STATE OF ILLINOIS

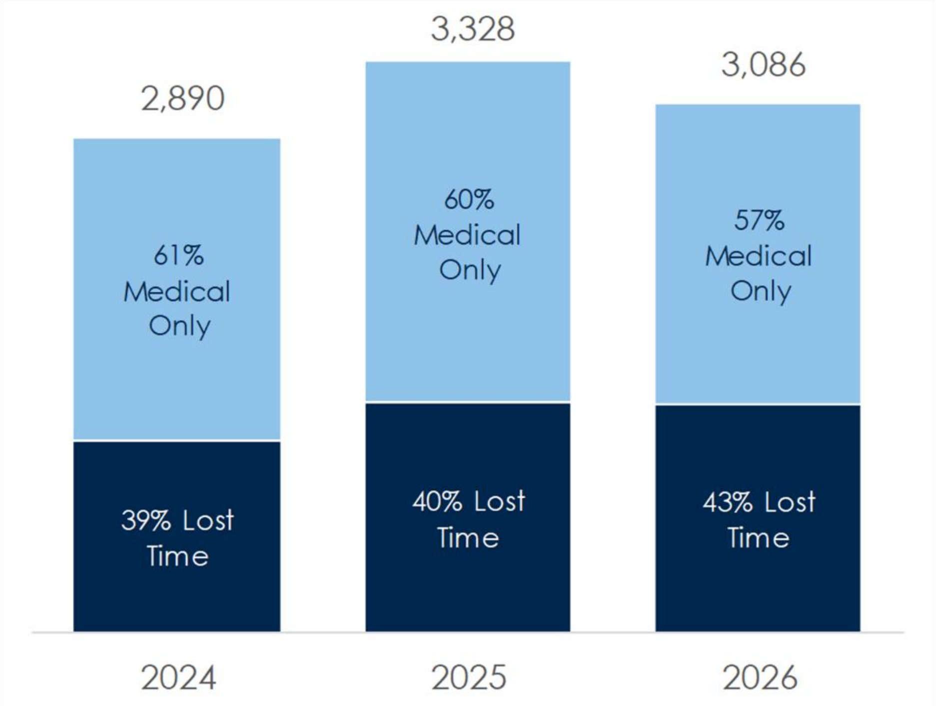
Stewardship Discussion: Workers' Compensation

6/30/2026

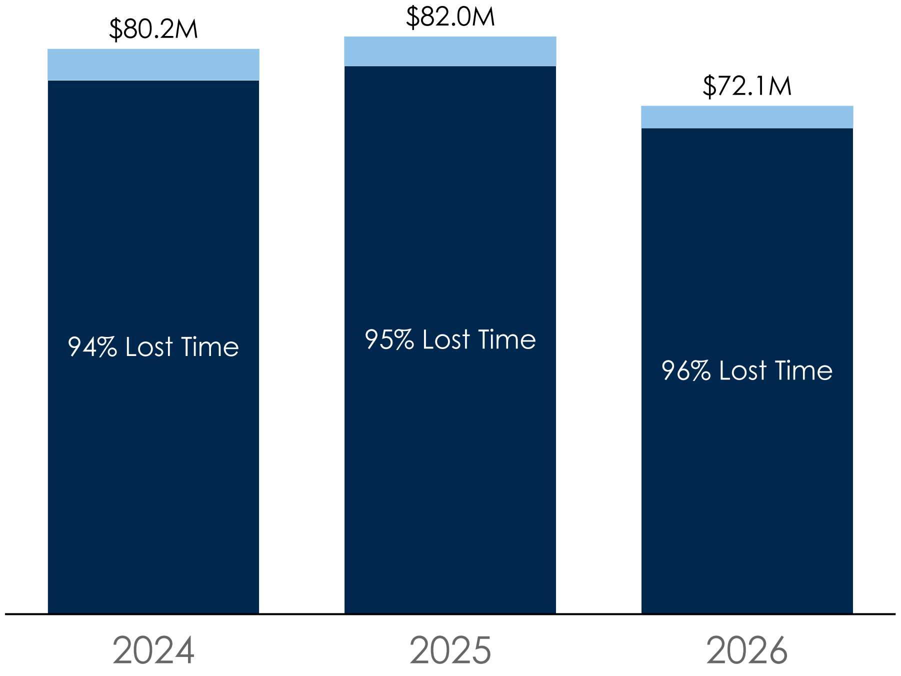
FY2026 Program Performance

Program Summary: Size and Scope

New Claims



Total Incurred (at 12 months)

