

2019 Annual Report



Pathway... to Success



Providing Members with the Pathway to Success

Diane M. Ritucci
President & Chief Executive Officer

Choosing the correct pathway to follow is critical for the success of any business. Wrong choices can result in setbacks, financial loss and, at worst, business failure. Successful journeys often require an experienced guide and for 38 years the Trust has proven to be just that. We provide members with sound management of their workers' compensation exposures by developing multiple pathways for success to meet the varying needs of each business, all while simultaneously capturing the savings of these efforts which results in returning millions of dollars in premium. The true value of the Trust's experience and guidance has culminated in a record-setting \$7 million premium return to our members in 2019 and the strongest financial position in our history.

We kicked off the year with 100% retention of quoted renewals for January 1st, our largest renewal cycle of the year. Equally impressive was our overall 98% retention rate at year-end. Our marketing and sales team added 33 new members totaling over \$2.3 million in new

premium and also added several new types of businesses. In keeping with our mission, these new businesses serve body, mind and spirit and significantly broaden our market.

Meanwhile existing members enjoyed their 5th consecutive year of rate decreases thanks to continued reductions in claims due to the efforts of our claims and loss control staff.

Many members are also taking advantage of our newly blazed Trust Telecare pathway which has proved to avert potential claims, while reducing medical costs and lost time from work, all while also freeing members from the time consuming activity of completing first reports of injury.

Claims has marked other new pathways by developing pain management alternatives and achieving a huge drop in injured worker opioid utilization. Our Injury Coping Assistance program for more complex claims has resulted in many employees returning to work. Meanwhile, the combined efforts of the Trust and its members continue to improve overall return to

work outcomes, saving thousands of dollars in claim costs.

Loss control produced exceptional results marking a fifth consecutive year of reducing patient handling claims and a third consecutive year reducing slip/trip/fall claims. Over two thousand employees and supervisors attended safety training sessions and more than twenty thousand employees enrolled in our online training courses through Trust University. OSHA training and compliance seminars were conducted for many members and assistance was provided to members for OSHA inspections and hearings.

Our third annual safety grant program continued to foster great creativity and proved to be a rewarding pathway for 49 members selected to receive \$350,000 in grant money. Their keen insight and ideas on how to reduce losses and eliminate exposures in their operations has proven to be very successful and is an excellent example of the Trust's working relationship with its members. Success stories of some of the grant awards can be found throughout this report.

Finally, there's nothing like the honesty of a member survey to confirm if you are truly meeting members' needs. I'm pleased to report our survey results were very favorable and were an encouragement to all of our dedicated employees. As always, we will continue to strive for improvement.

It is truly the hard work and perseverance of our staff that makes results like this possible.

Their diligence, combined with the strong working relationship with our members, accounts for the tremendous successes brought forth by the Trust and its members, proving that together we are stronger and able to achieve great things! A special "Thanks" to all of our members for their loyalty and support throughout the years.

Sincerely,

Diane M. Ritucci



"On behalf of The Connection, we are grateful for the opportunities and support provided through the Trust! We could not do our great work without your strong partnership"

