

**Minutes of Second Injury Fund Advisory Board
Wednesday, June 19, 2013 Meeting
Approved by the Advisory Board October 16, 2013**

**Office of the Treasurer
Second Injury Fund
Advisory Board
June 19, 2013**

Present: Kathleen Santiago, Greater Hartford Chapter of the Coalition of Black Trade Unionists;
Lori Pelletier, Connecticut AFL-CIO;
Eric Gjede, Connecticut Business and Industry Association;
Joseph McFetridge, Northeast Utilities Service Company.

For the Fund: Maria M. Greenslade, Assistant Deputy Treasurer
Deborah D'Agostino, Collections
Hank Gaffney, Claims Manager
Gloria G. Williams, Controller
Jim Eatherton, Investigations
Amber Bassett, Executive Secretary

Meeting began at 11:05AM and was held by teleconference.

1. Welcome: Ms. Pelletier welcomed the members to the Advisory Board meeting.
2. Adoption of Minutes: Ms. Pelletier deferred adoption of minutes to the October 2012 meeting since a quorum was not present.
3. Update on Operation of the Fund: Ms. Greenslade asked Gloria Williams, Controller of the Fund, to present an update on the Financial Operation of the Fund. Ms. Williams stated the Statement of Revenues, Expenses and Change in Net Assets included in the Agenda packet is for the Fiscal Year ending June 30, 2012. The total Operating Revenues for the Fiscal Year 2012 was \$33 million which is \$1.3 million or 4% higher than Fiscal Year 2011. Total Operating Expenses of \$38.5 million for Fiscal Year 2012 is flat compared to the prior year. As a result, the Change in Net Assets (Total Operating Revenues less Total Operating Expenses) is a negative \$5.5 million with expenses exceeding revenues. This is an improvement compared to Fiscal Year 2011 with Change in Net Assets at a negative \$7.1 million.

Ms. Greenslade stated a copy of Treasurer Nappier's letter announcing the Assessment Rate dated May 1, 2013 was included in the Agenda packet. The Treasurer has either decreased or maintained the assessment rate for the past 15 years. The business community has expressed their satisfaction with maintaining low rates, prior to Treasurer Nappier taking office in Fiscal Year 1999, the Assessment Rate fluctuated greatly. The business community let the Treasurer know how displeased they were with the fluctuating assessment rates. The business community wanted assessment rates that were

predictable and reasonable. The rate dramatically increased and then it decreased significantly. The Fund is very aware that Connecticut businesses do not appreciate these types of drastic changes to the assessment rates.

Mr. Gaffney reported SIF's claims unit payout as of May 31, 2013 was \$28.2 million, roughly 4 % below the payout for the same period last year. He indicated the projected payout for 2013 fiscal year-end would be about \$31 million, an amount consistent with the past two fiscal years.

Mr. Gaffney noted that SIF's payout averaged approximately \$37.5 million annually for the past nine year period - 2002 thru 2010, but that the payout for the three most recent years averaged \$31.5 million. The recent lower payout plateau was primarily due to cost of settlements, which have recently been averaging \$5 million annually compared to an average \$10 million annual settlement cost during fiscal years 2002 – 2010.

He reported an increase in SIF's open claim inventory level over the past several years due primarily to a surge of newly reported concurrent employment claims, attributable to an apparent increase in the number of workers who have become employed by two or more employers.

4. Legislative Update: Mr. Gaffney indicated the recently concluded 2013 legislative session was uneventful regarding financial or procedural impact to the Second Injury Fund. He noted that there no bills reported out of the Labor and Public Employees Committee this year that had any impact on the SIF.

5. Other Business: Ms. Greenslade stated that the Fund is preparing the Annual Report on the Financial Condition of the Fund to the Governor by Monday, July 1, 2013. The report that is attached to the Governor's letter is set forth in statute and the Fund is working on finalizing the numbers for Fiscal Year 2013. Ms. Pelletier asked if the Fund anticipates reporting legislative initiatives in the report. Ms. Greenslade stated the Fund will not report any legislative initiatives for FY2014.

Ms. Pelletier asked members if there was any further business. Hearing none, Ms. Pelletier took a moment to thank the Fund for their hard work and stated that the Advisory Board appreciates the updates and the Fund's commitment to both the injured workers and the business community.

Meeting ended at 11:15AM.