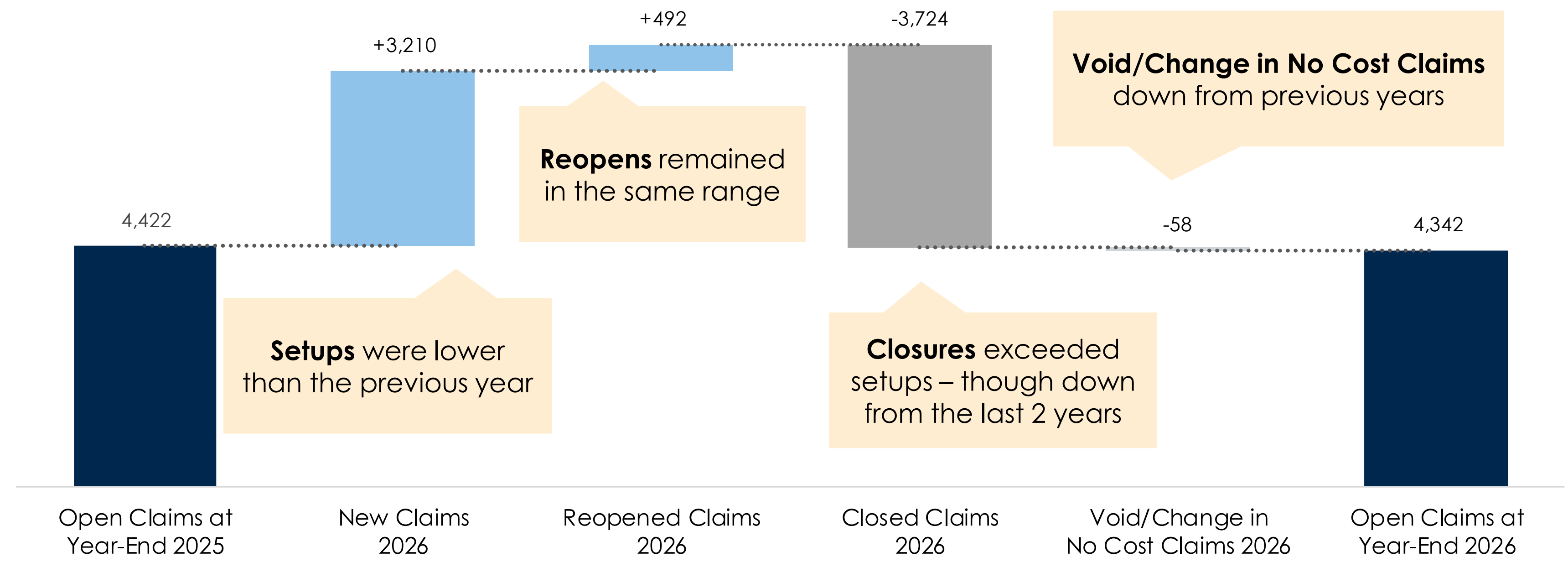


New claim volume decreased 7% from 3,328 to 3,086, driven by Medical Only claims.
Lost Time claims continues to account for almost all incurred.

Limited to most recent accident year, evaluated at 12 months maturity.
Claim Count excludes no cost claims.

Claim Volume & Frequency – Year-to-Year Claim Counts

Year over Year Change in Claim Count



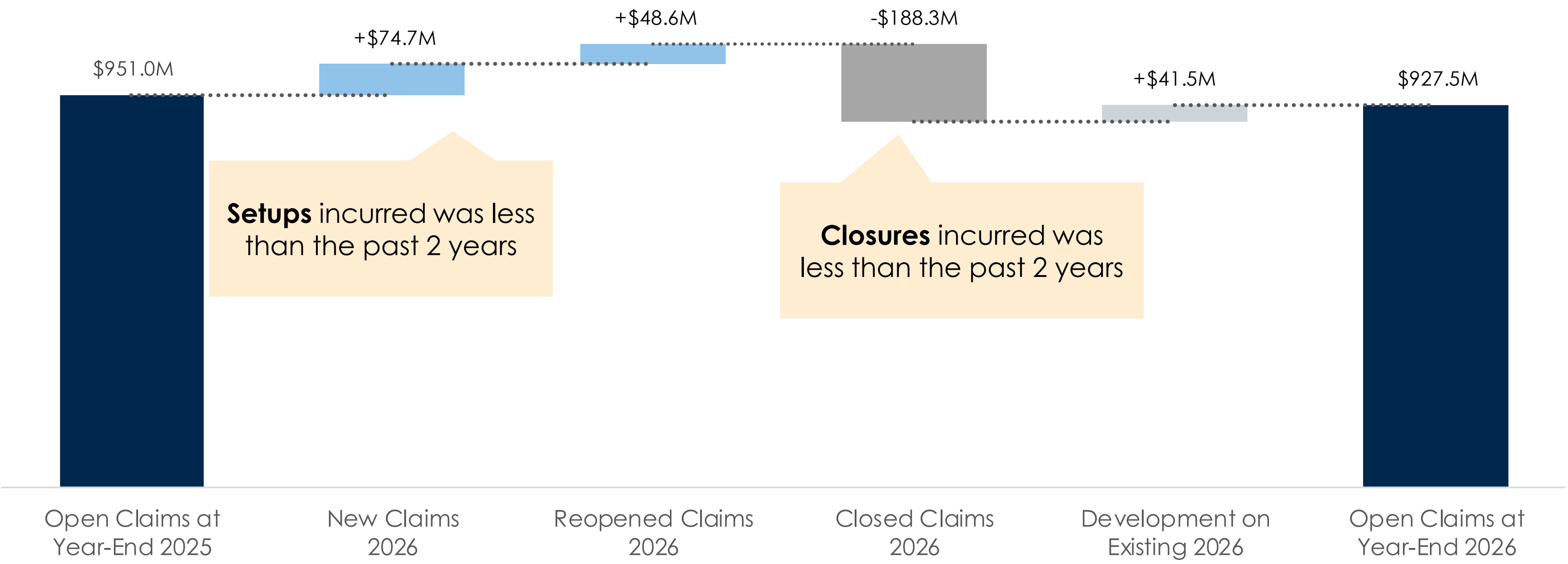
	Open Claims at Year-End 2025	New Claims 2026	Reopened Claims 2026	Closed Claims 2026	Void/Change in No Cost Claims 2026		Open Claims at Year-End 2026
2024:	4,423	+3,438	+470	-3,813	-96	2025:	4,422
2023:	5,721	+3,006	+531	-4,597	-238	2024:	4,423
2022:	4,392	+2,829	+2,294	-3,772	-22	2023:	5,721

Closures exceeded setups by 514 claims, reducing open inventory by 80 claims.

