

**New York Transportation
Workers' Compensation Trust
June 22, 2017 Member Meeting**

**New York Transportation Trust c/o
S.A.F.E., LLC
620 Erie Blvd West, Suite 100
Syracuse, NY 13204
(315) 701-1600
www.safetpa.com**

Agenda

Background

Runoff Status

Claims Overview

Actuarial Review

Financial Review

Assessment

Collections

Questions & Answers

Website Information

Contact Information



Background

- **Trust Established:** December 1, 2000
- **Trust Terminated:** December 31, 2008
- **Total No. of Members:** 1,346

- **Accounting Firm:**

PWC	2000-2006
UHY, LLC	2006-2013
Lumsden & McCormick	2014 to Present

- **Actuary:**

Milliman USA	2000-2013
By The Numbers	2014 to Present

- **Administrator / TPA:**

First Cardinal/Glacier Bay	12/1/2000 to 1/1/2014
S.A.F.E., LLC	1/1/2014 to Present

- **Group Description:** Provided Workers' Compensation to employers who are engaged in the Transportation Services Industry



Background

- **Trust General Counsel:** Anthony Piazza, Esq. 2008 - Present
Barclay Damon, LLP
- **Collection Attorney:** Eric Handelman, Esq. 2014 - Present
Handelman, Witkowicz & Levitsky, LLP

Marty Demirjian 2014-Present
BARR Credit Services



Runoff Status

- Workers' Compensation Board monitors monthly cash flow
- Adequacy of funds to pay obligations:
 - When the trust has 18 months of cash remaining the WCB will mandate the trust issue an assessment within 3 months
 - When the trust has 9 months cash remaining the WCB will assume administration of the trust
- NY Transportation Trust Board of Trustees meets on a regular basis to monitor the Trust in runoff status

Runoff Status

Trust Name (Administrator): NY Transportation Trust (SAFE LLC)

Month End: May 31, 2017

MONTHS OF REMAINING CASH AVAILABLE

	Estimated
All cash and investments Total Month End Balance	\$5,580,653.87
Collateralized amount of the Security Deposit	Less 1,125,000.00
A. All cash and investments less the collateralized amount of the Security deposit.	\$4,455,653.87
B. The estimated monthly net claims expended.	\$ 112,247.97
C. The estimated monthly TPA and administrative fees expended.	49,847.15
Sub Total	162,095.12
D. The estimated average monthly member assessment to be received.	Less 0.00
Net Monthly Payout	\$162,095.12
E. Number of months remaining in the current Member Deficit Assessment	0
Estimated Remaining Months: A divided by [(B +C) – D] If 50% of (B +C) is less than D: [A divided by (B +C)]+ E	27.49

