



DENISE L. NAPIER
TREASURER

State of Connecticut
Office of the Treasurer

HOWARD G. RIFKIN
DEPUTY TREASURER

May 1, 2009

Dear Connecticut Insured Employers, Self-Insured Employers and Insurance Carriers,

I am pleased to inform you that the Second Injury Fund assessment rates for insured and self-insured employers, which were reduced substantially in the last two years, will again be reduced effective July 1, 2009.

The rates for insurance companies will decrease from 3% to 2.75% for insured employers, and from 2.4% to 2.2% for assigned risk policies. Concurrently, the rate for self-insured employers will decrease from 4.7% to 3.84%. The savings to Connecticut businesses from these reductions will be \$3.6 million annually. During these uncertain times, the Treasury has been able to maintain unprecedented assessment rates even though there have been sizable reductions in the assessment surcharge base of insured employers. Recent reductions in the assessment base are due to the 2005 revisions in Connecticut state law, as well as the challenging economic climate.

2009 marks the eleventh consecutive year in which we have been able to either reduce or maintain the assessment rate for Connecticut businesses—the longest period without an assessment rate increase in the history of the Second Injury Fund. This achievement is a direct result of management reforms initiated by my administration that have led to increased compliance with assessment reporting, early retirement of long-term debt, and revisions to Second Injury statutes.

The cumulative effect of the rate reductions since my taking office in 1999 has been a net savings of \$482 million for Connecticut businesses. This reflects a total reduction of 72.5% in rates assessed for insurance companies and 73.5% for self-insured employers. In addition, the elimination of debt ahead of schedule has saved \$43.7 million in future interest costs.

In these difficult times, my administration continues to work diligently to pass along savings to Connecticut businesses without compromising any benefits due to Connecticut workers. Those efforts will continue, and we appreciate your interest and assistance in those endeavors. Should you have any questions regarding the assessment rates for FY2010, please contact Assistant Deputy Treasurer Maria M. Greenslade at (860) 702-3125.

Sincerely,

Denise L. Nappier
State Treasurer