SAIF Corporation

(A Component Unit of the State of Oregon)

Financial Statements and Supplementary Schedules as of and for the Years Ended December 31, 2024 and 2023, and Report of Independent Auditors

SAIF CORPORATION

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OVERVIEW OF SAIF CORPORATION FINANCIAL REPORTING (Unaudited)

SAIF Corporation (SAIF) has prepared the accompanying financial statements in accordance with accounting principles generally accepted in the United States of America. As a discrete component unit of the State of Oregon, SAIF is subject to the pronouncements of the Governmental Accounting Standards Board (GASB). Under accounting principles generally accepted in the United States of America as applied to governmental entities, SAIF accounts for its activities as a special purpose government engaged solely in business-type activities. Accordingly, SAIF follows the accrual basis of accounting. Revenues are recognized when earned, regardless of when received, and expenses are recognized when incurred, regardless of when paid.

SAIF also prepares financial statements in conformity with statutory accounting practices, which are prescribed for use in reporting accounting transactions for insurance companies. These practices arise from state laws and from rules adopted by the State Insurance Commissioner and, for Oregon, are the practices promulgated by the National Association of Insurance Commissioners (NAIC). Statutory accounting practices are conservative in nature and are designed to protect policyholders and claimants to ensure, in the event of liquidation, sufficient amounts will have been set aside to provide for the outstanding claims of injured workers and their dependents, whereas generally accepted accounting principles (GAAP) are based on the going-concern concept and recognize revenues when earned and expenses when incurred.

There are significant differences between the statutory statements SAIF prepares for regulatory and management purposes and the accompanying financial statements. They include:

- Statutory accounting requires the majority of invested assets to be recorded at amortized cost, whereas investments are stated at fair value in the accompanying statements with the corresponding change in the fair value for the year recorded as investment income (loss).

- Statutory accounting requires certain assets not readily available for the payment of claims be "nonadmitted" and removed from the statement of net position. Those assets, such as furniture and equipment, are included in the GAAP financial statements.

Report of Independent Auditors

The Board of Directors of
SAIF Corporation

The Secretary of State Audits Division of
The State of Oregon

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SAIF Corporation ("SAIF"), a component of the State of Oregon, which comprise the statement of net position, revenues, expenses, and change in net position, and statement of cash flows, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of SAIF as of December 31, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SAIF and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SAIF's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SAIF's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SAIF's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 5 through 17, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section titled, Overview of SAIF Corporation Financial Reporting, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2025 on our consideration of SAIF's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SAIF's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SAIF's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Portland, Oregon
July 29, 2025

SAIF CORPORATION
Management's Discussion and Analysis
December 31, 2024 and 2023

Management of SAIF Corporation (SAIF) prepares Management's Discussion and Analysis for readers of SAIF's financial statements. This narrative overview and analysis of the financial activities of SAIF is as of and for the years ended December 31, 2024 and 2023. Readers are encouraged to consider this information in conjunction with SAIF's financial statements and notes that follow.

Financial Statements

This discussion and analysis is intended to serve as an introduction to SAIF's financial statements: the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; and the Statements of Cash Flows. The financial statements are designed to provide the readers with an overview of SAIF's financial position and activities.

The Statements of Net Position present information on SAIF's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Assets and liabilities are classified as either current or noncurrent.

The Statements of Revenues, Expenses, and Changes in Net Position are SAIF's income statements. Revenues earned and expenses incurred during the year are classified as either operating or nonoperating.

The Statements of Cash Flows present the changes in SAIF's cash and cash equivalents during the year. These statements are prepared using the direct and indirect method of cash flows. The statements break out the sources and uses of SAIF's cash and cash equivalents into the following categories: operating activities, investing activities, and capital and related financing activities.

Condensed Financial Information
(In thousands)

Condensed Statements of Net Position Information

	December 31, 2024	2023	2022	2023 to 2024 Increase (Decrease)	2022 to 2023 Increase (Decrease)
ASSETS		(Restated)			
CURRENT ASSETS:					
Cash and cash equivalents	$ 52,555	$ 54,745	$ 37,228	$ (2,190)	$ 17,517
Investments	4,305,746	4,280,134	4,172,941	25,612	107,193
Securities lending cash collateral	135,641	65,366	50,288	70,275	15,078
Accounts and interest receivable, net	440,823	435,401	409,385	5,422	26,016
Other assets	-	1,028	942	(1,028)	86
Total current assets	4,934,765	4,836,674	4,670,784	98,091	165,890
NONCURRENT ASSETS:					
Capital assets, nondepreciable	5,064	41,181	32,839	(36,117)	8,342
Capital assets, depreciable, net	130,975	105,145	106,082	25,830	(937)
Net other postemployment benefit (OPEB) asset (RHIA)	3,255	3,710	3,362	(455)	348
Net OPEB asset (RHIPA)	1,140	1,259	810	(119)	449
Total noncurrent assets	140,434	151,295	143,093	(10,861)	8,202
Total assets	5,075,199	4,987,969	4,813,877	87,230	174,092
DEFERRED OUTFLOWS OF RESOURCES					
Related to OPEB	2,263	2,108	1,643	155	465
Related to pensions	65,778	52,475	78,232	13,303	(25,757)
Total deferred outflows of resources	68,041	54,583	79,875	13,458	(25,292)
LIABILITIES					
CURRENT LIABILITIES:					
Reserve for losses and loss adjustment expenses	360,032	332,453	341,566	27,579	(9,113)
Unearned premiums	260,405	268,874	253,975	(8,469)	14,899
Accounts payable	113,745	117,264	113,183	(3,519)	4,081
Obligations under securities lending	135,615	65,353	50,274	70,262	15,079
Other liabilities and deposits	42,733	43,927	41,737	(1,194)	2,190
Total current liabilities	912,530	827,871	800,735	84,659	27,136
NONCURRENT LIABILITIES:					
Reserve for losses and loss adjustment expenses	2,267,839	2,178,072	2,120,189	89,767	57,883
Total OPEB liability (SAIF)	9,805	9,307	9,007	498	300
Pension related payable	1,978	3,373	4,405	(1,395)	(1,032)
Net pension liablility	120,721	72,694	72,675	48,027	19
Lease liabilities	10,119	10,082	5,666	37	4,416
Compensated absences	13,040	11,621	-	1,419	11,621
Total noncurrent liabilities	2,423,502	2,285,149	2,211,942	138,353	73,207
Total liabilities	3,336,032	3,113,020	3,012,677	223,012	100,343
DEFERRED INFLOWS OF RESOURCES					
Related to OPEB	1,803	2,623	3,063	(820)	(440)
Related to pensions	21,814	32,220	46,670	(10,406)	(14,450)
Total deferred inflows of resources	23,617	34,843	49,733	(11,226)	(14,890)
NET POSITION					
Net investment in capital assets	136,039	146,325	138,921	(10,286)	7,404
Unrestricted	1,647,552	1,748,364	1,692,421	(100,812)	55,943
Total net position	$ 1,783,591	$ 1,894,689	$ 1,831,342	$ (111,098)	$ 63,347

Condensed Revenues, Expenses, and Changes in Net Position Information

	Years Ended December 31,			2023 to 2024 Increase (Decrease)	2022 to 2023 Increase (Decrease)
	2024	2023 (Restated)	2022		
OPERATING REVENUES:					
Premiums earned, net	$ 605,093	$ 590,847	$ 555,377	$ 14,246	$ 35,470
Other income	56,421	56,849	53,374	(428)	3,475
Total operating revenues	661,514	647,696	608,751	13,818	38,945
OPERATING EXPENSES:					
Net losses and loss adjustment expenses incurred	639,562	542,964	392,198	96,598	150,766
Policyholders' dividends	59,938	134,986	74,995	(75,048)	59,991
Underwriting expenses	250,230	224,400	207,503	25,830	16,897
Bad debt provision	2,729	1,719	1,431	1,010	288
Other expense	752	646	334	106	312
Total operating expenses	953,211	904,715	676,461	48,496	228,254
OPERATING LOSS	(291,697)	(257,019)	(67,710)	(34,678)	(189,309)
NONOPERATING REVENUES:					
Net investment income (loss)	180,599	337,412	(652,568)	(156,813)	989,980
(DECREASE) INCREASE IN NET POSITION	(111,098)	80,393	(720,278)	(191,491)	800,671
NET POSITION—Beginning of year	1,894,689	1,831,342	2,551,897	63,347	(720,555)
Cumulative effect of change in accounting principles	-	(17,046)	(277)	17,046	(16,769)
RESTATED—Beginning net position	1,894,689	1,814,296	2,551,620	80,393	(737,324)
NET POSITION—End of year	$ 1,783,591	$ 1,894,689	$ 1,831,342	$ (111,098)	$ 63,347

Financial position as of December 31, 2024

At the end of 2024, total assets increased $87.2 million from the prior year, and deferred outflows of resources increased $13.5 million. Total liabilities increased $223.0 million for the year, deferred inflows of resources decreased $11.2 million, and net position decreased $111.1 million.

Inflation, interest rates, and geopolitical risks continue to impact SAIF's financial position. Looking ahead to 2025, geopolitical conflicts, inflation, interest rates, federal spending, and trade policies keep the markets on edge.

Significant changes include:

Cash and cash equivalents—The majority of SAIF's cash accounts consist of short-term investments and money market funds utilized by external investment managers. Cash and cash equivalents of $52.6 million decreased $2.2 million from December 31, 2023, to December 31, 2024. This was due to a $3.8 million increase in cash and a $6.0 million decrease in the money market fund.

Investments—At the end of 2024, investments were $4,305.7 million and were $25.6 million or 0.6 percent higher than at the end of 2023. Investment holdings (principal and cost) increased $73.0 million for bonds, primarily due to the reinvestment of income partially offset by sales of investments to fund operations and the policyholder dividend. Equity holdings cost decreased by $22.2 million in 2024 due to the sale of equities to rebalance the portfolio. Real estate holdings cost increased $1.8 million, and the final capital commitment of $2.5 million was contributed in January 2024. At the end of 2024, SAIF had invested $120.0 million in DWS RREEF America II LP. Market values decreased $40.5 million for bonds in 2024. SAIF's fixed income portfolio had a positive return of 2.77 percent for 2024 as interest income offset mark-to-market losses. The mark-to-market adjustments for equities increased $24.4 million as the BlackRock MSCI ACWI fund had a positive return of 16.46 percent for the year. Real estate market adjustments decreased $11.0 million as the real estate funds had a negative return of 5.01 percent for the year.

Effective October 23, 2024, the Council approved a revised asset allocation policy for SAIF Corporation. The allocation reaffirms a 5 percent target allocation to real estate in the form of private or publicly traded funds, allows for a 5 percent allocation to private credit through senior secured direct lending, and increased the target allocation to fixed income holdings from 77 percent to 80 percent. The target allocation to global equities is unchanged at 10 percent.

Securities lending cash collateral—This line item can fluctuate significantly from period to period depending on the amount of investment securities on loan. The amount of securities on loan will vary depending on market conditions and the demand for certain securities in SAIF's portfolio. The balance as of December 31, 2024 was $135.6 million, an increase of $70.3 million from the prior year. A corresponding securities lending liability of $135.6 million was recorded on the statement of net position at December 31, 2024.

Accounts and interest receivable—The balance in this line is comprised of investment income receivable, net premiums receivable, accrued retrospective premiums receivable, and other accounts receivable. This balance of $440.8 million increased $5.4 million or 1.3 percent from December 31, 2023 to December 31, 2024.

Accrued investment income of $36.9 million increased $3.7 million or 11.1 percent from December 31, 2023 to December 31, 2024, as interest rates on longer term bonds remained elevated.

Premiums receivable of $319.9 million decreased $19.3 million or 5.7 percent in 2024, due to a decrease in written premium. Net written premiums decreased 2.1 percent from 2023 to 2024 due to pure premium rate reductions of 6.7% for 2024 which were largely offset by increased payrolls. Accrued retrospective premiums increased $20.7 million or 78.2 percent compared to the prior year due to changes in accrual estimates for loss-sensitive policies and the timing of when receivables are collected.

Other accounts receivable of $36.8 million increased $0.4 million or 1.2 percent. Premium assessment due from policyholders increased $0.6 million due primarily to rising premiums. Other receivables related to court costs and fees decreased $0.2 million.

***Capital assets*—**Nondepreciable capital assets which includes land and capital projects in process, decreased $36.1 million over the prior year, due to the claims system project and registration profile management project phase II (RPM) being placed in service in February and April 2024, respectively. Lease assets net of accumulated depreciation of $13.1 million were included on the statement of net position as depreciable capital assets, due to GASB 87 and the implementation of GASB 96 (see Notes 2 and 6). Lease assets consist primarily of building leases and subscription-based IT arrangements (SBITAs). Depreciable capital assets, net of depreciation increased $25.8 million over the prior year as depreciation partially offset reclassifying software costs for projects placed in service during the year. Software development costs for the claims system, RPM Phase II project, and digital payment platform project totaled $3.7 million, for the year ended December 31, 2024.

Net other postemployment benefit (OPEB) asset (RHIA)—The balance of $3.3 million decreased $0.4 million or 12.3 percent from December 31, 2023 to December 31, 2024. This is an estimate of SAIF's allocated share of the net asset for the Retirement Health Insurance Account (RHIA) due to GASB Statement No. 75 (see Note 12).

Net OPEB asset (RHIPA)— This line decreased from $1.2 million in 2023 to $1.1 million in 2024 due to a change in proportionate share. The balance in this line is an estimate of SAIF's allocated share of the net asset for the Retirement Health Insurance Premium Account (RHIPA) due to GASB Statement No. 75 (see Note 12).

***Deferred outflows of resources*—**The $68.0 million balance in this line is an increase of $13.5 million over prior year and is related to pensions in accordance with GASB Statement No. 68 and OPEB in accordance with GASB Statement No. 75. The deferred outflows of resources related to pensions was $65.8 million, an increase of $13.3 million over the prior year. This was primarily due to a decrease of $19.2 million in the differences between employer contributions and employer's proportionate share of system contributions, offset by a $5.7 million increase in change in PERS assumptions, $16.7 million increase in the changes in employer contributions and proportion, contributions after measurement date increased $0.2 million, difference in economic experience increased $3.6 million, and the difference in expected investment earnings increased $6.4 million (see Note 11). The deferred outflows of resources related to OPEB was $2.3 million, an increase of $0.2 million over the prior year. The balance is based on GASB Statement No. 75 (see Note 12).

***Reserve for losses and loss adjustment expenses*—**The total (current and noncurrent) reserve for losses and loss adjustment expenses (LAE) of $2.6 billion increased $117.3 million or 4.7 percent from the prior year. Loss reserves increased $78.3 million or 3.7 percent and LAE reserves increased $39.0 million or 10.0 percent during 2024. This was driven by establishing reserves for the 2024 accident year, offset by payments made on previously incurred claims, and favorable development in prior accident years. In past years, favorable development was strongly driven by medical claims. However, in 2024 favorable medical claim development slowed due to increasing average medical payment per claim. Subsequently, there was less total favorable reserve development. The increase in LAE reserves was driven by newly established reserves for the 2024 accident year, partially offset by paid LAE associated with previously incurred claims and unfavorable development in prior accident years. The unfavorable development in unpaid LAE for prior accident years was largely attributable to rising operating expenses.

Unearned premiums—The amount of unearned premium of $260.4 million for 2024 decreased $8.5 million or 3.1 percent primarily due to decreased premiums written.

Accounts payable—The balance in this line of $113.7 million is comprised of commissions payable, reinsurance payable, accrued premium assessment, and other accounts payable. This line decreased $3.5 million from 2023 to 2024. Commissions payable for the current year was $19.4 million, a decrease of $0.8 million over prior year due to decreased premium levels. Reinsurance payable decreased $2.2 million due to decreased current payables to the assigned risk pool. Premium assessment payable decreased $0.6 million due to lower premium levels. Other accounts payable decreased $0.2 million from 2023 to 2024, due to timing of payments at year end.

