





Darryl Collins
Subrogation Supervisor

OUR MISSION IS EXCELLENCE.

At Workers Compensation Fund, our mission is more than a statement. It's a mindset focused on exceptional service to our policyholders and their employees. It's a commitment to our community and a promise to our business partners. During 2010 we further defined our mission of excellence and our key values of expertise, compassion, integrity, respect, teamwork, and accountability. We are dedicated to ensure that our policyholders, injured workers and business partners can count on Workers Compensation Fund for the quality service they deserve.

DEAR POLICYHOLDERS AND FRIENDS,

Our mission is excellence. It's a simple sentence, yet requires much diligence and dedication to execute. It is also a principle that we at WCF have worked persistently to achieve in 2010.

Like many Utah businesses, we experienced a number of challenges this past year. The slumping economy hindered job creation and payroll growth and claims complexity continued to increase. These elements put pressure on underwriting results. Fortunately, investment markets were generally favorable and helped to keep premiums low. Overall, we were able to increase our financial strength in 2010, which will help ensure continued exceptional service, competitive insurance rates, and compassionate care.

We take great pride in offering top-quality service to our customers, but there is always room for improvement. In 2010, we provided extensive customer-service training to all our employees and listened to those whose input matters most—our policyholders and independent agents. Twice during the year, we met with groups of policyholders to discuss how we could improve our service. Based on their suggestions, we made changes in our phone systems, streamlined the claims-filing process, and expanded and improved our menu of online services. We gained such keen insight from their comments that in 2011 we are increasing the number of policyholders involved in providing feedback. If you are interested in participating in our customer advisory council, please contact Peggy Larsen at 385.351.8328.

We continue to provide exceptional safety training to prevent workplace injuries. In 2010, our highly qualified safety and health professionals provided onsite training to nearly 16,000 people and instructed over 3,000 workers in classroom seminars across Utah. We invite you to review the safety course schedule in the back of this publication and to take advantage of these phenomenal free resources.

During 2010, we increased the number of cost saving programs we use to control claims costs with the addition of a prescription drug and drug-testing program. Combined with our other initiatives, these programs saved policyholders nearly \$38 million in 2010, a 32% savings per claim filed. These programs and initiatives help keep our premium rates among the lowest in the nation. A low cost of workers compensation insurance attracts business to our state and promotes economic growth.

Based on 2010's favorable financial results, in March 2011, our Board of Directors declared a dividend to policyholders of 5% of 2010 earned premium. The dividend will be paid in June 2011. With this dividend, WCF will have paid more than \$339 million in dividends since 1992—returning nearly 40% of operating income (10% of net earned premiums) to WCF policyholders. No other carrier has been able to provide this type of return to its policyholders.

We are grateful for your business and will work hard in 2011 to continue to deserve it.



Ray Pickup, *President & CEO*



Dallas H. Bradford, *Board Chair*



Robert Short
Chief Claims Officer

Dennis Lloyd
Chief Legal Counsel

Dan Hair
Chief Underwriting & Safety Officer

Scott Westra
Chief Financial Officer

Peggy Larsen
Chief Marketing Officer

Ray Pickup
Chief Executive Officer

Debi Mofford
Chief Information Officer

Jim Brooks
HR Manager

EXPERTISE

WE CONSTANTLY STRIVE TO ENHANCE OUR SKILLS AND KNOWLEDGE TO BE THE EXPERTS IN OUR FIELDS.

Charles Pugh
Safety Vice President

Charles,
Just a brief note to commend WCF for the great work Justin Thygerson has done in his role as a Safety and Health Consultant. I know I speak for many on our staff who appreciate Justin's willingness to meet with us anytime, anywhere to discuss safety issues pertinent to our facilities and the tasks we perform. Justin's breadth of knowledge on a wide range of topics has been a great benefit to helping us improve safe work conditions. He is diligent in meeting with us quarterly to review claim frequencies and accident trends as well as meet the goals set forth in the service plan we drafted. Thank you for allowing him to work with us. We look forward to continuing our partnership with Justin and WCF going forward.

