

Michigan Self-Insurers' Security Fund

Annual Report 2021

(Including Bankruptcy, Financial & Actuarial Summaries)

March 31, 2022



Table of Contents

- Summary of Self-Insurers' Security Fund.....Pg. 3
- Message from the Funds AdministratorPg. 4
- BankruptciesPg. 5
- Fund Claims Management and CostsPg. 13
- Fund Financial Statements & Schedules.....Pg. 15
 - Independent Auditor's Report on the Financial Statements.....Pg. 16
 - Management's Discussion and AnalysisPg. 19
 - Statement of Net PositionPg. 23
 - Statement of Revenues, Expenses, and Changes in Net PositionPg. 24
 - Statement of Cash FlowsPg. 25
 - Notes to the Financial StatementsPg. 26
 - Schedule of Estimated Liabilities for Claims by CompanyPg. 31



Summary of Self-Insurers' Security Fund

Approval to be a self-insurer is granted pursuant to MCL 418.611 under the authority of the Agency director. The Self-Insurers' Security Fund (Fund) provides workers' compensation benefits to employees of self-insured employers who become insolvent after November 15, 1971. Being approved as a self-insurer is a potentially lower cost option for employers to meet the mandatory workers' compensation requirement under Michigan law. If a private self-insured employer becomes insolvent, payments are made to injured workers from the Fund when three statutory conditions are met, unless other coverage is available:

- The private self-insured employer is insolvent;
- The employee requests payment of benefits from the Funds Administrator or files an Application for Mediation or Hearing with the Workers' Disability Compensation Agency or the Board of Magistrates; and
- The insolvent private self-insured employer is unable to continue payments.

The Fund pays from the date all three conditions are met. No payments for benefits owed before that date are paid by the Fund. Assessments for the Fund are paid by private self-insured employers only.

In accordance with Michigan Administrative Rule 408.43q, the Self-Insurers' Security Fund, when triggered, may utilize financial guarantees posted with the agency to pay claims. At present, the Fund manages 55 separate employer trust funds which are funded from the financial guarantees posted with the agency. The trusts are established when a private self-insured employer is no longer able to meet their obligations under the Act. In addition, both specific and aggregate excess liability insurance policies continue to have responsibility for payments when retention levels have been met, Michigan Administrative Rule 408.43k.

It should be noted that public employers are not covered by the Fund. In the event of a bankruptcy, the employee should also file a claim in bankruptcy court for any workers' compensation benefits the Fund cannot pay.



A Message from the Funds Administrator

The mission of the Funds Administration is to provide timely determination of carrier and employee rights to benefits or reimbursement and make payments due in a timely and accurate manner.

This report on the Self-Insurers' Security Fund (Fund) is prepared in accordance with MCL 418.551 and is an outline of the activities of the Fund during the past calendar year.

The Fund receives 100% of its funding through assessments levied against employers who self-insure their workers' compensation risk. Our staff holds to the philosophy that our funding is not our own, and we take our fiduciary responsibility seriously. We endeavor to demonstrate our commitment to this trust by establishing industry-accepted standards and guidelines in our primary operation areas of claims, financial, and vendor management.

On January 1, 2020, the Private Employer Group Self-Insurers' Security Fund (PEGSISF) became active. The PGSISF allows the non-public employer group self-insurers to move outside the umbrella of the Fund and be protected under their own umbrella. The non-public employer group self-insurers are no longer obligated to pay Fund assessments, which will impact the Fund. However, the Fund is no longer obligated for any potential liability.

It is our intent to implement the Workers' Disability Compensation Act in accordance with the statutory language and corresponding case law while upholding our fiduciary responsibilities and trustee policy.

This report is intended to be informative as to the Self-Insurers' Security Fund's operations.



Bankruptcies

Note: The following is a brief summary of bankruptcies being handled by the Self-Insurers Security Fund where a claim(s) remained open at the end of the calendar year. The summary also includes comments regarding trusts that have been established for various reasons and where a bankruptcy has not been filed and a claim(s) remains open.

A.B. Myr Industries, Inc.

The employer was self-insured from October 1, 1983 through October 1, 2009. The company ceased payment of their self-insured obligations. There was \$200,000 in security provided by the employer and a trust fund has been established. A temporary receiver was appointed on March 22, 2013 triggering the Self-Insurers' Security Fund obligation.

- 1 claim currently active (excess claim)

American Sunroof Corporation (ASC, Inc.)

American Sunroof Corporation filed for bankruptcy on May 2, 2007. The employer was self-insured from April 1, 1976 through January 1, 2007. They held a \$500,000 letter of credit as security which was called by the State of Michigan. A trust has been established.

- 2 claims currently active

Anderson Safeway, Inc.

The employer was self-insured from July 1, 1979 through March 7, 1982. The employer did not file bankruptcy but is no longer operating, payments ceased on one open claim that is into the excess. Security of \$10,000 has been received and a trust fund has been created for payment of this claim. The trust will continue to receive proceeds from the excess carrier to maintain funding of the trust.

- 1 claim currently active (excess claim)

Armstrong Manufacturing, Inc.

This is not a bankruptcy; the employer was self-insured from July 1, 1985 to December 14, 2012. A partial draw of the security for this employer was made to establish a trust for payment of an existing claim due to this employer's voluntary liquidation. The claim is currently being paid out of the existing trust.

- 1 claim currently active

Art Van Furniture, Inc.

The employer was self-insured from March 20, 1980 through March 31, 2019. Employer filed for bankruptcy on March 8, 2020. A trust fund has been created to pay the existing claims.

- 10 claims currently active



Blue Water Automotive System, Inc.

Blue Water Automotive Systems Holdings, Inc. filed Chapter 11 bankruptcy petitions on February 13, 2008. This employer was self-insured from April 1, 1987 through November 26, 2008. The employer had no security at the time of the bankruptcy. The Workers' Disability Compensation Agency has received payment of \$300,000 in security post-bankruptcy, and this was used to create a trust fund.

