



KATHY HOCHUL
GOVERNOR



GENERAL SESSION AGENDA
BOARD OF COMMISSIONERS' REGULAR MEETING
WEDNESDAY, NOVEMBER 16, 2022, 10:00 A.M.

1. PRESENTATION

- A. NEW YORK COMPENSATION INSURANCE RATING BOARD STATE OF THE SYSTEM REPORT—
PRESIDENT & CEO JEREMY ATTIE AND VICE PRESIDENT ZIV KIMMEL

2. STANDING REPORT(S)

- A. REPORT OF EXECUTIVE DIRECTOR & CEO GAURAV VASISHT
- B. REPORT OF ACTING GENERAL ATTORNEY DAVID WERTHEIM

3. REPORT OF BOARD STANDING COMMITTEE(S)

- A. BUDGET & AUDIT COMMITTEE: COMMISSIONER ALEXIS THOMAS
 - 1) 3RD QUARTER FINANCIALS
 - 2) RESOLUTION: WORKERS' COMPENSATION FUND BUDGET
 - 3) RESOLUTION: DISABILITY BENEFITS FUND BUDGET
- B. INVESTMENT COMMITTEE: CHAIRMAN KENNETH THEOBALDS
 - 1) RESOLUTION: AUTHORITY TO TRADE
 - 2) RESOLUTION: AMENDMENT TO THE INVESTMENT POLICY STATEMENT (EQUITY
CAP)

4. CONSENT AGENDA

- A. TO ACCEPT THE PROPOSED MINUTES OF THE OCTOBER 19, 2022 BOARD MEETING
- B. TO ACCEPT THE WRITTEN REPORTS AS SUBMITTED

