS courses completed, grants, OSHA 10 course completions, and OSHA 30 course completions.
- **Employer Safety Dashboard (non-program participant).** This report provides information regarding the number of claims reported and total cost incurred. Then both frequency and severity information are broken down by nature of injury (top 5), cause of injury (top 5), part of body (top 5), side of body, gender, age, age and year, length of employment, day of injury, month of injury, and time loss versus medical only claims.
- **Employer Trend Analysis (non-program participants).** This is a 20+ page report that gives an employer more detailed information for the most recent 5 years concerning many of the same elements as listed in the dashboard report above, as well as additional information concerning potential savings they would receive if they enrolled in the maximum allowable safety discount and information regarding time loss versus medical only claims. The creation of this report was a collaborative effort between Policyholder Services and Loss Control, and it provides numbers related to both frequency and costs (severity).

- **Employer Trend Analysis** (safety program participant). This report is the same as what is described above for a non-participant, except sections regarding experience rate, dividend credit, potential savings for safety program participation, ergonomics participation, LMS courses completed, and OSHA 10/30 courses completed.
- **Projected Experience Rate.** WSI Loss Control generally strives to avoid the financial aspects of claims where possible, however financials are always a factor of risk and safety. Therefore, the Loss Control Research Analyst began creating analyses for use during high-risk outreach. The analyses shared with high-risk employers lends a comparison of experience ratings by taking the existing rating and re-calculating it to reflect what the rating would have equated if certain severe claims were removed from the equation or if a worker had been returned to work versus remaining on wage loss.

Recommendation 2.7 (Low Priority): As a means of benchmarking, consider providing employers education about calculating and comparing Total Recordable Incident Rates (TRIR) to industry averages provided by the Federal Bureau of Labor and Statistics (BLS)⁵. Below is a sample of the formula used for calculating a total recordable incidence rate (TRIR). The link included in the footnote provides access to tables of average incident rates compiled by the BLS.

Formula (by calendar year):

Number of OSHA Recordables Company x 200,000 hours / Total hours worked by Company

For example: If a company's total number of recordable incidents for the year is 4 and the total number of hours worked for the company was 425,030, then that company's formula would look like this:

4 x 200,000 / 425,030 = 1.88

WSI Response: Concur. WSI will consider providing employers education about calculating and comparing TRIR to industry averages provided by BLS.

Recommendation 2.8 (High Priority): We understand that the cause codes that WSI uses for claim data is the system developed by the Workers Compensation Insurance Organizations (WCIO). WCIO cause codes have broad categories and then more specific codes within those broad categories. In reviewing the standard reports described above, certain reports offer one portion of the code/descriptor but not the other. As we think the grouping is significant, WSI should consider amending certain reports so that clarity is achieved. For example, "Cut, Puncture, Scrape Injured by" is one of the broad categories, and "Objects Being Lifted or Handled" is one of the detailed codes that fall within that category. Having both portions of the code where appropriate can provide a more complete picture of how the injury occurred.

WSI Response: Concur. WSI will consider amending the identified reports for inclusion of the full Cause Category and Cause Code.

⁵ Taken from https://www.bls.gov/web/osh/summ1_00.htm

Recommendation 2.9 (Medium Priority): When a first report of injury is received without time of injury information, consider recording the time as “unreported” rather than 12:00 AM, so that the pie charts included on the Employer Trend Analysis (both versions, for safety program participants as well as non-safety program participants) show separate categories for unknown times versus those that did occur between 12:00 and 12:59 (during the third shift).

WSI Response: Concur. WSI will consider coding the time of injury for claims that do not contain time of injury information as “unreported” for Employer Trend Analysis reports.

Part Three: Loss Control Training and Education

There are various means of obtaining training and education associated with WSI Loss Control. One option available for use is the Learning Management System (LMS) launched by WSI in 2006 and operated under contract on a SABA Software, Inc. platform which provides 15,000 user designations. The system currently provides over 450 safety courses available to all policyholders whose premium payment is current, and it is complimentary 24-hours/day, 7 days/week. Employers may establish use of the system for Safety Action Menu (SAM) programs, stand-alone administrators, individual learners, and new hire or group training. This system is also utilized by WSI internally for WSI employee training. The content is categorized into the following fourteen sections, many of which include Spanish versions:

Construction & Heavy Equipment Safety	Health & Wellness
Electrical Safety	Healthcare
Ergonomics	HR & Employment Liability
Driver Safety	Laboratory Safety
Environmental Safety	Semiconductor Safety
General Safety	Transportation Safety
Health & Safety Management	Mini-Modules

A second option is a separate learning platform established in 2014 and dedicated to OSHA 10-hour general industry and construction training online. This system was expanded in 2019 to include OSHA 30-hour construction training. The OSHA courses have Federal requirements for both the training provider and the learner as well as fees associated with providing the courses. The costs for these OSHA courses are waived by WSI if a course is completed within the mandated six-month time frame and completion otherwise adheres to Federal completion requirements. If Federal requirements are not met by the learner, the incurred costs are then billed direct to the employer.