Obligations under securities lending—This line item can fluctuate significantly from period to period depending on the amount of investment securities on loan. The amount of securities on loan will vary depending on market conditions and the demand for certain securities in SAIF's portfolio. The balance as of December 31, 2024 was $135.6 million, an increase of $70.3 million from the prior year. A corresponding securities lending cash collateral asset of $135.6 million was recorded on the statement of net position at December 31, 2024.

Other liabilities and deposits—The balance in this line of $42.7 million is comprised of accrued retrospective premiums payable, premium deposits, policyholder dividends payable, pension related payable, and other liabilities. This balance decreased $1.2 million from the prior year. A $1.1 million decrease of return premium payable on retrospectively rated policies was largely due to loss experience on retrospective policies and timing of billings, and premium deposits decreased $0.9 million over the prior year. Other liabilities decreased $0.1 million over the prior year. A $0.3 million increase is due to recognizing the current portion of lease liabilities from the implementation of GASB 96, and a $0.6 million increase in accrued compensated absences is due to the implementation of GASB 101 (see Note 2).

Total OPEB liability (SAIF)—The $9.8 million balance in this line is the amount of SAIF's OPEB liability under GASB Statement No. 75 (see Note 12). This line increased $0.5 million over the prior year.

Pension related payable—Prior to the formation of the PERS State and Local Government Rate Pool (SLGRP), the State and community colleges were pooled together in the State and Community College Pool (SCCP) (including SAIF), while local government employers participated in the Local Government Rate Pool (LGRP). The unfunded actuarial liability (UAL) attributable to the SCCP at the time the SLGRP was formed is maintained separately from the SLGRP and is reduced by contributions and increased for interest charges at the assumed interest rate, which was 6.90 percent in fiscal year 2024. The $2.0 million balance in this line is the noncurrent portion of the pre-SLGRP pooled liability attributable to SAIF, which is being amortized straight line over the period ending December 31, 2027.

Net pension liability—The balance in this line of $120.7 million increased $48.0 million over the prior year, primarily due to an increase in the proportionate share and an increase in the overall unfunded actuarial liability. SAIF's net pension liability was allocated by the Oregon Public Employees Retirement System and was based on GASB Statement No. 68 actuarial valuation as of December 31, 2022 (see Note 11).

Lease liabilities—The balance in this line of $10.1 million is related to building leases and SBITAs. This includes a $5.2 million liability for SBITAs per GASB Statement No. 96, and a $4.9 million liability for building leases per GASB Statement No. 87 (see Notes 2 and 6).

Compensated absences—SAIF restated the 2023 financial statements in accordance with the implementation of both GASB 100 and 101. As a result of GASB 101, SAIF restated the 2023 financial statements to include a $17.1 million cumulative effect of accounting change in net position, a $1.5 million increase in underwriting expenses, and a $18.6 million increase in liabilities. In 2024, the liabilities related to GASB 101 changes for compensated absences (including accrued taxes and benefits) increased $1.8 million from $18.6 million to $20.4 million. See Note 2 for additional information.

Deferred inflows of resources—The balance in this line of $23.6 million is related to pensions based on GASB Statement No. 68 and OPEB based on GASB Statement No. 75. $21.8 million of the balance in this line is related to pensions based on GASB Statement No. 68. The pension portion decreased $10.4 million over the prior year primarily due to lower than expected investment earnings and changes in employer contributions and proportionate share. As of December 31, 2024, SAIF was reported separately from the state agencies proportionate share of the net pension liability (see Note 11). The $1.8 million balance in deferred inflows of resources related to OPEB decreased $0.8 million over prior year (see Note 12).

Operations - year ended December 31, 2024

SAIF recorded a net operating loss of $291.7 million for the year ended December 31, 2024, compared to a 2023 net operating loss of $257.0 million.

Significant changes in revenues and expenses include:

Net premiums earned—In 2024, net premiums earned were $605.1 million and increased $14.2 million or 2.4 percent compared to 2023. This was driven by higher premium on direct policies as increased payrolls were offset by pure premium rate reductions of 6.7 percent and 3.2 percent for 2024 and 2023, respectively. Net written premium decreased 2.1 percent due to the larger pure premium rate reductions in 2024.

Other income—This line decreased $0.4 million or 0.8 percent to $56.4 million in 2024. Premium assessment income decreased $0.7 million due to declining written premium levels. The premium assessment rate remained unchanged at 9.8 percent for 2024.

Net losses and loss adjustment expenses incurred—Total net losses and loss adjustment expenses incurred were $639.6 million for the year ended December 31, 2024. Net losses incurred for the current year of $473.1 million increased $60.4 million from 2023, while net LAE incurred of $166.4 million increased $36.2 million for a total net increase of $96.6 million. Net paid losses for 2024 were $18.1 million higher than the prior year, and the change in loss reserves was $42.3 million higher than the prior year due to less favorable reserve development recorded in 2024. This was driven by establishing reserves for the 2024 accident year, offset by payments made on previously incurred claims, and favorable development in prior accident years. In past years, favorable development was strongly driven by medical claims. However, in 2024 favorable medical claim development slowed due to increasing average medical payment per claim.

Subsequently, there was less total favorable reserve development. The increase in LAE reserves was driven by newly established reserves for the 2024 accident year, partially offset by paid LAE associated with previously incurred claims and unfavorable development in prior accident years. The unfavorable development in unpaid LAE for prior accident years was largely attributable to rising operating expenses.

Policyholders' dividends—Substantially all of SAIF's business is written under various participating plans wherein a dividend may be returned to the policyholder. Dividends may be paid to the extent a surplus is accumulated from premiums, investment gains, and/or loss reserve reductions. In 2024 and 2023, policyholder dividends of $59.9 million and $135.0 million, respectively, were incurred and paid to qualifying policyholders.

Underwriting expenses—This line increased $25.8 million or 11.5 percent from the prior year to $250.2 million. The largest drivers of the increases are higher employee costs and increases in software expenses. SAIF recorded a $1.5 million increase in underwriting expenses due to implementation of GASB 101.

Bad debt provision—This line increased $1.0 million over the prior year driven by a couple of large write-offs, mostly due to the OSC program.

Other expense—This line includes interest expense related to building leases and SBITAs. This line increased $0.1 million over the prior year, due to interest expense on SBITAs.

Net investment income (loss)—In 2024, SAIF recorded a net investment gain of $180.6 million, as a $27.0 million unrealized decrease in the fair value of investments was offset by $173.4 million in interest and dividend income, and $34.2 million in realized gains. In 2023, SAIF recorded a net investment gain of $337.4 million. The decrease of $156.8 million over prior year was primarily due to fair value changes. During 2023 bonds and equities recouped some of their value from the significant losses in 2022 as inflation eased and interest rates were lowered. The change in fair value of investments recorded for 2024 was a negative $27.0 million compared to a positive $214.1 million for 2023. Interest and dividend income earned increased by $13.4 million during 2024 due to higher yields on bonds. Net realized investment gain was $34.2 million for 2024, compared to a net realized loss of $39.9 million for 2023. For 2024, net realized investment loss was $23.7 million for bonds offset by a $57.9 million gain in equities.

Cumulative effect of change in accounting principles—SAIF restated the 2023 financial statements in accordance with the implementation of both GASB 100 and 101. As a result of GASB 101, SAIF recorded a $17.1 million cumulative effect of accounting change in net position, a $1.5 million increase in underwriting expenses, and a $18.6 million increase in liabilities. In 2024, the compensated absences liability increased $1.8 million from $18.6 million to $20.4 million. See Note 2 for additional information.

Future Plans— The May 2025 economic forecast from Oregon's state economist expects continued economic growth despite slowing population trends. However, the risk of economic volatility is increased as significant uncertainty remains in federal trade policies and for programs or agencies that rely on federal funding. Additionally, inflation, geopolitical unrest, and interest rate fluctuations could have significant impacts on SAIF's financial position. The 3.2 percent pure premium rate reduction approved for 2025 may offset premium growth due to new sales, rate increases, and increased policyholder payrolls during 2025.

The 2025 capital budget of $8.9 million includes projects to extend our digital offerings, renovate facilities, and replace fleet vehicles.

In 2025, SAIF will work on implementing the results of the asset allocation study in partnership with the Oregon State Treasury which was completed in 2024. SAIF will also continue working towards 3-year and 7-year visions to improve experiences and relationships with policyholders, workers, employees, partners, and the community.

Financial position as of December 31, 2023

At the end of 2023, total assets increased $174.1 million from the prior year, and deferred outflows of resources decreased $25.3 million. Total liabilities increased $100.3 million for the year, deferred inflows of resources decreased $14.8 million, and net position increased $63.3 million.

Significant changes include:

Cash and cash equivalents—The majority of SAIF's cash accounts consist of short-term investments and money market funds utilized by external investment managers. Cash and cash equivalents of $54.7 million increased $17.5 million from December 31, 2022, to December 31, 2023. This was due to a $16.7 million increase in cash and a $0.8 million increase in the money market fund.

Investments—At the end of 2023, investments were $4,280.1 million and were $107.2 million or 2.6 percent higher than at the end of 2022. Investment holdings (principal and cost) decreased $108.8 million for bonds, primarily due to the withdrawal of bond principal to fund the policyholder dividend payment and operations offset by reinvested income. Equity holdings cost remained flat in 2023. Real estate holdings cost increased $1.9 million, as the DWS real estate investment fund had a capital call in the fourth quarter of 2023. At the end of 2023, SAIF had invested $117.5 million in DWS RREEF America REIT II. The final capital commitment of $2.5 million was contributed in January 2024. Market values increased $160.1 million for bonds as SAIF's fixed income portfolio had a positive return of 8.32 percent for 2023. The mark-to-market adjustments for equities increased $93.7 million as the BlackRock MSCI ACWI fund had a positive return of 21.87 percent for the year. Real estate market adjustments decreased $39.6 million as the real estate funds had a negative return of 10.34 percent for the year ended December 31, 2023.

Effective April 24, 2019, the Oregon Investment Council approved a revised asset allocation policy for SAIF Corporation. The allocation reaffirms a 5 percent target allocation to real estate in the form of private or publicly traded funds, allows for an 8 percent combined target allocation to bank loans and private credit, and reduced the target allocation to fixed income holdings from 90 percent to 77 percent. The target allocation to global equities is unchanged at 10 percent. SAIF's asset allocation was in compliance with the asset allocation policy as of December 31, 2023. Effective October 23, 2024, the Council approved a revised asset allocation policy for SAIF Corporation. The allocation reaffirms a 5 percent target allocation to real estate in the form of private or publicly traded funds, allows for a 5 percent allocation to private credit through senior secured direct lending, and increased the target allocation to fixed income holdings from 77 percent to 80 percent. The target allocation to global equities is unchanged at 10 percent.

Securities lending cash collateral—This line item can fluctuate significantly from period to period depending on the amount of investment securities on loan. The amount of securities on loan will vary depending on market conditions and the demand for certain securities in SAIF's portfolio. The balance as of December 31, 2023 was $65.4 million, an increase of $15.1 million from the prior year. A corresponding securities lending liability of $65.4 million was recorded on the statement of net position at December 31, 2023.

Accounts and interest receivable—The balance in this line is comprised of investment income receivable, net premiums receivable, accrued retrospective premiums receivable, and other accounts receivable. This balance of $435.4 million increased $26.0 million or 6.4 percent from December 31, 2022 to December 31, 2023.

Accrued investment income of $33.2 million increased $0.1 million or 0.4 percent from December 31, 2022, to December 31, 2023, as interest rates rose during the year.

Premiums receivable of $339.2 million increased $32.9 million or 10.8 percent in 2023, due to new business, higher tier factors, and increased policyholder payrolls. Net written premiums increased 7.5 percent from 2022 to 2023 as decreases in pure premium rates were offset by increases in policyholder payrolls, higher tier factors, and new business. Accrued retrospective premiums decreased $7.0 million or 20.9 percent compared to the prior year due to changes in accrual estimates and the timing of when receivables are collected.

Other accounts receivable of $36.5 million remained flat from 2022 to 2023. Premium assessment due from policyholders increased $1.4 million due primarily to increased premium receivables and increased premium assessment rates. Equity in the assigned risk pool decreased $1.7 million.

Capital assets—Nondepreciable capital assets increased $8.3 million over the prior year, due to investments in the claims system, the registration and profile management (RPM) project phase II and the digital payment platform project, which are in progress and not yet in use. The registration profile management project phase I was placed in service in April 2023. As of December 31, 2023, lease assets net of accumulated depreciation of $13.9 million were included on the statement of net position as depreciable capital assets, due to GASB 87 and the implementation of GASB 96 (see Notes 2 and 6). Lease assets consist primarily of building leases and subscription-based IT arrangements (SBITAs). Depreciable capital assets, net of depreciation decreased $0.9 million over the prior year as depreciation was partially offset by the implementation of GASB 96 and reclassifying software costs for the RPM Phase I project, which went live in April 2023. Software development costs for the claims system, HR core system, RPM Phase I and II project, and digital payment platform project totaled $8.1 million, $0.2 million, $1.1 million, and $1.0 million respectively, for the year ended December 31, 2023.

Net other postemployment benefit (OPEB) asset (RHIA)—The balance of $3.7 million increased $0.3 million or 10.3 percent from December 31, 2022 to December 31, 2023. This is an estimate of SAIF's allocated share of the net asset for the Retirement Health Insurance Account (RHIA) due to GASB Statement No. 75 (see Note 12).

Net OPEB asset (RHIPA)— This line increased $0.4 million from 2022 to $1.3 million in 2023 due to a change in proportionate share. The balance in this line is an estimate of SAIF's allocated share of the net asset for the Retirement Health Insurance Premium Account (RHIPA) due to GASB Statement No. 75 (see Note 12).

Deferred outflows of resources—The $54.6 million balance in this line is a decrease of $25.3 million over prior year and is related to pensions in accordance with GASB Statement No. 68 and OPEB in accordance with GASB Statement No. 75. The deferred outflows of resources related to pensions was $52.5 million, a decrease of $25.8 million over the prior year. This was primarily due to a decrease of $19.2 million in the differences between employer contributions and employer's proportionate share of system contributions, a $4.9 million decrease in change in PERS assumptions, and $4.0 million decrease in the changes in employer contributions and proportion. These decreases were partially offset by a $1.0 million increase in contributions subsequent to the measurement date and a $1.3 million increase in expected investment earnings (see Note

11). The deferred outflows of resources related to OPEB was $2.1 million, an increase of $0.5 million over the prior year. The balance is based on GASB Statement No. 75 (see Note 12).

Reserve for losses and loss adjustment expenses—The total (current and noncurrent) reserve for losses and loss adjustment expenses (LAE) of $2.5 billion increased $48.8 million or 2.0 percent from the prior year. Loss reserves increased $36.0 million or 1.7 percent and LAE reserves increased $12.8 million or 3.4 percent during 2023. This was driven by newly established reserves for the 2023 accident year, partially offset by paid LAE associated with previously incurred claims and favorable development in prior accident years. The favorable development in unpaid LAE for prior accident years was largely attributable to the decrease in loss reserves. In past years, favorable development was strongly driven by medical claims. However, in 2023 favorable medical claim development slowed due to increasing average medical payment per claim. Subsequently, there was less total favorable reserve development, and the favorable development is evenly spread across all portfolio segments.

Unearned premiums—The amount of unearned premium of $268.9 million for 2023 increased $14.9 million or 5.9 percent primarily due to increased premiums written.

Accounts payable—The balance in this line of $113.0 million is comprised of commissions payable, reinsurance payable, accrued premium assessment, and other accounts payable. This line decreased $0.2 million from 2022 to 2023. Commissions payable for the current year was $20.2 million, an increase of $1.8 million over prior year due to increased premium levels. Reinsurance payable decreased $0.5 million due to decreased current payables to the assigned risk pool. Premium assessment payable increased $3.7 million due to higher premium levels. Other accounts payable decreased $5.2 million from 2022 to 2023, primarily due to a decrease in policyholder credits from changes in SAIF's invoicing process.

