



**Workers'  
Compensation  
Board**

**ANDREW M. CUOMO**  
Governor

**CLARISSA M. RODRIGUEZ**  
Chair

June 28, 2019

The Honorable Andrew M. Cuomo  
Governor of New York  
State Capitol  
Albany, New York 12224

The Honorable Andrea Stewart-Cousins  
Senate Majority Leader  
LOB, Room 907  
Albany, New York 12247

The Honorable Carl E. Heastie  
Speaker  
New York State Assembly  
LOB, Room 932  
Albany, New York 12248

Dear Governor Cuomo and Legislative Leaders:

Legislation passed in 2011 requires the NYS Workers' Compensation Board (Board) to prepare a semi-annual report to the Governor and the Legislature regarding the status of the various insolvent group self-insured trusts.

In response to this legislative requirement, I am pleased to present you with a brief analysis of the current status of group defaults, actions taken by the Board to collect from employers of these defaulted trusts, and the current funding status of all other self-insurers.

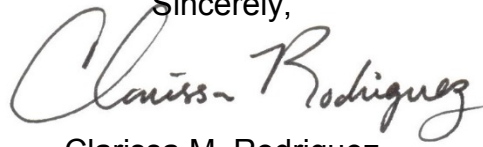
As part of the Business Relief Act passed in the Executive Budget, the Board was granted \$900 million in bonding authority to address group trust defaults. The bonding authority provides small businesses more affordable payment options and final releases from the joint and several liabilities associated with their participation in the insolvent groups. The Board has issued approximately \$370 million in bonds and has used these proceeds to execute twenty Assumption of Liability policies.

Other highlights contained within the report include:

- The outstanding liability for all defaulted trusts administered by the Board has dropped from \$924 million in the first report published on June 30, 2011 to \$23.6 million in the attached report;
- The Board has signed final settlement agreements with approximately 3,150 defaulted trust members; and

- The total number of defaulted trust claims being administered by the Board has decreased substantially from the 7,515 claims in the first report published on June 30, 2011 to only 180 today, demonstrating the Board's effective management of the claims, including the usage of Assumption of Liability policies.

Sincerely,

A handwritten signature in cursive script that reads "Clarissa M. Rodriguez". The signature is written in black ink and is positioned above the printed name and title.

Clarissa M. Rodriguez  
Chair

Enclosure

## NYS Workers' Compensation Board's Semi-Annual Report on Group Self Insured Trusts for June 2019

In accordance with Chapter 57 of the Laws of 2011, the Workers' Compensation Board is hereby reporting on the current status of all insolvent group trusts and the funding positions of currently active self-insured employers.

### I. Insolvent Non-Municipal Group Self-Insured Employers

#### A. Total Liability of Insolvent Non-Municipal Group Self-Insured Employers

The table below displays the current outstanding liabilities as set forth in the most recent audited financial statements. The total liabilities include: claims liability; accrued expenses; accounts payable; unreimbursed WCL §50(5)(g) funds; and accrued NYS Assessments. It does not reflect the Group Self-Insured Trusts (GSITs) assets or collections expected to be recovered from the GSITs members which are reflected in Section III of this report. Further, those GSITs which have executed an Assumption of Liability Policy (ALP) have been removed from this section as the claims liabilities have been effectively capped via an ALP policy with member settlement proceeds and/or litigation proceeds serving to fund the cost of the ALP policy. See Section III infra.

Name of Insolvent Non-Municipal Group Self-Insured Trust	Date of Transition	Total Liability from Previous Audited Financial Statement <sup>^</sup>	Total Liability from Most Recent Audited Financial Statement <sup>^</sup>
Healthcare Industry Trust of New York (HITNY)			<i>Assumption of Liability Executed - See ALP Section</i>
Preferred Manufacturers Insurance Trust Fund			<i>Assumption of Liability Executed - See ALP Section</i>
Healthcare Providers Self Insurance Trust (HCP)			<i>Assumption of Liability Executed - See ALP Section</i>
Manufacturing Industry WC Insurance Trust (NYMIT)			<i>Assumption of Liability Executed - See ALP Section</i>
New York Healthcare Facilities WC Trust (HCF)			<i>Assumption of Liability Executed - See ALP Section</i>
Provider Agency Trust for Human Services (PATH)			<i>Assumption of Liability Executed - See ALP Section</i>
Transportation Industry WC Trust (TRANSPORTATION)			<i>Assumption of Liability Executed - See ALP Section</i>
Auto Service and Repair Self Insurance Trust (AUTO)			<i>Assumption of Liability Executed - See ALP Section</i>
Elite Contractors Trust of New York (ELITE)			<i>Assumption of Liability Executed - See ALP Section</i>
Manufacturing Self Insurance Trust (MSIT)			<i>Assumption of Liability Executed - See ALP Section</i>
Wholesale and Retail WC Trust of New York (WRWCT)			<i>Assumption of Liability Executed - See ALP Section</i>
Builders Self Insurance Trust (BUILDERS)			<i>Assumption of Liability Executed - See ALP Section</i>
Trade Industry WC Trust for Manufacturers (TRADE)			<i>Assumption of Liability Executed - See ALP Section</i>
Real Estate Management Trust of New York (REMTNY)			<i>Assumption of Liability Executed - See ALP Section</i>
New York State Cemeteries Trust (NYSCT)			<i>Assumption of Liability Executed - See ALP Section</i>
Public Entity Trust of New York (PETNY)			<i>Assumption of Liability Executed - See ALP Section</i>

