

**Minutes of Second Injury Fund Advisory Board
Thursday, October 14, 2021 Meeting**

**Office of the Treasurer
Second Injury Fund
Advisory Board
October 14, 2021**

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

Absent: John Blair, Connecticut Business and Industry Association
Marko Kaar, CT Construction Industries Association
State Rep. Robin Porter, Chair, Labor and Public Employees Committee
George Petropoulos, Supervising Special Investigator

For the Fund: Maria M. Greenslade, Assistant Treasurer
Adolphus Ellis, Claims Manager
Gloria G. Williams, Controller
John Lopes, Collection and Contract Manager
Christina McGinnis, Executive Secretary

Meeting was called to order at 11:05 a.m. and was held by teleconference.

1. Welcome/Roll Call

Ms. Maria Greenslade, Assistant Treasurer, welcomed board members and conducted a roll call and stated there was a quorum. She then introduced John Lopes, a recent hire to SIF/UCP as Special Fund Administrator for Collections and Contract Management.

2. Adoption of Minutes

Chairman Luciano called for a motion to accept the minutes of the October 15, 2020 and the June 16, 2021 Advisory Board Meetings. Brian Anderson moved to accept the minutes and seconded by Senator Julie Kushner. Ms. Greenslade clarified there was a typo on the June 16, 2021 minutes in paragraph 2 that should have read October 14, 2021 and not October 4, 2021. There being no further discussion, Chairman Luciano called for the vote and the minutes were unanimously accepted.

3. 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 FY2021 financial statements (year ending June 30, 2021) are currently being reviewed by the auditors and are scheduled to be published December 2021 as part of The Treasurer's Annual Report.

She said operating revenues for the twelve months were over \$28 million which is \$2.5 million more (9.5%) than the prior year due to the timing of payments because of the Covid-19 pandemic and companies were lax in making payments during the onset of the pandemic but are now paying on a timely basis.

Ms. Williams stated that operating expenses amounted to \$30.6 million, 9% higher than the prior year, and the total increase of \$2.5 million was made up of Indemnity Benefit payments having the largest increase (\$3.4 million higher than prior year); Settlements were \$330,000 higher than the prior year and Administrative Expenses were up \$114,000 for the year. She mentioned the only expense reduction for FY2021 was Medical claims which was \$1.3 million lower.

Ms. Williams commented on the change in net position (the difference between revenue and expenses) for FY21 was a negative (\$2.2) million, with revenues trailing expenses and represents a \$765,000 (54%) decrease over the prior year's performance.

Lastly, she reviewed the current year financials FY2022 (through September 30, 2021) and said the first three months, revenue of \$6.9 million was \$391,000 higher (5.7%) than last year; total operating expenses were \$6.5 million which include Benefits Paid (Settlements, Indemnity and Medical costs) and Administrative Expenses are \$1.3 million higher than FY21 actuals. Ms. Williams add that the higher expense amount was mainly due to the increase in settlements paid to date.

Chair Luciano called for a motion to accept the report. Brian Anderson moved to accept the report; motion was seconded by Senator Julie Kushner. There being no further discussion, Chairman Luciano called for the vote and the report was unanimously accepted.

- **Claims Unit Status** - Ms. Greenslade asked Mr. Adolph Ellis, Claims Manager, to give the Board a Claims Unit update. Mr. Ellis said the transition between he and his predecessor has been seamless and the SIF continues to function effectively due to the diligence of division management and staff prior to his arrival. He reported that the SIF currently is handling 2,455 open claims, a 4% increase over the last Advisory Board meeting and expects the current fiscal year to end with a downward trend which has continued over the last several years.

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 \$200 million, supporting the downward trend.

Mr. Ellis stated that the Fund has been active with settlements through the end of FY 2021 with actual settlements of \$5.1 million for the current fiscal year. This represents a 6% increase in settlements from the budgeted FYTD which reduces the Fund's future exposure. He added that at the end of September 2021, settlements were at \$1,602,950, which represented a 34% increase over the budgeted settlements so far this year of \$1,200,000.

Lastly, he noted that through June 30, 2021, the SIF participated in 2526 informal hearings which were all telephonic, averaging 210 hearings per month. Mr. Ellis stated that in-person hearings resumed as of July 1, 2021 and in the first three months of FY2022, SIF attended 687 informal hearings or an average of 229 hearings per month.

Chair Luciano called for a motion to accept the report. Brian Anderson moved to accept the report; motion was seconded by Senator Julie Kushner. There being no further discussion, Chairman Luciano called for the vote and the report was unanimously accepted.

4. Legislative Update

Ms. Greenslade reported that SIF was not contemplating introducing draft legislation during the 2022 session.

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

5. Other Business

- Report to Governor on the financial condition of the Fund – Ms. Greenslade stated a July 1, 2021 report was attached. She added that there were no retirements to report from June 1, 2021 to present date.
- 2021 Annual Report – Ms. Greenslade reported that the 2021 Annual Report was currently being worked on and is due on December 31, 2021. The SIF portion of the report has been submitted and is under review.
- Ms. Greenslade proposed meeting dates for calendar year 2022:
 - Wednesday, June 15, 2022
 - Wednesday, October 12, 2022

She mentioned these earlier dates were suggested to coincide with the end of the 2022 legislative session and before summer vacations begin, and the fall meeting will occur prior to the statewide elections.

- Ms. Greenslade gave an early reminder that the Advisory Board members terms are due to expire on December 31, 2022 (terms coincide with the Treasurer's term).

Chair Luciano asked members if they were in agreement of the 2022 meeting dates, there being no discussion meeting dates were approved. He asked if there was any further business or questions. He thanked the Fund for their diligence, hard work and maintaining the Fund stable over the years. Chair Luciano asked for a motion to adjourn the meeting. Brian Anderson moved

to adjourn; motion was seconded by Senator Julie Kushner. There being no further discussion; Chairman Luciano adjourned the meeting.

Meeting adjourned at 11:24 a.m.

