



THE STATE INSURANCE FUND

ANDREW M. CUOMO
GOVERNOR

GENERAL SESSION AGENDA
BOARD OF COMMISSIONERS' REGULAR MEETING
WEDNESDAY, MAY 15, 2019, 10:00 A.M.

1. MOTION
TO ACCEPT THE PROPOSED MINUTES OF THE APRIL 17, 2019 BOARD MEETING

2. STANDING REPORT(S)
 - A. REPORT OF EXECUTIVE DIRECTOR & CEO ERIC MADOFF
 - B. REPORT OF ACTING GENERAL ATTORNEY PETER CUSICK

3. REPORT OF STANDING COMMITTEE(S)
 - A. INVESTMENT COMMITTEE: CHAIR DAVID OURLICHT
 - B. BUDGET & AUDIT COMMITTEE: CHAIRMAN KENNETH THEOBALDS
 - 1) EISNERAMPER ANNUAL AUDIT FINDINGS

4. MOTION
TO ACCEPT THE WRITTEN REPORTS AS SUBMITTED

5. EXECUTIVE SESSION (*IF NECESSARY*)

6. ADJOURN

PROPOSED MINUTES OF THE REGULAR MEETING
OF THE COMMISSIONERS OF THE STATE INSURANCE FUND
HELD ON WEDNESDAY, APRIL 17, 2019 AT 10:00 A.M.
AT 199 Church Street, 12th floor Board Room, New York, New York 10007

PRESENT

Board

Kenneth Theobalds, Chairman
Barry Swidler, Vice Chair
David Ourlicht
Charles MacLeod²
Alexis Thomas¹
Louis Roberti³
Navneet Kathuria¹
Ryan Delgado⁴
Dennis Kessler⁵
Nathaalie Carey, *ex officio*

Executive Staff

Eric Madoff, Executive Director & CEO
Shirley Stark, Deputy Executive Director & Chief of Staff
William O'Brien, General Attorney
Robert Sammons, Asst. Deputy Executive Director
Gregory Francis, Chief Investment Officer
Joseph Mullen, Director of Policy Holder Services
Linda Zafonte, Chief Information Officer
Melissa Jensen, Director of Executive Project Management Office
Patricia Carroll, Director of Administration
William Gratrix, Chief Financial Officer

¹ not present at the April 17th Board Meeting

² participated via webcast from Melville

³ participated via webcast from White Plains

⁴ participated via webcast from Albany

⁵ participated via webcast from Rochester

Additional Staff/Attendees

Michael Totaro, Asst. Counsel & Asst. Secretary to the Board
Peter Cusick, Deputy Counsel
Armin Holdorf, Director of Field Services
John DeFazio, Director of Insurance Fund Business Operations
Kerry Kirwan, Director of Customer Service
Lawrence Montle, Chief Privacy Officer
Sadhna Gujral, Asst. Director of Underwriting
Sasikala Vridhachalam, Asst. Director of Premium Audit
Steven Bell, Director of Underwriting
Tayeb Sherif, Treasurer
Wisdom Asamoah, Director of Premium Audit

Chairman Theobalds presided. A quorum was announced and present throughout the meeting. For the record, Commissioners Kathuria and Thomas were unable to attend the April 17th Board meeting. Their absences were excused.

Chairman Theobalds welcomed NYSIF's newest Board member, Nathaalie Carey. Commissioner Carey serves as the Executive Deputy Commissioner at the New York State Department of Labor; and oversees approximately 3,000 employees, a budget of \$3.7 billion and numerous critical services to New York.

Commissioner Carey is also responsible for all Agency Operations, including Unemployment Insurance benefits, Employment and Workforce Solutions, and Worker Protection, in addition to serving as the Department of Labor's liaison to NYSIF.

1. Minutes of the February 20, 2019 Board Meeting

Upon motion by Commissioner Ourlicht, duly seconded by Commissioner MacLeod, the Board unanimously voted that the minutes of the February 20th regular Board meeting be accepted and filed as the official minutes of the Board of Commissioners. The vote: Commissioner Carey – abstain; Commissioner

Kessler – yes; Commissioner Delgado – yes; Commissioner Roberti – yes; Commissioner MacLeod – yes; Commissioner Ourlicht – yes; Vice Chair Swidler – yes; Chairman Theobalds – yes.