Sincerely,
Jim Brooks
Central Utah Water Conservancy District
Human Resource Manager

Justin Thygerson
Safety and Health Consultant

COMPASSION

WE STRIVE TO EMPATHIZE WITH THOSE AFFECTED BY
WORKPLACE INJURIES.

Robyn Kemp
Nurse Case Manager

Robyn,
We wanted to write to express our appreciation for the services you provided after Jerry's accident. Throughout his hospitalization, surgeries, physical therapy, and return to work, you anticipated many of our worries and prepared us for what to expect. You helped negotiate the management of his medical needs, while offering support in dealing with the frustration of setbacks, as well as the success of recovery. Your compassionate, informed and always professional guidance has been invaluable in the process of successfully handling this unfortunate obstacle in our lives. It is gratifying to know that others who suffer from workplace accidents or injuries will benefit from your kind and skillful assistance.

Jerry and Rebecca Richards



Robyn Kemp
Nurse Case Manager

INTEGRITY

WE ARE COMMITTED TO THE HIGHEST STANDARDS OF ETHICS,
HONESTY AND INTEGRITY.

Jim Fadden
Underwriting Assistant Vice President

Jim,
I recently had a classification issue and brought this problem to Tiffini Johnston. The NCCI had completed an inspection and wanted to make a class-code change that didn't make sense. Tiffini was able to solve this issue by thinking outside the box. I was very impressed that she did not just default to the black and white thinking that a lot of underwriters use. It did not take a long time for her to review the information to make a decision. I truly feel that Tiffini cares about her work and her relationship with the agency. Our agency is very happy to have her as our underwriter.

Thanks,
Brent Koplin
Summit Risk Management & Insurance

Tiffini Johnston
WCF Underwriter

Brent Koplin
Summit Risk Management





Jacob Nielson
Auditor

RESPECT

WE TREAT ALL OTHERS AS WE WANT TO BE TREATED.

John Wallin
Audit Assistant Vice President

John,
I am pleased to report to you how well Jacob Nielson represented WCF as he conducted an audit on our records this morning. He was polite, professional, personable, nicely dressed and on time for his appointment. He conducted a thorough interview and after his audit was completed, he took the time to review the results and to make suggestions on procedures we might implement as we go forward. I appreciated hearing the audit review and the fact that he took the time to do so. Thanks for hiring this caliber of employee.

Sincerely,
D. Paul Smith
Arbinger Institute

TEAMWORK

WE ENCOURAGE AND SUPPORT EACH OTHER. WE WORK TOGETHER TO ACHIEVE OPTIMAL SOLUTIONS.

Lorena Lloyd
Claims Manager

Lorena,
I just wanted to take a minute to let you know how much I appreciate the excellent work of each WCF adjuster. They are just fantastic. Carla Martinez has been so helpful in working through our information difficulties at Corrections. Gary [Brady] has been instrumental in helping us obtain our 90-day and 180-day medical updates needed for ASA and Reassignment. Mindi Ormond always helps with everything. Jill Christensen is doing a wonderful job with Verla and the State Hospital. Lisa West has had a large number of more significant injuries, but they are all on track. And, Loretta Wuchner has her hands full with all of our medical-only claims but stays right on top of them. Finally, thanks Lorena for all of the support you provide the state and the excellent staff you have assigned to our claims.

Melissa Frost
State of Utah



Jill Christensen
Claims Adjuster

Gary Brady
Claims Adjuster

Melissa Frost
State of Utah

Loretta Wuchner
Claims Adjuster

Lisa West
Claims Adjuster



Vicki Mori

Executive Director of Guadalupe Schools

ACCOUNTABILITY

WE TAKE RESPONSIBILITY FOR OUR COMMITMENTS TO OUR POLICYHOLDERS AND THE COMMUNITY.

