

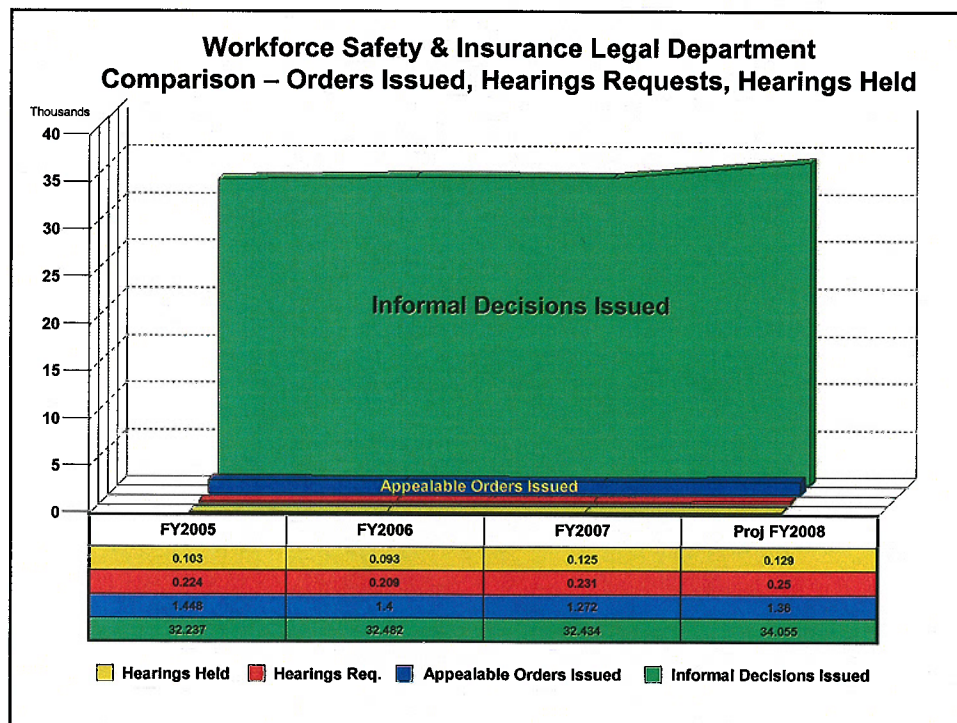
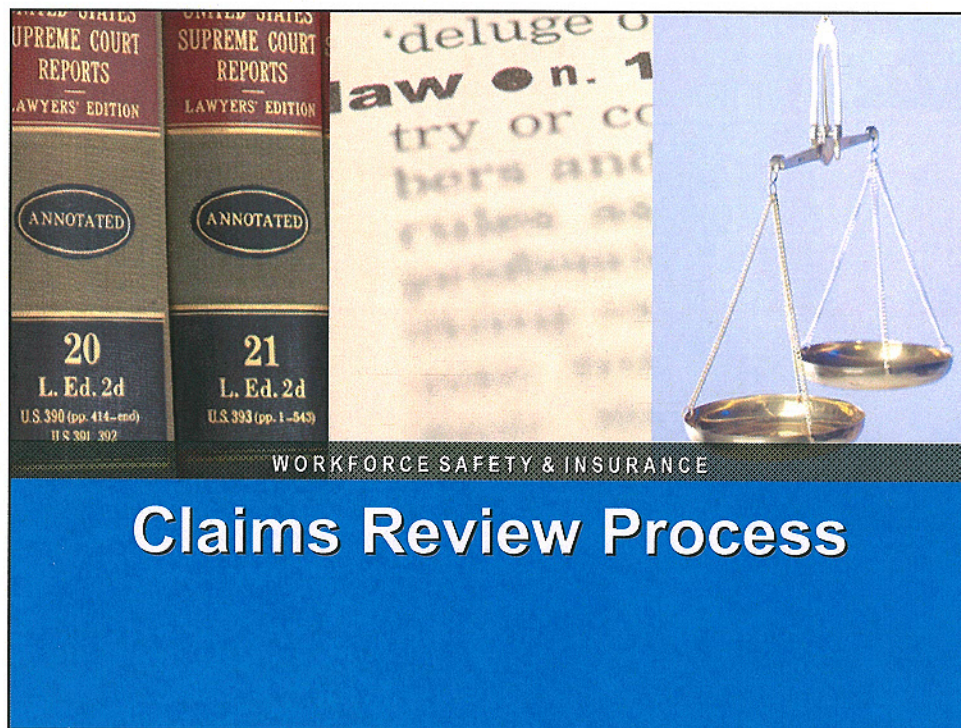
Table 2. Workers' compensation premium rate ranking

