

Enterprise Report

May 2009

Enterprise Report

BWC's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The statements are prepared using the accrual basis of accounting and the economic resources measurement focus.

Statement of Operations

This statement reports operating revenues and expenses, as well as net investment revenues for the current fiscal year to date, projected, and prior fiscal year to date. A combining schedule for the statement of operations presents the current fiscal year to date revenue and expenses by fund. *Pages 5 and 6.*

Statement of Investment Income

This statement provides information on the sources of investment income, changes in investment fair value, and investment expenses. Information is presented for the current fiscal year to date, projected, and prior fiscal year to date. *Page 7.*

Administrative Cost Fund Budget Summary

This statement reports actual fiscal year to date administrative expenses and budget compared to the budget for the fiscal year and prior fiscal year to date expenses for BWC. The fiscal year budget is also compared to the agency appropriation. *Pages 8 and 9.*

State Insurance Fund Administrative Expense Summary

This statement reports administrative expenses that are permitted to be paid from the State Insurance Fund for the current and prior fiscal year to date along with the remaining open encumbrances for each of the contracts. *Page 10.*

Statement of Cash Flows

This statement presents cash flows from operating, capital and related financing activities, and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash and cash equivalents. *Page 11.*

Statement of Net Assets

This statement presents information reflecting BWC's assets, liabilities, and net assets. Net assets represent the amount of total assets less liabilities. This statement would be referred to as a balance sheet in the private sector. A combining schedule presents this information by fund. *Pages 12 and 13.*

Financial Performance Metrics

Financial ratios reflecting BWC's performance are presented here. These financial ratios are insurance industry recognized financial metrics. *Page 14.*

Operational Performance Metrics

Measures reflecting BWC's operational performance are presented here. *Pages 15 through 17.*

Performance Metrics Glossary

Glossary provides definitions and information on calculations for each performance metric. *Page 18.*

April Financial Analysis

BWC's net assets increased by \$20 million in April resulting in net assets of \$1.54 billion at April 30, 2009 compared to \$1.52 billion at March 31, 2009.

<i>(\$ in millions)</i>	Fiscal YTD March 31, 2009	Month Ended April 30, 2009	Fiscal YTD April 30, 2009
Operating Revenues	\$1,652.7	\$150.8	\$1,803.5
Operating Expenses	1,682.5	214.1	1,896.6
Operating Transfers to ODNR & WCC	(3.3)	(1.4)	(4.7)
Net Operating Gain (Loss)	(33.1)	(64.7)	(97.8)
Net Investment Income (Loss)	(947.1)	84.4	(862.7)
Increase (Decrease) in Net Assets	(980.2)	19.7	(960.5)
Net Assets End of Period	\$1,523.1	\$1,542.8	\$1,542.8

- o Premium and assessment income of \$173 million net of a \$25 million provision for uncollectible accounts receivable along with other income of \$3 million resulted in operating revenues of \$151 million in April.
- o Benefits and compensation adjustment expenses of \$206 million along with other expenses of \$8 million resulted in operating expenses of \$214 million in April.
- o A \$10 million increase in portfolio market value in April along with interest and dividend income of \$75 million for the month, resulted in a net investment income of \$84 million for the month after investment expenses. The increase in portfolio market value is comprised of \$28 million in net unrealized gains and \$18 million in net realized losses.
- o Premium payments from public employer taxing districts for the 2008 policy year contributed to premium and assessment receipts of \$89 million in April. Collections were \$19 million less than projected for the month.
- o Claim payments issued in April were \$187 million, including \$13 million in claim settlements. April included three bi-weekly scheduled payment cycles increasing April payments by approximately \$25 million compared to months with two bi-weekly payment cycles.
- o A total of \$80 million was transferred from operating cash to the large-cap equity mandate as part of a rebalancing of the investment portfolio.

Fiscal Year-to-Year Comparisons

BWC's total net assets have decreased by \$961 million for fiscal year-to-date 2009 resulting in net assets of \$1.5 billion at April 30, 2009 compared to \$2.6 billion at April 30, 2008.

<i>(\$ in millions)</i>	Fiscal YTD April 30, 2009	Projected FYTD April 30, 2009	Fiscal YTD April 30, 2008
Operating Revenues	\$1,804	\$1,818	\$1,836
Operating Expenses	1,897	2,186	2,556
Operating Transfer Out to ODNR	(5)	(6)	-
Net Operating Gain (Loss)	(98)	(374)	(720)
Net Investment Income (Loss)	(863)	872	1,049
Increase (Decrease) in Net Assets	(961)	498	329
Net Assets End of Period	\$1,543	\$3,001	\$2,635

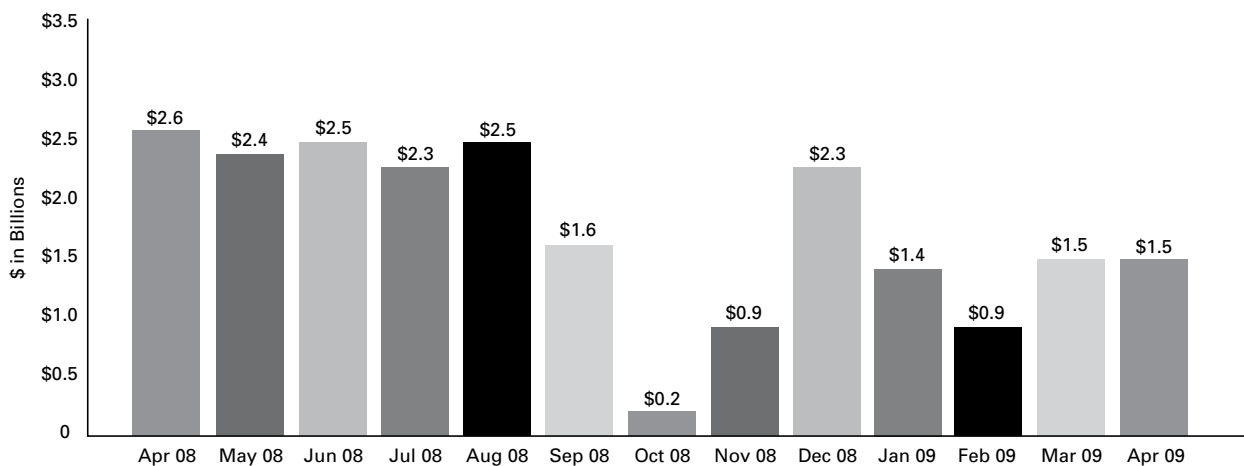
- o BWC's operating revenues for fiscal year-to-date 2009 were \$1.8 billion, a decrease of \$32 million compared to fiscal year-to-date 2008. The decrease is primarily due to an increase in the provision for uncollectible accounts receivable compared to fiscal year 2008.