2. Introduction of NYSIF’s Policy Holder Services and Finance Department Senior Staff

Director of Policy Holder Services Joseph Mullen reported to the Board on the recent staff promotions within the Policy Holder Services team:

- John Defazio, Director of Insurance Fund Business Operations;
- Sadha Gujral, Assistant Director of Underwriting;
- Sasikala Vridhachalam, Assistant Director of Premium Audit;
- Steven Bell, Director of Underwriting; and
- Wisdom Asamoah, Director of Premium Audit.

Chief Financial Officer William Gratrix announced that Tayeb Sherif has been appointed as NYSIF’s Treasurer.

3. Standing Report(s)

Report of Executive Director & CEO Eric Madoff

Executive Director and CEO Eric Madoff reported to the Board that William O’Brien, NYSIF’s General Attorney, will retire at the end of the month.

On behalf of the Board of Commissioners and Executive Staff, Mr. Madoff presented a plaque to Mr. O’Brien which read: “ *in recognition of his outstanding leadership, his sage legal advice and acumen, and his stewardship of the NYSIF Legal Department as General Attorney for the New York State Insurance Fund, 2013-2019*”.

In addition to the plaque, Chairman Theobalds and Executive Director Madoff presented Mr. O’Brien with the following resolution:

Whereas, The New York State Insurance Fund Board of Commissioners, on behalf of NYSIF, its workforce and its many constituents, gratefully acknowledge the contributions of WILLIAM O’BRIEN for his distinguished service as NYSIF General Attorney, *and*

Whereas, we further extend our deepest gratitude to him on behalf of the thousands of employers and countless working men and women of our state whom he has served with distinction, and who have been the beneficiaries of his commitment in fulfillment of NYSIF’s mission, *and*

Whereas, the record shows he faithfully executed his responsibilities and duties as NYSIF’s General Attorney, in the service of all NYSIF stakeholders, while promoting ethics and integrity in government, *and*

Whereas, the record further shows the dedication and commitment he brought to the Office of General Attorney in furthering the work of the Legal Department as an untiring advocate for NYSIF and its stakeholders, *and*

Whereas, the record will also show his contributions and counsel in matters of law to the Board of Commissioners, NYSIF management and staff in support of NYSIF strategic business goals and objectives, *and*

Whereas, during his service as General Attorney, he reshaped the Legal Department to become a collaborative partner in advancing NYSIF's initiatives; *Now*, therefore, the Board of Commissioners, Executive staff and employees of the New York State Insurance Fund do hereby present this resolution in recognition and appreciation of WILLIAM O'BRIEN for distinguished service to NYSIF and the State of New York

Mr. Madoff also announced the departure of NYSIF's Chief Information Officer Linda Zafonte. Assisted by Chairman Theobalds, Executive Director Madoff presented Ms. Zafonte with the following resolution:

Whereas, The New York State Insurance Fund Board of Commissioners, on behalf of NYSIF, its workforce and constituents, gratefully acknowledge the contributions of LINDA ZAFONTE for her distinguished service as NYSIF Chief Information Officer from 2009 to 2019, *and*

Whereas, we further extend our deepest gratitude to her on behalf of the thousands of employers and countless working men and women of our state whom she has served with distinction and who have been the beneficiaries of her commitment to improving NYSIF information technology, *and*

Whereas, under her stewardship, NYSIF completed a multi-year modernization effort to migrate our legacy systems off the mainframe, *and*

Whereas, under her leadership, NYSIF embarked on an IT modernization effort with the objective to make doing business with NYSIF easier, *and*

Whereas, under her tenure, NYSIF replaced the legacy data warehouse platform, and enhanced our data warehousing and analytics capabilities., *and*

Whereas, these systems innovations have been instrumental in promoting e-business transactions and enhanced online services for both internal and external customers, leading to significant achievements in operations and efficiency, *and*

Whereas, these achievements have firmly positioned NYSIF for the future in the workers' compensation and disability benefits insurance industry; *Now*, therefore, the Board of Commissioners, Executive staff and employees of the New York State Insurance Fund do hereby present this resolution in recognition and appreciation of LINDA ZAFONTE for distinguished service to NYSIF and the State of New York

Report of General Attorney William O'Brien

General Attorney O'Brien deferred his report for Executive Session for the purpose of legal advice.

4. Report(s) of Standing Committees

Investment Committee

Commissioner Ourlicht, Chair of the Investment Committee, reported that the committee met on April 16th to discuss several items pertaining to NYSIF's strategic asset allocation and was provided an external manager performance report and a compliance report.

