



KATHY HOCHUL
GOVERNOR



GENERAL SESSION AGENDA
BOARD OF COMMISSIONERS' REGULAR MEETING
WEDNESDAY, MAY 21, 2025, 10:00 A.M.

1. STANDING REPORT(S)
 - A. REPORT OF EXECUTIVE DIRECTOR & CEO GAURAV VASISHT
 - B. REPORT OF ACTING GENERAL ATTORNEY DAVID WERTHEIM

2. REPORT OF BOARD STANDING COMMITTEE(S)
 - A. BUDGET & AUDIT COMMITTEE: CHAIR ALEXIS THOMAS
 - 1) EISNERAMPER EXTERNAL AUDIT REPORT
 - 2) 1ST QUARTER FINANCIAL REPORT
 - B. BUSINESS OPERATIONS COMMITTEE: CHAIR ERIC DINALLO
 - C. PROPERTY & ADMINISTRATIVE SERVICES COMMITTEE: CHAIR DENNIS KESSLER
 - D. INVESTMENT COMMITTEE: CHAIRMAN KENNETH THEOBALDS

3. CONSENT AGENDA
 - A. TO ACCEPT THE PROPOSED MINUTES OF THE FEBRUARY 19, 2025 BOARD MEETING
 - B. TO ACCEPT THE WRITTEN REPORTS AS SUBMITTED

4. EXECUTIVE SESSION (IF NECESSARY)

5. ADJOURN



New York State Insurance Fund

Report to Board of Commissioners
For the Year Ended December 31, 2024

Presented May 21, 2025



May 21, 2025

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 ended December 31, 2024. 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 2024 audit.

Our audit was designed to express an opinion on the 2024 statutory basis financial statements. We have aligned our procedures to consider the Funds' 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

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 2024.

As part of our audit, we regularly discuss accounting disclosures and accounting issues with management.



Audit Approach & Key Issues



Engagement Approach

- Risk-based approach that leverages prior experience with NYSIF
- Partner and manager involvement in all aspects of engagement
- Collaborative approach to solving issues
- Quality assurance involvement throughout engagement

Key Audit Areas

- Cash & investments
- Premiums charges, unearned premiums, earned but unbilled premiums and receivables
- Claims paid, and loss and loss adjustment expense reserves
- Prescribed practices
- Administrative expenses and allocations
- Financial reporting and disclosures
- Surplus balances
- Regulatory compliance



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, 2024 and plan to issue our reports thereon dated May 21, 2025.

- Our audit report for each fund is unmodified.
- Our audit report also covers the supplementary schedules which is required supplementary information (required by the National Association of Insurance Commissioners).
- There were no significant changes in accounting policies applied by the funds this year.
- No material weaknesses in internal controls were identified.



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.

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AUDIT • TAX • ADVISORY



BOARD OF COMMISSIONERS

Q1 2025 Results

May 21, 2025

Workers' Compensation Fund

Q1 2025 Results

Preliminary & Unaudited



Workers' Compensation Fund

Q1 2025 Overview – Statutory Basis

- **Earned premium decreased \$9.6 million or 2.2% compared to 2024**
 - 2025 premium decrease is due to reduced loss costs and audit premium, partially offset by increased payrolls.
- **The combined ratio with dividends decreased 15.3 points compared to 2024**
 - Losses and loss adjustment expenses incurred decreased \$118.5 million, largely due to increased prior accident year reserve releases.
 - Premium deficiency reserve ("PDR"), recorded in other underwriting expenses, of \$32.6 million was booked in 1Q 2025 as a result of loss ratio estimates on current business.
 - Dividends paid YTD were \$21.7 million in 2024 and \$50.5 million in 2025. The increase is due to payment timing differences.
- **Net investment income ratio (before realized gains) increased 5.2 points compared to 2024**
 - The increase was mainly due to increased investment income.
- **Bad Debt Expense increased to \$38.5 million from \$17.2 million in 2024**
 - The bad debt expense increased due to a quarterly provision for uncollectible accounts started in 1Q 2025, and an increase in write-offs to \$28.5 million in 1Q25 versus \$17.2 million in 1Q24.
- **Realized Gains were \$4.5 million, down from \$141.6 million in 2024**
 - 2025 realized gains included gains on sales of common stock of \$8.0 million, offset by realized losses on bond sales of \$(3.5) million.
- **Net income was \$225.6 million, reflecting a decrease of \$73.6 million compared to 2024**
 - The decrease from 2024 is a result of increased underwriting and investment income, offset by increased PDR and lower net realized gains.