Greg Summerhays
Public Relations Director

Greg,

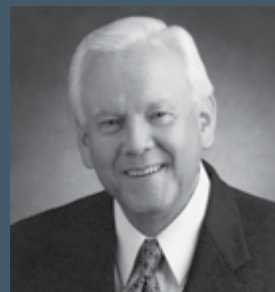
I wanted to send a short note to thank you and employees at Workers Compensation Fund for your strong commitment to our school and the families we serve on Salt Lake's west side. We are deeply grateful for WCF's support of our various programs that serve low-income children and immigrant adults wishing to improve their lives through education.

WCF employees have provided invaluable service as board members and volunteers. WCF volunteers coordinate our annual Charter School Field Day and also donate many hours to Guadalupe School's Christmas Store. WCF employees are committed to making a difference in our community and they demonstrate that belief by actively engaging with those who need their help most.

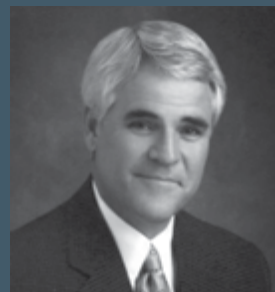
Guadalupe School looks forward to a long partnership with our friends at Workers Compensation Fund. We thank you again for the many lives you've helped improve both here and in the Salt Lake community.