A third option for training and education is facilitated through the Safety Training and Education Program (STEP) grants made available through WSI. The purpose of the grants is to assist specialized

trade associations or employee organizations across the state with providing opportunities in safety education and networking for area employers. Recipients of STEP grants are supported by the WSI Loss Control team through participation in their events and all North Dakota employers are encouraged to attend the events.

Lastly, the Loss Control team members themselves serve as an additional source of education and training, offering in-person and webinar sessions to individuals and groups of employers.

Monitoring Use of Training and Education Resources

Various methods of measure exist to assess the usage of these resources. One form of measuring use of the Learning Management System began when the initial LMS platform was launched in 2006 and continues to occur today. The LMS software lends ability for Loss Control to run numerous reports which either summarize or capture detailed data for any user drilled down to the time of login into the system or identifying the browser used for access. The use of more detailed reports is generally limited to troubleshooting technical problems, providing specific documentation for an employer request, or the audit of SAM or OSHA 10-hour and 30-hour program participants.

The standard report for measuring usage of the LMS and OSHA resources is the LMS-OSHA report which is run annually near the end of the calendar year and occasionally run a second time around July 1. The content is extracted from both the LMS and the OSHA platforms into an Excel spreadsheet providing the number of courses completed by each employer within a given time frame. The information may be broken down by individual users as needed, or when used for a group presentation, the employer is required to complete and submit to WSI a copy of their group training sign-in sheet to be added to WSI's usage data.

A separate report titled LMS Course Breakdown is generated as needed and provides a measure of usage per individual courses. It also displays a calculation of the expense saved by the employer due to using the WSI system versus purchasing the training directly through Underwriters Laboratory. Displayed in Tables 2.1 and 2.2 below are excerpts of information shared when requested for WSI Board and or interim legislative committee meetings to evaluate the use of public funding.

Table 2.1 – LMS Course Breakdown

LMS Course Breakdown (SABA Software, Inc.)							
Completions by Course Name							
Course Name	On Demand Cost	2019	Savings	2020	Savings	2021	Savings
15 Passenger Van Safety	\$19.95	0	\$0	1	\$19.95	3	\$59.85
Access to Medical and Exposure Records	\$19.95	106	\$2,114.70	257	\$5,127.15	7	\$139.65
Ammonia Awareness	\$19.95	34	\$678.30	28	\$558.60	1	\$19.95

Table 2.2 – Course Completions

LMS Course Completions				
Year	2019	2020	2021	Total
Total	97,090	91,519	86,877	275,486
OSHA 10 Completions				
Year	2019	2020	2021	Total
Total	593	471	276	1,340
OSHA 30 Completions				
Year	2019	2020	2021	Total
Total	31	48	41	120

Other means of monitoring and utilizing course completion data include:

