



*Full
Steam
Ahead*

Workers' Compensation®
trust

**2022
Annual
Report**

Back on Track in 2022



After weathering two years of unprecedented challenges posed by the COVID-19 pandemic, the Trust and its members were delighted to begin moving back towards some sense of business “normalcy” in 2022. The challenges for our members during the COVID years were extensive, threatening and impacting all the fundamental aspects of business in new ways we had not dealt with before, from declines in income and rising expenses to new challenges in protecting and retaining staff, protecting patients/clients, trying to stay in compliance with ever changing State and Federal requirements, and more. Most of our members were successful, in large part because of their exceptional frontline hero employees, and that was true for the Trust as well. Hopefully, the pandemic remains in our rear view mirror as we all strive to get fully “back on track” with our business goals and objectives going forward.

By the second quarter of 2022, all Trust departments had begun returning to their normal operating procedures. Claims continued their successful roll-out of Trust TeleCare claim reporting to members, resulting in more than 70% of members now using this program. This has saved the Trust and its members millions in avoided lost time claims and medical costs. We’ve now fielded over 12,500 injury calls through Trust

TeleCare with more than 50% of those calls resulting in self-treatment.

With our marketing department continuing to educate our brokers on our newly expanded appetite for additional classes of business, our claims staff continued to expand their knowledge and professional growth with many achieving professional designations during the year. Meanwhile, our managed care program contributed to another outstanding year in controlling overall claim costs with effective nurse case management, a strong return to work program and reducing pharmacy costs by over 56% in the past five years. In addition, our medical bill processing staff handled over 39,000 medical bills, resulting in an average reduction of 50% of charges.

Loss Control was very excited to return to in-person education and training, conducting several on-site educational classes for hundreds of participants while also conducting 780 visits to member locations, providing assistance and training as needed. Virtual training also continued throughout the year with 70 webinars serving nearly 900 workers.

On the member education front, emergence from the pandemic led to expansion of services and hiring by many members, creating a sizable demand for the online courses offered through Trust University with over 3,000 employees taking over 19,000 courses. While on the broker front, Trust Academy continued its professional education services with 48 classes serving hundreds of our brokers. Our ongoing commitment to loss control, education and training is crucial to our overall success and is fundamental in helping us control losses and claim costs. This success enabled us to retain an exceptional 99% of policy renewals. This level of retention is virtually unheard of in the insurance industry.

We are proud of all the services previously mentioned, but we do more for our members than just offer exceptional insurance and services at a competitive price. Our premium return program returned \$7 million back to our members for the 2022 year, bringing our total returns to \$65 million to date. On top of that, we offered our safety grant program for the sixth consecutive year, rewarding 60 members a total of \$450,000 for implementation of new programs and improvements to help control their workers' compensation losses.

On the financial front, the entire business industry saw a decline in investment income due to the economic slowdown in the second half of the year. However, I'm happy to report that our pretax income from operations was up nearly 7%. We remain very strong financially and the 2023 year is off to a great start as well.

Last, but certainly not least, in September we were able to celebrate our 40th Anniversary (2021) with a 40+1 Anniversary Celebration with

our members and business associates. It was a truly wonderful evening and such a pleasure to see so many of our colleagues gathered in one room affording us the opportunity to say "Thank You" for your support of the Trust.

I'd like to thank all of our members for their continued support. You will find many complimentary quotes from them throughout the following report. They are the reason we exist and it is our pleasure to assist, however possible, with one of their largest line item expenses – workers compensation insurance. We strive to keep their costs as low as possible while providing injured workers with the best care possible. While the pandemic was a very challenging time, it has made us stronger and even more committed to our mission than ever.



Diane M. Ritucci

Diane M. Ritucci
President & Chief Executive Officer

Philosophy of the Trust

The Workers' Compensation Trust is a comprehensive workers' compensation insurance program designed to meet the unique needs of the Connecticut healthcare and human services industries. The mission of the Trust is to minimize the cost of workers' compensation claims for all that we serve.

Operating Philosophy

The Trust achieves its mission of minimizing workers' compensation costs by providing:

- An effective loss control program that focuses on preventing the occurrence of injuries.
- A proficient claim management program that concentrates on controlling the costs of injuries when they do occur by ensuring quality medical care to support injured workers.
- A retained level of risk as well as quality excess insurance which is purchased to protect against catastrophic loss.
- An investment policy that seeks to maximize investment returns on the funds held by the Trust without creating undue investment risk.
- An efficient administrative structure.