5. Motion to Accept Written Reports

Upon motion by Vice Chair Swidler, duly seconded by Commissioner Ourlicht, the Board unanimously voted to accept the written reports as submitted. The vote: Commissioner Carey – yes; Commissioner Kessler – yes; Commissioner Delgado – yes; Commissioner Roberti – yes; Commissioner MacLeod – yes; Commissioner Ourlicht – yes; Vice Chair Swidler – yes; Chairman Theobalds – yes.

6. Executive Session

Upon motion by Vice Chair Swidler, duly seconded by Commissioner MacLeod, the Board unanimously voted to enter Executive Session for a discussion regarding the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation - - specifically this applies to a particular policy holder; NYSIF's ongoing real estate; for information which could imperil public safety if disclosed - - specifically this relates to NYSIF's cybersecurity program; and for legal advice from NYSIF's General Attorney.

7. Return from Executive Session

Assistant Secretary Michael Totaro reported the following actions were taken in Executive Session:

Upon motion by Commissioner Ourlicht, duly seconded by Vice Chair Swidler, the board unanimously approved and authorized NYSIF staff to amend and increase the value of the current contract with Prismatic Development Corporation by \$4,000,000, subject to: (i) legal review and staff negotiations, and (ii) approval by the New York State Superintendent of Financial Services. The vote: Commissioner Carey – abstain; Commissioner Kessler – yes; Commissioner Delgado – yes; Commissioner Roberti – yes; Commissioner MacLeod – yes; Commissioner Ourlicht – yes; Vice Chair Swidler – yes; Chairman Theobalds – yes.

The next regular meeting of the New York State Insurance Fund Board of Commissioners will be held on Wednesday, May 15, 2019 at 10:00 a.m. at 199 Church Street, 12th floor Board Room.

8. Adjournment of Meeting

Upon a final motion by Commissioner Ourlicht, duly seconded by Vice Chair Swidler, the Board unanimously voted to adjourn the Board of Commissioners' regular meeting. The vote: Commissioner Carey – yes; Commissioner Delgado – yes; Commissioner Roberti – yes; Commissioner MacLeod – yes; Commissioner Ourlicht – yes; Vice Chair Swidler – yes; Chairman Theobalds – yes.

Respectfully submitted,

Michael Totaro, Assistant Secretary

PROPOSED

New York State Insurance Fund

Report to Board of Commissioners
For the Year Ended December 31, 2018



May 15, 2019

Board of Commissioners
New York State Insurance Fund

Dear Commissioners

We are pleased to be of service to the New York State Insurance Fund. The following report describes the results of our audit of the financial statements of the Fund for the year ending December 31, 2018. This report is designed to provide you with a summary of our overall objectives for the audit, the nature and scope of the audit work, and key considerations from the 2019 audit.

Our audit was designed to express an opinion on the 2018 statutory basis financial statements. We have aligned our procedures to consider the Fund's current and emerging business risks and evaluate those that could materially affect the financial statements. We continue to receive the full support of the Fund's personnel in conducting our audit.

We are committed to providing the highest quality services.

Sincerely,

EISNERAMPER LLP



Audit Approach & Key Issues



Audit Results

We have audited the statutory basis financial statements of the, Workers' Compensation Fund and Disability Benefits Fund (collectively, the "Funds") as of and for the year ended December 31, 2018 and have issued our report thereon dated May, 2019.

- Our audit report issued for both funds was unmodified
- Our audit report also covers the supplementary schedules which is required supplementary information (required by the National Association of Insurance Commissioners)



Planned Scope and Timing of the Audit

We conducted our audits consistent with the planned scope and timing we previously communicated to you during our meeting about planning matters in November, 2018.

The timing of the audit was accelerated by approximately one month over the 2017 audit timing.



Compliance with All Ethics Requirements Regarding Independence

Generally accepted auditing standards require independence for all audits. The auditor should communicate with those charged with governance circumstances or relationships (for example, financial interests, business or family relationships, or non-audit services provided or expected to be provided) that, in the auditor's professional judgment, may reasonably be thought to bear on independence, and that the auditor gave significant consideration to in reaching the conclusion that independence had not been impaired.

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.



Restriction

This report is intended solely for the information and use of the New York State Insurance Fund, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.



Questions



EISNERAMPER

This publication is intended to provide general information to our clients and friends. It does not constitute accounting, tax, or legal advice; nor is it intended to convey a thorough treatment of the subject matter.