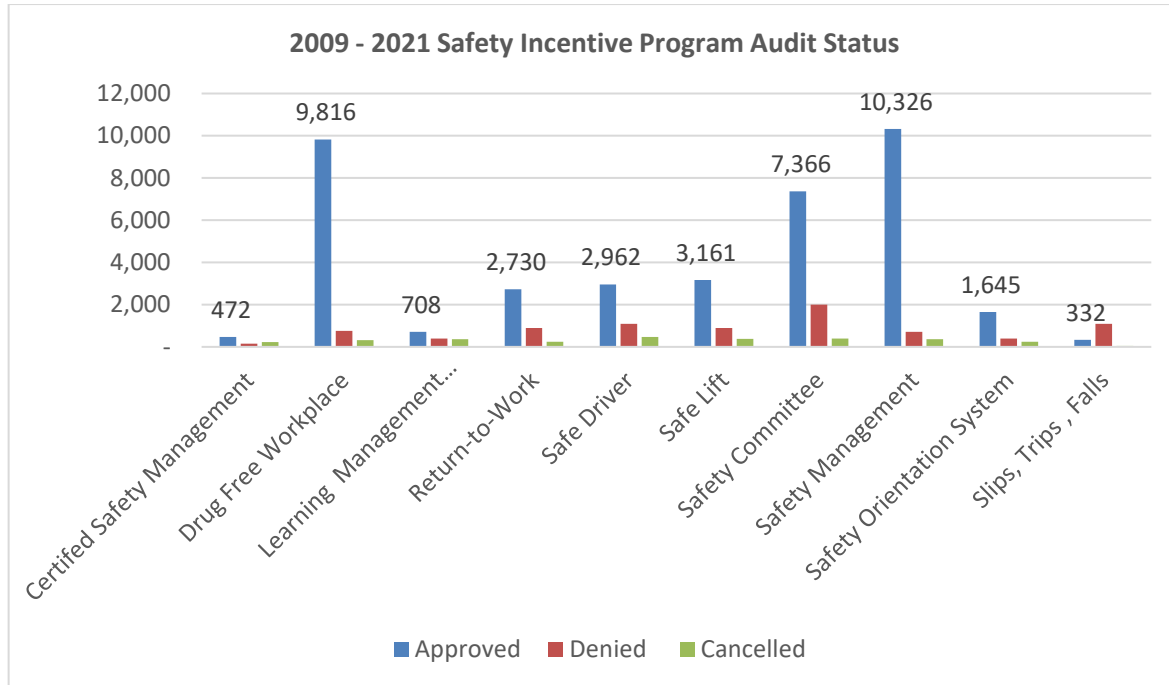
- An internal LMS-OSHA10 report that is updated after each safety program renewal and the recording of a stand-alone user. It is stored on the Loss Control team’s channel as a monitoring tool used by the team.
- Uploading course completion counts monthly into individual employer dashboards located in the CAPS system. This allows the numbers to be readily available for employers to monitor and for the Loss Control team to confirm frequency and counts while performing audits on program participants.

Next, to monitor use of training and education as it pertains to participation in the Safety Incentive Program (SIP), the Loss Control team performs an audit on participants at least annually. To ensure compliance to the criteria within a program, Safety Consultants apply a combination of the reviewing

employer training records, observing employer sites and practices, reviewing other employer records, using the LMS-OSHA10 report, and more. The application of this practice was confirmed by our audit team by randomly reviewing system reports and employer files within the CAPS system.

A summary of the audit efforts applied toward programs and performed by the Loss Control team is shared below in chart 2.11.

Chart 2.11 – 2009 - 2021 Safety Incentive Program Audit Status



Other considerations in evaluating participation included a review of the Injured Workers’ Employer Surveys that were referenced in another section of this report as they repeatedly mentioned that employers with smaller premiums tend to not engage in loss control services. Although it is acknowledged that WSI Loss Control continually strives to raise awareness about their services and increase the volume of employers using Loss Control resources we offer the following perspectives on educational and training usage among policyholders who are not enrolled in WSI safety programs.

Displayed in Table 2.3 below are numbers comparing the total number of policyholders, to enrolled program and non-program participants.

Table 2.3 – Number of Safety Incentive Program Participants Versus Non-Participants

Safety Incentive Program Participants Versus Non-Participants					
Valuation Month	WSI Accounts YTD	Program Participants YTD	% of Premium Paid by Participants YTD	Non-Program Participants YTD	Source
Mar 2021	24,574	1,325	43%	23,249	Loss Control
Jan 2022	26,192	1,225	45%	24,967	Loss Control
Jun 2022	24,524	1,292	Undefined	23,232	Audit Team

Additionally, the list below provides enrollment counts for the individual safety programs. Most program participants are enrolled in more than one program; therefore these numbers will exceed the participant numbers noted in the table above.

- **Certified Safety Management.** There are currently 88 participants in this program.
- **Drug Free Workplace (DF).** There are currently 1211 participants in this program.
- **Learning Management System (LMS).** There are currently 114 participants in this program.
- **Return to Work/Designated Medical Provider (RTW/DMP).** There are currently 569 participants in this program.
- **Safe Driver (SD).** There are currently 395 participants in this program.
- **Safe Lift (SL).** There are currently 369 participants in this program.
- **Safety Committee (SC).** There are currently 881 participants in this program.
- **Safety Orientation Systems (SOS).** There are currently 367 participants in this program.
- **Slips, Trips & Falls (STF).** There are currently 246 participants in this program.
- **Safety Management Program (SMP).** There are currently 1250 participants in this program.

Then, to glean insight on the volume of non-program participants who utilize the free educational resources even though they are not enrolled in one of the programs refer to Table 2.4 displayed below which summarizes program participation as of June 2022.