Retail and Wholesale Industry WC Self Insurance Trust (RWWCT)	<i>Assumption of Liability Executed - See ALP Section</i>		
Selective Safety Trust (SELECTIVE)	<i>Assumption of Liability Executed - See ALP Section</i>		
Long Term Care Risk Management Group (LONG TERM CARE)	<i>Assumption of Liability Executed - See ALP Section</i>		
OHI Workers' Compensation Self-Insurance Trust (OHI)	<i>Assumption of Liability Executed - See ALP Section</i>		
Community Residence Insurance Savings Plan Self-Insurance Trust for Workers Compensation (CRISP)	<i>Assumption of Liability Executed - See ALP Section</i>		
New York McDonalds Operators' Workers' Compensation Trust (McDONALDS)	<i>Assumption of Liability Executed - See ALP Section</i>		
Team Transportation Workers' Comp Trust (TEAM)	<i>Assumption of Liability Executed - See ALP Section</i>		
Mercantile Self Insurance Trust	<i>Assumption of Liability Executed - See ALP Section</i>		
Empire State Towing and Recovery Association Self-Insurance Trust (ESTRA)	<i>Assumption of Liability Executed - See ALP Section</i>		
Empire State Transportation WC Trust (EMPIRE)	1/01/2012	\$ 30,546,000	\$ 23,607,000
<b>Total of All Group Self Insurance Trusts (GSIT)</b>		<b>\$ 30,546,000</b>	<b>\$ 23,607,000</b>
^ Does not reflect amounts held by the WCB or collections expected to be recovered.			

**B. Total Open Claims of Insolvent Non-Municipal Group Self-Insured Employer**

Name of Insolvent Non-Municipal Group Self-Insured Trust	Date of Transition	Number of Open Claims as of Transition	Number of Open Claims as of 5/31/2019	Difference
Healthcare Industry Trust of New York (HITNY)	02/01/2008	1,651	0*	(1,651)
Healthcare Providers Self Insurance Trust (HCP)	10/12/2009	1,168	0*	(1,168)
Manufacturing Industry WC Insurance Trust (NYMIT)	03/31/2006	149	0*	(149)
New York Healthcare Facilities WC Trust (HCF)	07/31/2006	294	0*	(294)
Provider Agency Trust for Human Services (PATH)	03/01/2006	338	0*	(338)
Transportation Industry WC Trust (TRANSPORTATION)	09/08/2008	604	0*	(604)
Auto Service and Repair Self Insurance Trust (AUTO)	10/15/2010	21	0*	(21)
Elite Contractors Trust of New York (ELITE)	04/01/2010	501	0*	(501)
Manufacturing Self Insurance Trust (MSIT)	06/01/2007	256	0*	(256)
Wholesale and Retail WC Trust of New York (WRWCT)	08/11/2008	390	0*	(390)