2006 Ranking	2004 Ranking	State	Index Rate	Percent of study median	Effective Date
1	2	Alaska	5.00	201%	January 1, 2006
2	1	California	4.13	166%	January 1, 2006
3	7	Delaware	3.91	158%	December 1, 2005
4	6	Kentucky	3.78	152%	October 1, 2005
5	8	Montana	3.69	149%	July 1, 2005
6	3	Florida	3.32	134%	January 1, 2006
7	17	Vermont	3.24	130%	April 1, 2005
8	13	Maine	3.21	129%	January 1, 2006
9	19	Alabama	3.17	128%	March 1, 2005
10	18	New York	3.15	127%	October 1, 2005
11	9	Louisiana	3.10	125%	September 1, 2005
12	5	Ohio	3.00	121%	July 1, 2005
13	15	Oklahoma	2.96	119%	2/1/06 State Fund, 7/1/05 Private
14	11	Connecticut	2.90	117%	January 1, 2006
15	4	Hawaii	2.89	116%	January 1, 2006
16	10	District of Columbia	2.86	115%	November 1, 2005
17	14	Texas	2.84	114%	January 1, 2006
18	20	Pennsylvania	2.80	113%	April 1, 2005
19	12	New Hampshire	2.75	111%	January 1, 2006
20	23	Illinois	2.69	108%	January 1, 2006
21	21	Minnesota	2.69	108%	January 1, 2006
22	16	Rhode Island	2.68	108%	January 1, 2006
23	29	New Jersey	2.52	102%	January 1, 2006
24	22	Missouri	2.50	101%	January 1, 2006
25	39	South Carolina	2.50	101%	July 1, 2004
26	25	Tennessee	2.48	100%	July 1, 2005
27	27	New Mexico	2.41	97%	January 1, 2006
28	28	Wyoming	2.40	96%	January 1, 2006
29	31	Colorado	2.40	96%	January 1, 2006
30	26	Nevada	2.36	95%	January 1, 2005
31	36	Mississippi	2.29	92%	March 1, 2005
32	34	Idaho	2.29	92%	January 1, 2006
33	38	Nebraska	2.25	91%	February 1, 2005
34	24	West Virginia	2.20	88%	January 1, 2006
35	33	Wisconsin	2.18	88%	October 1, 2005
36	35	Washington	2.17	88%	January 1, 2006
37	32	North Carolina	2.17	87%	April 1, 2005
38	46	Utah	2.06	83%	December 1, 2005
39	30	Michigan	2.05	82%	January 1, 2006
40	40	Maryland	2.03	82%	January 1, 2006
41	37	Georgia	2.02	82%	July 1, 2005
42	42	<b>OREGON</b>	<b>1.97</b>	<b>79%</b>	<b>January 1, 2006</b>
43	44	Kansas	1.84	74%	January 1, 2006
44	41	South Dakota	1.83	74%	July 1, 2005
45	43	Iowa	1.75	71%	January 1, 2006
46	49	Arizona	1.73	70%	October 1, 2005
47	45	Massachusetts	1.70	68%	September 1, 2005
48	48	Arkansas	1.59	64%	July 1, 2005
49	47	Virginia	1.52	61%	November 1, 2005
50	50	Indiana	1.24	50%	January 1, 2006
51	51	North Dakota	1.10	44%	July 1, 2005

Although some states may appear to have the same index rate, the ranking is based on calculations prior to rounding to two decimal places. The index rates reflect appropriate adjustments for the characteristics of each individual state's residual market. Rates vary by classification and insurer in each state. Actual cost to an employer can be adjusted by the employer's experience rating, premium discount, retrospective rating, and dividends.

Employers can reduce their workers' compensation rates through accident prevention, safety training, and by helping injured workers return to work.

