

WORKERS' COMPENSATION STATE FUND SOLUTIONS

No two state funds are exactly alike, but many share common characteristics. There is a natural evolution of a state fund, although not every company chooses the same path. Rest assured, no matter which path you choose, Guy Carpenter has the experience, tools and resources to assist along the way. Whether you are a competitive state fund seeking a rating from A.M. Best, a monopolistic fund converting to open competition or a state fund looking to privatize, we can help.

Guy Carpenter helps state funds with:



Managing and Optimizing Legacy Reserves

To move forward without liabilities that may have accumulated over previous decades, you are looking for solutions to manage your legacy reserves.



Growing Beyond Privatization

To grow, you are considering expanding into other lines or jurisdictions.



Achieving an A.M. Best Rating

To compete with the private market for certain accounts, you are looking to get a rating from A.M. Best.



Enhancing Your Client Experience

To advance your business and improve interactions with your policyholders, injured workers and medical providers, you are looking to evolve through innovation in data, analytics and technology.



Modernizing Back Office Functions

To improve the overall customer experience, you are exploring how to modernize your underwriting and claims handling approach.

Solutions and Services for Workers' Compensation State Funds

WE ANALYZE MORE ACCUMULATION DATA AND RUN MORE WORKERS' COMPENSATION CATASTROPHE MODELS THAN ANY OTHER INTERMEDIARY.

› Structured Solutions

- Our Global Risk Solutions group has designed and placed thousands of adverse development covers, loss portfolio transfers and other capital management instruments that can help you advance your initiatives with a cleaner balance sheet.
- As you face the unprecedented pandemic environment and expanded presumption laws in certain states, we can provide a structured solution that can help manage the impact of these evolving challenges.

› Ratings Agency Advisory

- Our Rating Agency Advisory team is at the forefront of helping companies manage their relationships with an understanding of all key rating agencies.
- We will assist you as you prepare for both your initial and ongoing meetings with the rating agencies. Your performance relative to peers matters, so we will provide you with detailed peer comparisons to help identify areas for emphasis or improvement.
- We also provide Enterprise Risk Management (ERM) and Own Risk Solvency Assessment (ORSA) advisory services to help you develop, validate and communicate risk appetite and risk tolerance statements.

› GC Mosaic®

- Our customizable dashboards through GC Mosaic® enable clients to perform a multi-faceted analysis of the market, distribution and macroeconomic factors that are critical to consider when developing and executing growth strategies. Underlying the GC Mosaic® analysis is an up-to-date dataset that consists of multiple dimensions of market data at a state, county and individual location level.

› InsurTech Expertise

- We help clients sort and organize thousands of InsurTech companies and identify those that are aligned with their goals for improving business performance.

› Strategic Advisory and Predictive Analytics

- Together with our sister company Oliver Wyman, also a business of Marsh McLennan, our experienced professionals provide strategic advice, including predictive analytics, to help you manage your operations effectively.

We are at a critical stage in the market cycle. COVID-19 was a market altering event, and as the economy rebounds we are confronted with labor shortages, changing work environments, and substantial wage and medical inflation. You are also faced with varying presumption laws and stress tests by rating agencies. You need an advocate like Guy Carpenter by your side to help you face these challenges; to help you articulate your strategy to reinsurers, rating agencies, and regulators; and to create reinsurance solutions to manage the cycle.

The Value of Working with Us



Dedicated and Experienced Workers' Compensation Specialists

- Our team has intimate knowledge of market-leading conditions and reinsurer appetite, and significant trading relationships with key reinsurers.
- Our experienced and influential brokers at Lloyd's create firm orders in London.
- We offer best-in-class broking support and account servicing – contracts, accounting, claims, market security.
- We have dedicated workers' compensation actuarial, catastrophe and terrorism modelers.