<b>Builders Self Insurance Trust (BUILDERS)</b>	<b>05/01/2009</b>	<b>63</b>	<b>0*</b>	<b>(63)</b>
<b>Trade Industry WC Trust for Manufacturers (TRADE)</b>	<b>05/16/2008</b>	<b>182</b>	<b>0*</b>	<b>(182)</b>
<b>Real Estate Management Trust of New York (REMTNY)</b>	<b>07/07/2008</b>	<b>57</b>	<b>0*</b>	<b>(57)</b>
<b>New York State Cemeteries Trust (NYSCT)</b>	<b>07/07/2008</b>	<b>24</b>	<b>0*</b>	<b>(24)</b>
<b>Public Entity Trust of New York (PETNY)</b>	<b>01/15/2008</b>	<b>116</b>	<b>0*</b>	<b>(116)</b>
<b>Retail and Wholesale Industry WC Self Insurance Trust (RWWCT)</b>	<b>10/15/2008</b>	<b>29</b>	<b>0*</b>	<b>(29)</b>
<b>Selective Safety Trust (SELECTIVE)</b>	<b>03/18/2011</b>	<b>92</b>	<b>0*</b>	<b>(92)</b>
<b>Long Term Care Risk Management Group (LONG TERM CARE)</b>	<b>04/14/2011</b>	<b>263</b>	<b>0*</b>	<b>(263)</b>
<b>OHI Workers' Compensation Self-Insurance Trust (OHI)</b>	<b>07/01/2011</b>	<b>38</b>	<b>0*</b>	<b>(38)</b>
<b>Community Residence Insurance Savings Plan Self-Insurance Trust for Workers Compensation (CRISP)</b>	<b>08/08/2011</b>	<b>574</b>	<b>0*</b>	<b>(574)</b>
<b>Team Transportation Workers' Comp Trust (TEAM)</b>	<b>02/01/2012</b>	<b>193</b>	<b>0*</b>	<b>(193)</b>
<b>New York McDonalds Operators' Workers' Compensation Trust (McDONALDS)</b>	<b>07/15/2011</b>	<b>48</b>	<b>0*</b>	<b>(48)</b>
<b>Mercantile Self Insurance Trust</b>	<b>06/1/2012</b>	<b>95</b>	<b>0*</b>	<b>(95)</b>
<b>Preferred Manufacturers Insurance Trust Fund</b>	<b>09/1/2009</b>	<b>110</b>	<b>0*</b>	<b>(110)</b>
<b>Empire State Towing and Recovery Association Self-Insurance Trust (ESTRA)</b>	<b>08/31/2015</b>	<b>33</b>	<b>0*</b>	<b>(33)</b>
<b>Empire State Transportation WC Trust (EMPIRE)</b>	<b>01/01/2012</b>	<b>464</b>	<b>180</b>	<b>(284)</b>

<b>Total of All Group Self Insurance Trusts (GSIT)</b>		<b>7,753</b>	<b>180</b>	<b>(7,573)</b>
<b>*The Claims Liability has been transferred via an Assumption Liability Policy.</b>				

### C. Qualified Non-Municipal Self-Insurer Groups

1. Pursuant to Chapter 57 of Laws of 2011, only certain group trusts were allowed to provide coverage effective January 1, 2012. As a result, each self-insured group must post an annual security deposit as calculated by the Board. The following trusts have posted the requisite security for the period beginning November 1, 2018:

<b>Trust Name</b>
Electrical Employers Self-Insurance Safety Plan
New York College & University Risk Management Group
New York Lumbermen's Insurance Trust Fund

2. There are an additional 27 inactive trusts as of May 31, 2019. Groups have been issued guidelines on successfully managing their groups' obligations in run off. A significant component of this is ensuring sufficient cash is available to pay outstanding claims obligations. Specifically, groups that have 18 months of cash or less are required to levy an

assessment to their members. Groups that fail to maintain cash in excess of 9 months of payouts will be transitioned to the Board for liquidation. At this time, there are 4 trusts between 6 and 18 months of cash. The Board continues to work with the trusts to ensure amounts are levied against their former members. To the extent such levies are successful, the Board will allow a trust to continue to administer its own run off. In addition, there are 3 groups with cash balances sufficient to cover 18 to 36 months of claims and another 20 groups whose cash is sufficient for 36 months or more. It is important to note, however, that the inability of these groups to maintain successful cash balances may result in the number of insolvent trusts increasing.

#### **D. Current NYS Workers Compensation Board Efforts to Extinguish Outstanding Liabilities**

One of the primary objectives of the Board's Litigation Division is to facilitate the extinguishment of the liabilities of insolvent GSITs. The Litigation Division employs a variety of methods to accomplish this goal, including: 1) collection of funds from the former employer members of the insolvent GSIT; 2) recoupment of damages from the former management of the insolvent GSIT; and 3) transfer of the liabilities to a commercial insurer by way of an ALP.

#### **COLLECTIONS FROM MEMBERS**

There are number of different avenues by which the Board seeks to collect funds from the former employer members of insolvent GSITs. Some employer members of insolvent GSITs have acknowledged their liabilities. For those employers that refuse to acknowledge any liability in connection with their participation in a GSIT, the Board employs a variety of enforcement mechanisms, including: 1) filing default judgments, restraining notices and information subpoenas; 2) the issuance of stop work orders; and 3) the commencement of a civil collection action. With respect to judgments and judgment enforcement, the Board has obtained approximately \$8.4 million in contractual recoveries. Additional judgments, information subpoenas, and restraining notices may be filed against any employer who refuses to enter into a repayment arrangement. With respect to stop work orders, five have been issued, resulting in the recovery of approximately \$332,000.