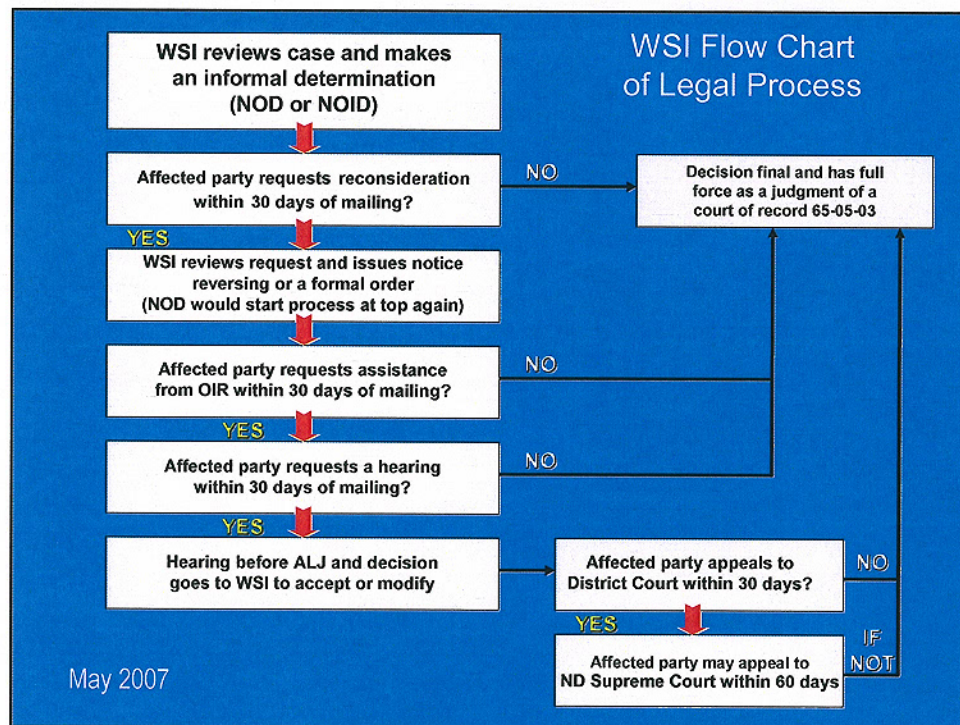




## OIR Requests & Post OIR Hearing Requests as a Percentage of Informal Decisions Issued

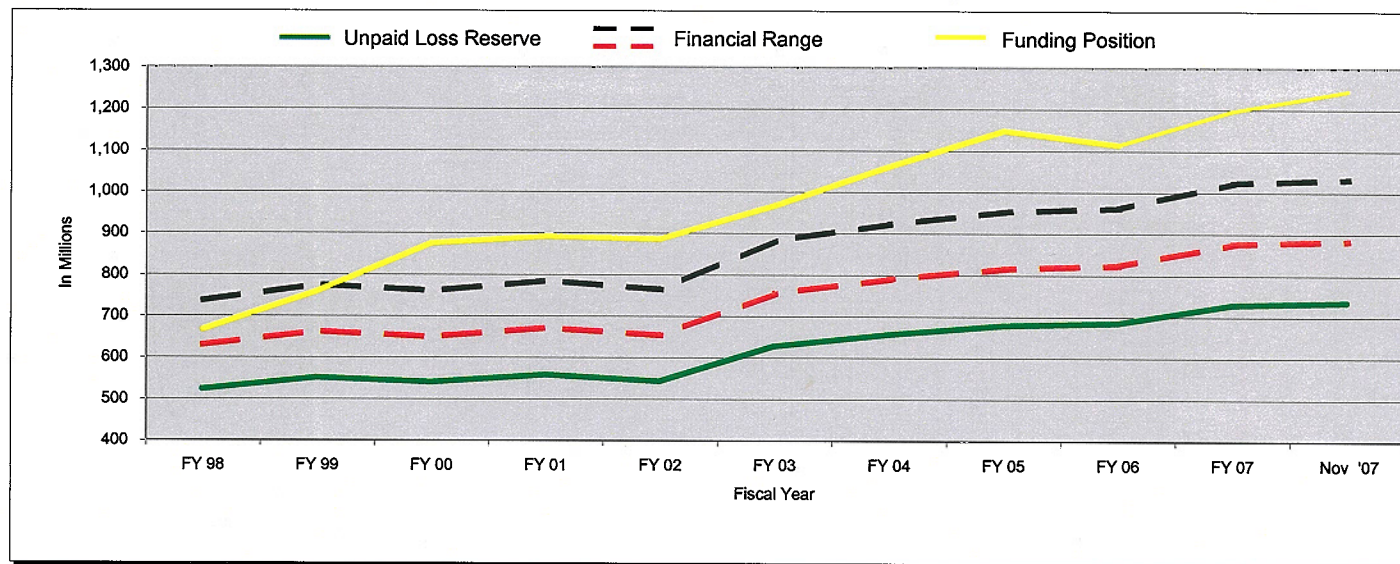
	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>
<b>Informal Decisions Issued</b>	31,302	32,696	32,237	32,482	32,434
<b>Orders Issued</b>	1,310	1,313	1,448	1,400	1,272
<b>OIR Requests</b>	401	383	428	384	397
<b>OIR Requests</b> (% informal decisions)	1.3%	1.2%	1.3%	1.2%	1.2%
<b>Post OIR Hearing Requests</b>	191	165	199	200	218
<b>Post OIR Hearing Requests</b> (% informal decisions)	0.6%	0.5%	0.6%	0.6%	0.7%