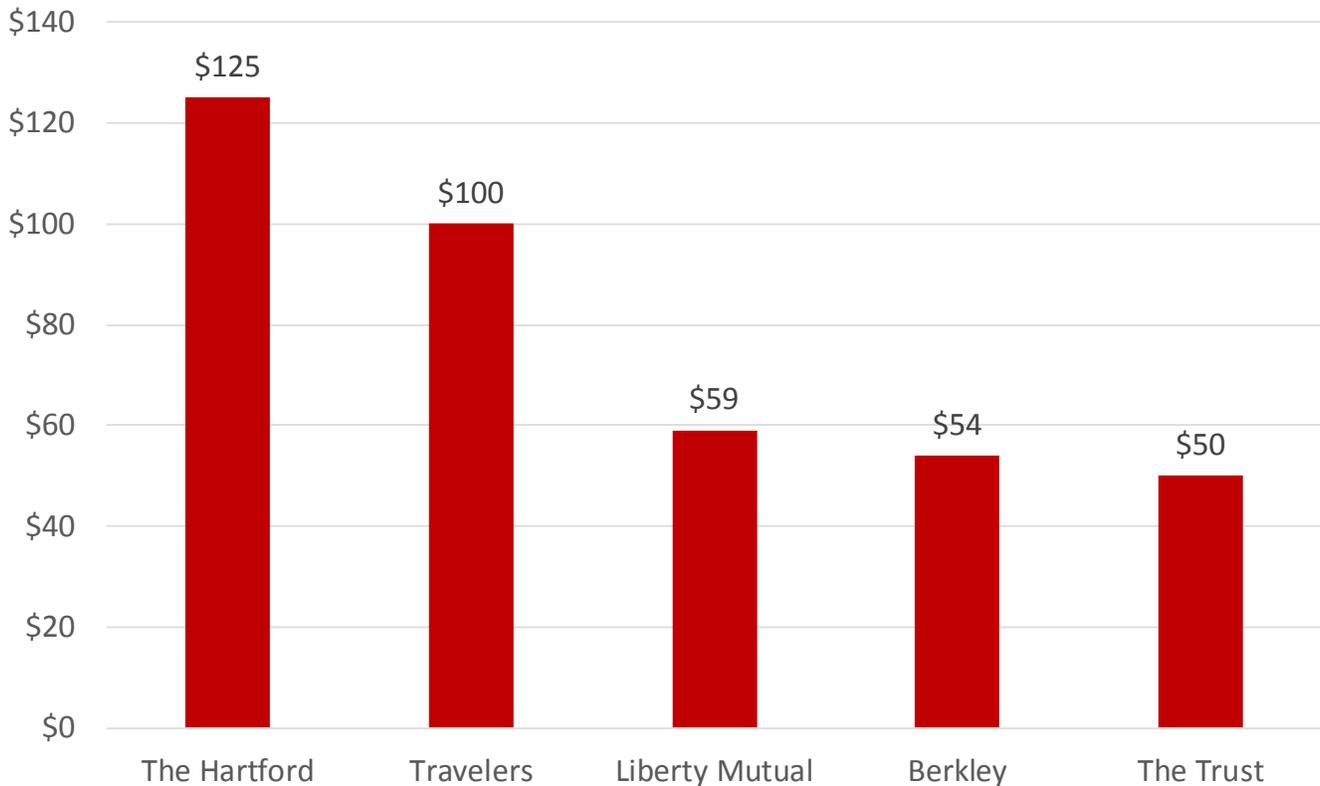
- Lisa DeMatteis, CEO
The Connection, Inc.

Pathway... To Stability

Still Connecticut's Fifth Largest Carrier

For the 10th consecutive year the Trust has maintained its ranking as one of Connecticut's top 5 leading workers' compensation providers, a very impressive accomplishment considering the Trust serves a more limited marketplace than its competitors. The Trust remains the leading provider in the healthcare and human service sectors.

Connecticut Written Workers' Compensation Premium in Millions



Source: National Association of Insurance Commissioners

... To Financial Results

Largest Premium Return Ever \$7 Million Premium Return for 2019

Many of our members face economic struggles and we realize the critical importance of keeping workers' compensation premiums as low as possible. Our upfront policy pricing is very competitive, as proven by our exceptionally high renewal retention rate which usually hovers in the 96% to 98% range. However, each Trust policy also comes with the potential for even more savings, something that when combined with our initial pricing often creates an unbeatable net premium.

We're proud to announce 2019 shattered the single year record for the highest premium return ever at an astounding \$7,000,000! Even better, 99% of eligible Trust members qualified for a premium return. Check amounts ranged from a few hundred dollars to nearly \$200,000 with an average check of nearly \$18,000 to approximately 400 members.

These returns are very important to our members, helping them fund crucial services. We're proud to partner with each one of them and assist them in meeting their financial needs. Remember, it pays to be a Trust member!