Financial Philosophy

- Conservative rate structure.
- Equitable allocation of costs to participants.
- Premium return plan in which surplus funds are distributed back to members based on their relative contribution to surplus.
- Long-term commitment: continuity is crucial to the collective success of the program.

Premium Returns

The Trust's Premium Return Program Is PRICELESS...

The 2022 year was another profitable year for the Trust and that is great news for our members! The Trust returns excess premium back to its members when it is actuarially sound to do so and this year's premium return was \$7 million. Over 99% of eligible members qualified to the premium return program and over 400 members received checks with the average check size exceeding \$16,700 .

To date the program has returned \$65 million to members and it continues to be one of the many advantages the Trust brings to its members.

IT PAYS TO BE A TRUST MEMBER!

Premium Return Distributions



**The Trust has now returned
over \$65 million to its members**

40+1 Anniversary Celebration Highlights

In September, 2022 we celebrated 40+1 years in business with an anniversary celebration at the Aqua Turf Club in Southington. Over 400 attendees, including staff, members, clients, brokers, medical providers, business associates and sponsors were in attendance. Everyone enjoyed an evening with the sights and sounds of Vintage Vegas which included the COPA Supper Club and performances by The Rat Pack and Elvis.

Members Receive Awards of Excellence

Annually, the Trust recognizes members who have achieved a reduction in employee injuries due to their focus on creating, promoting and maintaining a safe and healthy workplace. Diane Ritucci, President & Chief Executive Officer and Carol Fronczek, Vice President, Loss Control Services presented the following members the 2022 Award of Excellence for having shown great progress in their efforts to reduce losses:

Duncaster, Inc.



Duncaster is a retirement community and a member for over 13 years. Duncaster had close to \$500,000 in losses just 3 years ago, but has been able to reduce losses to under \$40,000 for the past 2 years. This is as a result of a very focused safety program that is supported from the executive level throughout the organization. Duncaster utilizes Trust educational programs and Trust TeleCare, accommodates Return to Work, worked with the Trust to develop department specific safety training and now has a very effective accident investigation program that directs their efforts to reduce injuries. Accepting the award were Kadeen Blanchard, Human Resources Specialist, Tiffany Smith, Marketing Manager and Adrienne Perry, Director of Assisted Living.

Greenwich EMS



Greenwich EMS is a 29 year member who is the sole provider of emergency services to the Town of Greenwich. Greenwich EMS has had a great loss history for the past several years. The Executive Director is involved with safety and they willingly support and invest in best practices. Tracy Schietinger, Executive Director with her team, Patrick O'Connor, Colin Bassett and Andrew Gottehall accepted the award.

SARAH Tuxis



SARAH Tuxis provides group homes, supported living and day support to challenged individuals. They are a 15 year member who have significantly reduced losses both in terms of cost and frequency by adding safety programs, a robust accident investigation program, utilizing Trust Tele-Care, and safety inspection programs. Beth Kinnare, Executive Director and Terri Walker, Senior Lead Recruiter accepted the award.

The Best in Their Fields

With each five year anniversary milestone, the Trust recognizes excellence in the fields of medicine, insurance brokerage and within its own staff. On the occasion of our 40th +1 anniversary, we could think of none more deserving than the following:

Distinguished Doctor Award Stephen R. Conway, MD



Dr. Conway has been a practicing neurologist for over 43 years and a member of the Trust's Medical care network for many years. This award is given in recognition of his ongoing care and compassion in treating injured workers. Brian Downs presented the award.

Distinguished Board Member Award Charles F. Shelton, Jr.



We honored one board member who has consistently served us for over 29 years. Charles F. Shelton, Jr. began as a member of the Trust in 1992 and joined our board of directors a year later. We appreciate his participation and dedication. Russell Schwartz, Chairman of the Board presented the award.

Distinguished Broker Award Edward Meaney



Ed heads up our Trust Academy Program which provides education and continuing education credits to brokers. He is considered to be a subject matter expert on insurance coverage interpretation throughout the State and is not only an exceptional teacher but serves as a valued resource to us all. Nathan Shippee joined Diane Ritucci in presenting the award to Ed.

Outstanding Employee Award Caris Brown Davis



Caris is one of our claims support staff who has been with the Trust for 17 years. During that time, she has consistently provided exceptional customer services to all callers, injured workers and her fellow staff members. Caris is pictured above with her husband, Lorenzo and Diane Ritucci.

Claims Administration

TeleCare Reporting Surpasses 70% Utilization Among Members

Trust Telecare, the telephonic injury triage assessment service that provides injured workers with immediate access to registered nurses 24/7/365, trained in providing information and guidance to help determine if injured workers should seek immediate medical care or safely self-treat themselves, is now the predominant method of reporting injuries to the Trust.