Vicki Mori
Executive Director

WCF BOARD MEMBERS



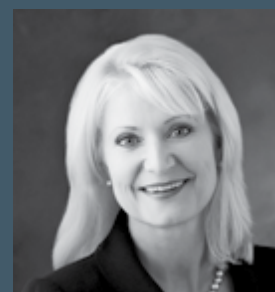
Dallas H. Bradford
Board Chair



Judd A. Turner
Board Vice Chair



John C. Eberhardt
Board Member



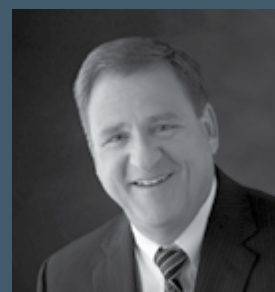
Kim Hood
Board Member



David Layton
Board Member

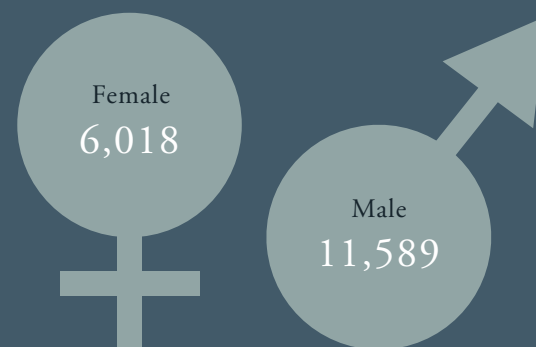


Roger A. Livingston
Board Member

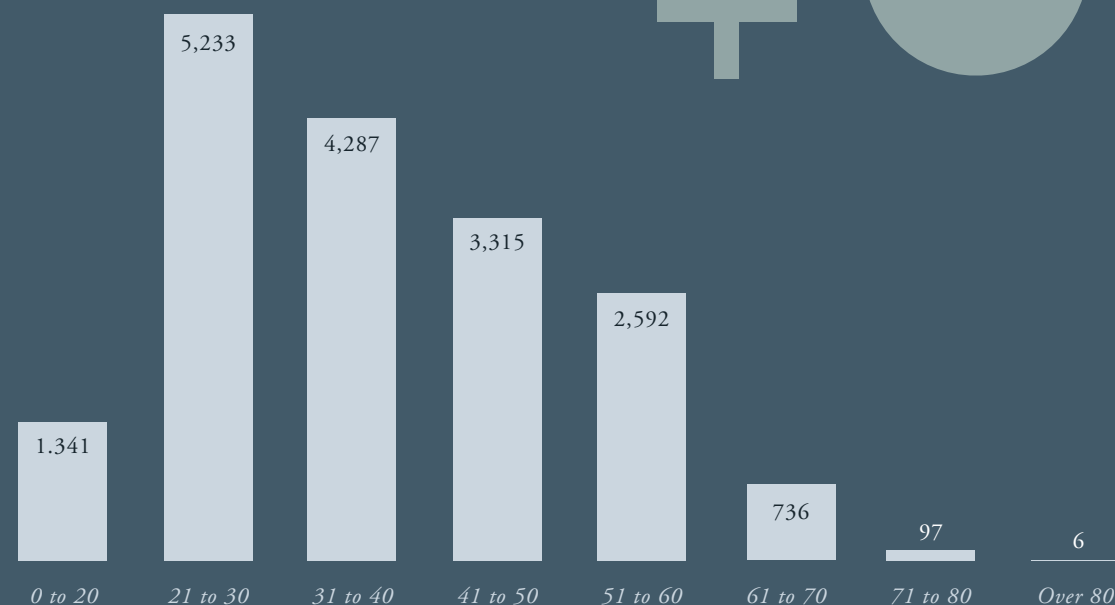


Ray D. Pickup
Board Member

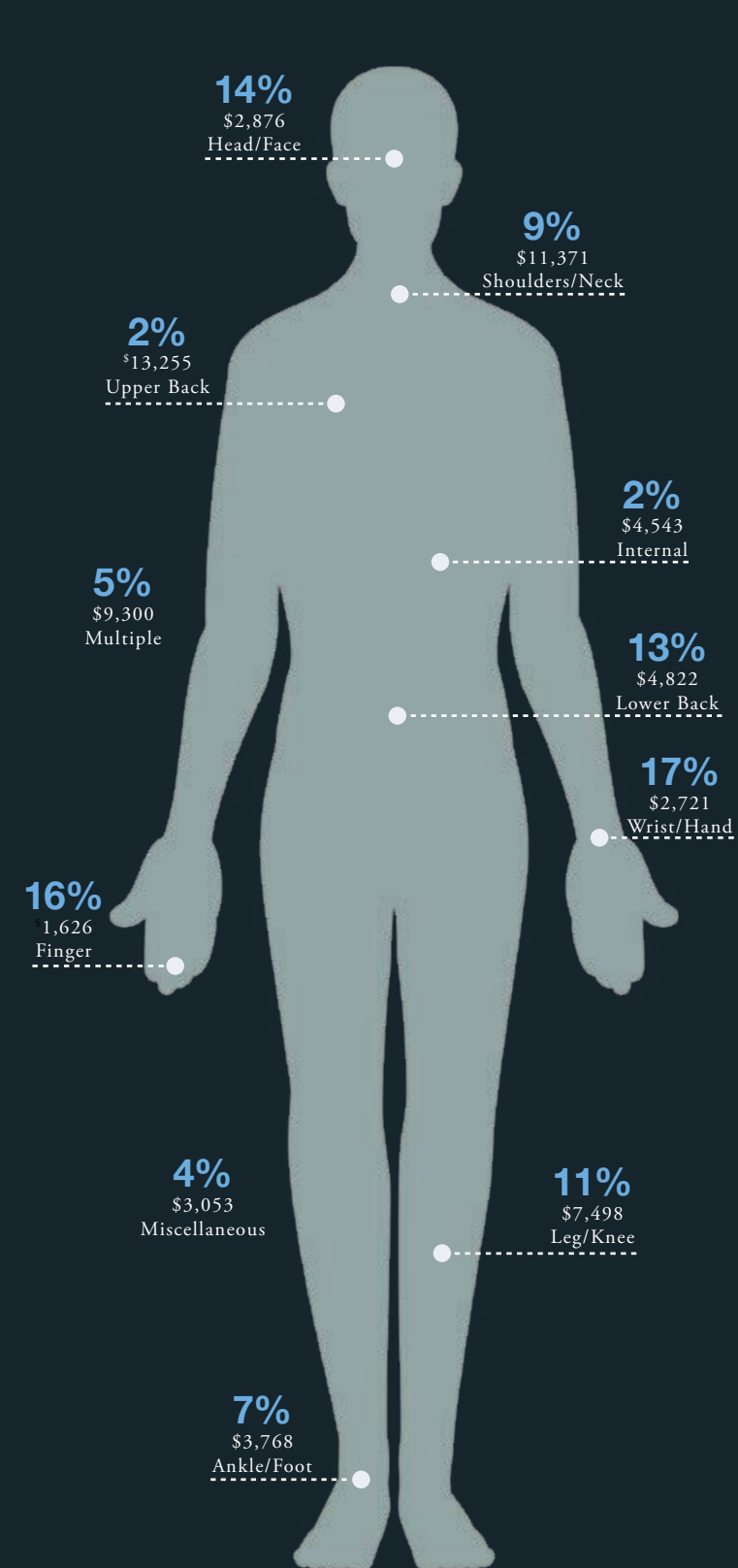
CLAIMANT GENDER



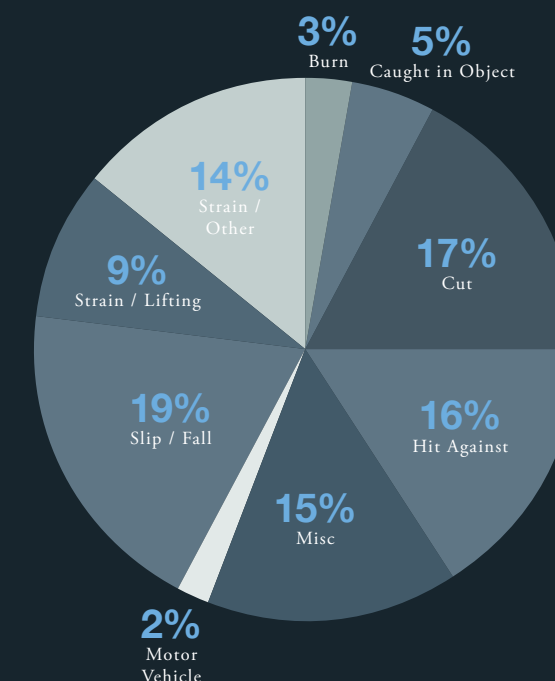
NUMBER OF CLAIMS BY CLAIMANT AGE



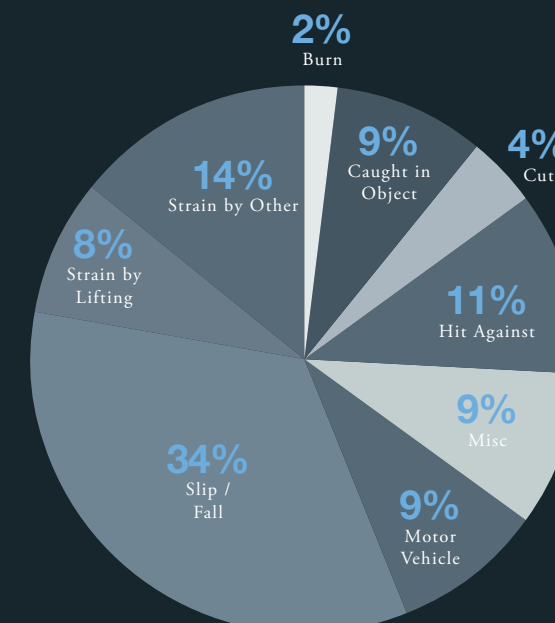