Premium Returns Distributed



... To Cost Efficiency

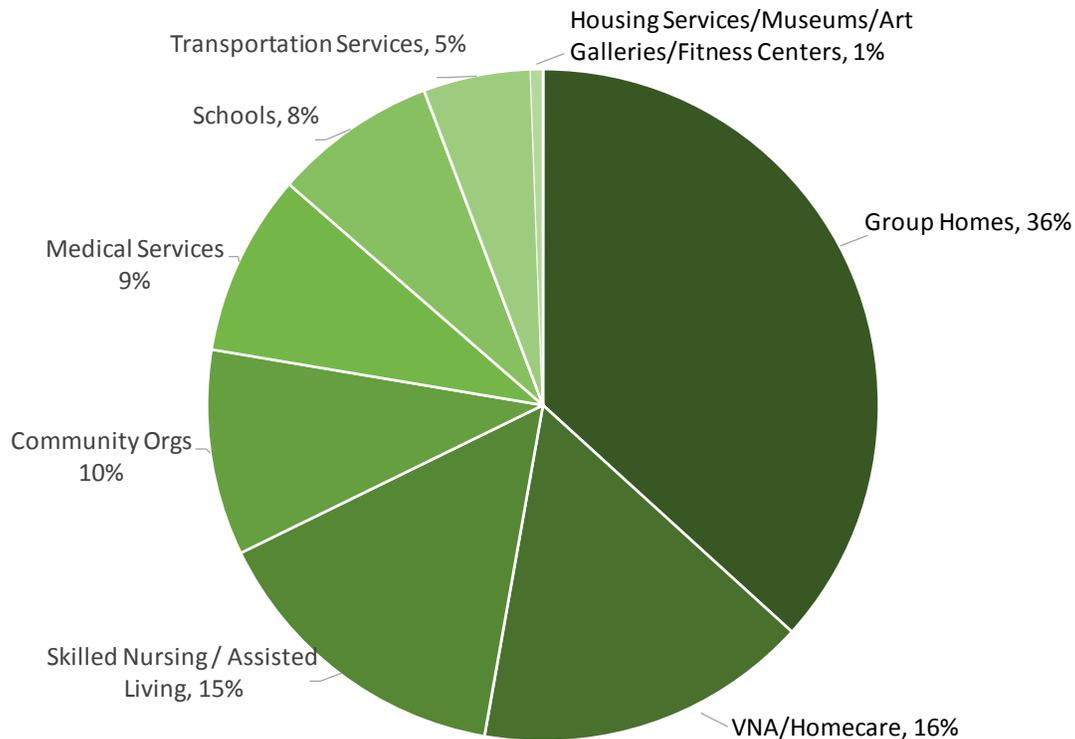
More Rate Reductions

Numerous Trust initiatives and programs have been key contributors in achieving our overall goal of controlling claim costs and ultimately reducing workers' compensation premiums for our members. Working in unison we are able to achieve great things together and the proof is in the results.

2019 recorded an average rate drop of 7.4%, marking our 5th consecutive year of rate reductions. These reductions total a whopping -26% average rate decrease over just a five year span. These are amazing results and we applaud our members for their proactive approach in working so effectively with our claims and loss control departments.

Congratulations to our members and keep up the great work!

Member Composition by Premium Volume



... To Experience

Claims Staff

The Trust takes great pride in its tenured claims staff with most having over 20 years' experience in workers' compensation claims administration. Many of the staff have advanced professional certifications demonstrating their commitment to achieving the highest educational standards in the industry. Commitment, compassion, and experience is what our staff delivers to our members and their injured workers.



Front row Left to Right: Patti Cavallaro, Maryann Bentley, Flo Marra, Danielle Pierpont, Nancy Shanks, Eloise Fioravanti, Kathi Bepko, Claim Manager
Second row: Kathy Crisman, Claim Manager, Antonella Montanye, Leslie Dorsey, Pam Archibald, Sue Beard, Suzette Jardine, Claudine Ellis-Blagrove, Mark Sawina, Adriana Pulawska and Brian Downs, Vice President, Quality & Provider Relations.
Back row: Bob MacDonald, Claim Manager, Nancy Cardona, Janice Michaud and Patricia Seymour.

... To Innovation

Trust TeleCare

Almost half of all First Report of Injuries (FROI) received from members in 2019 came through Trust TeleCare, our tele-triage reporting program. This was a 48% increase in utilization over the previous year. No doubt, members find this process of effectively reporting claims in a timely manner to the Trust to be the preferred path for reporting claims and determining the level of care their employees need for injury care.

