

SAFER WORKPLACES. STRONGER BUSINESSES.



2025

How MSF is making Montana
a better place to do business.





WHO WE ARE.

Protecting businesses, keeping workers safe and helping Montana's economy thrive is what we do best at Montana State Fund (MSF). We're an independent non-profit public corporation and the largest workers' compensation insurer in the state. We offer a unique combination of safety programs and services that make Montana a better place for people to work and do business.

We work proactively to keep workers safe. We provide training, education and resources to prevent injuries from happening on the job. When accidents do happen, our medical and wage loss benefits help Montanans get back on their feet and back to work. This helps keep money flowing into Montana businesses and ultimately creates a more prosperous state.

Montana Roots

MSF is not just another insurance company. We're Montana to the core—locals who know the state, its businesses and its people. A big part of our mission is caring for those injured on the job. Everything we do at MSF is designed to build a culture of health and safety for all Montanans.

MSF is solely funded through insurance premiums and investment income. That means we receive **no taxpayer-appropriated dollars**. We offer many of our services in-house, from our safety teams to auditors, claims examiners, medical staff and more. Our teams can be found in every corner of the state, including in your community.

MSF MISSION:

We partner with employers and their employees to care for those injured on the job, and we champion a culture of workplace safety for our fellow Montanans.

MSF VISION:

To be an indispensable partner in achieving a safer, healthier and more prosperous Montana.





A NON-PROFIT INDEPENDENT PUBLIC CORPORATION.

MSF exists to ensure all Montana employers have access to workers' compensation. Established in 1990 as a non-profit independent public corporation, MSF is governed by a Board of Directors selected by the Governor and confirmed by the Montana Senate. However, we operate like a domestic mutual insurance company—we're a competitive insurer like all the others.

Ensuring a stable market that serves Montana

MSF is self-supporting, from premium and investment revenue, and receives no taxpayer-appropriated dollars. For 35 years, we've provided a stable insurance market, as shown by overall rate levels and dividends to MSF-insured businesses.

Supporting Montana businesses always

MSF is committed to being Montana's favorite workers' compensation carrier. We partner with any and all Montana employers, regardless of industry or business size. We support injured workers on their path to recovery over years, sometimes even decades.



CONNECTED ACROSS THE STATE, FOR ALL MONTANANS.

MSF has policyholders in every county in Montana, representing over 350 different industries. Our teams, from safety to claims management, are embedded in communities throughout the state. We exist to serve Montanans because we are Montanans ourselves.

Supporting small and new businesses

We serve small businesses that would not otherwise have access to affordable workers' compensation insurance. We cover thousands of Montana employers, 75% of which are small businesses. As evidenced by our proven track record, we maintain lower rates and a high level of customer service for all policyholders.

The premiums from our medium and large account employers create large economies of scale and reduce financial variability. These benefit every Montana employer, no matter their size.

Go-to insurer across industries

MSF is Montana's largest (and only non-profit) workers' compensation insurance company, insuring more employers than any other company in Montana. We cover a range of Montana's industries and insure the majority of employers in agriculture to construction, educational services to trucking. We also partner with industry associations and groups like the Montana Logging Association, Montana Trucking Association and Montana Building Industry Association to develop programs that offer educational and financial benefits to their members.

PROTECTING MONTANA.

Workers' compensation in Montana

All workers' compensation insurance providers, including MSF, follow the same coverage laws. Premiums are established long before the number, severity or cost of claims is known. Loss reserves are established as claims occur, but the ultimate cost of those claims isn't known for years, sometimes even decades.

Why Montana State Fund

Most states, including Montana, mandate employers to obtain workers' compensation insurance coverage. In the past, political intervention, market instability and other factors threatened the affordability, and even availability, of workers' compensation for some employers—jeopardizing their ability to stay in business. In response, state legislatures took decisive action to ensure employers had a reliable and cost-effective option for workers' compensation insurance.

HOW WE OPERATE.

BUILDING A CULTURE OF SAFETY.

Montana's workplace injury rate has long been higher than national averages. Our goal is to bring that average way down. Here's how MSF supports a culture of safety for our state's workplaces.

Safety Management Consultants

Our professional team of Safety Management Consultants (SMCs) offers one-on-one safety support for our policyholders. They provide tailored solutions to develop and grow solid workplace safety cultures. Last year, MSF conducted over 1,700 consultative safety visits with policyholders.

Safety program development

Our safety team has more than 232 years of combined experience. We work with policyholders to develop safety program materials, support safety committee work, provide on-site safety training and create return-to-work programs, among many other initiatives.

Online safety resources

Safemt.com, our safety-focused website, offers safety tips, videos, useful resources and more for employers and employees. Learn more about safety workshops at [safemt.com](https://www.safemt.com).

Safety workshops

These free seminars provide employers and employees with tools to create and fine-tune safety programs. They cover important, timely issues and are open to anyone, even if they're not insured through MSF. These workshops are especially helpful for growing companies bringing on new team members. In the last year, MSF placed an increased focus on new hire workshops, including new employees' risks and what to do about them, hiring for safety and implementing a probationary period for new hires.