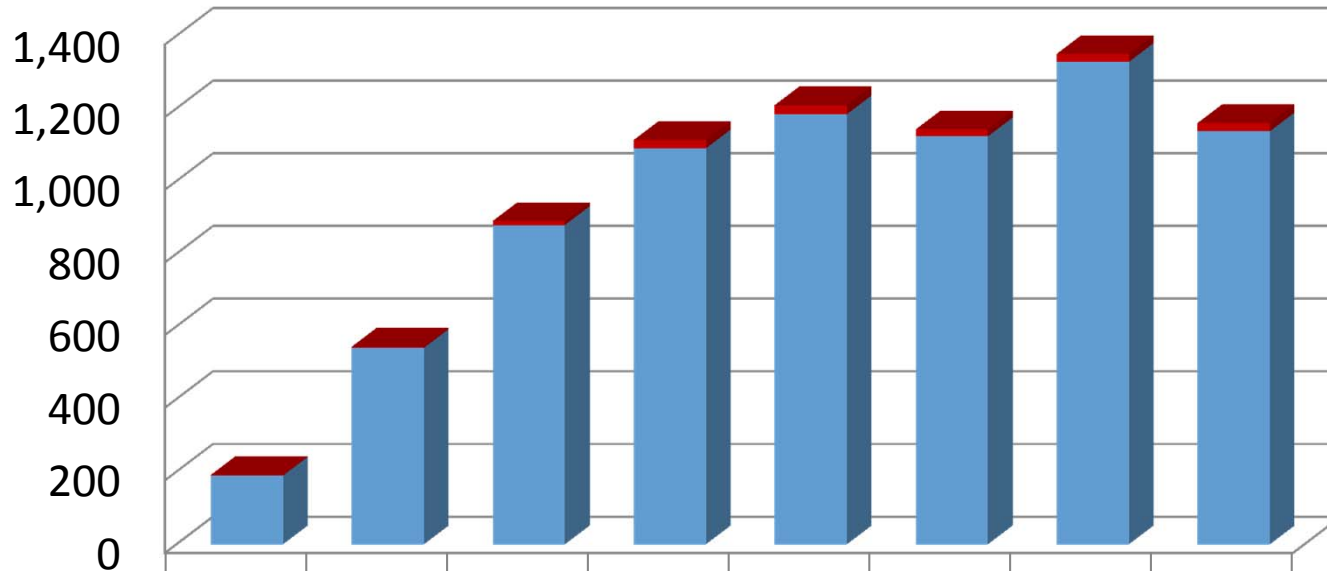
Claims Overview

As of June 1, 2017

Total No. of Claims Since Inception	7,471
No. of Open Claims When SAFE Took Over	198
No. of Open Claims	128
Open 15-8 Claims	46

*Since last meeting
11 claims have closed*

98% Claim
Closure Ratio



■ Open Claims	2	3	11	23	25	19	22	23
■ Total Claims	189	541	879	1,090	1,184	1,123	1,328	1,137

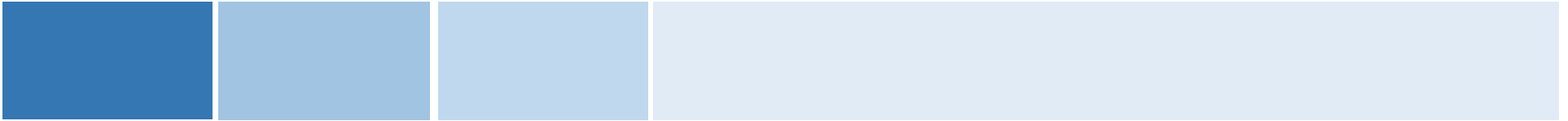


Claims Overview

2017 Workers' Compensation Reform

Workers' Compensation Board Assessments

The Board may execute Assumption of workers' compensation Liability Policies (ALPs) for any claims the Board is responsible to administer, including WCL §§ 15(8), 25-a, and Uninsured Employer Fund (UEF) claims. The change also allows inactive group self-insured trusts that are winding down but remain solvent to execute an ALP by borrowing from the self-insurance bond funds with a pledge to repay, prior to actually becoming insolvent.



Actuarial Review

Figure 1

NY TRANSPORTATION WORKERS' COMPENSATION TRUST

ESTIMATED RETAINED LOSSES AS OF 12/31/16
(Limited to Specific Retentions)
(Net of Recoveries)