Obligations under securities lending—This line item can fluctuate significantly from period to period depending on the amount of investment securities on loan. The amount of securities on loan will vary depending on market conditions and the demand for certain securities in SAIF's portfolio. The balance as of December 31, 2023 was $65.4 million, an increase of $15.1 million from the prior year. A corresponding securities lending cash collateral asset of $65.4 million was recorded on the statement of net position at December 31, 2023.

Other liabilities and deposits—The balance in this line of $41.2 million is comprised of accrued retrospective premiums payable, premium deposits, policyholder dividends payable, pension related payable, and other liabilities. This balance decreased $0.5 million from the prior year. A $3.0 million decrease of return premium payable on retrospectively rated policies was largely due to increased loss experience on retrospective policies, and premium deposits decreased $1.0 million over the prior year. Other liabilities increased $3.5 million over the prior year. A $2.8 million increase is due to recognizing the current portion of lease liabilities from the implementation of GASB 96, and a $0.8 million increase in accrued compensated absences were offset by a $0.1 million decrease in federal premium assessments.

Total OPEB liability (SAIF)—The $9.3 million balance in this line is the amount of SAIF's OPEB liability under GASB Statement No. 75 (see Note 12). This line increased $0.3 million over the prior year.

Pension related payable—Prior to the formation of the PERS State and Local Government Rate Pool (SLGRP), the State and community colleges were pooled together in the State and Community College Pool (SCCP) (including SAIF), while local government employers participated in the Local Government Rate Pool (LGRP). The unfunded actuarial liability (UAL) attributable to the SCCP at the time the SLGRP was formed is maintained separately from the SLGRP and is reduced by contributions and increased for interest charges at the assumed interest rate, which was 6.90 percent in fiscal year 2023. The $3.4 million balance in this line is the noncurrent portion of the pre-SLGRP pooled liability attributable to SAIF, which is being amortized over the period ending December 31, 2027.

Net pension liability—The balance in this line of $72.7 million remained flat from 2022 to 2023. SAIF's net pension liability was allocated by the Oregon Public Employees Retirement System and was based on GASB Statement No. 68 actuarial valuation as of December 31, 2021 (see Note 11).

Lease liabilities—The balance in this line of $10.1 million is related to building leases and SBITAs. This includes a $5.5 million liability for SBITAs as SAIF implemented GASB 96 effective December 31, 2023, and a $4.6 million liability for building leases per GASB Statement No. 87 which was implemented as of December 31, 2022 (see Notes 2 and 6).

Deferred inflows of resources—The balance in this line of $34.8 million is related to pensions based on GASB Statement No. 68 and OPEB based on GASB Statement No. 75. The $32.2 million balance in this line is related to pensions based on GASB Statement No. 68. The $14.5 million decrease over the prior year is primarily due to lower than expected investment earnings and changes in employer contributions and proportionate share. As of December 31, 2023, SAIF was reported separately from the state agencies proportionate share of the net pension liability (see Note 11). The $2.6 million balance in deferred inflows of resources related to OPEB decreased $0.4 million over prior year (see Note 12).

Operations - year ended December 31, 2023

SAIF recorded a net operating loss of $255.5 million for the year ended December 31, 2023, compared to a 2022 net operating loss of $67.7 million.

Significant changes in revenues and expenses include:

Net premiums earned—In 2023, net premiums earned were $590.8 million and increased $35.5 million or 6.4 percent compared to 2022. This was driven by higher premium on voluntary guaranteed cost policies as increased payrolls and higher tier factors were partially offset by pure premium rate reductions of 3.2 percent and 5.8 percent for 2023 and 2022, respectively. Net written premium increased 7.5 percent due to the same reasons.

Other income—This line increased $3.5 million or 6.5 percent to $56.8 million in 2023. Premium assessment income increased $3.5 million due to rising premium levels. The premium assessment rate remained unchanged at 9.8 percent for 2023.

Net losses and loss adjustment expenses incurred—Total net losses and loss adjustment expenses incurred were $542.9 million for the year ended December 31, 2023. Net losses incurred for the current year of $412.7 million increased $109.6 million from 2022, while net LAE incurred of $130.2 million increased $41.2 million for a total net increase of $150.8 million. Net paid losses for 2023 were $15.7 million higher than the prior year, and the change in loss reserves was $93.9 million higher than the prior year due to less favorable reserve development recorded in 2023. This was driven by newly established reserves for the 2023 accident year, partially offset by paid LAE associated with previously incurred claims and favorable development in prior accident years. The favorable development in unpaid LAE for prior accident years was largely attributable to the decrease in loss reserves. In past years, favorable development was strongly driven by medical claims. However, in 2023 favorable medical claim development slowed due to increasing average medical payment per claim. Subsequently, there was less total favorable reserve development, and the favorable development is evenly spread across all portfolio segments. SAIF continues to observe fewer than expected permanent disabling claims and severe COVID-19 disease claims.

Policyholders' dividends—Substantially all of SAIF's business is written under various participating plans wherein a dividend may be returned to the policyholder. Dividends may be paid to the extent a surplus is accumulated from premiums, investment gains, and/or loss reserve reductions. In 2023 and 2022, policyholder dividends of $135.0 million and $75.0 million, respectively, were incurred and paid to qualifying policyholders.

Underwriting expenses—This line increased $15.4 million or 7.4 percent from the prior year to $222.9 million. Increases in commission expenses as premiums increased, higher employee costs, increased premium assessment expense, and increased software costs make up majority of the increases over prior year.

Bad debt provision—This line increased $0.3 million over the prior year, due to write offs assumed from the assigned risk pool.

Other expense—This line includes interest expense related to building leases and SBITAs. This line increased $0.3 million over the prior year, due to interest expense on SBITAs from the implementation of GASB 96.

Net investment income (loss)—In 2023, SAIF recorded a net investment gain of $337.4 million, due to $214.1 million unrealized increase in the fair value of investments, $163.2 million in interest and dividend income, and $39.9 million in realized losses. In 2022, SAIF recorded a net investment loss of $652.6 million. The increase of $990.0 million over prior year was due primarily to higher returns on bond values as SAIF's fixed income portfolio returned 8.32% in 2023. The change in fair value of investments recorded for 2023 was a positive $214.1 million compared to a negative $760.9 million for 2022. Interest and dividend income earned increased by $23.1 million during 2023 as the Federal Reserve increased short term interest rates. Net realized investment loss was $39.9 million for 2023, compared to a net realized loss of $33.8 million for 2022. For 2023, net realized investment loss was $40.1 million for bonds offset by a $0.2 million gain in equities.

Cumulative effect of change in accounting principles—See Notes 2 and 6 for additional information. In addition, SAIF restated the 2023 financial statements in accordance with the implementation of both GASB 100 and 101. As a result of GASB 101, SAIF recorded a $17.1 million cumulative effect of accounting change in net position, a $1.5 million increase in underwriting expenses, and a $18.6 million increase in liabilities. See Note 2 for additional information. SAIF implemented GASB 96 related to SBITAs for the fiscal year ended December 31, 2023. The net impact of this Statement on SAIF's financials resulted in a restatement of net position, an increase of $78 thousand.

SAIF CORPORATION

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2024 AND 2023
(In thousands)

	2024	2023 (Restated)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 52,555	$ 54,745
Investments	4,305,746	4,280,134
Securities lending cash collateral	135,641	65,366
Investment income receivable	36,914	33,241
Premiums receivable, net	319,944	339,243
Accrued retrospective premiums receivable	47,162	26,461
Accounts receivable	36,803	36,456
Other assets	-	1,028
Total current assets	4,934,765	4,836,674
NONCURRENT ASSETS:		
Capital assets, nondepreciable	5,064	41,181
Capital assets, depreciable, net	130,975	105,145
Net other postemployment benefit (OPEB) asset (RHIA)	3,255	3,710
Net OPEB asset (RHIPA)	1,140	1,259
Total noncurrent assets	140,434	151,295
Total assets	5,075,199	4,987,969
DEFERRED OUTFLOWS OF RESOURCES		
Related to OPEB	2,263	2,108
Related to pensions	65,778	52,475
Total deferred outflows of resources	68,041	54,583
LIABILITIES		
CURRENT LIABILITIES:		
Reserve for losses and loss adjustment expenses	360,032	332,453
Unearned premiums	260,405	268,874
Accrued retrospective premiums payable	8,331	9,401
Commissions payable	19,352	20,161
Reinsurance payable	2,296	4,535
Accrued premium assessment payable	44,786	45,426
Premium deposits	16,389	17,325
Accounts payable	47,311	47,142
Obligations under securities lending	135,615	65,353
Pension related payable	893	980
Lease liabilities	4,227	3,895
Other liabilities	12,893	12,326
Total current liabilities	912,530	827,871
NONCURRENT LIABILITIES:		
Reserve for losses and loss adjustment expenses	2,267,839	2,178,072
Total OPEB liability (SAIF)	9,805	9,307
Pension related payable	1,978	3,373
Net pension liability	120,721	72,694
Lease liabilities	10,119	10,082
Compensated absences	13,040	11,621
Total noncurrent liabilities	2,423,502	2,285,149
Total liabilities	3,336,032	3,113,020
DEFERRED INFLOWS OF RESOURCES		
Related to OPEB	1,803	2,623
Related to pensions	21,814	32,220
Total deferred inflows of resources	23,617	34,843
NET POSITION		
Net investment in capital assets	136,039	146,325
Unrestricted	1,647,552	1,748,364
Total net position	$ 1,783,591	$ 1,894,689

See notes to financial statements.

SAIF CORPORATION

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands)

	2024	**2023 (Restated)**
OPERATING REVENUES:		
Premiums earned, net	$ 605,093	$ 590,847
Other income	56,421	56,849
Total operating revenues	661,514	647,696
OPERATING EXPENSES:		
Net losses and loss adjustment expenses incurred	639,562	542,964
Policyholders' dividends	59,938	134,986
Underwriting expenses	250,230	224,400
Bad debt provision	2,729	1,719
Other expense	752	646
Total operating expenses	953,211	904,715
OPERATING LOSS	(291,697)	(257,019)
NONOPERATING REVENUES:		
Investment income	192,538	346,175
Investment expenses	(11,939)	(8,763)
Net investment income	180,599	337,412
(DECREASE) INCREASE IN NET POSITION	(111,098)	80,393
NET POSITION—Beginning of year	1,894,689	1,831,342
Cumulative effect of change in accounting principles	-	(17,046)
RESTATED—Beginning net position	1,894,689	1,814,296
NET POSITION—End of year	$ 1,783,591	$ 1,894,689

See notes to financial statements.

SAIF CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Premiums collected, net of reinsurance	$ 590,976	$ 575,337
Loss and loss adjustment expenses paid	(522,216)	(494,194)
Underwriting expenses paid	(250,230)	(222,894)
Policyholder dividends paid	(59,938)	(134,986)
Other receipts	91,611	76,576
Net cash used in operating activities	(149,797)	(200,161)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(1,060,784)	(799,616)
Proceeds from sales and maturities of investments	1,040,195	862,013
Interest received on investments and cash balances	172,516	167,299
Interest received from securities lending	6,210	2,939
Interest paid for securities lending	(5,764)	(2,638)
Net cash provided by investing activities	152,373	229,997
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	(4,848)	(12,319)
Proceeds from disposition of capital assets	82	-
Net cash used in capital and related financing activities	(4,766)	(12,319)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,190)	17,517
CASH AND CASH EQUIVALENTS—Beginning of year	54,745	37,228
CASH AND CASH EQUIVALENTS—End of year	$ 52,555	$ 54,745

(Continued)

SAIF CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands)

	2024	2023
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	$ (291,698)	$ (255,513)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	18,872	15,872
(Gain)/loss on disposal of capital assets	(3)	-
Bad debt provision	2,730	1,719
Net changes in assets:		
Premiums receivable, net	16,568	(34,660)
Accrued retrospective premiums receivable	(20,700)	6,972
Accounts receivable	(346)	81
Other assets	124	-
Net OPEB asset (RHIA)	455	(348)
Net OPEB asset (RHIPA)	119	(449)
(Increase)/decrease in deferred outflows of resources:		
Related to OPEB	(155)	(465)
Related to pensions	(13,303)	25,756
Net changes in liabilities:		
Reserve for losses and loss adjustment expenses	117,346	48,769
Unearned premiums	(8,469)	14,899
Accrued retrospective premiums payable	(1,070)	(2,989)
Commissions payable	(809)	1,765
Reinsurance payable	(2,240)	(450)
Accrued premium assessment payable	(640)	3,698
Premium deposits	(935)	(1,002)
Accounts payable	169	(4,628)
Pension related payable	(1,483)	(978)
Compensated absences payable	1,992	838
Other liabilities	(50)	(198)
Total OPEB liability (SAIF)	498	300
Net pension liability	48,027	19
Lease liabillities	(3,569)	(4,280)
Increase/(decrease) in deferred inflows of resources:		
Related to OPEB	(821)	(439)
Related to pensions	(10,406)	(14,450)
Total adjustments	141,901	55,352
NET CASH USED IN OPERATING ACTIVITIES	$ (149,797)	$ (200,161)
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING ACTIVITIES: Investments acquired and sold through tax free and taxable exchange transactions	$ 37,824	$ 45,322
Tax free restructuring of DWS Real Estate Fund	$ -	$ 120,628

See notes to financial statements.

1. DESCRIPTION OF BUSINESS & REGULATORY ENVIRONMENT

SAIF Corporation (SAIF) is a public corporation created by an act of the Oregon Legislature. It traces its origins to 1914 when its predecessor organization commenced business.

SAIF is an insurance company authorized to write workers' compensation coverage in Oregon and is a servicing carrier for accounts in the assigned risk pool. SAIF also provides coverage governed by the Longshore and Harbor Workers' Compensation Act, Jones Act, and Federal Employers Liability Law. SAIF partners with Zurich Insurance Group Ltd. (Zurich) and Acrisure United States Insurance Services (USIS) to provide other states coverage. SAIF's Board of Directors is appointed by the governor of the State of Oregon and consists of Oregon business and community leaders not otherwise in the employ of SAIF. Certain members of SAIF's Board of Directors are SAIF policyholders or are employed by SAIF policyholders. The transactions between SAIF and these policyholders were within SAIF's standard terms and conditions.

SAIF writes business on a direct basis as well as through agents. Premiums written on a direct basis were 16.8 and 16.9 percent of standard premium during 2024 and 2023, respectively. SAIF issues workers' compensation insurance policies to individual Oregon employers including state agencies.

DCBS enforces workers' compensation laws under the Oregon Revised Statutes (ORS). Under the reporting requirements of the DCBS, Oregon Division of Financial Regulation (Insurance Division), SAIF is subject to Risk Based Capital (RBC) requirements of the National Association of Insurance Commissioners (NAIC), which establishes certain amounts of capital and surplus be maintained. SAIF's Company Action Level (CAL) RBC calculated minimum capital and surplus amount was $427.5 million and $435.2 million at December 31, 2024 and 2023, respectively. At December 31, 2024 and 2023, the statutory capital and surplus of SAIF exceeded the minimum RBC requirements. While SAIF is not subject to the minimum capital and surplus requirements set forth in ORS 731.554, SAIF uses various benchmarking and risk level techniques to monitor and maintain an adequate level of capital and surplus.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting—SAIF has prepared the accompanying financial statements in accordance with accounting principles generally accepted in the United States of America for governmental entities. As a discretely presented component unit of the State of Oregon, SAIF is subject to the pronouncements of the Governmental Accounting Standards Board (GASB). Under accounting principles generally accepted in the United States of America as applied to governmental entities, SAIF accounts for its activities as a special purpose government engaged solely in business-type activities. Accordingly, SAIF follows the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, regardless of when received, and expenses are recognized when incurred, regardless of when paid.