372 members have utilized the Trust TeleCare service

12,500 calls have been made over past five years

70% of all injuries are reported through Trust TeleCare

50% of all the calls resulted in self-care requiring no medical expense, no formal claim or OSHA recordability

\$2,600,000 in savings from avoiding unnecessary medical treatment

Claim Staff Pursues Professional Development

The American Society of Workers Comp Professionals, Inc. (AMCOMP) works to raise the professional standards of practice in the field of workers' compensation. Through its Workers Compensation Professional (WCP®) program, AMCOMP certifies professionals who demonstrate proficiency in workers' compensation by the successful completion of the WCP course curriculum and final exam.

This year 6 Trust employees achieved the WCP professional designation and we could not be prouder.



Kathi Bepko, WCP
Claim Manager



Kathy Crisman, WCP
Claim Manager



Brian Downs, WCP
Vice President,
Quality & Provider
Relations



Claudine Ellis-
Blagrove, WCP
Senior Claim
Representative



Anne Lovett, WCP
Senior Claim
Representative



Danielle Pierpont,
WCP
Senior Claim
Representative

Managed Care

Quality Managed Care Helps Accelerate Recovery for Injured Workers While Controlling Costs

In workers' compensation claims, the focus is always on delivering timely and cost-effective care to injured workers. The Trust's dynamic Managed Care Program offers a complete package of services and strategies to assist injured workers in a quick recovery, while managing claim costs for our members.

Here's how we measured up in 2022:



Dedicated Return to Work Specialist

85% of all injured workers returned to work within 3 days of injury.

In-House Nurse Care Managers

- Over 650 complex surgeries and procedures were desk reviewed for appropriateness
- At any one time our nurses are managing approximately 200 claims that require intense medical management oversight

Pharmacy Benefit Management

- Cost per prescription reduced by over 56% in past 5 years
- Prescription costs per claim have decreased by 51% in past 5 years
- Opioid utilization has decreased by 37% in past 5 years

Statewide Preferred Provider Network

- Over 600 providers are individually contracted and credentialed with the Trust

Medical Bill Controls

- Over 39,000 medical bills were reviewed in 2022 and were reduced by 50% on average based on fee schedule reductions and Preferred Provider Discount Agreements

"Many thanks for the training yesterday. It was very meaningful and well received. We value our relationship with the Workers' Compensation Trust and appreciate your commitment to our safety!"

*Michael Campbell, Chief Operating Officer
The Mark Twain House*

Loss Control Services

Opening the Doors

In the beginning of 2022, the Trust continued to provide employee and supervisory education virtually. While virtual training can be effective, in person training has its advantages. In March the Trust re-opened the training room doors and our members returned.

Twenty on-site classes provided training to over 325 employees and supervisors. New courses were offered in our Safety Solutions Series and Seasonal Exposures and Controls. OSHA training was provided including OSHA 10 Hour and Recordkeeping. Supervisory Tool Kit trainings and Human Resource classes rounded out our course offerings. Feedback from the attendees and the trainers was extremely positive-everyone is glad to be back in person.

The Trust offered **20** classes in person classes and had **323** attendees.

Back on Track and Into the Field

Our focus in 2022 was meeting with our members in person wherever and whenever possible. We hit the ground running. While virtual meetings have their place, the ability to meet in person and put “boots on the ground” has many benefits from a safety perspective. Our loss control staff met with members onsite over 780 times. Ergonomic assessments, physical inspections for accreditation purposes, OSHA audits, safety committee participation, safety and wellness fairs, member orientation and training, loss trending and service planning are some of what our members asked for and recieved.

Our members needed to get back on track with safety committee meetings as well. Over 225 safety committee-related services were provided including assisting with re-starting/re-energizing committees, establishing committees, loss trending and safety recommendations, and providing safety training to committee members.

We pride ourselves on being there for our members. Loss control staff provided over 300 consultations, with one third involving OSHA assistance. Contacting OSHA on behalf of our members, assistance with Recordkeeping and electronic reporting, assistance with reviewing and providing OSHA compliant policies, assistance with severe injury reporting, are just some of the ways we help our members meet regulatory requirements. Through our formal Alliance with both Federal and CONN-OSHA we provide a communication channel for our members with OSHA.