By the Numbers

- Over 2,528 initial calls were placed and triaged by trained nurses
- Over 250 members have accessed Trust TeleCare
- 51% of initial calls resulted in self-care recommendation
- 80% of calls were placed within 24 hrs of injury
- 1,289 OSHA recordable cases were averted by utilizing the system

“Trust TeleCare has streamlined the reporting of claims, capturing all information required by trained claim representatives. Trust TeleCare has also reduced our emergency room visits and lost time claims. We collaborate with Trust TeleCare, the Trust and the treatment centers to ensure that our employee’s health and safety needs are met.”

- Maria Reiter, Assistant Director of HR
Community Residences, Inc.

Avoiding Roadblocks to Recovery

Our advocacy based claims management program is grounded in the principles of treating all injured workers with dignity, respect and transparency, while offering unique and specialized services to avoid roadblocks which can delay recovery.

2019 Key Performance Outcomes:

62% of injured workers referred to our Injury Coping Assistance Program (ICA) resulted in a successful return to work outcome with the assistance of the Trust’s specialized behavioral psychologist network.

Through close monitoring and a comprehensive proactive outreach program to providers and injured workers, opioid dispensing has experienced a **40%** drop in utilization over a 3 year average.

45% of the most challenging return to work claims were transitioned back to work once referred to our Return to Work Specialist for handling and intervention.

... To Satisfaction

Member Survey Results for 2019

We conducted a survey to determine if we are meeting the ever changing needs of our members. A large number of members responded with high satisfaction scores for all departments surveyed. Satisfaction with overall services led the way with **97%** satisfied. Claim reporting indicated that **99%** of members agreed that they are satisfied with the simplicity of the claim reporting process.

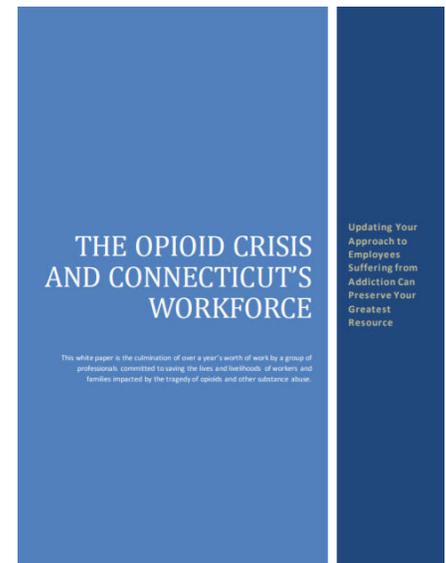
Courtesy and professionalism of our claims and loss control staff scored an average of **98%** satisfaction rate. Our members strongly agreed that our Premium Return Program is of value to their organizations and that the Trust is a reliable, stable and effective insurance provider for them, both with a **97%** favorable response.

We are pleased with the overall results of the survey, have followed up on all the comments and will continually strive for even greater improvement in the future.

Trust Hosts Symposium and Contributes to Department of Public Health Whitepaper on Opioid Abuse

The Trust continued its efforts to educate members on the devastating impact of the opioid crisis in Connecticut and across the country. Over 50 individual member organizations attended a full day symposium with speakers from various professions speaking on the topic of opioid abuse and its impact on the workforce.

The Trust was also privileged to be a contributor to the Connecticut Department of Public Health's white paper on the subject which was made available to all business throughout the state.



“I was pleased to participate in the Trust’s symposium to help educate members on the opioid crisis and its impact on the Connecticut workforce including ways employers can help employees in the recovery process.”

- Deborah Pease, M.P.H., Epidemiologist, CT Department of Public Health
Occupational Health & Health Program

