Gaining an advantage in today's competitive business climate can often mean the difference between a company's continued success or its ultimate failure. The Trust understands the critical importance of gaining an edge and throughout our history we've dedicated our efforts to create the best advantage possible for our members. Our efforts are always focused on a shared common goal with our members; keep workers' compensation costs as low as possible and return savings back to members. The Trust exists to serve its membership and when our efforts create a win for us, our members win as well. That is the Trust Advantage.

In keeping with this theme, we established our first Safety Grant, allocating $250,000 in grant money to fund safety initiatives proposed by members. We know firsthand many members have excellent ideas on how to reduce loss exposures for their workforce but often lack available funds to implement those ideas. We saw this as a great opportunity to make an impact in reducing losses, knowing these one-time expenditures will keep paying dividends for years to come.

We also introduced Trust TeleCare to a subset of the membership as a trial. This has delivered promising results in lowering costs in the initial injury reporting/treatment process. The program has been well received by both members and injured workers while simultaneously avoiding the costs of unnecessary treatment, especially when the emergency department was the only option. Many of the piloting members are excited about the advantages this program offers.

Our strong and favorable financials resulted in the Trust board of directors declaring a $5 million premium return for the second year in a row. That's $10 million returned to members in the last two years alone and a total of $36 million returned to date! That's an advantage that Trust members can take directly to the bank!

Lastly, it was a great honor and joy to be recognized by the Hartford Business Journal as one of Connecticut's "Best Places to Work in CT", an honor awarded to companies ranking highest in employee satisfaction as determined by an independent survey. Many thanks to our staff for creating such a caring, passionate, productive and professional work environment dedicated to excellence for our members. They truly are our greatest advantage.

As you'll see in the following pages, Trust Advantages are numerous and powerful and when fully utilized, can enhance any company's bottom line by not only reducing the cost of workers' compensation insurance, but also providing educational programs and training for the entire staff. Thanks for taking "Advantage" of the Workers' Compensation Trust.

Diane M. Ritucci
President & Chief Executive Officer
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### Financials

#### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments</td>
<td>$180,131,908</td>
<td>$166,246,862</td>
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<tr>
<td>Premiums Due From Members</td>
<td>19,388,042</td>
<td>20,203,048</td>
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<tr>
<td>Other Assets</td>
<td>13,063,211</td>
<td>12,673,795</td>
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<tr>
<td>Property, Building, and Equipment</td>
<td>3,509,930</td>
<td>3,701,823</td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$216,093,091</strong></td>
<td><strong>$202,825,528</strong></td>
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</table>

#### LIABILITIES AND FUND BALANCE

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unpaid Loss and Loss Adjustment Expenses</td>
<td>$126,454,836</td>
<td>$125,968,408</td>
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<tr>
<td>Unearned Premiums</td>
<td>17,472,431</td>
<td>17,728,241</td>
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<tr>
<td>Reserve for Future Premium Returns</td>
<td>21,876,924</td>
<td>17,876,924</td>
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<tr>
<td>Current Liabilities</td>
<td>11,581,607</td>
<td>10,321,712</td>
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<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>177,385,798</strong></td>
<td><strong>171,895,285</strong></td>
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<td><strong>TOTAL FUND BALANCE</strong></td>
<td><strong>38,707,293</strong></td>
<td><strong>30,930,243</strong></td>
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<tr>
<td><strong>TOTAL LIABILITIES AND FUND BALANCE</strong></td>
<td><strong>$216,093,091</strong></td>
<td><strong>$202,825,528</strong></td>
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#### REVENUE

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
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<tbody>
<tr>
<td>Premiums and Commissions, net</td>
<td>50,652,668</td>
<td>54,925,681</td>
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<tr>
<td>Premium returns (Increase)</td>
<td>(9,000,000)</td>
<td>(7,000,000)</td>
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<tr>
<td>Investment Income and realized gain/(loss)</td>
<td>4,890,475</td>
<td>4,263,763</td>
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<tr>
<td>Other Income</td>
<td>1,161,739</td>
<td>1,196,161</td>
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<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>$47,704,882</strong></td>
<td><strong>$53,385,605</strong></td>
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#### EXPENSES