For those employers that are in agreement with the Board's assessment of their pro rata share of the liabilities, the Board initially offers two types of agreements. For those employers that are in complete agreement, the Board enters into a Deficit Assessment Contractual Agreement (DACA) where the employer agrees to repay its pro rata share of the deficit over a specific time period. For those employers that acknowledge some amount of liability in connection with their participation in a GSIT but dispute the amount alleged owed by the Board, the Board enters into an interim repayment agreement (MOU) with those employers. The employers participating in the MOU collectively pay sufficient funds to meet the insolvent GSIT's claims liability during the period of the MOU in exchange for the opportunity to engage in informal discovery relative to the accuracy of the Board's deficit calculations, with each party preserving all of their rights. Finally, where the Board is in possession of sufficient information, the Board will issue a final settlement offer. In light of the bonding authority discussed below, the Board is now able to issue settlement offers to any individual employer(s) that wishes to settle its liability associated with participation in the GSIT for its pro rata allocation of the GSITs deficit. Upon completion of its repayment obligations, such settling member is provided a full and complete release from its liability associated with participation in the GSIT. To date, the Board has issued final settlement offers in twenty-six GSITs and has entered into settlements with approximately three thousand one hundred fifty members.

To date, the approximate cash and contracted recoveries from members of insolvent GSITs are as follows:

HITNY:	\$172,061,000
HCP:	\$ 89,273,000
NYMIT:	\$ 7,852,000
HCF:	\$ 33,116,000
PATH:	\$ 20,506,000
TIWCT:	\$ 28,451,000
MSIT:	\$ 21,807,000
ELITE:	\$ 28,713,000
WRWCT:	\$ 29,905,000
ASR:	\$ 2,337,000
BUILDERS:	\$ 7,690,000
TRADE:	\$ 9,905,000
REMTNY:	\$ 3,303,000
PETNY:	\$ 6,144,000
RWWCT:	\$ 5,584,000
SELECTIVE:	\$ 4,170,000
NYSCT:	\$ 2,033,000
PREFERRED:	\$ 8,199,000
LTC:	\$ 14,375,000
MCDONALDS:	\$ 3,375,000
OHI:	\$ 4,718,000
MERC	\$ 9,904,000
CRISP:	\$ 51,951,000
TEAM:	\$ 13,664,000
ESTRA:	\$ 677,000
<b>ALP Subtotal:</b>	<b>\$579,713,000</b>
EST:	\$ 28,948,000
<b>Grand Total</b>	<b>\$608,661,000</b>

Finally, to date, the Board has commenced collection actions against the members of insolvent GSITs who have refused the Board's settlement offers. A summary of the collection actions is as follows:

	<b>GSIT(S)</b>	<b>CAPTION</b>	<b>Number of Defendants</b>	<b>Damages Sought</b>	<b>Status</b>
1	HITNY	<p>WCB v. A.A.A. Ambulette Service, Inc. et al.</p> <p>WCB v. Any Time Home Care Inc. et al.</p> <p>WCB v. New Sans Souci Nursing Home, LLC, et al.</p>	203	\$134,800,000	Judgments have been entered in the first and second HITNY actions against the defaulting defendants. In the first action, WCB was awarded summary judgment on liability and subsequently reached a settlement with all remaining defendants. In the second and third actions, WCB has reached a settlement in principle with all remaining defendants and anticipates both actions will be resolved within thirty days.
2	WRWCT	<p>WCB v. 1&amp;3 On Fifth Corp. et al.</p> <p>WCB v. 208 Braco Food Corp. et al.</p>	375	\$33,800,000	Motions for default judgment have been granted in both actions and judgments have been entered against the defaulting defendants. In the first action, WCB was awarded summary judgment on the issue of liability and the remaining defendants failed to perfect their appeal within the statutory timeframe. WCB expects to make a motion for partial summary judgment in the second action as well. WCB is engaged in discovery in both actions and continues to engage in settlement efforts. A total of approximately 57 defendants remain in both actions.



3	TRADE	<p>WCB v. A&amp;L Sheet Metal Fabrications Corp., et al.</p> <p>WCB v. Armstrong Brands, Inc. et al.</p>	85	\$17,900,000	Motions for default judgment have been granted in both actions and judgments have been entered against the defaulting defendants. WCB is engaged in discovery in both actions continues to engage in settlement efforts. A total of approximately 28 litigating defendants remain in both actions.
4	REAL ESTATE	<p>WCB v. 10 Ellicott Square et al.</p> <p>WCB v. Cavco Services, Inc. et al.</p>	257	\$3,800,000	Motion for default judgment has been granted in both actions and judgments have been entered against the defaulting defendants. All defendants in the second action have settled. In the first action, WCB was awarded summary judgment on liability and the remaining defendants failed to perfect their appeal within the statutory timeframe. WCB subsequently settled with a number of defendants. Otherwise, WCB is currently engaged in discovery with the remaining defendants and continues to engage in settlement efforts. A total of approximately 80 defendants remain in the first action.
5	RETAIL	WCB v. 524 Cayuga St. Food Stores, Inc. et al.	56	\$4,800,000	Motion for default judgment has been granted and judgments have been entered against the defaulting defendants. All remaining viable defendants have settled.
6	NYSCT	WCB v. Chestnut Hill Cemetery Association, et al.	30	\$2,137,000	The WCB has settled with all remaining viable defendants and the action has been formally discontinued by the Court.