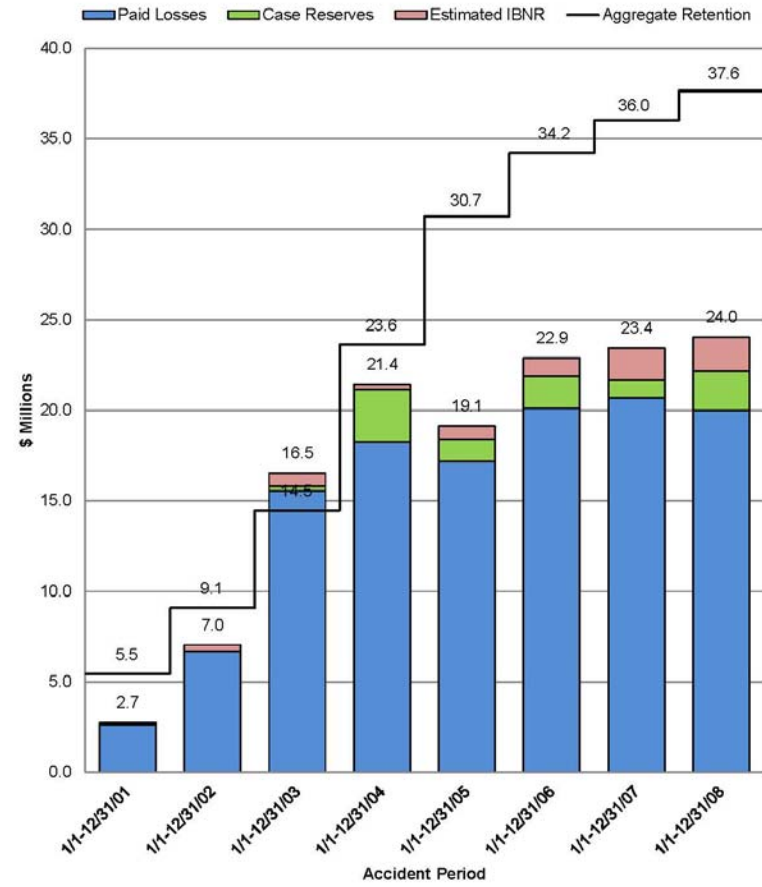


Figure 2

NY TRANSPORTATION WORKERS' COMPENSATION TRUST
COMPARISON OF ESTIMATED ULTIMATE INCURRED LOSSES TO PRIOR REPORT
