



ERICK RUSSELL
TREASURER

State of Connecticut
Office of the Treasurer

SARAH SANDERS
DEPUTY TREASURER

July 1, 2024

The Honorable Ned Lamont
Governor, State of Connecticut
State Capitol Building
Hartford, Connecticut 06106

Dear Governor Lamont,

Enclosed you will find the *Annual Report on the Financial Condition of the Second Injury Fund* as required by Section 31-349f of the Connecticut General Statutes.

As we continue to be faced with economic and inflationary challenges, I am happy to report the Second Injury Fund (“Fund”) continues to be financially stable and achieved the following during Fiscal Year 2024.

- The Fund’s long-term unfunded liabilities fell from \$187.6 million in FY2023 to \$172.9 million, a decrease of 7.8 percent. The Fund continues to closely monitor these liabilities.
- During FY2024, estimated savings of \$1.3 million in medical costs achieved by the Fund continue to lessen the long-term financial burden on Connecticut’s businesses and taxpayers.
- On May 1, 2024, I announced that assessment rates for insured and self-insured employers will remain unchanged for FY2025. The current rate for insured employers will continue to be 2.25%, while the rate for self-insured employers will continue to be 2.75%.

These achievements are a direct reflection of the Fund’s strong commitment to the prudent fiscal strategies which continue to produce savings passed along to Connecticut businesses without compromising any benefits due to injured workers.

July 1, 2024

If you have any questions concerning the financial condition of the Fund, please feel free to call Assistant Treasurer, Michelle Seagull at (860) 702-3125.

Sincerely,



Erick Russell
State Treasurer

Enclosure

cc: Hon. Susan Bysiewicz, Lieutenant Governor
Hon. Martin M. Looney, Senate President Pro Tempore
Hon. Bob Duff, Senate Majority Leader
Hon. Matthew Ritter, Speaker of the House
Hon. Jason Rojas, House Majority Leader
Hon. Vincent Candelora, House Minority Leader
Hon. Stephen Harding, State Senator
Michael Jefferson, Senate Clerk
Frederick Jortner, House Clerk

Members of the Second Injury Fund Advisory Board:

Edward Hawthorne, Connecticut AFL-CIO
State Senator Julie Kushner
State Representative Emmanuel Sanchez
Peter Myers, Connecticut Business and Industry Association
Marko Kaar, Connecticut Construction Industries Association
Brian Anderson, Council 4 AFSCME
Melissa Riley, Hartford Healthcare
Rochelle Palache, 32BJ Services Employee International Union



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**ANNUAL REPORT OF THE SECOND INJURY FUND
FOR FISCAL YEAR ENDING JUNE 30, 2024**

As of 06/25/2024

1. Estimate of the Fund's unfunded liability as of preceding July first (July 1, 2023):

A. The unfunded liability of the Second Injury Fund as of **July 1, 2023** had been estimated at **\$187,550,000**.

B. The unfunded liability of the Second Injury Fund as of **July 1, 2024** is estimated at **\$172,948,000**.

	# Open Claims	Reserve Values
Claim Inventory 7/1/24	2,882	\$168,448,000
* Estimated Future Claims (FY 2025)	530	\$4,500,000
Total Estimated Liability as of 7/1/2024		\$172,948,000

* Anticipated *uninsured* employer and concurrent employment claims incurred but not reported as of 6/25/2024

2. The effect of settlements and stipulations on the unfunded liability:

During FY 2024 SIF paid 139 settlements at a cost of **\$4,455,780**.

3. The number and actual amount of assessments levied under section 31-354 for the previous fiscal year (FY2024):

Category	# of Assessments	Amounts
Insured Employers	4	\$ 23,218,074 (est)
Self-Insured Employers	4	<u>4,646,763 (est)</u>
Total		\$ 27,864,837 (est)

4. The number and estimated amount of assessments for the coming year (FY2025):

Category	# of Assessments	Amounts
Insured Employers	4	\$ 22,757,000
Self-Insured Employers	4	<u>4,716,000</u>
Total		\$ 27,473,000

5. Any recommendation for legislative change to improve the operation of the Fund:

No further recommendations for legislative change at this time.