7	TIWCT	WCB v. A. Morrison Trucking, Inc.	625	\$68,108,000	Motion for default judgment has been filed and is currently pending with the Court. The <i>Riccelli</i> action against the Board has been resolved and as a consequence, the Board has entered into settlements with a number of defendants in the collection action. Approximately 150 defendants remain in the collection action.
8	BUILDERS	WCB v. Battista Construction, Inc. et al.	213	\$11,979,000	Motion for default judgment has been granted and judgments have been entered against the defaulting defendants. WCB has engaged in discovery with the remaining defendants and continues to engage in settlement efforts. A total of approximately 28 defendants remain in the action.
9	PREFERRED	WCB v. Advanced Turnkey Systems, Inc.	125	\$9,946,000	Motion for default judgment has been granted and judgments have been entered against the defaulting defendants. All viable defendants have either settled or defaulted.
10	HCPSIT	WCB v. A&T Healthcare, Inc.  WCB v. Barksdale Management Corp. et al.	70	\$132,500,000	Motion for default judgment has been granted in both the actions and judgments have been entered against the defaulting defendants. In the first action, WCB has reached a settlement in principle with all remaining defendants and anticipates the action will be resolved within thirty days. In the second action, there is currently no scheduling order in place, but the parties have engaged in some informal discovery. There are a total of 15 remaining defendants in the second action.

11	ELITE	WCB v. 21 <sup>st</sup> Century Construction Corp. et al.	2322	\$57,634,038	Motion for default judgment has been granted and judgments have been entered against the defaulting defendants. WCB has also been awarded summary judgment on the issue of liability. In addition, WCB recently made a second motion for default judgment. WCB is engaged in discovery with the remaining defendants and continues to engage in settlement efforts. A total of approximately 100 litigating defendants remain in the action.
12	NYMIT	WCB v. Ace Canvas & Tent Corp. et al.	14	\$5,406,008	The WCB was successful in its motion for summary judgment on liability and all remaining litigating defendants have settled.
13	ASR	WCB v. 10473 Enterprises, Inc.  WCB v. Brian Horn's Auto Repair, Inc. et al.	314	\$3,835,536	Motions for default judgment have been granted in the both actions and judgments have been entered against the defaulting defendants. WCB has engaged in discovery with the remaining defendants and continues to engage in settlement efforts. A total of approximately 7 litigating defendants remain in both actions.

14	OHI	<p>WCB v. A.S. Crisafulli Plumbing and Heating, Inc.</p> <p>WCB v. Crown A/C Heat &amp; Power Corp.</p>	57	\$6,298,812	Motion for default judgment has been granted in both the actions and judgments have been entered against the defaulting defendants. All remaining solvent defendants in both actions have either defaulted or settled.
15	PATH	<p>WCB v. Baden Street Settlement of Rochester, Inc. et al.</p> <p>WCB v. Armstrong Senior Living LLC</p>	21	\$6,210,662	WCB has substituted as counsel of record in the first action. All defendants in the second action have either appeared or settled. WCB has engaged in some discovery with the litigating defendants and is pursuing settlement efforts. A total of 7 defendants remain in both actions.
16	CRISP	<p>WCB v. A Program Planned for Life Enrichment Housing Corp., et al.</p> <p>WCB v. Mary Alfano, et al.</p>	221	\$56,140,985	Motion for default judgment has been granted in both the actions and judgments have been entered against the defaulting defendants. In the first action, a scheduling order has been issued and the WCB remains actively engaged in settlement efforts. A total of approximately 32 litigating defendants remain in both actions.
17	EST	<p>WCB v. 1<sup>st</sup> Choice Ambulette Service, LLC, et al.</p> <p>WCB v. Able Medical Transportation, Inc., et al.</p>	449	\$46,933,450	WCB's motion for default judgment has been granted in both the first and second actions. The second action has been fully resolved. All defendants have appeared in the third action. There is presently no discovery schedule in place in the first or third actions. A total of approximately 67

		WCB v. Advance Transit Bus Co., Inc., et al.			litigating defendants remain in the first and third actions.
18	SELECTIVE	WCB v. 158 King Street Associates, LLC, et al.  WCB v. American Bulb Corporation, et al.	133	\$9,059,442	Motion for default judgment has been granted in both the first and second actions and judgments have been entered against the defaulting defendants. There is presently no discovery schedule in place in either action. A total of approximately 63 litigating defendants remain in both actions.
19	LTRMG	WCB v. Brae Loch Manor, Inc., et al  WCB v. Blossom Health Care Center, Inc., et al.  WCB v. Episcopal Church Home and Affiliates Inc., et al.	48	\$21,011,959	Motion for default judgment has been granted in the first action and judgments have been entered against the defaulting defendants. All remaining defendants have either defaulted or settled in both the first and second actions.  . In the third action, venue was recently transferred to Erie County. WCB to file motion for default judgment against certain defendants in the third action. Approximately 21 defendants remain in the action.