- 1 claim currently active (excess claim)

Chatham Supermarkets

Chatham Supermarkets filed for Chapter 11 bankruptcy on February 25, 1982. Effective May 5, 1982, the bankruptcy judge issued an order indicating Chatham Supermarkets was to resume payment of workers' compensation benefits on the open claims, and also ordered those cases in the court system to proceed through the litigation process. The employer emerged from Chapter 11 bankruptcy effective January 25, 1983. The employer was approved by the Workers' Disability Compensation Agency to remain self-insured until June 26, 1985 when they returned to private insurance. In June of 1987, a receiver was appointed. A trust fund was established with the proceeds of the \$350,000 surety bond and the assets of Regal Insurance Company (a captive Insurance company). Payments have been made out of the trust for those benefits which accrued prior to the Self-Insurers' Security Fund's period of liability. The Trust is now closed.

- 3 claims currently active (all excess claims)

Delphi Corporation

Delphi Corporation filed Chapter 11 bankruptcy on October 8, 2005. The company emerged from bankruptcy on October 6, 2009 as a private company, Delphi Holdings. The employer spun-off from General Motors on May 28, 1999 and remained a self-insured employer until its exit from bankruptcy. During various periods of their self-insurance, Pacific Employers Insurance or Ace American Insurance filed Form 400s with the Workers' Disability Compensation Agency indicating that they were liable for the workers' compensation obligations of Delphi Corporation. The coverage issue was litigated and concluded with the Self-Insurers' Security Fund assuming liability for Delphi claims incurred during the approved self-insured period. The employer had no security.

- 33 claims currently active

Elias Brothers Restaurants

This employer filed for Chapter 11 protection on October 20, 2000. Elias Brothers was self-insured from May 1, 1977 through April 30, 1982, and October 1, 1987 through September 15, 2000. There was private insurance coverage from May 1, 1982 through September 30, 1987, and September 16, 2000 through October 20, 2000. There is both specific and aggregate excess insurance. There was a \$400,000 letter of credit which was called by the Workers' Disability Compensation Agency and a trust fund was established for the payment of benefits.

- 1 claim currently active



Federal Forge

Federal Forge was self-insured from January 1, 1950 through July 1, 1986. The employer filed for Chapter 11 bankruptcy on February 19, 2004. Federal Forge had no security. The payments from the employer ceased on June 23, 2005 upon completion of an asset sale.

- 1 claim currently active

Great Atlantic & Pacific Tea Company

The Great Atlantic & Pacific Tea Company was self-insured from August 24, 1943 through July 1, 2013. Bankruptcy was filed on July 19, 2015 and the employer ceased making benefit payments. The security for this employer, \$1,000,000, was called and a trust was established. Claims are being paid from the trust fund.

- 1 claim currently active

Hamady Brothers

The employer filed under Chapter 11 on November 12, 1987. Hamady Brothers was self-insured from August 10, 1971 through November 12, 1987 both with specific and aggregate excess insurance. There were three financial security endorsements; two of them fall into an aggregate excess period. New Hamady reimbursed the Self-Insurers' Security Fund for all benefits paid and issued a claims payment guarantee. New Hamady filed for protection in the bankruptcy court during May of 1991. New Hamady ceased paying benefits on or about July 9, 1991. The trustees authorized resumption of weekly benefit payments, and Hamady no longer exists in any capacity.

- 1 claim currently active (excess claim)

Hayes-Albion/Harvard Industries

Hayes-Albion, a division of Harvard Industries, filed for Chapter 11 bankruptcy on May 2, 1991 in the U.S. Bankruptcy Court, District of Delaware. Hayes-Albion was first self-insured in Michigan August 14, 1967. The employer emerged from bankruptcy effective November 24, 1998. On January 15, 2002, bankruptcy was again filed under Chapter 11. The period of self-insurance for the employer is from August 14, 1967 through December 31, 2001. Private insurance coverage was obtained effective January 1, 2002. There was a \$1,000,000 letter of credit; with which a trust has been established.

- 7 claims currently active (5 excess claims)

Hayes Lemmerz and Motor Wheel

Hayes Lemmerz/Motor Wheel/CMI were self-insured from April 17, 1936 through February 1, 2008. The employer filed Chapter 11 bankruptcy on May 11, 2009, and the Self-Insurers' Security Fund has assumed benefit obligations for this employer. A \$1,500,000 letter of credit has been received and deposited with the State of Michigan and a trust established.

- 17 claims currently active (1 excess claims)



Hostess Brands/Interstate Brands

Interstate Brands filed for bankruptcy on September 22, 2004. The employer was first self-insured effective March 1, 1996 and continued to pay their workers' compensation benefits. A motion was filed to establish bar dates for filing proofs of claim. There was a \$1,000,000 letter of credit that was not called by the Workers' Disability Compensation Agency. The employer emerged from bankruptcy as Hostess Brands and continued their self-insurance status. Hostess Brands filed Chapter 11 bankruptcy on January 11, 2012. The employer held a \$1,000,000 letter of credit that was called and placed into the trust. Hostess Brands on November 21, 2012, obtained court authority to wind down all operations and liquidate their assets. The employer ceased payments on February 4, 2013 due to the bankruptcy. The Self-Insurers' Security Fund has assumed the benefit obligations effective February 4, 2013.

- 2 claims currently active (1 excess claim)

Howell Industries

Howell Industries was self-insured from November 21, 1961 through August 12, 1997. The employer left self-insurance when they were acquired by Oxford Automotive. Oxford Automotive filed for Chapter 11 protection on December 7, 2004. There are no bonds or letters of credit.

- 1 claim currently active (excess claim)

Interstate Motor Freight

Interstate Motor Freight Systems and its subsidiary, IMF doing business as Interstate Systems, filed under Chapter 11 on April 11, 1984. Subsequently, the company ceased operations and advised the Workers' Disability Compensation Agency they had no funds available to continue paying their workers' compensation obligations. Fuqua Industries, Inc. wrote a claims payment guarantee as the parent company and is paying claims with dates of injury from July 1, 1978 through October 31, 1980. The Self-Insurers' Security Fund is paying claims with dates of injury prior to July 1, 1972 and after October 1, 1981. The employer was privately insured from November 1, 1980 through September 30, 1981. A trust was established from the bond money for the period of October 1, 1981 through October 1, 1983 and a financial security endorsement for the period from October 1, 1983 through January 1, 1985.

- 1 claim currently active (excess claim)

Jacobson Stores

Jacobson Stores filed for protection under Chapter 11 on January 16, 2002. Jacobson Stores was first self-insured on August 1, 1989. Jacobson Stores has liquidated their assets. Security was available and a trust has been established.