PERCENT OF WCF'S TOTAL CLAIMS AND AVERAGE CLAIM COST BY BODY PART



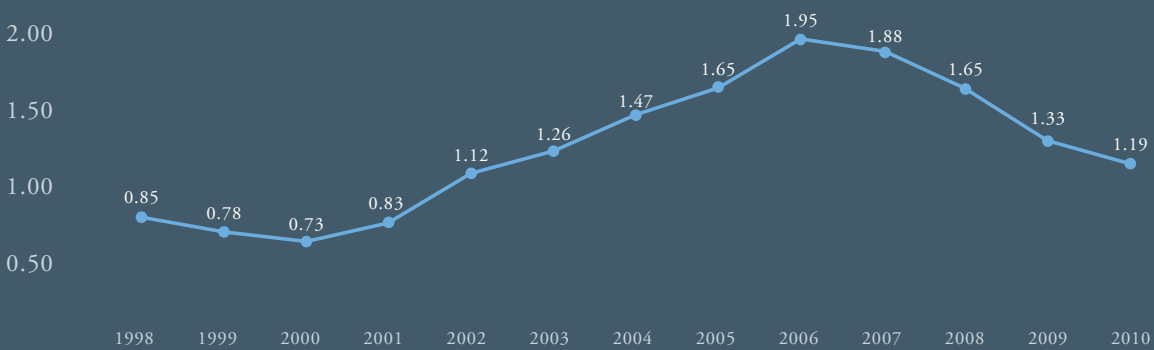
NUMBER OF CLAIMS BY ACCIDENT TYPE



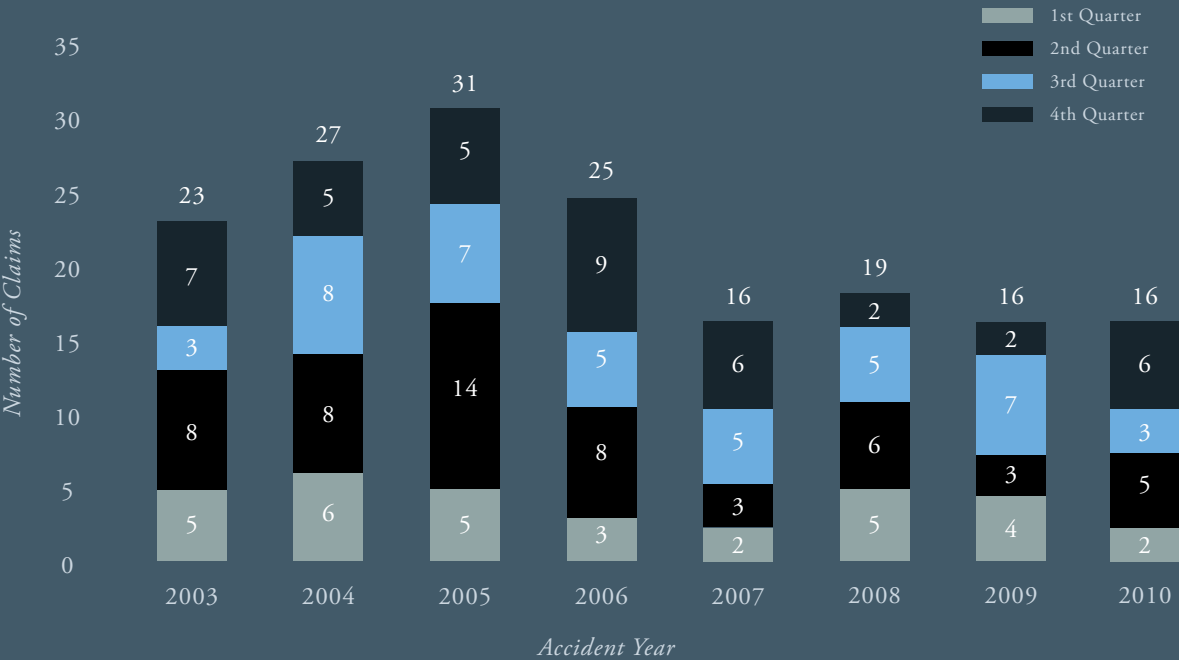
CLAIMS COST INCURRED BY ACCIDENT TYPE



AVERAGE PREMIUM RATE PER MILLION DOLLARS OF INFLATION-ADJUSTED PAYROLL



FATALITIES BY ACCIDENT YEAR



NUMBER OF CLAIMS



FINANCIAL HIGHLIGHTS

| Year End December 31, | 2010 | 2009 |
|--|------------|------------|
| <i>(in thousands)</i> | | |
| Premiums earned, net of reinsurance | \$ 155,167 | \$ 188,466 |
| Losses and loss-adjustment expenses | 122,690 | 129,860 |
| Operating expenses | 44,112 | 45,458 |
| Underwriting gain (loss) | (11,635) | 13,148 |
| Net investment income | 55,414 | 57,060 |
| Realized capital gains (losses) on investments | 6,964 | (10,042) |
| Policyholder dividends | 16,819 | 9,844 |
| Net income | 33,852 | 50,312 |

| | 2010 | 2009 |
|--------------|--------|--------|
| Claims Count | 17,607 | 18,297 |
| Policy Count | 21,152 | 21,412 |

| December 31, | 2010 | 2009 |
|---|--------------|--------------|
| <i>(in thousands)</i> | | |
| Admitted assets | \$ 1,481,831 | \$ 1,465,853 |
| Cash and invested assets | 1,453,405 | 1,434,840 |
| Reserve for losses and loss-adjustment expenses | 838,526 | 855,142 |
| Policyholder surplus | 601,128 | 562,971 |