20	MERCANTILE	WCB v. 1654 Metropolitan Food Corp. et al.	194	\$22,182,504	WCB has made a motion for default judgment against the defaulting defendants which was granted pending an inquest on damages. Scheduling Order secured with motion practice and discovery to follow. Presently 6 defendants remain in the action.
21	Team Transportation	WCB v. A&D Transport Service Inc., et al.  WCB v. Almeida Oil Co. Inc., et al.	317	\$22,664,156	Motion for default judgment has been granted in both the actions and judgments have been entered against the defaulting defendants. Scheduling order secured in the first action with motion practice and discovery to follow. A total of approximately 34 defendants remain in the first action. The WCB has either taken a default or settled with all of the defendants in the second action and, as such, that matter is fully resolved pending formal discontinuance by the court.
22	McDonalds Trust	WCB v. 18 Demars Blvd., Inc., et al.	46	\$2,087,292	WCB completed service of the Summons with Notice and has subsequently entered into a number of settlements with named-defendants. WCB expects to make a motion for default judgment against the non-appearing defendants within the next sixty days.

### THIRD PARTY ACTIONS

Upon the Board's assumption of the assets and liabilities of a GSIT, the Board commissions a forensic accounting of the GSIT. In connection therewith a performance and operational report is generated which identifies the causes, if any, that contributed to the insolvency of the GSIT. In the event the performance and operational report identifies actionable conduct, the Board will commence a civil action to recoup damages against such parties. Any funds received from such actions will be used to extinguish the liabilities of the respective GSIT. To date the Board has commenced thirteen such actions. The affected GSIT, the defendants, damages sought, recoveries obtained to date and status is reflected in the chart below.

	<b>GSIT(S)</b>	<b>DEFENDANTS</b>	<b>DAMAGES SOUGHT</b>	<b>STATUS</b>
1	HCF	Group Administrator (Hamilton Wharton Group and Walter Taylor)	\$33 Million	Action has been consolidated with the HCF action referenced immediately below. Discovery ongoing with WCB and remaining non-settling defendants (Group administrator and Berenson) have agreed to mediation with discovery proceeding in interim.
2	HCF	Accountant (Berenson and Co, James McGarrity, and Lorette Belgrier and L. Belgraiier CPA, P.C.), Attorney (Steven Glaser) and Trustees	\$33 Million	Action has been consolidated with the HCF action referenced immediately above. Settlements with two Accountants, Attorney and Trustees approved by Court.
3	HITNY, ELITE, WRWCT, TIWCT, TRADE, CEMETERIES, PETNY, REMTNY	Actuary (SGRisk, LLC) and Accountant (UHY, LLP)	\$557 Million	Settlement in principle reached with actuary and WCB has filed an application for court approval of the settlement. Discovery is ongoing against Accountant. Action is consolidated with item seven (7) below.

4	RETAIL, NYMIT, and PATH	Group Administrator and affiliates (Consolidated Risk Services, Inc. et al); Trust Broker (Hickey Finn & Co); Actuary (Regnier Consulting Group); Trustees	\$42 Million	Settlement reached with Trustees, Trust Broker and Actuary subject to Court approval. WCB will file an application for court approval of the settlements at the appropriate time. Discovery ongoing with remaining defendant.
5	MSIT	Group Administrator and affiliates (New York Compensation Managers, Inc. et al); Trustees	\$21 Million	Settlement reached with all operative defendants. WCB resolved issue of allocation of settlement proceeds with Trust member who also sued defendants. Court approval is pending.
6	HCP	Group Administrator and affiliates (Program Risk Management et al) Actuary (SGRisk); Accountants (DeChants Fugelin and Johnson); Trustees	\$188 Million	Court approved settlements reached with all defendants except Trust counsel. WCB settlement with Trust Counsel is currently pending Court approval.
7	HITNY, ELITE,WRWCT, TIWCT, TRADE, CEMETERIES, PETNY, REMTNY	Group Administrator and affiliates (Compensation Risk Managers, LLC, et al) and Trustees (Matter has been coordinated with other suits against Compensation Risk Managers, LLC arising out of its management of GSITs)	\$472 Million	WCB secured bankruptcy distribution from bankrupt administrator (and its affiliates). Settlement in principle reached with individual defendants affiliated with bankrupt administrator (and its affiliates). WCB has filed an application for court approval of the settlements with Group Administrator and Actuary which is currently pending with the Court. WCB in mediation with defendant Trustees.