... To Trusted Guidance

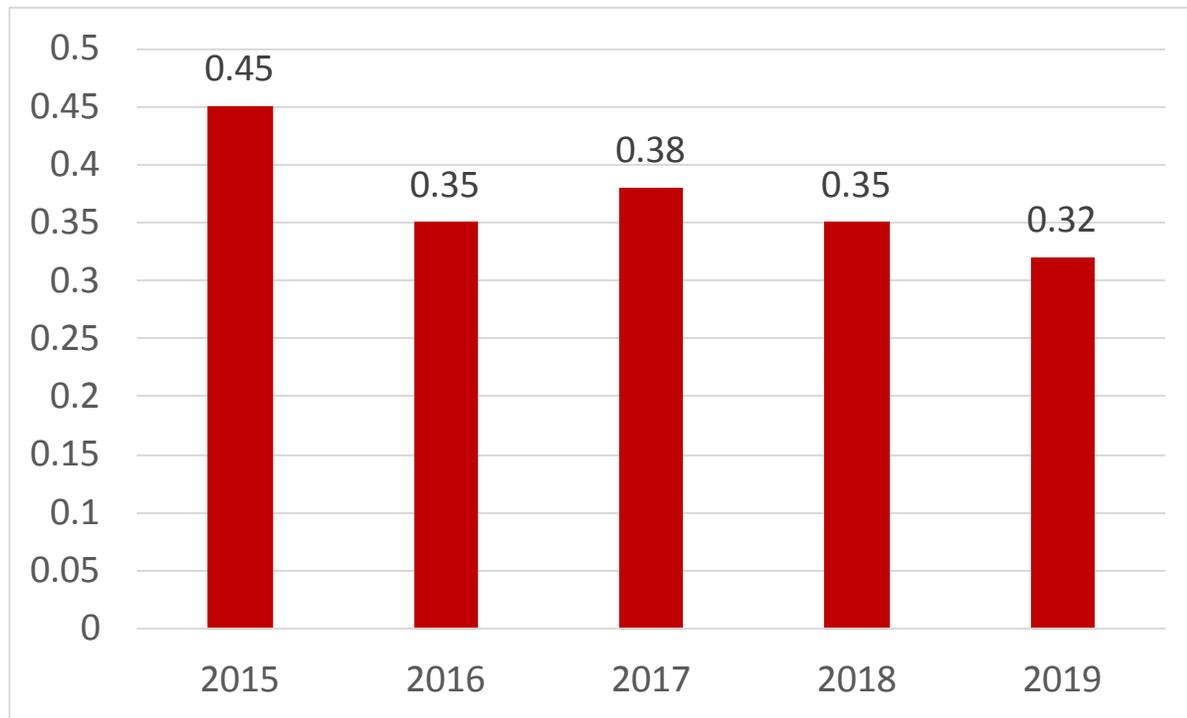
The Trust is fortunate to have a dedicated team of loss control professionals all with many years of experience and professional designations. This team is available to all our members to provide expertise and guidance and provide the resources needed to ensure a safe workplace.



Loss Control Team members front row left to right: Pam Hunter, Carol Fronczek, Vice President, Loss Control Services and Sandy Adams Brophy. Second row left to right: Donna Santamaria, Carlos Rivera, Heather Hinckley and Kathy Marek-Bissonette.

It takes seven “touches” to make an impact and loss control services are no exception. The services Trust members receive continue to produce results for the Trust and our members. Our staff provides on-site visits and consultations, participates in safety committee meetings, OSHA compliance audits, educational sessions, and provides access to our very own video lending library and much more. Members come to us for guidance and technical advice; we continue to research and provide quality information our members can use to reduce injuries and incidents. We share safety grant ideas and successes so that our members can learn from each other. Our ongoing commitment and service to our members has led to reductions in injuries and incidents. Here is a chart of the experience for the past five years.

Injuries per \$1 Million in Payroll



“Thank you for the many years of great service! We now have a fully operational Safety Team, and we have an emergency relocation procedure for our Administration buildings and Emergency Shelter. We are a safer agency due to the training provided by the Trust.”