Workers' Compensation Fund Statutory Basis Results

(\$ in millions)

Preliminary and unaudited

1st Quarter

	YTD 2024	YTD 2025	Percent/Point Increase/ (Decrease)
Net Written Premium	\$446.4	\$422.4	(5.4%)
Net Earned Premium	\$434.1	\$424.5	(2.2%)
Combined Ratio	86.7%	68.9%	(17.8)
Dividend Ratio	11.9%	14.4%	2.5
Combined Ratio w/Dividends	98.6%	83.3%	(15.3)
Underwriting Margin	1.4%	16.7%	15.3
Net Investment Income Ratio	37.6%	42.9%	5.2
Current Year Operating Margin	39.0%	59.6%	20.6
Bad Debt Expense	(17.2)	(38.5)	(21.3)
Realized Gains/(Losses)	141.6	4.5	(137.2)
Net Income	\$299.2	\$225.6	(\$73.6)
Dividends Paid	\$21.7	\$50.5	N/A

(1) Excluding realized gains/(losses).

Amounts may not foot due to rounding.

Disability Benefits Fund

Q1 2025 Results

Preliminary & Unaudited



Disability Benefits Fund

Q1 2025 Overview – Statutory Basis

- **Earned premium decreased by \$2.9 million or 9.8% compared to 2024**
 - Lower earned premium in 2025 vs 2024 is primarily due to reduced PFL rates.
- **The combined ratio increased by 16.4 points compared to 2024**
 - Loss and loss adjustment expenses increased by \$2.0 million in 2025 vs. 2024 due to an increase in the New York State Average Weekly Wage (NYSAWW).
- **Net income was \$3.0 million, reflecting a decrease of \$6.5 million compared to 2024**
 - Net income was reduced by the decrease in PFL rates and the increase in the PFL risk adjustment.

Disability Benefits Fund Statutory Basis Results

(\$ in millions)

Preliminary and unaudited

1st Quarter

	YTD 2024	YTD 2025	Percent/Point Increase/ (Decrease)
Net Written Premium	\$23.0	\$25.9	12.8%
Net Earned Premium	\$29.8	\$26.9	(9.8%)
Loss and Loss Adjustment Expense Ratio	82.7%	100.3%	17.6
Underwriting Expense Ratio	8.3%	7.1%	(1.2)
Combined Ratio	91.0%	107.4%	16.4
Underwriting Margin	9.0%	(7.4%)	(16.4)
Net Investment Income Ratio (1)	14.8%	17.2%	2.5
Current Year Operating Margin	23.8%	9.8%	(13.9)
Net Income	\$9.5	\$3.0	(\$6.5)

(1) Excluding realized gains/(losses).

Amounts may not foot due to rounding.

PROPOSED MINUTES OF THE REGULAR MEETING OF
THE COMMISSIONERS OF THE STATE INSURANCE FUND
HELD ON WEDNESDAY, FEBRUARY 19, 2025, AT 10:00 A.M.
AT 199 CHURCH STREET, 12 FLOOR BOARDROOM, NEW YORK, NEW YORK 10007
AND 100 CHESTNUT STREET, ROCHESTER, NEW YORK 14604

Board

Attendance – New York City

Kenneth Theobalds, Chair

Erica Dinallo

Sean Graham

Navneet Kathuria

David Ourlicht

Alexis Thomas

Scott Melvin, *ex officio*

Attendance – Rochester

Dennis Kessler

Executive Staff

Gaurav Vasisht, Executive Director & CEO

Peter Cusick, Chief Operating Officer, Insurance
Operations

David Wertheim, Acting General Attorney

William Gratrix, Chief Financial Officer

Gregory Francis, Chief Investment Officer

Additional Staff & Guest(s)

Michael Totaro, Assistant Secretary to the Board of
Commissioners

Al Angelo, Director of Administration

Kristin Markwica, Director of Disability and Paid Family
Leave Benefits

Farrell Mugo, Infinity Protection Services

K'Lyle Jones, Infinity Protection Services

Chair Theobalds presided. Commissioner Kessler participated from the NYSIF Rochester Office and Chair Theobalds, Commissioners Dinallo, Graham, Kathuria, Melvin, Ourlicht, and Thomas participated from the NYSIF New York City office. A quorum was announced and maintained throughout.

1. Report of Executive Director & CEO

In the absence of Executive Director & CEO Gaurav Vasisht at the start of the meeting, Chief Operating Officer, Insurance Operations Peter Cusick reported on the successful MWBE Symposium held on February 12, 2025. Mr. Cusick stated he would have additional matters to discuss in Executive Session, subject to a motion to enter Executive Session.

2. Report of Acting General Attorney

Acting General Attorney David Wertheim stated he had reports relating to litigation and legal advice that would be reported in Executive Session, subject to a motion to enter Executive Session.

3. Report(s) of Standing Committees

Budget & Audit

Commissioner Thomas, Chair of the Budget & Audit Committee, reported that the committee met on Friday, February 7, 2025, to discuss the year-end financials. She then directed Chief Financial Officer William Gratrix to present the year-end financials to the full Board.

Mr. Gratrix provided his report on the year-end financials of the Workers' Compensation Insurance Fund and the Disability Benefits/Paid Family Leave Fund.