Table 2.4 - Training Utilization by Safety Program Participation

Number of Active Accounts		
Non-Safety Participants	23,232	
Training is not utilized	23,144	99.62%
Training is utilized	88	0.38%
Safety Program Participants	1,292	
Training is not utilized	758	58.67%
Training is utilized	534	41.33%
Grand Total	24,524	

Lastly, through our discussions with Employer Services staff, interviews with policyholders, and reviews of statements within the Injured Workers’ Employer Survey’s the following factors were revealed as some of the rationale behind employers not utilizing the Safety Incentive Program, Learning Management System, OSHA, or consultation services:

1. Some employers already have an orientation, lifting, accident investigation or like program in place.
2. Some employers are utilizing training programs offered through their primary insurance carrier.
3. Some have operations in multiple states and therefore a preference to only use practices or concepts that can be applied globally versus in North Dakota only (Refer to number 2 above).
4. Their legal counsel has advised to stay clear of enrolling in state programs.
5. Small employers can be difficult to convince to buy an inexpensive electronic tablet for use in improving their tracking or training delivery let alone convincing them to enroll in a comprehensive program or learning system.
6. Some employers may not feel entitled to services if not enrolled in an incentive program.
7. Smaller policy sizes were less likely to be familiar with educational services offered related to safety and loss control, WSI’s safety initiatives, and the resulting awareness of maintaining a safety work environment.
8. Outreach attempts are sought through employer representatives physically located in North Dakota versus those with leadership authority located at corporate in another state.

Although these factors are considerable, our audit team did also note that the most common messages carried to both program and non-program participants by Loss Control staff emphasize that the training is free, the learning systems tracks data for you, and the programs give you money back.

Recommendation 2.10 (Medium Priority): Consider increasing and enhancing outreach to non-program participants. Perhaps evaluate the loss control results within the Employer Survey which comment on responses from specific premium groups, and factor in loss control objectives as well as the numbers comparing program participants versus non-participants.

WSI Response: Concur. WSI will consider increasing and enhancing outreach to non-program participants.

Encouraging Use of Training and Education Resources

To evaluate how WSI encourages the employers with consistent issues to utilize Loss Control training and education resources we found file notes indicated that the consultants, Education Coordinator and Loss Control Specialist, underwriters each encourage employers to utilize these resources. This was found to be true whether a newly registered policyholder, existing program user, or an employer listed on the high-loss Target Account report referenced earlier in this report.

Additionally, mention of educational resources is incorporated into Hazard Bulletins that are posted monthly for public use on the WSI website. One to three educational course topics and respective descriptions are chosen as complementing the report trends or perhaps a recent hot topic and are displayed at the bottom of the bulletin.

The Loss Control team advised that their programs, offerings, and communication methods are reviewed annually and adjusted, modified, or enhanced if applicable. One catalyst behind these actions is the education team members being tasked with conducting needs assessments or surveys to ensure learning management and program offerings are effective and efficient by capturing the wants and needs of employers in the State of North Dakota.

Surveys are conducted by WSI. A Loss Control effectiveness survey in 2016 was conducted by a third-party vendor in response to WSI's thematic goal at that time, and an Injured Workers' Employer Survey garnering feedback from employers on various aspects related to interactions with WSI was conducted annually throughout the audit period of 2019 through 2021.

Questions on the Employer Survey have been developed by the Quality Assurance department and select members of Employer Services and are re-issued in each subsequent year. The results of the survey are then compiled a third-party vendor and transformed into a report for WSI leadership and management that offers an executive summary, output of quantitative data that compares prior survey results to current survey results, ratings for each result measured on a scale of 1-5, with 5 the highest possible rating, and recommendations for corrective actions.

Once the final report of survey findings has been received from the Executive Team, the Loss Control management team reviews and discusses the results that pertain to Loss Control. If a concern is expressed by an employer, the Loss Control team advised that a follow-up phone call is conducted to promote discussion if contact information was provided while completing the survey.

Review of the findings and recommendations from each of the surveys generated in 2019, 2020, and 2021 suggested that Employer Services focus on the number and quality of training and education. The survey also indicated that a high percentage of employers within the basic or \$250-\$5,000 premium groups often submitted replies of "Not Applicable" in general. While the ratings for Loss Control training and education service were above 4.0 which is on the high range of the scale, they were consistently found to be the lowest ratings of each survey.

