

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

Present: Peter Myers, Connecticut Business & Industries Association  
Melissa Riley, Hartford Healthcare  
Marko Kaar, CT Construction Industries Association  
Ed Hawthorne, CT AFL-CIO  
Brian Anderson, Council 4 AFSCME  
Rochelle Palace, 32BJ Services Employee International Union

Absent: Senator Julie Kushner  
Representative Emmanuel Sanchez

For the Fund: Jamie M. Young, Assistant Treasurer  
LaShell Rountree, Deputy Assistant Treasurer  
Adolphus Ellis, Claims Manager  
Danielle Pare, Controller  
Julie Bernard, Accountant  
Janie Hall, Claims Analyst  
George Petropoulos, Special Investigator  
Cortney Giles, Executive Secretary, Minutes

Guest: Sarah Sanders, Deputy Treasurer  
Christopher Regan, Information Technology Manager  
Paul Bourassa, Information Technology Analyst

This meeting was called to order at 11:02 AM via Microsoft Teams. Attendees for The Fund/SIF Advisory Board sat in Conference Room G004G at 165 Capitol Avenue, Ground Floor, Hartford, CT 06106.

**1. Welcome/Roll Call**

Assistant Treasurer Jamie Young welcomed staff of the Fund and Advisory Board members to the Advisory Board meeting. She also welcomed Rochelle Palache and Melissa Riley to the Board.

2. **Adoption of Minutes**

**Marko Kaar moved to adopt the October 2022 minutes. Ed Hawthorne seconded his motion, and all present members were in favor of the motion. Marko Kaar moved to adopt the June 2023 minutes. Brian Anderson seconded his motion, and all present members were in favor of the motion.**

3. **Letter to the Governor July 1, 2023**

The letter was disseminated to the Board prior to the meeting to review at their leisure.

4.

a. **Update on Operation Fund**

Danielle Pare, Controller, provided an update of the financial operation of the Fund. She stated that fiscal year 2023 Financial Statements on the Fund ending June 30, 2023, have been completed and are currently being reviewed by the Auditors. These Financial Statements are scheduled to be published in December (2023) as part of The Treasurer's Annual Report.

In summary for the twelve months ending 6/30/2023 our Total Operating Revenues were over \$30.7 million which is \$1.2 million or (4%) higher than the prior fiscal year of 2022.

Total Operating Expenses of \$27.4 million are higher by 6% than the prior year. This increase of \$1.5 million is a net result of the following:

Medical & Settlement claims were \$2.8 million higher and Administrative expenses were \$637,000 higher than the prior year. The only expense reduction for FY 2023 was Indemnity Benefit payments decreasing by \$1.9 million from the prior year.

Change in Net Position (the difference between revenue and expenses) for FY23 was \$3.4 million – with revenues exceeding expenses. The change of position represents a \$300 thousand decrease over the prior year's performance.

Q1 Current Year Financials - FY2024 (July 1 through September 30, 2024)

The first 3-months revenue of \$7.8 million is \$425,000 higher (6%) than last year. Total Operating Expenses of \$5 million, which include Benefits Paid (Settlements, Indemnity and Medical costs) and Administrative Expenses are currently \$40 thousand less than FY23 actuals.

The current year 3-month through 9/30/2023 Change in Net Position is \$2.8 million, compared to FY23 which reported a \$2.3 million position after the first 3 months. Therefore, the current year's increase of \$466,000 is primarily the result of higher revenue interest in the STIF account.

**b. 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 continue to be cross trained to ensure the Fund is operating with maximum efficiency.

Adolphus listed the positions that make up the Second Injury Fund's staff.

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

Points discussed:

- The SIF currently has 2802 open claims. The closing of inactive files that are either settled or the injured employee's or their dependent spouses are no longer entitled to benefits.
- The Claim Reserves or unfunded liability for the FY to date are \$182.2 million (which is the future costs for the claims currently reported to the fund). This is a reduction of approximately \$2 million over the previous month. Settlements and employee deaths are still 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 September 2023. We have settled \$1,117,235. I have budgeted \$4,923,996 or \$410,333 per month. Settlements is a way of reducing the Fund's future liabilities.

(An audio issue interrupted the meeting. It was rectified by the Fund's Information Technology team. Once the meeting resumed none of the Board members had any questions.)

- We still average approximately 200 informal hearings per month. We have 4 hearing Representative to cover our hearings.
- In 31-355 cases Collections will go after the uninsured employer's assets to try and recover the Funds we are required to pay.

**5. New Business:**

Adolphus indicated that the new Worker's Compensation Commission statute books were released and if anyone desired a copy, they could contact him directly. **Marko Kaar motioned to amend item number 5 on the agenda. He moved to add CIVIX system update, Yellow Freight, Inc., and Election of Chair. The motion was seconded by Ed Hawthorne.**

A.T. Young gave a brief overview of The Fund's data collection system named CIVIX. She explained that it has been in place for more than 10 years and The Fund is now shifting the system to a new host and maintenance environment.

A.T. Young discussed Yellow Freight, Inc. She explained that it was a self-insured company that is in the process of bankruptcy. The Worker's Compensation Commission will transfer a \$250,000 bond to The Fund to accommodate the potential claimant payments associated with the 407 cases. Once the funds in the new STIF account are exhausted, The Fund will use the monies in The Fund to adjudicate the claims.

A.T. Young asked if there were any other topics the Board would like to discuss. Brian Anderson asked if the SIF could quantify what Yellow Freight, Inc. would cost The Fund. A.T. Young explained that The Fund set up a separate fund for Yellow Freight, Inc. The separate fund ensures monies are not commingled. The Fund will then be able to report back the expenses to the Board. Brian Anderson also asked if the staff thought the bond amount for Yellow Freight, Inc. was adequate or if the amount needed an increase. The staff discussed factors and indicated it is unknown.

Adolphus also provided the Board with a short outline of how these cases will be handled at the Worker's Compensation Commission. A.T. Young reminded the Board that the 407 cases may be transferred to The Fund, each case must go before the Worker's Compensation Commission, and each case will have their own counsel.

Brian Anderson moved to nominate Ed Hawthorne as Chair. Marko Kaar seconded his motion. A.T. Young noted that Peter Myers and Melissa Riley left the meeting due to a scheduling conflict. A.T. Young stated that a full quorum was not then present to elect a Chair and this matter would be addressed at the next meeting. It was discussed that Ed Hawthorne might act as the acting Chair in the interim.

#### **6. Proposed Meeting Dates for Calendar Year 2024:**

A.T. Young informed the Board that historically the Board meetings are conducted on Wednesdays at 11:00am. A.T. Young proposed June 19, 2024 and October 16, 2024. Ed Hawthorne informed the Board that June 19<sup>th</sup> is a holiday and A.T. Young proposed 6/20/24 at 11:00am. She stated that since a full quorum was not present that we could not take official action but suggested scheduling those dates.

There being no further discussion, the meeting was adjourned at 11:43 a.m.

**The next hybrid meeting is scheduled to occur at 11:00 a.m. on June 20, 2024.**