- o Benefit and compensation adjustment expenses have decreased by \$659 million in fiscal year 2009 primarily due to a decrease in the change in reserves for compensation and compensation adjustment expenses. The fiscal year 2009 reserve projections are based on payment trends through December 31, 2008 and include a short-term medical inflation assumption of 6% compared to the 9% medical inflation rate used in the fiscal year 2008 actuarial audit.
- o Benefit and compensation adjustment expenses are \$290 million or almost 14% less than projected due to lower than projected disbursements for claims and claims adjustment expenses.
- o BWC's net investment loss for fiscal year-to-date 2009 totaled \$863 million, comprised of \$242 million in net realized losses and \$1.2 billion in net unrealized losses, partially off-set by \$597 million of interest and dividend income net of \$4 million in investment expenses.
- o Fiscal year-to-date premium collections are \$165 million less than the prior fiscal year and are on target with projected collections. Slower reporting and payment of premiums by public employer taxing districts and moving the due date for the second 50/50 installment from May 1st to June 1st has contributed to the decline in premium collections.
- o A total of \$185 million has been redeemed from investment managers in fiscal year 2009 to meet operating cash flow needs. These redemptions compare to the \$155 million that was redeemed during this same time frame last fiscal year.

Conditions expected to affect financial position or results of operations include:

- o Cash disbursements will increase as payments are made to settle the remaining \$14.7 million liability resulting from the Ohio Hospital Association lawsuit disputing fee schedules that were not adopted through the Ohio Revised Code Chapter 119 rules process.
- o The number of private employers participating in the 50/50 payment program increased by almost 20% this collection period compared to the collection period ended August 31, 2008. These employers will be paying \$176 million in premiums by June 1, 2009 to maintain active coverage.
- o Public employer taxing districts have until May 15th to report payroll and pay 45% of the premium due for

Net Assets



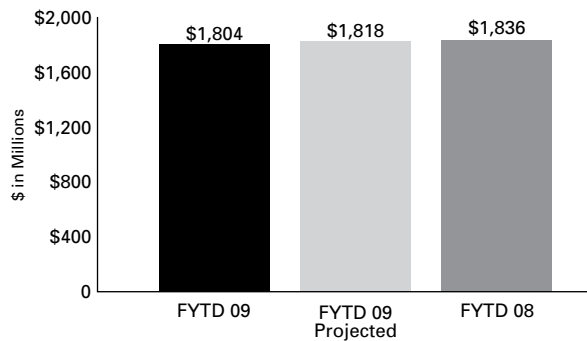
Statement of Operations

Fiscal year to date April 30, 2009

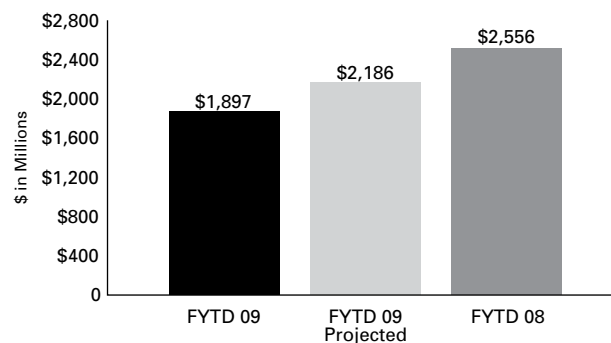
(in millions)

	Actual	Projected	Variance to Projected	Prior Yr. Actual	Year to Year Increase (Decrease)
Operating Revenues					
Premium & Assessment Income	\$1,873	\$1,854	\$19	\$1,878	\$(5)
Provision for Uncollectibles	(87)	(54)	(33)	(59)	(28)
Other Income	18	18	–	17	1
Total Operating Revenue	1,804	1,818	(14)	1,836	(32)
Operating Expenses					
Benefits & Compensation Adj. Expense	1,820	2,110	290	2,479	(659)
Other Expenses	77	76	(1)	77	–
Total Operating Expenses	1,897	2,186	289	2,556	(659)
Operating Transfers	(5)	(6)	1	–	(5)
Net Operating Gain (Loss)	(98)	(374)	276	(720)	622
Net Investment Income (Loss)	(863)	872	(1,735)	1,049	(1,912)
Increase (Decrease) in Net Assets	\$(961)	\$498	\$(1,459)	\$329	\$(1,290)

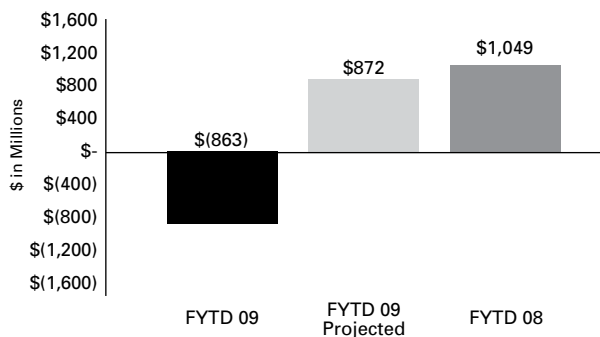
Operating Revenues



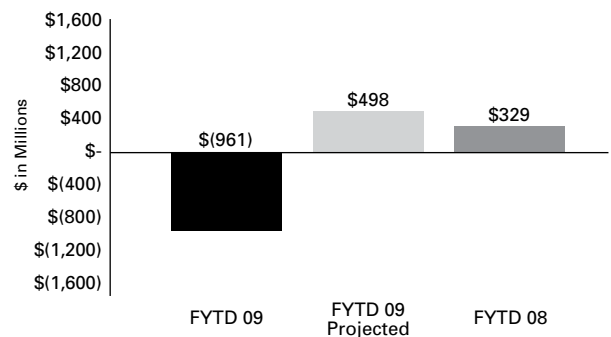
Operating Expenses



Net Investment Income (Loss)



Change in Net Assets



Statement of Operations – Combining Schedule

Fiscal year to date April 30, 2009

(in thousands)