 (Limited to Specific and Aggregate Retentions)
 (Net of Recoveries)

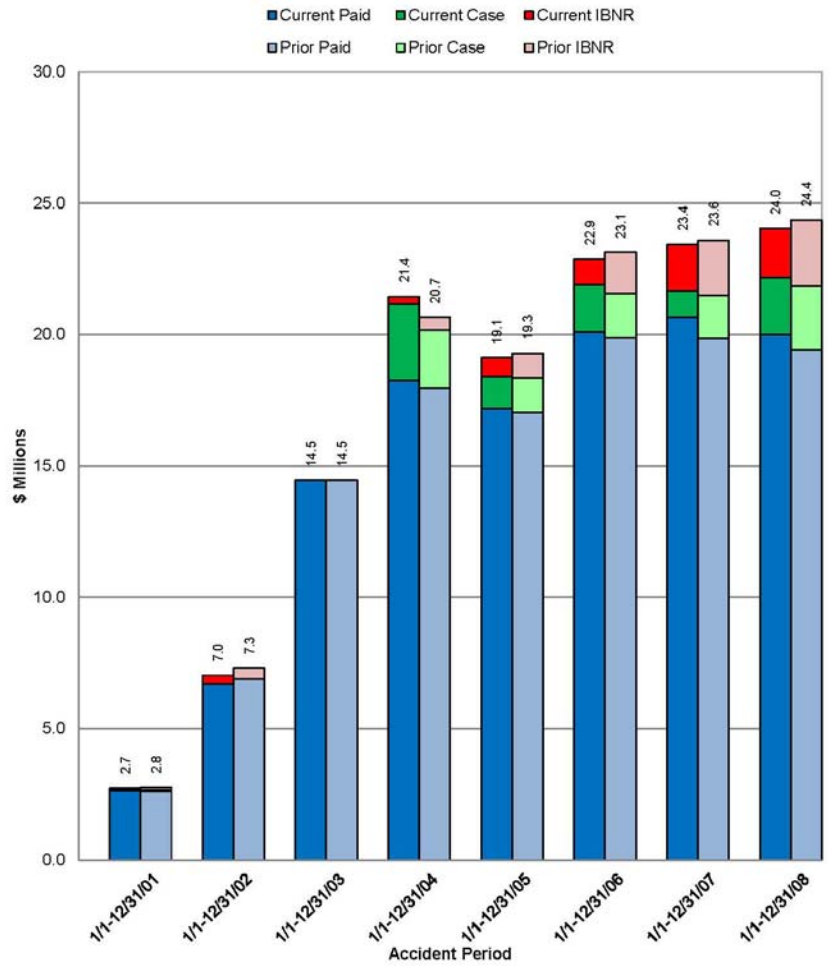
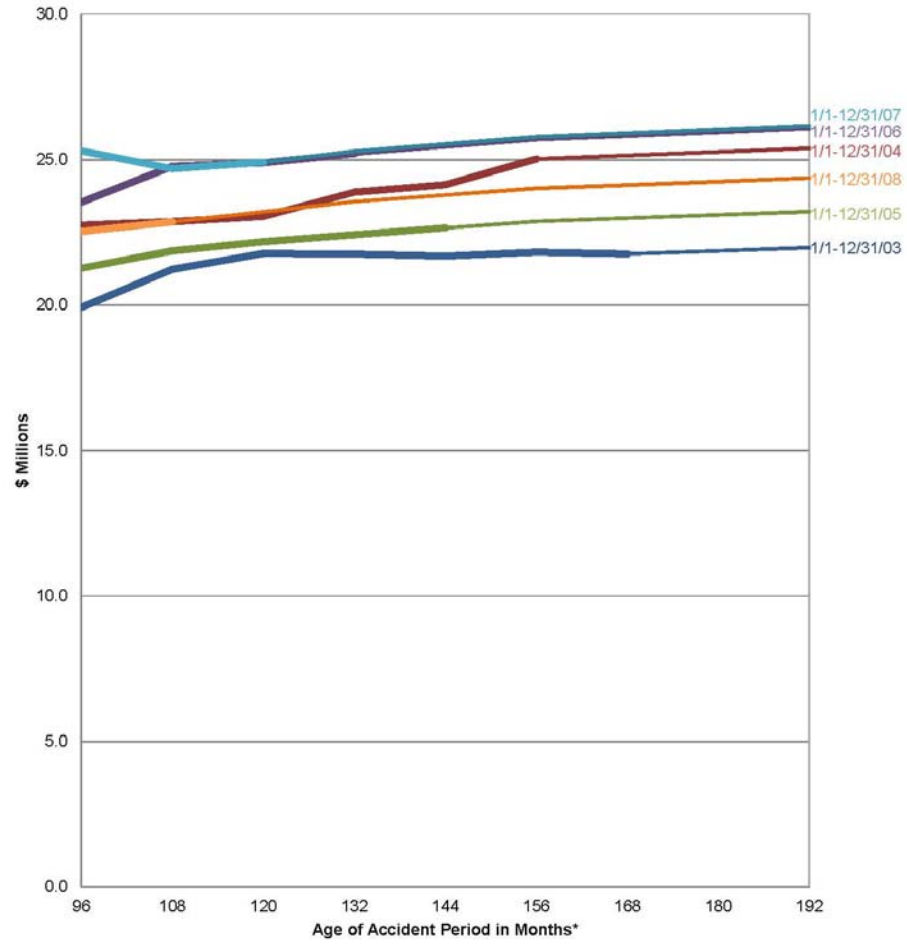