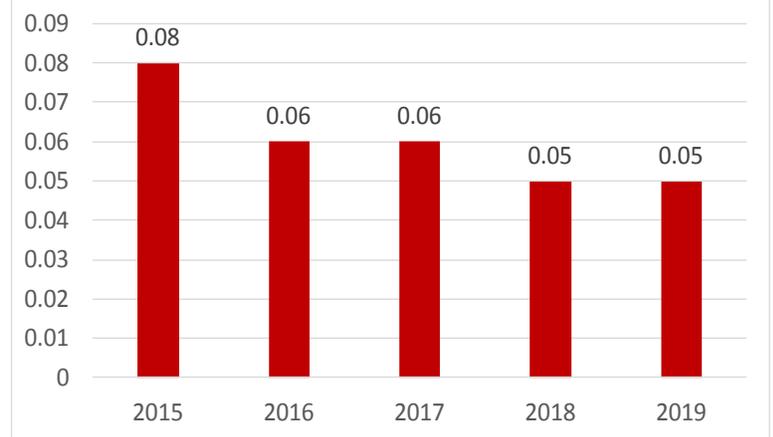
**- Kathleen Krider, Human Resouce Director
The Access Agency**

... To Success

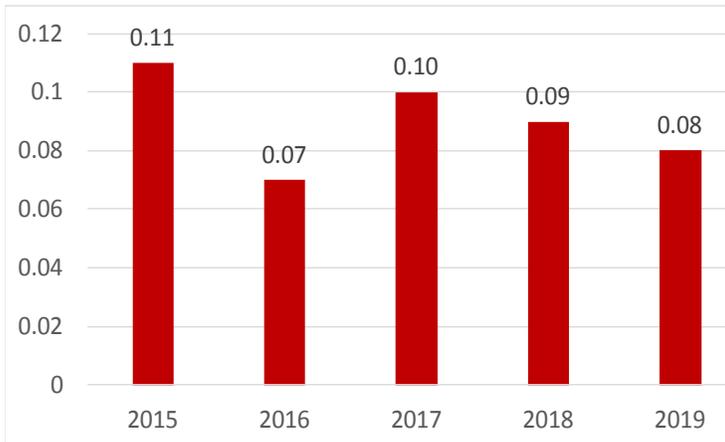
Reducing Patient Handling Claims

While the movement of patients/clients continues to be a top exposure for Trust members, our loss control staff has worked diligently with our members to continue to reduce injuries related to this loss source. Over 37% of the safety grant monies were awarded to members to purchase patient handling equipment. Our partnerships with vendors have provided discounts to enable to them to purchase state of the art equipment reducing the need for two person lifts. Members also utilized on-line safe patient handling training through Trust University and took advantage of our educational program where they were able to learn about new and innovative safe patient handling aids.

Patient Handling Claim Frequency Reduction



Slip, Trip & Fall Claim Frequency Reduction



Reducing Slip, Trip & Fall Claims

Some Trust members have 4 walls. Some workplaces are in the community and some are a combination of both. Slip, trip and fall (ST&F) is a top loss source for many organizations, but our members have been able to reduce these types of injuries with Trust support. Services provided by Trust loss control staff include assistance with customized checklists, ST&F safety campaigns, reimbursement for products to reduce the exposure as part of the safety grant monies awarded. ST&F prevention education was provided by staff at many members as a component of their annual training and fall/winter campaigns. Trust University was utilized by members to train staff as well. ST&F exposures present challenges to our members but together with our loss control team these types of injuries continue to decrease each year.

“Thank you. As you know, we’ve placed a high focus over the last 7 years on reducing risk to our employees which has paid off tremendously. It is very pleasing to see such a small number of WC oriented incidents and injuries to our dedicated staff. Thank you for your support, these results are truly a team effort!”

- Gary Steck, LMFT. Chief Executive Officer, Wellmore, Inc.

... To Rewards

Safety Grants: Investing in Our Members To Accomplish Their Goals

For the third consecutive year, the Trust made an investment in our member's success resulting in reducing losses and injuries through the Safety Grant program. Forty-nine members received grants totaling \$350,000.

"On behalf of CSI I want to say thank you to the Trust for your support and continued partnership. We are truly grateful for this grant and the part it will pay in keeping our employees safe"

- Georgette Dorsett, Executive Director
Community Systems, Inc.