In sections provided above and later within this audit report, we have shared information about the volume of work applied toward increasing the quantity and quality of learning and training programs. Upon inquiring about the corrective actions taken specifically in response to the Employer Surveys, no documentation of corrective actions was identified as directly correlating to the loss control recommendations defined by Quality Assurance.

Another way that the use of WSI resources is encouraged is through the variety of outreach, education and training offered through workshops, conferences, associations, booths, and webinars and to specific employers. While the volume of these activities was found to be limited during this three-year audit period, we acknowledge that part of the reduction was the result of restrictions imposed by the COVID-19 pandemic.

Out of the 99 in-person events hosted during the audit period, 13 events provided over 9,700 people access to a WSI booth, one webinar connected 12 attendees, and 85 events served as educational and training sessions for multiple groups which equated a combined total of 856 attendees. It was also noted by the audit team that 36, or 42%, of the sessions offered during the audit period were limited to the topic of *Choices in Safety*, a subject sharing one consultant's personal story about a journey toward having respect for safety.

Due to its limited resources WSI does partner with associations and other employer groups in the state to assist with training and education efforts. For example, as mentioned in another section of this report, educational opportunities are also supported through the WSI Safety Training and Education Program (STEP) introduced in 2007. The STEP program seeks to enlist the resources of North Dakota associations and employee organizations that are comprised of a body of individuals or business operating under a common name, common occupational risks, and or a common cause or objective. Over 19 groups have been formed with over \$8 million having been awarded through the STEP program as of April 1, 2022. These groups take on the large role to promote safety training and education as part of the effort to reduce occupational injuries and accidents, and they often serve as a conduit for satisfaction feedback from employers to WSI Loss Control.

Finally, use can be encouraged through ensuring quality control of the Learning Management System. Time toward auditing quality control practices applied toward the learning and education resources was minimized to ensure the focus of the audit results remained upon measures for monitoring, tracking, and encouraging usage of the resources. However, as mentioned within a prior section of this report, the annual Employer Surveys have indicated that the quality of training resources may warrant attention from the Loss Control team. For this reason, the audit team did briefly research whether regular training program reviews or needs assessments have been conducted by Loss Control. The findings are shared below.

As part of the research the audit team reviewed and completed a selection of courses available through the learning system. Of the educational categories offered, attention was placed upon topics promoting

safety leadership and awareness about the more severe workers' compensation injuries like musculoskeletal injuries. Our findings were as follows:

- Only eight courses were available on the topic of ergonomics with most being about office ergonomics and approximately two covering industrial ergonomics.
- Cover photos which serve a key role in drawing the attention of a potential user were often unrelated to the topic, frequently displaying the same computer desk photo used for many other training files.
- Course descriptions were at times duplicated between two courses that were presumed to be separate, or in other scenarios descriptions were nearly the same as the next course.
- 126 courses were grouped under the category General Safety with topics ranging from bench grinder, asbestos, confined space and powered industrial truck safety to job hazard analyses and workplace violence.
- Healthcare shows eleven files, several of which appeared at-a-glance to duplicate content.
- Using the search function to locate files about ladder safety resulted in 19 courses, half of which had cover photos displaying the same computer desk photo referenced previously.
- Transportation was comprised of 78 files lending a good variety of applicable topic titles and descriptions which spanned from placarding and towing to vehicle inspections and lane changes. The cover photos in this category were found to be complimentary to the topics.
- Mini modules consisted of 113 courses, none of these were reviewed during this audit.

As for other means of assessing quality, our audit team was advised by Loss Control that program evaluations are not built into the learning management or OSHA systems, nor are they within the individual courses. In lieu of formal evaluations, one job task requires that a designated team member ensure the program purpose and integrity by participating in meetings with employees, employers, employer organizations and WSI stakeholders. This work helps to confirm:

- Funding put toward the programs is used effectively
- Discounts to be awarded are appropriate
- Use of resources remains limited to North Dakota employers
- Requirements around program course completion are being fulfilled.

While assigned Loss Control staff periodically test technical components of the learning management and OSHA systems and periodically recommend courses to be added, the course content provider for the Learning Management System, Underwriters Laboratories (UL), formerly known as Pure Safety, also contributes to quality assurance. The vendor is contractually responsible for ensuring content reflects current industry practices, standards, regulatory compliance, and adult learning theory. Additionally, approximately every three to six months newly created courses are automatically uploaded to the WSI learning platform along with the updates for existing courses, as needed (e.g., updates to reflect current Federal regulations and other).

Finally, the option of a video rental library ceased being offered within the past three years as the technology required to operate videos is becoming obsolete, exchanging materials via postal mail posed risk of COVID-19 exposure and loss of product, and updating video films, DVDs and similar media often

requires complete reproduction to incorporate edits where media today may often be updated digitally. This elimination of service was a quality control practice.