Investments—SAIF reports investments at fair value on the statement of net position and recognizes the corresponding change in the fair value of investments in the year in which the change occurs as investment income (loss). The fair value of debt and equity securities is determined using recognized pricing services or prices quoted by one or more independent brokers. Equity securities traded on a national exchange are valued at the last reported sales price. Debt securities are valued using evaluated bid prices at December 31, 2024 and 2023. Real estate investments are valued at net asset value (NAV).

Cash and cash equivalents—Cash and cash equivalents include investments in highly liquid debt instruments with an original maturity of three months or less. SAIF places its temporary cash investments with the Oregon Short-Term Fund (OSTF), an external cash and investment pool. SAIF's participation in this fund is involuntary. This fund is not registered with the Securities and Exchange Commission and is not rated. The OSTF is a cash and investment pool that operates as a demand deposit account. As a result, SAIF's investment is not impacted by changes in the market value of the OSTF. By statute, the OSTF may hold securities with maturities no greater than three years. Audited financial statements and monthly compliance summaries, which include information about the OSTF's maturity distribution and credit quality, may be obtained at the Oregon State Treasury's web site: https://www.oregon.gov/treasury/public-financial-services/oregon-short-term-funds/pages/default.aspx. As of December 31, 2024 and 2023, SAIF's balance in the OSTF was $39.1 million and $35.5 million, respectively.

Oregon's State Treasurer employs the services of two external investment managers to manage SAIF's fixed income portfolios. The cash balances of the fixed income managers are invested in money market funds with the objective of maximizing current income while maintaining a stable net asset value. The average maturity of the Institutional U.S. Government Money Market Fund as of December 31, 2024 and 2023, was 40 days and 46 days, respectively. The Institutional U.S. Government Money Market Fund had a credit quality rating of AAAm as of December 31, 2024 and 2023. At December 31, 2024 and 2023, SAIF's balance in the Institutional U.S. Government Money Market Fund was $13.1 million and $4.1 million, respectively. There were no Treasury bills held as of December 31, 2024. As of December 31, 2023, SAIF held $15.0 million in Treasury bills.

Concentrations of credit risk—Financial instruments, which potentially subject SAIF to concentrations of credit risk, consist principally of temporary cash investments and debt securities. SAIF places its investment securities with financial institutions approved by the State of Oregon and limits the amount of credit exposure to any one financial institution. Concentrations of credit risk with respect to investments in debt securities are limited due to the large number of such investments and their distribution among many different industries and geographic regions. SAIF maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. Financial instruments potentially subjecting SAIF to concentrations of credit risk also consist primarily of bank demand deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurance thresholds. If any of the financial institutions with whom SAIF does business were to be placed into receivership with the FDIC, SAIF may be unable to access the cash it has on deposit with such institutions. If SAIF was unable to access its cash and cash equivalents as needed, SAIF's financial position and ability to operate its business could be adversely affected. SAIF has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on these cash and cash equivalents.

Capital assets—Capital assets are stated at historical cost, less accumulated depreciation. Maintenance, repairs, and minor renovations are charged to expense as costs are incurred. Upon retirement or sale, any resulting gain or loss is recorded as other income.

Costs incurred to develop internal-use computer software and web sites during the application development stage are capitalized if they meet the $1.0 million threshold. Costs incurred during the preliminary project stage and post-implementation/operation stage are expensed as incurred.

Capital assets are capitalized and depreciated using the straight-line method over the estimated useful lives of the assets as follows:

	Capitalization Threshold	Useful Life
Buildings and improvements	All	15–50 years
Furniture, equipment, and automobiles	$25,000	3–7 years
Operating and nonoperating system software	$1,000,000	3-5 years

SAIF has several capital projects in progress or completed during the years ended December 31, 2024 and 2023. These include a registration and profile management system phase I and II, a digital payment project, final costs on a human resource (HR) system completed in 2023, and final costs on a new claims system completed in 2024. A registration and profile management system phase II and a digital payment project were in progress in 2024. The table below shows the total costs incurred on these projects for the years ended December 31, 2024 and 2023.

The projects costs are displayed in the table below (dollars in thousands):

	2024		2023	
	Year-to-date	Life-to-date	Year-to-date	Life-to-date
HR core system	$ -	$ 3,032	$ 162	$ 3,032
Claims system	$ 2,767	$ 38,907	$ 8,175	$ 36,140
RPM phase I	$ -	$ 950	$ 380	$ 950
RPM phase II	$ 67	$ 787	$ 720	$ 720
Digital payment	$ 866	$ 1,838	$ 972	$ 972

SAIF implemented GASB 96 effective December 31, 2023. SBITAs were calculated beginning with January 1, 2023 information and are capitalized in the following table. Lessee arrangements include Right-of-Use (ROU) lease assets in capital assets and lease liabilities in current and noncurrent long-term liabilities in the statements of net position. SAIF chose to restate the beginning net position as of January 1, 2023, rather than restate 2022 financial statements as the impact was considered immaterial. Refer to Note 2 new accounting pronouncements for additional information on the restated beginning net position and Note 6 for additional lease information.

Capital assets activity for the years ended December 31, 2024 and 2023, was as follows (dollars in thousands):

	2024			
	Beginning Balance	Increases	Decreases	Ending Balance
Land	$ 2,922	$ -	$ -	$ 2,922
Software in development	37,842	3,700	(39,694)	1,848
Capital assets not yet in service	417	1,090	(1,213)	294
Total nondepreciable capital assets	41,181	4,790	(40,907)	5,064
Buildings and improvements	112,081	117	-	112,198
Lease assets-buildings	8,729	681	-	9,410
Lease assets-SBITAs	13,197	2,514	-	15,711
Furniture, equipment, and automobiles	9,930	1,032	(861)	10,101
Data processing software	45,812	39,694	-	85,506
Total depreciable capital assets	189,749	44,038	(861)	232,926
Total	230,930	48,828	(41,768)	237,990
Less accumulated depreciation for:				
Buildings and improvements	(28,271)	(3,248)	-	(31,519)
Lease assets-buildings	(3,615)	(1,184)	733	(4,066)
Lease assets-SBITAs	(4,410)	(3,538)	10	(7,938)
Furniture, equipment, and automobiles	(7,776)	(930)	782	(7,924)
Data processing software	(40,533)	(9,971)	-	(50,504)
Total accumulated depreciation	(84,605)	(18,871)	1,525	(101,951)
Capital assets, net	$ 146,325	$ 29,957	$ (40,243)	$ 136,039

	2023			
	Beginning Balance	Increases	Decreases	Ending Balance
Land	$ 2,922	$ -	$ -	$ 2,922
Software in development	28,902	10,409	(1,469)	37,842
Capital assets not yet in service	1,015	1,836	(2,434)	417
Total nondepreciable capital assets	32,839	12,245	(3,903)	41,181
Buildings and improvements	112,081	-	-	112,081
Lease assets-buildings	8,729	-	-	8,729
Lease assets-SBITAs	-	13,197	-	13,197
Furniture, equipment, and automobiles	8,032	1,910	(12)	9,930
Data processing software	44,343	1,469	-	45,812
Total depreciable capital assets	173,185	16,576	(12)	189,749
Total	206,024	28,821	(3,915)	230,930
Less accumulated depreciation for:				
Buildings and improvements	(25,034)	(3,237)	-	(28,271)
Lease assets-buildings	(2,410)	(1,205)	-	(3,615)
Lease assets-SBITAs	-	(4,410)	-	(4,410)
Furniture, equipment, and automobiles	(6,732)	(1,056)	12	(7,776)
Data processing software	(32,927)	(7,606)	-	(40,533)
Total accumulated depreciation	(67,103)	(17,514)	12	(84,605)
Capital assets, net	$ 138,921	$ 11,307	$ (3,903)	$ 146,325

Premiums—Premiums are based on individual employers' reported payroll using predetermined, DCBS-approved insurance rates based on employee risk classifications and are recognized as income on a pro rata basis over the coverage period, which is generally one year. Ceded premiums are recognized consistent with the underlying policies. The portion of premiums that will be earned in the future are deferred and reported as unearned premiums.

Policyholders' premiums due to SAIF are recorded as premiums receivable, net of the allowance for uncollectible accounts of $1.5 million and $1.4 million at December 31, 2024 and 2023, respectively. Premiums receivable consists of both billed amounts and unbilled amounts. Unbilled premiums receivable primarily represents premiums recorded as written at the policy inception date and not yet billed, as well as an estimate of the difference between amounts earned ratably on installment-billed policies and the amount billed on the policy. Unbilled premiums receivable also includes estimated billings on payroll reporting policies that were earned but not billed prior to year end. SAIF uses its historical experience to estimate earned but unbilled amounts, which are recorded as premiums receivable. These unbilled amounts are estimates, and while SAIF believes such amounts are reasonable, there can be no assurance the amounts ultimately received will equal the recorded unbilled amounts. The ultimate collectability of the unbilled premiums receivable can be affected by general changes in the economy and the regulatory environment due to the increased time required to determine the billable amount. SAIF considers these factors when estimating the premium receivable for unbilled premiums. Unbilled premiums receivable at December 31, 2024 and 2023, were $313.4 million and $330.4 million, respectively, including unearned premiums of $171.6 million and $184.1 million, respectively, and are included in premiums receivable, net.

Certain policyholders are required to remit deposits based on their credit worthiness. Deposits are generally in the form of cash and are recorded as policyholders' premium deposits. However, policyholders may pledge surety bonds and securities, as well as letters of credit, in lieu of cash deposits. Premium deposits at December 31, 2024 and 2023, were $16.4 million and $17.3 million, respectively.

In addition to its regular premium plans, SAIF offers employers retrospective premium rating plans under which premiums are adjusted annually for up to 10½ years following the plan year based on policyholders' loss experience. Adjustments to the original premiums are paid to or collected from the policyholders six months following the expiration of the policy and annually thereafter for up to 10½ years. The estimate of the net accrued premiums receivable for retrospective rating plans as of December 31, 2024 and 2023, is as follows (dollars in thousands):

	2024	2023
Accrued retrospective premiums receivable	$ 47,162	$ 26,461
Accrued retrospective premiums payable	(8,331)	(9,401)
Net	$ 38,831	$ 17,060

SAIF estimates accrued retrospective premiums receivable and payable by reviewing historical loss and premium development patterns at various stages of maturity and using these historical patterns to arrive at the best estimate of return and additional retrospective premiums on all open retrospectively rated policies. Premiums written on retrospective workers' compensation policies for 2024 and 2023 were $79.0 million and $102.3 million, respectively, or 13.3 percent and 16.8 percent of net premiums written, respectively.

Reserve for losses and loss adjustment expenses—The reserve for losses and loss adjustment expenses (LAE) is generally based on past experience. The liability includes provisions for reported claims and claims incurred but not reported.

Management believes the reserve for unpaid losses and LAE at December 31, 2024 and 2023, is a reasonable estimate of net future claim costs and expenses associated with administering claims. Annually, executive leaders review key actuarial assumptions used to estimate this liability and consider the significant uncertainty associated with these estimates in booking the reserve. Actual future claims costs and LAE depend on a number of factors, including, but not limited to, the duration of worker disability, claimant and beneficiary lifespans, medical cost trends, occupational disease exposure, inflation, and other societal, legislative, judicial, and economic factors. As a result, the process used to compute the ultimate cost of settling claims and expenses associated with administering claims is necessarily based on estimates. The amount ultimately paid may be higher or lower than these estimates. Adjustments resulting from changes in estimates of these liabilities are charged or credited to operations in the period in which they occur (see Note 4). Beginning with the 2023 financial statement, SAIF used the Appointed Actuary's models and analysis to inform SAIF's recorded liabilities for unpaid claims. When necessary, SAIF adjusted the Appointed Actuary's model assumptions to reflect SAIF's reserving philosophy. SAIF's reserving philosophy remains unchanged from the prior year.

Premium deficiency—Premium deficiency is based upon an estimate of the amount by which the sum of anticipated claims costs, claims adjustment expenses, and maintenance expenses exceeds expected premium income and earnings on investments. At December 31, 2024 and 2023, no reserve for premium deficiency was required to be recorded.

Policyholders' dividends—Substantially all of SAIF's business is written under various participating plans wherein a dividend may be returned to the policyholder. Dividends may be paid to the extent that a surplus is accumulated from premiums, investment gains, or loss reserve reductions. In 2024 and 2023, policyholder dividends of $59.9 million and $135.0 million, respectively, were incurred and paid to qualifying policyholders.

Taxes and assessments—The Oregon Department of Justice has determined that SAIF is exempt from federal and state income taxes, because it is an integral part of the State of Oregon and, alternatively, exempt under either or both Sections 501(c)(27)(B) and 115(1) of the Internal Revenue Code.

SAIF collects and remits levies on behalf of their policyholders to the Oregon Workers' Compensation Division of DCBS. Such assessments constitute an in-lieu-of-tax relative to premiums. Premium assessments were $53.8 million and $54.5 million for the years ended December 31, 2024 and 2023, respectively. Accrued premium assessment payable totaled $44.8 million and $45.4 million as of December 31, 2024 and 2023, respectively.

Use of estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the reported amounts of revenues and expenses during the reporting period, and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Deferred outflows of resources and deferred inflows of resources—Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

New accounting pronouncements—In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases,* as amended. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term.

Activities associated with a SBITA, other than making subscription payments, should be grouped into the following three stages, and their costs should be accounted for accordingly:

- Preliminary Project Stage, including activities such as evaluating alternatives, determining needed technology, and selecting a SBITA vendor. Outlays in this stage should be expensed as incurred.
- Initial Implementation Stage, including all ancillary charges necessary to place the subscription asset into service. Outlays in this stage generally should be capitalized as an addition to the subscription asset.
- Operation and Additional Implementation Stage, including activities such as subsequent implementation activities, maintenance, and other activities for a government's ongoing operations related to a SBITA. Outlays in this stage should be expensed as incurred unless they meet specific capitalization criteria.

This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources. This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information. SAIF implemented the requirements of this Statement as of December 31, 2023. See Note 6 for additional information. The impact of this Statement on SAIF's financials resulted in a restatement of net position. The 2023 beginning net position was restated as follows and includes GASB 101 change in accounting principle (refer to GASB 101 for more information):

	January 1, 2023
Net position, as previously stated	$ 1,831,342
Cumulative effect of change in accounting principle due to GASB 96 implementation	78
Cumulative effect of change in accounting principle due to GASB 101 implementation	(17,124)
Net position, as restated	$ 1,814,296

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives

- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements
- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this Statement related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. SAIF implemented the requirements related to leases, PPPs, and SBITAs as of December 31, 2023. There was no significant impact to the financial statements. SAIF implemented the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 as of December 31, 2024. There was no significant impact to the financial statements.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62.* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. This Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). SAIF implemented the requirements of this Statement as of December 31, 2024. The impact to the financial statements was a change in accounting principle related to GASB Statement No. 101, *Compensated Absences*. SAIF restated the 2023 financial statements and recorded a $17.1 million cumulative effect of accounting change in equity, a $1.5 million increase in underwriting expenses, and a $18.6 million increase in liabilities. Refer to GASB Statement No. 101 for additional information.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). SAIF implemented the requirements of this Statement as of December 31, 2024. The impact to the financial statements resulted in a restatement of 2023 balances for compensated absences. SAIF recorded a $17.1 million cumulative effect of accounting change in equity, a $1.5 million increase in underwriting expenses, and a $18.6 million increase in liabilities. The 2023 beginning net position was restated as follows (and includes GASB 96 change in accounting principle):

	January 1, 2023
Net position, as previously stated	$ 1,831,342
Cumulative effect of change in accounting principle due to GASB 96 implementation	78
Cumulative effect of change in accounting principle due to GASB 101 implementation	(17,124)
Net position, as restated	$ 1,814,296

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures.* The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement defines a *concentration* as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

- The concentration or constraint
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

The requirements of this Statement are effective for SAIF's 2025 financial statements. SAIF is currently evaluating the impact of this Statement on the financial statements.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements.* The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this Statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows. This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.

