

ILLINOIS SELF-INSURERS ADVISORY BOARD
ILLINOIS WORKERS' COMPENSATION COMMISSION
MEETING MINUTES
September 18, 2013
Chicago, IL 10:30 a.m.

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

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

Chairman Latz called the meeting to order at 10:35 am. A previously prepared and posted agenda was distributed, a copy of which is attached.

I. Minutes

Upon motion by David Taylor, seconded by Gerald Cooper, the minutes of the Board meeting held on June 19, 2013, were unanimously approved as presented.

II. Chairman's Report

Chairman Latz introduced Barbara Bentivenga as the new attorney representing the Board and Self-Insurance office.

The Chairman stated that NCCI reports Illinois workers' compensation costs have declined 14% during the period from 2010 to 2011. Further, the WCRI reported that as a result of the 2011 reform, the overall price paid for professional medical treatments decreased 24% during the period from 2010 to 2011.

The Chairman also reported that arbitrators will be reassigned to new hearing sites pursuant to the 2011 reform requiring arbitrators to change hearing sites every two years. A new hearing site is being considered for Belleville and the Mt. Vernon venue may be moved to Effingham.

Chairman Latz further stated that four legislative proposals were being submitted regarding the Injured Workers' Benefit Fund, Insurance Compliance Department, Rate Adjustment Fund benefit program, and Commission Review Board.

The Chairman further reported that the Self-Insurance office is planning to develop an internal claim administration program to process its benefit payments rather than contract with Tristar, the State's third party administrator, resulting in substantial savings.

Chairman Latz also suggested that since staffing companies have a higher claim rate and are considered an increased risk by insurance companies, we should review our rating of them.

Board member Gerald Cooper asked for status regarding Preferred Provider Programs (PPP). Board member Brian Baer reported that Dominick's PPP was approved by the Dept. of Insurance on September 6. Discussion ensued.

III. Manager's Report

A. Security Fund Forecast

Maria Sarli-Dehlin presented to the Board the security fund forecast as of 6/30/2013. She reported that since the Security Fund assessment fund balance is \$2,169,021, an assessment was not recommended.

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 60% of the benefits paid in FY2013 were from the employer's security and 40% were from assessments collected.

IV. New Business

A. Claims Administration Fund (See the Chairman's report)

B. Prime Tanning Bankruptcy update

Barbara Bentivenga provided a summary of the Prime Tanning bankruptcy case and the implications to the self-insurance program.

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

X. Vote

A - C. Decisions regarding request for change in the security amount; release of security; and 2013 renewal application

1. Springfield Coal

The Board voted unanimously to allow a reduction to the security requirement.

2. Gonnella Baking Co.

The Board voted unanimously to grant the petition for reconsideration and revise the security requirement.

3. Olin Corporation

The Board voted unanimously to grant in part the petition for reconsideration and revise the security requirement while deferring the final security requirement until the yearend audited financial statement is available.

4. Bethany Methodist Corporation

The Board voted unanimously to schedule an expedited informal meeting prior to scheduling a formal hearing pursuant to the petition for reconsideration.

5. MetroStaff

The Board voted unanimously to recommend a vendor to perform an independent actuarial analysis of the outstanding reserves prior to resolution of the petition for reconsideration.

6. Innovative Staff Solutions

The Board voted unanimously to schedule an informal meeting prior to resolution of the petition for reconsideration.

7. A.S.G. Staffing, Inc.

The Board voted unanimously to schedule an informal meeting prior to scheduling a formal hearing pursuant to the petition for reconsideration.

8. Labor Ready Midwest

The Board voted unanimously to maintain the current security requirement for the 2013 renewal application.

There being no further business, upon motion by David Taylor, 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 December 18, 2013 at 10:30 am in the Chicago office.