Considering all mentioned above, the main gap in ensuring quality and effectiveness is that no formal means of a program evaluation or assessing training needs was found to be in place. Performing a needs assessment is the process of collecting and analyzing information that can influence the decision to initiate a new program or revise an existing one. The measure that it generates lends opportunity to inform WSI about trends and share actions; it can provide monitoring to determine if needs are at a threshold or an acceptable range; it can offer evaluation of efficiency, effectiveness or the impact of learning; it can provide analysis on program and non-program offerings which may help to predict outcomes; and lastly, it may help WSI manage efforts in a manner that ensures planned objectives, enhancements, and results are delivered.

Recommendation 2.11 (Medium Priority): Conduct annual training program reviews or needs assessments to help measure whether organizational goals are being met, quality control is maintained, and the ever-changing needs of end users continue to be accommodated. There are various methods of evaluation from which to choose. Considerations may include a focus group, surveys, a review board or steering committee, or a formal needs assessment specific to training. Perhaps also consider modifying the existing Employer Survey to ensure that the context, content, and results of the survey questions clearly tie to Loss Control objectives, and that the process incorporates control sheets for tracking changes implemented in response to survey results.

WSI Response: Concur. WSI will consider the use of a focus group, surveys, a review board or a steering committee, or a formal needs assessment specific as annual training program reviews. WSI will also consider modifying the existing Employer Survey so that it aligns with Loss Control objectives. WSI will consider the use of control sheets for tracking changes implemented in response to survey results.

Recommendation 2.12 (Medium Priority): Consider developing a means for system users to submit program or course evaluations.

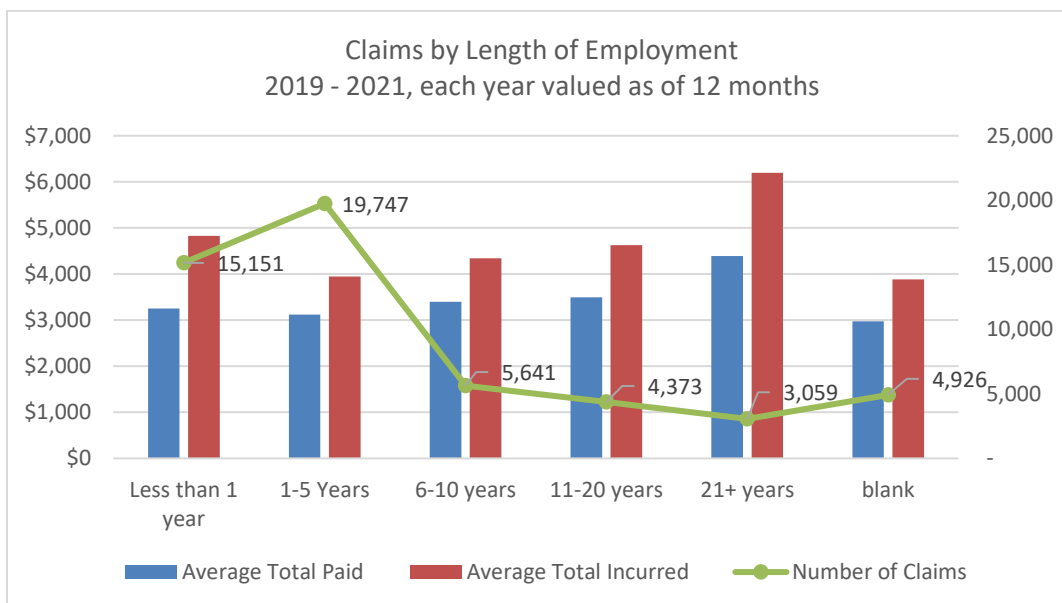
WSI Response: Concur. WSI will consider developing a means for system users to submit program or course evaluations.

Part Four: Preventing First Year on the Job Injuries

First Year Injury Trends

Employees who are newly hired to a company or otherwise new to a job can be at greater risk of injury for many reasons, whether younger or older. To evaluate whether WSI applies proactive safety measures to reduce injuries that occur within the first years on the job, we first reviewed the claims data that we received covering the period of January 1, 2019 through December 31, 2021 (each year valued as of 12 months). Claims classified as “blank” in the chart below were claims where a date of hire was not input, and as a reminder, COVID claims were excluded from this data set.