This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements. This Statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI. The requirements of this Statement are effective for SAIF's 2026 financial statements. SAIF is currently evaluating the impact of this Statement on the financial statements.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets.* State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for SAIF's 2026 financial statements. SAIF is currently evaluating the impact of this Statement on the financial statements.

Reclassifications—Certain reclassifications have been made to prior year amounts in order to conform with current year presentation.

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and cash equivalents—SAIF's cash is held in demand accounts with the State Treasurer, State Street Bank and Trust Company, and U.S. Bank. The cash held by the State Treasurer is invested in the OSTF, a cash and investment pool that is available for use by all state funds and eligible local governments. Cash equivalents held by State Street Bank and Trust Company consist of $13.1 million in the Institutional U.S. Government Money Market fund as of December 31, 2024. There were no Treasury bills held as of December 31, 2024. As of December 31, 2023, SAIF held $15.0 million in Treasury bills. The Institutional U.S. Government Money Market Fund and the Short-Term Investment Fund are reported at amortized cost, which approximates fair value. SAIF's cash and cash equivalents totaled $52.6 million and $54.7 million as of December 31, 2024 and 2023, respectively, and are composed of the following (dollars in thousands):

Cash balances	2024	2023
Oregon Short-Term Fund	$ 39,130	$ 35,527
State Street Bank and Trust Company	158	-
U.S. Bank	186	163
	39,474	35,690
Cash equivalents		
State Street Bank (Treasury bills)	-	14,954
State Street Bank (Institutional U.S. Government money market fund)	13,081	4,101
	13,081	19,055
Total cash and cash equivalents	$ 52,555	$ 54,745

Custodial credit risk for cash and cash equivalents (deposits)—Custodial credit risk for deposits is the risk that in the event of a bank failure, SAIF will not be able to recover the value of its deposits or collateral securities that are in possession of an outside party. State Treasury demand deposit accounts and investments of the OSTF held in state banks are insured up to the Federal Deposit Insurance (FDIC) amount of $250 thousand. Where balances exceed the FDIC amount, the balances are covered by collateral held in a multiple financial institution collateral pool administered by the Oregon State Treasury in the Public Funds Collateralization Program. As of December 31, 2024, the cash held by both State Street Bank and Trust Company (State Street) and U.S. Bank is in noninterest bearing accounts, is FDIC insured up to $250 thousand, and is uninsured for any balances exceeding that amount.

Investments—SAIF's investment policies are governed by statute and the Oregon Investment Council (Council). The State Treasurer (Treasurer) is the investment officer for the Council and is responsible for the funds on deposit in the State Treasury. In accordance with ORS 293.726, the investment funds are required to be invested, and the investments of those funds managed, as a prudent investor would do, exercising reasonable care, skill, and caution. While the Treasurer is authorized to use demand deposit accounts and fixed income investments, equity investment transactions must be directed by external investment managers that are under contract with the Council. Equity investments are limited to not more than 50 percent of the monies contributed to the Industrial Accident Fund (SAIF Corporation). However, SAIF's adopted investment policy as approved by the Council limits equity holdings to a range of 7 percent to 13 percent of the market value of invested assets with a target allocation of 10 percent.

Effective October 23, 2024, Council approved a revised asset allocation policy for SAIF Corporation. The allocation reaffirms a 5 percent target allocation to real estate in the form of private or publicly traded funds, allows for a 5 percent allocation to private credit through senior secured direct lending, and increased the target allocation to fixed income holdings from 77 percent to 80 percent. The target allocation to global equities is unchanged at 10 percent.

Bond, mortgage-backed, asset-backed, and equity security transactions are recorded on a trade-date basis, generally three business days prior to the settlement date. However, the number of days between trade and settlement dates for mortgage-backed securities can be up to 30 days or longer, depending on the security. Due from brokers for security sales at December 31, 2024 and 2023, were none and $1.0 million, respectively. Due to brokers for security purchases at December 31, 2024 and 2023, were $44 thousand and none, respectively.

Interest rate risk—Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. SAIF's policy for fixed income investments provides that a duration target be used to manage interest rate risk. The policy calls for the portfolio duration to be within 20 percent of the benchmark duration. The benchmark duration as of December 31, 2024, was 5.87 years, with an acceptable range of 4.70 to 7.05 years. As of that date, the fixed income portfolio's duration was 6.06 years.

The following 2024 maturity distribution schedule includes $1.1 billion in interest-rate sensitive securities. As of December 31, 2024, SAIF held $472.7 million of U.S. federal agency mortgage-backed securities and $282.3 million of collateralized mortgage obligations (CMOs). These securities are based on cash flows from principal and interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. As of December 31, 2024, SAIF held $317.3 million of asset-backed securities which consisted primarily of collateralized loan obligations (CLOs), equipment loan and lease receivables, student and automobile loans, and other mortgage loans. The value of these securities can be volatile as interest rates fluctuate. Additional risk inherent with these securities is the unpredictability of default on loans that are the collateral for the debt.

The following schedule represents the fixed income investments by maturity date as of December 31, 2024 and 2023, using the segmented time distribution method. Expected maturities will differ from contractual maturities, because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties (dollars in thousands):

2024	Less Than 1 Year	1–5 Years	6–10 Years	More Than 10 Years	Fair Value
Bonds:					
U.S. Treasury obligations	$ -	$ 68,562	$ 48,872	$ 178,021	$ 295,455
U.S. federal agency mortgage securities	39,691	131,636	118,400	182,970	472,697
U.S. federal agency debt	-	-	-	1,362	1,362
Corporate bonds	44,617	443,702	617,199	653,409	1,758,927
Municipal bonds	5,291	-	8,803	17,910	32,004
Collateralized mortgage obligations	77,697	98,978	73,664	31,945	282,284
Asset-backed securities	40,704	191,512	69,181	15,907	317,304
International debt securities	11,868	134,785	147,978	77,227	371,858
Total bonds	$ 219,868	$ 1,069,175	$ 1,084,097	$ 1,158,751	$ 3,531,891
Equity securities:					
BlackRock MSCI ACWI IMI index fund					524,180
Total equity securities					524,180
Real estate open ended funds:					
Morgan Stanley Prime Property Fund LLC					134,794
DWS RREEF America II LP					114,881
Total real estate					249,675
Total investments					$ 4,305,746

2023	Less Than 1 Year	1–5 Years	6–10 Years	More Than 10 Years	Fair Value
Bonds:					
U.S. Treasury obligations	$ 4,102	$ 99,322	$ 16,005	$ 207,932	$ 327,361
U.S. federal agency mortgage securities	32,800	110,514	103,121	178,915	425,350
U.S. federal agency debt	-	-	-	1,417	1,417
Corporate bonds	15,574	491,217	569,436	664,131	1,740,358
Municipal bonds	1,022	3,381	3,149	35,647	43,199
Collateralized mortgage obligations	93,662	101,514	91,371	36,062	322,609
Asset-backed securities	39,166	160,555	32,158	3,181	235,060
International debt securities	1,079	167,770	142,660	92,533	404,042
Total bonds	$ 187,405	$ 1,134,273	$ 957,900	$ 1,219,818	$ 3,499,396
Equity securities:					
BlackRock MSCI ACWI IMI index fund					521,906
Total equity securities					521,906
Real estate open ended funds:					
Morgan Stanley Prime Property Fund LLC					141,353
DWS RREEF America II LP					117,479
Total real estate					258,832
Total investments					$ 4,280,134

Credit risk—Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. SAIF’s credit risk policy is to maintain a well-diversified investment portfolio. Fixed income holdings shall be the largest component of the portfolio. The policy seeks to maintain an overall fixed income portfolio quality of at least “A” or higher. The majority of SAIF’s debt securities as of December 31, 2024 and 2023, were rated by Moody’s and Standard & Poor’s, which are credit rating providers. The following schedule represents the ratings of debt securities by investment type as of December 31, 2024 and 2023, using either Moody’s or Standard & Poor’s rating scale (dollars in thousands):

2024

	Quality Ratings											
	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	Unrated	Fair Value
Bonds:												
U.S. Treasury obligations	$ -	$ 295,455	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 295,455
U.S. federal agency mortgage securities	-	472,697	-	-	-	-	-	-	-	-	-	472,697
U.S. federal agency debt	-	1,362	-	-	-	-	-	-	-	-	-	1,362
Corporate bonds	18,606	103,919	594,401	909,299	121,640	7,299	3,413	-	-	-	350	1,758,927
Municipal bonds	1,765	16,821	6,390	-	7,028	-	-	-	-	-	-	32,004
Collateralized mortgage obligations	35,008	190,020	28,967	14,201	10,459	3,629	-	-	-	-	-	282,284
Asset-backed securities	90,903	132,219	64,113	21,726	1,424	-	-	-	-	-	6,919	317,304
International debt securities	-	2,096	143,944	189,441	30,245	5,574	558	-	-	-	-	371,858
Total bonds	$ 146,282	$ 1,214,589	$ 837,815	$ 1,134,667	$ 170,796	$ 16,502	$ 3,971	$ -	$ -	$ -	$ 7,269	$ 3,531,891

2023

	Quality Ratings											
	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	Unrated	Fair Value
Bonds:												
U.S. Treasury obligations	$ -	$ 327,361	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 327,361
U.S. federal agency mortgage securities	-	425,350	-	-	-	-	-	-	-	-	-	425,350
U.S. federal agency debt	-	1,417	-	-	-	-	-	-	-	-	-	1,417
Corporate bonds	19,398	105,970	562,493	923,947	115,585	12,615	-	-	-	-	350	1,740,358
Municipal bonds	2,017	28,292	6,731	-	6,159	-	-	-	-	-	-	43,199
Collateralized mortgage obligations	40,045	234,886	19,847	12,163	9,496	6,172	-	-	-	-	-	322,609
Asset-backed securities	57,908	99,438	40,891	28,455	1,522	-	-	-	-	-	6,846	235,060
International debt securities	-	2,068	164,356	190,199	38,251	9,168	-	-	-	-	-	404,042
Total bonds	$ 119,368	$ 1,224,782	$ 794,318	$ 1,154,764	$ 171,013	$ 27,955	$ -	$ -	$ -	$ -	$ 7,196	$ 3,499,396

Concentration of credit risk—Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. SAIF's investment policy places limitations on the amount that may be invested in any one issuer. The following specific limitations reflect, in part, the Oregon Investment Council's current investment philosophy regarding diversification.

- No fixed income investment in any one issue shall be in excess of 5 percent of the outstanding fixed income obligations of the issuer.

- Issuer level restrictions shall not apply to U.S. government and agency obligations, including agency-backed mortgages (no limit) and private mortgage-backed and asset-backed securities, which shall be limited to 10 percent per issuer.

- Obligations of other national governments are limited to 10 percent per issuer.

As of December 31, 2024 and 2023, SAIF did not have a concentration of credit risk in any one issuer that exceeded the policy outlined above.

Fair value measurement— Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – Quoted prices in active markets for identical assets and liabilities: This category, for items measured at fair value on a recurring basis, includes hybrid securities and exchange-traded common stocks. The estimated fair value of the equity securities within this category are based on quoted prices in active markets and are thus classified as Level 1.

Level 2 – Significant other observable inputs: This category, for items measured at fair value on a recurring basis, includes bonds and common stocks which are not exchange-traded. The estimated fair values of some of these items were determined by independent pricing services using observable inputs. Others were based on quotes from markets which were not considered actively traded.

Level 3 – Significant unobservable inputs: This category, for items measured at fair value where there is no independent pricing source available, includes bonds, common stocks, and other invested assets. The estimated fair values of these items were determined by SAIF's investment managers' own assumptions using unobservable inputs.

Bonds categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations as quoted market prices for similar instruments in an active market were utilized. This was accomplished by the use of matrix pricing. Matrix pricing takes quoted prices of bonds with similar features and applies analytic methods to determine the fair value of bonds held. Features that are inputs into the analysis include duration, credit quality, tax status, and call and sinking fund features.

Common stocks categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations because quoted market prices for identical instruments trading in an inactive market were utilized. When an equity instrument is illiquid due to limited trading activity, the use of quoted market prices for identical instruments was determined by SAIF to be the most reliable method to determine fair value.

At the end of 2024, SAIF had invested $120.0 million in DWS RREEF America II LP. The final capital commitment of $2.5 million was contributed in January 2024. A total of $120.0 million was invested in Morgan Stanley Prime Property Fund, LLC, which was funded completely in 2020. Both funds are open-ended real estate funds that permit quarterly redemption of shares, subject to certain requirements being met. The funds are valued using net asset value (NAV). The funds are expected to be held for the long term and generate a cash flow that will represent a significant component of the total return.

The following schedule represents the fair value measurement of SAIF's debt securities by investment type, equity securities, and real estate funds as of December 31, 2024 and 2023 (dollars in thousands):

2024	**Level 1**	**Level 2**	**Level 3**	**Net Asset Value (NAV)**	**Total**
Bonds:					
U.S. Treasury obligations	$ -	$ 295,455	$ -	$ -	$ 295,455
U.S. federal agency mortgage securities	-	472,697	-	-	472,697
U.S. federal agency debt	-	1,362	-	-	1,362
Corporate bonds	2,248	1,756,329	-	-	1,758,577
Municipal bonds	-	32,004	-	-	32,004
Collateralized mortgage obligations	-	282,284	-	-	282,284
Asset-backed securities	-	317,304	-	-	317,304
International debt securities	-	371,858	-	-	371,858
Total bonds	2,248	3,529,293	-	-	3,531,541
Equity securities:					
BlackRock MSCI ACWI IMI index fund	-	524,180	-	-	524,180
Total equity securities	-	524,180	-	-	524,180
Real estate open ended funds:					
Morgan Stanley Prime Property Fund LLC	-	-	-	134,794	134,794
DWS RREEF America II LP	-	-	-	114,881	114,881
Total real estate funds	-	-	-	249,675	249,675
Total investments by fair value level	$ 2,248	$ 4,053,473	$ -	$ 249,675	$ 4,305,396
Other investments:					
*Nonnegotiable certificates of deposit					350
Total investments					$ 4,305,746

*Nonnegotiable certificates of deposit are exempt from fair value reporting under GASB 72.

2023	**Level 1**	**Level 2**	**Level 3**	**Net Asset Value (NAV)**	**Total**
Bonds:					
U.S. Treasury obligations	$ -	$ 327,361	$ -	$ -	$ 327,361
U.S. federal agency mortgage securities	-	425,350	-	-	425,350
U.S. federal agency debt	-	1,417	-	-	1,417
Corporate bonds	2,140	1,737,868	-	-	1,740,008
Municipal bonds	-	43,199	-	-	43,199
Collateralized mortgage obligations	-	322,609	-	-	322,609
Asset-backed securities	-	235,060	-	-	235,060
International debt securities	-	404,042	-	-	404,042
Total bonds	2,140	3,496,906	-	-	3,499,046
Equity securities:					
BlackRock MSCI ACWI IMI index fund	-	521,906	-	-	521,906
Total equity securities	-	521,906	-	-	521,906
Real estate open ended funds:					
Morgan Stanley Prime Property Fund LLC	-	-	-	141,353	141,353
DWS RREEF America II LP	-	-	-	117,479	117,479
Total real estate funds	-	-	-	258,832	258,832
Total investments by fair value level	$ 2,140	$ 4,018,812	$ -	$ 258,832	$ 4,279,784
Other investments:					
*Nonnegotiable certificates of deposit					350
Total investments					$ 4,280,134

*Nonnegotiable certificates of deposit are exempt from fair value reporting under GASB 72.