That's where MSF comes in. MSF insures every employer that seeks coverage. Private carriers, on the other hand, move in and out of states based on opportunity and profit. They choose who to insure. MSF offers employers a stable, locally controlled, reliable and competitively priced source for workers' compensation insurance, regardless of risk or business size.

Looking to the future

MSF is here for the long haul. We will continue to be an indispensable partner in achieving a safer, healthier and more prosperous Montana. We always look for innovative ways to support Montana businesses and keep workers safe.

EXCEPTIONAL CLAIMS SUPPORT.

In 2023, we assisted more than 13,000 employees recovering from workplace injuries. Policyholders like working with us because we make claims decisions 40% faster than required. We have 55 claims examiners with a combined experience of more than 300 years. When asked how they rate their experience with MSF, 75% of respondents chose "good" or "excellent" for the fourth year in a row.

FINANCIAL STABILITY.

Financial security has always been a primary focus at MSF. One of the ways we ensure this is by maintaining an appropriate level of equity. This equity protects insurance companies from unanticipated costs above those normally expected when setting premium rates. It also protects employers from swings in rate changes from year to year as a result of catastrophic events, financial crises and economic downturns, among others.

By law, every insurer in Montana, including MSF, must maintain adequate equity to operate safely. Without adequate equity, an insurer is in danger of becoming insolvent – in other words, unable to provide the coverage it promised to policyholders and employees. Insolvency puts employers and injured workers at risk, also potentially harming Montana's communities.



RATES ON A DOWNWARD TREND.

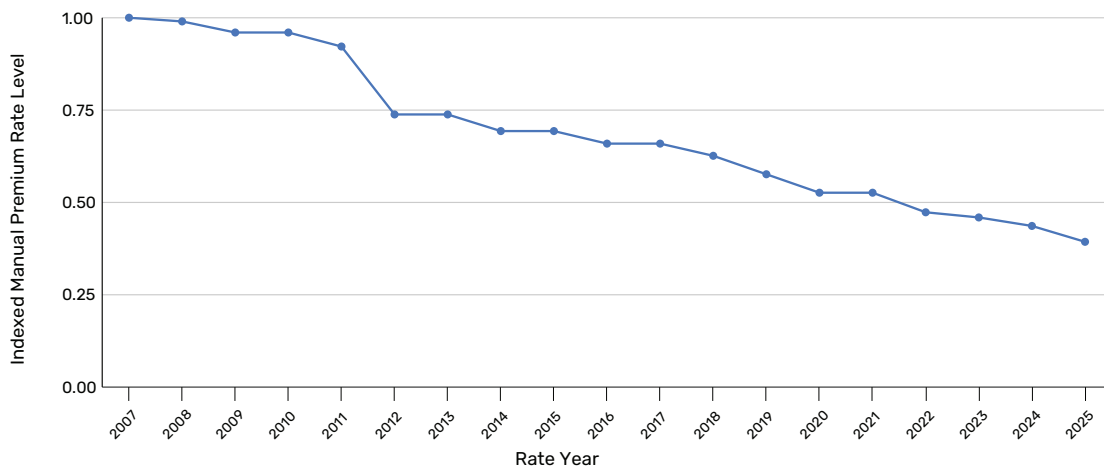
Montana State Fund strives to offer fair and competitive pricing that reflects the unique industries of Montana. And our policyholders have been able to enjoy lower rates as a result. Current rates are at their lowest in MSF's 35-year history—all while we've distributed record dividends to policyholders. In 2024 alone, MSF lowered policyholder rates by an average of 10%.

Montana State Fund's lower rates are the result of both our workplace safety focus and general market trends. In recent years, industrywide claim frequency has decreased and medical inflation has been lower than anticipated. MSF's own efforts have contributed to this reduced claim frequency, enhancing workplace safety through consultation, intervention and initiatives. When injuries do occur, MSF's claims examiners manage the claims expertly and efficiently, enabling a speedier return to work. And in line with its non-profit mission, MSF doesn't build profit into its policyholder rates, passing on that savings to policyholders.

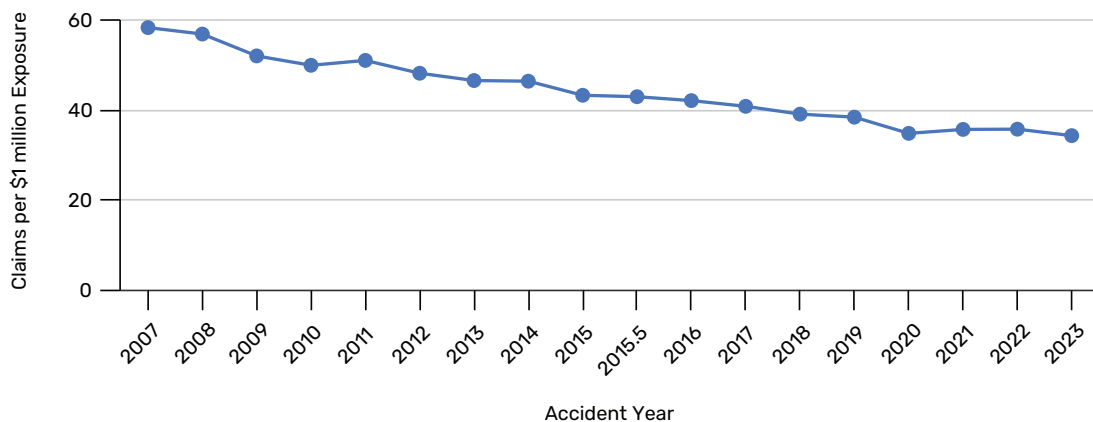
MSF has successfully reduced rates consistently, yet another way we ensure financial stability for the long-term. We have not raised rates since 2006, and our Board of Directors has reduced rates by a total of 61% over that same period. In just the past six years, we've lowered rates by 32%.