WORKFORCE SAFETY & INSURANCE





**Workforce Safety & Insurance  
Financial Reserves and Surplus  
Position as of November 2007**



<b>CALCULATION (in 000's)</b>	<b>FY 98</b>	<b>FY 99</b>	<b>FY 00</b>	<b>FY 01</b>	<b>FY 02</b>	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>Nov '07</b>
Unpaid Loss Reserve, discounted at 5%	525,700	553,700	543,000	561,000	545,700	630,100	659,200	680,400	686,800	730,900	736,900
Total Fund Surplus	142,319	206,274	332,942	332,632	341,073	337,396	403,652	469,150	428,751	466,835	509,044
<b>Total Financial Reserves and Surplus</b>	<b>668,019</b>	<b>759,974</b>	<b>875,942</b>	<b>893,632</b>	<b>886,773</b>	<b>967,496</b>	<b>1,062,852</b>	<b>1,149,550</b>	<b>1,115,551</b>	<b>1,197,735</b>	<b>1,245,944</b>
High End of Range (140% of liability)	735,980	775,180	760,200	785,400	763,980	882,140	922,880	952,560	961,520	1,023,260	1,031,660
Low End of Range (120% of liability)	630,840	664,440	651,600	673,200	654,840	756,120	791,040	816,480	824,160	877,080	884,280
Total Financial Reserves and Surplus	668,019	759,974	875,942	893,632	886,773	967,496	1,062,852	1,149,550	1,115,551	1,197,735	1,245,944
Unpaid Loss Reserve, discounted at 5%	525,700	553,700	543,000	561,000	545,700	630,100	659,200	680,400	686,800	730,900	736,900
<b>*** Funding Ratio</b>	<b>127.1%</b>	<b>137.3%</b>	<b>161.3%</b>	<b>159.3%</b>	<b>162.5%</b>	<b>153.5%</b>	<b>161.2%</b>	<b>169.0%</b>	<b>162.4%</b>	<b>163.9%</b>	<b>169.1%</b>

<b>Fund categories</b>	<b>Jun 2007</b>	<b>Jun 2007</b>	<b>Jun 2007</b>	<b>Nov 2007</b>
	<b>% of Total Fund</b>	<b>Individual</b>	<b>Individual</b>	<b>% of Total Fund</b>
Unallocated surplus	4.60%	55,093	79,459	6.38%
Unrealized Investment Gains	6.12%	73,344	92,922	7.46%
Safety Education, Grants & Incentives	2.59%	31,053	26,917	2.16%
Revolving Loan Fund	1.25%	14,986	14,986	1.20%
140% Target	12.20%	146,180	147,380	11.83%
120% Target	12.20%	146,180	147,380	11.83%
Unpaid Loss Liability	61.02%	730,900	736,900	59.14%
<b>Total Fund Balance</b>	<b>100.00%</b>	<b>1,197,736</b>	<b>1,245,944</b>	<b>100.00%</b>

The 2005 Legislative Assembly established a minimum and maximum financial range for Workforce Safety & Insurance's total balance of financial reserves and surplus.

WSI's unpaid loss liability is estimated annually by an independent actuary. The actuarial computations include a 5% discount in order to report this liability at its estimated present value.

\*\*\* Note: Funding ratio has not been less than 140% of unpaid loss reserve since 1999.

This is an estimate only. No one can accurately predict the future performance of the fund.

# Claim Initial Denial Reasons for Fiscal Years 2000 Through 2007

Adjusted to remove claims denied for; claim withdrawn, no medical treatment, no signed C1, and uncooperative