Excludes no cost claims. "Void/Change in No Cost Claims" includes claims that were previously open and had change in void/no cost status in current year.

Claim Cost & Severity – Year-to-Year Total Incurred

Year over Year Change in Incurred



Open Claims at Year-End 2025	New Claims 2026	Reopened Claims 2026	Closed Claims 2026	Development on Existing 2026	Open Claims at Year-End 2026
2024: $1008.2M	+$85.7M	+$43.8M	-$218.0M	+$31.2M	2025: $951.0M
2023: $1099.2M	+$84.5M	+$51.8M	-$282.3M	+$55.1M	2024: $1008.2M
2022: $1031.1M	+$52.8M	+$127.7M	-$174.2M	+$61.9M	2023: $1099.2M

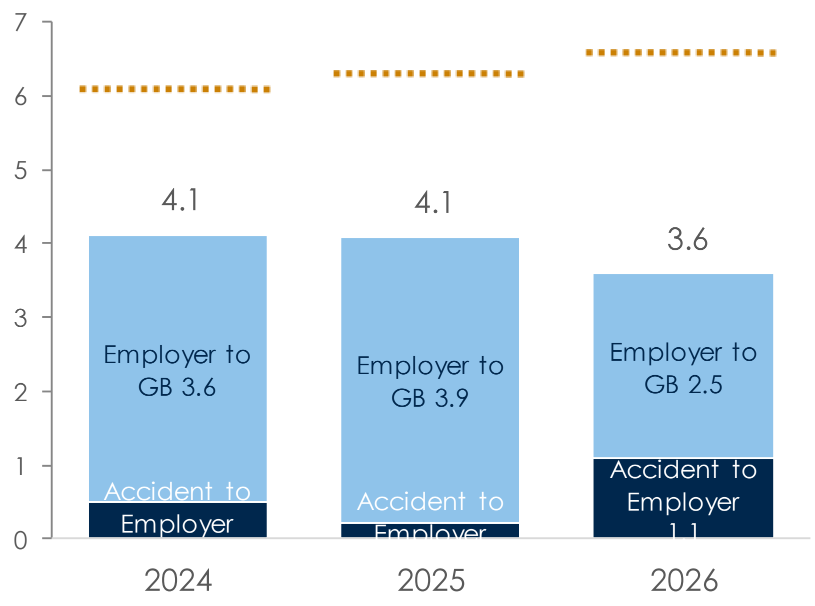
FY2026 financial movement reflects both the cost of new claims and continued development of the existing portfolio.

Includes LT and MO claims; excludes no cost claims.

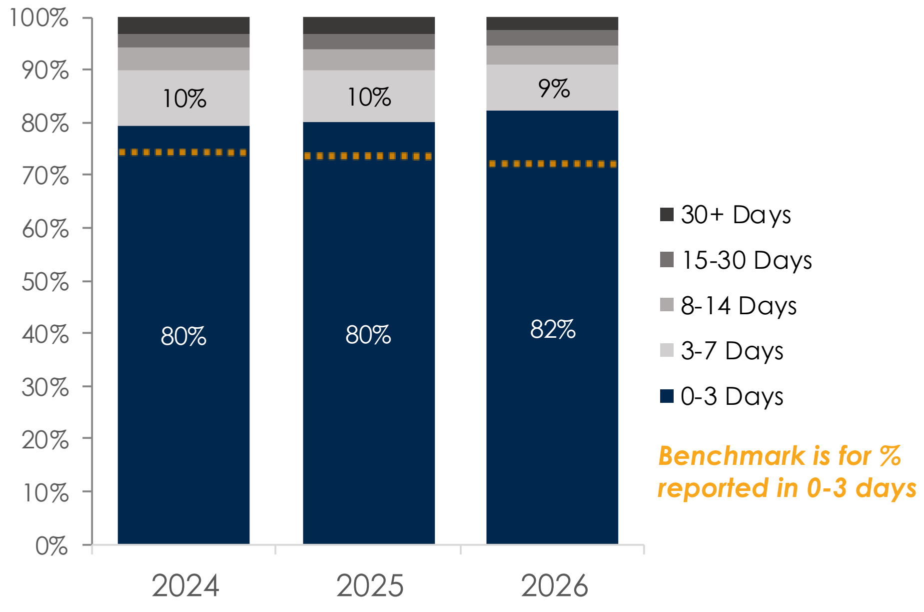
Claim Reporting Lag

SMART Benchmark

Average Reporting Lag Time (Days)