Securities on deposit—U.S. Treasury obligations with a fair value of $8.4 million were on deposit with the Federal Reserve as required by the U.S. Department of Labor under the Longshore and Harbor Workers' Compensation Act as of December 31, 2024 and 2023, respectively. Certificates of deposit with a fair value of $350 thousand were on deposit at U.S. Bank as required by DCBS at December 31, 2024 and 2023. U.S. Treasury obligations with a fair value of $52.1 million and $49.2 million were on deposit with Wilmington Trust for loss payments with Zurich, a reinsurer for other states coverage, as of December 31, 2024 and 2023, respectively.

Securities lending—In accordance with state investment policies, SAIF participates in securities lending transactions. The Oregon State Treasury has, through a Securities Lending Agreement, authorized State Street to lend SAIF's securities to broker-dealers and banks pursuant to a form of loan agreement. Both SAIF and the borrowers maintain the right to terminate all securities lending transactions on demand. There have been no significant violations of the provisions of securities lending agreements.

During 2024 and 2023, State Street loaned SAIF's fixed income securities and received cash and noncash collateral denominated in U.S. dollars. Borrowers were required to deliver collateral for each loan equal to at least 102 percent of the fair value of the loaned security. SAIF did not impose any restrictions on the amount of the loans State Street made on its behalf. Securities received as collateral may not be sold or pledged by SAIF, except in the event of borrower default. SAIF was fully indemnified by State Street against losses due to borrower default, and there were no losses during the year from the failure of borrowers to return loaned securities.

Cash collateral received for securities loaned is invested in the State Street Bank and Trust Company Oregon Short-Term Investment Fund (the Fund), an "external investment pool" for purposes of GASB Statement No. 31. SAIF's participation in the Fund is voluntary. The fair value of investments held by the Fund is based upon valuations provided by a recognized pricing service. The fair value of SAIF's reinvested cash collateral is determined using the NAV (net asset value) per share of the Fund. The Fund is not registered with the Securities and Exchange Commission, but the custodial agent is subject to the oversight of the Federal Reserve Board and the Massachusetts Commissioner of Banks. No income from the Fund was assigned to another fund by the custodial agent during 2024 and 2023. At December 31, 2024 and 2023, the Fund had an average life-final maturity of 64 days and 88 days, respectively.

The cash collateral held at December 31, 2024 and 2023, was $135.6 million and $65.4 million, respectively. As of December 31, 2024, SAIF held $16.1 million in securities received as collateral. There were no securities received as collateral as of December 31, 2023. At December 31, 2024 and 2023, the fair value, including accrued investment income related to the securities on loan, was $148.3 million and $64.0 million, respectively. For 2024 and 2023, securities lending income was $6.2 million and $3.0 million and securities lending expense was $5.8 million and $2.6 million, respectively.

4. RESERVE FOR LOSSES AND LOSS ADJUSTMENT EXPENSES

SAIF has established a reserve for both reported and unreported insured events, which includes estimates of future payments of losses and related LAE. In estimating the reserve for losses and LAE, SAIF considers prior experience, industry information, currently recognized trends affecting data specific to SAIF, and other factors relating to workers' compensation insurance underwritten by SAIF. Beginning with the 2023 financial statement, SAIF used the Appointed Actuary's models and analysis to inform SAIF's recorded liabilities for unpaid claims. When necessary, SAIF adjusted the Appointed Actuary's model assumptions to reflect SAIF's reserving philosophy.

The following table provides a reconciliation of the beginning and ending reserve for losses and LAE at December 31, 2024 and 2023 (dollars in thousands):

	2024	2023
Gross reserve for losses and loss adjustment expenses—beginning of year	$ 2,582,633	$ 2,529,420
Less reinsurance recoverable—beginning of year	(72,108)	(67,665)
Net reserve for losses and loss adjustment expenses—beginning of year	2,510,525	2,461,755
Incurred losses and loss adjustment expenses:		
Provision for insured events of the current year	656,410	644,022
Provision for insured events of prior years	(16,848)	(101,058)
Total incurred losses	639,562	542,964
Loss and loss adjustment expense payments attributable to:		
Insured events of the current year	204,433	195,601
Insured events of prior years	317,783	298,593
Total payments	522,216	494,194
Net reserve for losses and loss adjustment expenses—end of year	2,627,871	2,510,525
Plus reinsurance recoverable—end of year	68,154	72,108
Gross reserve for losses and loss adjustment expenses—end of year	$ 2,696,025	$ 2,582,633

The net reserve for losses and LAE increased $117.3 million in 2024, which was net of favorable loss development of $16.8 million. Loss reserves increased $78.3 million as compared to the prior year. This was driven by establishing reserves for the 2024 accident year, offset by payments made on previously incurred claims, and favorable development in prior accident years. In past years, favorable development was strongly driven by medical claims. However, in 2024 favorable medical claim development slowed due to increasing average medical payment per claim. Subsequently, there was less total favorable reserve development.

- Projected ultimate claims costs reduced primarily due to lower than expected frequency on disabling and non-disabling claims.
- Rising costs of medical services is driving medical escalation adding pressure to claims costs. These impacts are partially offset by decreased utilization.

LAE reserves increased $39.0 million in 2024. This was driven by newly established reserves for the 2024 accident year, partially offset by paid LAE associated with previously incurred claims and unfavorable development in prior accident years. The unfavorable development in unpaid LAE for prior accident years was largely attributable to rising operating expenses.

The net reserve for losses and LAE increased $48.8 million in 2023, which was net of favorable loss development of $101.1 million. Loss reserves increased $36.0 million as compared to the prior year. This was driven by establishing reserves for the 2023 accident year, offset by payments made on previously incurred claims, and favorable development in prior accident years. In past years, favorable development was strongly driven by medical claims. However, in 2023 favorable medical claim development slowed due to increasing average medical payment per claim. Subsequently, there was less total favorable reserve development, and the favorable development is even spread across all portfolio segments.

- Projected ultimate medical claims costs reduced primarily due to fewer than expected permanent partial disability (PPD) claims and favorable average medical cost per claim. Although medical costs have emerged more favorably than expected, medical escalation is increasing, partially due to changes in the Oregon medical fee schedule.
- Projected ultimate indemnity claim costs reduced primarily due to favorable frequency rates for permanent disabling and fatal claims.
- Projected ultimate COVID-19 claim costs reduced due to fewer than expected severe claims as well as overall favorable frequency trends.

LAE reserves increased $12.8 million in 2023. This was driven by newly established reserves for the 2023 accident year, partially offset by paid LAE associated with previously incurred claims and favorable development in prior accident years. The favorable development in unpaid LAE for prior accident years was largely attributable to the decrease in loss reserves.

SAIF discounts the indemnity case reserves for workers' compensation claims on a tabular basis using the 2007 United States Life Tables, the 1997 United States of America Railroad Retirement Board Remarriage Table, and a discount rate of 3.5 percent. For federal claims, SAIF uses the 1999 United States Life Tables and a discount rate of 3.5 percent. SAIF does not discount any incurred but not reported (IBNR) reserves, any medical reserves, or any LAE reserves, except for assumed IBNR reserves reported by the National Workers Compensation Reinsurance Pool. Net reserves subject to tabular discounting were $209.6 million and $209.2 million for 2024 and 2023, respectively. The discounts were $109.1 million and $106.0 million as of December 31, 2024 and 2023, respectively.

Anticipated salvage and subrogation of $59.8 million and $54.7 million was included as a reduction of the reserve for losses and LAE at December 31, 2024 and 2023, respectively.

SAIF's exposure to asbestos claims arose from the sale of workers' compensation policies. Reserves of $13.9 million and $12.6 million for losses and LAE are related to asbestos claims as of December 31, 2024 and 2023, respectively. Amounts paid for asbestos-related claims were $409 thousand and $841 thousand for the years ended December 31, 2024 and 2023, respectively.

5. REINSURANCE

In the ordinary course of business, SAIF cedes premiums for purposes of risk diversification and limiting maximum loss exposure from catastrophic events through contractual agreements with reinsurers. If such assuming reinsurers are unable to meet the obligations assumed under these reinsurance agreements, SAIF would be liable to pay the obligation. To minimize its exposure to significant losses from reinsurer insolvencies, SAIF evaluates the financial condition of its reinsurers and monitors concentration of credit risk.

SAIF maintains reinsurance protection which provides $160 million of coverage per occurrence in excess of a $35 million retention, with a $15 million limit on any one life. The Terrorism Risk Insurance Act provides coverage for certified domestic and foreign terrorist events that are nuclear, biological, chemical, or radiological in nature, which are excluded from the reinsurance contract. During 2024, SAIF had reinsurance protection for 80 percent of losses in excess of 20 percent of 2023 direct earned premium for acts of foreign and domestic terrorism through the Terrorism Risk Insurance Program Reauthorization Act.

The following amounts have been deducted in the accompanying financial statements as a result of reinsurance ceded, excluding balances ceded to the Oregon Workers' Compensation Insurance Plan, for 2024 and 2023 (dollars in thousands):

	2024	2023
Reserve for losses and loss adjustment expenses	$ 18,003	$ 22,400
Premiums earned	2,203	2,170
Losses and loss adjustment expenses incurred	(4,276)	8,769

Of the $18.0 million and $22.4 million recoverable, SAIF had a reinsurance recoverable from an individual reinsurer of $10.0 million and $15.0 million, respectively as of December 31, 2024 and 2023. SAIF did not commute ceded reinsurance in 2024 and 2023.

SAIF partners with Zurich and USIS to provide other states coverage. Zurich issues policies covering the non-Oregon operation of SAIF's customers and manages claims arising from those policies. SAIF reinsures those policies in full. USIS, a broker licensed in all fifty states, provides marketing and administrative services.

The following amounts are included in the accompanying financial statements as a result of participation in other states coverage in 2024 and 2023 (dollars in thousands):

Other States Coverage	2024	2023
Assumed:		
Reserve for losses and loss adjustment expenses	$ 47,236	$ 43,657
Unearned premiums	9,712	9,564
Premiums written	25,170	24,305
Premiums earned	25,022	24,279
Losses and loss adjustment expenses incurred	17,923	17,331
Commission expense	3,933	4,464

SAIF is authorized to write business on behalf of the Oregon Workers' Compensation Insurance Plan (the Plan), administered by the National Council on Compensation Insurance through the National Workers' Compensation Reinsurance Pool (NWCRP). The Plan provides a guaranteed source of workers' compensation insurance for employers unable to obtain coverage because of unstable financial conditions, poor loss experience, or the inherently dangerous nature of the work. SAIF cedes such business to the Plan. In addition, SAIF is required to assume its share of premiums and losses from the Plan based on SAIF's voluntary market share.

The following amounts are included in the accompanying financial statements as a result of participation in the Plan in 2024 and 2023 (dollars in thousands):

NWCRP	**2024**	**2023**
Assumed:		
Reserve for losses and loss adjustment expenses	$ 85,665	$ 90,633
Unearned premiums	3,653	4,149
Premiums written	13,484	14,367
Premiums earned	13,980	15,039
Losses and loss adjustment expenses incurred	1,982	3,497
Commission expense	4,059	4,287
Ceded:		
Reserve for losses and loss adjustment expenses	$ 50,152	$ 49,707
Unearned premiums	3,436	3,875
Premiums written	8,157	9,689
Premiums earned	8,596	10,415
Losses and loss adjustment expenses incurred	5,834	1,659
Commission expense	2,205	2,997

6. LEASE COMMITMENTS AND SUBSCRIPTION BASED TECHNOLOGY AGREEMENTS

SAIF is a lessee for various noncancelable leases of buildings in multiple locations and subscription IT arrangements that expire during various years through 2030. For leases and subscriptions with a maximum possible term of 12 months or less at commencement, SAIF recognizes expense based on the provisions of the lease contract and SBITA. SAIF considers lease contracts with an initial lease asset value of $250,000 or less to be immaterial, SBITA's with an initial lease asset value of $1 million or less to be immaterial and therefore excludes them as a capital lease from the financial statements.

SAIF uses an estimated incremental borrowing rate of 4.5 percent as the discount rate for leases/SBITAs unless the rate that the lessor charges is known. The current incremental borrowing rate was determined to represent the approximate cost of capital for SAIF. SAIF monitors changes in circumstances that may require remeasurement of a lease/SBITA. When certain changes occur that are expected to significantly affect the amount of the lease/SBITA liability, the liability is remeasured, and a corresponding adjustment is made to the lease/SBITA asset, respectively.

In accordance with GASB Statement No. 87, at lease commencement, SAIF initially measures the lease liability as the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized into depreciation expense on a straight-line basis over the lease term.

In accordance with GASB Statement No. 96, at subscription commencement, SAIF initially measures the subscription liability as the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of lease payments made. The subscription IT asset is initially measured as the initial amount of the subscription liability, less any vendor incentives received at or before the subscription commencement date. Subsequently, the subscription IT asset is amortized into depreciation expense on a straight-line basis over the subscription term.

SAIF's future annual lease payments for buildings as of December 31, 2024, are as follows (dollars in thousands):

Years ending December 31,	Principal	Interest	Total Payment
2025	$ 1,100	$ 250	$ 1,350
2026	1,139	200	1,339
2027	1,255	146	1,401
2028	1,348	88	1,436
2029 - 2030	1,207	31	1,238
Total	$ 6,049	$ 715	$ 6,764

SAIF's future annual lease payments for subscriptions as of December 31, 2024, are as follows (dollars in thousands):

Years ending December 31,	Principal	Interest	Total Payment
2025	$ 3,128	$ 364	$ 3,492
2026	1,714	233	1,947
2027	1,810	155	1,965
2028	1,001	74	1,075
2029 - 2030	645	44	689
Total	$ 8,298	$ 870	$ 9,168

7. RISK MANAGEMENT

The State of Oregon administers property and casualty insurance programs covering state government agencies through its Insurance Fund, an internal service fund. The Insurance Fund, established by ORS 278.425, is used to provide both self-insurance and commercial insurance coverage for State of Oregon agencies. The Insurance Fund services claims for: direct physical loss or damage to state property; tort liability claims brought against the state, its officers, employees, or agents; and employees, elected officials, and members of commissions and boards for faithful performance. The Insurance Fund is backed by a commercial excess property policy with limits of $425 million and a blanket commercial excess bond with limits of $4.6 million.

SAIF participates in the Insurance Fund. The cost of servicing insurance claims and payments is covered by charging an assessment to each participating state entity based on its share of services provided in a prior period. The total statewide assessment of each type of coverage is based on independent biennial actuarial forecasts and administrative expenses, less any available fund balance of the Insurance Fund from the prior biennium. In addition, SAIF can elect to purchase additional coverage through the fund. SAIF's assessment was $0.4 million for the years ended December 31, 2024 and 2023.

SAIF is self-insured for workers' compensation insurance. SAIF's employees do not participate in the State of Oregon's health insurance plans. SAIF is also self-funded for one health and one dental insurance option offered to its employees.

8. CONTINGENCIES

SAIF has entered into structured settlements wherein SAIF has purchased annuities for which the claimant is payee, but for which SAIF is contingently liable. The amount of the contingent liability is the amount of the liability due to the various claimants that has been offset by the purchase of the annuity. Contingent liabilities arising from these settlements were $1.5 million and $1.6 million at December 31, 2024 and 2023, respectively.

During the normal course of business, SAIF becomes involved in litigation arising out of matters incident to the conduct of its insurance operations. SAIF is represented in these actions by the Oregon Department of Justice. Some of these potential liabilities become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability would be recorded on SAIF's financial statements. Management believes that these matters do not materially impact the financial statements. SAIF had no unfunded commitments as of December 31, 2024. As of December 31, 2023, SAIF had unfunded commitments of $2.5 million to be invested in the DWS RREEF America II LP fund, subject to capital calls by the fund.

9. SUBSEQUENT EVENTS

Subsequent events have been considered through July 29, 2025, which is the date the financial statements were available to be issued.