2011 SAFETY COURSE SCHEDULE

- All courses are free to policyholders with the exception of a \$50 materials fee for the OSHA 10-Hour Construction and the OSHA 10-Hour General Industry Seminars. Because of the popularity of these two courses, registration is limited to four people per company.
- Non-WCF policyholders are invited to attend courses for a fee of \$175 per course.
- If you need special accommodations, please contact WCF five working days before the course.
- Please note that the schedule and locations are subject to change.
- For more information, contact the WCF safety department at: 800.446.2667 ext. 8103.

| Date | Time | Class | Place |
|------|-------------|---|-----------|
| 4/20 | 8:30-Noon | Strategies for Managing Lost Time Claims | Sandy |
| 4/21 | 8:30-10:00 | New! OSHA: Intro to OSHA Construction Safety | Richfield |
| 4/21 | 10:15-11:45 | New! OSHA: Intro to OSHA General Industry Safety | Richfield |
| 4/27 | 8:30-10:00 | Identifying Workplace Hazards | Ogden |
| 4/27 | 10:15-11:45 | Fraud Prevention: Protecting Legitimate Need | Ogden |
| 4/28 | 8:30-10:00 | Safety Management: The Balanced Safety Scorecard w, vco | Sandy |
| 4/28 | 10:15-11:45 | Safety Incentive Programs w, vco | Sandy |
| 5/5 | 8:30-10:00 | Driver Safety & Awareness (formerly defensive driving) | Blanding |
| 5/5 | 10:15-11:45 | Working Safely With Hazardous Materials | Blanding |
| 5/5 | 8:30-10:00 | Fall Protection Fundamentals | Vernal |
| 5/5 | 10:15-11:45 | Strain & Sprain Injuries: Prevention Techniques | Vernal |
| 5/11 | 8:30-10:00 | Preventing Workplace Slips, Trips, & Falls | Logan |
| 5/11 | 10:15-11:45 | Back, Eye, & Hand Injury Prevention | Logan |
| 5/12 | 8:30-10:00 | Fraud Prevention: Protecting Legitimate Need vco | Sandy |
| 5/12 | 10:15-11:45 | Managing Your Experience Modifier vco | Sandy |
| 5/18 | 8:30-Noon | Strategies for Managing Lost Time Claims | Vernal |
| 5/19 | 8:30-10:00 | Strain & Sprain Injuries: Prevention Techniques w, vco, vcs | Sandy |
| 5/19 | 10:15-11:45 | Ergonomics: Industrial Ergonomics w, vco, vcs | Sandy |
| 6/1 | 8:30-5:00 | OSHA Construction Safety 10 hour (1st day) | Sandy |
| 6/2 | 8:30-Noon | OSHA Construction Safety 10 hour (2nd day) | Sandy |
| 6/9 | 8:30-10:00 | Incident Investigation w, vco, vcs | Sandy |
| 6/9 | 10:15-11:45 | Working Safely with Hazardous Materials w, vco, vcs | Sandy |
| 6/16 | 8:30-Noon | New! Safety for Municipalities: A Safety Round Table vco | Sandy |
| 6/22 | 8:30-Noon | Strategies for Managing Lost Time Claims | Logan |