8	BUILDERS	Group Administrator (Marsh U.S.A., Inc.); Trustees	\$20 Million	WCB has reached a settlement in principle with all remaining defendants and is in the process of finalizing the settlement materials. WCB will file an application for court approval of the settlements at the appropriate time.
9	ASR	Group Administrator and affiliates(New York Compensation Managers, Inc. et al.) and Trustees	Approximately \$4 million	Court approved WCB settlement with all defendants.
10	OHI	Group Administrator (Cody Management, Inc.), Accountant (Fuller & LaFliura); Trustees	Approximately \$8 million	Court approved WCB settlement with all defendants.
11	CRISP	Group Administrator and affiliates (Program Risk Management et al) Third Party Administrator and affiliates (PMA Management Corp et al RM), Trust Marketing Agent and affiliates (MP Agency et al), Actuary (SGRisk); Accountant and affiliates (DeChants, Fugelin and Johnson et al); Auditors and affiliates (Towers Watson Risk Consulting et al) Trustees	Approximately \$60 million	Court approved WCB settlement with all defendants.
12	TEAM	Group Administrator (Program Risk Management, Inc.) and affiliates (PRM Claims Services) and officers, Accountants (Regnier Consulting Group, Inc., Dorfman-Robbie Certified Public Accountants, P.C. and Bonadio & Co. LLP); Trustees	Approximately \$32 million	Court approved WCB settlement with all defendants.

13	LTC	Group Administrator (and affiliates) and Trustees	Approximately \$21 million	WCB has filed an application for court approval of the settlement with all defendants.
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### ALPs

Part R of Chapter 56 of the Laws of 2010 allows self-insurers to transfer future and contingent claim liabilities by executing an assumption of workers' compensation liability insurance policy (ALP). As of December 1, 2013 (prior to the implementation of the bonding program provided for by the Business Relief Act) the Board effectuated an ALP for PATH, NYMIT, HCF and TIWCT, thereby effectively capping all claims liabilities. In addition, ALPs have been executed by seven inactive self-insurers.

As alluded to above, Legislation passed as part of the 2013-14 New York State Executive Budget (the Business Relief Act) established a \$900 million bonding program to assist in the resolution of insolvent group self-insured trusts liabilities. The bill created statutory authority to issue bonds backed by assessments levied pursuant to the WCL to provide financing for the purchase of ALPs for unmet self-insurance obligations including the claims liabilities of the insolvent GSITs being administered by the Board. This bonding ability has three significant, and very positive, effects on the Board's intended course of conduct with respect to the settlements with members of insolvent GSITs. First, this bonding, and more specifically the concomitant ability of the Board itself to procure an ALP, allows the Board to eliminate the risk of future adverse development of the underlying workers' compensation claims liability. Accordingly, the Board will no longer employ the "Tender Offer" model which required a minimum member participation level (equated to the cost of the ALP and certain other ancillary costs) before the settlement became binding on both the Board and the settling members. Rather, the Board's ability to itself purchase an ALP policy for an insolvent GSIT will permit the Board to enter into a settlement with any member that is so desirous, regardless of any other member's decision to settle. Each member that executes a settlement agreement will be provided with a full and final release from the Board upon receipt of the member's final payment(s). With the bonding in place, the Board is in position to procure multiple ALP quotes since it will be able to fund the ALP directly through the bonding process, rather than relying on the receipt of payments from the members of insolvent GSITs. Second, the Board will reduce each settling member's amount owed, by a pro rata share of estimated recoveries from the Board's third party litigation referenced above, thereby reducing the amount on money sought from settling members. Third, as a result of the extended period in which to repay the bonds, the Board is now able to provide extended repayment terms of up to twenty years and very favorable interest rates. Bonds were issued in December 2013, and ALPs for the following trusts have been executed:

Healthcare Industry Trust of New York (HITNY)  
Health Care Providers Self Insurance Trust (HCP)  
Elite Contractors of New York (ELITE)  
Manufacturing Self-Insurance Trust (MSIT)  
Wholesale and Retail WC Trust of New York (WRWCT)  
Auto Service and Repair Self Insurance Trust (AUTO)  
Mercantile Self-Insurance Trust (MERC)  
Builders Self Insurance Trust (BUILDERS)  
Trade Industry WC Trust for Manufacturers (TRADE)  
Real Estate Management Trust of New York (REMTNY)  
Public Entity Trust of New York (PETNY)  
Retail and Wholesale industry WC Self Insurance Trust (RWWCT)  
Selective Safety Trust (SELECTIVE)  
New York State Cemeteries Trust (NYSCT)  
Long Term Care Risk Management Group (LTC)  
Preferred Manufacturers Insurance Trust (PREFERRED)  
Community Residence Insurance Savings Plan SI Trust (CRISP)  
OHI Workers' Compensation Trust (OHI)  
New York McDonalds Operators' Workers' Compensation Trust (MCDONALDS)  
Team Transportation Workers' Compensation Trust (TEAM)  
Empire State Towing and Recovery Self Insurance Trust (ESTRA)

## **II. Status of Individual Self-Insured Employers Requisite Security Deposit Posted**

Currently the NYS Workers' Compensation Board has 885 active individual (large corporate) self-insured employers. This number consists of 115 parent companies (accounts) and 770 subsidiary companies which are self-insured on a consolidated basis.