	State Insurance Fund Account	Disabled Workers' Relief Fund Account	Coal-Workers Pneumoconiosis Fund Account	Public Work Relief Employees' Fund Account	Marine Industry Fund Account	Self-Insuring Employers' Guaranty Fund Account	Administrative Cost Fund Account	Totals
Operating Revenues:								
Premium & Assessment Income	\$1,481,625	\$66,948	\$1,375	\$125	\$664	\$16,409	\$305,688	\$1,872,834
Provision for Uncollectibles	(81,055)	(3,267)	-	-	-	(253)	(2,745)	(87,320)
Other Income	11,286	-	-	-	-	-	6,685	17,971
Total Operating Revenues	<u>1,411,856</u>	<u>63,681</u>	<u>1,375</u>	<u>125</u>	<u>664</u>	<u>16,156</u>	<u>309,628</u>	<u>1,803,485</u>
Operating Expenses:								
Benefits & Compensation Adj Expenses	1,521,539	66,030	831	(91)	284	18,953	211,914	1,819,460
Other Expenses	19,221	272	68	-	106	1	57,423	77,091
Total Operating Expenses	<u>1,540,760</u>	<u>66,302</u>	<u>899</u>	<u>(91)</u>	<u>390</u>	<u>18,954</u>	<u>269,337</u>	<u>1,896,551</u>
Net Operating Income (Loss) before Operating Transfers Out	<u>(128,904)</u>	<u>(2,621)</u>	<u>476</u>	<u>216</u>	<u>274</u>	<u>(2,798)</u>	<u>40,291</u>	<u>(93,066)</u>
Operating Transfers Out	<u>(3,039)</u>	<u>-</u>	<u>(4,540)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,696</u>	<u>(4,883)</u>
Net Operating Income (Loss)	<u>(131,943)</u>	<u>(2,621)</u>	<u>(4,064)</u>	<u>216</u>	<u>274</u>	<u>(2,798)</u>	<u>42,987</u>	<u>(97,949)</u>
Investment Income:								
Investment Income	<u>543,972</u>	<u>38,982</u>	<u>8,277</u>	<u>458</u>	<u>341</u>	<u>637</u>	<u>3,943</u>	<u>596,610</u>
Net Realized Gains (Losses)	(220,287)	(18,354)	(3,434)	-	-	-	-	(242,075)
Net Unrealized Gains (Losses)	<u>(1,121,548)</u>	<u>(74,055)</u>	<u>(17,045)</u>	<u>(140)</u>	<u>(105)</u>	<u>-</u>	<u>-</u>	<u>(1,212,893)</u>
Total Realized & Unrealized Capital Gains (Losses)	<u>(1,341,835)</u>	<u>(92,409)</u>	<u>(20,479)</u>	<u>(140)</u>	<u>(105)</u>	<u>-</u>	<u>-</u>	<u>(1,454,968)</u>
Investment Manager & Operational Fees	(3,706)	(230)	(136)	(1)	-	(2)	-	(4,075)
Gain (Loss) on Disposal of Fixed Assets	-	-	-	-	-	-	(220)	(220)
Total Non-Operating Revenues, Net	<u>(801,569)</u>	<u>(53,657)</u>	<u>(12,338)</u>	<u>317</u>	<u>236</u>	<u>635</u>	<u>3,723</u>	<u>(862,653)</u>
Increase (Decrease) in Net Assets (Deficit)	(933,512)	(56,278)	(16,402)	533	510	(2,163)	46,710	(960,602)
Net Assets (Deficit), Beginning of Period	<u>2,206,922</u>	<u>848,727</u>	<u>179,339</u>	<u>19,350</u>	<u>13,431</u>	<u>8,919</u>	<u>(773,399)</u>	<u>2,503,289</u>
Net Assets (Deficit), End of Period	<u>\$1,273,410</u>	<u>\$792,449</u>	<u>\$162,937</u>	<u>\$19,883</u>	<u>\$13,941</u>	<u>\$6,756</u>	<u>\$(726,689)</u>	<u>\$1,542,687</u>

This report shows operating activity for each of the funds administered by BWC.

The deficit in net assets for the Administrative Cost Fund is a result of recognizing the actuarially estimated liabilities for loss adjustment expenses while funding for ACF is on a pay-as-you-go basis.

Statement of Investment Income

Fiscal year to date April 30, 2009

(in thousands)

	Actual	Projected	Variance to Projected	Prior Yr. Actual	Year to Year Increase (Decrease)
Investment Income					
Bond Interest	\$523,333	\$634,910	\$(111,577)	\$621,430	\$(98,097)
Dividend Income—Domestic & International	59,823	57,500	2,323	49,549	10,274
Money Market/Commercial Paper Income	5,082	8,132	(3,050)	15,678	(10,596)
Misc. Income (Corp Actions, Settlements)	8,372	3,000	5,372	3,903	4,469
Private Equity	—	—	—	3,921	(3,921)
Securities Lending Income, Net of Fees	—	—	—	—	—
Total Investment Income	596,610	703,542	(106,932)	694,481	(97,871)
Realized & Unrealized Capital Gains and (Losses)					
Bonds – Net Realized Gains (Losses)	(157,462)	—	(157,462)	(66,307)	(91,155)
Stocks – Net Realized Gains (Losses)	(84,747)	—	(84,747)	41,855	(126,602)
Subtotal – Net Realized Gains (Losses)	(242,209)	—	(242,209)	(24,452)	(217,757)
Bonds – Net Unrealized Gains (Losses)	(298,536)	—	(298,536)	733,832	(1,032,368)
Stocks – Net Unrealized Gains (Losses)	(914,357)	172,500	(1,086,857)	(294,505)	(619,852)
Subtotal – Net Unrealized Gains (Losses)	(1,212,893)	172,500	(1,385,393)	439,327	(1,652,220)
Net Gain (Loss) – PE	134	—	134	(49,587)	49,721
Change in Portfolio Value	(1,454,968)	172,500	(1,627,468)	365,288	(1,820,256)
Investment Manager & Operational Fees	(4,075)	(4,018)	(57)	(10,322)	(6,247)
Net Investment Income (Loss)	\$(862,433)	\$872,024	\$(1,734,457)	\$1,049,447	\$(1,911,880)

Administrative Cost Fund Expense Analysis

April 2009

- o BWC Administrative Cost Fund expenses are approximately \$25.3 million (9.6%) less than budgeted and approximately 1.3% less than last fiscal year.
- o Changes in payroll within divisions, including BWC Administration, Customer Service, Medical and Ombuds Office, varied due to vacant management positions that were filled in fiscal year 2009, vacancies resulting from the fiscal year 2008 Early Retirement Incentive, hiring controls implemented by OBM and positions moving due to reorganization. BWC's early retirement offering that ended January 31, 2008, resulted in Early Retirement Expenses in fiscal year 2008.
- o The timing of the receipt of invoices for payment in fiscal year 2009 caused actual expenditures to be less than the amount budgeted through April. A closer evaluation of projects and the need for IT consultants continues to cause a reduction in IT personal services.
- o Restrictions implemented for all state agencies concerning the purchase of equipment led to BWC more closely evaluating equipment needs and the reduction of equipment purchases in fiscal year 2008 and 2009.
- o Positions not yet filled led to a reduction in the fiscal year 2009 budget as of April. The payroll budget will be increased as employees are hired.
- o BWC's current fiscal year 2009 budget is approximately \$28 million (8.5%) less than appropriated by the General Assembly.

