

ILLINOIS SELF-INSURERS ADVISORY BOARD
ILLINOIS WORKERS' COMPENSATION COMMISSION
MEETING MINUTES
June 19, 2013
Chicago, IL 10:30 a.m.

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

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

Chairman Latz called the meeting to order at 10:40 am. A previously prepared and posted agenda was distributed, a copy of which is attached.

I. Minutes

Upon motion by Alex Alexandrou, seconded by Gerald Cooper, the minutes of the Board meeting held on April 15, 2013, were unanimously approved as presented.

II. Chairman's Report

Chairman Latz reported that House Bill 3390 was passed by both the House and Senate and is waiting for the Governor's signature. The bill contains the following four changes to the Act: 1) eliminates the requirement to mail handbooks providing \$65,000 in savings. The handbook will be on the website; 2) eliminates the \$35 transcript fee paid by employers and employees to appeal cases. The Commission will develop a form as a notice of intent to file to the Circuit Court; 3) requires the Commission to obtain interpreters when necessary for pro-se settlement contracts; and 4) clarifies the qualifications and appointments of Arbitrators.

The Chairman also reported that Supreme Court Rule 168 changes the personal identification information allowed on court documents effective July 2, 2013. The Commission is reviewing the options to request only the birth year on applications and settlement contracts and use date of accident as claim identifier.

Chairman Latz further reported the Illinois Appellate court has published a decision that a respondent or its insurer is responsible for adjusting the medical bills according to the fee schedule.

III. Manager's Report

A. Security Fund Forecast

Maria Sarli-Dehlin presented to the Board the security fund forecast as of 3/31/2013. She reported that since the Security Fund assessment fund balance is \$2,181,975, an assessment was not being recommended.

B. FY2014 Budgets / Fund Balances

Maria Sarli-Dehlin presented to the Board the FY2014 Self-Insurers Security and Administration Funds budgets. Also distributed was information regarding the funds that included past budgets, expenditures, revenue and fund balances.

Maria Sarli-Dehlin reported she previously discussed in detail the FY2014 proposed budgets with the Commission's CFO, and Budget Committee members Alex Alexandrou and David Taylor.

She further reported that a shortfall was expected in the Administration Fund in the new fiscal year due to the increase in salaries, group insurance costs, and retirement contributions. A proposed solution will be discussed in closed session.

After discussion, and upon motion by Gerald Cooper, seconded by David Taylor, the Board voted unanimously to approve the FY2014 budgets of \$77,083 for the Security Fund and \$418,336 for the Administration Fund.

C. Claim Administration Fee

Maria Sarli-Dehlin presented to the Board a proposal regarding the fees to be charged to the security of insolvent self-insurers whose claims the Board administered during FY2013. She recommended using the same rates charged in fiscal years 2012 and 2011 (\$140 per medical only claim and \$780 per indemnity claim).

After discussion, and upon motion by Alex Alexandrou, seconded by Gerald Cooper, and unanimously carried the Board agreed to deduct the proposed fees for Fiscal Year 2013.

Thereafter at 10:55 am. 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 Chairman Michael Latz, seconded by Gerald Cooper, the Board voted unanimously to adjourn the public portion of the meeting, after which the Board convened in closed session.

After closed session, the Board reconvened in open session.

IV. New Business

A. Decision regarding request for change in security amount

1. Railway & Industrial Services, Inc.

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

2. Harrington & King Perforating Co.

Upon motion by Alex Alexandrou, seconded by Gerald Cooper, the Board voted unanimously to schedule an expedited informal meeting prior to scheduling formal hearing.

B. Decision regarding discretionary fund disbursement

1. Hall's Motor Transit

Upon motion by Alex Alexandrou, seconded by Gerald Cooper, the Board voted unanimously to transfer the company's account balance from the Security Fund to the Administration Fund.

C. Decision regarding release of security

1. Marathon Oil

Upon motion by Alex Alexandrou, seconded by Gerald Cooper, the Board voted unanimously to maintain the current security requirement and review the request to release security in a year.

There being no further business, upon motion by David Henwood, seconded by Gerald Cooper, the Board voted unanimously to adjourn the meeting, the meeting adjourned at 11:30 am.

The next meeting of the ISIAB is scheduled for September 18, 2013 at 10:30 am in the Chicago office.