Percent Reported to GB Within 3 Days of Accident

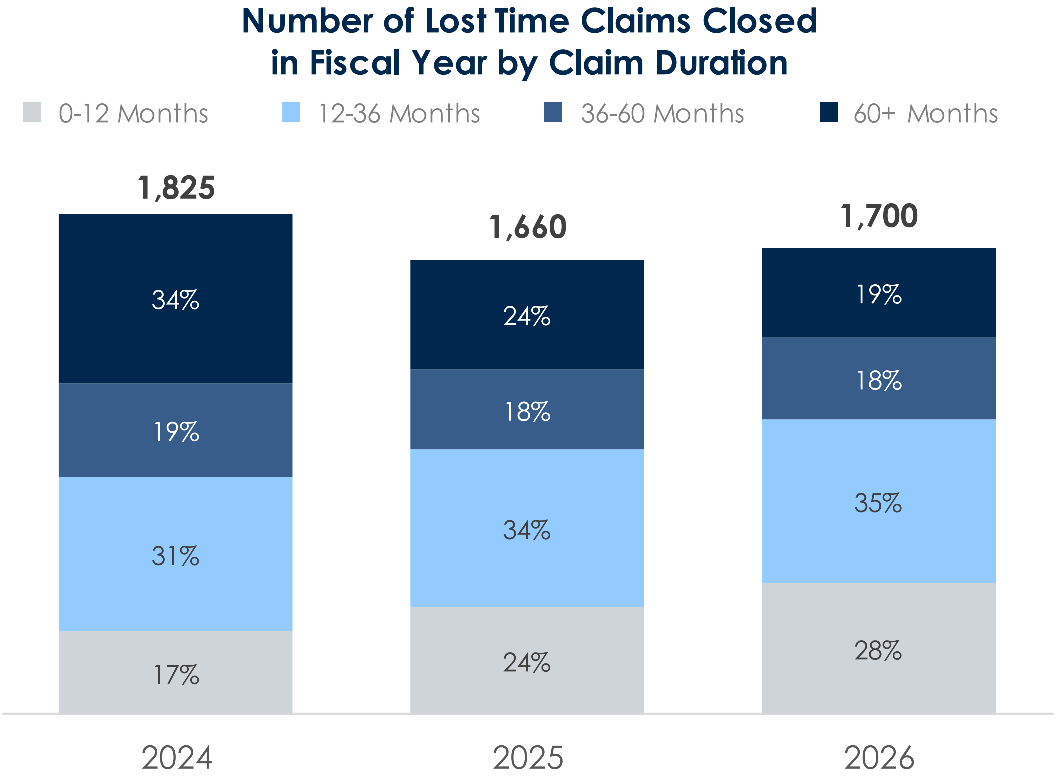


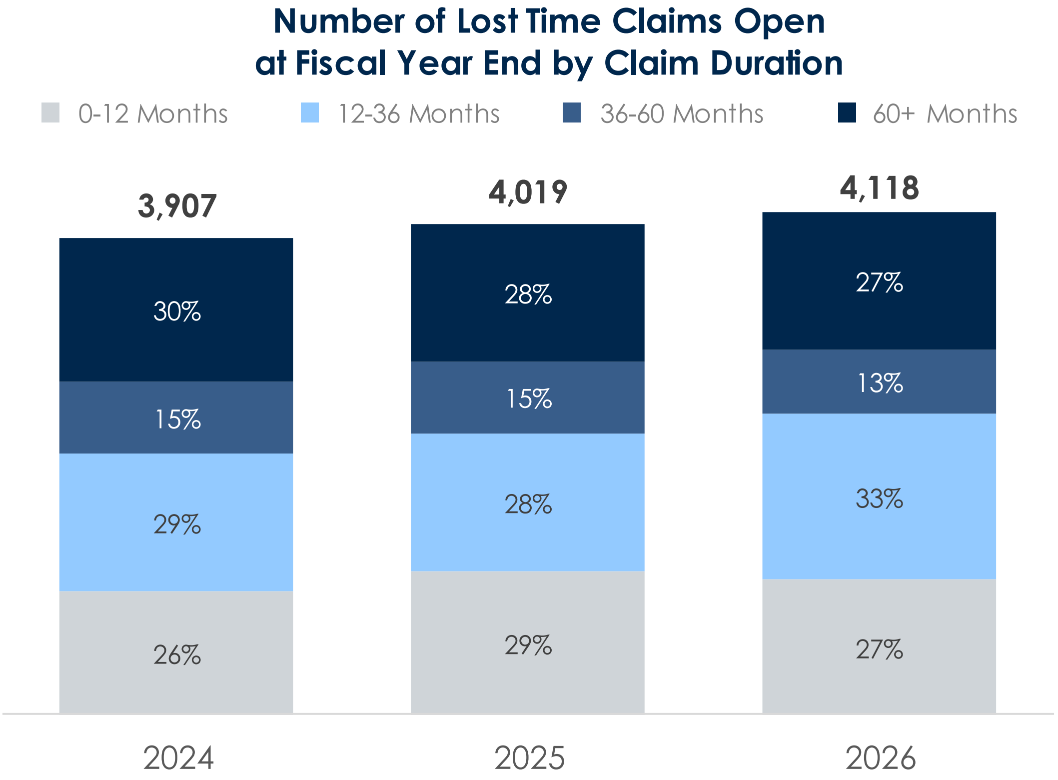
	2024	2025	2026
Percent Reported to GB Within 3 Days of Client Notification	82%	81%	87%

Reporting lag improved in FY2026 at 3.6 days driven by fewer days between employer and GB reported date.

Includes LT and MO claims. Excludes no cost claims and voided claims. Reporting lag capped at 90 days.

