Draft Version - Minutes of Second Injury Fund Advisory Board
Wednesday, October 16, 2013 Meeting
Final Version of these minutes will be posted after approval by The Advisory Board at the next meeting to be held in June 2014

Office of the Treasurer
Second Injury Fund
Advisory Board
October 16, 2013

Present: State Senator Catherine A. Osten, Chair of the Labor & Public Employees Committee /General Assembly
State Representative Peter Tercyak, Chair of the Labor & Public Employees Committee/General Assembly
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
Amber Bassett, Executive Secretary

Meeting was called to order at 11:02AM and was held by teleconference.

1. Welcome/Roll Call: Ms. Greenslade welcomed and introduced members of the Fund who were present on the call. Ms. Pelletier called the meeting to order and welcomed all members to the Advisory Board meeting.

2. Adoption of Minutes: Ms. Pelletier invited adoption of the June 2013 meeting minutes. Ms. Santiago suggested a typographical error be corrected in the June 2013 minutes. Ms. Santiago moved to adopt the minutes; Mr. Gjede seconded the motion.

Ms. Greenslade reminded Board members that since a quorum was not present during the June 2013 meeting, the November 2012 meeting minutes could not be adopted. There were no changes to the November 2012 minutes. Ms. Santiago amended her motion to also include adoption of the November 2012 minutes; Mr. Gjede seconded the motion. Motion passed unanimously.

3. Update on Operation of the Fund: Ms. Greenslade asked Gloria Williams, Controller, to present an update on the Financial Operation of the Fund. Ms. Williams stated that attached to the agenda was the Second Injury Fund financial statement for fiscal year 2013. Total Operating Revenue of $38 million as of June 30, 2013 is up 16% ($5 million) over the prior fiscal year mainly due to the increase in Assessment Revenue.

This occurred because insurance carriers were reporting assessments from the past when the assessment rate was higher.

Total Operating Expenses for the year totaled $38 million which is a 2% decrease over the prior year. There were no questions regarding the financial operation of the Fund.

Ms. Greenslade asked Mr. Gaffney to update the Board on the Claims Unit. Mr. Gaffney reported SIF claims payout for 2013 fiscal year end (June 30, 2013) was $30.9 million, approximately 8% below budget. He indicated the primary reason for the lower payout was due to an abnormally low settlement total of $4.6 million.

Mr. Gaffney also reported current fiscal year payout, thru September 2013, was $6.9 million. This is 20% higher than the $5.7 million claims payout for the same period in the previous fiscal year, but well within budget. Mr. Gaffney indicated that the claims payout for current fiscal year will likely be in the area of $30 million by fiscal year-end, consistent with the trend over the past several years.

The current case reserves (unfunded liability) were at $407 million, a decrease of $1.8 million since June 30, 2013, reflecting a continuation of the downward trend in SIF's case reserves.

Mr. Gaffney portrayed current claim activity as robust, noting that the number of concurrent employment claims has increased by 27% over the past five years compared to the number of claims reported to the Fund over the previous five year period. He attributed this increase in claim activity to the economic downturn.

Ms. Greenslade reported that a copy of Treasurer Nappier's Annual Report to the Governor dated July 1, 2013 was included in the Agenda packet and shows the financial condition of the Second Injury Fund as of June 30, 2013. Ms. Greenslade highlighted the third bullet in the Treasurer's July 1, 2013 letter which states that the assessment rate was maintained at 2.75% for the ensuing fiscal year. In January 2014, the Fund will begin gathering documents and data for the assessment rate which will be set by the Treasurer on May 1, 2014. The Fund continues to take seriously the Board's recommendation to maintain stability with the assessment rate for insured and self-insured employers in Connecticut. Ms. Greenslade added that if there was a significant change to the assessment rate effective July 1, 2014, she will notify Ms. Pelletier who would determine if a special meeting was warranted.

Senator Osten asked Ms. Greenslade if the Fund could provide her and Representative Tercyak with historical data regarding the assessment rate. Ms. Greenslade stated she would forward relevant data.

4. Legislative Update: Ms. Greenslade congratulated Senator Osten and Representative Tercyak for their appointments as Co-Chairs of the Labor & Public Employees Committee of the General Assembly. Ms. Greenslade indicated that the Fund does not anticipate submitting legislation during the 2014 legislative session.

5. Other Business: Ms. Greenslade noted that two meeting dates were proposed for the 2014 calendar year. When choosing the November 2014 meeting date, Ms. Greenslade was mindful of the upcoming 2014 election. Ms. Pelletier asked if there were any objections to the meetings dates listed on the Agenda; there were none.

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.

Ms. Pelletier concluded with asking for a motion to adjourn the meeting. Ms. Santiago moved to adjourn the meeting; Representative Tercyak seconded the motion. Motion passed unanimously.

Meeting adjourned at 11:16AM.