- 1 claim currently active (excess claim)



Keywell Corporation

Keywell Corporation was self-insured under the authority of Key International and then on its own authority for the period December 1, 1973 to April 1, 1998. Keywell filed Chapter 11 bankruptcy in 2013 which was subsequently converted to Chapter 7 liquidation. The existing claim is covered by excess and the Fund is now being reimbursed for payments made on this claim.

- 1 claim currently active (excess claim)

Kurdziel Iron Industries

Kurdziel has sold all assets and ceased operations as of July 11, 2008; the purchaser continues to operate the foundry. There was a \$350,000 letter of credit that was used to establish the trust. The employer was self-insured from November 1, 1986 through January 1, 2007. A temporary receiver was appointed effective July 23, 2008, and the Self-Insurers' Security Fund was triggered on August 4, 2008.

- 1 claim currently active (excess claim)

Lake City Forge

Lake City Forge was self-insured from August 8, 1991 through November 1, 1998. The Self-Insurers' Security Fund is party to one claim where payment was being sought for a prosthetic device. The Workers' Disability Compensation Agency sought and had a receiver appointed for this former self-insurer. The Fund is handling the remaining claim which has been accepted as fully reimbursable by the excess insurer.

- 1 claim currently active (excess claim)

Lakey Foundry

Employer went into bankruptcy February 2, 1972. Employer had no security or reinsurance policies.

- 1 claim currently active

Lindell Drop Forge

A petition for involuntary bankruptcy was filed with the bankruptcy court in Grand Rapids, Michigan on November 16, 1989. There were three surety bonds and one financial security endorsement which were used to establish a trust.

- 1 claim currently active (excess claim)



LTV Steel Company

The employer filed for Chapter 11 on July 17, 1986. LTV Steel Company was self-insured from November 13, 1959 through April 25, 1986. LTV Steel Company emerged from bankruptcy on June 28, 1993 and resumed payment of benefits effective June 29, 1993. The employer filed another Chapter 11 petition December 29, 2000. There were no new additional securities available for the Workers' Disability Compensation Agency to call, and it was determined that the employer has the inability to pay benefits effective March 31, 2001.

- 3 claims currently active

MacDonald's Industrial Products

MacDonald's Industrial Products was self-insured effective May 23, 1980. The employer has not filed for bankruptcy but has ceased payments of their workers' compensation obligations. A receiver was appointed and the Workers' Disability Compensation Agency has collected a \$150,000 letter of credit.

- 2 claims currently active (1 excess claim)

Meridian Automotive

Meridian Automotive filed Chapter 7 bankruptcy on August 7, 2009. The employer had previously filed for bankruptcy under Chapter 11 on August 26, 2005. The employer had been self-insured since March 1, 1988. Meridian Automotive held a \$750,000 letter of credit that was called and used to establish a trust fund.

- 2 claims currently active

Metaldyne Company, Mascotech Corporation and Simpson Industries

Metaldyne Company formerly known as Simpson Industries filed for Chapter 11 bankruptcy on May 28, 2009. The employer was self-insured from January 1, 1987. A subsidiary, Mascotech, was also a self-insured employer. Metaldyne had a guarantee for their payments. Metaldyne had \$2,000,000 in security which was called and utilized to establish the trust.

- 4 claims currently active (1 excess claim)

Montgomery Ward

Montgomery Ward filed Chapter 11 bankruptcy on July 7, 1997. The employer was self-insured from February 27, 1940 through August 14, 1987. There were no surety bonds or security endorsements therefore, no trust was established.

- 1 claim currently active (excess claim)



National Steel Corporation

National Steel Corporation filed for Chapter 11 bankruptcy on March 6, 2002. The employer became self-insured effective March 22, 1957. The employer had \$5,000,000 in security which was called and a trust established. The Self-Insurers' Security Fund assumed benefit obligations on June 3, 2003, when the employer was unable to pay.

- 24 claims currently active (1 excess claim)

Pemco Die Cast

The employer began their self-insurance status effective January 1, 1982. Pemco has not filed for bankruptcy, but they have closed their operations. A temporary receiver was appointed on March 24, 2004. The employer has ceased payments, and their \$100,000 letter of credit has been called by the Workers' Disability Compensation Agency. A trust has been established for the payment of this employer's obligations.

- 2 claims currently active (1 excess claim)

Plastech Engineered Products

Plastech Engineered Products filed a voluntary petition under Chapter 11 bankruptcy on February 1, 2008. The employer was self-insured effective August 1, 1999 through August 4, 2008. The employer had a \$1,300,000 letter of credit. The letter of credit was called and a trust was established. A termination date for the self-insured status was issued effective August 4, 2008 with the Self-Insurers' Security Fund being triggered effective July 11, 2008.

- 5 claims currently active (1 excess claim)

Quality Stores

The self-insured period for Quality Stores, Inc. was November 1, 1992 through January 31, 2002. The creditors filed a Chapter 11 involuntary bankruptcy petition on October 20, 2001 against Quality Stores, Inc. The employer filed voluntary bankruptcy on November 1, 2001. The Workers' Disability Compensation Agency received \$300,000 in cash to replace a bond. Quality Stores, Inc. obtained insurance coverage from Liberty Mutual Insurance Company effective February 1, 2002. Determination was made that Quality Stores, Inc. had an inability to pay benefits as of May 29, 2002.

- 1 claim currently active

Signet Industries

Signet Industries was placed into an involuntary Chapter 11 bankruptcy. The bankruptcy converted to a chapter 7 bankruptcy on May 25, 1993.

- 1 claim currently active (excess claim)



Thorn Apple Valley

Thorn Apple Valley filed for Chapter 11 bankruptcy protection on March 5, 1999. The employer was self-insured from November 29, 1966 through June 9, 1999. The employer obtained private insurance effective June 10, 1999. Thorn Apple Valley was purchased by IBP during the fall of 1999, the sale was for assets only, and the workers' compensation liability was discharged by the bankruptcy court. The Self-Insurers Security Fund began paying benefits effective July 6, 1999.