10. DEFERRED COMPENSATION PLAN

SAIF provides a deferred compensation plan, authorized under and consistent with Internal Revenue Code Section 457(b), as a benefit available to eligible employees. As a tax-advantaged retirement savings vehicle, the plan authorizes the employee to execute an individual agreement with the plan’s record keeper, Empower Retirement. Participants cannot receive the funds until certain circumstances are met. Funds withheld from employee compensation and remitted to the plan may be invested by the employee in a variety of mutual funds, collective investment trusts, and other offerings selected by SAIF’s Deferred Compensation Plan Committee. Plan assets are generally held in a trust account with Great-West Trust Company, LLC and administered by Empower Retirement for the exclusive benefit of the participants and their beneficiary(ies). Participants’ rights under the plan are equal to the fair market value (or book value in the case of stable value option) of their deferred compensation plan account. SAIF has no rights to participant funds and does not perform the investing function for the participant, except in the instance where a participant fails to make an affirmative investment election. SAIF’s primary fiduciary responsibilities for the plan extends to selection and monitoring of the investment options that are made available to the participants as well as the monitoring of plan service providers. Thus, plan assets and any related liability to plan participants have been excluded from the financial statements.

11. RETIREMENT PLAN

***Plan* descriptions—**SAIF’s employees hired prior to August 29, 2003, participate in the Oregon Public Employees’ Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan. The PERS Board of Trustees under the guidelines of ORS Chapter 238 administers PERS. The PERS retirement allowance, payable monthly for life, may be selected from multiple retirement benefit options. Options include survivorship benefits, non-survivorship benefits, and lump-sum benefits. The basic benefit formula is 1.67 percent of a member’s final average salary multiplied by the member’s number of years of service. Benefits may also be calculated under either a money match or an annuity-plus-pension computation if a greater benefit results. PERS also provides death and disability benefits. A copy of the Oregon Public Employees’ Retirement System annual financial report may be obtained by writing to PERS, Fiscal Services Division, PO Box 23700, Tigard, Oregon 97281-3700. The report may also be accessed online at: http://www.oregon.gov/PERS/pages/financials/actuarial-financial-information.aspx.

On December 30, 2019, SAIF funded a PERS side account totaling $97.0 million which represented approximately 90 percent of SAIF's unfunded actuarial liability based on a preliminary actuarial valuation from PERS. This side account does not impact employee benefits received under PERS; instead, it represents a prepayment of SAIF's on-going contributions. SAIF will see the benefit of lower contribution rates over 16 years as the account is amortized. As of December 31, 2024, SAIF received rate relief of 10.27 percent of each covered employee's salary for its otherwise required pension contribution rates. The balance is factored into the calculation of the net pension liability and deferred outflows of resources as a difference between employer contributions and employer's proportionate share on the statement of net position.

Beginning January 1, 2004, all covered employees are required by state statute to contribute 6.00 percent of their salary to the Individual Account Program (IAP), a defined contribution plan. Current law permits employers to pay employees' contributions to PERS, which SAIF has elected to do. Additionally, SAIF is required by statute to contribute a percentage of each covered employee's salary to fund the PERS program. Beginning on July 1, 2020, certain amounts of the IAP contributions are "redirected" under Oregon statute from employee accounts to fund the pension UAL. This provision remains in effect until the pension reaches a certain funded status.

As of December 31, 2024, SAIF contributes 21.78 percent of each employee's covered salary to the PERS program. This contribution is the minimum contribution required for future periods. For the required contributions, 10.27 percent of employees' salaries is covered by the side account rate relief, and SAIF contributes the remaining 11.51 percent of salary. Rates are subject to change as a result of subsequent actuarial valuations.

SAIF employees hired on or after August 29, 2003, participate in the Oregon Public Service Retirement Plan (OPSRP) after completing six months of service. OPSRP is a hybrid pension plan (cost-sharing multiple-employer plan) administered by the PERS Board of Trustees under the guidelines of ORS Chapter 238A with two components: the Pension Program (defined benefit) and the IAP (defined contribution). As of December 31, 2024, SAIF contributes 18.28 percent of each covered employee's salary to the Pension Program and 6.00 percent to the IAP. This contribution is the minimum contribution required for future periods. For the required OPSRP Pension Program contributions, 10.27 percent of employee's salaries is covered by the side account rate relief, and SAIF contributes the remaining 8.01 percent of salary. Rates are subject to change as a result of subsequent actuarial valuations.

SAIF participates, along with other State of Oregon agencies, in paying the debt service for State of Oregon general obligation bonds issued in October 2003 to reduce an unfunded PERS liability. The bonds are scheduled to mature 25 years after the date of issuance. Currently, the repayment rate is 4.80 percent of payroll each month. The payment rate is recalculated periodically, as needed.

The total amount contributed by SAIF for all plans (including RHIA and RHIPA plans discussed in Note 12) for the years ended December 31, 2024 and 2023, consist of the following (dollars in thousands):

	2024	2023
Employer contributions:		
Debt service	$ 5,713	$ 5,914
PERS-Pension Program	5,930	6,054
OPSRP-Pension Program	16,986	14,428
Total employer contributions	28,629	26,396
PERS side account rate relief:	(12,342)	(10,904)
Net employer contributions	16,287	15,492
Employee contributions paid by SAIF:		
PERS-IAP	1,566	1,615
OPSRP-IAP	5,574	4,870
Total employee contributions	7,140	6,485
Total contributions	$ 23,427	$ 21,977

For the years ended December 31, 2024 and 2023, SAIF's employer contributions were equal to the annual required contributions. SAIF's contributions were less than 5.00 percent of each plan's total contributions. There are no funding improvement or rehabilitation plans implemented or pending for any of the plans SAIF participates in. SAIF did not pay any surcharges during the year ended December 31, 2024. SAIF is a funder of last resort, embodied in the scheme of ORS Chapter 238, along with every other employer in PERS. PERS' board from time to time will evaluate the liabilities of PERS and set the amount of contributions to be made by SAIF to ensure that those liabilities will be funded no more than 40 years after the date on which the determination is made.

Net pension liability—At December 31, 2024, SAIF reported a liability of $120.7 million for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. At December 31, 2024, SAIF's proportionate share was 0.54 percent of the statewide pension plan.

For the year ended December 31, 2024, SAIF recorded pension expense of $24.3 million. At December 31, 2024, SAIF reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 7,152	$ 288
Changes in assumptions	12,137	16
Net difference between projected and actual earnings on investments	7,669	-
Changes in proportionate share	27,931	11,412
Differences between employer contributions and employer's proportionate share of system contributions	6,479	10,098
Total (prior to post-measurement date contributions)	61,368	21,814
Net deferred outflows (inflows) of resources before contributions subsequent to the measurement date	39,554	-
Contributions subsequent to the measurement date	4,410	-
Net deferred outflows (inflows) of resources	$ 43,964	$ -

The $4.4 million reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows (in thousands):

Year ending December 31,	Deferred Outflows (Inflows) of Resources (Prior to Post-Measurement Date Contributions)
2025	$ 6,294
2026	16,425
2027	8,756
2028	6,228
2029	1,851
Total	$ 39,554

Actuarial methods and assumptions—The following methods and assumptions were used in the development of the total pension liability:

Valuation date	December 31, 2022
Measurement date	June 30, 2024
Experience study	2022, published July 24, 2023
Actuarial assumptions:	
Actuarial cost method	Entry age normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with *Moro* decision; blend based on service.
Mortality	***Healthy retirees and beneficiaries:*** Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. ***Active members:*** Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. ***Disabled retirees:*** Pub-2010 Disabled Retiree, sex distinct, generational with with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Long-term expected rate of return—In January 2023, the PERS board sought to develop an analytical basis for selecting the long-term expected rate of return assumption. The Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The following table shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation:

Long-Term Expected Rate of Return[1] Asset Class	Target Allocation	Annual Arithmetic Return[2]	20-Year Annualized Geometric Mean	Annual Standard Deviation
Global equity	27.50 %	8.57 %	7.07 %	17.99 %
Private equity	25.50	12.89	8.83	30.00
Core fixed income	25.00	4.59	4.50	4.22
Real estate	12.25	6.90	5.83	15.13
Master limited partnerships	0.75	9.41	6.02	27.04
Infrastructure	1.50	7.88	6.51	17.11
Hedge fund of funds - multistrategy	1.25	6.81	6.27	9.04
Hedge fund equity - hedge	0.63	7.39	6.48	12.04
Hedge fund - macro	5.62	5.44	4.83	7.49
Assumed inflation - mean			2.35 %	1.41 %

[1]Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.

[2]The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

The OIC's description of each asset class was used to map the target allocation to the asset classes. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Discount rate—The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that the contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the net pension liability (asset) calculated using the discount rate of 6.90 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate (in millions):

Net Pension Liability (Asset)	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Defined Benefit Pension Plan	$ 190.4	$ 120.7	$ 62.3

Pension plan fiduciary net position—Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Pension related payable— Prior to the formation of the PERS State and Local Government Rate Pool (SLGRP), the State and community colleges were pooled together in the State and Community College Pool (SCCP), while local government employers participated in the Local Government Rate Pool (LGRP). These two pools combined to form the SLGRP, effective January 1, 2002. The unfunded actuarial liability (UAL) attributable to the SCCP at the time the SLGRP was formed is maintained separately from the SLGRP and is reduced by contributions and increased for interest charges at the assumed interest rate, which was 6.90 percent in fiscal year 2024. The pre-SLGRP pooled liability attributable to SAIF is being amortized over the period ending December 31, 2027. SAIF is being assessed an employer contribution rate of 1.33 percent of covered payroll for payment of this liability. The outstanding pre-SLGRP pooled liability as of December 31, 2024 for SAIF is $2.9 million, of which $0.9 million is recorded as the current portion and is reported in the accompanying financial statements as pension related payable.

SAIF's future principal and interest payments on pension-related debt at December 31, 2024, are as follows (dollars in thousands):

Years ending December 31:	**Principal**	**Interest**
2025	$ 893	$ 183
2026	955	120
2027	1,023	53
Total	$ 2,871	$ 356

12. OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB)

SAIF administers a single-employer defined benefit healthcare plan for qualified employees and postemployment healthcare for retiring employees eligible to receive medical coverage. Additionally, for eligible PERS members, PERS administers the Retirement Health Insurance Account (RHIA), a cost-sharing, multiple-employer defined-benefit OPEB plan, and the Retirement Health Insurance Premium Account (RHIPA), a single-employer plan with the State of Oregon as the employer.

Plan administered by SAIF

Plan description—SAIF employees retiring under Oregon PERS are eligible to receive medical coverage for self and eligible dependents until age 65. Retirees must pay the premium for the coverage elected. Premiums for coverage are identical for active and retired employees, except to the extent that SAIF pays all or a portion of its active employees' premiums. Participating retirees pay their own monthly premiums based on a blended premium rate since retirees are pooled together with active employees for insurance rating purposes. Benefit provisions are established by SAIF. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Funding policy—SAIF's funding policy provides for contributions at amounts sufficient to fund benefits on a pay-as-you-go basis. For the years ended December 31, 2024 and 2023 respectively, retired plan members contributed $712 thousand and $684 thousand through their required contributions, and the required contribution rate per retired member was an average of $1,137 and $1,005 per month.

Employees covered by benefit terms—As of the actuarial valuation date of January 1, 2023, the following employees were covered by the benefit terms:

	January 1, 2023
Active employees	1,081
Retired members and others receiving benefits	68
Total participants	1,149

Benefit payments—Benefit payments made for the fiscal year ended December 31, 2024 was $610 thousand.

Total OPEB liability—SAIF's total OPEB liability was determined in accordance with the parameters of GASB Statement No. 75. The total OPEB liability was calculated using the entry age normal actuarial cost allocation method. In addition, GASB Statement No. 75 requires that the allocation of costs for accounting purposes be made as a level percentage of employees' projected pay, including future anticipated pay increases. The total OPEB liability was determined by an actuarial valuation as of January 1, 2023, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date (in thousands):

	December 31, 2024	December 31, 2023
Total OPEB liability	$9,805	$9,307
Covered payroll	$127,307	$115,613
Total OPEB liability as a % of covered payroll	7.7%	8.1%
Discount rate	3.26%	3.72%

Actuarial methods and assumptions—The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	January 1, 2023	January 1, 2023
Measurement date	December 31, 2023	December 31, 2022
Inflation	2.40%	2.40%
Projected Salary Growth	3.40%	3.40%
Mortality Rates	Post-retirement mortality uses the Pub-2010 retiree mortality tables, sex distinct, for general employees, set back one year for males, no set back for females. Pre-retirement mortality uses 115% for males and 125% for females of the Pub-2010 employee mortality tables, sex distinct, for general employees, set back one year for males, no set back for females. Mortality is projected on a generational basis using the Unisex Social Security Data Scale.	Post-retirement mortality uses the Pub-2010 retiree mortality tables, sex distinct, for general employees, set back one year for males, no set back for females. Pre-retirement mortality uses 115% for males and 125% for females of the Pub-2010 employee mortality tables, sex distinct, for general employees, set back one year for males, no set back for females. Mortality is projected on a generational basis using the Unisex Social Security Data Scale.
Actuarial cost method	Individual Entry Age Normal Level Percent of Pay	Individual Entry Age Normal Level Percent of Pay

Health Care Cost Trend	Year	Pre-65 Trend
	2024	6.75
	2025	6.25
	2026	5.50
	2027	5.00
	2028-2029	4.75
	2030-2031	4.50
	2032-2066	4.25
	2067-2072	4.00
	2073+	3.75

Health care cost trend affects both the projected health care costs as well as the projected health care premiums.

Change in total OPEB liability—At December 31, 2024, SAIF's change in total OPEB liability is as follows (in thousands):

	Total OPEB Liability
Balance as of December 31, 2023	$ 9,307
Changes for the year:	
Service cost	460
Interest on total OPEB liability	352
Effect of changes to benefit terms	-
Effect of economic/demographic gains or loss	-
Effect of assumptions changes or inputs	296
Benefit payments	(610)
Balance as of December 31, 2024	$ 9,805

Discount rate—The following presents the total OPEB liability of the Plan, calculated using the discount rate of 3.26 percent, as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.26 percent) or one percentage point higher (4.26 percent) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption (in thousands):

	1% Decrease (2.26%)	**Discount Rate (3.26%)**	**1% Increase (4.26%)**
Total OPEB liability	$10,478	$9,805	$9,173

	1% Decrease	**Assumed Healthcare Trend Rate**	**1% Increase**
Total OPEB liability	$8,866	$9,805	$10,900

The discount rate was based on the Bond Buyer 20-Year General Obligation Bond Index.

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB—For the year ended December 31, 2024, SAIF recognized a negative OPEB expense of $101 thousand. At December 31, 2024, the deferred outflows and inflows of resources related to OPEB were as follows (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 658	$ 447
Changes of assumptions or inputs	606	827
Contributions made subsequent to measurement date	674	-
Total as of December 31, 2024	$ 1,938	$ 1,274

The contributions made subsequent to the measurement date of $674 thousand will be recognized as a reduction in the total OPEB liability during the year ending December 31, 2025.

Other amounts currently reported as deferred outflows of resources and (deferred inflows) of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Years ending December 31:	
2025	$ (130)
2026	18
2027	(43)
2028	52
2029	47
Thereafter	46
Total	$ (10)

Plans administered by the Public Employees Retirement System (PERS)

Plan descriptions—The Retirement Health Insurance Account (RHIA), administered by PERS, is a cost-sharing, multiple employer OPEB plan. The plan authorizes a payment of up to $60 toward the monthly cost of health insurance for eligible PERS members. To be eligible the PERS member must have eight or more years of qualifying service in PERS at the time of retirement, receive both Medicare parts A and B coverage, and enroll in a PERS-sponsored health plan. The coverage also extends to members receiving a disability allowance as if the member had at least eight years of creditable service. A surviving spouse or dependent of a deceased PERS retiree is eligible if he or she is receiving a retirement benefit or allowance from PERS or was insured at the time of the member's death and the member retired before May 1, 1991. The plan is closed to entrants hired on or after August 29, 2003. The RHIA plan and benefit amount is established by ORS 238.420. There are no automatic or ad-hoc adjustments to the benefit amount in the statute.