Safety Grant Successes

- One member purchased pivot beds to reduce claims associated with patient handling.
Result: 75% decrease in claims frequency
- A member purchased Yaktraks for their entire staff to help reduce slip/fall injuries
Result: 0 slip/fall injuries related to ice/snow
- Another member purchased Traction entrance and exit ramps to reduce slips, trips and falls.
Result: 100% decrease in slips/trips/falls
- In an efforts to reduce interaction related injuries and exposures, one member purchased fob readers for quicker access to locked areas and also a variety of sensory materials.
Result: In a very short period of time, the organization decreased restraints by 43%.
- To reduce slips/falls due to liquid on floors, a member purchased kitchen mats and sand and water table mats for their early learning classrooms.
Result: 100% decrease in slips/falls since the implementation of the mats

... To Learning

Educational Programs

At the Trust facility, members were provided a large array of education and training programs. Trust members have come to rely on Loss Control staff to deliver training to employees and supervisors to positively impact the bottom line. Our Loss Control Consultants provided onsite member training to assist with meeting compliance and reducing/preventing injuries and incidents.

Over **2,000** employees and/or supervisors were trained in defensive driving, OSHA compliance, general safety, and more.

1,300+ Attendees

34 Education Seminars

Information was shared to assist members to meet compliance, enhance their skill sets and bring back new ideas and methods to reduce injuries and incidents. A new series of trainings were introduced:

“Safety Solutions” classes focusing on compliance and risk management programs to reduce hazards and injuries. Six classes were provided specific to the type of member organization.

“The Supervisory Tool Box” series brought in over 180 attendees who learned valuable skills to help with improving their skills and effectiveness. Several

“OSHA Compliance” training sessions were offered including a class presented by OSHA on Building Owner Obligations provided by request for Trust members.

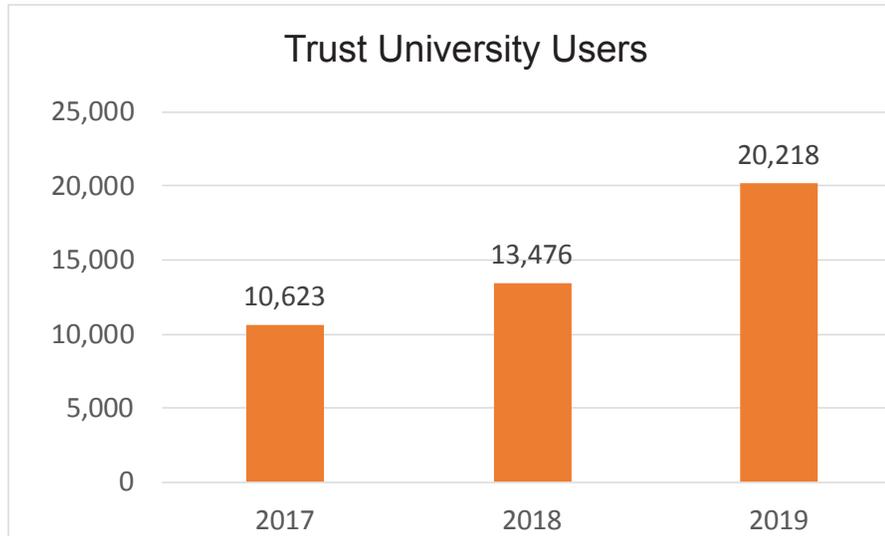
“On behalf of The Connection, we are grateful for the opportunities and support provided through the Trust! We could not do our great work without your strong partnership”

**- Lisa DeMatteis, Chief Executive Officer
The Connection, Inc.**

... To Employee Training

Online Learning Continues to Pay Dividends for Trust Members

Trust University usage skyrocketed in 2019. The University was utilized by members to provide new hire orientation training, annual training and refresher training when needed. Quick courses, developed by Trust loss control personnel, provided members with specific trainings based on their losses and exposures. The University was vital in assisting members to meet regulatory compliance; both federal and state requirements and reducing the overall frequency of injuries.



Course Selection

OSHA Compliance	6,176 students
General Safety	2,869 students
Driver Training	1,929 students
Compliance	4,175 students
HR/Supervisory	5,069 students

... To Broker Training

Trust Academy

As a service to brokers, Trust Academy offer a vast selection of state approved continuing education courses for brokers to assist them in gaining additional insurance knowledge as well as meeting state continuing education requirements for maintaining their insurance licenses. The Academy also offers specialty courses for those pursuing professional designations in various facets of the industry. As shown below, Trust Academy is a valuable service to Connecticut brokers.