- 3 claims currently active

Venture Industries/Venture Global Engineering

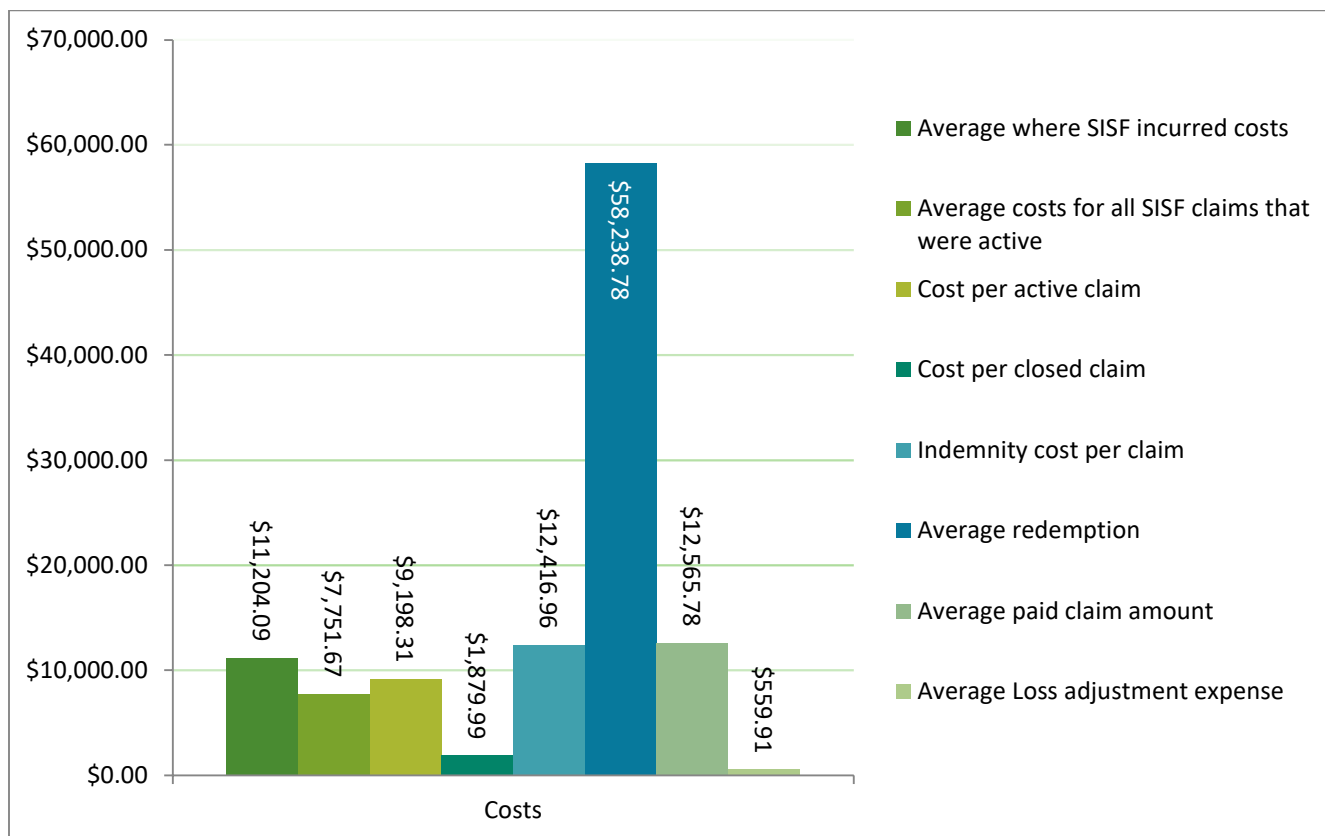
Venture Industries was self-insured from January 1, 1989 through May 2, 2005. The employer filed for Chapter 11 bankruptcy on March 28, 2003. On May 2, 2005, New Venture, which was later named Cadence Innovations, acquired Venture Industries. Cadence Innovations filed for Chapter 11 bankruptcy on August 26, 2009. The Self-Insurers' Security Fund has assumed the benefit obligations arising from the Venture Industries claims. A trust has been established from \$750,000 in security held by the employer.

- 1 claim currently active



Fund Claims Management and Costs

- ❖ Average where Self-Insurers' Security Fund incurred costs - \$11,204.09
- ❖ Average costs for all Self-Insurers' Security Fund claims that were active - \$7,751.67
- ❖ Cost per active claim - \$9,198.31
- ❖ Cost per closed claim - \$1,879.99
- ❖ Indemnity cost per claim - \$12,416.96
- ❖ Average redemption - \$58,238.78
- ❖ Average paid claim amount - \$12,565.50
- ❖ Average loss adjustment expense - \$559.91



The total medical cost for indemnity claims was \$471,729.06 and the medical cost for medical-only claims was zero.



Fund Claims Management and Costs (cont.)

Our claims handling methodology includes attendance by claims professionals at a monthly *round-table* claim discussion and evaluation with Office the Attorney General. Staff also attend seminars throughout the year to stay abreast of all claims trends.

Other controls include:

- The thorough investigation of all claims using all appropriate means.
 - Includes outside investigators and database reviews
- The use of wage earning capacity evaluations to ensure proper rate determinations.
- Peer-to-Peer Prescription Reviews to determine efficacy of existing medications.
- Employ third party vendors for single source distribution of prescriptions, implementation of the Michigan Fee Schedule with PPO Discounts, and durable medical equipment.
- Access conditional payment information through the Medicare Secondary Payer Recovery Portal.
 - Performing these functions in house, saves up to \$500/claim from having independent contractors perform this service.
- Employ third party vendors for Medicare Set-Asides and utilize structured settlements when cost-effective.

Our proprietary claims management system includes multiple layers of security. In addition, we employ separation of duties to ensure that **all** payments are proper and reviewed at multiple levels prior to their release.



Fund Financial Statements & Schedules



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Office of the Auditor General

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Doug A. Ringler, CPA, CIA
Auditor General

Independent Auditor's Report on the Financial Statements
and Other Reporting Required by *Government Auditing Standards*

Ms. Lee Anne Fontaine, Chair
Board of Trustees for the Funds Administration
and
Ms. Susan R. Corbin, Director
Department of Labor and Economic Opportunity
300 North Washington Square
Lansing, Michigan

Dear Ms. Fontaine and Ms. Corbin:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Self-Insurers' Security Fund (Fund), Funds Administration, Workers' Disability Compensation Agency, Department of Labor and Economic Opportunity, a fund of the State of Michigan, as of and for the fiscal year ended December 31, 2021 and the related notes to the financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Self-Insurers' Security Fund as of December 31, 2021 and the changes in its financial position and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Fund and do not purport to, and do not, present fairly the financial position of the State of Michigan as of September 30, 2021, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



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Office of the Auditor General

Doug A. Ringler, CPA, CIA
Auditor General

Ms. Lee Anne Fontaine, Chair
Ms. Susan R. Corbin, Director
Page 2

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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Page 3

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Fund's financial statements. The Schedule of Estimated Liabilities for Claims by Company is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Estimated Liabilities for Claims by Company is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Summary of Self-Insurers' Security Fund, Message from the Funds Administrator, Bankruptcies, and Fund Claim Management and Costs but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will also issue a report dated March 24, 2022 on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in cursive script that reads 'Laura J. Hirst'.