5. EXECUTIVE SESSION (IF NECESSARY)

6. ADJOURN



State of the System

2022 Presentation



AGENDA

State of the System 2022

01

Key Drivers of the Loss Cost Indication

02

Premium Volume and Underwriting Results



AGENDA

State of the System 2022

01

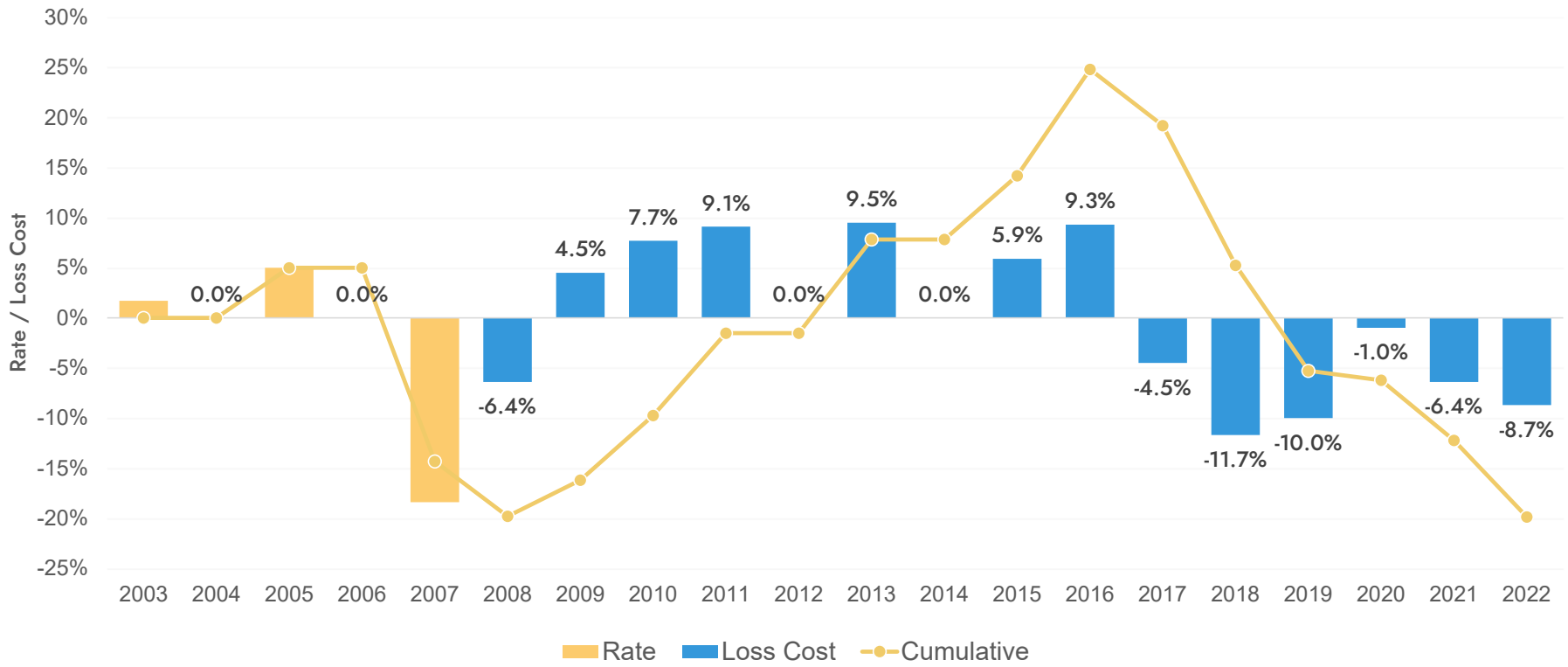
Key Drivers of the Loss Cost Indication

02

Premium Volume and Underwriting Results

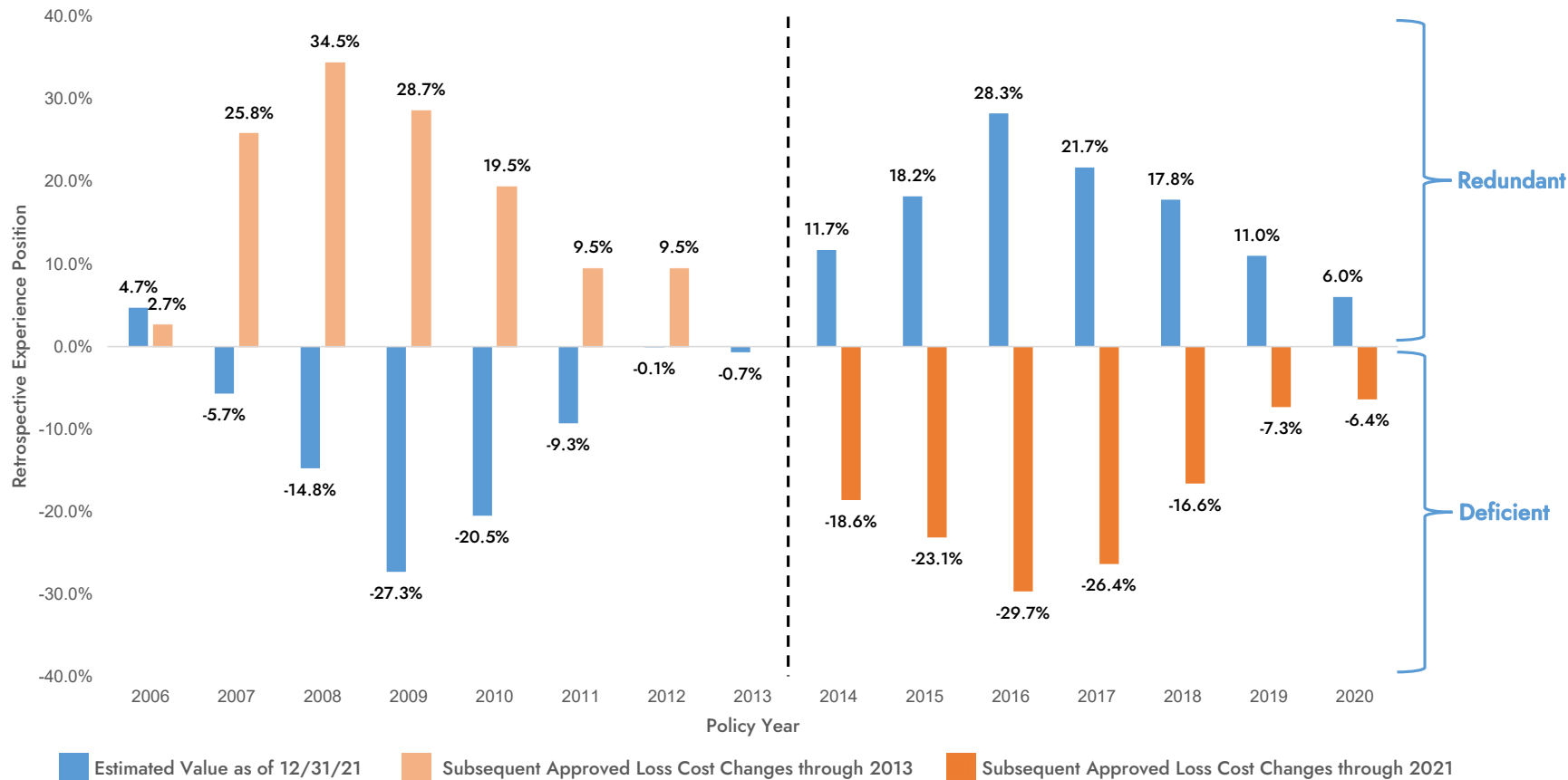
Slide #4 - State of the System 2022

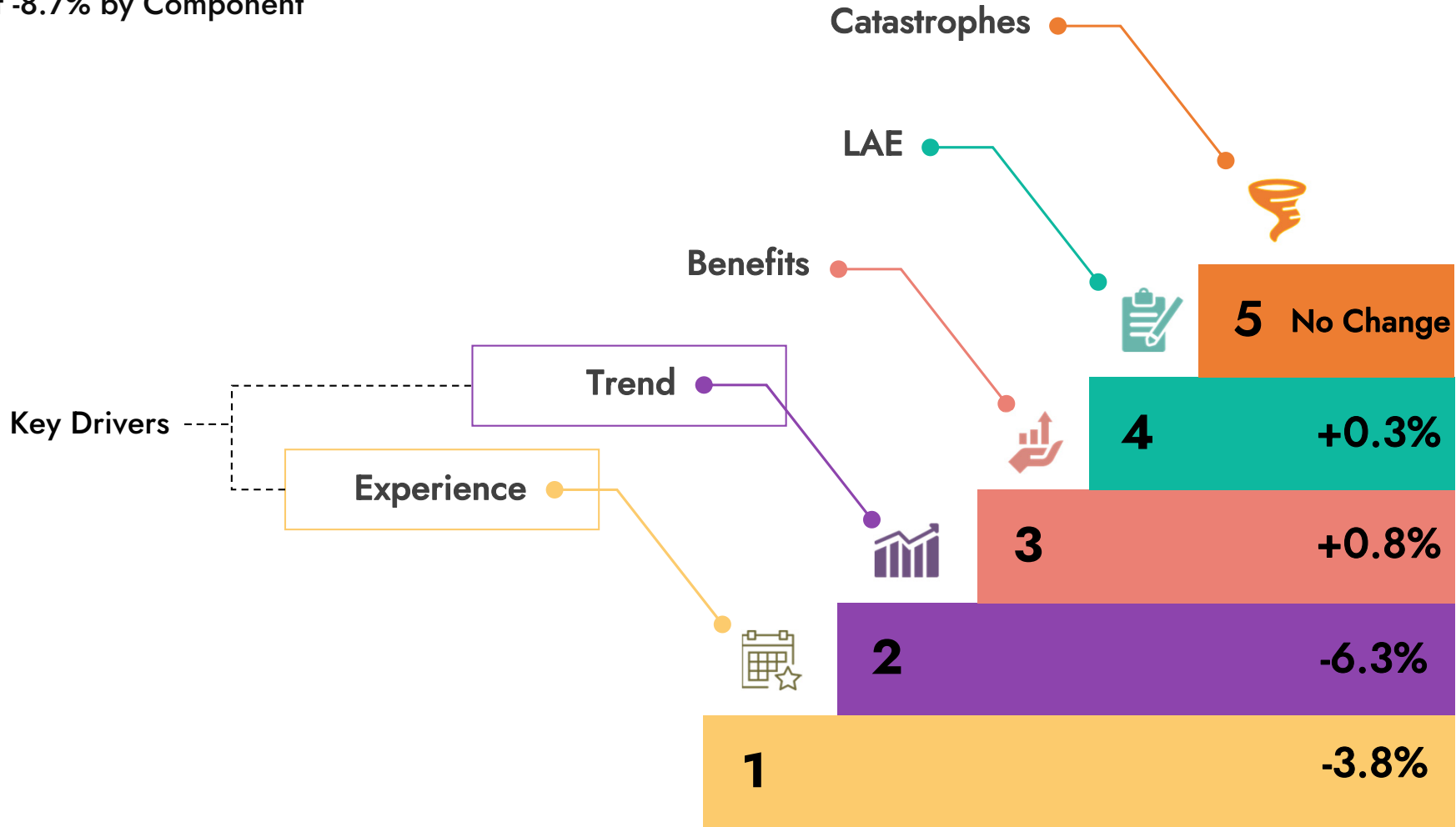
New York Rate/Loss Cost History

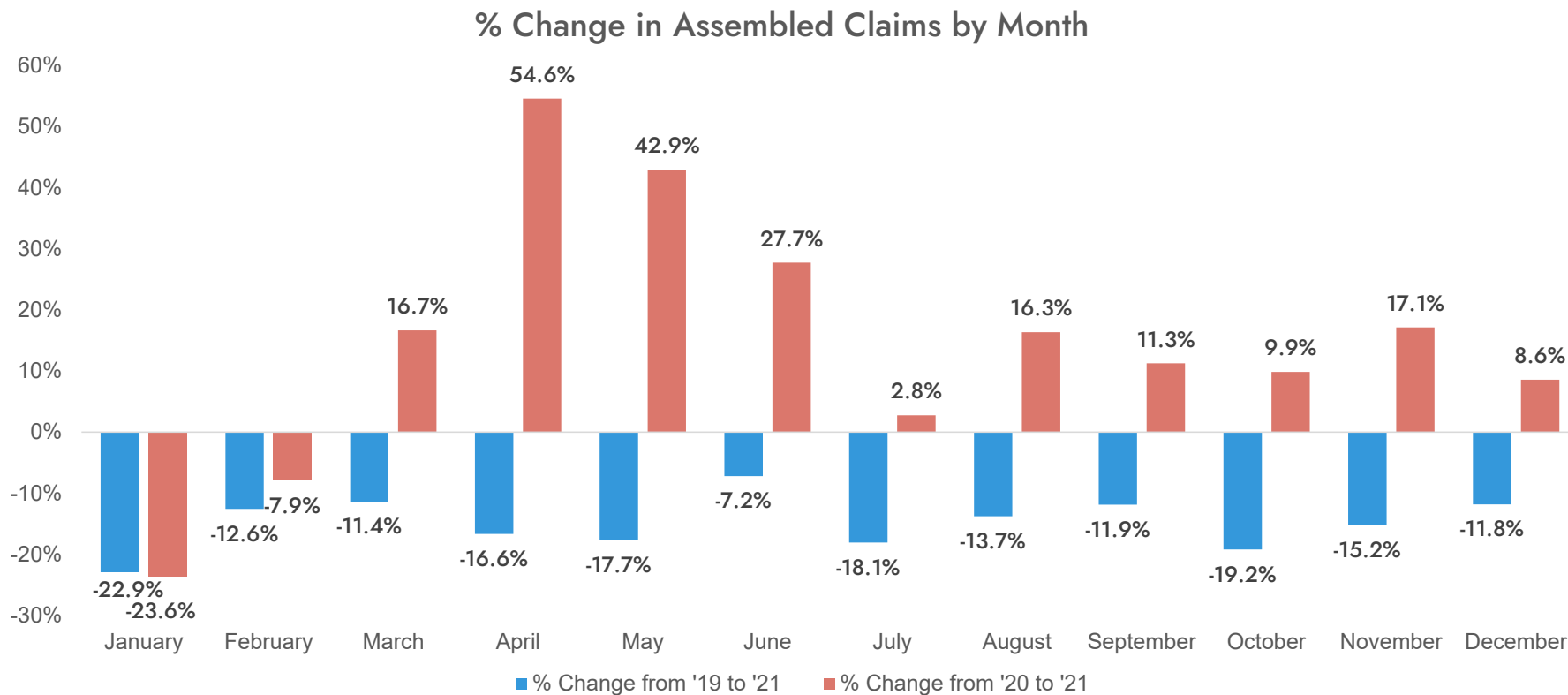


* 2004, 2006, 2012, 2014 disapproved

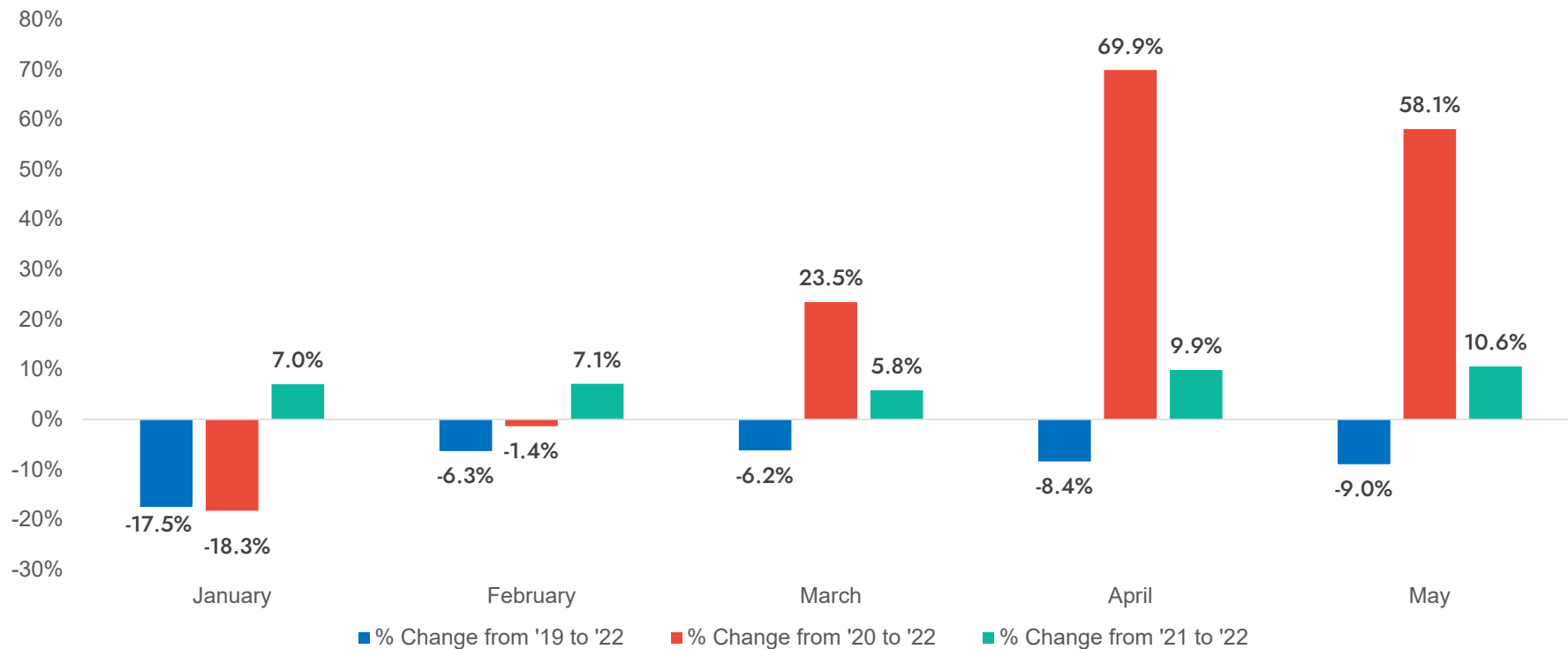
Retrospective Experience at Loss Cost Level – Policy Year