225+

Safety Committee related
services provided

300+

Consultations Provided

780+

On-Site Visits to Members

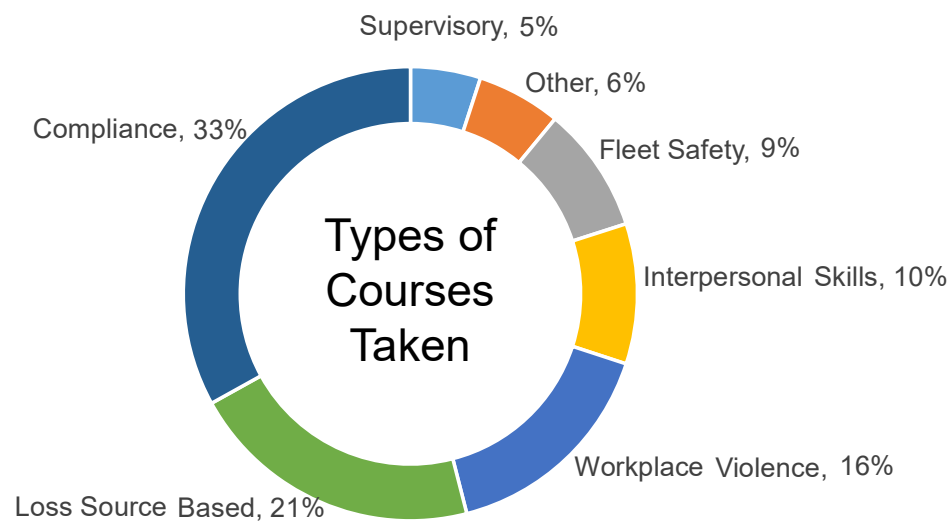
Full Blast with Trust University

As our members forged ahead in 2022, re-opening, expanding, and hiring with, the need for employee and supervisory training taking a front seat.

Over **3,000** employees and supervisors accessed Trust University and took **19,440** courses.

Trust members continue to utilize this resource for onboarding new hires, annual training, regulatory compliance and for employees who have been injured. Several customized training plans were put together for members with the assistance of the Trust to ensure employees received the required training specific to their job tasks.

Over 50 new courses were added to the University and many courses were updated.



Virtual Training Continues To Be An Option

During the pandemic, virtual training was the only available option and was utilized by Trust members to keep employees safe. The Trust's on demand library of webinars provides members with another option for training. A library of seventy webinars provided training to over 875 employees and supervisors. Trust Loss Control staff provided customized virtual training for members. These trainings were recorded and are utilized by the members for new hire and annual training. Topics included driver training, workplace violence, general safety and accident investigation.

Since arriving in Connecticut 18 years ago, I have never worked for at an organization that wasn't in partnership with the Trust. I truly cannot imagine what the area organizations would do without you! At Parents' Foundation, we rely on the Trust for our Relias training, seminars and of course our insurance. You are a true partner and I am so grateful for all that your team provides. Many Thanks.

*Jen Fournier, Executive Director
Parents' Foundation for Transitional Living, Inc.*

Safety Grant Program

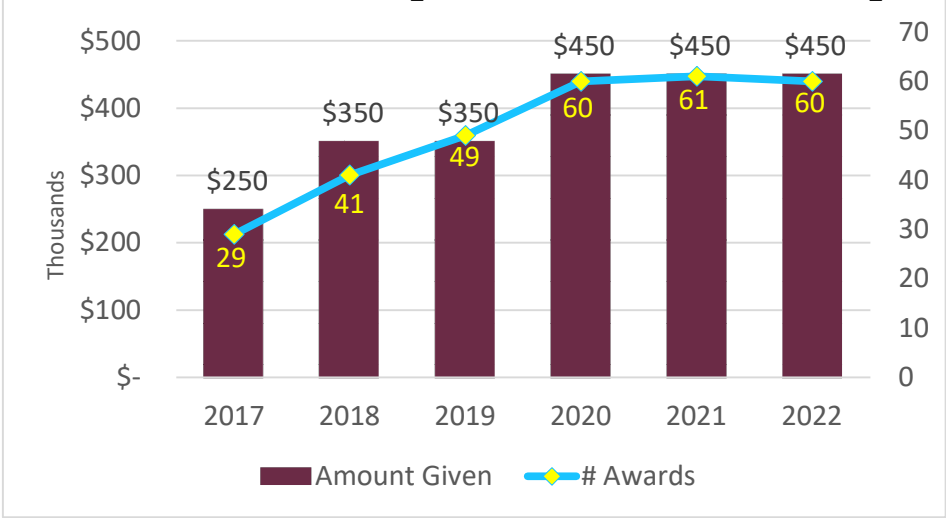
The Trust Safety Grant program was established in 2017 and since then it has been full steam ahead.