Laura J. Hirst, CPA
Deputy Auditor General
March 24, 2022



State of Michigan
Department of Labor and Economic Opportunity
Self-Insurers' Security Fund
Management's Discussion and Analysis
Year-ended December 31, 2021

Our discussion and analysis of the Self-Insurers' Security Fund (Fund) of the State of Michigan, Department of Labor and Economic Opportunity financial performance provides an overview of the Fund's activities for the calendar year ending December 31, 2021.

The Fund was established by Michigan Compiled Laws Section 418.501 and provides workers' compensation benefits to injured employees of non-public self-insured employers who become insolvent after November 15, 1971. The Fund is funded by assessments of 268 current and former non-public self-insured employers that made indemnity payments during calendar year 2021 and by surety bonds and letters of credit held by the Workers' Disability Compensation Agency. Non-public employers apply for the authority to become self-insured through the Workers' Disability Compensation Agency and must be approved by the Workers' Disability Compensation Agency Director. An individual non-public self-insured employer may be required to furnish a surety bond or letter of credit (security). The Fund is managed by a 3-member Board of Trustees. Two of the members are appointed by the Governor with advice and consent of the Senate and the third member is the Director of the Workers' Disability Compensation Agency.

The accompanying financial statements present the results of the operations for the Self-Insurers' Security Fund only. Accordingly, these financial statements do not present fairly the financial position or results of operations of the State of Michigan or the State of Michigan Department of Labor and Economic Opportunity.

Financial Highlights

Annual assessments are levied against indemnity paid by non-public self-insurers. Assessments are statutorily capped at 3% per calendar year. Revenue from assessments for 2021 was \$1.7 million. The Fund and trusts managed also received reimbursements of \$0.67 million from excess carriers in 2021.

The Fund also administers employer trust funds that are created from the call, by the Workers' Disability Compensation Agency, of security that was required from the employer for the privilege of becoming a self-insured employer.

Using this Annual Financial Report

The annual report includes this management's discussion and analysis, the independent auditor's report, and the financial statements of the Fund. The financial statements also include notes that explain in more detail some of the financial statements, and an actuarially developed supplemental schedule that estimates future contingent liabilities of the Fund. The actuarial valuation is required pursuant to MCL 418.551(10).



Reporting on the Fund

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fund, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Financial Analysis of the Fund

The Self-Insurers' Security Fund is reported in the State of Michigan Annual Comprehensive Financial Report as a Special Revenue Fund and in prior years was also presented to its board members as a Special Revenue Fund. In order to comply with MCL 418.551 (10) the Department of Labor and Economic Opportunity (LEO) obtained a waiver from the Office of Financial Management, State Budget Office, to present the financial statements as an Enterprise Fund. The material difference of presentation is that non-current receivables and non-current liabilities were not included in the Special Revenue Fund statements. The presentation of the Fund as an Enterprise Fund, as mentioned, does include the non-current receivables and non-current liabilities.

Table 1
Net Position
(in Millions)

	2021	2020	Change
Current Assets	\$31.9	\$32.1	(\$0.2)
Due from State of Michigan Funds	-	-	-
Total Assets	\$31.9	\$32.1	(\$0.2)
Current Liabilities	\$1.4	\$1.7	(\$0.3)
Long-Term Liabilities	\$7.4	\$9.0	(\$1.6)
Total Liabilities	\$8.8	\$10.7	(\$1.9)
Net Position:	\$23.1	\$21.4	\$1.7

Rounded numbers in Table 1 may not add to the rounded totals due to calculating based upon full numbers prior to rounding.

Current assets decreased by \$0.2 million resulting from a reduction in assessments paid by assessable employers when compared to 2020.

Current liabilities decreased by \$0.3 million due to reductions across the board in Account Payables, Compensated Absences and the actuarial estimate of Indemnity, Medical and Claims Expenses.



The long-term liabilities decreased by \$1.6 million due to the actuarial decrease in the estimate of Indemnity, Medical, and Claims Expenses net of excess reimbursements for 2021. In 2021 the Indemnity, Medical and Claims Expenses included Trust Fund recoveries in the amount of \$1.1 million. Further, the actuaries had an additional year of data available for their comprehensive review of the Fund's claims enabling them to refine their estimate.

The decreases in long-term and current liabilities resulted in a \$1.7 million increase in net position for 2021.

Equity in common cash at the beginning and the end of the year was \$31.8 million and \$31.6 million, respectively. Of the Equity in common cash, the amount held in trust at the beginning and the end of the year were \$10.8 million and \$10.6 million, respectively.

Table 2
Changes in Net Position
(in Millions)

	2021	2020	Change
Operating Revenues			
Assessments	\$1.7	\$1.9	(\$0.2)
Other Revenue	\$0.0	\$0.3	(\$0.3)
Total Operating Revenue	\$1.7	\$2.2	(\$0.5)
Operating Expenses			
Net Change in Indemnity, Medical, and Claim Payment Liability	(\$1.1)	\$1.1	(\$2.2)
Administrative Expenses/Legal	\$1.2	\$1.2	\$0.0
Total Operating Expenses	\$0.0	\$2.3	(\$2.3)
Operating Income (Loss)	\$1.6	(\$0.2)	\$1.8
Interest Earned	\$0.0	\$0.2	(\$0.2)
Change in Net Position	\$1.7	\$0.1	\$1.6
Total net position - beginning of year	\$21.4	\$21.4	\$0.0
Total net position - end of year	\$23.1	\$21.4	\$1.7

Rounded numbers in Table 2 may not add to the rounded totals due to calculating based upon full numbers prior to rounding.

This report reflects a decrease of total operating expenses of \$2.3 million from the prior year report dated December 31, 2020.

