

2016 Oregon Premium Ranking Study/BLS Injury Rate Data

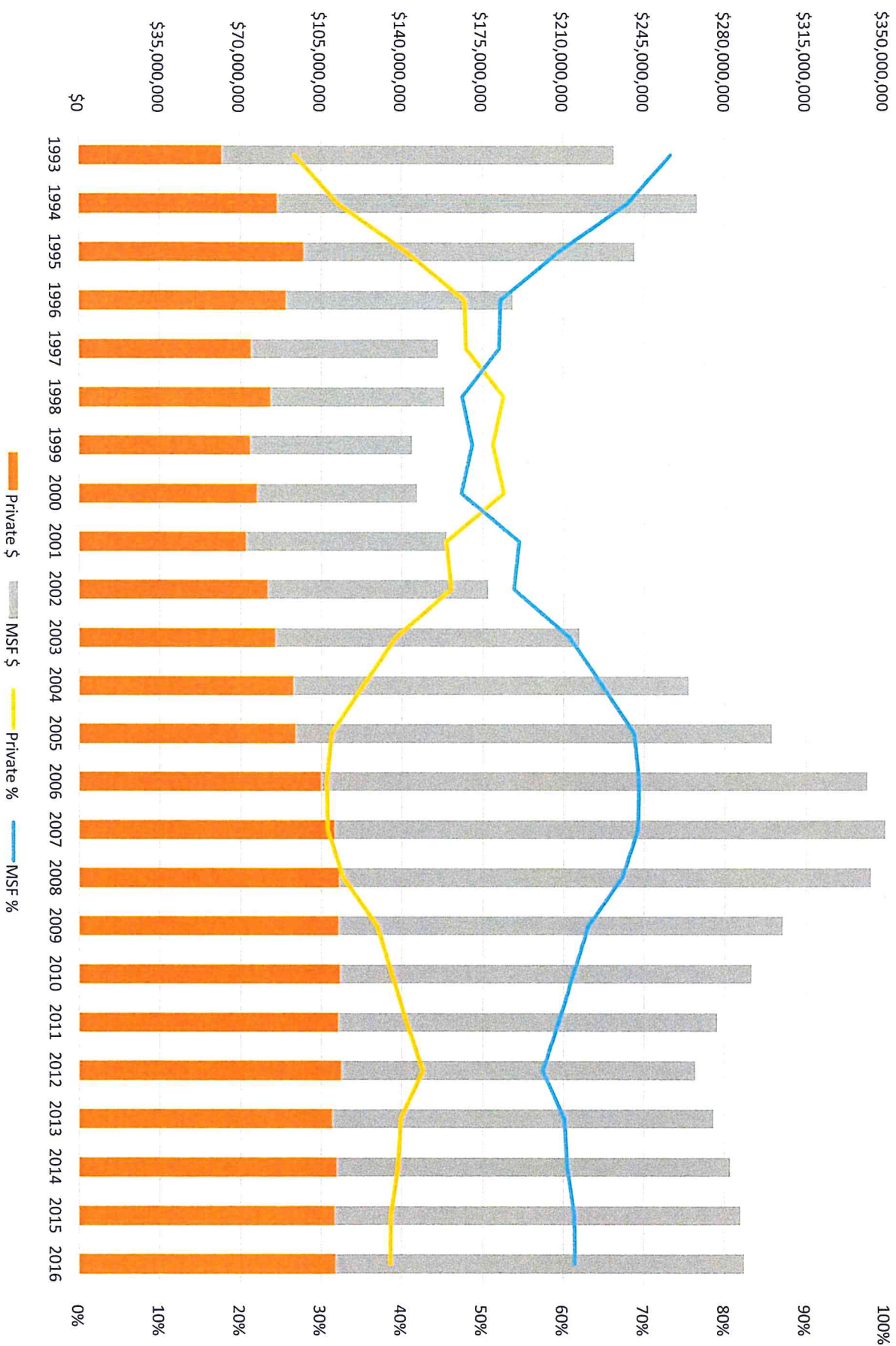
- Monopolistic State (1)
- Competitive Fund for Residual Market (2)
- Competitive State Funds w/ Private Residual Market (3)
- 100% Private Markets (4 & 5)