PHONE REGISTRATION
800.446.2667 ext. 8103

| | | | |
|-------|-------------|--|------------|
| 9/1 | 8:30-10:00 | Training: Effective Safety Training Techniques w, vco, vcs | Sandy |
| 9/1 | 10:15-11:45 | Behavioral Safety w, vco, vcs | Sandy |
| 9/13 | 8:00-10:00 | New Policyholder Training vco, vcs | Sandy |
| 9/15 | 8:30-10:00 | Back, Eye, & Hand Injury Prevention | Price |
| 9/15 | 10:15-11:45 | Violence in the Workplace | Price |
| 9/15 | 8:30-10:00 | Back, Eye, & Hand Injury Prevention w, vco | Sandy |
| 9/15 | 10:15-11:45 | OSHA: Top OSHA Citations for General Industry w, vco | Sandy |
| 9/21 | 8:30-10:00 | OSHA: Top OSHA Citations for General Industry | Provo |
| 9/21 | 10:15-11:45 | Drug Free Workplace: Promoting a Drug Free Environment | Provo |
| 9/22 | 8:30 -10:00 | Identifying Workplace Hazards vco | Sandy |
| 9/22 | 10:15-11:45 | New! Managing an Effective Safety Committee vco | Sandy |
| 9/28 | 8:30-Noon | Strategies for Managing Lost Time Claims | Provo |
| 9/29 | 8:30-10:00 | Ergonomics: Office Ergonomics & Safety w, vco, vcs | Sandy |
| 9/29 | 10:15-11:45 | Safety for the Diverse Workforce w, vco, vcs | Sandy |
| 10/6 | 8:30-10:00 | Machine Guarding w, vco | Sandy |
| 10/6 | 10:15-11:45 | Electrical Safety & Lockout/Tagout w, vco | Sandy |
| 10/13 | 8:30-10:00 | Fraud Prevention: Protecting Legitimate Need vco | Sandy |
| 10/13 | 10:15-11:45 | Managing Your Experience Modifier vco | Sandy |
| 10/27 | 8:30-10:00 | New! Safety Management: Selling Safety to Top Management vco, vcs | Sandy |
| 10/27 | 10:15-11:45 | Industrial Hygiene for the Safety Manager vco, vcs | Sandy |
| 11/2 | 8:30-10:00 | OSHA Required Programs | Cedar City |
| 11/2 | 10:15-11:45 | Safety Culture: Promoting A Safe Workplace Culture | Cedar City |
| 11/3 | 8:30 -10:00 | OSHA Required Programs | St George |
| 11/3 | 10:15-11:45 | Safety Culture: Promoting a Safe Workplace Culture | St George |
| 11/9 | 8:30-10:00 | Personal Protective Equipment | Logan |
| 11/9 | 10:15-11:45 | Fraud Prevention: Protecting Legitimate Need | Logan |
| 11/9 | 8:30- Noon | Strategies for Managing Lost Time Claims | Sandy |
| 11/10 | 8:30-10:00 | Getting & Keeping Safe Employees w, vco, vcs | Sandy |
| 11/10 | 10:15-11:45 | Insurance Cost Management Through Effective Risk Control w, vco, vcs | Sandy |
| 11/16 | 8:30-5:00 | OSHA Construction Safety 10 hour (1st day) | Sandy |
| 11/17 | 8:30-Noon | OSHA Construction Safety 10 hour (2nd day) | Sandy |
| 12/1 | 8:30-10:00 | Forklift Train-the-Trainer | Sandy |
| 12/1 | 10:15-12:15 | OSHA 300 Log: Understanding the Requirements w, vco | Sandy |
| 12/7 | 8:30-10:00 | Drug Free Workplace: Promoting a Drug Free Environment | Ogden |
| 12/7 | 10:15-11:45 | Strain & Sprain Injuries: Prevention Techniques | Ogden |
| 12/8 | 8:30-10:00 | Fall Protection Fundamentals vcs | Sandy |
| 12/8 | 10:15-11:45 | Scaffolding Safety Fundamentals vcs | Sandy |

W - Class is available for view live on the internet
VCO - Via video conference at the WCF Ogden branch office
VCS - Via video conference at the WCF St.George branch office

ONLINE REGISTRATION
www.wcfcgroup.com

WORKERS COMPENSATION FUND
P.O. BOX 57929
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