

DRAFT
Minutes of the Second Injury Fund Advisory Board Meeting
Wednesday, June 18, 2025, at 11:00 a.m.
Hybrid Meeting

Present: Ed Hawthorne, CT AFL-CIO

Brian Anderson, Council 4 AFSCME

Senator Julie Kushner

Melissa Riley, Hartford Healthcare

Absent: Peter Myers, Connecticut Business & Industries Association

Rochelle Palace, 32BJ Services Employee International Union

Representative Emmanuel Sanchez

Marko Kaar, CT Construction Industries Association

Cortney Giles, Executive Secretary

For the Fund: Michelle Seagull, Assistant Treasurer

Sarah Sanders, Deputy Treasurer

Adolphus Ellis, Claims Manager

Danielle Pare, Controller

Heather Stewart, Intern

Tammy Leach, Secretary, Minutes

This meeting was called to order at 11:03 AM via Microsoft Teams. Attendees for the Fund/SIF Advisory Board sat in Conference Room G004B at 165 Capitol Avenue, Ground Floor, Hartford CT 06106.

1. Welcome/Roll Call

Chair Ed Hawthorne welcomed board members and conducted a roll call.

2. Adoption of Minutes

Ed Hawthorne moved to adopt the October 2024 minutes. Brian seconded his motion, and all present members were in favor of the motion.

3. Update on Operation of Fund

a. Financial Update

Danielle Pare began by discussing the FY2024 financial statements for the year ending June 30, 2024. She added that the financials were published in December 2024 and are available on the Treasurer's website. She also provides a summary of the Operating

Revenues and Operating Expenses that was discussed in the last meeting of October 16, 2024.

As of May 31, 2025, the results for 11 months are:

Operating Revenues are at \$31.1 million, which is exactly what we had last fiscal year at this time.

Operating Expenses of \$23.9 million is higher than last year's 11-month total of \$23.1 million. The \$23.9 million is comprised of \$16.8 million in injured worker benefits and \$7.1 million in administrative expenses.

The Change in Net Position, which is the difference between revenue and expenses, for 11 months of FY25 is \$7.2 million – with revenues exceeding expenses. Historically, the month of June has been a high paying month for expenses resulting in a loss for the month but overall FY25 is expected to report earnings that are favorable. The fiscal year 2025 financials should be finalized by August and will be reported at the next Advisory Board meeting in October. Overall, the Fund continues to report stable results.

The FY 2026 Budget was finalized in April, enabling the Treasurer to announce on May 1st the assessment rates for FY26. As a result of budget numbers, there are no rate changes for the upcoming fiscal year; Insurance Companies will remain at 2.25% for insured employers and 2.75% for self-insured employers.

Revenue is projected to be approximately \$29 M.

Expenses at \$29.4 M

With a projected change in Net Position of a negative (\$650,000) in which we will utilize the reserve to cover the shortfall if any.

b. Claims Unit Status

i. Staffing/Operations

Adolphus Ellis, Claims Manager, presented the SIF Advisory Board with a Claims Unit update. The operation of the SIF continues to function effectively, Adolph Ellis introduced his new intern, Heather Stewart with her start date of June 2, 2025, and end date of August 15, 2025. He added that over the past couple of months, he had begun the process of selecting candidates for the current vacant Nurse Consultant position. He was pleased to announce that a candidate has been chosen, and she has accepted the position and will start on July 18, 2025.

ii. Settlements

Settlements and employee deaths (349) continue to be the big reduction drivers of future costs for which the Fund is financially responsible. The Fund continues to settle claims to reduce the future liabilities for the Fund. We have settled 147 claims totaling \$3,473,922 so far this FY. We are budgeted for 4,995,000 or \$416,250 per month.

iii. **Open Inventory**

SIF currently has 2716 open claims (approx. 200 claim reduction since our last meeting). Since July 1st (start of the FY) I have set up 537 new claims. New claim intake slowed based on my reporting in October 2024. Next week we will stop processing new claims until 7/1 the start of FY 2026.

iv. **Reserves**

The Claim Reserves or unfunded liability for the FY to date are \$149 million (which is the future costs for the claims currently reported to the fund). This is a reduction of approximately \$11 million or a 7% decrease in claim reserves compared to October 2024.

v. **Hearings**

SIF is currently averaging approx. 175 informal hearings, which is a slight reduction overall. The need for informal hearings may continue to decrease as I implemented Concurrent employment Outreach training for Carriers and TPA's. This past Friday I and members of my Team spoke at the CT Legal Conference to train Attorneys on proper calculating of concurrent wages. Chair Ed commended Adolph for the Outreach training and wished him well doing towards future participation in his effort of this awareness.

Other Business:

Chair Ed proposed the next meeting date and time for calendar year 2025:

- a. Wednesday, October 15, 2025, at 11:00 a.m.

Chair Ed asked members if they agreed to the next meeting date, there being no discussion meeting date was approved. He asked if there was any further business or questions. There being no further discussion; Chair Ed adjourned the meeting at 11:15 a.m.

The next hybrid meeting is scheduled to occur at 11:00 a.m. on October 15, 2025.