Claim Duration





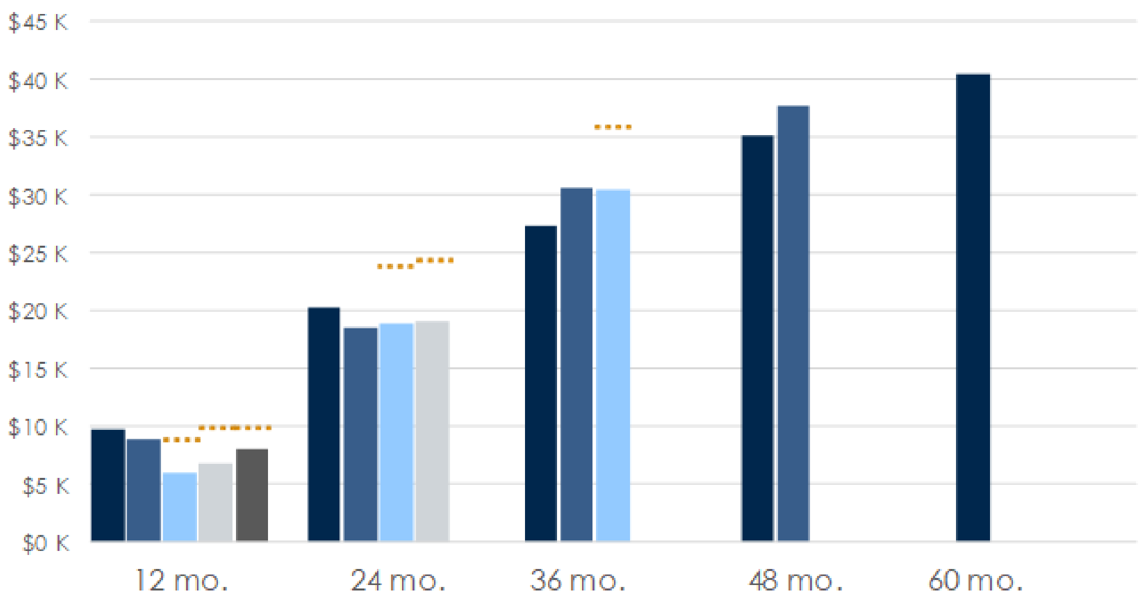
Lost-time claims are closing earlier in their lifecycle, with the share closed within 12 months rose from 17% (FY'24) to 28% (FY'26). Open inventory is aging more slowly, with the 60+ month share down to 27%.

Claim duration on closed claims is calculated from setup date to GB to claim closure date. Duration on open claims is calculated from setup date to end of current fiscal year. Excludes no cost claims and voided claims.

Claim Cost & Severity – Average Paid, Lost Time Claims

···· SMART Benchmark

Average Indemnity Paid - Lost Time Claims



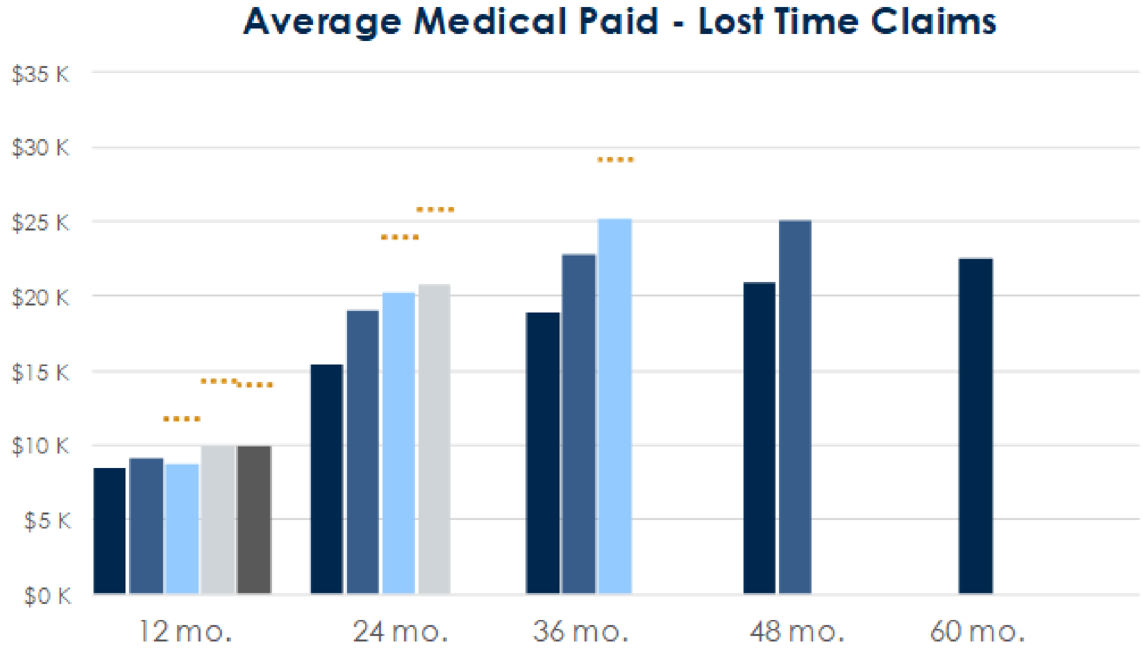
	12 mo.	24 mo.	36 mo.	48 mo.	60 mo.
2022	$9.8K	$20.3K	$27.3K	$35.1K	$40.4K
2023	$8.9K	$18.6K	$30.5K	$37.6K	
2024	$5.9K	$18.9K	$30.4K		
2025	$6.8K	$19.1K			
2026	$8.0K				

For indemnity paid, we exceed the SMART benchmark.

Paid is gross of recoveries. Excludes no-cost claims. Claim averages are capped.