Administrative Cost Fund Budget Summary

As of April 30, 2009

Expense Description	FTE's	Actual FY09	Budgeted FYTD09	FYTD09 Variance	FYTD09 Percentage Variance	FY09 Budget	FYTD08 Expenses	Increase (Decrease) in FY09	FYTD09 Percentage Variance
Payroll									
BWC Board of Directors	12	784,282	781,744	(2,538)	-0.32%	896,102	653,503	130,779	20.01%
Workers' Comp Council		72,323	72,323	0	0.00%	77,667		72,323	100.00%
BWC Administration	9	688,632	688,632	0	0.00%	846,644	512,531	176,101	34.36%
Customer Service	1,475	94,192,705	94,296,213	103,508	0.11%	111,520,175	96,979,822	(2,787,117)	-2.87%
Medical	135	10,004,586	10,014,986	10,400	0.10%	11,862,806	8,879,282	1,125,304	12.67%
Special Investigations	139	9,480,387	9,482,031	1,644	0.02%	11,214,524	9,435,004	45,383	0.48%
Fiscal and Planning	67	4,246,678	4,276,759	30,081	0.70%	5,046,268	4,087,301	159,377	3.90%
Actuarial	22	1,434,177	1,435,784	1,607	0.11%	1,718,150	1,315,136	119,041	9.05%
Investments	11	992,761	994,321	1,560	0.16%	1,207,069	835,885	156,876	18.77%
Infrastructure & Technology	299	25,197,777	25,344,280	146,503	0.58%	29,953,302	24,578,704	619,073	2.52%
Legal	76	5,687,090	5,686,909	(181)	0.00%	6,754,421	5,231,164	455,926	8.72%
Communications	24	2,107,116	2,105,245	(1,871)	-0.09%	2,418,675	2,322,081	(214,965)	-9.26%
Human Resources	64	4,642,049	4,642,741	692	0.01%	5,502,167	4,425,871	216,178	4.88%
Internal Audit	16	1,161,678	1,162,362	684	0.06%	1,404,114	1,286,161	(124,483)	-9.68%
Ombuds Office	10	483,682	483,981	299	0.06%	588,499	338,454	145,228	42.91%
Early Retirement Expenses				0	0.00%		247,957	(247,957)	-100.00%
Total Payroll	2,359	161,175,923	161,468,311	292,388	0.18%	191,010,583	161,128,856	47,067	0.03%
Personal Services									
Information Technology		8,647,869	11,324,260	2,676,391	23.63%	13,539,105	11,587,537	(2,939,668)	-25.37%
Legal - Special Counsel		1,134,477	1,310,678	176,201	13.44%	1,571,015	1,248,440	(113,963)	-9.13%
Legal - Attorney General		4,224,601	4,444,085	219,484	4.94%	4,444,085	3,139,623	1,084,978	34.56%
Other Personal Services		4,846,570	7,095,784	2,249,214	31.70%	8,221,661	3,395,637	1,450,933	42.73%
Total Personal Services		18,853,517	24,174,807	5,321,290	22.01%	27,775,866	19,371,237	(517,720)	-2.67%
Maintenance									
William Green Rent		20,578,304	20,686,500	108,196	0.52%	20,686,500	20,237,720	340,584	1.68%
Other Rent and Leases		10,269,375	11,595,570	1,326,195	11.44%	11,910,383	9,525,085	744,290	7.81%
Software and Equipment Maintenance and Repairs		12,772,928	16,897,875	4,124,947	24.41%	19,604,789	12,521,631	251,297	2.01%
Inter Agency Payments		2,507,508	3,029,068	521,560	17.22%	3,659,962	2,517,984	(10,476)	-0.42%
Communications		3,101,621	5,814,117	2,712,496	46.65%	6,962,294	3,008,980	92,641	3.08%
Safety Grants and Long Term Care Loan		3,647,403	4,500,000	852,597	18.95%	6,000,000	3,681,235	(33,832)	-0.92%
Supplies and Printing		1,212,859	2,653,440	1,440,581	54.29%	3,188,396	1,674,435	(461,576)	-27.57%
Other Maintenance		2,675,167	3,160,281	485,114	15.35%	3,748,222	2,591,154	84,013	3.24%
Total Maintenance		56,765,165	68,336,851	11,571,686	16.93%	75,760,546	55,758,224	1,006,941	1.81%
Equipment									
		827,653	8,955,996	8,128,343	90.76%	9,680,865	4,612,130	(3,784,477)	-82.05%
Total Administrative Cost Fund Expenses		237,622,258	262,935,965	25,313,707	9.63%	304,227,860	240,870,447	(3,248,189)	-1.35%

Total Agency Appropriation 332,360,479
 Budget to Appropriation Variance 28,132,619
 Percentage Variance 8.46%

State Insurance Fund

Administrative Expense Summary

As of April 30, 2009

	Actual FYTD 2009	Encumbrance Balance	FYTD Actual & Encumbrance	Encumbrance Closing Date	Actual FYTD 2008
Investment Administrative Expenses					
UBS Securities LLC	\$275,191	\$0	\$275,191	6/30/08	\$5,094,342
Wilshire Associates Inc.	0	0	0		480,368
JP Morgan Chase - Performance Reporting	81,333	20,001	101,334	6/30/08	208,971
Mercer Investment Consulting	395,830	125,663	521,493	6/30/09	72,341
Other Investment Expenses	218,498	253,811	472,309	6/30/09	219,666
	970,852	399,475	1,370,327		6,075,688
Actuarial Expenses					
Mercer Oliver Wyman	520,433	987,024	1,507,457	12/31/09	731,498
Oliver Wyman Consulting	317,232	1,637,127	1,954,359	12/31/09	0
Deloitte Consulting LLP	1,550,095	0	1,550,095	12/31/08	255,721
Shoenfelt Consulting	6,370	5,550	11,920	3/31/09	0
AON Risk Consultants	0	0	0		263,599
	2,394,130	2,629,701	5,023,831		1,250,818
Ohio Rehabilitation Services	605,407	0	605,407	6/30/09	605,407
TOTAL	\$3,970,389	\$3,029,176	\$6,999,565		\$7,931,913

The above expenses are paid from the non-appropriated State Insurance Fund.

The investment administrative expense are included in the investment expenses reported on the statement of investment income on page 7.

The encumbrance balance is the amount remaining on the contract and may extend beyond the end of this fiscal year.

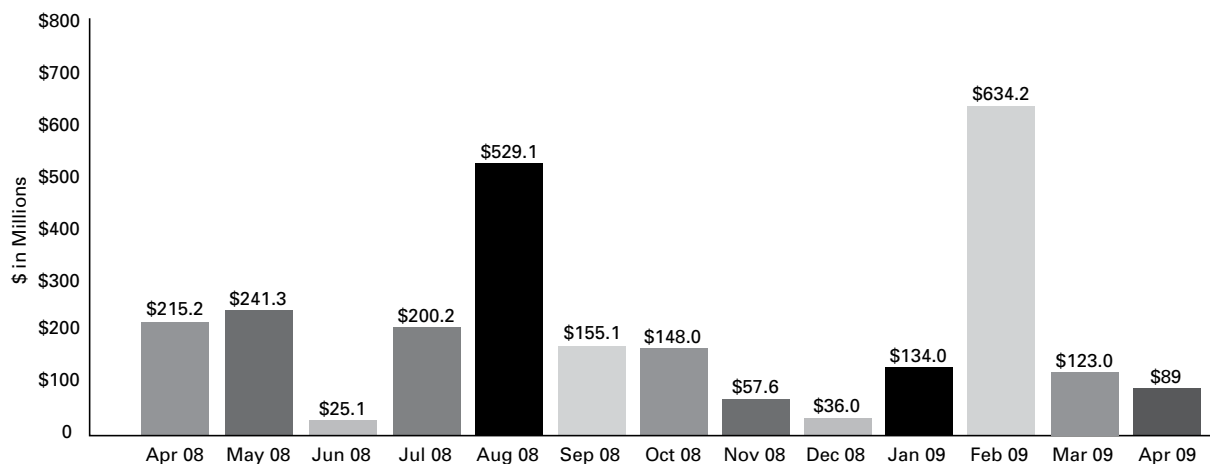
Statement of Cash Flows

Fiscal year to date April 30, 2009

(in millions)