The financial statements report a positive net position as of December 31, 2021 of \$23.1 million. The Self-Insurers' Security Fund assesses private self-insured employers annually, up to a maximum of 3%, of the reported losses paid by these employers during the preceding calendar year, exclusive of payments made pursuant to sections 315, 319 and 345 of the Michigan Workers' Disability Compensation Act.



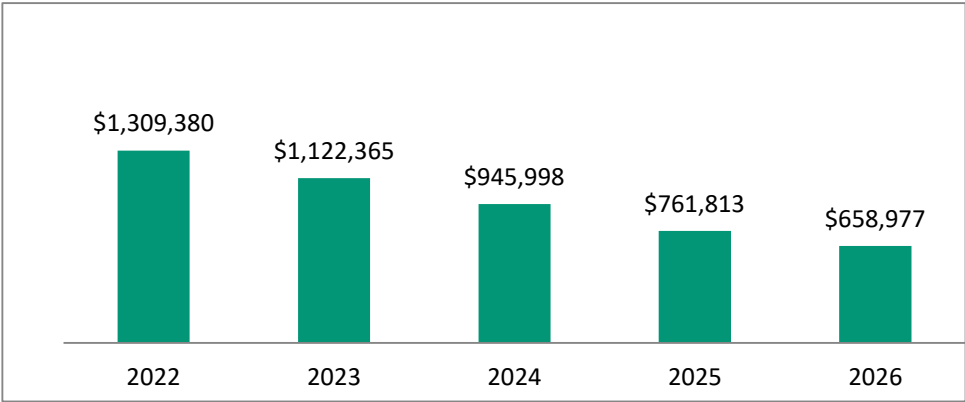
The Actuarially estimated liabilities of claims net of estimated reinsurance and trust fund recoveries is \$8.5 million. The \$8.5 million includes \$3.0 million related to Delphi Corporation claims.

Table 3
 Change in Actuarially Estimated Liabilities
 Net of Estimated Reinsurance and Trust Recoveries
 (in Millions)

	2021	2020	Change
Delphi	\$3.0	\$3.4	(\$0.4)
National Steel	\$3.0	\$3.8	(\$0.8)
Other	\$2.5	\$3.0	(\$0.5)
	\$8.5	\$10.3	(\$1.8)

The above amounts include estimated reinsurance recoveries of \$1.4 million related to National Steel Corporation and \$11.4 million related to Other Companies and \$1.1 million related to Trust Fund recoveries. There are no estimated reinsurance recoveries for Delphi.

The Actuarially estimated Indemnity and Medical Claim payments for calendar year 2022 through 2026 are as follows.



This illustrated payout pattern is based on lifetime payments assuming an expectation of future payments, mortality and trends. The above amounts have been reduced by anticipated Excess Recoveries.

Litigation

Litigation regarding the responsibility for Delphi claims was concluded in 2015 with the Self-Insurers’ Security Fund accepting responsibility for claims previously in dispute.



State of Michigan
Department of Labor and Economic Opportunity
Self-Insurers' Security Fund
Statement of Net Position
December 31, 2021

	2021
ASSETS	
Current Assets:	
Equity in common cash - unrestricted	\$ 31,628,953.13
Prepaid Expenditures	-
Accounts Receivable - Benefits Reimbursement	3,989.49
Accounts Receivable - Assessments	10,841.86
Accounts Receivable - Interest	9,264.48
Accounts Receivable - Third Party and Excess Recoveries	277,891.45
Total Current Assets	31,930,940.41
Total Assets	31,930,940.41
LIABILITIES	
Current Liabilities:	
Accounts payable and other liabilities	207,347.48
Compensated Absences	28,369.11
Indemnity, Medical, and Claim Expenses	1,139,380.00
Total Current Liabilities	1,375,096.59
Long-Term Liabilities:	
Compensated Absences	48,985.51
Indemnity, Medical, and Claim Expenses	7,378,808.00
Total Long-Term Liabilities	7,427,793.51
Total Liabilities	8,802,890.10
NET POSITION	
Unrestricted	23,128,050.31
Total Net Position	\$ 23,128,050.31

The accompanying notes are an integral part of the financial statements



State of Michigan
Department of Labor and Economic Opportunity
Self-Insurers' Security Fund
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended December 31, 2021

	2021
OPERATING REVENUES	
Assessments	\$ 1,674,974.45
Other Revenue	7,622.93
Total Operating Revenues	1,682,597.38
OPERATING EXPENSES	
Current:	
Net Change in Indemnity, Medical, and Claim Payment Liability	(1,148,038.30)
Administrative Expenses/Legal	1,182,002.87
Total Operating Expenses	33,964.57
Operating Income (Loss)	1,648,632.81
NONOPERATING REVENUES	
Interest Earned	37,991.04
Total Nonoperating Revenue	37,991.04
CHANGE IN NET POSITION	1,686,623.85
Total net position - beginning of year	21,441,426.46
Total net position - end of year	\$ 23,128,050.31

The accompanying notes are an integral part of the financial statements



State of Michigan
Department of Labor and Economic Opportunity
Self-Insurers' Security Fund
Statement of Cash Flows
December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Assessments	\$ 1,668,021.81
Refund of prior year assessments	-
Other Revenue	7,622.93
Payments for Workers Compensation Benefits	(660,229.97)
Payments to Employees	(633,995.26)
Payments to Suppliers	(598,890.31)
Net cash provided (used) by operating activities	<u>\$ (217,470.80)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
General Fund cash transferred in	\$ -
Net cash provided (used) by noncapital financing activities	<u>\$ -</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	\$ 37,991.04
Net cash provided (used) by investing activities	<u>\$ 37,991.04</u>
Net cash provided (used) - all activities	\$ (179,479.76)
Cash and cash equivalents at beginning of year	\$ 31,808,432.89
Cash and cash equivalents at end of year	<u>\$ 31,628,953.13</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS	
Cash	0.00
Equity in Common Cash (less Warrants Outstanding)	\$ 31,628,953.13
Cash and cash equivalents at end of year	<u>\$ 31,628,953.13</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (loss)	\$ 1,648,632.81
Decrease in Prepaid Expenditures	0.00
Decrease in Accounts Receivables - Assessments	13,849.80
Decrease in Accounts Receivables - Third Party and Excess Recoveries	17,326.28
Decrease in Accounts Receivables - Interest	425.24
Decrease in Accounts Receivables - Benefits Reimbursement	50.52
Decrease in Accounts Payable and Other liabilities	(104,147.40)
Decrease in Compensated Absences	(41,647.92)
Decrease in Long-term Compensated Absences	(1,638.13)
Decrease in Current Indemnity and Medical Payment Liability	(162,625.00)
Decrease in Long-term Indemnity and Medical Claim Benefits	(1,587,697.00)
Net Changes in Assets and Liabilities:	
Net cash provided (used) by operating activities	<u>\$ (217,470.80)</u>