Market-Leading Analytics and Advisory

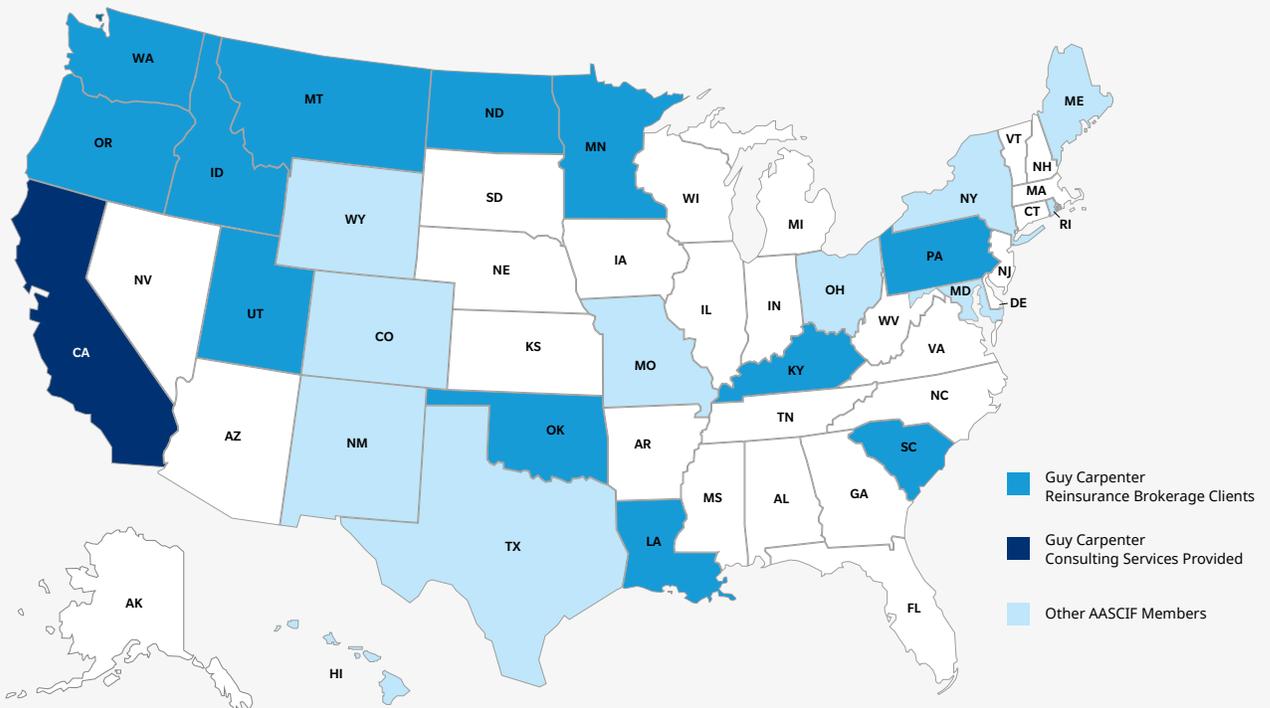
- We offer the largest peer analysis contract database, ensuring our clients get the broadest possible coverage available in the market.
- We analyze more accumulation data and run more workers' compensation catastrophe models than any other intermediary — as well as what Risk Management Solutions (RMS) or AIR Worldwide (AIR) each run themselves.
- Next generation terrorism analytics like Sunstone®, our proprietary terrorism model, which was developed specifically to improve our ability to deal with various terrorist events, beyond the capabilities of the vendor models.



Unparalleled State Fund Market Expertise

- We work with more than half of the American Association of State Compensation Insurance Funds (AASCIF) companies in the United States.
- We placed over \$50M of workers' compensation ceded premium for 13 AASCIF clients.
- We placed 43 layers of coverage – 10 working layers and 33 catastrophe layers.
- We helped three of our AASCIF clients (AZ, OK, UT) convert from state entities to mutual insurance companies.

AMERICAN ASSOCIATION OF STATE COMPENSATION INSURANCE FUNDS (AASCIF) EXPERIENCE



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About Guy Carpenter

Guy Carpenter & Company, LLC is a leading global risk and reinsurance specialist with 3,400 professionals in over 60 offices around the world. Guy Carpenter delivers a powerful combination of broking expertise, trusted strategic advisory services and industry-leading analytics to help clients adapt to emerging opportunities and achieve profitable growth. Guy Carpenter is a business of Marsh McLennan (NYSE: MMC), the world's leading professional services firm in the areas of risk, strategy and people. The Company's 83,000 colleagues advise clients in 130 countries. With annual revenue of nearly \$20 billion, Marsh McLennan helps clients navigate an increasingly dynamic and complex environment through four market-leading businesses including Marsh, Mercer, and Oliver Wyman. For more information, visit www.guycarp.com and follow us on LinkedIn and Twitter @GuyCarpenter.

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