

**Minutes of Second Injury Fund Advisory Board
Wednesday, June 10, 2020 Meeting
Approved by the Advisory Board on October 15, 2020**

**Office of the Treasurer
Second Injury Fund
Advisory Board
June 10, 2020**

Present: Brian Anderson, Council 4 AFSCME
Brian Corvo, Connecticut Business and Industry Association
Clifford G. Leach, Regional Vice President of the Hartford Financial Group, Inc.
Sal Luciano, Connecticut AFL-CIO (Chair)
Marko Kaar, CT Construction Industries Association

For the Fund: Maria M. Greenslade, Assistant Treasurer
Hank Gaffney, Claims Manager
Gloria G. Williams, Controller
George Petropoulos, Supervising Special Investigator
Christina McGinnis, Executive Secretary

Meeting was called to order at 11:00 a.m. and was held by teleconference.

1. Welcome/Roll Call

Ms. Maria Greenslade, Assistant Treasurer, welcomed board members and introduced Brian Corvo, CT Business and Industry Association, as the new representative replacing Louise DiCocco. She then conducted a roll call and introduced herself, members of Second Injury Fund (“SIF”), and Christina McGinnis, Executive Secretary, who will take minutes.

2. Adoption of Minutes

Chair, Sal Luciano called for a motion to accept the minutes of the October 17, 2019 Advisory Board Meeting. Cliff Leach moved to accept the minutes and seconded by Marko Kaar. There being no further discussion, Mr. Luciano called for the vote and the minutes were unanimously accepted.

3. COVID-19 Impact

Ms. Greenslade gave an overview of the COVID-19 impact on SIF. As of March 17, 2020, SIF employees were requested to work from home. The change caused minor computer issues that were worked through. Ms. Greenslade explained the work schedule for SIF

employees and the utilization of telemedicine and telephonic hearings. She stated that the Workers' Compensation Commission (WCC) relaxed various rules to accommodate social distancing and people working from home.

Lastly, Ms. Greenslade said Treasurer Wooden issued an order pursuant to Executive Order 7M, issued by Governor Ned Lamont on March 25, 2020. The order stated that the Office of the State Treasurer extends the deadlines for Self-Insured Employer and Insurance Company payments of the quarterly assessment by 90 days. She said for self-insured employer payments due May 1, 2020, must be postmarked on or before July 30, 2020 and payments received after the July 30, 2020 deadline would be subject to the statutory penalty set forth in Chapter 568 of the Connecticut General Statutes. Ms. Greenslade stated insurance company payments due May 15, 2020 must be postmarked on or before August 13, 2020 and payments received after the August 13, 2020 deadline will be subject to the statutory penalty. She mentioned there were a few companies taking advantage of the order.

4. **Update on Operation of Fund**

Financial Update - Ms. Greenslade asked Ms. Gloria Williams, Controller, to present an update on the Financial Operation of the Fund. Ms. Williams gave an overview of the Fund and stated that the Fund's FY2019 financial statements (for the year ending June 30, 2019) were published December 2019. She said operating revenues, which was mostly assessment revenue totaled \$32 million.

Ms. Williams continued and said the operating expenses amounted to \$30 million for the year, consisting mostly of injured worker benefits (settlements, indemnity and medical expenses paid to claimants).

Ms. Williams then gave an overview of the preliminary current fiscal year 2020 results for 11 months and stated that the total operating revenue was at \$28.6 million (\$27 million was assessment revenue); the total operating expenses was \$24.8 million (\$18.2 million attributable to injured worker benefits; \$6.6 million was administrative expenses) and the change in net position (the difference between revenue and expenses) for 11 months FY20 was \$3.8 million – with revenues exceeding expenses.

She noted that the SIF accounting staff have been coming into the office several days a week and some are also teleworking from home the remaining days, all practicing social distancing while in the office.

Mr. Luciano called for questions. There being no further discussion, he moved to an update on the Claims Unit.

Claims Unit Status – Mr. Gaffney reported that the Fund's claims payout was \$20 million for fiscal year ending June 30, 2020, a 15% reduction compared to prior fiscal year's \$23 million. He said for the current claim reserves (estimated future cost of claims reported to

the Fund to date) of \$254 million represented a 10% reduction from prior fiscal year-end reserves of \$284 million.

Mr. Gaffney noted that the SIF currently is handling 2,400 open claims, 63% of which are indemnity reimbursement claims, with the remaining claims being active case management claims involving payment of indemnity and medical benefit to injured workers and medical care providers respectively. He added that the SIF was projecting a total of 550 new claims for current fiscal year, an 8% reduction compared to the 600 new claims reported during prior fiscal year and of the 550 new claims, 75% will involve concurrent employment reimbursement claims with the remaining 25% being uninsured employer claims which the Fund will manage.

Mr. Gaffney said the SIF anticipates a total of 140 claim settlements at a cost of \$4 million by the end of current fiscal year compared to 200 settlements for \$5.5 million during prior fiscal year.

Lastly, he noted that the SIF/AGO continued to participate in 300 hearings per month, with SIF handling an average of 230 informal hearings and AGO handling an average of 70 formal and pre-formal hearings monthly.

Mr. Luciano called for questions. There being no further discussion, he moved to the Legislative Update.

5. Legislative Update

Ms. Greenslade stated that Legislative has recessed and there was nothing to report at this time.

There being no further discussion, Mr. Luciano moved to Other Business.

6. Other Business

- Treasurer's Assessment Letter dated May 1, 2020 - A copy of the letter is attached to the Agenda for the Boards convenience.
- Report to the Governor on the Financial Condition of the Fund – Ms. Greenslade reported that Treasurer Wooden's letter to the Governor has not been finalized and said the highlights included: maintaining the rates which continue to result in savings to Connecticut businesses, injured workers have not experienced major disruption during the pandemic. Estimated financial numbers for FY2020 will be available on 6/25/2020 and the report will be mailed on 6/26/2020.
- Next meeting is scheduled for Thursday, October 15, 2020 at 11:00 a.m. Ms. Greenslade explained that the Advisory Board sets the meeting dates for the upcoming calendar year at the October meeting and requested to schedule the next two meetings for 2021.

Chair Luciano asked members if there was any further business. He thanked the Fund for running an efficient meeting during such trying times. Chair Luciano concluded by asking for a motion to adjourn the meeting. Brian Anderson moved to adjourn; Mr. Karr seconded the motion. Motion passed unanimously.

Meeting adjourned at 11:17 a.m.