	Actual	Projected	Variance to Projected	Prior Yr. Actual	Year to Year Increase (Decrease)
Cash Flows from Operating Activities:					
Cash Receipts from Premiums	\$2,107	\$2,101	\$6	\$2,272	\$(165)
Cash Receipts – Other	27	24	3	27	–
Cash Disbursements for Claims	(1,792)	(1,814)	22	(1,836)	44
Cash Disbursements for Other	<u>(373)</u>	<u>(372)</u>	<u>(1)</u>	<u>(398)</u>	<u>25</u>
Net Cash Provided (Used) by Operating Activities	(31)	(61)	30	65	(96)
Net Cash Flows from Noncapital Financing Activities	(5)	(6)	1	–	(5)
Net Cash Flows from Capital and Related Financing Activities	(22)	(21)	(1)	(22)	–
Net Cash Provided (Used) by Investing Activities	<u>155</u>	<u>167</u>	<u>(12)</u>	<u>158</u>	<u>(3)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	97	79	18	201	(104)
Cash and Cash Equivalents, Beginning of Period	<u>378</u>	<u>378</u>	<u>–</u>	<u>328</u>	<u>50</u>
Cash and Cash Equivalents, End of Period	\$475	\$457	\$18	\$529	\$(54)

Premium and Assessment Receipts



Statement of Net Assets

As of April 30, 2009

(in millions)

	Actual	Prior Yr. Actual	Year to Year Increase (Decrease)
Assets			
Bonds	\$12,683	\$13,840	\$(1,157)
Stocks	3,214	3,409	(195)
Private Equities	–	21	(21)
Cash & Cash Equivalents	475	529	(54)
Total Cash and Investments	16,372	17,799	(1,427)
Accrued Premiums	4,151	4,368	(217)
Other Accounts Receivable	368	279	89
Investment Receivables	459	307	152
Other Assets	110	115	(5)
Total Assets	21,460	22,868	(1,408)
Liabilities			
Reserve for Compensation and Compensation Adj. Expense	\$19,361	\$19,744	\$(383)
Accounts Payable	31	65	(34)
Investment Payable	319	148	171
Other Liabilities	206	276	(70)
Total Liabilities	19,917	20,233	(316)
Net Assets	\$1,543	\$2,635	\$(1,092)

Statement of Net Assets – Combining Schedule

As of April 30, 2009

(in thousands)

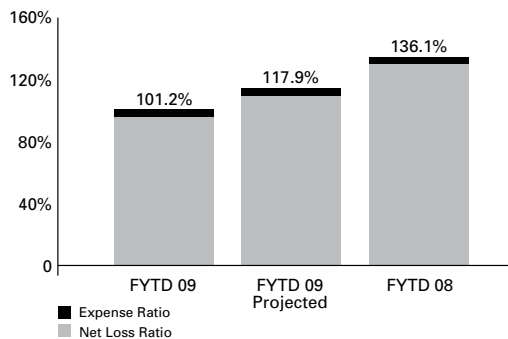
	State Insurance Fund Account	Disabled Workers' Relief Fund Account	Coal-Workers Pneumoconiosis Fund Account	Public Work Relief Employees' Fund Account	Marine Industry Fund Account	Self-Insuring Employers' Guaranty Fund Account	Administrative Cost Fund Account	Eliminations	Totals
Assets									
Bonds	\$11,619,540	\$ 844,375	\$ 179,797	\$ 22,738	\$ 16,989	\$ -	\$ -	\$ -	\$12,683,439
Stocks	2,964,552	205,729	43,279	-	-	-	-	-	3,213,560
Private Equities	197	-	-	-	-	-	-	-	197
Cash & Cash Equivalents	<u>404,276</u>	<u>9,787</u>	<u>1,854</u>	<u>159</u>	<u>346</u>	<u>55,259</u>	<u>3,183</u>	<u>-</u>	<u>474,864</u>
Total Cash & Investments	\$14,988,565	\$ 1,059,891	\$ 224,930	\$ 22,897	\$ 17,335	\$ 55,259	\$ 3,183	\$ -	\$16,372,060
Accrued Premiums	1,722,311	1,522,781	-	270	-	671,151	234,600	-	4,151,113
Other Accounts Receivable	284,066	25,462	(192)	(7)	-	(966)	59,427	-	367,790
Interfund Receivables	17,905	60,380	192	-	5	790	86,706	(165,978)	-
Investment Receivables	422,082	30,913	6,187	-	-	18	-	-	459,200
Other Assets	<u>25,453</u>	<u>22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,065</u>	<u>-</u>	<u>109,540</u>
Total Assets	\$17,460,382	\$ 2,699,449	\$ 231,117	\$ 23,160	\$ 17,340	\$ 726,252	\$ 467,981	\$ (165,978)	\$21,459,703
Liabilities									
Reserve for Compensation & Compensation Adj. Expense	\$15,613,381	\$ 1,868,831	\$ 62,800	\$ 3,258	\$ 3,227	\$ 716,966	\$1,092,630	\$ -	\$19,361,093
Accounts Payable	30,745	-	-	-	-	-	346	-	31,091
Investment Payable	292,704	21,733	4,456	-	-	-	-	-	318,893
Interfund Payables	146,902	16,346	163	19	18	2,530	-	(165,978)	-
Other Liabilities	<u>103,240</u>	<u>90</u>	<u>761</u>	<u>-</u>	<u>154</u>	<u>-</u>	<u>101,694</u>	<u>-</u>	<u>205,939</u>
Total Liabilities	16,186,972	1,907,000	68,180	3,277	3,399	719,496	1,194,670	(165,978)	19,917,016
Net Assets	\$ 1,273,410	\$ 792,449	\$ 162,937	\$ 19,883	\$ 13,941	\$ 6,756	\$(726,689)	\$ -	\$ 1,542,687

Financial Performance Metrics

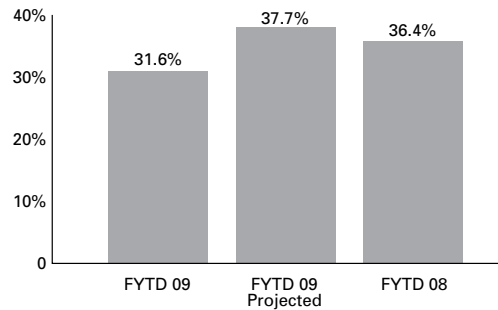
	Actual FY09 As of 4/30/09	Projected FY09 As of 4/30/09	Actual FY08 As of 4/30/08	Target
Loss Ratio	78.8%	92.3%	110.7%	
LAE Ratio - MCO	7.0%	8.3%	8.5%	
LAE Ratio - BWC	11.3%	13.2%	12.8%	
Net Loss Ratio	97.1%	113.8%	132.0%	120.0%
Expense Ratio	4.1%	4.1%	4.1%	5.0%
Combined Ratio	101.2%	117.9%	136.1%	125.0%
Net Investment Income Ratio	31.6%	37.7%	36.4%	
Operating Ratio (Trade Ratio)	69.6%	80.2%	99.7%	100.0%
Operating Cashflow Ratio	126.9%	129.2%	133.3%	118.0%
Total Reserves to Net Assets	13 to 1	6 to 1	7 to 1	7 to 1
Investments to Loss Reserves	84.6%	94.0%	90.2%	110.0%
Equities to Net Assets	2.08 to 1	1.13 to 1	1.29 to 1	
Bonds to Net Assets	8.2 to 1	4.8 to 1	5.3 to 1	
Funding Ratio (State Insurance Fund)	1.09	1.18	1.16	

Target measures represent long-term goals for the agency. Business practices, peer group results, and historical data were considered in the establishment of the targets.