The other plan administered by PERS is the Retiree Health Insurance Premium Account (RHIPA). This plan is a single employer plan with the State of Oregon as the single employer. As authorized by ORS 238.415, retirees receive payment for the average difference between the health insurance premiums paid by retired state employees and the premiums paid by active state employees. The average amount is determined by PERS Board on or before January 1 of each year. This plan is closed to entrants hired on or after August 29, 2003.

Retirees are eligible for the RHIPA plan if they have eight or more years of qualifying service but are not eligible for federal Medicare coverage. Retirees receiving a disability pension are also eligible if the pension was calculated as if they had eight or more years of qualifying service and are not receiving federal Medicare coverage. A surviving spouse or dependent of a retired state employee is eligible if he or she is receiving a retirement benefit from PERS or was insured at the time the member died and the member retired on or after September 29, 1991.

Funding policy—Both plans are required by statute to be funded through employer contributions actuarially necessary to fund the liabilities of the plan. Employer contribution levels must be established by the PERS Board using the same actuarial assumptions it uses to determine employer contribution rates for PERS fund. Contribution rates for the fiscal year ended December 31, 2024, were effective July 1, 2023, and based on the December 31, 2021 valuation. The rates are a percentage of covered payroll and vary by the retirement plan of the participant. SAIF made no employer contributions to PERS for RHIA and RHIPA for the fiscal year ended December 31, 2024 as the plans were fully funded. There were no contractually required contributions for both RHIA and RHIPA for the fiscal year.

Net OPEB Asset (RHIA)—At December 31, 2024, SAIF reported an asset of $3.3 million for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022. At December 31, 2024, SAIF's proportionate share was 0.90 percent of the statewide pension plan, and 2.63 percent of employer state agencies, and was estimated by SAIF based on prior year allocations.

Net OPEB Asset (RHIPA)—At December 31, 2024, SAIF reported a net OPEB asset of $1.1 million. The net OPEB asset was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022. At December 31, 2024, SAIF's proportionate share was 2.22 percent of employer state agencies, and was estimated by SAIF based on prior year allocations.

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB—For the year ended December 31, 2024, SAIF recognized OPEB expense of $232 thousand for the RHIA plan and a negative $34 thousand for the RHIPA plan. The deferred outflows and inflows of resources for the two plans were as follows (in thousands):

	RHIA		RHIPA	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ -	$ 64	$ -	$ 224
Changes in assumptions	-	41	9	197
Net difference between projected and actual earnings on investments	92	-	42	-
Changes in proportion and differences between fund contributions and proportionate share of contributions	182	3	-	-
Total (prior to post-measurement date contributions)	274	108	51	421
Net deferred outflow/(inflow) of resources before contributions subsequent to measurement date	-	166	-	(370)
Contributions subsequent to the measurement date	-	-	-	-
Net deferred outflow/(inflow) of resources		$ 166		$ (370)

The were no contributions made subsequent to the measurement date for RHIA and RHIPA as of December 31, 2024, as both plans were fully funded. Other amounts reported as deferred outflows or inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Fiscal Years Ending December 31	RHIA	RHIPA
2025	$ (22)	$ (121)
2026	128	(125)
2027	50	(56)
2028	10	(54)
2029	-	(14)
Total	$ 166	$ (370)

Actuarial methods and assumptions—The following methods and assumptions were used in the development of the total OPEB liability:

	RHIA	RHIPA
Valuation date	December 31, 2022	December 31, 2022
Measurement date	June 30, 2024	June 30, 2024
Experience study	2022, published July 24, 2023	2022, published July 24, 2023
Actuarial assumptions:		
Actuarial cost method	Entry age normal	Entry age normal
Inflation rate	2.40 percent	2.40 percent
Long-term expected rate of return	6.90 percent	6.90 percent
Discount rate	6.90 percent	6.90 percent
Projected salary increases	3.40 percent	3.40 percent
Retiree healthcare participation	Healthy retirees: 25.0% Disabled retirees: 15.0%	8-14 Years of Service: 10.0% 15-19 Years of Service: 11.0% 20-24 Years of Service: 12.0% 25-29 Years of Service: 20.0% 30+ Years of Service: 25.0%
Healthcare cost trend rate	Not applicable	Applied at beginning of plan year, starting with 6.6% for 2023, increasing to 7.0% for 2024, decreasing to 4.2% for 2032, increasing to 4.3% for 2055, and decreasing to an ultimate rate rate of 3.8% for 2074 and beyond.
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Long-term expected rate of return— In January 2023, the PERS board sought to develop an analytical basis for selecting the long-term expected rate of return assumption. The Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The following table shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation for both RHIA and RHIPA:

Long-Term Expected Rate of Return[1] **Asset Class**	**Target Allocation**	**Annual Arithmetic Return[2]**	**20-Year Annualized Geometric Mean**	**Annual Standard Deviation**
Global equity	27.50 %	8.57 %	7.07 %	17.99 %
Private equity	25.50	12.89	8.83	30.00
Core fixed income	25.00	4.59	4.50	4.22
Real estate	12.25	6.90	5.83	15.13
Master limited partnerships	0.75	9.41	6.02	27.04
Infrastructure	1.50	7.88	6.51	17.11
Hedge fund of funds - multistrategy	1.25	6.81	6.27	9.04
Hedge fund equity - hedge	0.63	7.39	6.48	12.04
Hedge fund - macro	5.62	5.44	4.83	7.49
Assumed inflation - mean			2.35 %	1.41 %

[1]Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.

[2]The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Discount rate—The discount rate used to measure the total OPEB liability was 6.90 percent for both RHIA and RHIPA plans. The projection of cash flows used to determine the discount rate assumed that the contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA and RHIPA plans' fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA and RHIPA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following table presents the net OPEB liability (asset) for the RHIA and RHIPA plans calculated using the discount rate of 6.90 percent, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate (in thousands):

Employers' Net OPEB Liability/(Asset)	**1% Decrease (5.90%)**	**Current Discount Rate (6.90%)**	**1% Increase (7.90%)**
OPEB - RHIA	$ (3,014)	$ (3,255)	$ (3,464)
OPEB - RHIPA	$ (1,093)	$ (1,140)	$ (1,188)

The following table presents the net OPEB liability (asset) for the RHIA and RHIPA plans calculated using the assumed healthcare cost trend rate, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percent lower or one percent higher than the current rate (in thousands):

Employers' Net OPEB Liability/(Asset)	1% Decrease	Assumed Healthcare Trend Rate	1% Increase
OPEB - RHIA	$ (3,255)	$ (3,255)	$ (3,255)
OPEB - RHIPA	$ (1,210)	$ (1,140)	$ (1,064)

RHIA and RHIPA plans' fiduciary net position—Detailed information about the RHIA and RHIPA's fiduciary net position is available in the separately issued PERS financial report.

(Unaudited)
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Last 10 Fiscal Years
(In thousands)

The Schedule of the Proportionate Share of the Net Pension Liability (Asset) presents multi-year trend information comparing the proportionate share of the net pension liability (asset) to covered payroll.

Schedule of the Proportionate Share of the Net Pension Liability (Asset)

	2024	2023	2022	2021	2020
Proportion of the net pension liability (asset)	0.54%	0.39%	0.47%	0.37%	0.38%
Proportionate share of the net pension liability (asset)	$120,721	$ 72,694	$ 72,675	$ 44,322	$ 82,928
Covered payroll	$127,307	$115,613	$110,788	$ 96,427	$ 91,190
Employer net pension liability (asset) as a percentage of covered payroll	94.8%	62.9%	65.6%	46.0%	90.9%
Plan fiduciary net position as a percentage of the total pension liability	79.3%	81.7%	84.5%	87.6%	75.8%

	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.72%	0.59%	0.68%	0.62%	0.60%
Proportionate share of the net pension liability (asset)	$124,823	$ 90,082	$ 91,953	$ 93,594	$ 34,187
Covered payroll	$ 86,110	$ 81,426	$ 77,158	$ 72,940	$ 68,447
Employer net pension liability (asset) as a percentage of covered payroll	145.0%	110.6%	119.2%	128.3%	49.9%
Plan fiduciary net position as a percentage of the total pension liability	80.2%	82.1%	83.1%	80.5%	91.9%

(Unaudited)

REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last 10 Fiscal Years
(In thousands)

The Schedule of Employer Contributions presents multi-year trend information comparing the actual contributions to the contractually required contributions.

Schedule of Employer Contributions

	2024	2023	2022	2021	2020
Contractually required contributions	$ 10,573	$ 9,454	$ 8,126	$ 6,787	$ 5,615
Contributions in relation to the contractually required contributions	(10,573)	(9,454)	(8,126)	(6,787)	(5,615)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 127,307	$ 115,613	$110,788	$ 96,427	$ 91,190
Contributions as a percentage of covered payroll	8.3%	8.2%	7.3%	7.0%	6.2%

	2019	2018	2017	2016	2015
Contractually required contributions	$ 12,217	$ 10,162	$ 8,985	$ 7,340	$ 6,541
Contributions in relation to the contractually required contributions	(12,217)	(10,162)	(8,985)	(7,340)	(6,541)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 86,110	$ 81,426	$ 77,158	$ 72,940	$ 68,447
Contributions as a percentage of covered payroll	14.2%	12.5%	11.6%	10.1%	9.6%

(Unaudited)

REQUIRED SUPPLEMENTARY INFORMATION
POSTEMPLOYMENT HEALTHCARE BENEFIT PLAN (SAIF)
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years*
(In thousands)

The Schedule of Changes in Total OPEB Liability and Related Ratios presents multi-year trend information comparing the proportionate share of the total OPEB liability to covered payroll.

Schedule of Changes in Total OPEB Liability and Related Ratios

	Fiscal year ended December 31			
Total OPEB Liability	**2024**	**2023**	**2022**	**2021**
Service cost	$ 460	$ 493	$ 478	$ 474
Interest on total OPEB liability	352	191	191	259
Effect of changes to benefit terms	-	-	-	-
Effect of economic/demographic gains or (losses)	-	887	-	(1,063)
Effect of assumption changes or inputs	296	(851)	38	334
Benefit payments	(610)	(420)	(421)	(491)
Net change in total OPEB liability	498	300	286	(487)
Total OPEB liability, beginning	9,307	9,007	8,721	9,208
Total OPEB liability, ending	$ 9,805	$ 9,307	$ 9,007	$ 8,721
Covered payroll	$127,307	$115,613	$110,788	$96,427
Total OPEB liability as a % of covered payroll	7.7%	8.1%	8.1%	9.0%

Total OPEB Liability	**2020**	**2019**	**2018**	**2017**
Service cost	$ 378	$ 449	$ 408	N/A
Interest on total OPEB liability	342	354	369	N/A
Effect of changes to benefit terms	-	-	-	N/A
Effect of economic/demographic gains or (losses)	-	225	-	N/A
Effect of assumption changes or inputs	784	(2,371)	263	N/A
Benefit payments	(522)	(531)	(617)	N/A
Net change in total OPEB liability	982	(1,874)	423	-
Total OPEB liability, beginning	8,226	10,100	9,677	N/A
Total OPEB liability, ending	$ 9,208	$ 8,226	$ 10,100	$ 9,677
Covered payroll	$ 91,190	$ 86,110	$ 81,426	N/A
Total OPEB liability as a % of covered payroll	10.1%	9.6%	12.4%	N/A

*10-year trend information specific to SAIF Corporation will be presented prospectively.

(Unaudited)

REQUIRED SUPPLEMENTARY INFORMATION
POSTEMPLOYMENT HEALTHCARE BENEFIT PLAN
RETIREE HEALTH INSURANCE ACCOUNT (RHIA)
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) AND EMPLOYER CONTRIBUTIONS

Last 10 Fiscal Years*
(In thousands)

The Schedule of the Proportionate Share of the Net OPEB Liability (Asset) and the Schedule of Employer Contributions present multi-year trend information comparing the proportionate share of the net OPEB liability (asset) to covered payroll, and the actual contributions to the contractually required contributions.

Schedule of the Proportionate Share of the Net OPEB Liability (Asset)

	2024	2023	2022	2021	2020	2019	2018
Proportion of the net OPEB liability (asset)	0.90%	1.00%	1.10%	0.75%	2.95%	0.75%	0.71%
Proportionate share of the net OPEB liability (asset)	$ (3,255)	$ (3,710)	$ (3,362)	$ (3,390)	$ (6,019)	$ (1,456)	$ (794)
Covered payroll	$127,307	$115,613	$110,788	$ 96,427	$ 91,190	$ 86,110	$ 81,426
Employer net OPEB liability (asset) as a percentage of covered payroll	(2.6%)	(3.2%)	(3.0%)	(3.5%)	(6.6%)	(1.7%)	(1.0%)
Plan fiduciary net position as a percentage of the total OPEB liability	220.6%	201.6%	194.6%	183.9%	150.1%	144.4%	124.0%

Schedule of Employer Contributions

	2024	2023	2022	2021	2020	2019	2018
Contractually required contributions	$ -	$ 8	$ 14	$ 17	$ 19	$ 207	$ 360
Contributions in relation to the contractually required contributions	-	(8)	(14)	(17)	(19)	(207)	(360)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$127,307	$115,613	$110,788	$ 96,427	$ 91,190	$ 86,110	$ 81,426
Contributions as a percentage of covered payroll	0.00%	0.01%	0.01%	0.02%	0.02%	0.24%	0.44%

*10-year trend information specific to SAIF Corporation will be presented prospectively.

(Unaudited)

REQUIRED SUPPLEMENTARY INFORMATION
POSTEMPLOYMENT HEALTHCARE BENEFIT PLAN
RETIREE HEALTH INSURANCE PREMIUM ACCOUNT (RHIPA)
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
AND EMPLOYER CONTRIBUTIONS

Last 10 Fiscal Years*
(In thousands)

The Schedule of the Proportionate Share of the Net OPEB Liability (Asset) and the Schedule of Employer Contributions present multi-year trend information comparing the proportionate share of the net OPEB liability (asset) to covered payroll, and the actual contributions to the contractually required contributions.

Schedule of the Proportionate Share of the Net OPEB Liability (Asset)

	2024	2023	2022	2021	2020	2019	2018
Proportion of the net OPEB liability (asset)	2.22%	2.86%	2.37%	2.72%	2.72%	2.43%	2.27%
Proportionate share of the net OPEB liability (asset)	$ (1,140)	$ (1,259)	$ (810)	$ (421)	$ 271	$ 615	$ 803
Covered payroll	$127,307	$115,613	$110,788	$ 96,427	$ 91,190	$ 86,110	$ 81,426
Employer net OPEB liability (asset) as a percentage of covered payroll	(0.9%)	(1.1%)	(0.7%)	(0.4%)	0.3%	0.7%	1.0%
Plan fiduciary net position as a percentage of the total OPEB liability	220.7%	193.2%	169.7%	124.6%	84.5%	64.9%	49.8%

Schedule of Employer Contributions

	2024	2023	2022	2021	2020	2019	2018
Contractually required contributions	$ -	$ 114	$ 192	$ 238	$ 273	$ 309	$ 335
Contributions in relation to the contractually required contributions	-	(114)	(192)	(238)	(273)	(309)	(335)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$127,307	$115,613	$110,788	$ 96,427	$ 91,190	$ 86,110	$ 81,426
Contributions as a percentage of covered payroll	0.00%	0.10%	0.17%	0.25%	0.30%	0.36%	0.41%

*10-year trend information specific to SAIF Corporation will be presented prospectively.