

Minutes of the Second Injury Fund Advisory Board Meeting  
Wednesday, June 21, 2023 at 11:00 a.m.  
Hybrid Meeting

Present: Peter Myers, Connecticut Business & Industries Association  
Melissa Riley, Hartford Healthcare (on behalf of Kimberly Harrison)  
Marko Kaar, CT Construction Industries Association  
Shellye Davis, Vice President CT AFL-CIO (on behalf of Ed Hawthorne, (Chair))  
Rochelle Palache, Vice President 32BJ SEIU

Absent: Senator Julie Kushner  
Representative Emmanuel Sanchez  
Brian Anderson, Council 4 AFSCME

For the Fund: Jamie M. Young, Assistant Treasurer  
Adolphus Ellis, Claims Manager  
John Lopes, Special Funds Administrator  
Gloria Williams, Controller, Retired  
Julie Bernard, Accountant  
Vanessa Rodriguez, Claims Analyst  
Karen Williams, Claims Analyst  
George Petropoulos, Special Investigator  
Paul Bourassa, Information Technology Manager  
Cortney Giles, Executive Secretary, Minutes

Guest: Sarah Sanders, Deputy Treasurer  
Eric Gjede, Vice President for CT Public Policy

This meeting was called to order at 11:00 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.

**1. Welcome/Roll Call**

Assistant Treasurer Jamie Young introduced and welcomed staff of the Fund and Advisory Board members to the Advisory Board meeting.

She introduced and welcomed to the meeting Deputy Treasurer Sarah Sanders. The Deputy Treasurer thanked the Advisory Board members for their willingness to support the work of the Fund and serve in this capacity.

## 2. Adoption of Minutes

A.T. Young stated that adoption of October 2022 minutes would be postponed until the next meeting due to a question regarding quorum.

## 3. Status on Election of Chair of SIF Advisory Board

A.T. Young stated that the Advisory Board Chair position was open due to the beginning of a new appointment term. She stated that normally we would hold an election for Chair, but a full quorum was not then present to do so. She instructed Advisory Board members to expect an email containing next steps regarding Chair election.

## 4. Update on Operation Fund

Gloria Williams, retired Controller, provided an update of the financial operation of the Fund. She stated that at the last SIF Advisory Board meeting in October, the Fund's FY2022 financial statements for the year ending June 30, 2022 was discussed. The financials were published December 2022 and are available on The Treasurers website. In summary:

**Operating Revenues**, (assessment revenue), totaled **\$24 million** (flat compared to the previous year, "P/Y");

**Operating Expenses** were **\$24.5 million**, consisting mostly of injured worker benefits (\$17.6M settlements, **indemnity** and medical expenses paid to claimants) and was (\$847,000 higher than P/Y (5%)) resulting in an **excess of expenses over revenues of (\$438,000)** for the year (\$1M higher over P/Y).

As of May 31, 2023, the results for 11 months are:

**Total Operating Revenues** are at \$30.1 million (\$1.6 million higher than last year's 11-month total)

**Total Operating Expenses** of \$18.5 million made up of \$12 million injured worker benefits and \$6.5 million administrative expenses are \$5 million lower than last year's 11-month total. This \$5 million variance is attributable to lower Indemnity benefits paid to date.

**The Change in Net Position**, which is the difference between revenue and expenses, for 11 months FY23 is \$11.7 million – with revenues exceeding expenses. Historically, the month of June has been a high paying month for expenses (benefits paid) resulting in an insignificant loss for the month. Overall FY23 is expected to report earnings that are

favorable. The fiscal year 2023 financials should be finalized by August and will be reported at the next Advisory Board meeting. Overall, the Fund continues to report stable results.

**The FY 2024 Budget** was finalized in April enabling the Treasurer to announce on May 1<sup>st</sup> the assessment rates for FY24. As a result of budget 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 \$30 M.

Expenses \$34 M

Change in Net Position is project to be a negative (\$4 M)

## 5. **Workers Compensation Update/Office of Attorney General**

Adolphus Ellis, Claims Manager, presented the SIF Advisory Board with a Claims Unit update. The operation of the SIF continues to function effectively. Staff continues to be cross-trained to ensure the Fund is operating with maximum efficiency.

Adolph listed the positions that make up the Second Injury Fund's staff:

10 Claims Analysts

3 Hearing Representative

3 Investigators

1 Nurse

Accounting Department

This is in addition to an investigation team of 3 and collections support.

Adolphus discussed the primary statutes that The Fund administers and their percentage in the make up of The Fund's overall claims.

31-349 Original Second Injury Transfer cases (10%)

31-306 Dependents (3%)

31-307 COLA (1%)

31-310 Concurrent (64%)

31-355 No Insurance Cases (20%)

Points discussed:

- The SIF currently has 2781 open claims. This represents an increase over the last Advisory Board meeting report. We close files once claims are settled or the injured employee's or their dependent spouses are no longer entitled to benefits if they become deceased.
- The Claim Reserves for the FY to date are \$184.9 million (which is the future costs for the claims currently reported to the fund). This is a reduction of approximately \$12 million due to the manager's focused endeavor in May. Settlements and employee deaths are the big drivers of future costs for which the Fund is financially responsible.
- The Fund continues to be active with settlements through the end of May 2023: \$3,749,879.
- We average approximately 200 informal hearings per month. We have 3.5 Hearing Representatives to cover our hearings. One is a retiree who currently is in her second and final stint as a TWR.

A.T. Young spoke about the loss of staff due to mass retirements. Strategic consideration of roles, restaffing and backup training is underway. A.T. Young discussed staff's monthly and biannual training meeting with the Office of the Attorney General ("AGO"). This has helped the AGO streamline their systems and improve their processes. She shared that cross-training measures are being taken for several of the roles and consultation has taken place with Human Resources about back up opportunities in line with union agreements. A.T. Young further reported that she and Adolph Ellis initiated bi-annual meetings and monthly training sessions with SIF staff.

#### **6. Legislative Update:**

A.T. Young indicated that new statute books were to be released this year. She instructed all attendees who desire a copy to contact Adolph. No relevant legislation noted.

#### **7. Other Business:**

A.T. Young expressed gratitude to the SIF Advisory Board members and designees for their support and participation. She discussed the attachments in the meeting invite and reminded attendees that they would receive electronic copies of future attachments. If they prefer to receive communication by mail, they can contact her Executive Secretary Cortney Giles.

There being no further discussion, the meeting was adjourned at 11:45 a.m.

**The next hybrid meeting is scheduled to occur at 11:00 a.m. on October 11, 2023.**