2019 - NYSIF Board of Commissioners Meeting Schedule

NYSIF Holiday

January

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

February

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

March

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20*	21	22	23
24	25	26	27	28	29	30

April

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

31 * meeting canceled – absence of quorum

May

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

June

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

July

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17*	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

August

The Board does not convene during the month of August.

* start time 4:00 p.m.

September

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

The New York State Insurance Fund Board of Commissioners generally meet on the third Wednesday of each month at 10:00 a.m.– unless otherwise noted. The Board does not convene during the month of August.



THE STATE INSURANCE FUND

ANDREW M. CUOMO
GOVERNOR

PROPOSED MOTION*

The following is a procedural vote considered by the Board of Commissioners of the State Insurance Fund at a meeting held on Wednesday, May 15, 2019. A quorum was present throughout:

A motion was made that the minutes of the April 17, 2019 meeting be accepted and filed as the official minutes of the Board of Commissioners.

Commissioner _____ provided the motion to approve

Commissioner _____ seconded the motion

	YES	NO	ABSTAIN
Commissioner Carey	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Delgado	_____	_____	_____
Commissioner Kathuria	_____	_____	_____
Commissioner Roberti	_____	_____	_____
Commissioner Thomas			
Commissioner MacLeod			
Commissioner Ourlicht	_____	_____	_____
Vice Chair Swidler	_____	_____	_____
Chairman Theobalds	_____	_____	_____

Michael Totaro
Assistant Secretary

*This proposed motion has not been acted upon. The proposed motion is being made available pursuant to the Open Meetings Law §103(e)



THE STATE INSURANCE FUND

ANDREW M. CUOMO
GOVERNOR

PROPOSED MOTION*

The following is a procedural vote considered by the Board of Commissioners of the State Insurance Fund at a meeting held on Wednesday, April 17, 2019. A quorum was present throughout:

Motion to accept the written reports as submitted.

Commissioner _____ provided the motion to approve

Commissioner _____ seconded the motion

	YES	NO	ABSTAIN
Commissioner Carey	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Delgado	_____	_____	_____
Commissioner Kathuria	_____	_____	_____
Commissioner Roberti	_____	_____	_____
Commissioner Thomas			
Commissioner MacLeod			
Commissioner Ourlicht	_____	_____	_____
Vice Chair Swidler	_____	_____	_____
Chairman Theobalds	_____	_____	_____

Michael Totaro
Assistant Secretary

*This proposed motion has not been acted upon. The proposed motion is being made available pursuant to the Open Meetings Law §103(e)



THE STATE INSURANCE FUND

ANDREW M. CUOMO
GOVERNOR

PROPOSED MOTION*

The following is a procedural vote considered by the Board of Commissioners of the State Insurance Fund at a meeting held on Wednesday, May 15, 2019. A quorum was present throughout:

A motion was made to proceed into Executive Session for a discussion regarding the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation - - specifically this applies to NYSIF's search for firm to provide data service and financial news; for a discussion regarding a particular policy holder and NYSIF's ongoing real estate projects.

Commissioner _____ provided the motion to approve

Commissioner _____ seconded the motion

Table with 3 columns: YES, NO, ABSTAIN. Rows list commissioners: Carey, Kessler, Delgado, Kathuria, Roberti, Thomas, MacLeod, Ourlicht, Swidler, Theobalds.

Michael Totaro
Assistant Secretary

*This proposed motion has not been acted upon. The proposed motion is being made available pursuant to the Open Meetings Law §103(e)



THE STATE INSURANCE FUND

ANDREW M. CUOMO
GOVERNOR

PROPOSED MOTION*

The following is a motion considered by the Board of Commissioners of the State Insurance Fund at a meeting held on Wednesday, May 15, 2019. A quorum was present throughout:

A motion was made to adjourn the Board of Commissioners of the State Insurance Fund regular monthly meeting.

Commissioner _____ provided the motion to approve

Commissioner _____ seconded the motion

	YES	NO	ABSTAIN
Commissioner Carey	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Delgado	_____	_____	_____
Commissioner Kathuria	_____	_____	_____
Commissioner Roberti	_____	_____	_____
Commissioner Thomas			
Commissioner MacLeod			
Commissioner Ourlicht	_____	_____	_____
Vice Chair Swidler	_____	_____	_____
Chairman Theobalds	_____	_____	_____

Michael Totaro
Assistant Secretary

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