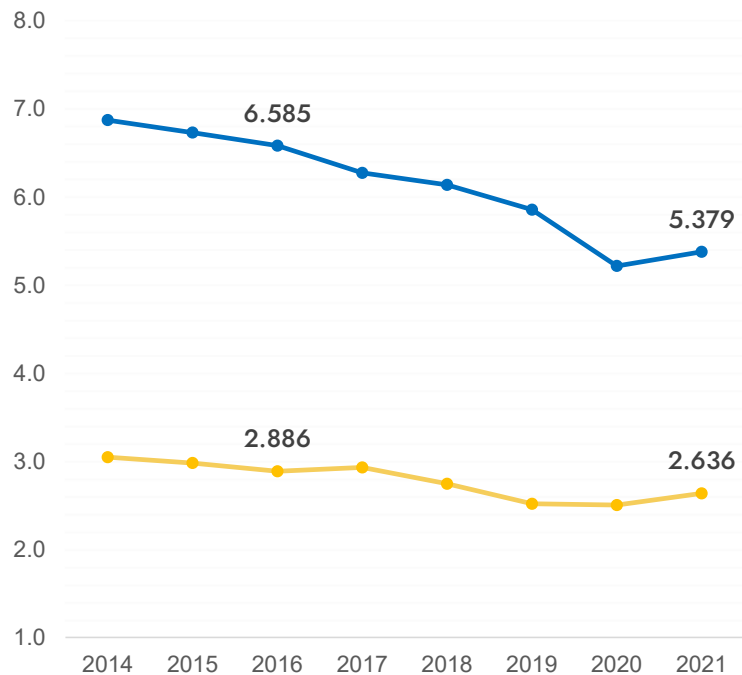




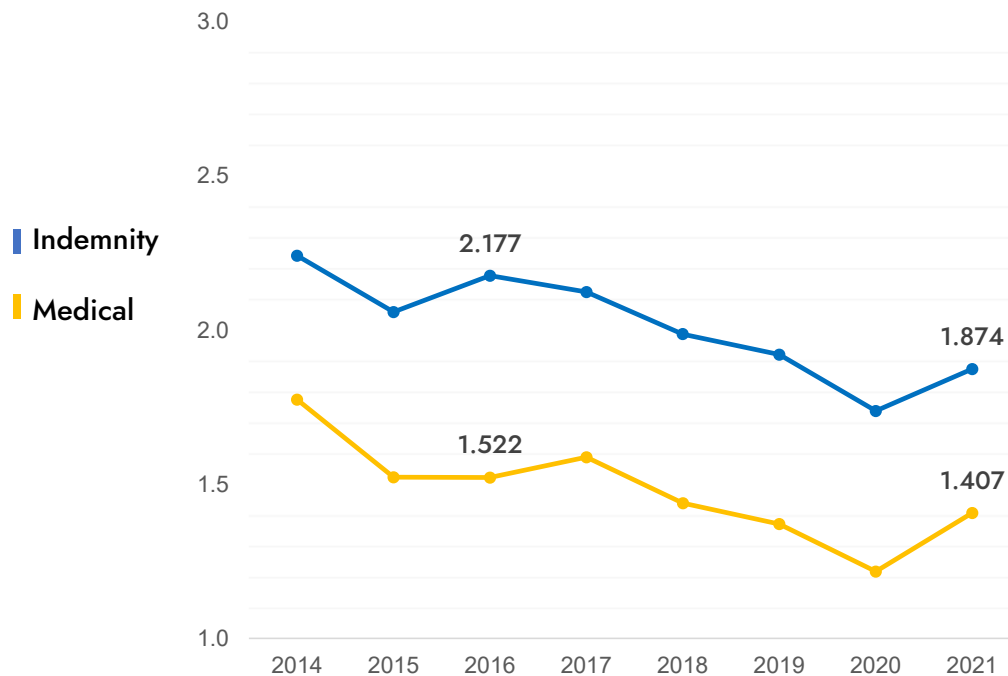
% Change in Assembled Claims by Month

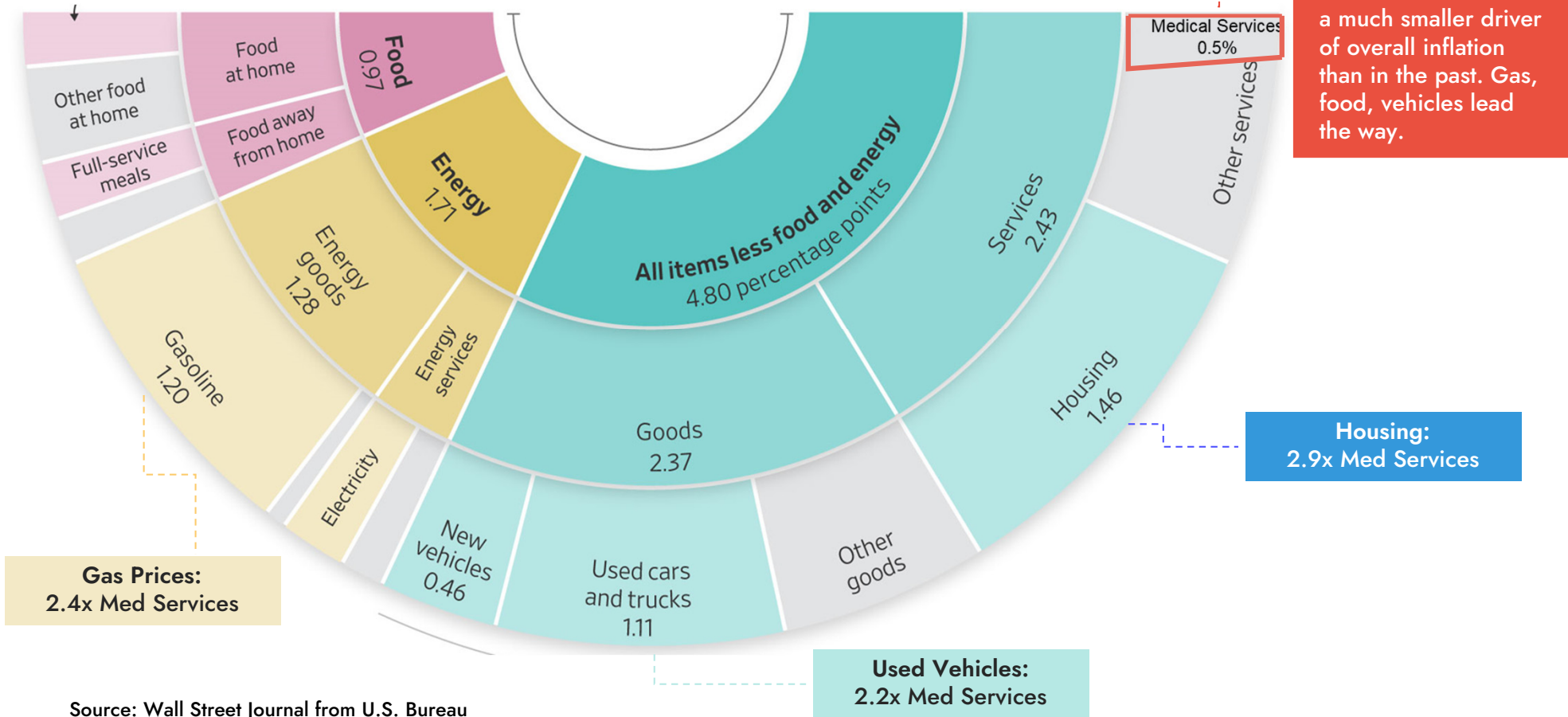


1st to 19th Paid Loss Development Factors



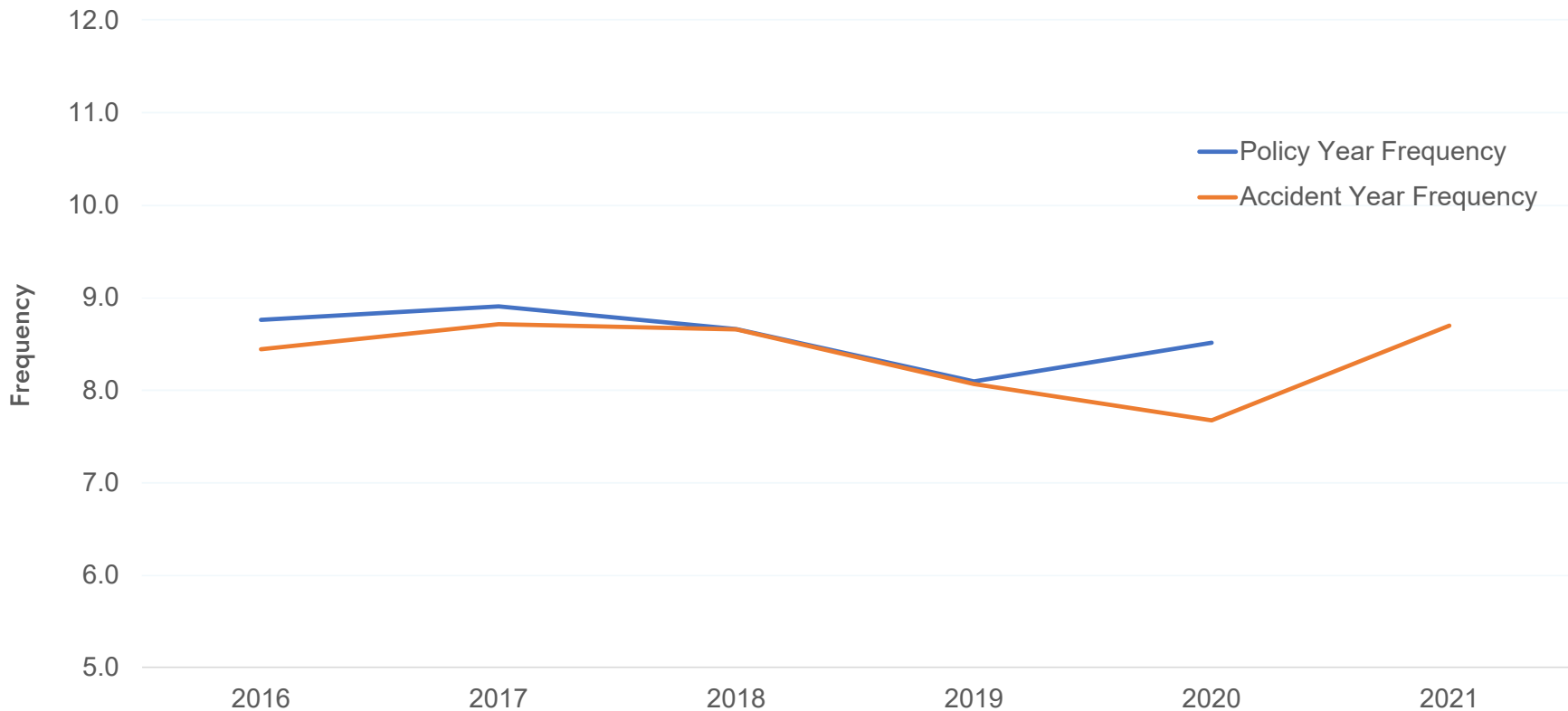
1st to 19th Incurred Loss Development Factors