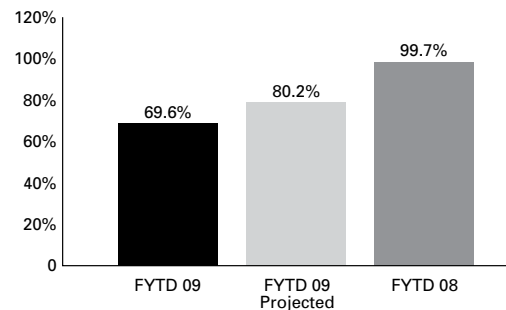
Combined Ratio



Investment Income Ratio

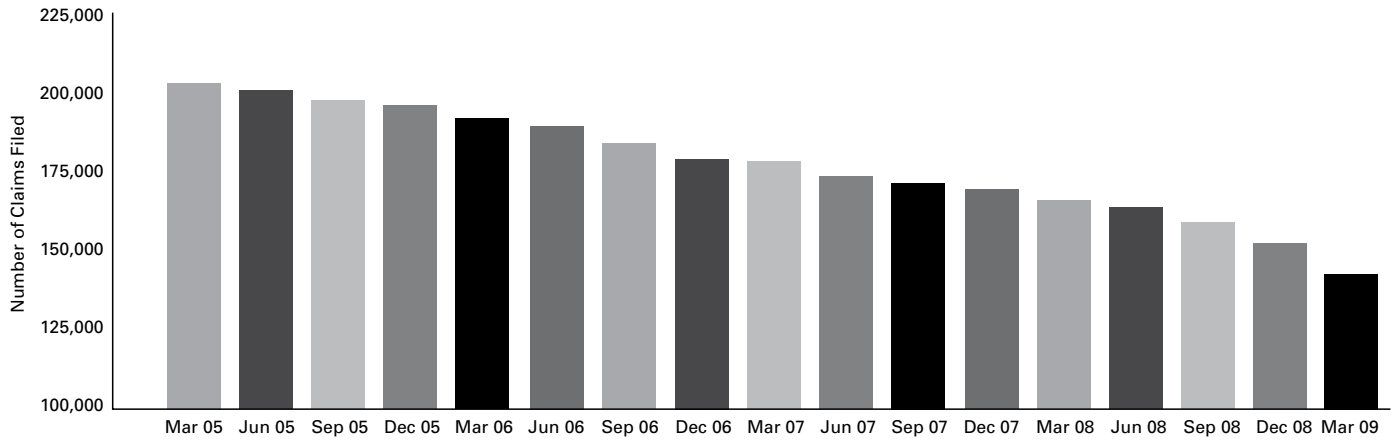


Operating Ratio

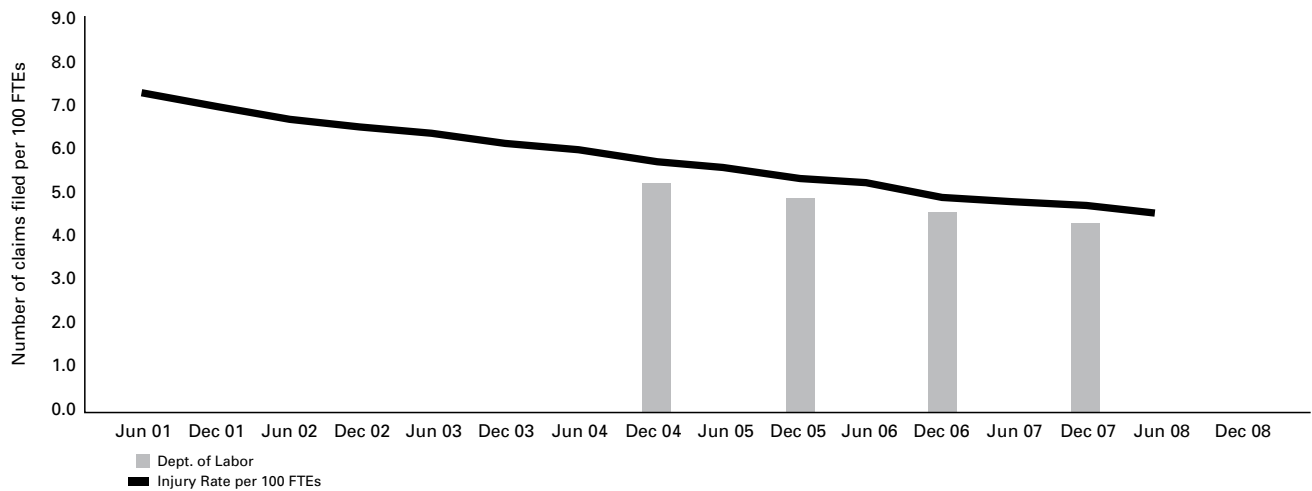


Operational Performance Metrics

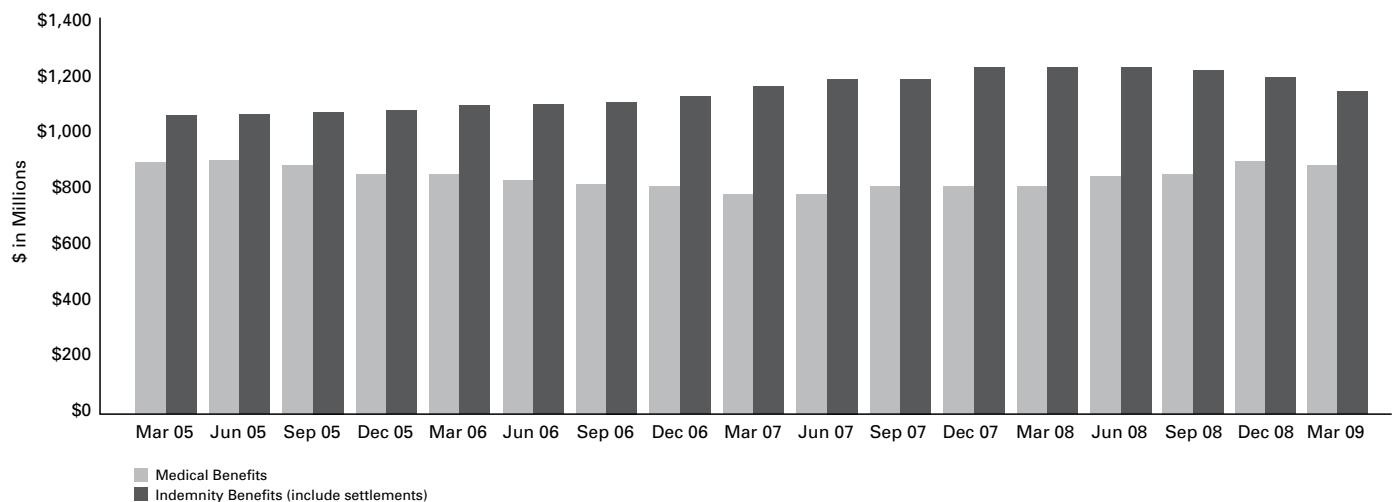
New Claims Filed - Twelve months ended



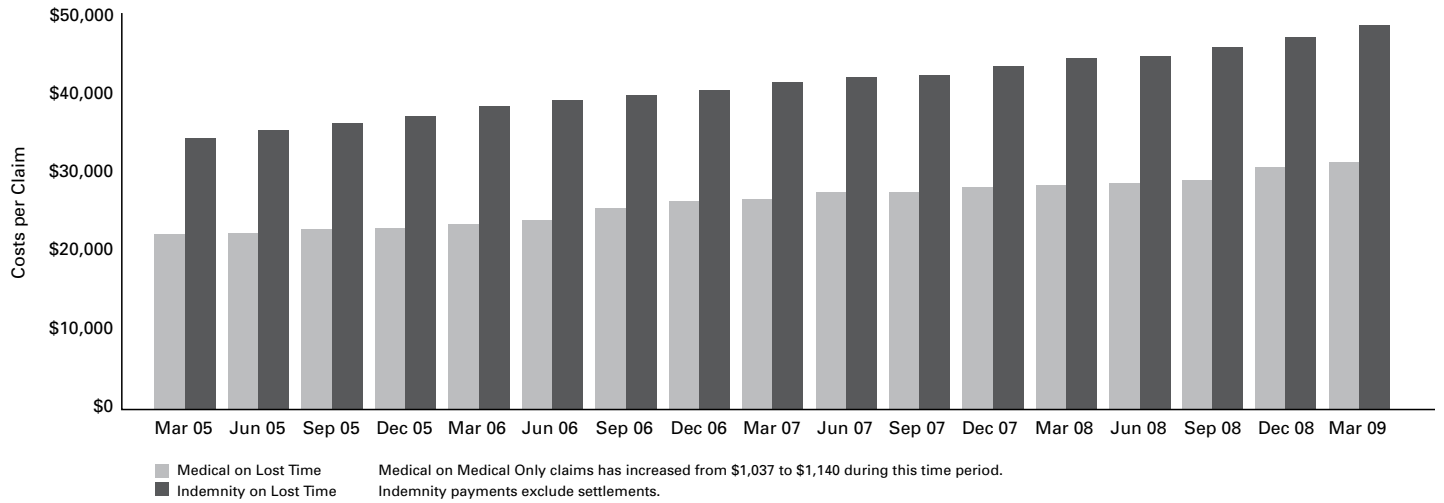
Frequency - Reported semi-annually



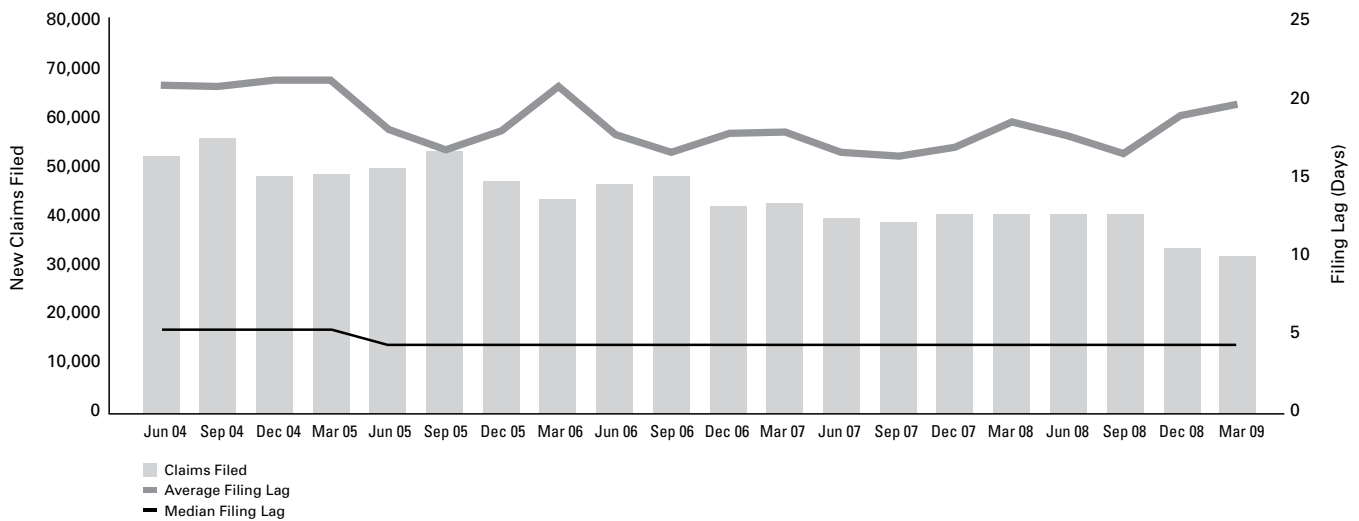
Benefit Payments - Twelve months ended



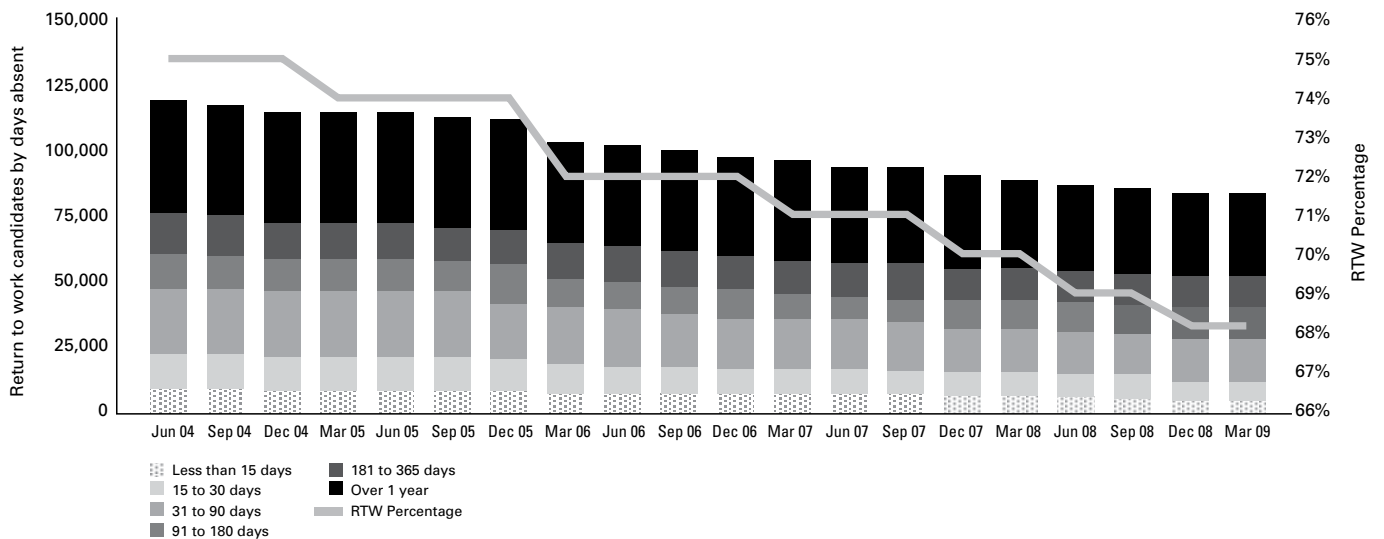
Severity



Claim Filing Lag



Return to work

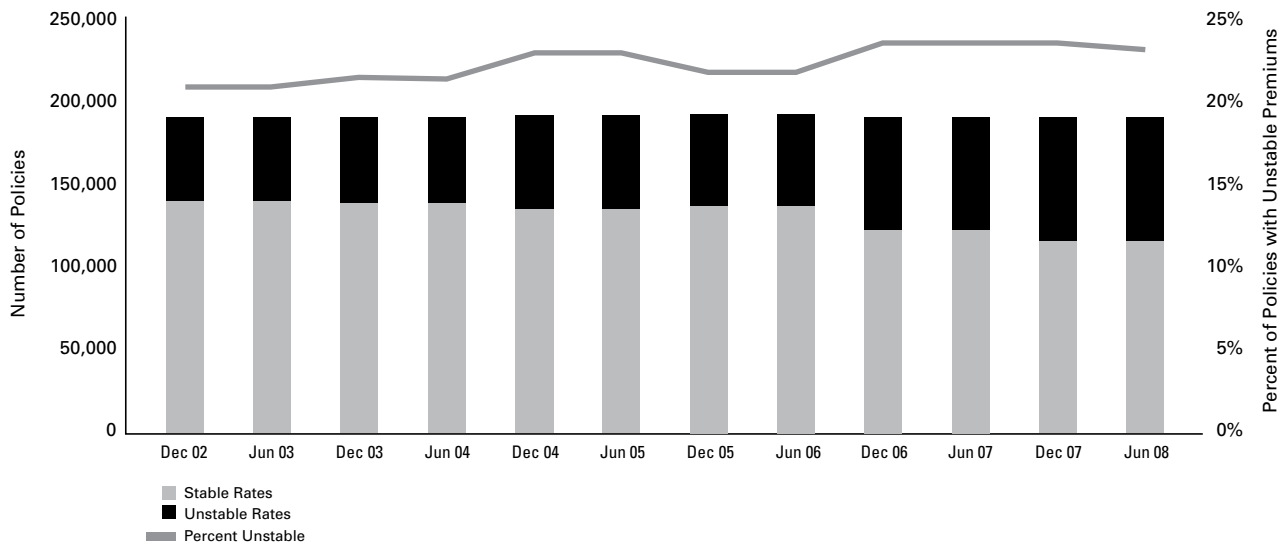


Aggregate Reported Payroll – Twelve Months Ending

(\$ in millions)	Private	PEC	PES	Black Lung	Marine
Dec 2002	\$82,400	\$17,611	\$5,823	\$64	\$3
Jun 2003	\$83,090	\$17,611	\$5,924	\$51	\$4
Dec 2003	\$83,304	\$18,022	\$6,005	\$59	\$4
Jun 2004	\$83,741	\$18,022	\$6,076	\$73	\$3
Dec 2004	\$85,492	\$18,545	\$6,184	\$84	\$3
Jun 2005	\$86,530	\$18,545	\$6,266	\$82	\$4
Dec 2005	\$87,902	\$18,594	\$6,388	\$87	\$4
Jun 2006	\$90,414	\$18,594	\$6,524	\$98	\$5
Dec 2006	\$91,830	\$18,946	\$6,654	\$98	\$5
Jun 2007	\$93,636	\$18,946	\$6,788	\$100	\$4
Dec 2007	\$94,890	\$19,427	\$6,914	\$107	\$4
Jun 2008	\$95,027	\$19,427	\$7,032	\$117	\$5

PEC employers report payroll only once per year, while other employers report twice per year. Therefore, the same PEC payroll is presented twice in each fiscal year in the above table.

Premium Stability



Performance Metrics Glossary

Loss Ratio