Chart 2.12 – Claims by Length of Employment



From the graph above, we can see that an overall percentage of 29% of claims during the three-year performance evaluation period were reported by employees with less than one year of employment.

The three tables that follow provide further breakdown of first year injuries by industry, employer, and cause of injury.

Table 2.5 - First Year Claims by Top 10 Ten Rate Classes, by Frequency

First Year Injuries by Top 10 Rate Classes	Average of Total Paid	Average of Total Incurred	Number of Claims
9071 - Restaurants and Lounges	\$1,046	\$1,432	1,324
Hospital (9040 and 9042)	\$1,781	\$2,019	1,264
Oil & Gas (1320, 6203,6204,6205, 6206 & 6208)	\$15,307	\$26,365	896
3504 - Implement &/or Equipment Mfg	\$1,880	\$2,254	832
8380 - Automotive Dealers & Service Stations	\$1,785	\$1,969	705
9041 - Nursing Homes	\$993	\$1,129	630
8000 - Stores - Retail	\$1,103	\$1,193	586
5410 - Building Construction	\$4,124	\$5,515	576
7215 - Trucking & Hauling	\$7,691	\$12,240	557
9061 - Community Outreach Svcs & Support Prog	\$1,515	\$1,756	544

The claims in these top 10 industries represent 50% of the total number of first year claims.

Table 2.6 - Employers with 40 or More First Year Claims

Employers with 40 or more first year claims	Less than 1 year	1-5 Years	6-10 years	11-20 years	21+ years	Blank	Total # of Claims	% of 1st Year Claims
Employer 1	64	2				14	80	80%
Employer 2	58	2				19	79	73%
Employer 3	75	2				29	106	71%
Employer 4	42	12	2			4	60	70%
Employer 5	49	12	4			7	72	68%
Employer 6	61	21	3	1		13	99	62%
Employer 7	76	55	3	2	1	6	143	53%
Employer 8	49	29	4	2		9	93	53%
Employer 9	48	21	1	1		27	98	49%
Employer 10	50	37		3		18	108	46%
Employer 11	50	41	8	9	3	2	113	44%
Employer 12	92	93	11	5	1	8	210	44%
Employer 13	42	30	6	2		17	97	43%
Employer 14	43	40	14	4	1	2	104	41%
Employer 15	94	78	22	20	8	21	243	39%
Employer 16	63	73	5	7	1	24	173	36%
Employer 17	156	207	31	19	14	20	447	35%
Employer 18	52	63	8	13	10	7	153	34%
Employer 19	173	182	43	15	8	127	548	32%

Employers with 40 or more first year claims	Less than 1 year	1-5 Years	6-10 years	11-20 years	21+ years	Blank	Total # of Claims	% of 1st Year Claims
Employer 20	79	109	23	19	19	6	255	31%
Employer 21	259	346	70	83	32	63	853	30%
Employer 22	50	89	6	6	5	11	167	30%
Employer 23	72	91	28	29	24	38	282	26%
Employer 24	100	146	58	74	48	1	427	23%
Employer 25	65	127	35	33	24	20	304	21%
Employer 26	98	156	62	60	50	37	463	21%
Employer 27	339	749	255	176	132	69	1,720	20%
Employer 28	40	69	26	20	34	16	205	20%
Employer 29	50	96	42	46	32	2	268	19%
Employer 30	209	439	104	93	97	245	1,187	18%
Employer 31	97	205	88	89	72	7	558	17%
Employer 32	58	106	62	70	38	8	342	17%
Employer 33	165	457	151	112	60	29	974	17%
Employer 34	48	105	45	47	46	4	295	16%
Employer 35	43	202	35	32	11		323	13%

Concerning Table 2.6, we have compiled this information to show any employer that had at least 40 claims among first year employees during the performance evaluation period. As the data constitutes a raw number, we do not factor in employer size nor any likelihood that certain employers are more likely to have a higher percentage of first year employees. The table represents a starting point for WSI to consider whether based on its knowledge of these employers if at least some of them might be candidates for more targeted services pertaining to training and mentoring.

When we first considered this portion of Element Two in our response to the State’s RFP, we had hoped that we might be able to evaluate employer performance with respect to first year injuries based on the proportion of first year employees in the overall workforce. Specifically, an employer that has 50% of its workforce with less than one year of employment would not necessarily be a concern if about 50% of its claims came from employees in that demographic. But if only 20% of the workforce is in its first year of employment and the demographic makes up 50% of the claims, then such an employer could need assistance. We had hoped that if WSI did not have data along these lines, that some other department might, such as Job Services. That kind of data was not available.