Figure 3

NY TRANSPORTATION WORKERS' COMPENSATION TRUST

INCURRED LOSS DEVELOPMENT
(Unlimited Losses Including ALAE)
(Gross of Recoveries)

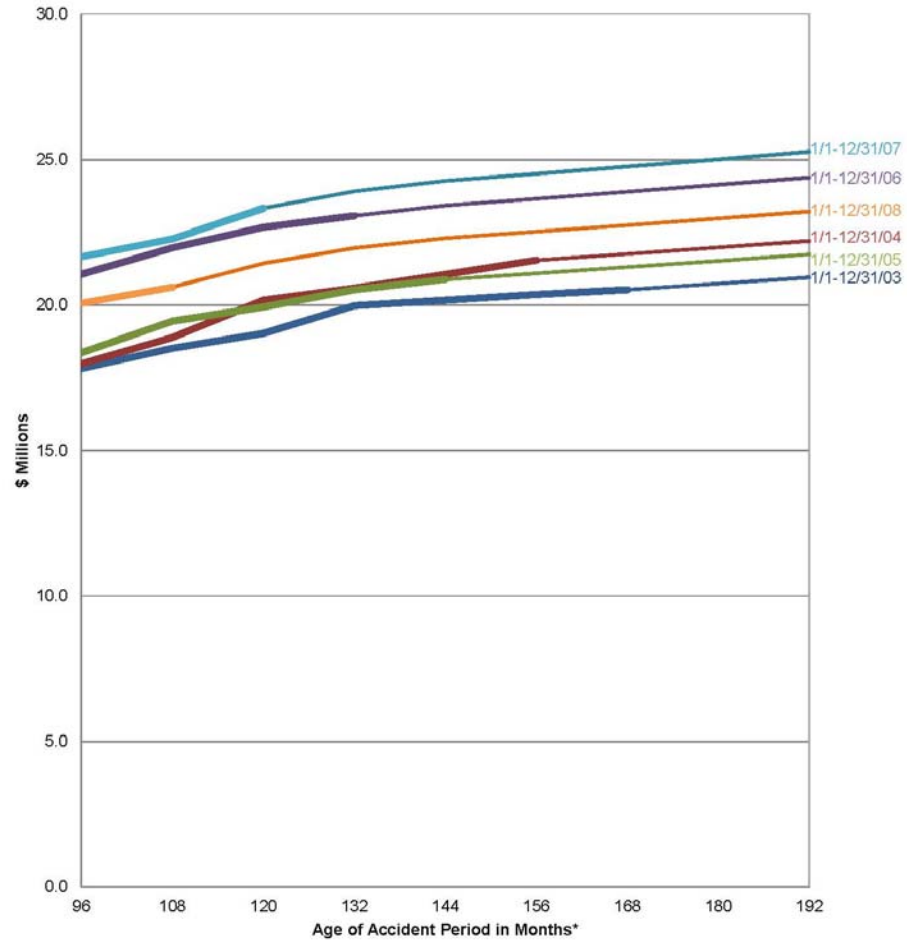


* After 192 months, 1.5% additional development is expected.

Figure 4

NY TRANSPORTATION WORKERS' COMPENSATION TRUST

PAID LOSS DEVELOPMENT
(Unlimited Losses Including ALAE)
(Gross of Recoveries)



* After 192 months, 7.0% additional development is expected.

Table 7

NY TRANSPORTATION WORKERS' COMPENSATION TRUST

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES
(Limited to Specific Retentions)
(Net of Recoveries)

Accident Period	Incurred Loss Development	Paid Loss Development	Incurred Bomhuetter- Ferguson	Paid Bomhuetter- Ferguson	Selected Estimated Ultimate Incurred Losses
1/1-12/31/01	\$ 2,698,964	\$ 2,759,694	\$ 2,709,403	\$ 2,798,056	\$ 2,741,529 *
1/1-12/31/02	6,833,312	7,206,765	6,853,393	7,245,072	7,034,636 *
1/1-12/31/03	16,168,343	16,789,202	16,222,762	16,943,183	16,530,873 *
1/1-12/31/04	21,706,057	20,021,161 <	21,760,498	20,185,432 <	21,447,249 *
1/1-12/31/05	19,107,567	19,078,887	19,151,389	19,154,255	19,123,024 *
1/1-12/31/06	22,980,231	22,736,251	22,996,315	22,786,207	22,874,751 *
1/1-12/31/07	22,990,768	23,724,414	23,122,956	23,907,737	23,436,469 *
1/1-12/31/08	23,915,674	24,089,582	24,010,884	24,131,377	24,036,879 *
Total	\$136,400,916	\$136,405,956	\$136,827,600	\$137,151,320	\$137,225,410

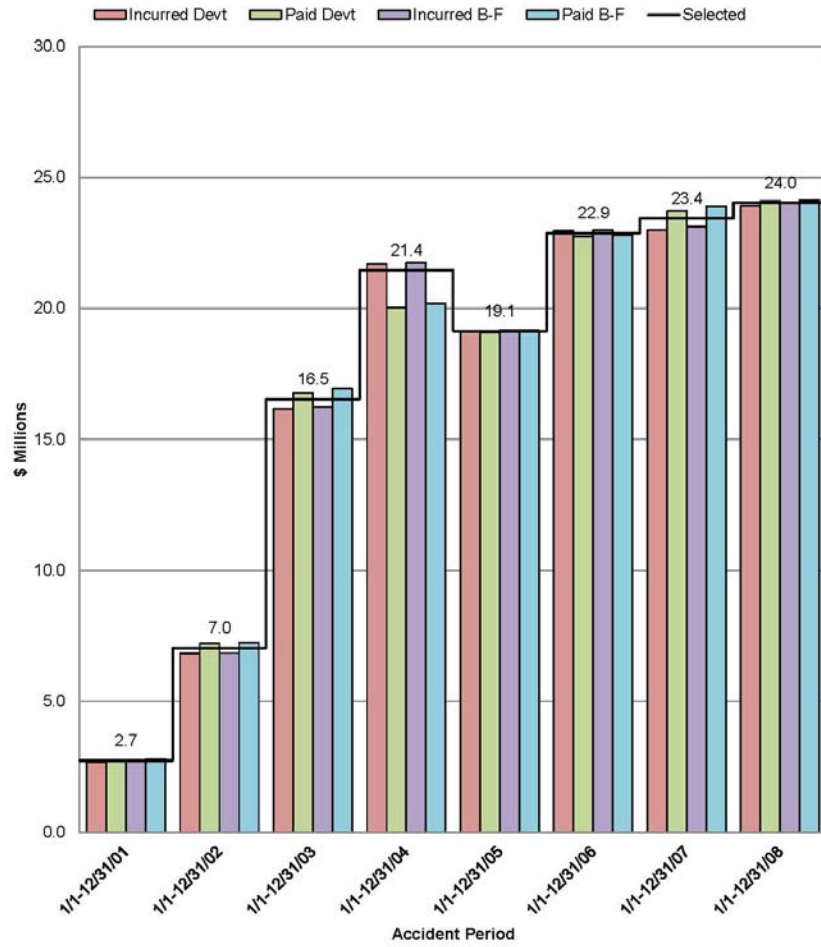
* Selected the average of the methods.