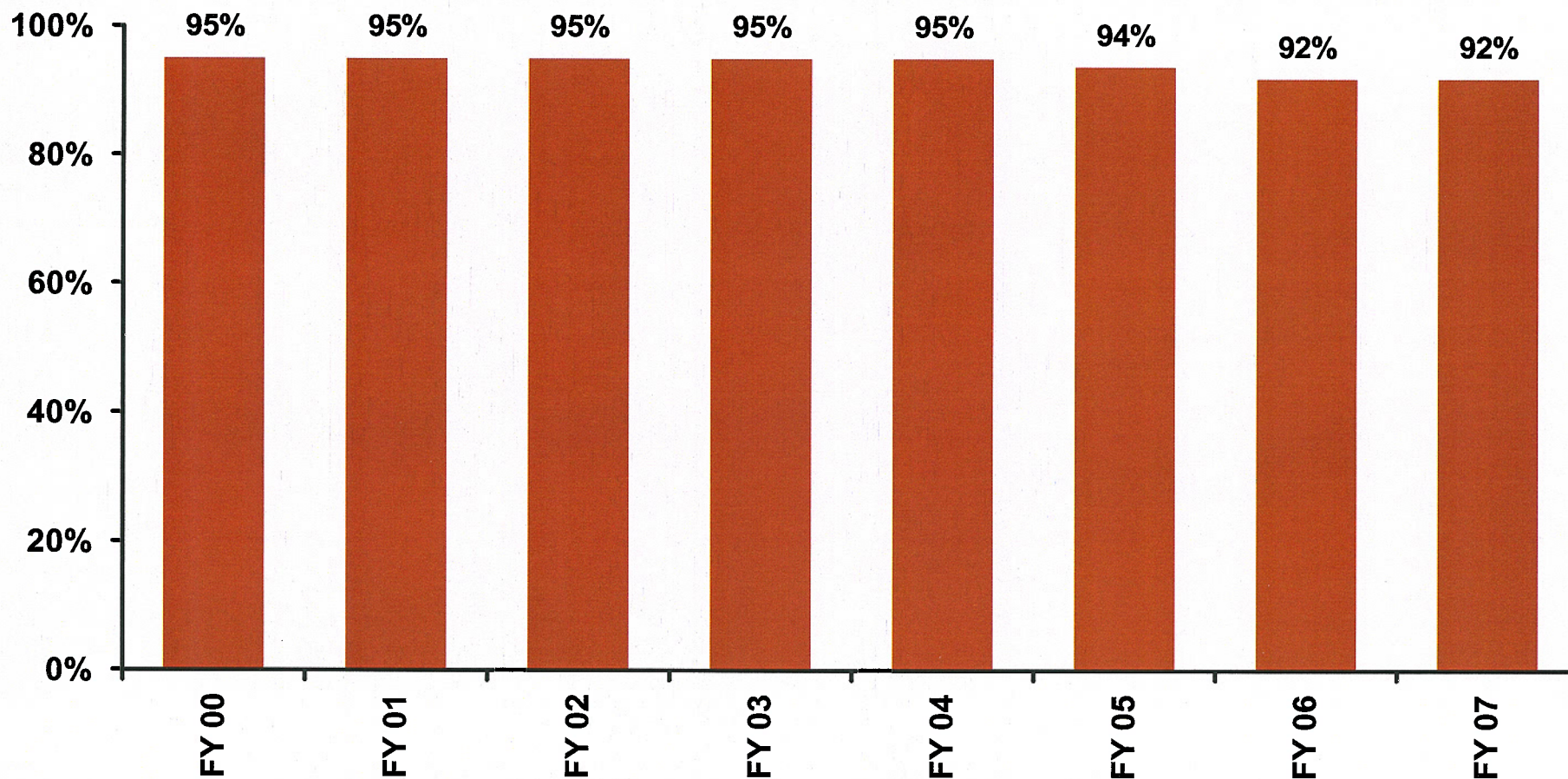
Denied Reasons	FY 2007		FY 2006		FY 2005		FY 2004		FY 2003		FY2002		FY 2001		FY 2000	
	Initial Denial Reason	Percent of Denials	Initial Denial Reason	Percent of Denials	Initial Denial Reason	Percent of Denials	Initial Denial Reason	Percent of Denials	Initial Denial Reason	Percent of Denials	Initial Denial Reason	Percent of Denials	Initial Denial Reason	Percent of Denials	Initial Denial Reason	Percent of Denials
Aggravation/Trigger	0	0%	0	0%	0	0%	0	0%	0	0%	4	0%	16	1%	62	5%
Agriculture - no optional coverage	13	1%	19	1%	24	2%	18	2%	18	2%	19	2%	18	2%	24	2%
Allergy	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Claim Comment/Active	1,170	76%	1,299	78%	977	75%	884	77%	826	76%	862	72%	818	68%	736	60%
Common to General Public	10	1%	11	1%	12	1%	16	1%	6	1%	2	0%	7	1%	8	1%
Corporate Officer - no optional coverage	6	0%	11	1%	3	0%	4	0%	5	0%	5	0%	6	1%	4	0%
Employee Status	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Exposure - No Known Risk	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Fainting	21	1%	17	1%	19	1%	19	2%	22	2%	32	3%	16	1%	13	1%
False Statement - priors	2	0%	2	0%	0	0%	1	0%	0	0%	1	0%	3	0%	4	0%
Family Member - no optional coverage	4	0%	5	0%	3	0%	2	0%	3	0%	3	0%	1	0%	0	0%