Table 2.7 – Top 10 Causes of Injury by frequency within First Year Claims

Top 10 Causes of Injury	All Claims				Length of Employment Less than 1 Year			
	Avg Total Paid	Avg Total Incurred	Number of Claims	% of Total Claims	Avg Total Paid	Avg Total Incurred	Number of Claims	% of total claims
060 - Strain or Injury by: Miscellaneous Strain	\$2,646	\$3,304	5,675	11%	\$2,262	\$2,926	1,433	9%
056 - Strain or Injury by: Lifting	\$2,661	\$3,245	3,316	6%	\$2,345	\$2,690	920	6%
017 - Cut, Puncture, Scrape Injured by: Objects Being Lifted or Handled	\$1,056	\$1,188	3,201	6%	\$2,150	\$2,642	778	5%
032 - Fall, Slip or Trip Injury: On Ice or Snow	\$4,487	\$5,278	3,193	6%	\$4,824	\$5,644	699	4%
029 - Fall, Slip or Trip Injury: On Same Level	\$3,480	\$4,342	2,671	5%	\$3,104	\$3,844	625	5%
031 - Fall, Slip or Trip Injury: Miscellaneous Fall or Slip	\$4,390	\$5,570	2,468	5%	\$4,126	\$4,995	668	5%
074 - Struck or Injured by: Fellow Worker Patient	\$1,433	\$2,134	2,455	5%	\$1,247	\$1,573	683	4%
079 - Struck or Injured by: Object Being Lifted or Handled	\$2,367	\$2,859	2,372	4%	\$1,120	\$1,305	947	6%
087 - Foreign Body in Eye	\$497	\$550	1,819	3%	\$479	\$549	497	4%
016 - Cut, Puncture, Scrape Injured by: Hand Tool Utensil Not Powered	\$780	\$810	1,624	3%	\$790	\$806	574	3%

First Year Injury Outreach

WSI’s Loss Control has some existing standard reports which identify trends among claims reported within the first year of employment. They are:

1. Length of Employment Months (5 years of data) is a high-level report that shows trends within the first year of employment (day of week, month) and gives both frequency and severity measures.
2. Length of Employment Years (five years of data) is also a high-level report that shows trends within year groupings and gives both frequency and severity measures.

3. The Daily Lost Time Report used by Safety Consultants to plan for daily outreach provides frequency of claims by length of employment.
4. Employer Dashboard and Data-at-a-Glance both communicate employer specific injuries trends within the first years on the job.

Loss Control also currently has two Safety Incentive Programs (SIP) that include a focus on ensuring safety for newly hired employees. The first of these is the Safety Management Program (SMP) which has a component titled Safety Training that requires the application of a new employee training process. Within the Safety Action Menu (SAM) there is a second option for the Safety Orientation System (SOS) program which is fully designed to provide newly hired employees initial safety orientation education and safety mentoring for a minimum of the first three-months on the job. It requires applicant employers to implement a safety orientation that covers any new hire and any employee that has had a change in position or duty. The basics of the program require, at minimum, training relating to workplace safety hazards, control, incident and hazard reporting, emergency response and return to work. A special component of the program also requires the assignment of a safety mentor responsible for fostering and documenting safe personal and professional growth for new employees over a minimum period of three months.

WSI has also used the STEP Grant program to provide funding for new hire safety orientation for the Oil/Gas industry. One Basin - One Way! is a safety orientation program for whom WSI provides scholarships and STEP grant funding.

Recommendation 2.13 (High Priority): Consider re-evaluating the two safety incentive programs' objectives and how they are communicated. Then, relaunch and market each with more emphasis.

WSI Response: Concur. WSI will consider reevaluating the Safety Management Program and Safety Orientation System objectives and how they are communicated.

Recommendation 2.14 (Medium Priority): Option 1: Consider extracting information about injuries within the first year on the job into a separate report for employers to lend greater emphasis on this loss trend and as part of an overall policyholder initiative to reduce losses for workers within their first year on the job. Option 2: Modify the Employer Dashboard to combine claim counts and costs for injuries occurring the first year onto one page to help reduce the report size and combine like data.

WSI Response: Concur. WSI will consider extracting information about injuries within the first year on the job into a separate report.

Recommendation 2.15 (Medium Priority): Consider adding information about injuries based upon length of service to the annual WSI Detail Claims & Injury Characteristics Report.

WSI Response: Concur. WSI will consider adding information about the length of service to annual WSI Detail Claims & Injury Characteristics Report or other suitable report/location.