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<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
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<tr>
<td>Loss and Loss Adjustment Expense</td>
<td>$28,159,215</td>
<td>$34,589,704</td>
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<tr>
<td>State Assessments</td>
<td>2,443,747</td>
<td>2,292,828</td>
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<tr>
<td>Commissions</td>
<td>2,855,691</td>
<td>2,994,481</td>
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<tr>
<td>Professional, General, and Administrative Expenses</td>
<td>8,807,425</td>
<td>8,463,455</td>
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<td>Federal Income Taxes</td>
<td>1,225,895</td>
<td>1,628,441</td>
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<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$43,491,973</strong></td>
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Net After Tax Income

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<tr>
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<th>2016</th>
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<tbody>
<tr>
<td><strong>Net After Tax Income</strong></td>
<td><strong>$4,212,909</strong></td>
<td><strong>$3,416,696</strong></td>
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Fund Balance

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
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</thead>
<tbody>
<tr>
<td>Beginning of Year</td>
<td>$30,930,243</td>
<td>$25,833,933</td>
</tr>
<tr>
<td>End of Year</td>
<td>$38,707,293</td>
<td>$30,930,243</td>
</tr>
</tbody>
</table>
Second Consecutive $5 Million Premium Return

The Trust declared another $5 Million in premium returns for members for the 2017 year.

Rates Reduced for 2017

The Trust began the year by implementing an overall 10% rate reduction, creating even more premium savings for members.
5th Largest Workers’ Compensation Carrier

For the 9th consecutive year the Trust continued to hold its position as Connecticut’s 5th largest workers’ compensation carrier. This is an impressive accomplishment considering that the Trust limits its services to only the healthcare and human services sectors. All other top ranked carriers market services to a much broader customer base, ranging from construction to retail.

Best Place to Work in Connecticut

The Trust was recognized by the Hartford Business Journal as one of the “Best Places to Work in CT” for 2017. This honor is awarded to those companies who rank highest in employee satisfaction as determined by a survey administered by the Best Companies Group. The Trust competed in the small/medium sized company category.
Recognition for Exceptional Achievements

Trust members all share one common theme “Those who serve the mind, body & spirit of others”. Recognizing and sharing the successes of our members helps to provide all of our members with ideas and information to further enhance their safety programs. In 2017, five members were recognized for their achievements in various areas.

Safety & Health Committee Award of Excellence

G.I.L. Foundation, Inc.
10 Year Member

The safety committee actively promotes safety throughout all their locations. The committee is comprised of personnel who rotate to different group homes to hold their meetings. They have developed an exceptional incident review process that includes corrective actions and innovative ideas to improve workplace safety.

Marrakech, Inc.
13 Year Member

Marrakech’s safety committee not only reviews accidents and loss trends, they also focus on the prevention of incidents and reducing exposures. The members are active at all locations, attend staff trainings, communicate safety tips and suggestions on an ongoing basis and help to implement new safety policies and procedures.
Award of Excellence

United Services, Inc
19 Year Member

This member was recognized for their highly effective safety program, excellent loss history and commitment to safety. They most recently implemented a comprehensive workplace violence program which incorporated all of their thirty programs which was a monumental but necessary task.

Great Idea Awards

Branford Hills Health Care Center
25 Year Member

Branford Hill’s safety committee wanted to energize the employee’s safety culture so they implemented a “Safety Mania Campaign” which was an employee challenge to find the most hazards in a patient’s room that had been staged for the contest. Employees had fun identifying areas of concern while competing for prizes.

InterCommunity, Inc.
16 Year Member

InterCommunity merged two large organizations and as such needed to determine the best way to unify the safety efforts and committees. They utilized employee surveys to establish the safety goals for the committee, resulting in a focused safety effort for the organization that already had employee buy-in and commitment.
The Trust rolled out the first Safety Grant program with a pool of $250,000 to assist members with programs and/or initiatives that were geared towards improving safety for employees or to improve loss reduction to reduce workplace injuries.

