

SHAWN T. WOODEN  
TREASURER

**State of Connecticut**  
Office of the Treasurer

LINDA R. SAVITSKY  
DEPUTY TREASURER

July 1, 2019

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

Dear Governor Lamont,

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

The Second Injury Fund (hereinafter referred to as the "Fund") continues to be financially stable and has accomplished a number of noteworthy milestones during fiscal year 2019.

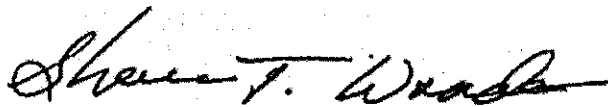
- On May 1, 2019, I announced that assessment rates for insured and self-insured employers will remain unchanged. The current rate for insured employers will be 2.25%, while the rate for self-insured employers will continue to be 2.75%.
- The effect of the rate reduction announced for FY2019 resulted in cumulative savings totaling \$12.23 million; including \$5.96 million FY2020 projected savings for Connecticut businesses.
- The Fund continues to reduce its long-term unfunded liabilities, which fell from \$309 million in 2018 to \$286 million, or 7 percent.
- During fiscal year 2019, the Fund achieved an estimated savings of \$3.2 million in medical costs which lessened the long-term financial burden on Connecticut's businesses and taxpayers.

These accomplishments are a result of prudent fiscal policies which enabled the Fund to pass along savings to Connecticut businesses without compromising any benefits due to injured workers.

Honorable Ned Lamont  
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If you have any questions concerning the financial condition of the Fund, please feel free to call on me or Assistant Treasurer Maria M. Greenslade at (860) 702-3125.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn T. Wooden". The signature is written in a cursive, flowing style.

Shawn T. Wooden  
State Treasurer

Enclosure

**ANNUAL REPORT OF THE SECOND INJURY FUND  
FOR FISCAL YEAR ENDING JUNE 30, 2019**

As of 06/26/19

**1. Estimate of the Fund's unfunded liability as of preceding July first (July 1, 2018):**

- A. The unfunded liability of the Second Injury Fund as of July 1, 2018 had been estimated at **\$309,500,000**.
- B. The unfunded liability of the Second Injury Fund as of July 1, 2019 is estimated at **\$285,700,000**.

	<u># Open Claims</u>	<u>Reserve Value</u>
Claim Inventory 7/1/19	2,579	\$ 283,200,000
* Estimated Future Claims (FY 2020)	400	<u>2,500,000</u>
Total Estimated Liability as of 6/26/19		\$ 285,700,000

\* Anticipated uninsured employer and concurrent employment claims incurred but not reported as of 6/26/19

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

During FY 2019 SIF paid 205 settlements at a cost of **\$5,490,411**.

**3. The number and actual amount of assessments levied under section 31-354 for the previous fiscal year (FY2019):**

<u>Category</u>	<u># of Assessments</u>	<u>Amounts</u>
Insured Employers	4	\$ 26,351,778 (est)
Self-Insured Employers	4	<u>5,106,181 (est)</u>
<b>Total</b>		<b>\$ 31,457,959</b>

**4. The number and estimated amount of assessments for the coming year (FY2020):**

<u>Category</u>	<u># of Assessments</u>	<u>Amounts</u>
Insured Employers	4	\$ 22,928,000
Self-Insured Employers	4	<u>4,782,000</u>
<b>Total</b>		<b>\$ 27,710,000</b>

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

No recommendations for legislative change at this time.