

**Minutes of Second Injury Fund Advisory Board
Wednesday, June 22, 2016 Meeting
Approved by the Advisory Board December 6, 2016**

**Office of the Treasurer
Second Injury Fund
Advisory Board
June 22, 2016**

Present: State Representative Peter Tercyak, Co-Chair Labor and Public Employees Committee;
Clifford G. Leach, The Hartford Financial Services Group, Inc.
Eric Gjede, Connecticut Business and Industry Association;
Kathleen Cooper, Greater Hartford Chapter of the Coalition of Black Trade Unionists
Joe McFetridge, Eversource Energy

For the Fund: Maria M. Greenslade, Assistant Deputy Treasurer
Hank Gaffney, Claims Manager
Gloria G. Williams, Controller
Jim Eatherton, Supervising Special Investigator
Tammy Leach – (representing Amber Bassett, Executive Secretary)

Meeting was called to order at 11:25 and was held by teleconference.

1. **Welcome/Roll Call:** Mrs. Greenslade introduced members of the Fund who were present on the call, introduced all Board members who joined the call and welcomed everyone to the Advisory Board meeting. Based on board members' request, Mrs. Greenslade chaired the meeting since Lori Pelletier had a last minute scheduling conflict.
2. **Adoption of Minutes:** Mrs. Greenslade invited adoption of the November 2015 meeting minutes which were included in the Agenda packet. Ms. Cooper 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:** Mrs. Greenslade asked Ms. Williams to present an update on the Financial Operation of the Fund. Ms. Williams stated in summary the Fund's financial statements, for the fiscal year ending June 30, 2015 Financial Statements were published December 2015. Total Operating Revenues were \$41 million, which is flat compared to the prior year with no significant change in any of the components that make up the operating revenues. Ms. Williams stated the Total Operating Expenses of \$36 million, which were almost \$3 million lower than the prior year with Settlements, Indemnity and Medical Claims all reporting lower amounts for this fiscal year.

Ms. Williams continued by saying the Change in Net Position, which is the difference between revenue and expenses, for Fiscal Year 2015, was approximately \$5 million – with revenues exceeding expenses. This represents an almost \$3 million increase over last year’s performance.

For the current Fiscal Year, during the first 11 months (as of May 31, 2016) Revenues of \$41 million are slightly below last year by (\$218,000 and Operating Expenses of \$33 million are below FY15 (by \$1 million-indemnity). Ms. Williams reported the current result is a Change in Net Position (Revenues less expenses) of \$8 million compared to FY15 which reported a \$7 million position (due to lower current year benefits paid – especially indemnity. 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 the Claims Unit combined payout for Fiscal Year ending June 30, 2016 is estimated at \$27 million, which is 5% below payout from the prior fiscal year. He indicated that indemnity, medical and reimbursement payments were all about 7% lower than last year, and that settlement payments were slightly higher than last year.

Mr. Gaffney reported the continued reduction in the Fund’s estimates over the past twelve months to its current level of \$360 million. He also reported a 3% reduction in the number of open claims since last year. Lastly, he reported that 75% of new SIF claims over the past year were concurrent employment reimbursement claims while the remaining new claims, with the exception of a handful of COLA claims, were uninsured employer claims. There were no questions regarding the Claims Unit of the Fund.

Mrs. Greenslade updated the Board regarding the computer upgrade. She stated the computer system was implemented on January 19, 2016. Staff has adapted well to the new system. The Office of the Attorney General’s Workers’ Compensation Unit was trained and also have access to the new system. She commended the SIF staff for all their hard work in designing, testing, and implementing to the new computer system.

Ms. Greenslade reported that the external customers will be able to file their remittances online; however, this will take an additional year to implement due to the work that must be completed through the State’s financial system (CORE-CT). Mrs. Greenslade added the Fund’s vision is to have the Workers’ Compensation Commission accessing the new system to also read files. The Fund would like to eventually send medical bills by electronic feed to our vendor eliminating paper files being mailed back and forth. There were no further questions or comments regarding the computer upgrade.

4. **Legislative Update:** Mrs. Greenslade indicated that in 2016 the Fund did not propose legislation. However, the Fund followed all proposed legislation with a financial impact on the Fund. Mrs. Greenslade called on Mr. Gaffney for an update.

Mr. Gaffney indicated that there were no bills passed during the 2016 legislative session that had any meaningful financial impact to the Second Injury Fund. He did advise the Advisory Board Members of the passage of PA No. 16-10, known as the Firefighters Cancer Relief Program, which requires the State Treasurer's Office to administer benefits to eligible firefighters. He brought this to the Board's attention in order to assure them this legislation has no financial impact to SIF, as it will be funded through a monthly subscriber fee assessed by the Public Utilities Regulatory Authority on phone service. State Representative Tercyak gave a brief summary of this bill and its passage.

5. Other Business:

- a. Review of Board Protocol** – Maria asked board members to review protocols and send proposed changes to her attention over the next several months. In October, draft protocols will be mailed to members for review and potential action at the November 2016 meeting.
- b. Treasurer's Assessment** letter was attached to the Agenda. Once again the Treasurer announced she was maintaining assessment rates at current levels. Mrs. Greenslade indicated that the Board has, on numerous occasions, stressed the importance of maintaining stable assessment rates without significant fluctuations. Maintaining consistency and predictability for businesses is of utmost importance to the Board and the Fund
- c. Annual Report** – Mrs. Greenslade announced a draft cover letter and the annual report on the condition of the Fund was transmitted to the Treasurer for review. Once the Treasurer approves the documents, the Advisory Board members will receive a copy of the report.
- d. Mrs. Greenslade** announced today's board meeting is Mr. McFetridge's last meeting. He is retiring from Eversource on 6/30/16. Eversource will continue to be a board member represented by MaryLynn Pelletier, who could not join today's meeting. Mrs. Greenslade thanked Mr. McFetridge for his commitment and enthusiasm of the Board, and wished him well during his retirement.
- e. Next meeting** will be held on November 16, 2016.

Mrs. Greenslade asked members if there was any further business. Mrs. Greenslade concluded by asking for a motion to adjourn the meeting. Mr. McFetridge moved to adjourn the meeting, Ms. Cooper seconded the motion. Motion passed unanimously.

Meeting adjourned at 11:30 AM.