Safety Grants are awarded for projects or initiatives that improve employee safety and reduce risk for workplace injuries. Grants can be used for enhancements to safety and security of our members’ workforce or workplace. The program objective is to support members’ efforts in developing innovative safety initiatives by defraying the cost of participating, adding or enhancing a risk reduction strategy. More members have applied every year. Total grant money requested in 2022 was over \$1,400,000.

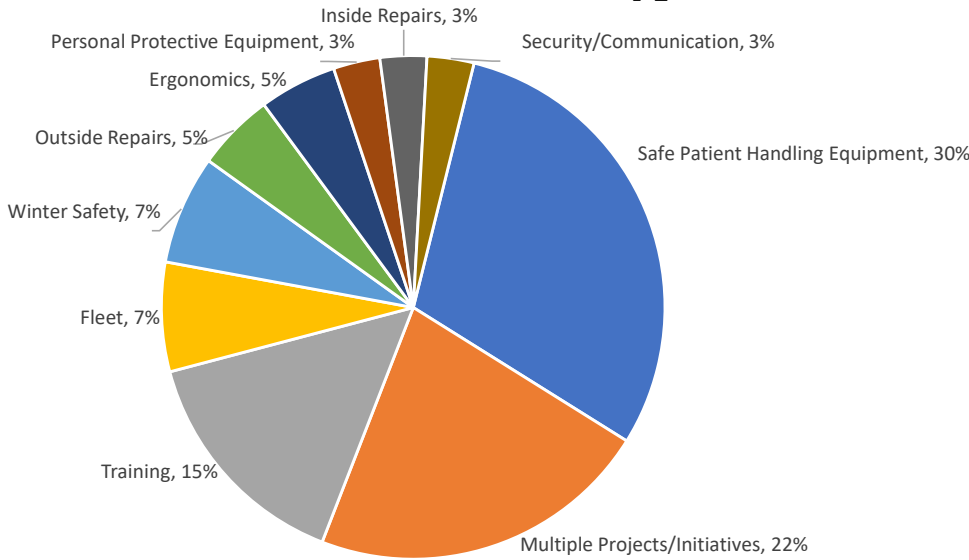
2022 Safety Grant Statistics

126 Applications Received
60 Grants Awarded
\$450,000 Distributed

Amounts Awarded per Year and # of Recipients



Distribution of Award Types



Journey Found



Journey Found was awarded a grant to install tub cutouts in seven of their group homes. They utilized a Trust preferred vendor who provides discounts to Trust members. Pre-project, there were 54 falls in the prior 12 months with 20% being in the bathroom and 5 strains for a total cost of \$10,067. There have been zero injuries of this type in the six months post-tub insert installation.

“Thank you for the grant of \$6,900 for the purchase of safe patient handling equipment. We are truly grateful for our partnership and your generosity”

***David D. Hunter, President & Chief Executive Officer
The Mary Wade Home***

SARAH Seneca

Sarah Seneca was awarded a safety grant to purchase an overhead lift for one of their group homes. They chose to partner with a vendor who provides discounts to Trust members. The management team was trained on the lift and they trained all the employees in the house. There have been no injuries while moving/transferring the residents since installation.



“Thank you! You’ve helped our clients at a time of need. We appreciate our loyal donors and could not do our important work without you.

Thank you for the Safety Grant in the amount of \$4,500 that we received from Workers’ Compensation Trust Services. Please know that it will be put to good use right away, helping victims of domestic abuse.”

***Jeanne S. Fusco, Executive Director
Susan B. Anthony Project***

North East Transportation Co., Inc.



North East Transportation Co, Inc. was awarded grant monies to train employees who drive in their line of work. They are utilizing the National Safety Council Defensive Driver training (DDC4).