FAIR MONTANA

2016 Ranking	2014 Ranking	State	Index Rate	Percent of Median 2016	Percent of Median 2014	BLS Injury Rate 2015
1	1	California	3.24	176%	185%	3.3
2	3	New Jersey	2.92	153%	152%	2.7
3	4	New York	2.83	154%	148%	2.4
5	5	Alaska	2.74	149%	145%	3.9
5	2	Connecticut	2.74	149%	155%	3.2
6	9	Delaware	2.32	126%	125%	2.6
8	7	Illinois	2.23	121%	127%	2.9
8	6	Oklahoma	2.23	121%	137%	0.0
9	20	Rhode Island	2.2	119%	137%	0.0
10	10	Louisiana	2.11	115%	120%	#N/A
10	10	Montana	2.1	114%	119%	4.3
11	11	Montana	2.1	114%	119%	4.3
12	23	Wisconsin	2.06	112%	104%	3.6
14	13	Maine	2.02	110%	116%	4.8
14	8	Vermont	2.02	110%	125%	4.6
15	17	Washington	1.97	107%	108%	4.4
17	27	Hawaii	1.96	107%	100%	3.4
17	17	New Hampshire	1.96	106%	118%	#N/A
18	17	South Carolina	1.94	105%	108%	2.5
20	21	Missouri	1.92	104%	107%	3.0
20	20	New Mexico	1.92	104%	108%	3.1
22	20	Minnesota	1.91	104%	107%	3.5
22	27	North Carolina	1.91	103%	100%	2.6
23	31	Wyoming	1.87	101%	95%	2.2
24	24	Iowa	1.86	101%	101%	3.7
25	29	Alabama	1.85	100%	97%	3.0
26	17	Pennsylvania	1.84	100%	108%	3.5
27	32	Georgia	1.8	98%	95%	2.7
28	14	Idaho	1.79	97%	109%	#N/A
29	38	Mississippi	1.7	92%	85%	#N/A
30	22	Tennessee	1.68	91%	105%	3.1
32	30	Nebraska	1.67	91%	96%	3.4
32	25	South Dakota	1.67	91%	100%	#N/A
33	28	Florida	1.66	90%	98%	0.0
34	34	Michigan	1.57	85%	91%	3.3
35	41	Colorado	1.56	84%	81%	#N/A
36	40	Kentucky	1.52	82%	82%	3.5
38	35	Arizona	1.5	82%	85%	2.9
38	35	Maryland	1.5	82%	85%	2.9
40	33	Ohio	1.45	79%	94%	2.8
40	36	Texas	1.45	79%	87%	2.2
41	39	Kansas	1.41	77%	83%	3.0
42	45	District of Columbia	1.37	74%	79%	#N/A
43	46	Nevada	1.31	71%	68%	3.8
44	48	Massachusetts	1.29	70%	63%	2.7
45	43	Massachusetts	1.28	69%	74%	3.7
46	45	Utah	1.27	69%	72%	3.5
47	48	Virginia	1.24	67%	63%	2.4
48	43	West Virginia	1.22	65%	74%	3.2
49	49	Arkansas	1.06	57%	58%	2.6
50	50	Indiana	1.05	57%	57%	3.7
51	51	North Dakota	0.89	45%	47%	#N/A