Federal Employee	25	2%	2	0%	2	0%	1	0%	0	0%	1	0%	2	0%	3	0%
Independent Contractor	6	0%	3	0%	3	0%	2	0%	0	0%	0	0%	0	0%	0	0%
Injury due to Alcohol/Drugs	13	1%	21	1%	15	1%	10	1%	11	1%	8	1%	11	1%	14	1%
Medical Open - Auto Adjudication	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Negative Blood Test	1	0%	1	0%	0	0%	0	0%	1	0%	5	0%	3	0%	27	2%
No Known Exposure to TB	1	0%	0	0%	3	0%	0	0%	4	0%	2	0%	1	0%	6	0%
No Medical Records	81	5%	108	7%	66	5%	75	6%	65	6%	77	6%	99	8%	137	11%
Not Covered by WSI	98	6%	50	3%	45	3%	19	2%	12	1%	15	1%	19	2%	28	2%
Not Timely Filed	26	2%	26	2%	41	3%	24	2%	29	3%	35	3%	40	3%	50	4%
Out of ND > 30 Days	6	0%	5	0%	16	1%	12	1%	12	1%	18	1%	20	2%	20	2%
Railroad Employee	5	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Self-employed - no optional coverage	1	0%	7	0%	4	0%	6	1%	4	0%	9	1%	4	0%	1	0%
Student - no optional coverage	2	0%	1	0%	0	0%	0	0%	0	0%	0	0%	1	0%	0	0%
Treatment no by DMP	54	3%	69	4%	66	5%	62	5%	70	6%	105	9%	113	9%	85	7%
Volunteer - no optional coverage	2	0%	2	0%	2	0%	0	0%	3	0%	2	0%	2	0%	3	0%
<b>Totals and Percentages</b>	<b>1,547</b>	<b>100%</b>	<b>1,659</b>	<b>100%</b>	<b>1,301</b>	<b>100%</b>	<b>1,155</b>	<b>100%</b>	<b>1,091</b>	<b>100%</b>	<b>1,205</b>	<b>100%</b>	<b>1,200</b>	<b>100%</b>	<b>1,225</b>	<b>100%</b>