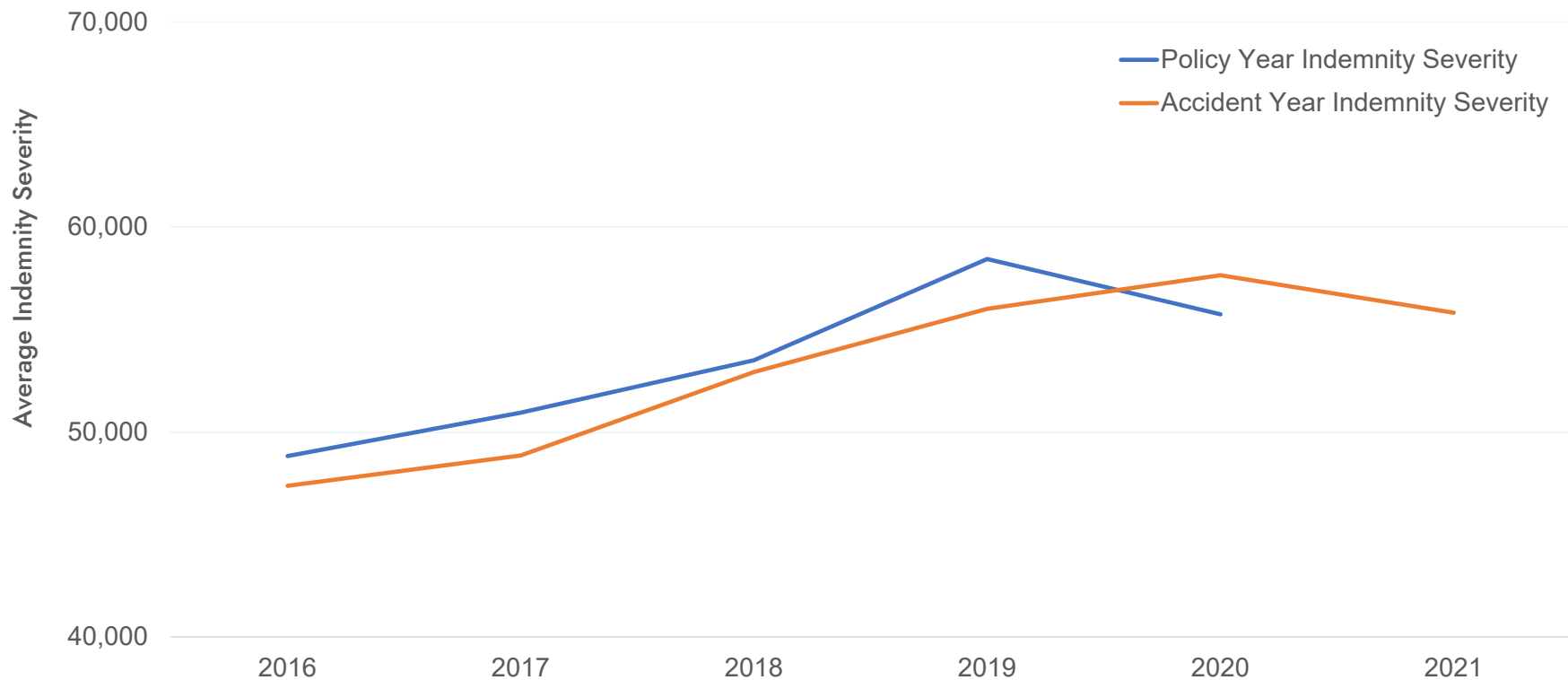


Claim Frequency

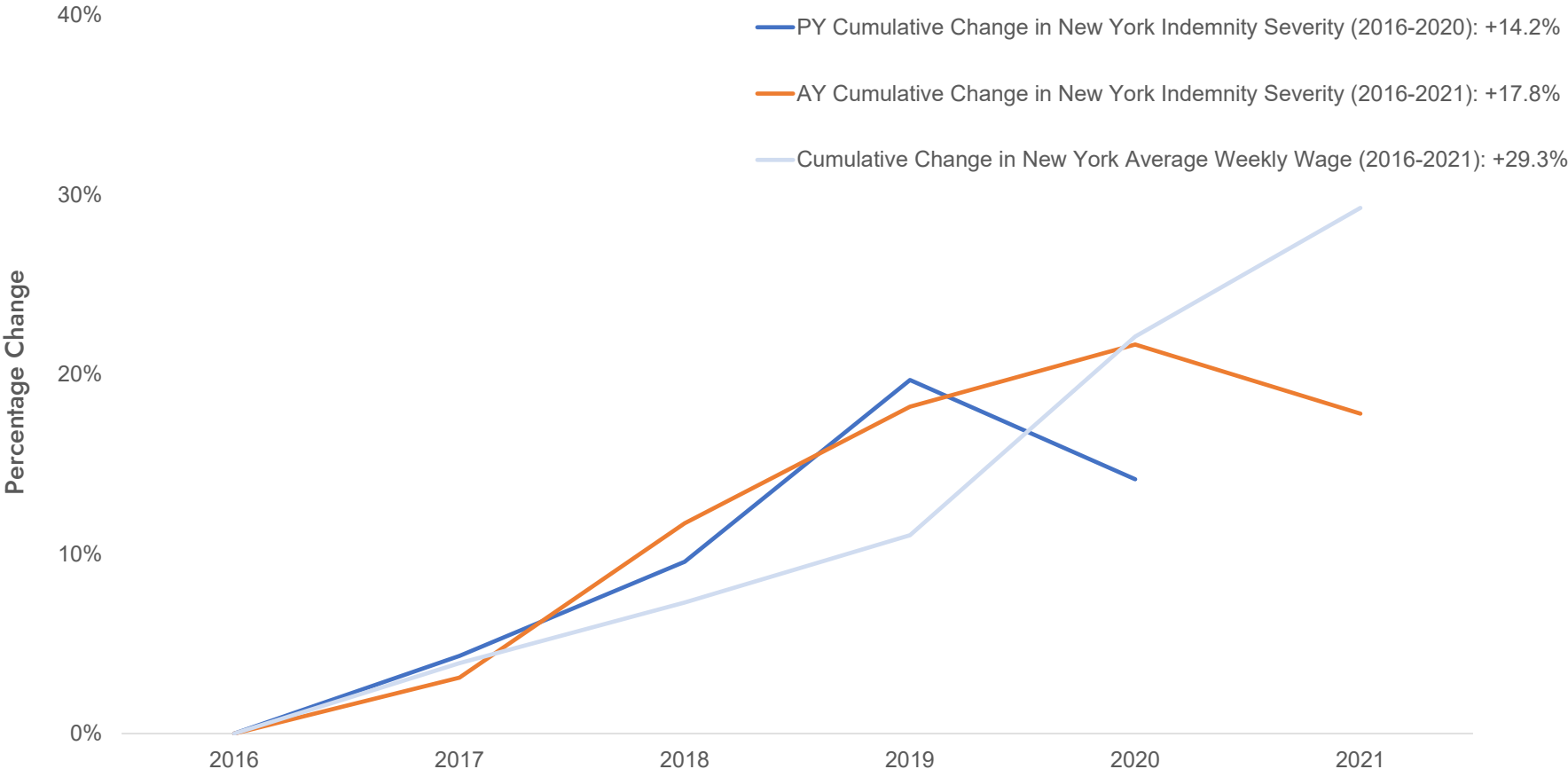
Lost Time Claims per \$1M of Premium

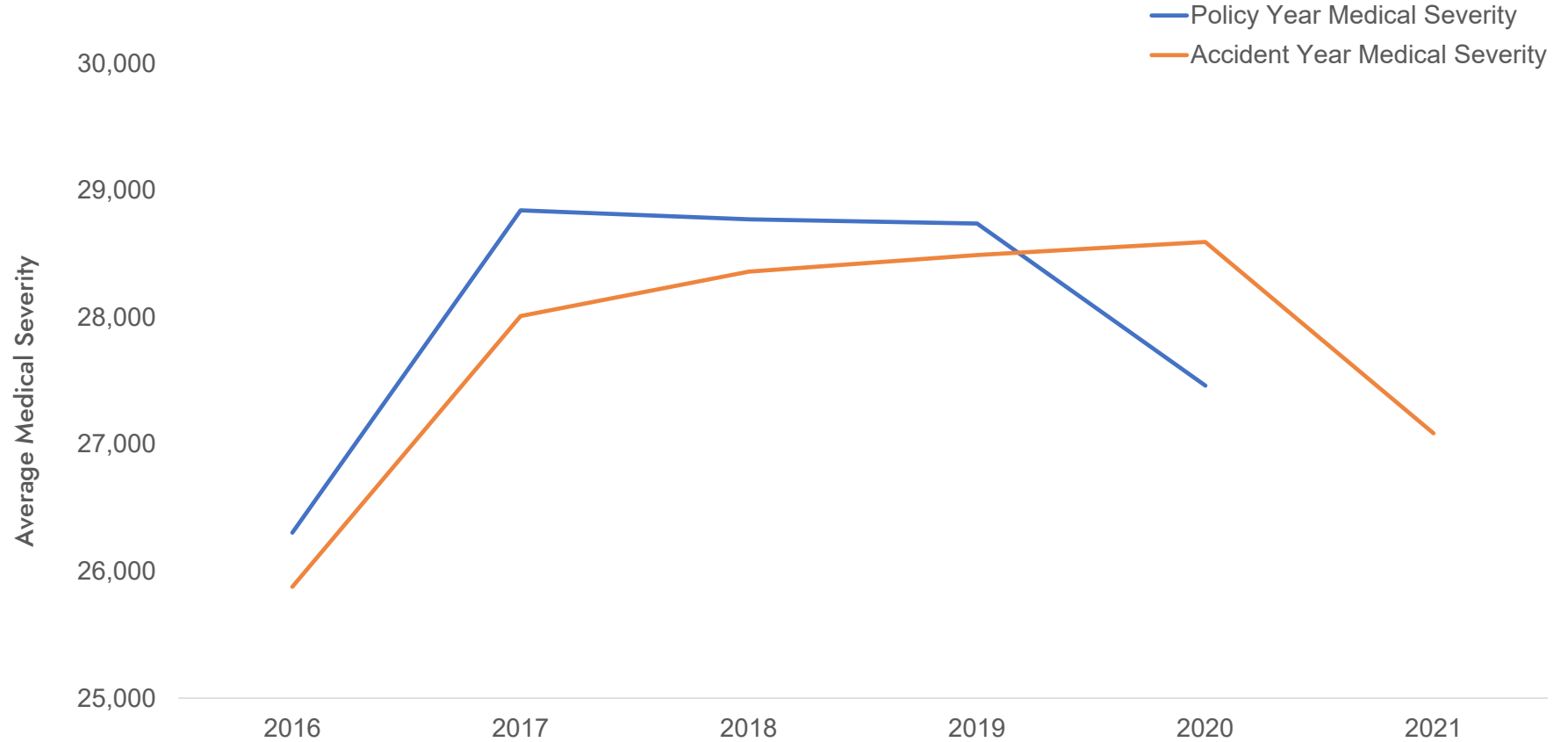


Indemnity Severity

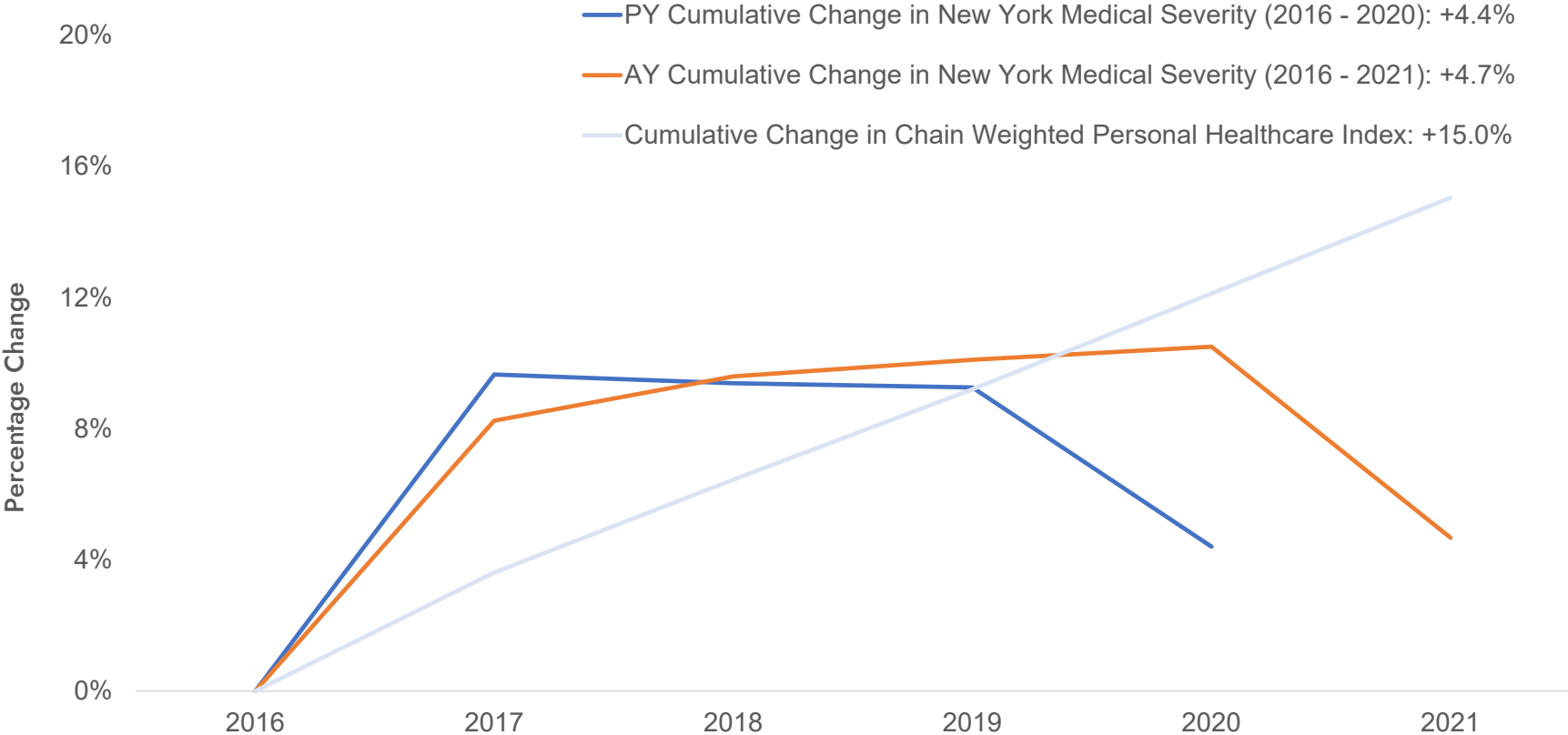


Indemnity Severity vs. Average Weekly Wage





Medical Severity vs. Chain Weighted Personal Healthcare Index





AGENDA

State of the System 2022

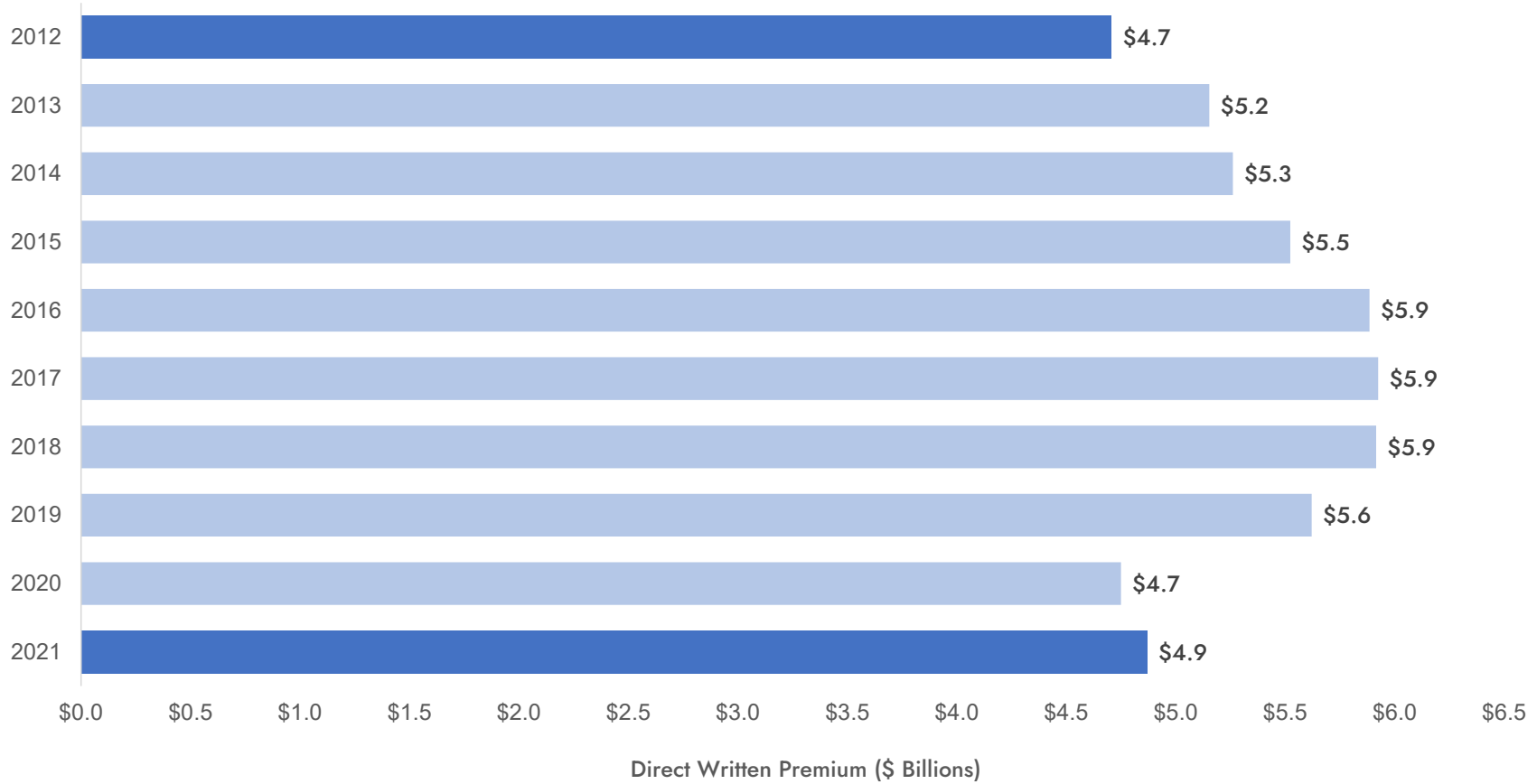
01

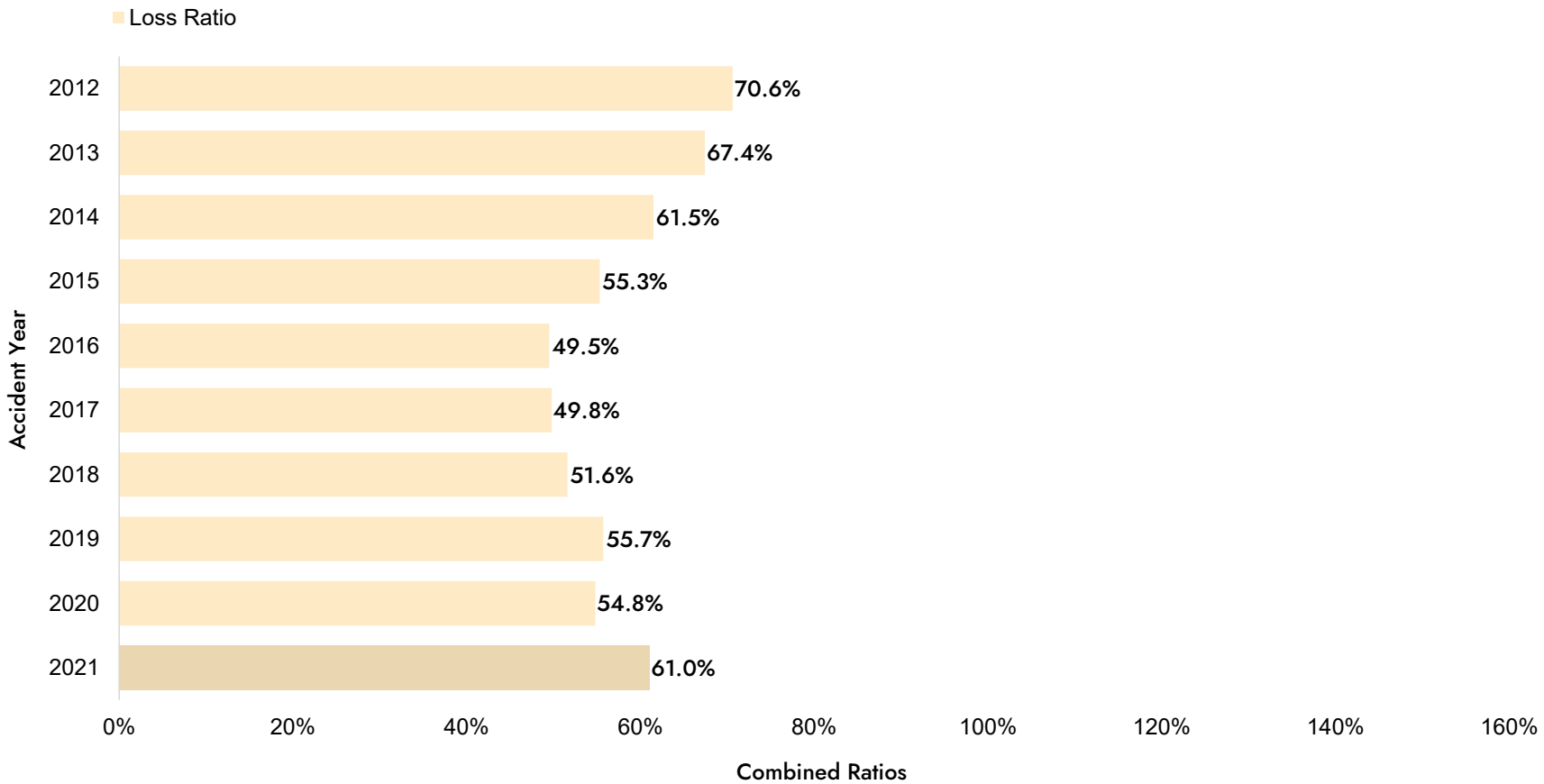
Key Drivers of the Loss Cost Indication

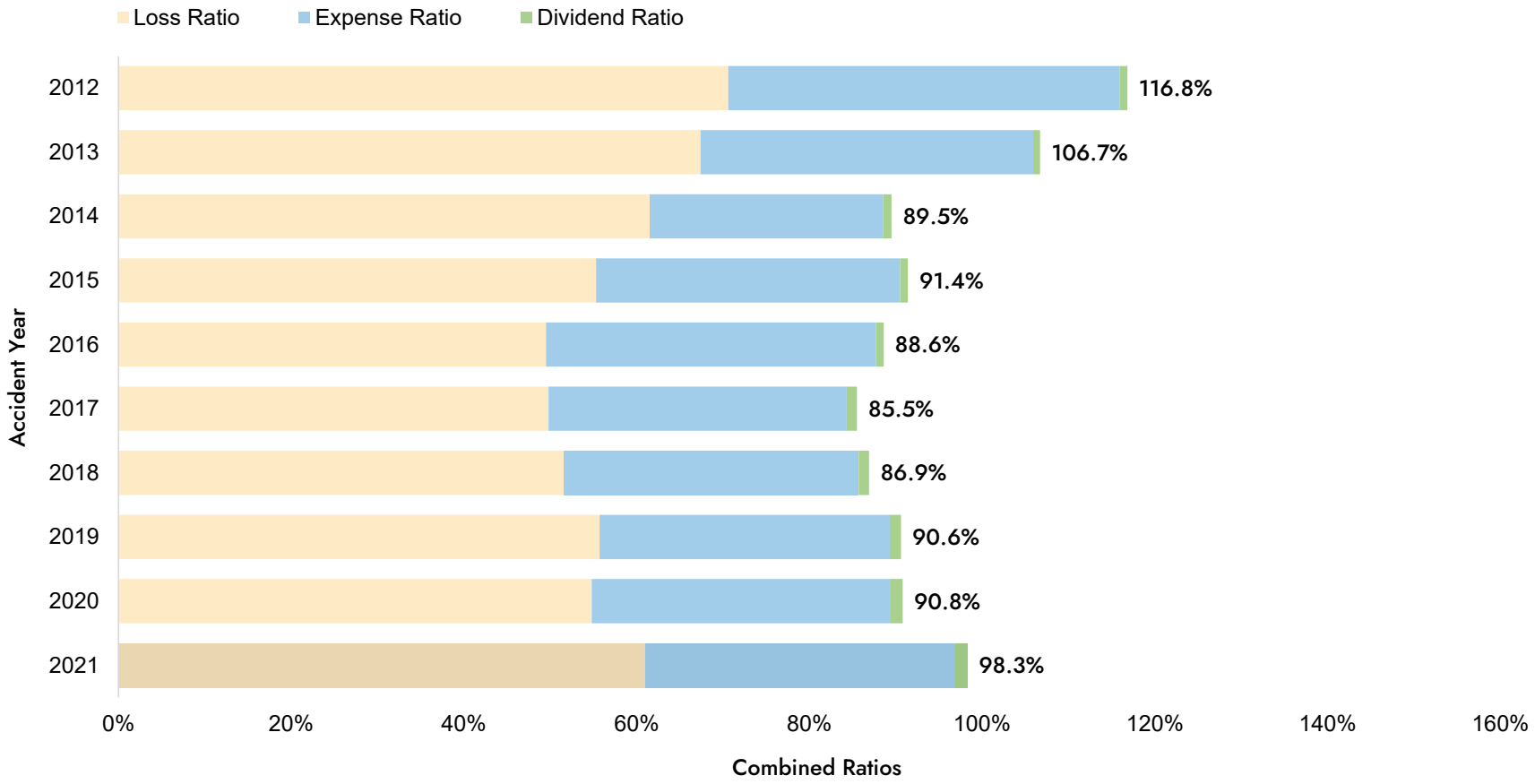
02

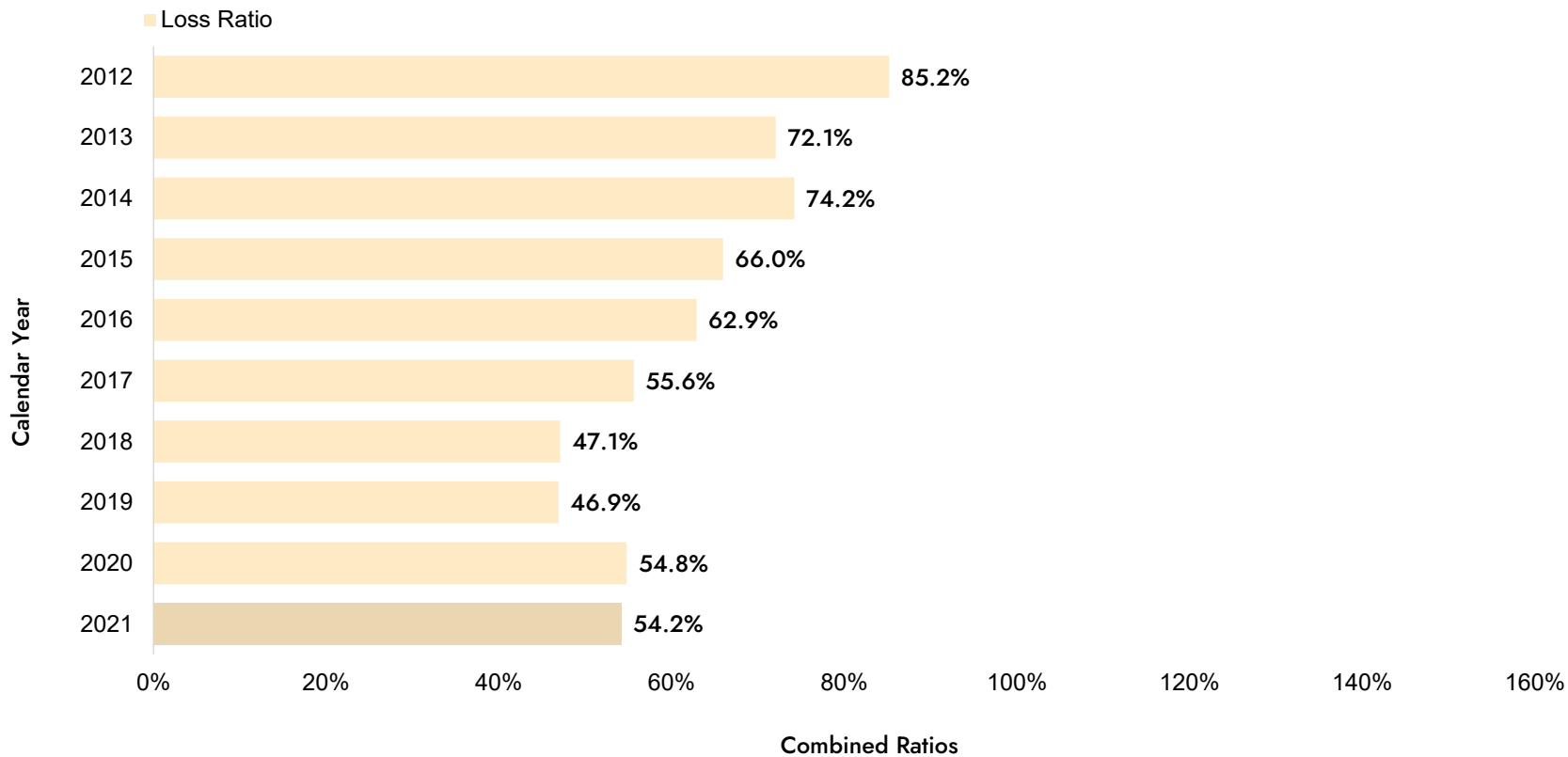
Premium Volume and Underwriting Results

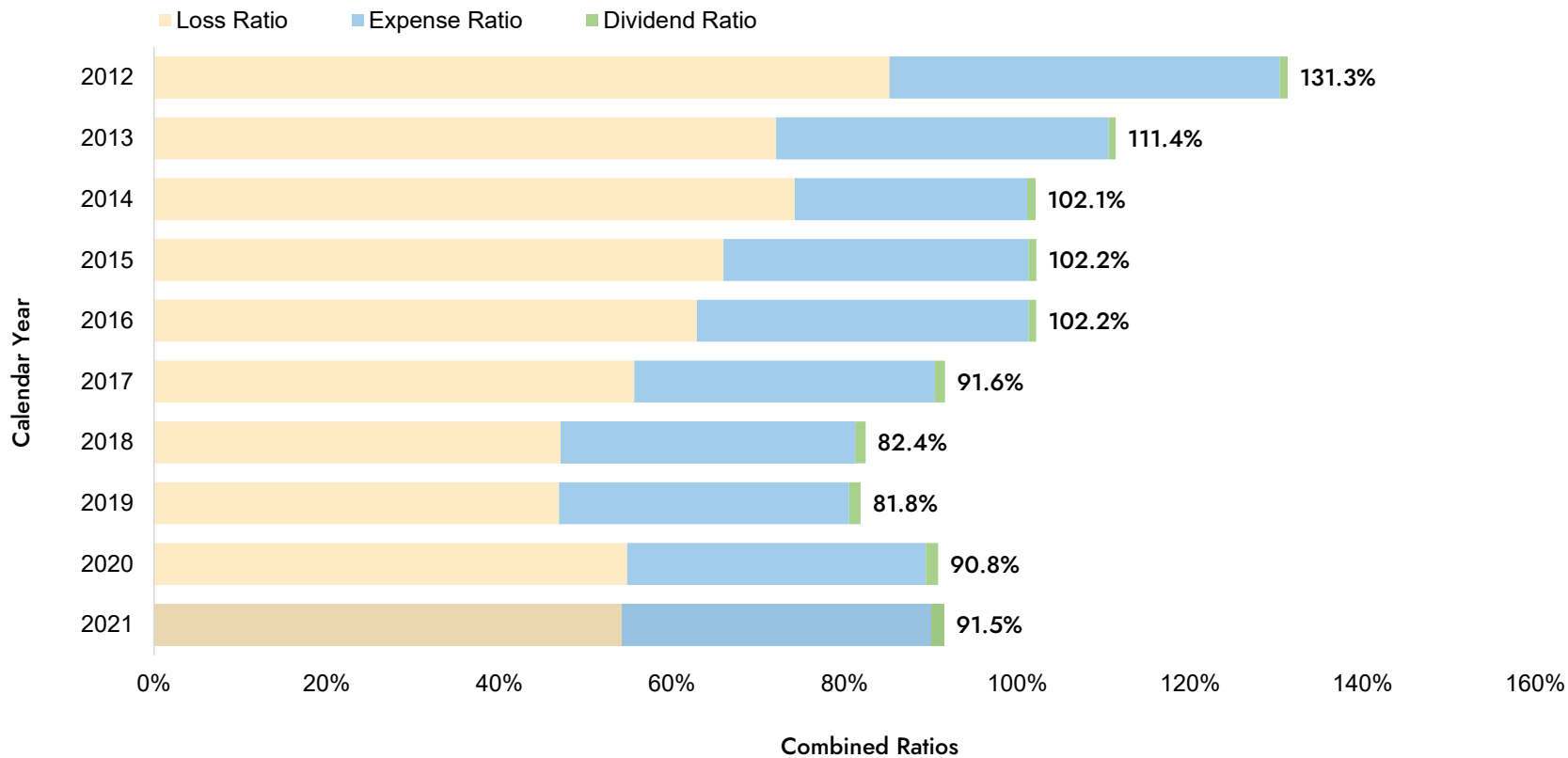
New York Direct Written Premium (\$ Billions)













KATHY HOCHUL
GOVERNOR



PROPOSED RESOLUTION*

The following is a proposed resolution considered by the NYSIF Board of Commissioners at a meeting held on Wednesday, November 16, 2022. A quorum was present throughout:

RESOLVED, that the Board of Commissioners, under Section 82 of the Workers' Compensation Law, approves the 2023 Workers' Compensation Fund Administrative Budget as submitted.

Commissioner_____provided the motion to approve

Commissioner_____seconded the motion

	YES	NO	ABSTAIN
Commissioner Delgado	_____	_____	_____
Commissioner Kathuria	_____	_____	_____
Commissioner MacLeod	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Roberti	_____	_____	_____
Commissioner Melvin	_____	_____	_____
Commissioner Mirchandani	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
Chairman Theobalds	_____	_____	_____

Michael Totaro
Assistant Secretary

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



2023 Proposed Budget Workers' Compensation Fund

Board of Commissioners
November 16, 2022

2023 NYSIF Proposed Budget

Executive Summary

- Earned Premium, at \$1.5B, reflects continued loss cost reductions which are effective every October 1st. The 2023 budget assumes no change in policy count

Controllable expenses increased due to:

- 8% increase in salary and fringe benefits attributable to an increased head count, 3% COLA increase offset by a 6% attrition rate.
 - Software cost transition to cloud based expenses
 - Payment processing fees to cover credit card fees for small policyholders
 - Increase for external investment manager fees - not a component of the administrative expenses
-
- As a ratio to earned premium, the **Administrative Expense Ratio** increased from 9.8 to 10.2%, driven by increased expenses and a decrease in earned premium
 - Prepared in accordance with updated administrative expense definitions

2023 NYSIF Proposed Budget

STATE INSURANCE FUND WORKERS' COMPENSATION FUND TOTAL INSURANCE EXPENSES WITH ADMINISTRATIVE EXPENSE BREAKOUT	2023 Claims Expenses	2023 Investment Expenses	2023 Other Underwriting (Admin Expenses)	2023 Total Expenses
Salaries	\$87,351,512	\$4,944,425	\$72,518,237	\$164,814,174
Payroll taxes and employee benefits	54,978,228	3,111,975	45,642,303	103,732,506
IT expenses software and hardware	18,477,827	1,045,915	15,340,083	34,863,825
IT consultants	4,284,639	242,527	3,557,059	8,084,224