Claim Cost & Severity – Average Paid, Lost Time Claims

···· SMART Benchmark

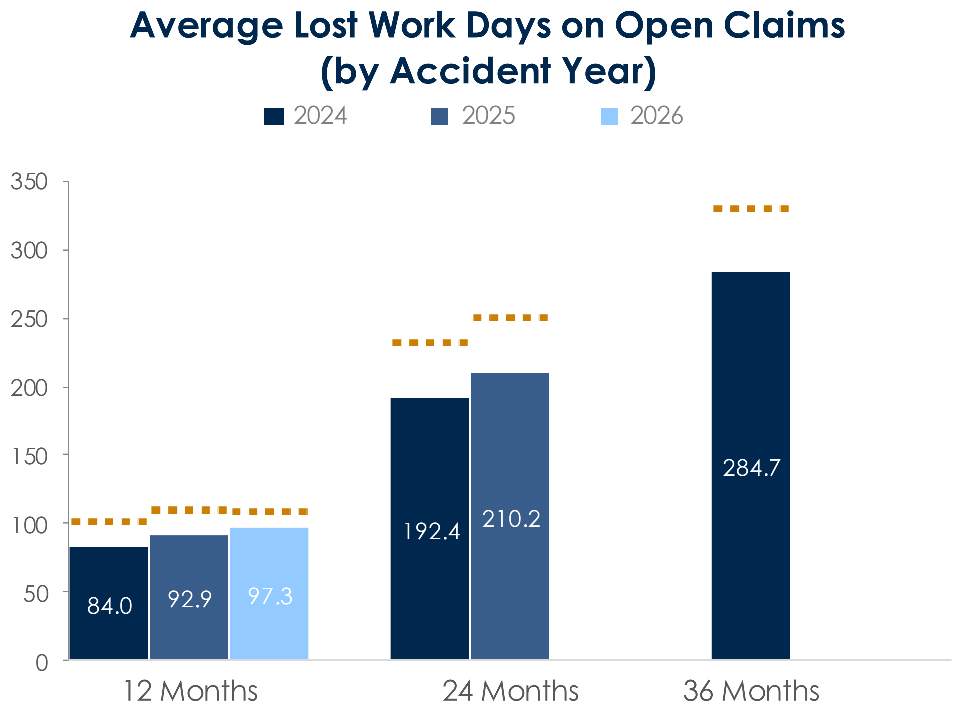


	12 mo.	24 mo.	36 mo.	48 mo.	60 mo.
2022	$8.5K	$15.4K	$18.9K	$21.0K	$22.5K
2023	$9.1K	$19.1K	$22.7K	$25.0K	
2024	$8.8K	$20.2K	$25.2K		
2025	$9.9K	$20.8K			
2026	$9.9K				

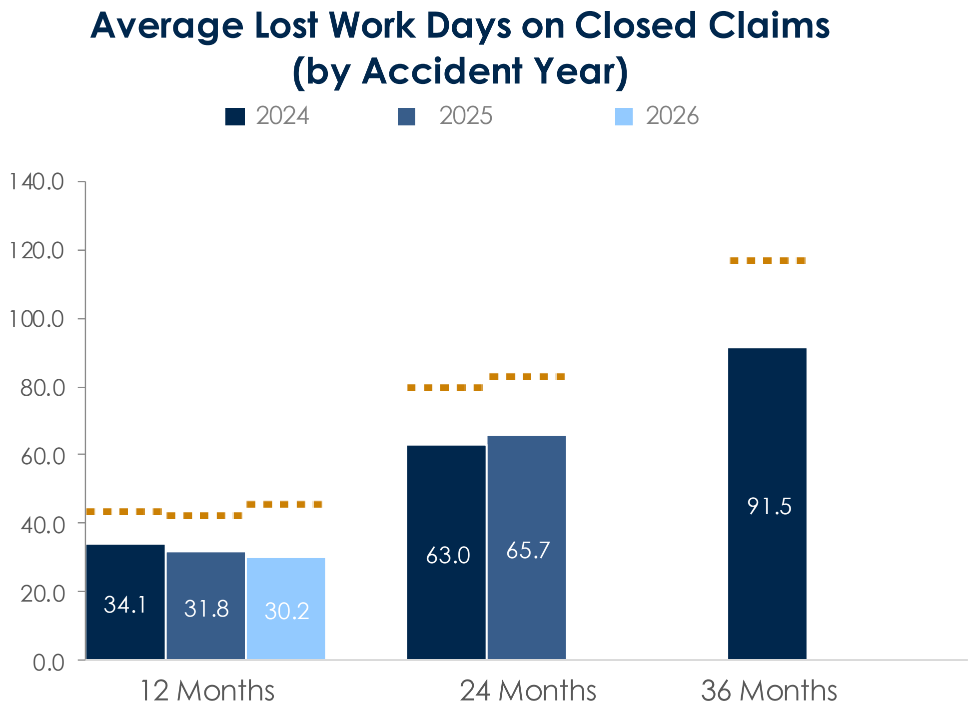
For medical paid, we exceed the SMART benchmark.

Paid is gross of recoveries. Excludes no-cost claims. Claim averages are capped.