Investments Committee

Commissioner Ourlicht, Chair of the Investments Committee, reported that the committee met on January 14, 2025, and February 5, 2025, respectively. The Committee received a presentation concerning the structured products portfolio; the portfolio continues to perform strongly. There were no compliance issues to report for the months of December and January. The Committee has a resolution to present to the full Board in Executive Session, subject to a motion to enter Executive Session.

4. Motion to Accept Consent Agenda

Upon a motion by Commissioner Ourlicht, duly seconded by Commissioner Thomas, the Board unanimously voted to accept the minutes of the December 18, 2024, Board meeting and have them filed as the official minutes of the Board, as well as to accept the written reports as submitted. The vote: Commissioner Dinallo – yes; Commissioner Graham – yes; Commissioner Kathuria – yes; Commissioner Kessler – yes; Commissioner Melvin – yes; Commissioner Ourlicht – yes; Commissioner Thomas – yes; Chairman Theobalds – yes.

5. Executive Session

Upon a motion by Commissioner Kathuria, duly seconded by Commissioner Graham, the Board unanimously voted to enter Executive Session for a discussion regarding matters leading to the employment of a particular corporation – specifically this applies to investment analytical tools; for a discussion regarding matters that could imperil the public safety, if disclosed; and for a discussion regarding legal advice. The vote: Commissioner Dinallo – yes; Commissioner Graham – yes; Commissioner Kathuria – yes; Commissioner Kessler – yes; Commissioner Melvin – yes; Commissioner Ourlicht – yes; Commissioner Thomas – yes; Chairman Theobalds – yes.

6. Report of Executive Session

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

Upon a motion by Commissioner Ourlicht, duly seconded by Commissioner Graham, the Board unanimously voted to approve and authorize the Investment Department to enter into a five- (5) year contract with Trepp, Inc. to provide analytical tools for commercial mortgaged-backed securities, subject to legal review and execution by staff in accordance with the "Procurement Guidelines - Investments." The vote: Commissioner Dinallo – yes; Commissioner Graham – yes; Commissioner Kathuria – yes; Commissioner Kessler – yes; Commissioner Melvin – yes; Commissioner Ourlicht – yes; Commissioner Thomas – yes; Chairman Theobalds – yes.

Assistant Secretary Totaro then announced that the next Board of Commissioners monthly meeting is scheduled for Wednesday, March 19, 2025, at 10:00 a.m.

7. Adjournment of Meeting

Upon a motion by Commissioner Graham, duly seconded by Commissioner Kessler, the Board unanimously approved a motion to adjourn the Board of Commissioners of the State Insurance Fund regular monthly meeting. The vote: Commissioner Dinallo – yes; Commissioner Graham – yes; Commissioner Kathuria – yes; Commissioner Kessler – yes; Commissioner Melvin – yes; Commissioner Ourlicht – yes; Commissioner Thomas – yes; Chairman Theobalds – yes.

Respectfully Submitted,

Michael Totaro, Assistant Secretary



KATHY HOCHUL
GOVERNOR



PROPOSED MOTION*

The following is a procedural vote considered by the NYSIF Board of Commissioners at a meeting held on Wednesday, May 21, 2025. A quorum was present throughout:

A motion was made that the minutes of the February 19, 2025 meeting be accepted and filed as the official minutes of the Board of Commissioners.

Commissioner_____provided the motion to approve

Commissioner_____seconded the motion

	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
Commissioner Kathuria	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Melvin			
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
Commissioner Ourlicht			
Commissioner Dinallo	_____	_____	_____
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)



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PROPOSED MOTION*

The following is a procedural vote considered by the NYSIF Board of Commissioners at a meeting held on Wednesday, May 21, 2025. A quorum was present throughout:

Motion to accept the written reports as submitted.

Commissioner_____provided the motion to approve

Commissioner_____seconded the motion

	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
Commissioner Kathuria	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Melvin			
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
Commissioner Ourlicht			
Commissioner Dinallo	_____	_____	_____
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)



KATHY HOCHUL
GOVERNOR



PROPOSED MOTION*

The following is a procedural vote considered by the NYSIF Board of Commissioners at a meeting held on Wednesday, May 21, 2025. A quorum was present throughout:

A motion was made to proceed into Executive Session for a discussion regarding matters leading to the employment particular corporations – specifically this applies to investment management services; for a discussion regarding the proposed leasing of real property in Buffalo and New York City; for a discussion regarding a particular policyholder; and for a discussion regarding legal advice.

Commissioner _____ provided the motion to approve

Commissioner _____ seconded the motion

	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
Commissioner Kathuria	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Melvin			
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
Commissioner Ourlicht			
Commissioner Dinallo	_____	_____	_____
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)



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GOVERNOR



PROPOSED MOTION*

The following is a procedural vote considered by the NYSIF Board of Commissioners at a meeting held on Wednesday, May 21, 2025. 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

	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
Commissioner Kathuria	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Melvin	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
Commissioner Ourlicht	_____	_____	_____
Commissioner Dinallo	_____	_____	_____
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)