Workers’ Compensation Seminar

April 4, 2018
SAIF had a good year.
• Our value proposition remains strong:
  • Price
  • Service
  • Safety
  • Dividend

• Premium increased 2.0% to $526.7M

• Capital base (surplus): $1.9B
Growth

- New sales: $19.5M
- Retention rate: 99.4%
- New group: Oregon Restaurant and Lodging Assoc.
  - 265 policyholders in the new group
  - 10% discount
- Market share: 53.7%
Weighted average expense loading factors

Oregon top 30 private carriers

SAIF

Calendar years

Weighted average expense loading factor

Median days to disabling claims decisions

Source: Department of Consumer and Business Services (DCBS); Information Management Division
Initial time-loss payment to injured worker

Source: Department of Consumer and Business Services (DCBS); Information Management Division; Report CC8095.
Average time-loss days paid

- Private carriers: 79 days
- SAIF: 62 days
- Self-insured: 61 days
Pure premium

• 14% decrease on 1/1/18
• 38.8% over the past five years
Dividend

- An important component of our value proposition
  - 20 of the last 28 years; last 8 years in a row

- What determines whether there is a dividend?
  - Overall capital levels
  - Near-term forecasts
  - Investment returns
  - Claims reserve development
Dividend (continued)

- Dividend has two components:
  - Traditional dividend
  - Loss-sensitive (LS) dividend

- 2016: $120M plus $20M loss-sensitive
- 2017: $120M plus $40M loss-sensitive
- 2018: ???
Project portfolio

• Guidewire: our new Policy and Billing System
  • Progressing nicely; go-live in October

• Document Management System

• Learning Management System
  • Go-live this week

• Plus...
Our new building
New building

- Move-in begins April 13.
- On-time and on-budget
- Approx. 183,000 sq. ft.
- No time-loss injuries during construction!
- No service disruption
Governor’s Task Force
• PERS is a BIG problem.
  • Approx. $22B unfunded liability
  • Government employers pay annual assessments to cover the growing costs.
  • As assessments increase, less money is available to provide services.

• Governor appointed a task force to identify government assets that can be used to pay down the liability.
• SAIF is a public corporation, NOT a state agency.
  • More akin to OHSU
  • SAIF was one of many options reviewed.
    • Because we’re big and visible with a significant asset base
  • SAIF was NOT targeted out of ill-will or because anyone thought we aren’t doing a good job.
• Task force report released Nov. 1, 2017
  • Many options indicated, no recommendations

• SAIF-related proposals:
  • Take a portion of surplus
  • Take a portion of dividends
  • Operate SAIF as a profit-seeking entity
  • Sell or privatize SAIF
• SAIF’s response:
  • Worked hard to educate task force, governor’s staff, and others regarding the importance of capital levels and the impacts on
    • Premiums
    • Service levels
    • Dividends

• Stakeholder’s response:
  • Reducing SAIF’s capital is a bad idea, which will harm businesses, workers, and Oregon’s economy.
• Key themes:
  • It’s not the state’s money!
  • SAIF uses capital to reduce rates, provide high-quality service, and pay dividends.
  • SAIF must maintain its independence and customer focus.
  • SAIF is a long-term asset for employers, injured workers, and Oregon’s economy.
• February legislative session:
  • No proposals related to SAIF
  • Created a fund to provide assistance to local governments and redirected some state assets to PERS

• 2019 legislative session?
  • Too early to tell
Looking ahead: key issues
Key issues

• The economy
• Tight labor markets
• Medical cost escalation
• Marijuana
• Digital online services for small businesses
SAIF’s new ad campaign
• Our ad campaigns are generally NOT designed to sell SAIF policies.

• So why do we advertise?
  • Maintain visibility in the marketplace
  • Build our brand:
    • We provide real value to our customers and the state of Oregon.
    • Elevate the workplace by showing a more personal and meaningful side to work
    • Position SAIF as an important part of what makes Oregon workplaces great
    • We have personality.
2016-17: The wonder of the workplace
Home of the aha! moment

Yes, it’s possible to high-five yourself. It’s only natural when you get a flash of insight that solves a sticky problem you’ve struggled with for hours. And it happens to people every day at job sites, offices, factories, and farms. In fact, a lot of life’s illuminating moments happen at work. At SAIF, we’re proud to be a part of it.

THE WONDER OF THE WORKPLACE  Learn more about SAIF and workers’ comp at saif.com.
Here’s to the forty-acre cubicle

The joy of working without walls, full of moments where life and labor seem to blend together to create something special that can’t be found behind a desk. Whether you measure your workplace in square feet or acres, a lot of life happens here, and at SAIF we’re proud to be a part of it.

THE WONDER OF THE WORKPLACE  Learn more about SAIF and workers’ comp at saif.com.
2018: I work for...

There’s a reason people work; it’s not just to make ends meet. People work for the positive effects on others, for the relationships they form, and for a sense of positive contribution to society.
SAIF helps protect the workplace, so Oregonians can do the work they do best.
I WORK FOR

“THE AFTERNOON RUSH”

saif.com
I WORK FOR

"THE LITTLE GUY"

saif

Protecting Oregon's workforce. saif.com
Thank you!
Connect with us

Visit us on saif.com.

Watch safety videos and more at saif.com/youtube.

Follow us on Facebook, Instagram, and LinkedIn.

Work safe. Be well. Sign up at saif.com/emailtips.