Draft Version - Minutes of Second Injury Fund Advisory Board
Wednesday, November 19, 2014 Meeting
Final Version of these minutes will be posted after approval by The Advisory Board at the next meeting to be held in June 2015

Office of the Treasurer
Second Injury Fund
Advisory Board
November 19, 2014

Present: Clifford G. Leach, The Hartford Financial Services Group, Inc.
Eric Gjede, Connecticut Business and Industry Association;
Joseph McFetridge, Northeast Utilities Service Company;
Dorothy Siniscalchi, International Union of Operating Engineers, Local 478 Benefits Funds;
Kathleen Santiago, Greater Hartford Chapter of the Coalition of Black Trade Unionists.

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

Meeting was called to order at 11:07AM and was held by teleconference.

1. Welcome/Roll Call: Ms. Greenslade welcomed and introduced members of the Fund who were present on the call, including Dorothy Siniscalchi who replaced Dan Krause for the International Union of Operating Engineers, Local 478 Benefits Funds. Ms. Greenslade thanked Ms. Siniscalchi for joining the Advisory Board, called the meeting to order and welcomed all members to the Advisory Board meeting.

2. Adoption of Minutes: Ms. Greenslade invited adoption of the June 2014 meeting minutes which were included in the Agenda packet. Ms. Santiago moved to adopt the minutes; Mr. McFetridge seconded the motion. There was no discussion and the minutes were unanimously adopted.

3. Update on Operation of the Fund: Ms. Greenslade began by giving an update to the Operation of the Fund. Ms. Greenslade stated the assessment rate has continued to be very steady over the past few fiscal years and the Fund has been mindful of the Board's past recommendation of not significantly fluctuating the assessment rate. This is important because it allows stability for businesses in Connecticut. Ms. Greenslade stated the Fund wants to confirm this continues to be the Board's recommendation. She asked the Board if they are in agreement. The Board was in agreement.

Ms. Greenslade asked Ms. Williams to present an update on the Financial Operation of the Fund. Ms. Williams reported that the Statement of Revenues, Expenses and Changes in Net Position as of Fiscal Year-End, June 30, 2014, which is in draft form will be finalized and published December 31, 2014. Ms. Williams stated in summary that the Total Operating Revenues was $40 million, which is up 7% from the prior year. The increase of $2.8 million in revenue relates to Insurance Carriers who often report policies from past years when assessment rates were higher. Ms. Williams reported that the Total Operating Expenses of $39 million for the year also increased but at a smaller rate. There was a $1.2 million or 3% increase and is mainly due to Settlements which were $1 million higher than the previous year. As a result of this, the Change in Net Position (the difference between revenue and expenses) for Fiscal Year 2014 was a positive $2.2 million, with revenues exceeding expenses. This represents a $1.7 million increase over last year's performance.

Ms. Williams stated the first 4 months of Fiscal Year 2015 shows a negative Change in Net Position of $1 million compared to Fiscal Year 2014 which showed a negative $600,000 after the first 4 months. Revenues of $11.2 million are $500,000 higher than last year and Medical and Indemnity expenses are higher for Fiscal Year 2015 by $1.5 million. It is still early in the fiscal year to forecast the remaining 8 months. 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 that the Second Injury Fund's payout for fiscal year ending 6/30/14 was $31.4 million, consistent with payout in recent years.

Mr. Gaffney indicated the payout for the period 7/1/14 through 10/31/14 was 5% above the payout for the same period one year ago, and this increase was primarily attributable to higher payout in SIF's uninsured employer cases. Mr. Gaffney anticipates the Fund's payout for the current fiscal year will remain similar to recent trends, and should be within budget.

Mr. Gaffney reported settlements for fiscal year ending 6/30/14 totaled $5.8 million, and that 80% of the settlements, representing 50% of the cost of settlements involved concurrent employment claims. Mr. Gaffney indicated settlement payments in the current fiscal year are similar to those of the same period one year ago.

Mr. Gaffney reported a continuing reduction in the Fund's estimates (future projected payout on open claims) from $408 million to $391 million over the past year (10/31/13 to 10/31/14).

Mr. Gaffney reported that the number of open claims remains at approximately 3,000, with 1,200 of those being claims actually handled by the Fund (second injury and uninsured employer claims), with the remaining 1,800 open claims consisting of claims in which the Fund's involvement is limited to reimbursement of portions of payments made by employers/insurers (concurrent employment and cola reimbursement claims). There were no questions regarding the Claims Unit of the Fund.

Ms. Greenslade reported the Treasurer's website has been updated and has a new URL which is www.ott.ct.gov, however it is still accessible through the State's portal at www.ct.gov. Ms. Greenslade invited the Board members to visit the new website, which includes Advisory Board information. There were no questions regarding the update to the Treasurer's website.

Ms. Greenslade reminded the Board that the Fund is working on a conversion of the old Claims system into a newly designed computer system which will include the Accounting Department. The Fund is moving its financial records onto the state's financial system called CORE-CT. In the near future, submitting assessments will be completed online. The Fund will request some Board members who file assessments, to preview and test the system, during the month of December. The Fund has targeted February 23, 2015, as a go live date. This is a tentative date at this time. There were no questions regarding this computer upgrade.

Ms. Greenslade stated the Fund had another person retire during the month of October. Since 2006, there have been 5 people who have retired and 1 person has moved to another state agency. There were no questions regarding this staffing update.

4. Legislative Update: Ms. Greenslade stated the Fund is not planning to submit Legislation for the 2015 session. If this should change, Ms. Greenslade will communicate with Ms. Pelletier who will determine if a special meeting is required for the Advisory Board.

5. Other Business: Ms. Greenslade began with stating the Fund's Annual Report to the Governor was submitted on July 1, 2014. A copy was attached to your meeting packet for the member's review.

Ms. Greenslade continued noting the Fund would like to work with the Advisory Board about the possibility of hosting Round Table discussions to determine the future of the Fund. Today the Fund is closed to true 349 cases but is open to Reimbursements, 355/No Insurance cases, Widow Claims and Concurrent Employment.

Ms. Greenslade reminded the Advisory Board that member terms expire on December 31, 2014, except for the Senator and State Representative. Ms. Greenslade stated she previously requested Board members to consider if they wish to continue as a member of the Board. Once Ms. Greenslade knows their decisions, she will send a document to the Treasurer making recommendations for the Treasurer's consideration. Ms. Greenslade asked the Board to contact her with any questions or concerns through email or telephone. Ms. Santiago stated she is honored to be a member of the Board and she would like to remain on the Board on behalf of Greater Hartford Chapter of the Coalition of Black Trade Unionists. Ms. Greenslade thanked Ms. Santiago and all Board members for their time and commitment to the Fund. The Fund is very appreciative of the ideas and insight each member brings to the Board.

Ms. Greenslade noted the 2015 meetings are scheduled for June 17, 2015 and November 18, 2015 at 11AM. Ms. Greenslade stated the dates were chosen with the idea of meeting

on the 3rd Wednesday of June and November. Ms. Greenslade reminded members that an Agenda item for the June meeting will be to elect a Board chair.

Ms. Greenslade asked members if there was any further business. Hearing none, Ms. Greenslade concluded by asking for a motion to adjourn the meeting. Ms. Santiago moved to adjourn the meeting; Ms. Siniscalchi seconded the motion. Motion passed unanimously.

Meeting adjourned at 11:28AM.