83 members applied for the safety grant with requests totaling over $1,000,000. We were pleased to be able to award grants to the following:

- Abilis
- ACORD, Inc.
- Allied Community Services, Inc.
- American Ambulance Service, Inc.
- ARC of Quinebaug Valley
- Area Cooperative Educational Services
- Beth-El Center
- Branford Hills Healthcare Center
- Community Residences, Inc.
- Cook Willow Convalescent Hospital, Inc.
- Covenant Shelter of New London, Inc.
- Easter Seals Capital Region & Eastern CT, Inc.
- Emergency Resource Management, Inc.
- Hands on Hartford, Inc.
- Life Time Care at Home, LLC
- Madonna Place, Inc.
- Martin House, Inc.
- New Britain Emergency Services, Inc.
- New England Residential Services, Inc.
- New London Homeless Hospitality Center
- Opportunity Works Connecticut, Inc.
- Recovery Network of Programs, Inc.
- Sarah, Inc.
- Thames Valley Council for Community Action
- The West Haven Community House Association
- VISTA Life Innovations, Inc.
- VNA Community Healthcare, Inc.
- The Wellspring Foundation, Inc.
- Whole Life, Inc. / Tri-County ARC

“Employee safety is very important to us here at Martin House. Because of our partnership with the Trust, we were able to improve outdoor lighting, replace dangerous stair treads and restore existing walkways. Without the grant, addressing these facility issues would not have been possible.”

- Paula Oberg, Executive Director, Martin House
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"With the constant threat of budget cuts and increasing difficulties in providing support to our aging population safely in their home, being awarded a Safety Grant has been very beneficial to our agency. It allowed us the installation of a ceiling tracking system/lift to provide continued care with decreased risk of injury to both the individuals we support as well as our employees."

- Chet Fischer, Executive Director, New England Residential Services, Inc.

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**Awarded Grants By Project Type**

```
SAFE PATIENT HANDLING: $84,669
OUTSIDE REPAIRS: $10,550
INSIDE REPAIRS: $4,983
SECURITY/COMMUNICATION: $18,000
TRAINING: $18,100
FLEET: $12,722
PERSONAL PROTECTIVE EQUIPMENT: $10,365
OTHER: $22,717
```

**Awarded Grants By Industry Group**

```
AMBULANCE: $88,751
COMMUNITY ORG: $86,235
GROUP HOME: $11,276
NURSING HOME: $10,365
PERS/AGENCY SER: $10,365
REHABILITATION: $20,323
SCHOOL: $10,550
VNA/NURSING/HH: $4,983
```

"With the constant threat of budget cuts and increasing difficulties in providing support to our aging population safely in their home, being awarded a Safety Grant has been very beneficial to our agency. It allowed us the installation of a ceiling tracking system/lift to provide continued care with decreased risk of injury to both the individuals we support as well as our employees."

- Chet Fischer, Executive Director, New England Residential Services, Inc.
All Trust members have access to all of our resources, regardless of their size. Each member also has a dedicated Loss Control Consultant who is available to audit compliance programs, provide training, help develop solutions to reduce injuries and incidents and provide guidance to ensure a safe and healthy workforce. Over the past year, our Loss Control Consultants conducted:

- **700** Onsite Visits
- **150** Member Consultations

OSHA Compliance Assistance

Trust members come to rely on the Trust to let them know about changes in OSHA compliance. In 2017, OSHA launched a new electronic reporting requirement that affected many of our members. As the Trust constantly monitors OSHA changes, we were quickly able to identify the change and put together an OSHA Compliance Electronic Reporting kit which was sent to all members to help them comply with the changes. This resulted in:

- **100** Consultations to Members
- **300** OSHA Logs were reviewed
- **Countless** Questions answered
Trust members face many challenges in keeping workers safe, but our members have risen to the challenge and with the Trust’s assistance, have seen measurable results. Significant improvement has been made in the reduction of Client Interaction, Slip, Trip & Fall, and Safe Patient Handling injuries.

**SUCCESS STORY**

A Skilled Nursing facility was experiencing an increase in Patient Handling injuries as well as an increase in both claim frequency and severity.

After consulting with our Loss Control Consultant, the member 1) **attended two Trust educational programs which focused on Safe Patient Handling (SPH) program development and core competencies**; 2) **had a complete SPH audit including program review and equipment assessment**; and 3) **improved the Environment of Care with greater emphasis on Patient Handling**.