Measures loss experience – Compensation benefit expenses divided by premium and assessment income.

LAE Ratio

Measures loss adjustment experience – Loss adjustment expenses divided by premium and assessment income.

Net Loss Ratio

Measures underlying profitability or total loss experience – Sum of the loss ratio and the LAE ratios.

Expense Ratio

Measures operational efficiency – Other administrative expenses divided by premium and assessment income.

Combined Ratio

Measures overall underwriting profitability – Sum of net loss and expense ratios.

Net Investment Income Ratio

Measures the investment income component of profitability – Interest and dividend income less investment expenses divided by premium and assessment income. This ratio does not include realized or unrealized capital gains and losses.

Operating Ratio

Measures overall profitability from underwriting and investing activities – Combined ratio less net investment income ratio.

Operating Cash Flow Ratio

Measures the relationship between operating receipts and disbursements – Collections from operating activities (premiums, interest and dividends net of investment expenses) divided by operating disbursements.

Total Reserves to Net Assets

Measures the relationship between future claims and claim adjustment liabilities and net assets – Total reserves divided by premium and assessment income.

Investments to Loss Reserves

Measures the relationship of the investment portfolio to total reserves – Total cash and investments dividend by total loss reserves.

Equities to Net Assets

Measures the exposure of net assets to BWC's investment in equities – Equities divided by net assets.

Bonds to Net Assets

Measures the exposure of net assets to BWC's investment in bonds – Bonds divided by net assets.

Funding Ratio

Provides an indication of financial strength and security – Funded assets divided by funded liabilities.

New Claims Filed

Measures the number of new State Insurance Fund claims filed for rolling twelve month periods measured quarterly.

Frequency

Measures the number of injuries reported per 100 workers covered by the State Insurance Fund updated semi-annually.

Benefit Payments

Measures the dollar amount of medical and indemnity payments for rolling twelve month periods updated quarterly.

Severity

Measures the average cost of medical and indemnity expenses per lost time claim.

Claim Filing Lag

Measures the average and median number of days from the date of injury to the date of claim filing.

Return to Work Rates

Measures the percentage of injured workers who have returned to work relative to the claim population eligible to return to work.

Aggregate Reported Payroll

Measures reported payroll by employer type for a rolling twelve month period, updated semi-annually.

Premium Stability

Measures the number of employers whose premium rate changed more than 5 percent and total premium changed more than \$500 from the prior year.