WC Market Share 1993-2016



Year	Private \$	MSF \$	Private %	MSF %
1993	\$62,000,000	\$170,000,000	27%	73%
1994	\$86,000,000	\$182,000,000	32%	68%
1995	\$97,572,966	\$143,275,000	41%	59%
1996	\$89,893,661	\$98,270,000	48%	52%
1997	\$74,615,961	\$81,057,000	48%	52%
1998	\$83,274,441	\$75,177,196	53%	47%
1999	\$74,142,380	\$70,422,976	51%	49%
2000	\$77,129,965	\$69,411,843	53%	47%
2001	\$72,431,388	\$86,813,640	45%	55%
2002	\$81,725,533	\$95,558,150	46%	54%
2003	\$85,081,186	\$131,804,047	39%	61%
2004	\$92,915,175	\$171,439,374	35%	65%
2005	\$93,774,300	\$206,425,227	31%	69%
2006	\$104,876,336	\$237,137,186	31%	69%
2007	\$110,601,722	\$248,995,521	31%	69%
2008	\$112,660,545	\$231,192,059	33%	67%
2009	\$112,560,759	\$192,443,055	37%	63%
2010	\$113,028,190	\$178,565,513	39%	61%
2011	\$112,318,868	\$164,389,649	41%	59%
2012	\$113,744,533	\$153,423,174	43%	57%
2013	\$109,737,052	\$165,398,283	40%	60%
2014	\$111,583,813	\$170,881,461	40%	60%
2015	\$110,739,098	\$175,962,428	39%	61%
2016	\$111,254,621	\$177,245,314	39%	61%

Montana's Workers' Compensation Market

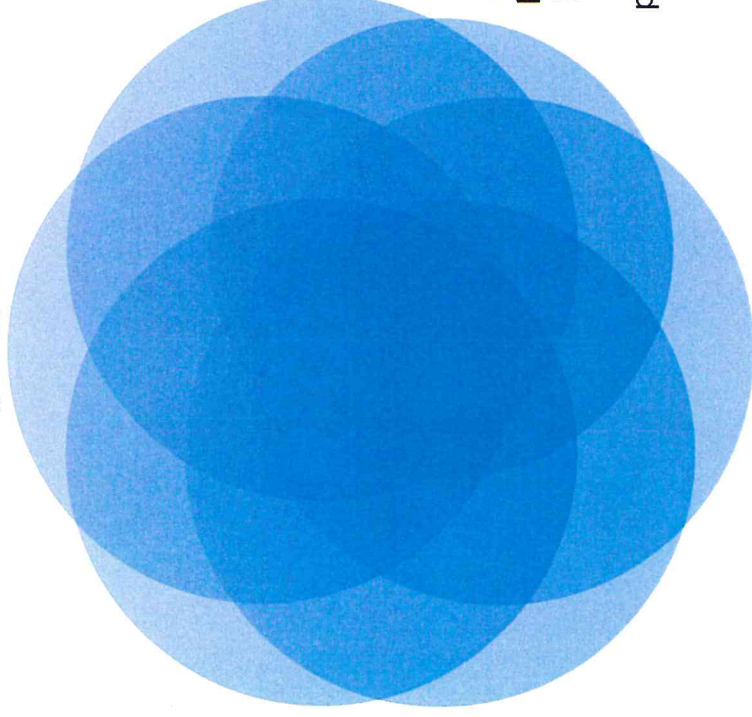
- 217 authorized workers compensation insurers
- 2016 Oregon Premium Study Ranking: 11th most expensive in the nation

National Association of Insurance
Commissioners 2016 Market Share
Report

Company	Earned Premiums	Loss Ratio	Market Share
Montana State Fund	\$177,245,000	70.34%	61.60%
Liberty Mutual Group	\$18,026,000	21.53%	5.70%
Victory Insurance Company	\$10,783,000	46.00%	3.83%
AmTrust Financial	\$11,343,000	36.62%	3.79%
Travelers Group	\$8,745,000	42.59%	3.22%

Montana State Fund: Hybrid State Agency

Exempted from State
budgeting process



MSF must comply with:
government actor, state
procurement
requirements, open
meetings, etc.