Average Lost Work Days



		12 Months	24 Months	36 Months
% of Claims Open	2024	74%	57%	40%
	2025	73%	53%	
	2026	70%		

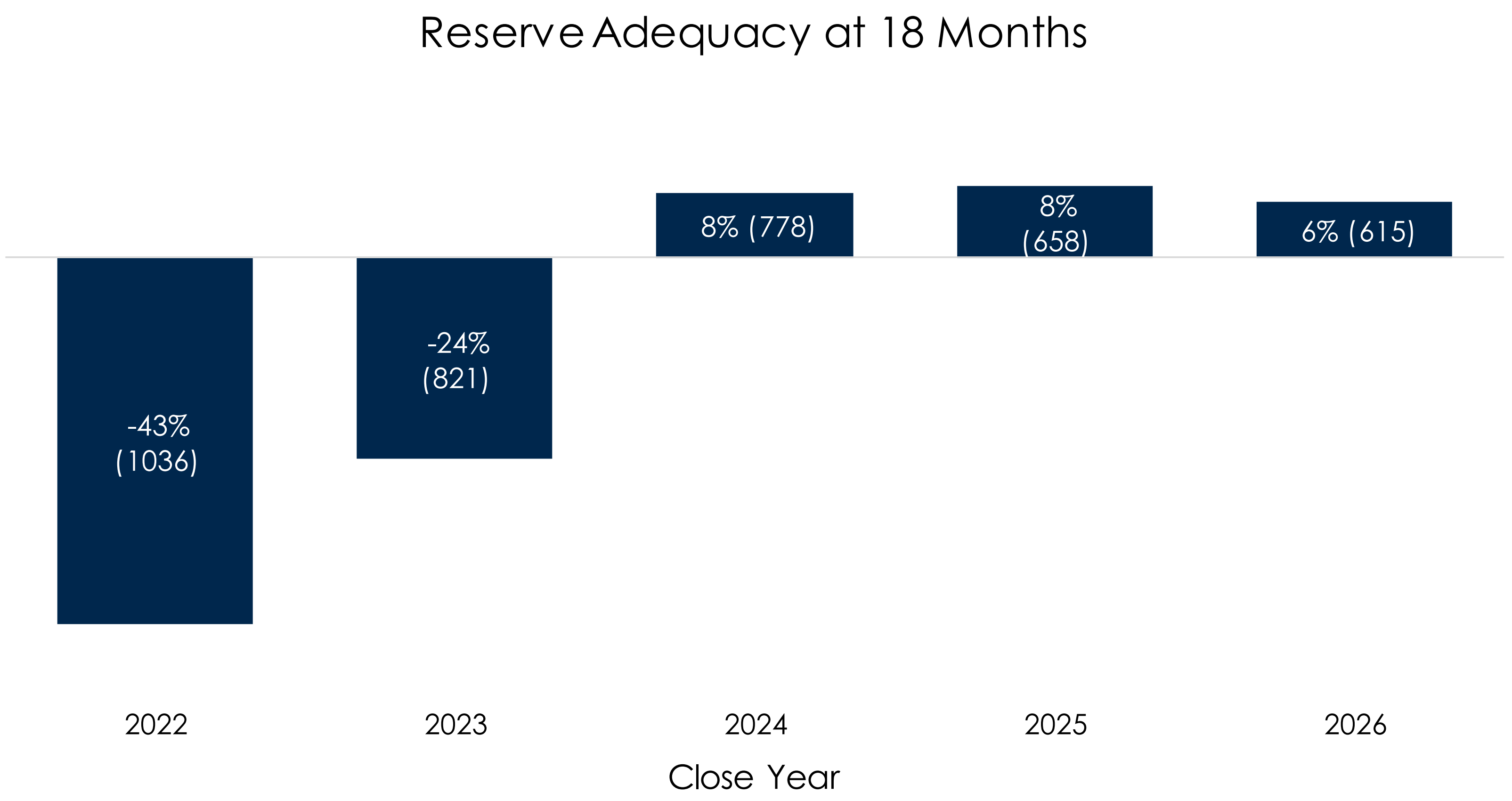


		12 Months	24 Months	36 Months
% of Claims Closed	2024	26%	43%	60%
	2025	27%	47%	
	2026	30%		

Average Lost Work Days increased 5% at the 12-month maturity.

Lost Work Days are Temporary Total Disability days. Excludes no cost claims and voided claims.

Reserving – Reserve Adequacy at 18 months

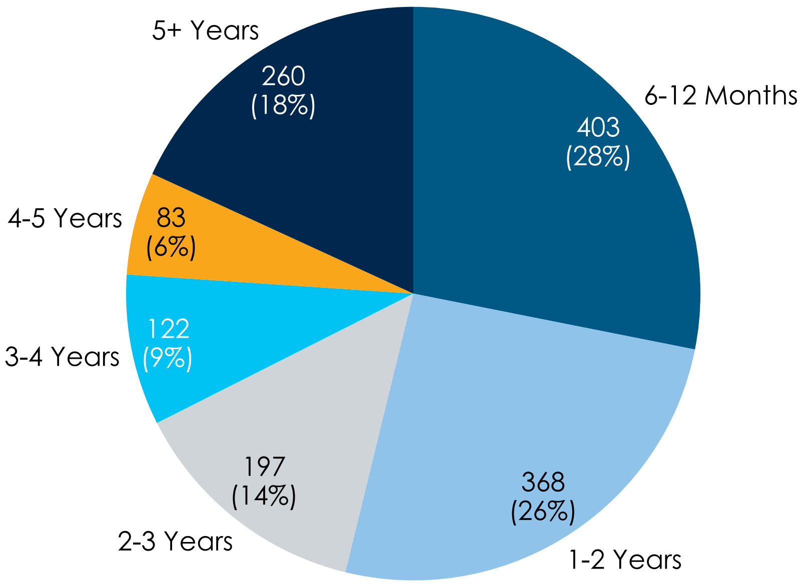


Reserve adequacy at 18 months improved from −43% (FY’22) to roughly +6% (FY’26), indicating reserves are now set close to ultimate rather than materially under-reserved.

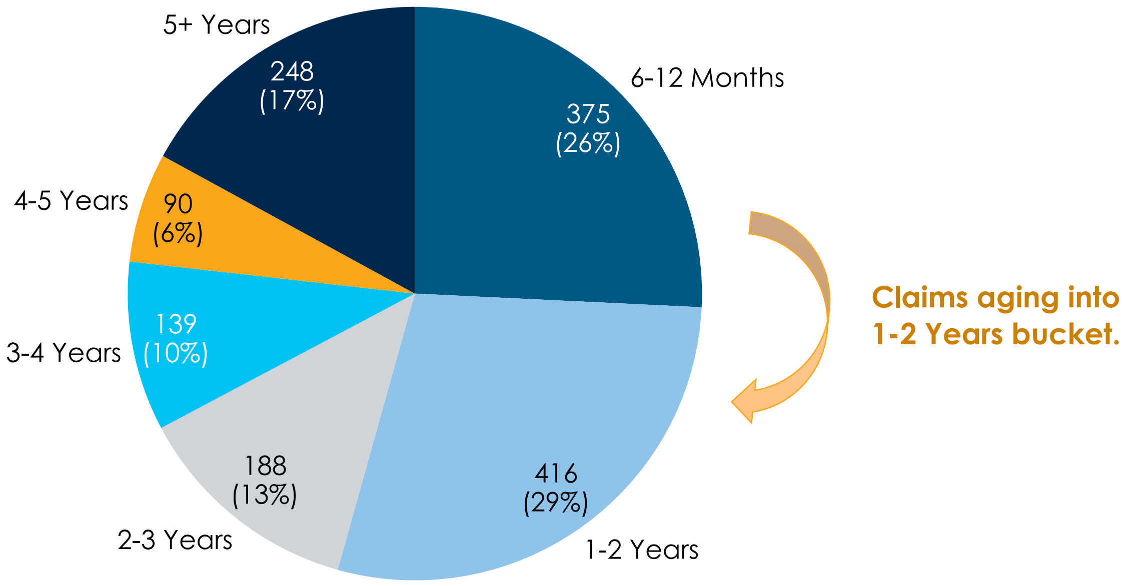
Limited to claims open at 18 months post setup which closed within each fiscal year.