The accompanying notes are an integral part of the financial statements



State of Michigan
Department of Labor and Economic Opportunity
Self-Insurers' Security Fund
Notes to the Financial Statements
December 31, 2021

Note 1 General Activities and Significant Accounting Policies

Reporting Entity

The Self-Insurers' Security Fund (Fund) of the State of Michigan Department of Labor and Economic Opportunity was established by Michigan Compiled Laws Section 418.501. The Fund provides workers' compensation benefits to injured employees of non-public self-insured employers and is funded by annual assessments of the approved non-public self-insured employers and with surety bonds and letters of credit of insolvent non-public self-insured employers.

Basis of Presentation

The Fund is reported in the State of Michigan Annual Comprehensive Financial Report as a Special Revenue Fund for fiscal year ended September 30, 2021 using the current financial resources measurement focus and the modified accrual basis of accounting. To comply with MCL 418.551 (10), and as approved by waiver by the State Budget Office, Office of Financial Management, the accompanying financial statements present the Fund as an Enterprise Fund. The Basis of Accounting below describes the preparation of the statements. The accompanying financial statements are not intended to present the financial position and results of operations of the State of Michigan or its enterprise funds.

Basis of Accounting

The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus, revenues are recognized when they are earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

Operating Revenues and Expenses

Operating revenues and expenses primarily are from the collection of assessments, surety bonds, letters of credit, administrative expense/legal, and the payment of workers' compensation benefits. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Statement of Cash Flows

For the purposes of the statement of cash flows, the Fund considers equity in the State Treasurer's Common Cash pool, net of warrants outstanding, to be cash equivalents.



Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Equity in the State Treasurer's Common Cash Fund

The State Treasurer manages the State's Common Cash pool, which is used by the Fund. The pooling of cash allows the Treasurer to invest monies not needed to pay immediate obligations so that investment earnings on available cash are maximized. Investments of the pool are not segregated by fund; rather, each contributing fund's balance is treated as equity in the pool and presented in this report as "Equity in State Treasurer's Common Cash."

Investment policies and risk categorization are included in the State of Michigan's Annual Comprehensive Financial Report.

Compensated Absences

Employees accumulate annual leave (vacation) balances to maximum amounts ranging from 296 to 356 hours. The maximum accumulation that may be paid off is 40 hours less than the total hours that may be accumulated. Employees receive a 100% termination payment upon separation based upon their final rate of pay. Sick leave accrues for all employees at the rate of four hours for each two-week period worked and accumulates without limit. Up to 50% of accumulated unused sick leave of employees hired prior to October 1, 1980 is paid to employees or their beneficiaries upon death, retirement, or resignation. For employees hired after September 30, 1980, unused sick leave is forfeited upon termination of employment.

The State instituted a banked leave time program in fiscal year 2004 whereby eligible employees work a regular schedule but receive pay for a reduced number of hours. The banked leave time program was utilized in fiscal years 2005, 2006, and 2010. The unpaid hours worked accrue to a banked leave time account. Upon an employee's separation, death, or retirement from State service, unused banked leave time hours shall be contributed by the State to an employee's account within the State's 401K plans, and if applicable to the State's 457 plans.



Note 2 Pension Plans and Postemployment Benefits

Plan Descriptions – The defined benefit and defined contribution pension plans are part of the State Employees' Retirement System administered by the Department of Technology, Management and Budget, Office of Retirement Services. Participants in each plan are eligible for retirement, healthcare, and disability benefits upon meeting certain vesting requirements. The State Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit plan. That report is available on the State's website at <http://www.michigan.gov/ors>. The financial report for the defined contribution plan may be obtained by writing to the Department of Technology, Management and Budget, Office of Retirement Services, 530 West Allegan St., Lansing, MI, 48933-1524 or by calling (517) 322-5103.

New employees hired on or after March 31, 1997 participate in a defined contribution plan that is separate from the State Employee's Retirement System defined benefit plan. Employees hired before March 31, 1997 are covered by the defined benefits plan unless they chose to convert to the defined contribution plan during 1997.

Funding Policy – For the State Employee's Defined Benefit Retirement Plan, the Fund was billed and paid \$11,050.07 and \$6,950.97 for pension charges and retiree postemployment benefits in calendar years 2020 and 2021, respectively. Effective April 1, 2012, defined benefit plan members are required to contribute 4% of their compensation for pension benefits. For the State Employee's Defined Contribution Retirement Plan, the Fund is required to contribute 4% of the annual payroll and to match employee contributions up to 3% of annual covered payroll. The Fund contributions for the Plan were \$19,496.38 and \$19,017.31 for calendar years 2020 and 2021, respectively.

Note 3 Risk Management

The Fund participates in the State of Michigan's (primary government) risk management program. The State is self-insured for most general liability and property losses; portions of its employee insurance benefit and bonding programs; and automobile liability, workers' compensation, and unemployment claims. The State Sponsored Group Insurance Fund and Risk Management Fund (internal service funds) have been established by the State to account for these self-insured risk management programs. As a participant, the Fund recognized expenses for payments made to the State in a manner similar to purchasing commercial insurance. Charges to finance the self-insured programs are based on estimates of amounts needed to pay prior and current year claims and determined annually by the Department of Technology, Management and Budget.



Note 4 Accounts Receivable

The Fund has the same rights as the self-insured employer to request recovery from excess insurers for continuing claim payments in excess of established retention values under either a specific (individual claim) or aggregate (all claims within policy period) excess insurance policy in effect on the claim’s date of injury. Individual and aggregate claim benefit losses and expenses are compared to the retention limits for the policies in effect on the date of injury. After the cumulative losses on an individual claim (specific policy) or for all claims (aggregate policy) exceed the retention limit, Fund’s staff request reimbursement from the excess insurer for continuing benefit and expense obligations on the claim. Accounts receivables from Third Party and Excess Recoveries were \$295,217.73 and \$277,535.82 for year ending December 31, 2020 and December 31, 2021, respectively.

