

**Draft Version - Minutes of Second Injury Fund Advisory Board
Wednesday, November 16, 2011 Meeting
Final Version of these minutes will be posted after approval by
The Advisory Board at the next meeting to be held in June 2012**

**Office of the Treasurer
Second Injury Fund
Advisory Board
November 16, 2011**

Present: Kathleen S. Jackson, Greater Hartford Chapter of the Coalition of Black Trade Unionists;
Dan Doyle, Proxy for Senator Prague, Labor & Public Employees Committee/General Assembly;
Joseph McFetridge, Northeast Utilities Service Co.;
Lori Pelletier, Connecticut AFL-CIO;
State Representative Zalaski, Labor & Public Employees Committee/General Assembly
Kia Murrell, Connecticut Business and Industry Association

For the Fund: Maria M. Greenslade, Assistant Deputy Treasurer
Deborah D'Agostino, Collections
Hank Gaffney, Claims Manager
Jim Eatherton, Supervising Special Investigator
Amber Bassett, Executive Secretary

Meeting was called to order at 11:03AM and was held by teleconference.

1. Welcome / Roll Call: Ms. Pelletier called the meeting to order and welcomed the members to the Advisory Board meeting. Ms. Greenslade announced all members who have joined the conference call and the staff from Second Injury Fund, including a proxy for today's meeting; Dan Doyle holds proxy for Senator Prague.

2. Adoption of Minutes: Ms. Pelletier invited discussion of the minutes of the June 15, 2011 meeting. There was no discussion. Ms. Pelletier asked for a motion to adopt the minutes. State Representative Zalaski moved to adopt the minutes. Ms. Murrell seconded the motion. The motion passed unanimously.

3. Update on Operation of the Fund: Ms. Greenslade asked Mr. Gaffney to present an update on the Financial Operation of the Fund as well as the Claims Unit. Mr. Gaffney began by stating the financial status of the fund for Fiscal Year 2012 through October 31, 2011. By October 31st, the total operating revenues were \$8.5 million; the total operating expenses were \$12 million; the change in net assets was \$3.5 million and as of October 31, 2011 the net assets were \$27.1 million.

Mr. Gaffney updated the Board on the Claims Unit. Mr. Gaffney reported the total payout on claims has been remarkably consistent over approximately 10 years at \$35

million per year. At the June 2011 meeting, he had alerted the Board the payouts were trending downward to approximately \$31-\$32 million since Fiscal Year 2010 due to fewer settlements of high value claims. Second Injury Fund's annual payout for fiscal years 2002 through 2010 ranged between \$35 & \$40 million. Fiscal Year 2011, the payout was \$31.8 million which was considerably beneath the ban and the reason for that was because of the significant decrease in Second Injury Fund cases, COLA cases for settlement, which are 6 figure settlements, which has dropped significantly.

The Second Injury Fund's payout for Fiscal year 2011, ending June 30, 2011 was \$31.8 million. This was 9% less than projected amount and settlements have been below 50% of projections. The payout for annual settlements was \$4 million from 1/1/11 through 10/31/11. Historically the average has been \$10 million per Fiscal Year from 2002-2010. SIF's projects future annual payout to plateau around \$29-30 million per year.

Reserves (estimate of future payments on claims currently open) historically have decreased \$8 million annually over the past several years. However, reserves for Fiscal Year 2011 have increased by \$3.5 million due to reserve increases of COLA reimbursement claims resulting from adverse litigation involving the Fund's right to share in Social Security offsets.

Claim activity for the Fund remains stable; 600 new claims annually, 200 informal hearings per month, 75-80 formal and preformal hearings per month which are handled by the Attorney General's Office.

4. Legislative Update: Ms. Greenslade stated that the Fund is preparing for the 2012 Legislative Session. If we have proposed legislation affecting the Fund, sponsored by the Treasurer, we will send it to the Board members. We will also be watching for changes to Second Injury Fund and request other members also keep a look out for changes to affecting Second Injury Fund.

5. Four Retirements in the Fund Effective 10/1/11: Ms. Greenslade stated there were four retirements in the Fund effective 10/1/11; Controller, Marge Supple retired but has been approved to come back as a retiree. Also, at this time the Fund received approval to refill the Controller position.

Three other individuals retired from the Fund; Marie Gray, Cindy Paluck, and Frances Drakeford, who collectively had about 60 years of state service. The Fund lost many years of knowledge on October 1st. Right now, these three positions have not been approved for refill.

Ms. Pelletier wanted to convey her thanks to all the retirees for the work done on behalf of the Second Injury Fund for so many years.

6. Other Business: Ms. Greenslade announced the copy of the Report to the Governor, dated July 1, 2011, was attached to the Board Agenda packet. This annual report is outlined in the state statutes. Ms. Pelletier asked if there were any questions regarding this report.

Ms. Pelletier stated two meetings are held each year for Advisory Board and we were looking for dates around the same months as previous meetings; June 2012 and November 2012. Ms. Pelletier asked if there were any objections to holding meeting during this time. Mr. McFetridge and Representative Zalaski agreed that June and November were good times to meet in 2012. Ms. Greenslade added the Fund will keep in mind the 2012 election when setting the November meeting.

Ms. Pelletier asked members if there were any further questions, comments or thoughts. There were none.

Meeting was adjourned at 11:17.