Investment managers and expenses	-	30,632,568	-	30,632,568
Contracted administrative services	4,932,416	279,193	4,097,336	9,308,945
Underwriting payment and processing fees	3,218,980	182,206	4,672,361	8,073,548
Printing	1,416,859	80,200	1,176,260	2,673,318
All Other including collections	2,052,377	93,375	6,306,364	8,452,116
NYS admin expense credit	(22,000,000)	-	-	(22,000,000)
Sub-total Controllable Expenses	154,712,839	40,612,384	(1) 153,310,002	348,635,225
Boards, bureaus and associations	-	-	5,964,977	5,964,977
Taxes, licenses and fees	-	-	29,193,906	29,193,906
Real estate expenses	12,037,027	8,999,401	9,993,004	31,029,432
Reimbursements by uninsured accident and health plans	(9,409,161)	-	-	(9,409,161)
Sub-total Noncontrollable Expenses	2,627,866	8,999,401	45,151,886	56,779,154
Total Expenses Incurred (excludes external Claims Adjustment Services)	\$157,340,705	\$49,611,786	\$198,461,888	\$405,414,379
Earned Premium			(2) \$1,502,480,655	
Administrative Expense Ratio per Section 88 of the Workers' Compensation Law (1) / (2)			10.2%	

2023 NYSIF Proposed Budget

STATE INSURANCE FUND WORKERS' COMPENSATION FUND OTHER UNDERWRITING EXPENSES (ADMINISTRATIVE EXPENSES)	2022 Budget Other Underwriting	2022 Forecast Other Underwriting	2023 Proposed Budget Other Underwriting	2023 Proposed Budget less 2022 Forecast	2023 Proposed Budget less 2022 Forecast
Salaries	\$74,546,160	\$68,693,630	\$72,518,237	\$3,824,607	6%
Payroll taxes and employee benefits	45,043,471	40,625,899	45,642,303	5,016,403	12%
IT expenses software and hardware	12,143,627	11,539,416	15,340,083	3,800,667	33%
IT consultants	3,861,873	3,756,041	3,557,059	(198,982)	-5%
Contracted administrative services	3,563,894	3,447,470	4,097,336	649,866	19%
Underwriting payment and processing fees	3,024,051	2,727,986	4,672,361	1,944,375	71%
Printing	1,099,795	909,665	1,176,260	266,595	29%
All Other including collections	4,332,528	4,878,042	6,306,364	1,428,322	29%
(1) Administrative Expenses (subject to Board resolution)	\$147,615,398	\$136,578,148	\$153,310,002	\$16,731,853	12%
Total FTE	1,962	1,905	1,929	24	1%
(2) Earned Premium	\$1,508,000,000	\$1,587,857,814	\$1,502,480,655	(\$85,377,159)	-5%
Administrative Expense Ratio (1) / (2)	9.8%	8.6%	10.2%	1.6%	



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Chairman Theobalds	_____	_____	_____

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2023 Proposed Budget Disability Benefits Fund

Board of Commissioners
November 16, 2022

2023 NYSIF Proposed Budget

Executive Summary

- Earned Premium reflects a 10% decrease in PFL rates and no increase in DB rates
- FTE increase due to positions added to Claims and Underwriting
- As a ratio to earned premium, the **Administrative Expense Ratio** increases from 4.3 to 4.8%, driven by increased expenses and a decrease in earned premium
- Prepared in accordance with updated administrative expense definitions

2023 NYSIF Proposed Budget

STATE INSURANCE FUND DISABILITY BENEFITS FUND TOTAL INSURANCE EXPENSES WITH ADMINISTRATIVE EXPENSE BREAKOUT	2023 Claims Expenses	2023 Investment Expenses	2023 Other Underwriting (Admin Expenses)	2023 Total Expenses