This resulted in a decrease in the frequency of Patient Handling related injuries by **69%** and a decrease in the overall frequency of injuries by **41%** for this member.
Benjamin Franklin said “an investment in knowledge pays the best interest”. Both the Trust and our members have taken this to heart. Our course offerings cover a broad spectrum of topics from safety programs to human resource administrative and management skill development.

34 Educational Sessions were offered
100 Supervisors trained
1,265 Attendees overall

Many courses fulfilled Continuing Education credit or compliance obligations making them a very cost effective Advantage to the membership.

“I have been in HR many years and this is probably one of the best presentations I have participated in. I haven’t felt as supported by a workers’ compensation provider as I do by the Trust thus far. So Thank You!”
-Karen Wade, Human Resource Manager
Constellation Health Services
Trust University

Trust members have several free resources available to assist with employee training but none is used more than Trust University. Trust University is our free online training for members and their staff. In 2017:

133 Members Utilized Trust University
3,013 Employees Utilized Trust University
10,658 Courses Were Taken

“Trust University is a great compliance tool for our organization. Assigning, tracking and reporting is very easy. In 2017, our employees completed over 1,600 courses.”

- Heather Braun, Training & Development Coordinator
Advanced Radiology Consultants

Top Courses Taken on Trust University

- OSHA Compliance
- Interpersonal Skills
- General Safety Training
- Defensive Driving
- Workplace Violence
- Ergonomics
- Supervisory Skills
One of the many advantages of partnering with the Trust is our ability to be flexible, nimble, innovative and responsive in an industry that too often moves ever so slowly to effectuate change needed to improve claims outcomes.

The Trust is constantly designing innovative and dynamic programs to address an every changing claims and medical management landscape. This is foundational to our success and truly is a Trust Advantage.

Trust TeleCare

The Trust piloted a new and innovative Tele-triage service called Trust TeleCare to a select group of members with high volume injuries to assist injured workers in obtaining appropriate medical care while reporting injuries to the Trust within minutes of the event. The goal of the program is to assist both the employee and employer with determining the right level of care at the right time, including the ability for the employee to self-care if appropriate to do so.

The program provides injured workers with immediate, 24/7 telephonic access to a registered nurse to help determine if the worker needs to seek immediate medical care or if the injury can be self-treated. Injured workers are directed to the most appropriate level of care, so minor injuries or incidents no longer result in unnecessary trips to treatment centers or lost time from work.

58% resulted in self-treatment = no claim
42% resulted in referral to medical provider

“The whole experience has been a plus for us. Our employees like the “safety net” feeling of calling in and talking to someone trained in triage. We love the self-care aspect of the program.”

-Deborah Titus-Parylak, Human Resources Administrator
Community Systems, Inc.
Industry Looks to the Trust as Thought Leaders

The April 2017 issue of Provider Magazine features our VP of Quality & Provider Relations, Brian Downs and VP of Loss Control, Carol Fronczek who were both interviewed for the lead article, “Building A Culture of Safety”. Provider magazine has a readership of more than 52,000 in the acute and long term skilled nursing facility industry. Branford Hills Health Care Center was also highlighted in the article, outlining their collaborative work with the Trust in making them a Best-In-Class safe work environment.

In July, 2017, Brian Downs also participated in a national webinar sponsored by Sedgwick, with over 600 participants, on the topic of mental health & wellbeing in workers’ compensation. The Trust highlighted several initiatives taken to educate staff on responding to behavioral health issues if and when they are identified. Moreover, the Trust outlined how it established its very own Injury Coping Assistance Program aligning qualified behavioral health providers with injured workers to help gain better perspective and coping skills to assist with their injury recovery.

Legislative Efforts to Improve the System for All

The Trust was instrumental in the passing of a new law (PA 17-141) which went into effect on October 1, 2017 allowing employers to post a specific location within their organization to which an employee must send a formal notice of claim for workers’ compensation, commonly known as a Form 30C.

Employers who opt to take advantage of this new law may now designate a particular job title, location or department on the revised Notice to Employees posting notice and also provide this information to the Workers’ Compensation Commission so it can be posted on their website.