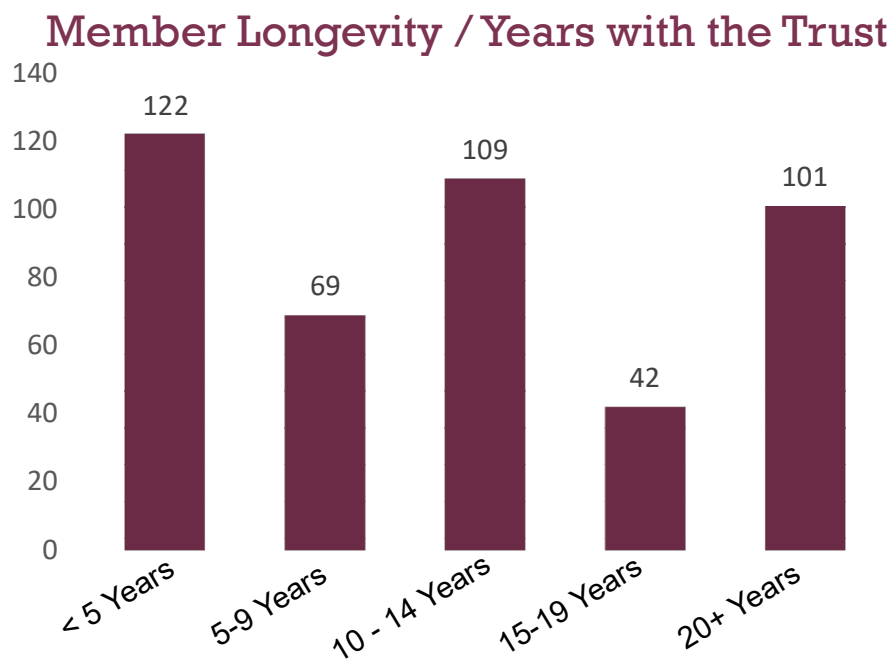
The member compared preventable accidents from 2021 to the preventable accidents in 2022. There was a 24% decrease in preventable accidents after the onset of training.

Members

Member Loyalty

A good measurement of what customers really think of a workers' compensation insurance company is revealed in the longevity of company's policy holders. Our renewal retention rate for 2022 was 99%, an incredible achievement in the workers' compensation market. The Trust issues many new policies every year and, on occasion, we do lose some members due to acquisitions, mergers or by simply closing their doors. Rarely do we lose a member to competition or because of customer dissatisfaction.

The bar graph below displays the longevity of Trust members and is a strong testimony to our success. Over 72% of members have been with the Trust for over five years and over half (57%) have been members over 10 years.



Client Loyalty

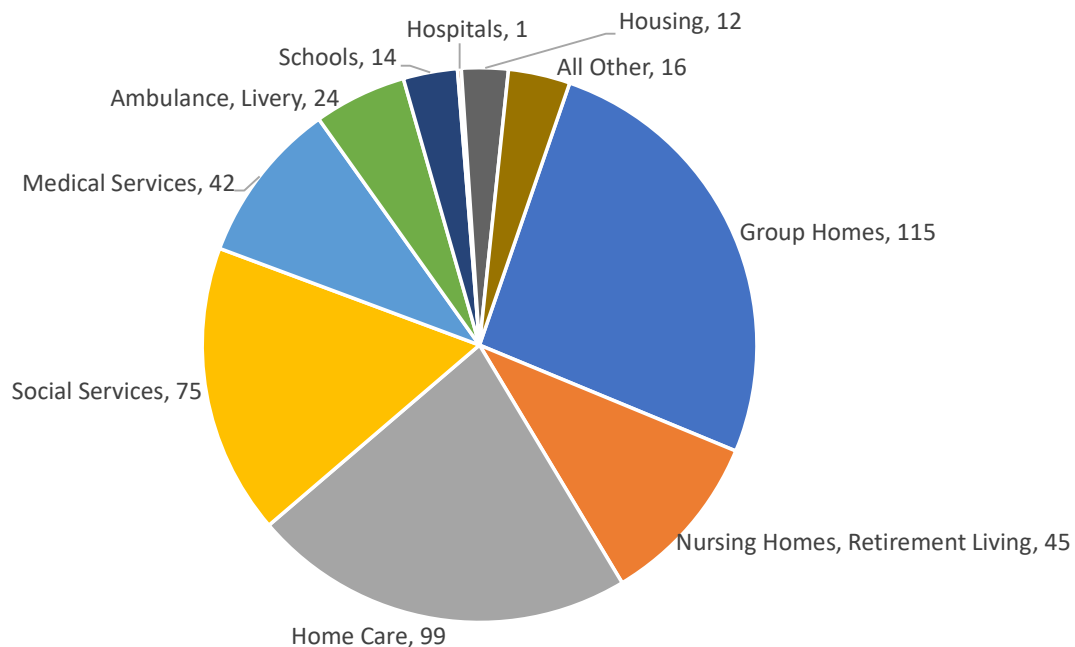
The Town of Wallingford took a chance 25 years ago and decided that the Workers' Compensation Trust was the right partner to work with in managing their losses and controlling their claims. Kurt Trieber, Risk Manager for the Town accepted the Longstanding TPA Client Award at our Anniversary Celebration in September. With him are Bob MacDonald and Diane Ritucci.



Diversification of Membership Key to Trust's Foundation

Having a diverse membership is the cornerstone of the Trust as it allows for an adequate spread of risk that serves our members well.