Salaries	\$2,952,352	\$167,114	\$2,451,009	\$5,570,475
Payroll taxes and employee benefits	1,858,044	105,172	1,542,527	3,505,744
IT Expenses and Consultants	299,154	16,933	248,355	564,442
Investment managers and expenses	-	119,742	-	119,742
Contracted administrative services	191,911	10,863	659,322	862,096
Postage	172,388	9,758	143,115	325,260
Printing	38,195	2,162	31,709	72,066
All Other	77,397	1,064	311,388	389,850
Sub-total Controllable Expenses	5,589,442	432,809	(1) 5,387,424	11,409,675
Taxes, licenses and fees	-	-	2,293,523	2,293,523
Real estate expenses	159,662	9,037	132,549	301,248
Sub-total Noncontrollable Expenses	159,662	9,037	2,426,072	2,594,771
Total Expenses Incurred (excludes external Claims Adjustment Services)	\$5,749,103	\$441,846	\$7,813,497	\$14,004,446
Earned Premium			(2) \$111,275,337	
Administrative Expense Ratio per Section 88 of the Workers' Compensation Law (1) / (2)			4.8%	

2023 NYSIF Proposed Budget

STATE INSURANCE FUND DISABILITY BENEFITS FUND OTHER UNDERWRITING EXPENSES (ADMINISTRATIVE EXPENSES)	2022 Budget Other Underwriting	2022 Forecast Other Underwriting	2023 Proposed Budget Other Underwriting	2022 Forecast less 2023 Proposed Budget	2022 Forecast less 2023 Proposed Budget
Salaries	\$2,164,551	\$2,080,497	\$2,451,009	\$370,512	18%
Payroll taxes and employee benefits	1,308,676	1,238,552	1,542,527	303,975	25%
IT Expenses and Consultants	258,069	228,160	248,355	20,195	9%
Contracted administrative services	658,787	664,167	659,322	(4,844)	-1%
Postage	106,858	105,195	143,115	37,919	36%
Printing	21,916	16,948	31,709	14,761	87%
All Other	252,438	284,650	311,388	26,737	9%
(1) Administrative Expenses (subject to Board resolution)	\$4,771,293	\$4,618,169	\$5,387,424	\$769,256	17%
FTE	48	49	60	11	22%
(2) Earned Premium	\$112,132,735	\$125,393,563	\$111,275,337	(\$14,118,226)	-11%
Administrative Expense Ratio (1) / (2)	4.3%	3.7%	4.8%	1%	



BOARD OF COMMISSIONERS

Q3 2022 Results

November 2022

Workers' Compensation Fund

Q3 2022 Results

Preliminary & Unaudited



Workers' Compensation Fund

Q3 2022 Overview – Statutory Basis

- **Earned premium decreased \$38.2 million or 8.6% for the quarter and \$121 million or 9.2% year-to-date compared to 2021**
 - 2022 year-to-date premium decline is due to lower pricing, reduced audit premium, and loss of general group business not offset by new business.
- **The combined ratio with dividends increased 21.4 points for the quarter and 6.4 points year-to-date compared to 2021**
 - The year-to-date combined ratio of 100.9% reflects reduced calendar year underwriting profitability.
 - Dividends paid year-to-date were \$136 million in 2021 and \$116 million in 2022.
- **Net investment income ratio increased 4.1 points for the quarter and 3.6 points year-to-date compared to 2021**
 - Mainly due to the impact of reduced earned premium on the ratio.
- **Net income was \$74.7 million for the quarter and \$238.8 million year-to-date**
 - The YTD reduction from 2021 is a result of reduced premiums, underwriting profitability, and realized losses in 2022 vs. realized gains in 2021.