2019 Trust Academy Statistics

26 *Newly Licensed Brokers*

58 *Courses Held*

253 *Credits offered to brokers*

495 *Agents Attended Courses*

1,658 *Credits reported to the State Licensing Unit*



... To Growth

Sales & Marketing Team

Our Sales and Marketing team stands ready to expand the Trust business. By reaching out to brokers & agents all over the State, this experienced team has made the Trust a common word in the healthcare and human service industries.



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Nathan Shippee, Vice President, Sales & Marketing, and Pat Cramer, Account Executive

...To Expanding our Market

The Trust marketing department works directly with more than 300 brokers and customer service representatives throughout the state. Like all businesses, brokers have turnover and the marketing department is always at work maintaining established relationships and educating new brokers on the benefits of the Trust.

Trust Expands Eligibility of Business Types

The Trust has always focused its services towards certain business types serving the body, mind, spirit and human service needs of CT's population. Over the years we have added more business types to our eligibility list.

In 2019 we announced an expanded eligibility list to our broker network. This is a list of some of the new business types available through the Trust

- **Child Daycare**
- **Adult Daycare**
- **Biotech**
- **Private Schools**
- **Public Housing Authorities**
- **Elderly Housing**
- **Museums**
- **Religious Organizations**
- **YMCA's / YWCA's**
- **Golf Clubs**
- **Durable Medical Equipment**
- **Pharmaceutical Companies**
- **Retail Pharmacies**
- **Suppliers of Health Care Products**
- **Disease Prevention**
- **Utilization Review Companies**
- **Wellness - Yoga Studios, Gyms**
- **Social Advocacy Organizations**

By year end we had added several new members in these categories and many have been thrilled by the services available to them through the Trust. We look forward to growing substantially in these areas as we move forward.

New Employee Benefits Made Available to Members

Recognizing that some members would like to have the option to offer voluntary employee benefits to their workers at competitive prices, the Trust was able to use the purchasing power of its entire membership to negotiate preferred pricing and coverages not available to the general public.

The programs available include:

- **Accident Insurance**
- **Critical Illness Insurance**
- **Hospital Indemnity Insurance**
- **Life Insurance**
- **Short Term Disability**
- **Long Term Disability**

All products are offered through the Hartford Insurance Company and may be either employee paid or employer sponsored. These products give members of all sizes access to competitively priced benefits programs to help members improve their benefits package aiding in attracting and retaining good employees.

... To Financial Stability

	2019	2018
ASSETS		
Cash and Investments	\$201,981,889	\$182,314,554
Premiums Due From Members	17,213,909	17,941,260
Other Assets	9,351,456	11,059,573
Property, Building, and Equipment	3,259,473	3,327,192
TOTAL ASSETS	\$231,806,727	\$214,642,579
LIABILITIES AND FUND BALANCE		
Unpaid Loss and Loss Adjustment Expenses	\$129,411,201	\$125,719,633
Unearned Premiums	15,708,582	16,303,602
Reserve for Future Premium Returns	22,876,924	21,876,924
Current Liabilities	10,874,877	10,630,164
TOTAL LIABILITIES	178,871,584	174,530,323
TOTAL FUND BALANCE	52,935,143	40,112,256
TOTAL LIABILITIES AND FUND BALANCE	\$231,806,727	\$214,642,579
REVENUE		
Premiums and Commissions, net	49,244,301	49,901,090
Premium returns (Increase)	(8,000,000)	(4,000,000)
Net Investment Income (Loss)	17,117,235	(2,427,740)
Other Income	1,096,606	1,188,853
TOTAL REVENUES	\$59,458,142	\$44,662,203
EXPENSES		
Loss and Loss Adjustment Expense	\$29,729,466	\$29,233,830
State Assessments	2,249,888	1,331,848
Commissions	2,904,079	2,892,425
Professional, General, and Administrative Expenses	9,620,787	9,290,503
Federal Income Taxes	2,131,035	508,634
TOTAL EXPENSES	\$46,635,255	\$43,257,240
Net Income	\$12,822,887	\$1,404,963
Fund Balance		
Beginning of Year	\$40,112,256	\$38,707,293
End of Year	\$52,935,143	\$40,112,256

Board Of Directors

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Klingberg Family Centers*

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