

**Minutes of Second Injury Fund Advisory Board
Wednesday, June 16, 2021 Meeting
Approved by the Advisory Board on October 14, 2021**

**Office of the Treasurer
Second Injury Fund
Advisory Board
June 16, 2021**

Present: Sal Luciano, Connecticut AFL-CIO (Chair)
Senator Julie Kushner, Chair, Labor and Public Employees Committee
Brian Anderson, Council 4 AFSCME
Clifford G. Leach, Regional Vice President of the Hartford Financial Group, Inc.

Absent: John Blair, Connecticut Business and Industry Association
Kimberly Harrison, Hartford Healthcare
Marko Kaar, CT Construction Industries Association
State Rep. Robin Porter, Chair, Labor and Public Employees Committee

For the Fund: Maria M. Greenslade, Assistant Treasurer
Gloria G. Williams, Controller
Adolphus Ellis, SIF Claims Manager
George Petropoulos, Supervising Special Investigator
Christina McGinnis, Executive Secretary

Meeting started at 11:06 a.m. and was held by teleconference.

1. Welcome/Roll Call

Chairman Luciano, welcomed Board members, conducted a roll call and stated there was not a quorum so the Board would receive an update but could not take action. Maria Greenslade announced that Hank Gaffney retired after more than 25 years of state service. Ms. Greenslade introduced the new Claim Manager, Adolph Ellis, and gave a brief background.

2. Adoption of Minutes

Chairman Luciano stated that without a quorum, the motion to accept the minutes of the October 15, 2020 Advisory Board Meeting is tabled to the next meeting on October 14, 2021.

3. COVID-19 Impact

Ms. Greenslade gave an overview of the COVID-19 impact on SIF. She said the office operated with reduced staff capacity levels in the building. The Governor announced changes to the COVID protocols in late May. The Governor also announced that state employees will be returning to the office on July 1, 2021.

She stated that the SIF staff continues to work from home effectively and four hearing representatives continue to attend hearings telephonically – which is much more efficient and cost effective for the Fund. Ms. Greenslade mentioned that on July 2, 2021, the hearing representatives will go back to in-person hearings in eight districts across the state. She said the claims unit continued to negotiate settlements and move cases forward in a timely fashion.

4. FY2022 “Silver Tsunami” and Impact to the Fund

Ms. Greenslade gave an overview of the FY2022 Silver Tsunami impact and stated that it has been a topic of discussion for a few years in Connecticut. She said that the Fund expected retirements during calendar year 2021 through 2022. The Fund was fortunate in that it had vacancies and began hiring during the fourth quarter of 2019.

Ms. Greenslade stated the Fund has hired four Claims Analyst/Adjusters; one Accountant, one Accounts Examiner and a new Claims Manager. She added that over the last six months, the fund had one Claim Adjuster and the Claims Manager retire and each had more than 25 years of experience with the Fund.

Ms. Greenslade mentioned it is expected that an additional Fund staff may retire during FY2022. The Fund will continue to hire staff as needed.

5. Update on Operation of Fund

Financial Update - Ms. Greenslade asked Ms. Gloria Williams, Controller, to present an update on the Financial Operation of the Fund. Ms. Williams gave an overview of the Fund and stated that Fund’s FY2020 financial statements (year ending June 30, 2020) and the statements were published December 2020 and are available on the Treasurers website.

She said operating revenues, which was mostly assessment revenue totaled \$27 million; operating expenses amounted to \$28 million, consisting mostly of injured worker benefits (settlements, indemnity and medical expenses paid to claimants), \$2 million (8%) lower than the prior year, resulting in an excess of expense over revenues of \$1.4 million for the year and represents a \$4 million decrease over last year’s performance.

She then gave an overview of the current fiscal year 2021 results for the past eleven months and stated that the total operating revenues are at \$27 million, comparable to the prior year; the total operating expenses was \$24 million, with \$18 million attributable to injured worker benefits; 6 million was administrative expenses and the change in net position (the

difference between revenue and expenses) for 11 months FY20 was \$3 million, with revenues exceeding expenses.

Lastly, Ms. Williams stated that the FY2022 budget consists of Revenue at \$22 million, Expenses at \$31 million resulting in a Change in Net Position for FY2022 budgeted at a negative (\$10) million.

Chair Luciano called for questions. There being no further discussion, Mr. Luciano moved on to an update on the Claims Unit.

- **Claims Unit Status** - Ms. Greenslade asked Mr. Adolph Ellis, Claims Manager, to give the Board a Claims Unit update. Mr. Ellis introduced himself and gave a brief background of his experience. He then reported that the SIF currently is handling 2,400 open claims, and consistently going down each year as reported in the past.

Mr. Ellis reported that the Fund's total claims payout to date was \$17.9 million for current fiscal year ending 2021, He projects expenditures of \$19.5 million overall to close out FY2021 resulting in a 2.5% reduction from the prior year.

He said for the current claim reserves or unfunded liability for the fiscal year to date (future cost of claims reported to the Fund) is \$202 million which represents a 20% reduction from prior fiscal year-end reserves of \$254 million.

Mr. Ellis stated that the Fund has been active with settlements through the end of May 2021 with a total of 205 claim settlements at a cost of \$4.8 million for the current fiscal year. This represents a 9% increase in settlements from prior YTD and reduces the Fund's future exposure.

Lastly, he noted that through May 31, 2021, the SIF/AGO continued to participate in approximately 2500 hearings so far this year, with SIF handling 2285 (91%) as informal hearings and AGO handling 215 (9%) as formal and pre-formal hearings. SIF is averaging 228 hearings per month and on pace to attend fewer hearing compared to FY2020. Mr. Ellis said he anticipates approximately a 12.6% reduction compared to the previous fiscal year and that the SIF will continue to attend hearings telephonically through July 1, 2021 when all worker compensation offices will begin in-person hearings.

Chair Luciano called for questions. There being no further discussion, he moved to the Legislative Update.

6. Legislative Update

Ms. Greenslade reported on the Death Benefit legislation and stated that the death benefit may be increased from \$4000 to \$12,000 for someone who dies from their injuries after the effective date of the Bill.

Chair Luciano called for questions. There being no further discussion, he moved to Other Business.

7. Other Business

- Treasurer's Assessment Letter dated May 1, 2021. Ms. Greenslade stated that the Treasurer maintained the assessment rates the same because the Fund does not know the full impact of COVID on employers and WC policies. The Fund expects to know more during FY2022.
- Report to the Governor on the Financial Condition of the Fund – Ms. Greenslade reported that SIF is currently working on the letter to the Governor to report the financial condition of the Fund. She said the Fund is stable and predictable and continues to show a gradual decline in cases year over year. The Fund continues to receive approximately the same number of no insurance cases but continues to experience increases in the number of reimbursement cases. Ms. Greenslade noted that the Fund's book of business continues to shift from managing cases to calculating reimbursements.
- Chair Luciano noted the next meeting will be in October 2021, and Ms. Greenslade reminded members that during the October meeting, the Advisory Board will set dates for two meetings for calendar year 2022. Ms. Greenslade added that in an even year the Board normally meets in mid-May and mid-September.

Chair Luciano asked members if there was any further business. He thanked the Fund for their work and reports. Chair Luciano thanked members for joining the call and concluded the meeting.

Meeting ended at 11:20 a.m.