Trust Members by Policy Volume



Brokers

All Brokers Aboard Trust Academy

Trust Academy continued its steady track of offering a full line of both online and in-person continuing education classes to our broker community. Conductor Ed Meaney is an extremely well-respected instructor on all types of insurance and his classes range from basic personal lines topics to complex commercial coverages, as well as license preparation classes for new brokers.

The Academy conducted 48 classes throughout the year serving 265 attendees and is relied on by many brokers to obtain their continuing education credit hours required to keep their Connecticut insurance licenses. In addition to providing state approved continuing education courses, the Academy also offers specialty courses for those pursuing professional designations in various facets of the insurance industry.

"I think the Trust has been a terrific partner, and I'm glad to see the great dialogue between our client and the Trust. This is very beneficial to the long term health of the program, as controlling claims remains a part of this very comprehensive program"

**James A. Benson, Area Senior Vice President
Gallagher Insurance**

CT's Third Largest Carrier

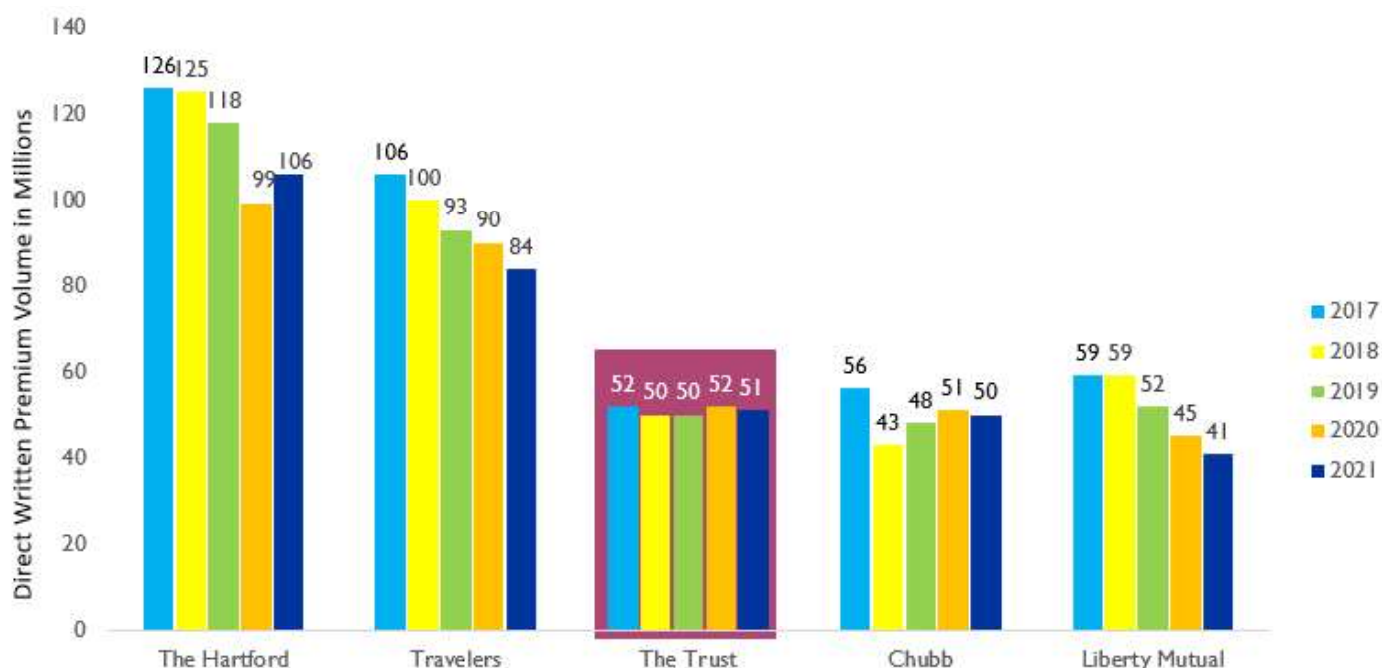
Third Largest Workers' Compensation Carrier for the Second Year in a Row

The Trust has maintained its ranking as the state's third largest workers' compensation provider for a second consecutive year. A remarkable achievement in itself, but even more impressive considering the Trust only insures certain types and classes of business, whereas other carriers have a much broader range of clientele. Our success is rooted in our personalized service, exceptional claims handling, a vast array of free educational and loss control services for members and our unique premium return program which has returned \$65 million of premium to members to date.

Currently the Trust provides coverage to approximately 75,000 employees in Connecticut. We have recently broadened the types of eligible businesses to now include more classes that support the needs of our members' clients.