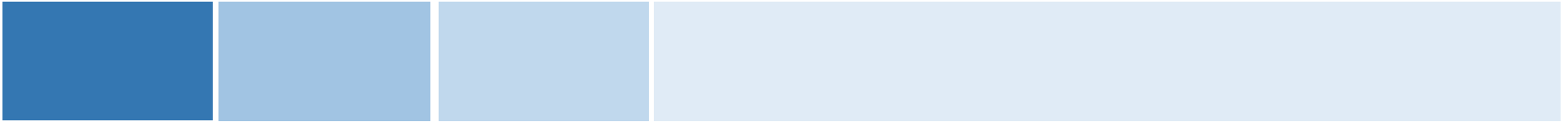
< Less than incurred losses. Incurred losses are substituted in the average.

Figure 5

NY TRANSPORTATION WORKERS' COMPENSATION TRUST

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES
(Limited to Specific Retentions)
(Net of Recoveries)





Financial Review

NY TRANSPORTATION WORKERS' COMPENSATION TRUST

Balance Sheets

December 31,	2016	2015
Assets		
Cash	\$ 1,148,489	\$ 1,124,538
Investments (Note 3)	4,156,735	4,148,585
Assessments receivable, net (Note 4)	7,897,732	6,758,922
Second injury fund receivable (Note 1)	430,687	491,223
Reinsurance receivable (Note 1)	3,692,757	4,141,617
Accrued investment income	18,374	28,643
Prepaid expenses	295,088	121,945
Deferred income taxes	1,631,601	3,363,902
	<u>\$ 19,271,463</u>	<u>\$ 20,179,375</u>
Liabilities and Members' Equity		
Liabilities:		
Unpaid losses and loss adjustment expenses (Note 5):		
Case-basis reserves	\$ 11,706,300	\$ 12,026,600
Incurred but not reported	8,540,300	11,872,300
Unallocated loss adjustment expenses	1,159,900	987,500
	<u>21,406,500</u>	<u>24,886,400</u>
Accounts payable	31,827	230,253
Accrued income taxes	-	42,270
Accrued Workers' Compensation Board assessments	463,000	654,000
	<u>21,901,327</u>	<u>25,812,923</u>
Members' equity:		
Accumulated deficit	(2,636,162)	(5,684,695)
Accumulated other comprehensive income	6,298	51,147
	<u>(2,629,864)</u>	<u>(5,633,548)</u>
	<u>\$ 19,271,463</u>	<u>\$ 20,179,375</u>

Statements of Comprehensive Income

For the years ended December 31,	2016	2015
Revenues:		
Deficit assessments	\$ 5,666,992	\$ 5,814,854
Investment income	106,637	113,740
Other income	-	17,841
	<u>5,773,629</u>	<u>5,946,435</u>
Expenses:		
Incurred losses and loss adjustment (Note 5)	(1,157,048)	(1,633,364)
Workers' Compensation Board assessments	(236,717)	(78,248)
Administrative fees	288,750	300,000
Trustee fees	32,689	31,500
Legal, accounting, and actuary fees	115,568	81,866
Insurance	82,258	87,781
Collection fees	186,065	96,083
Bank and investment management fees	7,078	9,201
Bad debts	1,541,360	1,542,000
Other	10,593	9,890
	<u>870,596</u>	<u>446,709</u>
Income before income taxes	4,903,033	5,499,726
Provision for income taxes (Note 6)	<u>1,854,500</u>	<u>2,289,300</u>
Net income	3,048,533	3,210,426
Other comprehensive loss:		
Unrealized holding loss on investments (net of \$29,899 and \$39,830 of income taxes)	<u>(44,849)</u>	<u>(59,744)</u>
Comprehensive income	\$ 3,003,684	\$ 3,150,682

