

DRAFT

**MINUTES
MINNESOTA SELF-INSURERS' SECURITY FUND
ANNUAL MEMBERSHIP MEETING
NOVEMBER 9, 2022**

Board of Trustees Chair Dale Haug convened the 2022 Annual Meeting of Members of the Self-Insurers' Security Fund at 9:05 A.M. at the Minnesota Humanities Center. He welcomed the Members and reviewed the agenda for the Annual Meeting. He requested a motion to approve the minutes of the 2021 Annual Meeting, and a motion to approve those minutes was made, seconded and approved without objection. Haug then recognized Executive Director Carl "Buzz" Cummins to report on the activities of the Fund during the preceding year.

Cummins first reported that a quorum of members was present for the meeting, either in person or by proxy. He then reported that three trustees, Dale Haug, Sumrati Tickoo and Brad Koland had been reelected by the Members to new four-year terms on the Board of Trustees. In addition, Howard Bicker was reappointed by the Commissioner of Commerce to a new four-year term.

Cummins then noted that the preceding year had been a largely uneventful one. There were no new defaults and the number of open claims remained at 47, with a few new claims and several other claims either closed or reopened. The only significant known risks are potential liabilities for JC Penney and K-Mart, both of which have been declared bankrupt, but have continued to pay their Minnesota workers' compensation claims. Under the terms of their bankruptcies, they could default on those claims at an unknown future date, but the Department of Commerce will not disclose to SISF the nature and amount of any security which those companies have posted. Total payments for indemnity, medical and expenses have been \$59.5 million dollars since SISF was created in 1988. Total Members' Equity declined from \$3.7 million at the end of fiscal year 2020-21 to \$3.2 million at the end of fiscal year 2021-22 as a result of reduced assessment income and modest declines in investment income. The Board of Trustees continued its policy of reducing Member assessments which generated \$808,000 last year and is expected to produce \$489,000 in fiscal year 2022-23. Finally, he said that he had attended a meeting of the National Conference of Self-Insurers and had learned that almost every state has experienced a reduction in the number of self-insurers. In Minnesota, SISF has had a similar experience. In 2018, SISF had 99 individual member organizations and 16 group self-insurers. Currently, there are 88 individual members and 16 groups.

Haug then recognized Carrie Esler, the audit partner for RSM responsible for conducting SISF's audit for the 2021-22 fiscal year. She provided an overview of the audit, which will be posted in its entirety on the SISF website. She reported that the audit had gone smoothly, that there were no major issues identified, and that RSM had given SISF a clean opinion.

Haug recognized Brandon Miller, who recently retired as president of the Minnesota Workers' Compensation Insurance Association. Miller provided an overview of developments in the Minnesota workers' compensation system during his varied 35-year career working in the field of workers' compensation insurance in the private sector and both state and federal governments.

Haug then entertained questions from Members, the Board and staff.

There being no further business, the meeting was adjourned at 9:55 A.M.

Dale Haug, Chair

Carl Cummins, III, Recording Secretary