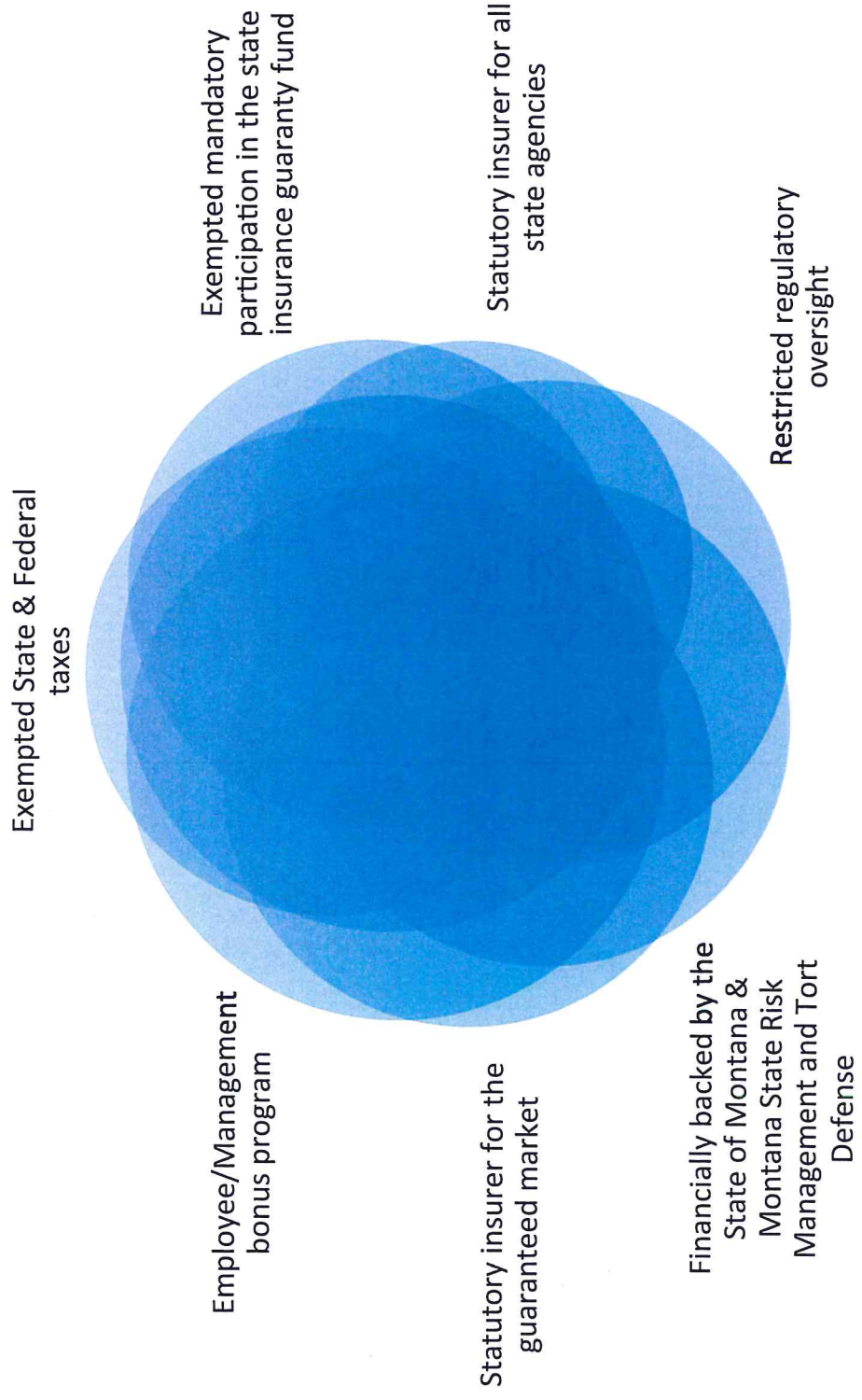
Exempted mandatory
participation in the state
insurance guaranty fund

Exempted from State of
Montana Pay Plan which
includes definitions, pay
classification, leave
provisions, and grievance
provisions

MSF has opted to utilize
State of Montana health
benefits and retirement

Management and control
vested in an appointed
Board of Directors as
opposed to state agency

Montana State Fund: Hybrid Insurance Company



- Do Nothing

- Incremental System Reforms

- True Privatization

Systemic Reform Options



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