Statements of Changes in Members' Equity

For the years ended December 31, 2016 and 2015

	Total	Accumulated Deficit	Accumulated Other Comprehensive Income
Balance at January 1, 2015	\$ (8,784,230)	\$ (8,895,121)	\$ 110,891
Net income	3,210,426	3,210,426	-
Other comprehensive loss:			
Unrealized holding loss on investments			
(net of \$39,830 of income taxes)	(59,744)	-	(59,744)
Balance at December 31, 2015	(5,633,548)	(5,684,695)	51,147
Net income	3,048,533	3,048,533	-
Other comprehensive loss:			
Unrealized holding loss on investments			
(net of \$29,899 of income taxes)	(44,849)	-	(44,849)
Balance at December 31, 2016	\$ (2,629,864)	\$ (2,636,162)	\$ 6,298

NY TRANSPORTATION WORKERS' COMPENSATION TRUST

Statements of Cash Flows

For the years ended December 31,	2016	2015
Operating activities:		
Net income	\$ 3,048,533	\$ 3,210,426
Adjustments to reconcile net income to net cash flows from operating activities:		
Deferred income taxes	1,762,200	2,102,200
Bad debts expense	1,541,360	1,542,000
Changes in other operating assets and liabilities:		
Assessments receivable	(2,680,170)	(2,957,426)
Second injury fund receivable	60,536	109,730
Reinsurance receivable	448,860	1,332,307
Accrued investment income	10,269	15,130
Prepaid expenses	(173,143)	-
Unpaid losses and loss adjustment expenses	(3,479,900)	(4,831,400)
Accounts payable and accrued expenses	(240,696)	7,578
Accrued Workers' Compensation Board assessments	(191,000)	(236,000)
Net operating activities	106,849	294,545
Investing activities:		
Proceeds from sale of investments	2,255,177	17,437,469
Purchase of investments	(2,338,075)	(17,559,875)
Net investing activities	(82,898)	(122,406)
Change in cash	23,951	172,139
Cash - beginning	1,124,538	952,399
Cash - ending	\$ 1,148,489	\$ 1,124,538
Supplemental cash flows information:		
Income taxes paid	\$ 293,500	\$ 306,353

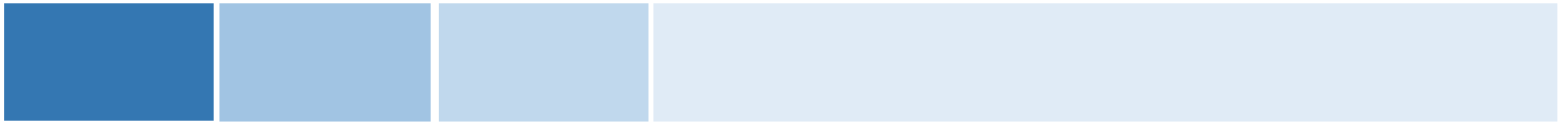
Assessment

NY Transportation Assessment Update
 Combined Representation of Year 1 - Year 3
 As of June 7, 2017