Adjusted figures to account for removal of claims denied for no medical treatment and no signed c1

<u>Initial Acceptance</u>	<u>FY 2007</u>		<u>FY 2006</u>		<u>FY 2005</u>		<u>FY 2004</u>		<u>FY 2003</u>		<u>FY 2002</u>		<u>FY 2001</u>		<u>FY 2000</u>	
Accepted	16,397	91%	17,801	91%	17,510	93%	17,450	94%	17,047	94%	18,129	94%	18,524	94%	18,204	94%
Denied	<u>1547</u>	9%	<u>1659</u>	9%	<u>1301</u>	7%	<u>1155</u>	6%	<u>1091</u>	6%	<u>1205</u>	6%	<u>1200</u>	6%	<u>1225</u>	6%
	17944		19460		18,811		18605		18138		19334		19724		19429	
No Medical Treatment	423		433		144		123		142		118		114		103	
No Signed C1	894		930		604		238		276		283		262		266	
Uncooperative	403		305		186		133		112		111		126		144	
Claim Withdrawn	150		127		53		35		26		24		17		26	



# Claim Ultimate – Adjusted Acceptance Rate by Fiscal Year



~Adjusted rate to remove incident reports (claims denied for no medical treatment, no signed injured worker report, and uncooperative)

WORKFORCE SAFETY & INSURANCE



# Claim Ultimate Denial Reasons for Fiscal Years 2000 through 2007

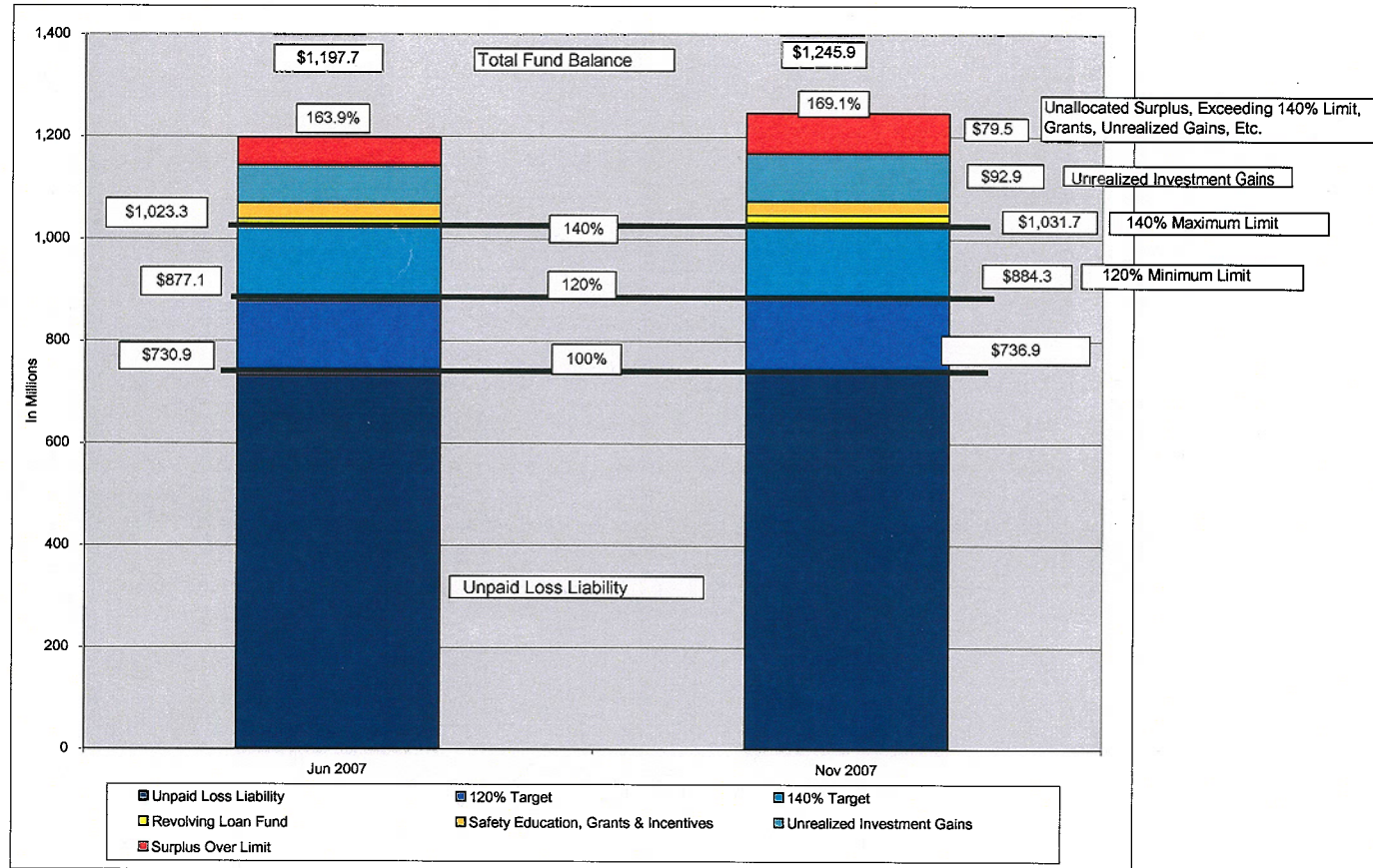
Adjusted to remove claims denied for; claim withdrawn, no medical treatment, no signed C1, and uncooperative

