DRAFT

Minutes of the Second Injury Fund Advisory Board Meeting

Wednesday, June 24, 2026 at 11:00 a.m.

Hybrid Meeting

Present:	Ed Hawthorne, CT AFL-CIO Melissa Riley, Hartford Healthcare Brian Anderson, Council 4 AFSCME Senator Julie Kushhner
Absent:	Representative Emmanuel Sanchez Rochelle Palache, 32BJ Services Employee International Union Marko Kaar, Connecticut Construction Industries Association Peter Myers, Connecticut Business & Industries Association
For the Fund:	Michelle Seagull, Assistant Treasurer LaShell Rountree, Deputy Assistant Treasurer Denise Miller, Second Injury Fund Claims Manager Danielle Pare, Controller Paulette Annon, Director of Regulatory Affairs

This meeting was called to order at 11:04 AM via Microsoft Teams. Attendees for The Fund/SIF Advisory Board sat in Conference Room G004B at 165 Capitol Avenue, Ground Floor, Hartford, CT 06106. The meeting moved to Microsoft Teams due to technical issues.

1. **Welcome/ Roll Call**
   Chair Ed Hawthorne welcomed the board members and conducted a roll call

2. **Adoption of Minutes**
   Chair Ed Hawthorne moved to adopt the October 15, 2025, minutes. Brian seconded his motion, and all present members were in favor of the motion.

3. **Introduction**
   Michelle introduced Denise Miller, the Second Injury Fund Claims Manager and Paulette Annon, the Director of Regulatory Affairs, to the Board.

4. **Update on the Operation of the Fund**

   a. Financial Update

      At our last meeting in October, we discussed the Fund's Fiscal Year 2025 financial statements for the year ending June 30, 2025. The financials were published in December 2025 and available on the Treasurers website.

In summary:

i. **Operating Revenues** totaled **$28.7 million**,

ii. **Operating Expenses** were **$26.4 million**, consisting mostly of injured worker benefits ($18.3 million for settlements, indemnity and medical expenses paid to claimants and $8.1 million in operating costs) resulting in an **excess of revenue over expenses by ($2.3 million)** for the year.

iii. As of May 31, 2026, the results for 11 months are:
   - **Revenues** are at $31.9 million, which is $776,000 higher than last fiscal year this time.
   - **Expenses** of $23 million are lower than last year's 11-month total of $23.8 million. The $23 million is comprised of $15.8 million in injured worker benefits and $7.2 million in administrative expenses.
   - **The Change in Net Position**, which is the difference between revenue and expenses, for 11 months of FY26 is $8.9 million. Historically, the month of June has been a high paying month for expenses resulting in a loss for the month but overall FY26 is still expected to report earnings that are favorable. The fiscal year 2026 financials should be finalized by August and will be reported at the next Advisory Board meeting in October. Overall, the Fund continues to report stable results.

iv. **The FY 2027 Budget** was finalized in April, enabling the Treasurer to announce on May 1st the assessment rates for FY27. As a result of budgeted numbers, there are no rate changes for the upcoming fiscal year; Insurance Companies will remain at 2.25% for insured employers and 2.75% for self-insured employers. Revenue is projected to be approximately $31.3 million. Expenses at $30 million. With a projected change in Net Position of $1.3 million in which we will utilize the reserve to cover the shortfall if any.

b. Claims Unit Status

i. **Staffing/Operations** – At the present time, the claims unit consists of a unit of 12 which consists of 1 Nurse Consultant, 1 Paralegal Specialist along with 3 Claim Analysts who attend Hearings, and 5 Claim Analysts, 1 Secretary, 1 Office Assistant. The current staffing model appears to be operating effectively; however a review of potential restructuring or reclassification is underway to improve efficiency.

ii. **Settlements** – We continue to resolve appropriate claims in order to reduce the

Fund's long-term liability. The projected settlement total for Fiscal Year 2026 is $422,546 per month, or $5,070,550 annually. As of May 31, we have paid $3,613,347 in settlements, reflecting an approximate 22 percent reduction in projected exposure.

Breakdown of settlements as of 5/31/26:
• Section 349: $137,500 paid
• Section 355: $1,495,391 paid
• Section 310: $1,980,456 paid

iii. **Open Inventory** – The Fund currently has 2,188 open claims, representing a reduction of approximately 218 claims since the prior meeting in October. The primary driver of new filings continues to be Section 310 claims. As of May 31, we have established 459 new claims, averaging 41 per month.

Breakdown of new claims as of 5/31/26:
•Section 310 = 374 claims
•Section 355 = 84 claims
•Section 299b = 1 **The Fund does not normally get involved** have been attending hearings

iv. **Reserves** – The current claim reserves for the Fiscal Year to date is $136,035,326.37 which is an estimated cost of future liability for the Fund. This is an 8.7% reduction ($12,964,674) from the previous year. Settlements and aging claimant population who have passed away remain the reduction drivers of future costs for which the Fund is financially responsible.

v. **Hearings** – SIF Claim Analysts have attended approximately 3088 hearings as of May 31st and is averaging 280 hearings per month.

Overall, the Claims Unit continues to operate efficiently, with meaningful reductions in open inventory, settlement activity that decreases future liability, and reserve levels aligned with projected costs.

5. <u>Other Business</u>

Ed Hawthorne asked members if there was any further business. He thanked the Fund for their work, members for joining the call and concluded by asking for a motion to adjourn the meeting. Melissa moved for a motion to adjourn and Brian seconded her motion, and all present members were in favor of the motion. There being no further discussion, the meeting was adjourned at 11:33 a.m.

The next hybrid meeting is scheduled to occur at 11:00 a.m. on October 14, 2026.