

ILLINOIS SELF-INSURERS ADVISORY BOARD
ILLINOIS WORKERS' COMPENSATION COMMISSION
MEETING MINUTES
January 23, 2014
Chicago, IL 10:30 a.m.

Board Attendees: Chairman Michael Latz, Alex Alexandrou, Gerald Cooper, David Taylor, and via conference call: Deborah Stafford

Staff Attendees: Manager Maria Sarli-Dehlin, Barbara Bentivenga, Ron Rascia, and via conference call: Jean Cannon, Wendy Keithley, and Kevin Leach

Chairman Latz called the meeting to order at 10:45 am. A previously prepared and posted agenda was distributed, a copy of which is attached.

I. Minutes

Upon motion by Gerald Cooper, seconded by Alex Alexandrou, the minutes of the Board meeting held on September 18, 2013, were unanimously approved as presented.

II. Chairman's Report

Chairman Latz informed the Board that the Governor appointed Arbitrator Stephen Mathis as a Commissioner representing the public on Panel C.

The Chairman further stated that the Governor appointed Jessica Hegarty as an Arbitrator and that Arbitrator Barbara Flores is taking over the Mathis call in Zone 4 which includes Geneva, New Lenox, and Ottawa.

The Chairman also reported that Ted Young, the IT director had resigned and the Commission is seeking a new director to transform the agency's technology and improve the labor intensive functions of the agency's old mainframe system.

III. Manager's Report

Maria Sarli-Dehlin distributed the 2014 Board meeting dates to the members.

A. Security Fund Forecast

Maria Sarli-Dehlin presented to the Board the security fund forecast as of 9/30/2013. She reported that since the Security Fund assessment fund balance is \$2,011,854, an assessment was not recommended at this time.

B. Fund Balances

Maria Sarli-Dehlin presented reports for the Security and Administration Funds that included current and past budgets, expenditures, revenue and fund balances. She stated that only 15% of the Security Fund's operating budget was spent during the 1st quarter of FY2014 and that 59% of the benefits paid in the 1st quarter were from the employer's security and 41% were from assessments collected. She further reported that during the 1st quarter of FY2014, the Administration Fund's revenues exceeded expenditures and 24% of the budget was spent.

IV. New Business

A. Trending Factor

Maria Sarli-Dehlin presented a report prepared by Milliman, a Fellow of the Casualty Actuarial Society, regarding the development of trend factors to be used in determining security requirements for the 2014 and 2015 applications.

B. Claim Administration System update

Maria Sarli-Dehlin informed the Board that the Commission's IT Department had begun developing an internal claim administration program to process benefit payments. Benefit payments for January 2014 were processed through the new system.

Thereafter, the Chairman moved to go into closed session to discuss the litigation report pursuant to 2(c)11 of the Open Meetings Act. Upon motion by Alex Alexandrou, seconded by David Taylor, the Board voted unanimously to adjourn the public portion of the meeting, after which the Board convened in closed session.

After discussion in closed session of agenda items V – IX, the Board convened in open session.

X. Vote

1. Trending Factor

Upon motion by Alex Alexandrou, seconded by Gerald Cooper, the Board voted unanimously to approve the new trending factor of 2.0% for years 2014-2015.

2. Petco Petroleum Corporation

Upon motion by Alex Alexandrou, seconded by Gerald Cooper, the Board voted unanimously to approve the application for self-insurance conditional upon seven requirements.

3. Carpenter Contractors of America

Upon motion by Alex Alexandrou, seconded by David Taylor, the Board voted unanimously to allow a reduction to the security requirement.

4. Bethany Methodist Corporation

Upon motion by David Taylor, seconded by Alex Alexandrou, the Board voted unanimously to allow the new security increase to be provided in installment payments.

5. A.S.G. Staffing, Inc.

Upon motion by Gerald Cooper, seconded by Alex Alexandrou, the Board voted unanimously to grant the petition for reconsideration and revise the security requirement.

6. Innovative Staff Solutions

Upon motion by Alex Alexandrou, seconded by David Taylor, the Board voted unanimously to grant the petition for reconsideration and revise the security requirement.

7. MetroStaff

Upon motion by Chairman Latz, seconded by Gerald Cooper, the Board voted unanimously and selected a vendor to perform an independent actuarial analysis of the outstanding reserves prior to resolution of the petition for reconsideration.

Further, upon motion by Chairman Latz, seconded by Alex Alexandrou, the Board voted unanimously to request an increase of the security prior to the resolution of the petition for reconsideration.

Prior to adjourning the meeting, Chairman Latz discussed his proposal of an outreach program to expand awareness to employers of the self-insurance program.

There being no further business, upon motion by Alex Alexandrou, seconded by Gerald Cooper, the Board voted unanimously to adjourn the meeting, the meeting adjourned at 12:00 pm.

The next meeting of the ISIAB is scheduled for March 12, 2014 at 10:30 am in the Chicago office.