A listing of the 115 self-insured accounts is attached herein:

### Self-Insured Employers

ABA Transportation Holding Co. Inc.  
ABF Freight System, Inc.  
Arnot Ogden Medical Center  
Ascension Health Alliance  
Aspire of Western New York, Inc.  
Ball Corporation  
BJ's Wholesale Club, Inc.

Bon Secours Charity Health System, Inc.  
Briggs & Stratton Power Products Group, LLC  
Brookdale Hospital Medical Center  
Brooklyn Bureau of Community Service  
Bush Industries, Inc.  
Carillon Nursing and Rehabilitation Center, LLC  
Cayuga Medical Center at Ithaca, Inc.  
CBS Corporation  
CH Energy Group, Inc.  
Champlain Valley Physicians Hospital Medical Center  
Child and Family Services of Erie County, Inc.  
Columbia University in the City of New York, Trustees of  
Consolidated Edison Company of New York, Inc.  
Cornell University  
Costco Wholesale Corporation  
CRH Americas, Inc. FKA Oldcastle, Inc.  
Crouse Health Hospital, Inc.  
Cummins Inc.  
Delhaize America, LLC  
DePaul Group, Inc.  
Dolgencorp of New York, Inc.  
Eastman Kodak Company (NJ)  
Entergy Nuclear Operations, Inc.  
Erie County Medical Center Corporation  
Federal Express Corporation  
FedEx Freight, Inc.  
FedEx Ground Package System, Inc.  
Finger Lakes Regional Health System, Inc.  
Ford Motor Company  
Fulton Boiler Works, Inc.  
Fulton Group N.A., Inc.  
General Motors, LLC  
Gleason Works, The  
Golub Corporation  
Highland Hospital of Rochester  
Hillside Family of Agencies  
Kistner Concrete Products Inc.  
Klein Cutlery, LLC  
Krasdale Foods, Inc.

L Brands, Inc.  
L. & J.G. Stickley, Inc.  
Leprino Foods Company  
Lifetime HealthCare, Inc.  
Lowe's Home Centers, LLC  
Macy's, Inc.  
Marriott International, Inc.  
McWane Inc. dba Kennedy Valve Co  
Memorial Sloan-Kettering Cancer Center  
Metropolitan Museum of Art  
Mid-Hudson Valley Staffco, LLC  
National Fuel Gas Company  
National Grid USA  
Netflix, Inc.  
New Era Cap Co., Inc.  
New York Black Car Operators Injury Comp. Fund Inc.  
New York University (2015)  
Nordstrom, Inc.  
NYSARC, Inc. Chautauqua County Chapter dba The Resource Center  
NYU Hospitals Center  
Orange and Rockland Utilities, Inc.  
Oswego Hospital  
Our Lady of Lourdes Memorial Hospital  
Our Lady of Victory Homes of Charity  
Owens Corning  
Owens-Illinois Inc. (1987)  
Parker Hannifin Corporation  
People, Inc.  
Queens Borough Public Library  
Quick Chek Corporation  
Raymond Corporation  
Rochester Institute of Technology  
Rockefeller University  
Roman Catholic Diocese of Albany, NY  
Roman Catholic Diocese of Buffalo  
Roman Catholic Diocese of Ogdensburg  
Roman Catholic Diocese of Syracuse  
Rosina Food Products, Inc.  
Roswell Park Cancer Institute Corporation

RU System, Inc. d/b/a Rochester Regional Health System  
Ryder Truck Rental, Inc.  
Saint-Gobain Abrasives, Inc.  
Samaritan Medical Center  
Samaritan-Keep Nursing Home, Inc.  
Sherwin-Williams Company  
Shop Vac Corporation  
SKF USA Inc.  
St. Barnabas Community Enterprises, Inc.  
St. Joseph's Hospital  
St. Mary's Healthcare  
Stanley Black & Decker, Inc.  
Starbucks Corporation  
Stewart's Shops Corp.  
Swift Transportation Co., LLC  
Syracuse University  
Tessy Plastics Corp.  
Trinity Health Corporation  
Unifrax I LLC  
United Airlines Inc.  
University of Rochester  
Viacom Inc.  
Visiting Nurse Service of New York  
Wal-Mart Associates, Inc.  
Washington Mills Electro Minerals Corporation  
Wegmans Food Markets, Inc.  
Wendy's International, LLC  
Western Regional Off Track Betting Corporation  
White Castle System, Inc.  
Yeshiva University