This new posting should allow employers to respond in a timely manner so they will not be barred from a defense.
Diagnostic Review Process Upgraded

Data clearly demonstrates that errors in the diagnostic state of care can result in significant harm to the patient due to unnecessary procedures and delays in appropriate care. In response to this concerning issue, the Trust initiated a program that developed a web portal for our neurosurgical consultant to access spine MRI’s and CAT scans in a real time environment. This initiative now allows our claims staff to respond more quickly and more effectively to the appropriate level of care and treatment the injured worker may need as a result of image findings.

400 diagnostic MRI and CT Scans were reviewed by our internal neurosurgical consultant

Success in Reducing High Doses of Opioids

Over the past 48 months, the Trust has experienced a 36% decline in the average Morphine Equivalent Daily Dose (MEDD).
Medical Bill Review

Medical Bill Review is a necessary function of claims processing. Coding errors, unbundling and up-coding, duplicate or excessive charges, treatment not related to the injury, failure to apply negotiated discounts. . . all drive up the cost of a claim. While the State fee schedule has simplified the amount to be paid, there is still much work required to pay only that amount.

44,298 medical bills processed
116,704 bill lines entered

Results in

48.74% Net Savings

Upgraded Claim Software

After four years of design and development, the Trust officially “turned on” our new and improved claims management system. This web-based system replaces our legacy claims system which was in place for the past decade. The new system allows us to directly connect our policy, claims and loss control systems to easily access an insured’s data all in one place. The system has also allowed us to do a significant level of customization to meet our business needs which makes for greater efficiencies in our day to day operations and ultimately benefits our members and clients alike.

SSAE 16 Certification - Type 1

The Trust underwent a rigorous evaluation of our service organization controls and has been deemed to have safeguards and procedures in place to operate effectively.
Broker relationships are a critical component in the overall success of the Trust’s program. It is often the brokers who are first to recognize the value the Trust can bring to their insureds and ultimately bring us together with the member. We have a very strong working relationship with our brokers and greatly appreciate the value and assistance they bring in helping to improve communications and services to members. They are highly valued by their insureds for their experience, guidance, and expertise in the insurance industry.

Member Composition

Brokers help to pave the path for so many of our members in the healthcare and human services fields. The piechart provides the premium makeup of the Trust as grouped under the general category headings shown.
Trust Academy in 2017

Trust Academy offers a vast array of state approved continuing education course topics for brokers and agents to choose from. The Academy also offers other specialty courses geared towards those pursuing professional designations as well as courses designed for corporate executives seeking in-depth insurance knowledge.

“We have enjoyed a long and mutually beneficial relationship with the Trust Academy. Everyone we work with there is courteous and professional. Their courses and training are both educational and fun at the same time. We use them for a lot of our continuing education requirements. A very solid partnership.”

- John Klecha, President
USI Insurance Services, LLC

1,463 Credits reported to the State Licensing Unit

458 Agents Attended Courses

94 Courses Held

15 Newly Licensed Brokers

“We schedule on-site continuing education classes on a quarterly basis with Ed Meaney. The sessions are always informative in a causal atmosphere. Ed’s breadth of knowledge on property and casualty is comprehensive. He always has an example from his experience to illustrate a complex idea. We look forward to our classes with Ed. We enjoy the classes.”

- Beth Kreger, Vice President
HUB International
Connecticut’s leading provider of workers’ compensation insurance to healthcare and human service industries for over 36 years

Board of Directors

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David H. Tompkins
Vice President
Klingberg Family Centers

Vice - Chairman
Keith E. Lavalette
Vice President, Programs
Goodwill Industries of Southern New England

Treasurer
Joseph M. Milke
Vice President
Klingberg Family Centers

Secretary
Diane M. Ritucci
President & CEO
Workers’ Compensation Trust

Heather I. LaTorra
President & CEO
Marrakech, Inc.

William H. Horrigan
Retired Ambulance Professional

Christine A. Murray
Chief Financial Officer
New Horizons, Inc.

Russell C. Schwartz
VP & Director Operations
Avon Health Center & West Hartford Health & Rehabilitation

Charles E. Shelton, Jr.
President
Branford Hills Healthcare Center

W. Rennard Wieland
President
Connecticut In-Home Assistance

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