MSF's long-term commitment to safety has shown reduced claim frequency, speedier returns to work, and a healthier Montana workforce... resulting in lower rates.

MSF Cumulative Manual Rate Level based on Manual Rate Changes (average of MSF rate tiers)



MSF Claim Frequency Rate





Issuing dividends

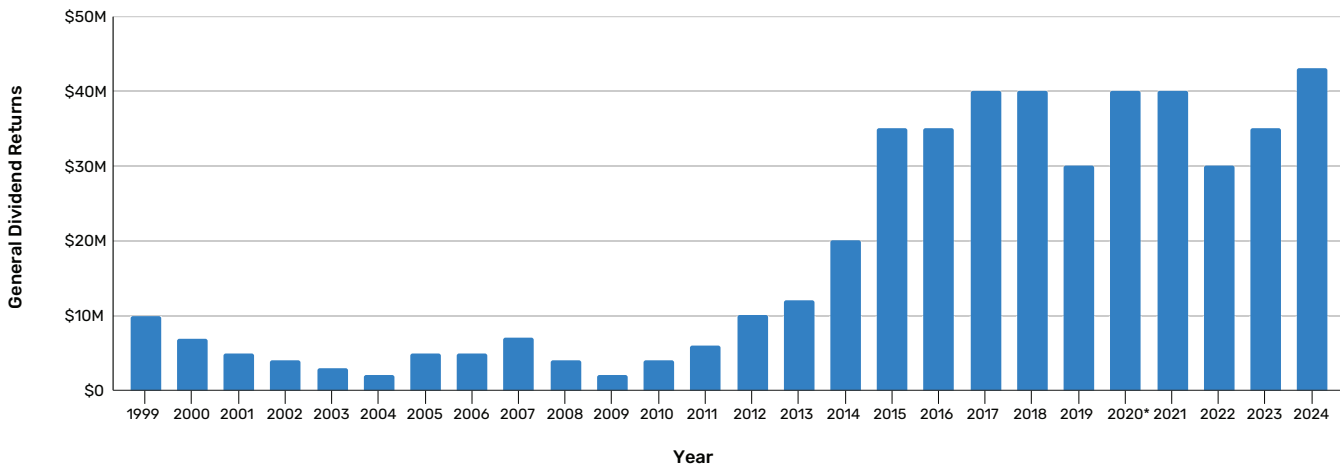
As Montana’s only non-profit workers’ compensation insurer, we operate at an underwriting loss or break-even level. In other words, what we charge in rates does not cover, or just barely covers, expenses. Dividends come from invested assets. That means any investment earnings not needed to ensure financial stability are paid to policyholders, whereas a for-profit company would pay the same funds to stock or shareholders.

Reaping the benefits

Since 1999, MSF has successfully issued \$474 million in total dividends to policyholders. Dividends are not guaranteed. The amount of dividends depends on MSF’s health and financial position, economic conditions, and the prospects for a continued stable environment.

MSF distributes these funds to policyholders in keeping with our non-profit status. In 2024, MSF issued a record \$43 million in dividends. In the last four years, we’ve distributed more than \$148 million through the general dividend process.

MSF Dividend Returns



A SAFER, HEALTHIER TOMORROW.

Our customers are the backbone of Montana's economy. We help them thrive by keeping their workers safe and healthy. We're making Montana a better, more prosperous place by creating a culture of health and safety for our policyholders, their employees and the communities in which they live and work.

MSF VALUES:

Do what's right

We operate with the highest levels of professionalism and integrity in all of our dealings with colleagues, customers and stakeholders.

Deliver with heart

It isn't only what we do, but how we do it. We are empathetic and compassionate about the needs and circumstances of every individual with whom we interact.

Focus on what matters

We make sure our work delivers an exceptional customer experience, adds value for all stakeholders and raises awareness of workplace safety.

Succeed together

As a team, we work collaboratively and take all MSF departments and roles into account. We are responsible for delivering a consistent and exceptional customer experience together.

Find a better way

We innovate and improve our services to create better experiences and outcomes for our customers, colleagues and fellow Montanans. We are adept at both leading and adapting to change.

Take the long view

We are all in it for the long haul. Our financial strength and the stability of Montana's workers' compensation insurance market is critical for our state and its people.





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