Workers' Compensation Fund Statutory Basis Results

(\$ in millions)

Preliminary and unaudited

	3 rd Quarter			Year to date		
	3Q	3Q	%/pts.	YTD	YTD	%/pts.
	<u>2021</u>	<u>2022</u>	<u>Change</u>	<u>2021</u>	<u>2022</u>	<u>Change</u>
Net Written Premium	\$384.7	\$386.2	0.4%	\$1,274.0	\$1,168.8	-8.3%
Net Earned Premium	\$441.9	\$403.7	-8.6%	\$1,308.5	\$1,188.3	-9.2%
Loss and Loss Adjustment Ratio	61.8%	80.1%	18.3	66.0%	74.9%	8.9
Underwriting Expense Ratio	11.3%	11.4%	0.1	10.7%	11.0%	0.4
Combined Ratio	73.1%	91.5%	18.5	76.7%	86.0%	9.3
Dividend Ratio	12.6%	15.5%	2.9	17.7%	14.9%	(2.9)
Combined Ratio w/Dividends	85.7%	107.0%	21.4	94.5%	100.9%	6.4
Underwriting Margin (1-Combined Ratio w/Dividends)	14.3%	-7.0%	(21.4)	5.5%	-0.9%	(6.4)
Net Investment Income Ratio (1)	27.2%	31.3%	4.1	26.5%	30.1%	3.6
Current Year Operating Margin (2)	41.5%	24.2%	(17.3)	32.1%	29.3%	(2.8)
Bad Debt Expense	(40.0)	(31.6)	-21.2%	(115.3)	(93.9)	-18.6%
Realized Gains/(Losses)	106.5	(2.4)	-102.3%	231.9	(41.3)	-117.8%
Net Income	\$261.7	\$74.7	-71.5%	568.4	238.8	-58.0%
Dividends Paid	\$33.7	\$20.6	-38.7%	136.4	115.8	-15.1%

(1) Excluding realized gains/losses.

(2) Current year operating margin = combined ratio w/ dividends + net investment income ratio (per AM Best which excludes realized gains/(losses) and other income/(expenses).

Disability Benefits Fund

Q3 2022 Results

Preliminary & Unaudited



Disability Benefits Fund

Q3 2022 Overview – Statutory Basis

- **Earned premium decreased \$2.4 million or 7.8% for the quarter and increased by \$26.6 million or 35.7% year-to-date compared to 2021**
 - Higher earned premium in 2022 year-to-date vs 2021 year-to-date is primarily due to timing issues related to the recognition of higher PFL rates on policies effective after 1/1/21.
- **The combined ratio increased 15.8 points for the quarter and decreased by 9.8 points year-to-date compared to 2021**
 - The year-to-date decrease in the combined ratio is driven mainly by higher premiums. Also contributing was a lower than expected PFL risk pool payment in 2022.
 - The quarter increase in the combined ratio is driven mainly by lower premiums and the COVID related reserve releases in 2021 that were not repeated in 2022.
- **Net income decreased \$4 million for the quarter and increased \$22.8 million year-to-date compared to 2021**
 - The increase in Q2 and YTD net income was primarily driven by the higher premiums and the lower-than-expected PFL risk pool payment (see above).

Disability Benefits Fund Statutory Basis Results

(\$ in millions)

Preliminary and unaudited

3rd Quarter

Year to date

	3Q <u>2021</u>	3Q <u>2022</u>	%/pts. <u>Change</u>	YTD <u>2021</u>	YTD <u>2022</u>	%/pts. <u>Change</u>
Net Written Premium	\$58.2	\$52.2	-10.2%	\$107.8	\$104.7	-2.8%
Net Earned Premium	\$31.2	\$28.8	-7.8%	\$74.5	\$101.1	35.7%
Loss and Loss Adjustment Expense Ratio	39.0%	54.4%	15.4	55.9%	45.9%	(10.0)
Underwriting Expense Ratio	3.7%	4.0%	0.3	4.7%	5.0%	0.3
Combined Ratio	42.7%	58.4%	15.8	60.6%	50.9%	(9.8)
Underwriting Margin (1-Combined Ratio)	57.3%	41.6%	(15.8)	39.4%	49.1%	9.8
Net Investment Income Ratio	-0.1%	6.2%	6.3	0.0%	3.0%	3.0
Current Year Operating Margin (1)	57.2%	47.8%	(9.4)	39.4%	52.2%	12.8
Net Income	\$15.8	\$11.8	-25.7%	\$29.0	\$51.8	78.6%

Amounts may not foot due to rounding

Appendix

Q3 2022 Results

Preliminary & Unaudited



Workers' Compensation Fund Statutory Basis Results

Preliminary and unaudited

(\$ in millions)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>3Q 2021</u>	<u>3Q 2022</u>	<u>YTD 2021</u>	<u>YTD 2022</u>
Statutory Reported Basis:								
Net written premium	\$2,256	\$1,996	\$1,611	\$1,733	\$385	\$386	\$1,274	\$1,169
Net earned premium	2,226	2,058	1,583	1,798	442	404	1,309	1,188
% Change in net earned premium	-3.0%	-7.6%	-23.1%	13.6%	19.4%	-8.6%	8.2%	-9.2%
Losses incurred	1,392	1,284	1,234	1,081	243	265	748	714
Loss adjustment expenses incurred	159	135	175	175	30	59	116	176
Other underwriting expenses	202	170	172	187	43	44	136	129
Total underwriting expenses	1,752	1,589	1,581	1,443	316	367	1,000	1,020
Net underwriting (loss)/gain	474	468	2	355	126	36	308	169
Investment income:								
Investment income	536	579	550	516	131	138	378	393
Investment expenses	(33)	(32)	(37)	(41)	(10)	(12)	(31)	(35)
Net realized investment gains / (losses)	216	197	561	247	106	(2)	232	(41)
Net investment income	720	745	1,075	723	227	124	579	317
Other income (expense):								
Bad debt expense	(110)	(130)	(340)	(111)	(40)	(32)	(115)	(94)
Miscellaneous income	19	24	11	35	5	9	28	24
Dividends to policyholders	(36)	(366)	(180)	(336)	(56)	(63)	(232)	(177)
Total other expense	(127)	(471)	(509)	(412)	(91)	(85)	(319)	(246)
Net income (loss)	\$1,067	\$742	\$568	\$666	\$262	\$75	\$568	\$239
Dividends paid	(202)	(234)	(195)	(170)	(34)	(21)	(136)	(116)

Workers' Compensation Fund Statutory Basis Ratios

Preliminary and unaudited

(\$ in millions)

Statutory Reported Basis:

Ratios:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>3Q 2021</u>	<u>3Q 2022</u>	<u>YTD 2021</u>	<u>YTD 2022</u>
Loss ratio	62.5%	62.4%	78.0%	60.1%	55.0%	65.6%	57.2%	60.1%
Loss adjustment expense ratio	7.1%	6.6%	11.1%	9.7%	6.8%	14.5%	8.8%	14.8%
Loss and LAE Ratio	69.6%	69.0%	89.0%	69.9%	61.8%	80.1%	66.0%	74.9%
Underwriting expense trade ratio	8.9%	8.5%	10.6%	10.8%	11.3%	11.4%	10.7%	11.0%
Combined ratio w/o dividends	78.6%	77.5%	99.7%	80.6%	73.1%	91.5%	76.7%	86.0%
Dividend ratio	1.6%	17.8%	11.4%	18.7%	12.6%	15.5%	17.7%	14.9%
Combined ratio with dividends	80.2%	95.3%	111.1%	99.3%	85.7%	107.0%	94.5%	100.9%
Underwriting gain with dividends	438	102	(178)	19	70	(26)	76	(8)
Underwriting margin (financial basis)	19.7%	5.0%	-11.3%	1.0%	15.8%	-6.6%	5.8%	-0.7%
Underwriting margin (trade basis)	19.8%	4.7%	-11.1%	0.7%	14.3%	-7.0%	5.5%	-0.9%
Investment income ratio (net of expenses)	22.6%	26.6%	32.4%	26.5%	27.2%	31.3%	26.5%	30.1%
Realized gain ratio	9.7%	9.6%	35.5%	13.7%	24.1%	-0.6%	17.7%	-3.5%
Net investment income ratio	32.3%	36.2%	67.9%	40.2%	51.3%	30.7%	44.2%	26.6%
Operating income (1)	942	650	335	495	190	100	423	350
Operating ratio (per AM Best)	57.7%	68.4%	78.8%	72.5%	57.0%	75.3%	67.6%	70.5%
Operating income margin (financial basis)	42.3%	31.6%	21.2%	27.5%	43.0%	24.7%	32.4%	29.5%
Operating income margin (trade basis)	42.4%	31.3%	21.3%	27.1%	41.5%	24.2%	32.1%	29.3%

Statutory basis includes current year loss accrual plus adjustments to prior year estimates in underwriting results. Net investment income includes investment income, investment expenses and realized gains/(losses).

(1) Operating income equals net earned premium less total underwriting expenses plus investment income less investment expenses less dividends to policyholders.

Disability Benefits Fund Statutory Basis Results

Preliminary and unaudited

(\$ in millions)

Statutory Reported Basis:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>3Q 2021</u>	<u>3Q 2022</u>	<u>YTD 2021</u>	<u>YTD 2022</u>
Net written premium	\$75	\$58	\$75	\$122	\$58	\$52	\$108	\$105
Net earned premium	57	56	59	99	31	29	75	101
% Change in net earned premium	188.5%	-1.6%	5.0%	69.4%	62.0%	-7.8%	43.5%	35.7%
Losses incurred	40	43	42	53	11	15	39	43
Loss adjustment expenses incurred	6	3	5	4	1	1	3	4
Other underwriting expenses	5	5	5	7	2	2	5	5
Total underwriting expenses	51	51	52	64	14	18	47	52
Net underwriting (loss)/gain	5	5	6	35	17	11	28	49
Investment income:								
Investment income	5	6	3	1	0	2	0	3
Investment expenses	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Net realized investment gains	0	0	(0)	(0)	0	(0)	0	(0)
Net investment income	5	5	2	0	(0)	2	0	3
Other income (expense):								
Bad debt expense	(1)	(1)	(6)	2	(2)	(1)	(0)	(2)
Miscellaneous income	1	1	1	2	1	0	1	1
Dividends to policyholders	0	0	0	0	0	0	0	0
Total other expense	0	(1)	(5)	4	(1)	(1)	1	(1)
Net income (loss)	\$11	\$9	\$4	\$39	\$16	\$12	\$29	\$52

Disability Benefits Fund Statutory Basis Ratios

Preliminary and unaudited

(\$ in millions)

Statutory Reported Basis:

Ratios:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>3Q 2021</u>	<u>3Q 2022</u>	<u>YTD 2021</u>	<u>YTD 2022</u>
Loss ratio	71.2%	77.4%	72.0%	53.4%	35.4%	51.0%	51.8%	42.3%
Loss adjustment expense ratio	<u>9.9%</u>	<u>6.1%</u>	<u>7.8%</u>	<u>4.5%</u>	<u>3.6%</u>	<u>3.5%</u>	<u>4.1%</u>	<u>3.6%</u>
Loss and LAE ratio	81.1%	83.5%	79.8%	57.9%	39.0%	54.4%	55.9%	<u>45.9%</u>
Underwriting expense trade ratio	<u>7.0%</u>	<u>7.8%</u>	<u>7.3%</u>	<u>5.4%</u>	<u>3.7%</u>	<u>4.0%</u>	<u>4.7%</u>	<u>5.0%</u>
Combined ratio w/o dividends	88.1%	91.4%	87.0%	63.3%	42.7%	58.4%	60.6%	<u>50.9%</u>
Dividend ratio	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
Combined ratio	88.1%	91.4%	87.0%	63.3%	42.7%	58.4%	60.6%	50.9%
Underwriting gain (loss)	<u>5</u>	<u>5</u>	<u>6</u>	<u>35</u>	<u>17</u>	<u>11</u>	<u>28</u>	<u>49</u>
Underwriting margin (financial basis)	9.6%	8.3%	10.9%	35.5%	54.2%	38.3%	37.2%	48.9%
Underwriting margin (trade basis)	11.9%	8.6%	13.0%	36.7%	57.3%	41.6%	39.4%	49.1%
Investment income ratio (net of expenses)	8.2%	9.6%	4.0%	0.3%	-0.1%	6.2%	0.0%	3.0%
Realized gain ratio	<u>0.7%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>-0.3%</u>	<u>0.0%</u>	<u>-0.2%</u>
Net investment income ratio	<u>8.9%</u>	<u>9.6%</u>	<u>4.0%</u>	<u>0.3%</u>	<u>-0.1%</u>	<u>5.9%</u>	<u>0.0%</u>	<u>2.9%</u>
Operating income (1)	<u>10</u>	<u>10</u>	<u>9</u>	<u>36</u>	<u>17</u>	<u>13</u>	<u>28</u>	<u>53</u>
Operating ratio (per AM Best)	82.2%	82.1%	85.1%	64.3%	45.9%	55.4%	62.8%	48.0%
Operating income margin (financial basis)	17.8%	17.9%	14.9%	35.7%	54.1%	44.6%	37.2%	52.0%
Operating income margin (trade basis)	20.1%	18.2%	16.9%	37.0%	57.2%	47.8%	39.4%	52.2%

(1) Operating income excludes bad debt expense and miscellaneous income



KATHY HOCHUL
GOVERNOR



PROPOSED RESOLUTION*

The following is a proposed resolution considered by the NYSIF Board of Commissioners at a meeting held on Wednesday, November 16, 2022. A quorum was present throughout:

RESOLVED, that the Board of Commissioners hereby approves and authorizes the Investment Department for the calendar year 2023 to purchase securities or investments eligible for investments under Section 87 of the Workers' Compensation Law and to sell such securities or investments for the Workers' Compensation Fund, Disability Benefits Fund, and Aggregate Trust Fund, subject to the limitations and restrictions set forth in the Investment Policy Statement regarding asset allocation credit risks, as the same may be modified pursuant to the provisions of the Investment Policy Statement, subject to such approval by the Superintendent of the Department of Financial Services as may be required.