Litigation Management – Distribution of Open Claims

Distribution by Inactive Time Periods – FY'25



Distribution by Inactive Time Periods – FY'26



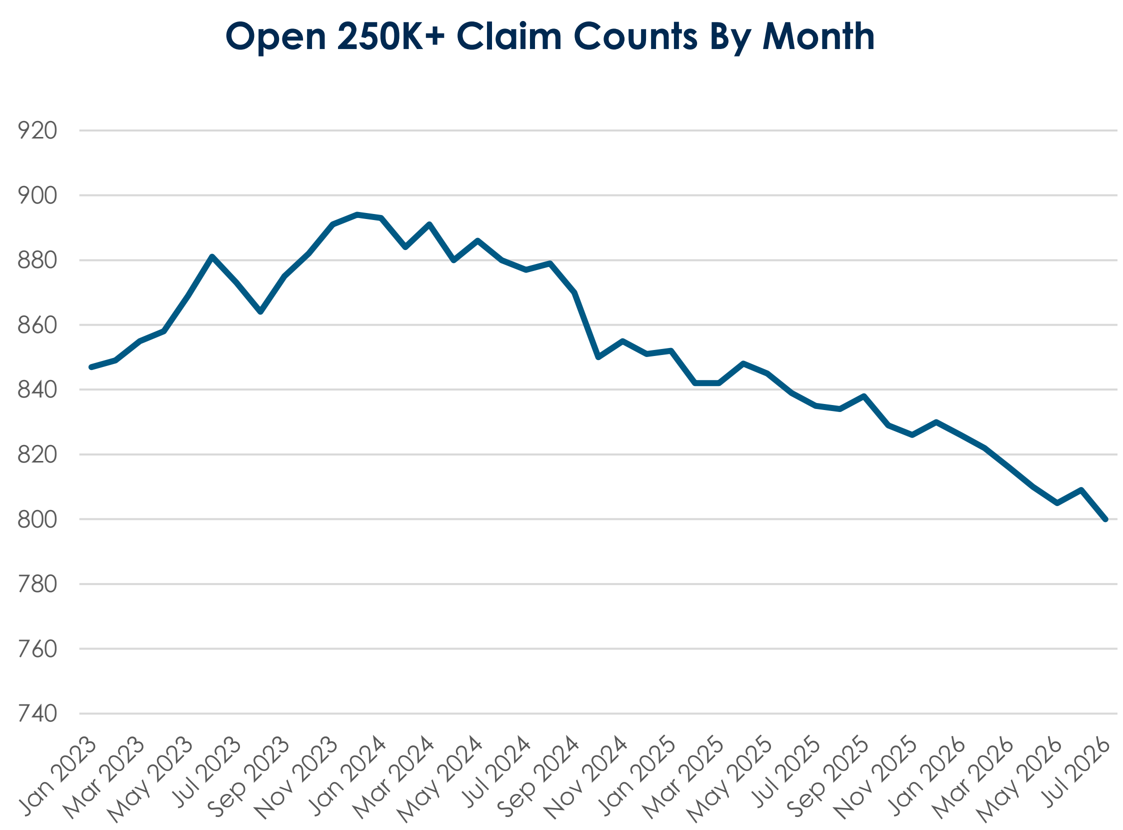
~43% of open litigated claims had no payment in the prior six months in both FY'25 (1,433/3,349) and FY'26 (1,456/3,425), with modest aging into the 1–2 year inactive bucket.

Attorney involvement Includes claims with either an attorney represented flag set to 'Y' or attorney fees totaling over $500. The attorney represented flag indicates whether the claimant has an attorney or authorized representative, and whether an Attorney Disclosure Form has been filed. Attorney fees are payment for counsel hired by GB or client for advice or defense.

A litigated claim is defined as those with an in-suit flag. A claim is in-suit when formal litigation has been filed with the court.

GALLAGHER BASSETT

Open Inventory Trend – Large Loss (250K+)



We have closed 94 high exposure claims from the high point of 894 in December 2023.

New Claims are by accident year. Excludes no cost claims and voided claims.

Announcements

- FY26 Subrogation Recoveries totaled $2,669,603.63 (increase of over $800,000 from FY25)

- Work Comp Coordinator Trainings Scheduled for October in Chicago, Springfield, and Carbondale

- Work Comp Training & Support Position (Jessica Olson)
  - Quarterly Work Comp Coordinator Training
  - Work Comp Coordinator Onboarding Partnership with agencies
  - TPA Resolution Manager Onboarding Support

Building a Partnership

We thank the State of Illinois for their partnership