

ILLINOIS SELF-INSURERS ADVISORY BOARD
ILLINOIS WORKERS' COMPENSATION COMMISSION
MEETING MINUTES
December 9, 2015
Chicago and Springfield, IL 10:30 a.m.
Video Conference meeting

Board Attendees:

Springfield: Debbie Stafford

Chicago: Chairman Joann Fratianni, Gerald Cooper, John Rittenhouse, David Taylor

Conference call: Alex Alexandrou

Staff Attendees:

Springfield: Jean Cannon, Wendy Keithley, Kevin Leach

Chicago: Maria Sarli-Dehlin, Dennie Mogensen, Ron Rascia, Darlene Senger

Chairman Fratianni called the meeting to order at 10:35 AM. She took a roll call and noted a quorum was present. A previously prepared and posted agenda was distributed; a copy of which is attached.

I. Minutes

Upon motion by John Rittenhouse, seconded by Gerald Cooper, the minutes of the Board meeting held on September 9, 2015, were unanimously approved as presented.

II. Chairman's Report

Chairman Fratianni introduced the Commission's new CFO, Darlene Senger, and announced the resignation of Board member John Harney effective 1/1/2016.

Chairman Fratianni further reported that two new arbitrators, Paul Cellini and Gary Gale, have been appointed. She also stated the 2016 calendar is available and the hearing sites have been secured.

III. Manager's Report

A. Security Fund Forecast

Maria Sarli-Dehlin presented to the Board the Security Fund forecast as of 9/30/2015. She reported that based on the current balance in the Security Fund, an assessment was recommended. Discussion ensued regarding the assessment fund balance and need to issue an assessment. After discussion, and upon motion by John Rittenhouse, seconded by Gerald Cooper, the Board unanimously voted to issue a security fund assessment during January 2016 at a rate of .6%.

B. Fund Balances

Maria Sarli-Dehlin also presented a report for the Security Fund that included current and past budgets, expenditures, revenue and fund balances. She stated that 25% of the Security Fund's FY2016 operating budget was spent during the first quarter.

She further reported that 24% of the Administration Fund's FY2016 budget was spent during the first quarter. Discussion ensued regarding the decrease in self-insured parent companies.

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 trending factors to be used in determining security requirements for the 2016 and 2017 applications.

Thereafter, the Chairman entertained a motion to go into closed session to discuss the litigation report pursuant to 2(c)11 of the Open Meetings Act. Upon motion by David Taylor, seconded by Gerald Cooper, and unanimously carried, the Board agreed to adjourn the public portion of the meeting, after which the Board convened in closed session.

After discussion in closed session, and upon motion by David Taylor, seconded by Gerald Cooper, and unanimously carried the Board reconvened in open session.

VIII. Vote

1. Trending Factor

Upon motion by Alex Alexandrou, seconded by Gerald Cooper and unanimously carried, the Board agreed to approve the new trending factor of 1.4% for years 2016-2017.

2. Carpenter Contractors of America

Upon motion by Gerald Cooper, seconded by David Taylor, the Board agreed to return a portion of the current security. Board member John Rittenhouse abstained.

3. Naki Cleaning Services, LLC

Upon motion by Alex Alexandrou, seconded by John Rittenhouse, and unanimously carried, the Board agreed to maintain the current security until the three year statute of limitations expires.

4. R.R. Donnelley & Sons Co.

Upon motion by Gerald Cooper, seconded by John Rittenhouse, and unanimously carried, the Board agreed to review the security requirement once all claims are closed.

5. Witco Corporation

Upon motion by John Rittenhouse, seconded by David Taylor, and unanimously carried, the Board agreed to reduce the security requirement.

There being no further business, upon motion by Gerald Cooper, seconded by David Taylor, the Board voted unanimously to adjourn the meeting. The meeting adjourned at 11:40 AM.