- Housing for the elderly, low income & disabled
- Wellness & Fitness facilities
- Recreation and the Arts
- Religious Organizations
- Private Schools

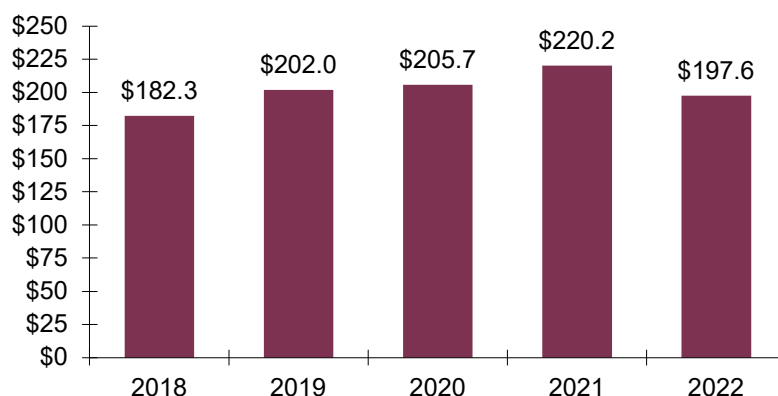
Connecticut's Leading Workers' Compensation Carriers 2017 - 2021



Key Operational Components

Invested assets and cash grew by \$17.5 million over the past five years. Disciplined investing allowed the Trust to increase its invested assets, while also returning \$33.5 million to members in premium returns.

Invested Assets and Cash (in Millions)



The Trust's \$24.9 million premium return reserve represents past profits that will be distributed to members in the future. This is just slightly lower than the record high value of \$25.4 million in 2021.

Reserve for Future Premium Returns (in Millions)



Financial Report

	2022	2021
ASSETS		
Cash and Investments	\$197,621,261	\$220,195,898
Premiums Due From Members	19,651,042	20,187,190
Other Assets	15,250,138	11,398,892
Property, Building, and Equipment	3,176,647	3,179,690
TOTAL ASSETS	\$235,699,088	\$254,961,670

LIABILITIES AND FUND BALANCE		
Unpaid Loss and Loss Adjustment Expenses	\$127,756,796	\$131,424,118
Unearned Premiums	15,487,355	16,636,911
Reserve for Future Premium Returns	24,876,923	25,376,923
Current Liabilities	12,325,997	13,970,747
TOTAL LIABILITIES	180,447,071	187,408,699
TOTAL FUND BALANCE	55,252,017	67,552,971
TOTAL LIABILITIES AND FUND BALANCE	\$235,699,088	\$254,961,670

	2022	2021
REVENUE		
Premiums and Commissions, net	47,692,689	49,304,174
Other Income	931,160	1,001,377
TOTAL OPERATING REVENUES	\$48,623,849	\$50,305,551

EXPENSES		
Loss and Loss Adjustment Expense	\$23,720,085	\$26,847,948
State Assessments	\$1,846,195	\$1,814,521
Commissions	\$3,096,582	\$3,104,595
Professional, General, and Administrative Expenses	\$10,039,535	\$9,224,572
TOTAL PRE-TAX EXPENSES	\$38,702,397	\$40,991,636

PRE-TAX INCOME FROM OPERATIONS	\$9,921,452	\$9,313,915
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Premium returns (Increase)	(\$6,500,000)	(\$9,000,000)
Net Investment Income (Loss)	(\$19,075,356)	\$9,379,474
Federal Income Taxes	(\$3,352,951)	\$2,033,758

NET INCOME (LOSS)	(\$19,006,855)	\$11,727,147
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Fund Balance		
Beginning of Year	\$67,552,971	\$59,893,340
End of Year	\$55,252,017	\$67,552,971

Board of Directors

Officers



Russell Schwartz, Chair
Vice President, Director of Operations
West Hartford Health & Rehab &
Avon Health Center



Christine Murray, Vice Chair
Director of Contracts
NAFI Connecticut, Inc.



Joseph Milke, Treasurer
Retired Family Services
Chief Financial Officer



Diane Ritucci, Secretary
President & Chief Executive Officer
Workers' Compensation Trust

Directors



Derrick Gibbs
Chief Executive Officer/Owner
Change, Inc./Nurses at Home



William Horrigan
Retired Ambulance Professional



Heather LaTorra
President & Chief Executive Officer
Marrakech, Inc.



Keith Lavalette
Former Vice President of Programs
Goodwill Industries of So. New England



Nancy Scheetz
Executive Director
Farmington Valley Visiting Nurse Assoc.



Charles F. Shelton, Jr.
President
Branford Hills Health Care Center



David Tompkins
Retired Family Services Professional