Denied Reasons	FY 2007		FY 2006		FY 2005		FY 2004		FY 2003		FY2002		FY 2001		FY 2000	
	Ultimate Denial Reason	Percent of Denials	Ultimate Denial Reason	Percent of Denials	Ultimate Denial Reason	Percent of Denials	Ultimate Denial Reason	Percent of Denials	Ultimate Denial Reason	Percent of Denials	Ultimate Denial Reason	Percent of Denials	Ultimate Denial Reason	Percent of Denials	Ultimate Denial Reason	Percent of Denials
Aggravation/Trigger	0	0%	2	0%	0	0%	0	0%	0	0%	2	0%	13	1%	50	5%
Agriculture - no optional coverage	11	1%	17	1%	21	2%	15	1%	16	2%	14	1%	12	1%	17	2%
Allergy	0	0%	2	0%	1	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Claim Comment/Active	1,089	78%	1,178	78%	868	76%	787	78%	720	78%	765	83%	711	72%	657	65%
Common to General Public	9	1%	10	1%	12	1%	16	2%	6	1%	2	0%	5	1%	8	1%
Corporate Officer - no optional coverage	4	0%	10	1%	3	0%	4	0%	5	1%	5	1%	5	1%	2	0%
Employee Status	1	0%	1	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Exposure No Known Risk	1	0%	0	0%	1	0%	2	0%	2	0%	0	0%	0	0%	0	0%
Fainting	20	1%	17	1%	18	2%	17	2%	19	2%	30	3%	14	1%	11	1%
False Statement - priors	2	0%	1	0%	0	0%	1	0%	0	0%	1	0%	3	0%	4	0%
Family Member - no optional coverage	4	0%	5	0%	3	0%	2	0%	3	0%	2	0%	1	0%	0	0%
Federal Employee	25	2%	2	0%	2	0%	1	0%	0	0%	1	0%	2	0%	3	0%
Independent Contractor	6	0%	2	0%	3	0%	2	0%	0	0%	0	0%	0	0%	0	0%
Injury due to Alcohol/Drugs	11	1%	20	1%	14	1%	10	1%	11	1%	8	1%	11	1%	13	1%
Medical Open - Auto Adjudication	7	1%	54	4%	17	1%	24	2%	0	0%	0	0%	0	0%	0	0%
Negative Blood Test	1	0%	1	0%	0	0%	0	0%	0	0%	5	1%	2	0%	23	2%
No Known Exposure to TB	1	0%	0	0%	2	0%	0	0%	4	0%	2	0%	1	0%	6	1%
No Medical Records	29	2%	49	3%	26	2%	22	2%	26	3%	35	4%	39	4%	55	5%
Not Covered by WSI	97	7%	50	3%	44	4%	19	2%	12	1%	15	2%	18	2%	27	3%
Not Timely Filed	21	2%	25	2%	29	3%	21	2%	28	3%	29	3%	34	3%	40	4%
Out of ND > 30 Days	6	0%	5	0%	15	1%	10	1%	12	1%	18	2%	20	2%	18	2%
Railroad Employee	5	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Self-employed - no optional coverage	1	0%	6	0%	4	0%	6	1%	3	0%	9	1%	4	0%	1	0%
Student - no optional coverage	2	0%	1	0%	0	0%	0	0%	0	0%	0	0%	1	0%	0	0%
Treatment no by DMP	44	3%	59	4%	51	4%	47	5%	54	6%	74	8%	87	9%	72	7%
Volunteer - no optional coverage	2	0%	2	0%	2	0%	0	0%	4	0%	2	0%	2	0%	2	0%
<b>Totals and Percentages</b>	<b>1,399</b>	<b>100%</b>	<b>1,519</b>	<b>100%</b>	<b>1,136</b>	<b>100%</b>	<b>1,006</b>	<b>100%</b>	<b>925</b>	<b>100%</b>	<b>1,019</b>	<b>100%</b>	<b>985</b>	<b>100%</b>	<b>1,009</b>	<b>100%</b>

<u>Ultimate Acceptance</u>	<u>FY 2007</u>		<u>FY 2006</u>		<u>FY 2005</u>		<u>FY 2004</u>		<u>FY 2003</u>		<u>FY 2002</u>		<u>FY 2001</u>		<u>FY 2000</u>	
Accepted	16,397	92%	17,801	92%	17,510	94%	17,450	95%	17,047	95%	18,129	95%	18,524	95%	18,204	95%
Denied	1399	8%	1519	8%	1136	6%	1006	5%	925	5%	1019	5%	985	5%	1009	5%
	17796		19320		18,646		18456		17972		19148		19509		19213	
No Medical Treatment	405		409		132		109		128		101		102		92	
No Signed C1	602		590		345		136		161		160		161		146	
Uncooperative	287		212		116		71		62		68		81		96	
Claim Withdrawn	149		123		53		34		26		23		15		24	

# WORKFORCE SAFETY & INSURANCE FUND STATUS

November-07



Fund Balance		Cumulative Funding Ratio		Cumulative Funding Ratio	
	Jun 2007		Nov 2007		
Unallocated Surplus	55,092,893	163.9%	79,459,472	169.1%	
Unrealized Investment Gains	73,343,549	156.3%	92,921,614	158.3%	
Safety Education, Grants & Incentives	31,053,261	146.3%	26,916,980	145.7%	
Revolving Loan Fund	14,985,649	142.0%	14,985,649	142.0%	
140% Target	146,180,000	140.0%	147,380,000	140.0%	
120% Target	146,180,000	120.0%	147,380,000	120.0%	
Unpaid Loss Liability	730,900,000	100.0%	736,900,000	100.0%	
	1,197,735,352		1,245,943,715		