Commissioner _____ provided the motion to approve

Commissioner _____ seconded the motion

	YES	NO	ABSTAIN
Commissioner Delgado	_____	_____	_____
Commissioner Kathuria	_____	_____	_____
Commissioner MacLeod	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Roberti	_____	_____	_____
Commissioner Melvin	_____	_____	_____
Commissioner Mirchandani	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
Chairman Theobalds	_____	_____	_____

Michael Totaro
Assistant Secretary

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



KATHY HOCHUL
GOVERNOR



PROPOSED RESOLUTION*

The following is a proposed resolution considered by the NYSIF Board of Commissioners at a meeting held on Wednesday, November 16, 2022. A quorum was present throughout:

RESOLVED, that the Board of Commissioners hereby temporarily amends and modifies the portion of the New York State Insurance Fund Investment Policy Statement that sets the maximum range for the "Public Equities" allocation in the "WCF Asset Allocation Policy" as follows:

The maximum range for the Public Equities allocation in the WCF Asset Allocation Policy is increase from 8% to 10% until November 30, 2023, on which date it will return to 8%.

Commissioner _____ provided the motion to approve

Commissioner _____ seconded the motion

	YES	NO	ABSTAIN
Commissioner Delgado	_____	_____	_____
Commissioner Kathuria			
Commissioner MacLeod	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Roberti			
Commissioner Melvin	_____	_____	_____
Commissioner Mirchandani	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
Chairman Theobalds	_____	_____	_____

Michael Totaro
Assistant Secretary

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

PROPOSED MINUTES OF THE REGULAR MEETING
OF THE COMMISSIONERS OF THE STATE INSURANCE FUND
HELD ON WEDNESDAY, OCTOBER 19, 2022 AT 10:00 A.M.
AT 199 CHURCH STREET, 12 FLOOR BOARDROOM, NEW YORK, NY 10007

PRESENT

Board

Kenneth Theobalds, Chairman
Sean Graham
Alexis Thomas
Bhakti Mirchandani
Louis Roberti
Dennis Kessler ¹
Charles MacLeod
Navneet Kathuria
Ryan Delgado
Scott Melvin, *ex officio* ¹

¹ *absent from October 19 Board Meeting*

Executive Staff

Gaurav Vasisht, Executive Director & CEO
Joseph Mullen, Deputy Executive Director
Gregory Francis, Chief Investment Officer
Chad Loshbaugh, Director of Administration
William Gratrix, Chief Financial Officer

Additional Staff & Guest(s)

Michael Totaro, Assistant Secretary to the Board
of Commissioners
George Tidona, Deputy Counsel
Damaris Torres, Assoc Director of Human Resources
Megan McClune, Contract Management Specialist

Chairman Theobalds presided. A quorum was announced and present throughout the meeting.

1. Standing Report(s)

Report of Executive Director & CEO Gaurav Vasisht

Executive Director & CEO Gaurav Vasisht began his remarks by acknowledging staff, including Damaris Torres and Megan McClune, who were recently recognized by New York State for their tireless commitments to helping the NYSIF and the State increase MWBE participation in state contracts. The Board of Commissioners congratulated staff for the honor.

Report General Attorney's Office

In absence of Acting General Attorney James Fiedler, Deputy Counsel George Tidona stated that he had a report to provide in executive session, subject to a motion to enter executive session.

2. Report(s) of Standing Committees

Property & Administrative Services Committee

Commissioner Charles MacLeod, Chair of the Property and Administrative Services Committee, reported the committee met on October 17, 2022. The committee met to discuss the Albany and Buffalo offices. A full report would be provided in executive session, subject to a motion to enter executive session.

Investment Committee

Chairman Theobalds reported that the Committee met on October 18, 2022. The Committee received reports on the profit and loss and manager performance. The committee also received reports concerning NYSIF's Collateralized Loan Obligation Portfolio, factor analysis, and NYSIF's Climate Action Plan. There were no compliance issues to report for October. There were additional items related to procurements, which he will report on in executive session subject to a motion to enter executive session.

3. Motion to Accept Consent Agenda

Upon motion by Commissioner Graham, duly seconded by Commissioner Roberti, the Board unanimously voted to accept the minutes of the September 21, 2022 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 Delgado – yes; Commissioner Kathuria – yes; Commissioner Kathuria – yes; Commissioner MacLeod – yes; Commissioner Roberti – yes; Commissioner Mirchandani – yes; Commissioner Thomas – yes; Chairman Theobalds – yes.

4. Executive Session

Upon motion by Commissioner Mirchandani, 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 the procurement of legal services and investment manager services, and for a discussion regarding the proposed acquisition, sale, or lease of real property. The vote: Commissioner Delgado – yes; Commissioner Kathuria – yes; Commissioner Kathuria – yes; Commissioner MacLeod – yes; Commissioner Roberti – yes; Commissioner Mirchandani – yes; Commissioner Thomas – yes; Chairman Theobalds – yes.

5. Report of Executive Session

Assistant Secretary Michael Totaro announced the following actions were taken by the Board in Executive Session:

A motion by Commissioner Kathuria duly seconded by Commissioner Graham, the Board unanimously approved and authorized the General Attorney, pursuant to section 84 of the New York Workers' Compensation Law to retain the following law firms: Morgan, Lewis & Bockius LLP and BurgherGray LLP, which were selected pursuant to a Request for Proposal to perform investment compliance legal services. The specific assignment of legal work to law firms on this approved panel shall be coordinated through the NYSIF General Attorney and their designated legal staff. The vote: Commissioner Delgado – no;

Commissioner Kathuria – yes; Commissioner Kathuria – yes; Commissioner MacLeod – yes; Commissioner Roberti – yes; Commissioner Mirchandani – yes; Commissioner Thomas – yes; Chairman Theobalds – yes.

Upon motion by Commissioner Thomas, duly seconded by Commissioner MacLeod, RESOLVED, that the Board of Commissioners hereby approves and authorizes the General Attorney to retain the following three law firms, which were selected pursuant to a Request for Proposal issued in April 2022, for five-year contracts: BurgherGray LLP; Morgan, Lewis & Bockius LLP; and Wilson Elser Moskowitz Edelman & Dicker LLP. Such firms were selected to provide assistance to NYSIF on contract disputes, interpretation of complex technical language, and litigation services. The specific assignment of legal work to law firms on this approved panel shall coordinated through the NYSIF General Attorney or their designated legal staff. The vote: Commissioner Delgado – no; Commissioner Kathuria – yes; Commissioner Kathuria – yes; Commissioner MacLeod – yes; Commissioner Roberti – yes; Commissioner Mirchandani – yes; Commissioner Thomas – yes; Chairman Theobalds – yes.

Upon motion by Commissioner Graham, duly seconded by Commissioner Thomas, RESOLVED, that the Board of Commissioners hereby approves and authorizes the Investment Department to enter into contracts with the following four (4) companies for emerging manager-of-mangers services: Attucks Asset Management, LLC; Leading Edge Investment Advisors LLC; and Legato Capital Management, LLC, subject to (i) legal review and execution by staff; and (ii) approval by the Superintendent of Financial Services, and be it further,

RESOLVED that the Board of Commissioners hereby approves and authorizes the continuation of Services on a month-to-month basis for no more than an additional six month (through April 21, 2023), with the following two (2) emerging manager-of-managers: a) Attucks Asset Management, LLC; and b) Legato Capital Management, LLC, subject to (i) legal review and execution by staff; and (ii) approval by the Superintendent of Financial Services. The vote: Commissioner Delgado – yes; Commissioner Kathuria – yes; Commissioner Kathuria – yes; Commissioner MacLeod – yes; Commissioner Roberti – yes; Commissioner Mirchandani – yes; Commissioner Thomas – yes; Chairman Theobalds – yes.

The Assistant Secretary also announced that the next regular meeting of the New York State Insurance Fund Board of Commissioners will be held on Wednesday, November 16, 2022, at 10:00 a.m.

6. Adjournment of Meeting

Upon motion by Commissioner MacLeod, duly seconded by Commissioner Kathuria, the Board unanimously voted to adjourn the October 19 regular monthly meeting of the Board of Commissioners. The vote: Commissioner Delgado – yes; Commissioner Kathuria – yes; Commissioner Kathuria – yes; Commissioner

MacLeod – yes; Commissioner Roberti – yes; Commissioner Mirchandani – yes; Commissioner Thomas – yes; Chairman Theobalds – yes.

Respectfully submitted,

Michael Totaro, Assistant Secretary

PROPOSED



KATHY HOCHUL
GOVERNOR



PROPOSED MOTION*

The following is a procedural vote considered by the NYSIF Board of Commissioners at a meeting held on Wednesday, November 16, 2022. A quorum was present throughout:

A motion was made that the minutes of the October 19, 2022 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 Delgado	_____	_____	_____
Commissioner Kathuria	_____	_____	_____
Commissioner MacLeod	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Roberti	_____	_____	_____
Commissioner Melvin	_____	_____	_____
Commissioner Mirchandani	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
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, November 16, 2022. 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 Delgado	_____	_____	_____
Commissioner Kathuria	_____	_____	_____
Commissioner MacLeod	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Roberti	_____	_____	_____
Commissioner Melvin	_____	_____	_____
Commissioner Mirchandani	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
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, November 16, 2022. A quorum was present throughout:

A motion was made to proceed into Executive Session for a discussion regarding the proposed acquisition of securities or sale or exchange of securities when publicity would substantially affect the value thereof.

Commissioner_____provided the motion to approve

Commissioner_____seconded the motion

	YES	NO	ABSTAIN
Commissioner Delgado	_____	_____	_____
Commissioner Kathuria	_____	_____	_____
Commissioner MacLeod	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Roberti	_____	_____	_____
Commissioner Melvin	_____	_____	_____
Commissioner Mirchandani	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
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, November 16, 2022. A quorum was present throughout:

A motion was made to adjourn the November 16 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 Delgado	_____	_____	_____
Commissioner Kathuria	_____	_____	_____
Commissioner MacLeod	_____	_____	_____
Commissioner Kessler	_____	_____	_____
Commissioner Roberti	_____	_____	_____
Commissioner Melvin	_____	_____	_____
Commissioner Mirchandani	_____	_____	_____
Commissioner Thomas	_____	_____	_____
Commissioner Graham	_____	_____	_____
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)



2023 BOARD OF COMMISSIONERS REGULAR MONTHLY MEETING SCHEDULE

JANUARY 18

FEBRUARY 15

MARCH 15

APRIL 19

MAY 17

JUNE 21

JULY 19

SEPTEMBER 20

OCTOBER 18

NOVEMBER 15

DECEMBER 20

NYSIF Board of Commissioners generally meet at 10:00 a.m. on the third Wednesday of every month, unless otherwise noted.

The Board does not convene during the month of August.

199 Church Street, New York, NY 10007 | nysif.com

November 2022