	<u>Assessment Invoices Sent</u>	<u>Total Assessment Amount</u>	<u>Members Paying Trust</u>	<u>Paid Amount</u>	<u>Remaining Balance</u>	<u>Paying Members - Legal/Collection Action</u>	<u>Legal/Collection Amount PTD</u>	<u>Remaining Balance on Legal/Collection Members</u>	<u>Legal Action Underway</u>	<u>Pending Legal Action Assessment Totals</u>	<u>Write - Offs</u>
> \$100,000	43	\$ 7,796,194	17	\$ 3,774,407	\$ 121,193	5	\$ 362,201	\$ 346,184	19	\$ 2,863,241	2
\$50,000-\$99,999	55	\$ 3,611,813	12	\$ 844,876	\$ (39,144)	10	\$ 532,724	\$ 130,484	31	\$ 1,998,914	2
\$20,000-\$49,999	152	\$ 4,756,438	30	\$ 1,023,016	\$ (87,430)	26	\$ 524,169	\$ 281,690	93	\$ 2,935,102	3
\$5,000-\$19,999	318	\$ 3,256,306	88	\$ 1,013,409	\$ (85,984)	61	\$ 382,393	\$ 231,143	159	\$ 1,619,311	10
\$1,000-\$4,999	316	\$ 808,614	76	\$ 288,152	\$ (81,957)	57	\$ 105,857	\$ 39,978	177	\$ 437,481	6
< \$1,000	236	\$ 94,578	46	\$ 27,077	\$ (11,189)	48	\$ 27,622	\$ (5,127)	43	\$ 29,387	99
Totals:	1120	\$ 20,323,943	269	\$ 6,970,936	\$ (184,513)	207	\$ 1,934,966	\$ 1,024,352	522	\$ 9,883,436	122

Collections

Handelman Referrals					
Years 1, 2, and 3					
Year 1					
	Number of Members	Assessment	Number of Paying Members	Paid To Date	Remaining Balance
>100K	23	\$ 1,302,537	4	\$ 148,023	\$ 1,154,514
50k-99k	30	\$ 752,202	2	\$ 40,539	\$ 711,663
20k-49k	101	\$ 1,263,742	14	\$ 187,868	\$ 1,075,874
5k-19k	143	\$ 730,317	15	\$ 74,557	\$ 655,760
1k-4k	15	\$ 20,770	4	\$ 4,360	\$ 16,410
<1k	24	\$ 6,937	0	\$ -	\$ 6,937
	336	\$ 4,076,505	39	\$ 455,347	\$ 3,621,157
Year 2					
	Number of Members	Assessment	Number of Paying Members	Paid To Date	Remaining Balance
>100K	22	\$ 1,030,566	1	\$ 31,705	\$ 998,861
50k-99k	30	\$ 617,848	2	\$ 24,598	\$ 593,251
20k-49k	100	\$ 970,267	9	\$ 58,225	\$ 912,042
5k-19k	142	\$ 493,295	15	\$ 34,684	\$ 458,610
1k-4k	12	\$ 6,653	2	\$ 1,115	\$ 5,538
<1k	24	\$ 3,095	0	\$ -	\$ 3,095
	330	\$ 3,121,724	29	\$ 150,327	\$ 2,971,397
Year 3					
	Number of Members	Assessment	Number of Paying Members	Paid To Date	Remaining Balance
>100K	16	\$ 681,963	0	\$ -	\$ 681,963
50k-99k	27	\$ 544,002	0	\$ -	\$ 544,002
20k-49k	90	\$ 872,167	1	\$ 1,949	\$ 870,218
5k-19k	21	\$ 88,454	2	\$ 3,009	\$ 85,445
1k-4k	9	\$ 3,042	1	\$ 39	\$ 3,002
<1k	23	\$ 1,598	0	\$ -	\$ 1,598
	186	\$ 2,191,225	4	\$ 4,998	\$ 2,186,228



Questions & Answers



Website Information

www.safetpa.com

NYT Trust

Password: nytdocs

- Information on the website
 - All financial statements
 - All actuarial reports
 - Trust Agreement, Rules & Regulation and Bylaws
- Any questions please contact Gina Emerson – gemerson@safetpa.com



Contact Information

SAFE, LLC

620 Erie Blvd West
Suite 100
Syracuse, NY 13204
(315) 701-1600

Gina Emerson gemerson@safetpa.com
Ed Alberts ealberts@safetpa.com

Handelman, Witkowitz & Levitsky, LLP

16 East Main St
Suite 410
Rochester, NY 14614
(585) 232-2225
Eric Handelman, Esq.
ehandelman@hwllawyers.com

Barclay Damon, LLP

2000 HSBC Plaza
100 Chestnut St.
Rochester, NY 14604
(585) 295-4420
Anthony Piazza, Esq.
APIAZZA@barclaydamon.com

BARR Credit Services

(877) 654-1234 ext 2657
Marty Demirjian
mdemirjian@barrcredit.com