Note 5 Current Liabilities

Current Liabilities include adjusted actuarially estimated payments net of excess reinsurance. The actuarially estimated current liability \$1,139,380.00. Accounts payable and other liabilities include Calendar Year 2021 compensated absences of \$28,369.11.

Note 6 Long-Term Liabilities

Long-Term Liabilities include actuarially estimated liabilities net of excess insurance and trust fund recoveries.

			12/31/2021	Amounts Due	Amounts Due
Beginning Balance	Additions	Reductions	Ending Balance	within one year	after one year
\$10,268,510	\$0.00	\$1,749,902	\$8,518,608	\$1,139,800	\$7,378,808

Note 7 Fund Resources

The Fund assesses private self-insured employers annually, up to a maximum of 3%, of the reported loss paid by these employers during the preceding calendar year, exclusive of payments made pursuant to sections 315, 319 and 345 of the Michigan Workers’ Disability Compensation Act.

Note 8 Net Position

The Fund as of December 31, 2021 has an unrestricted net position of \$23.1 million. Future assessments, plus excess recoveries will be used to meet the existing future liabilities of the Fund.

Note 9 Actuarial Estimates of Liabilities for the Self Insurers’ Security Fund

Evaluating loss and expense reserves involves the estimation of the outcome of future uncertain events. Considerable variances on the actuary estimates should be expected. It is quite possible the ultimate values will vary substantially from the estimates developed by the actuary.



Note 10 Actuary Disclaimer

The Actuary disclosed the following disclaimer related to the estimations:

“Evaluating loss and expense reserves involves the estimation of the outcome of future uncertain events. As such, they are subject to variation from expected values. Due to the nature and degree of uncertainty involved in projecting reserves, there can be no guarantee that our independent estimates will prove adequate or not excessive. However, the assumptions and methods we have employed in our analysis are, in our opinion, reasonable under the circumstances.

During 2015 through 2021, the SISF has updated case reserves on all claims and has recorded these case reserves in the FAIS system. Given the nature of the exposure as well as the maturity of the Delphi experience, considerable variance from the estimates presented in this report should be expected. However, this variance has been considerably reduced from that underlying our prior estimates due to the improved case reserving and given that we have some credible experience related to the settlement and verification process related to Delphi Claims Adjudicated since 2014. It is our expectation that the variance will continue to reduce over time due to the improvements in case reserve processes and as additional experience on the Delphi Claims becomes available.”

Michigan Self-Insurers' Security Fund Annual Report



2021

Self Insured Security Fund
Evaluated as of December 31, 2021
Workers Compensation
Summary by Company

Company	Gross Unpaid Indemnity (1)	Gross Unpaid Medical (2)	Gross Unpaid Expenses (3)	Excess Recoveries (4)	Applicable Trust Fund Recoveries (5)	Net Unpaid Total (6)
DELPHI CORPORATION	1,286,970	1,532,163	148,161	-	-	2,967,294
NATIONAL STEEL CORP	1,647,824	2,611,198	351,931	1,422,846	166,082	3,022,026
HAYES LEMMERZ INT'L INC	123,205	332,829	23,265	115,364	363,935	-
HAYES-ALBION / HARVARD IND INC	216,174	243,865	18,060	259,985	24,306	193,808
PLASTECH ENGINEERED PRODUCTS, INC.	425,888	441,787	145,021	731,529	18,108	263,060
THORNAPPLE VALLEY INC	273,004	52,481	28,577	21,062	28,348	304,652
LTV STEEL COMPANY INC.	37,657	206,651	24,177	-	-	268,486
MASCOTECH CORPORATION	137,398	75,421	2,627	32,775	-	182,671
CHATHAM SUPERMARKETS	96,587	40,463	2,157	139,207	-	-
ASC INCORPORATED	-	110,548	6,531	-	117,078	-
METALDYNE COMPANY LLC	406,636	621,529	369,533	1,260,253	137,445	-
HOSTESS BRANDS INC.	390,110	436,159	545,255	1,256,648	105,087	9,789
MERIDIAN AUTOMOTIVE SYSTEMS, INC.	-	163,550	31,756	-	26,937	168,369
PEMCO DIE CASTING CORP	192,845	10,175	889	188,894	4,712	10,304
LAKEY FOUNDRY CORP	17,478	1,096	125	6,896	-	11,803
GREAT ATLANTIC & PACIFIC TEA COMPANY	72,041	2,031	2,420	-	-	76,492
MACDONALD'S INDUSTRIAL PRODUCTS, INC.	-	402,588	13,425	362,410	53,603	-
VENTURE GLOBAL ENGINEERING	-	75,339	482	14,503	2,812	58,505
LAKE CITY FORGE	-	792,423	4,881	797,303	-	-
ELIAS BROTHERS RESTAURANTS INC	-	102,553	15,133	6,842	-	110,844
QUALITY STORES INC	156,594	76,131	5,389	51,133	24,400	162,581
MOTOR WHEEL CORPORATION	-	-	-	-	-	-
FEDERAL FORGE INC	-	23,492	1,000	4,146	-	20,346
A B MYR INDUSTRIES INC.	179,484	2,297,249	64,059	2,540,792	-	-
ART VAN FURNITURE INC	516,673	143,224	84,949	-	57,689	687,157
MONTGOMERY WARDS	49,406	154,458	4,298	208,162	-	-
LINDELL DROP FORGE	102,794	52,669	5,000	160,463	-	-
HAMADY BROTHERS	-	51,303	6,102	57,405	-	-
SIGNET INDUSTRIES	65,813	1,244	125	67,182	-	-
HOWELL INDUSTRIES INC	36,494	17,202	905	54,601	-	-
BETHLEHEM STEEL COMPANY	-	-	-	-	-	-
KEYWELL CORPORATION	15,034	2,575	125	17,734	-	-
INTERSTATE MOTOR FREIGHT	6,819	3,003	500	10,322	-	-
LEFERE FORGE & MACHINE CO	-	-	-	-	-	-
KURDZIEL INDUSTRIES INC	508,723	1,662,669	98,404	2,269,796	-	-
BLUE WATER AUTOMOTIVE SYSTEM, INC.	201,751	417,115	63,888	682,754	-	-
JACOBSON STORES INC	2,968	61	809	3,838	-	-
ANDERSON SAFEWAY, INC.	80,406	655	500	81,561	-	-
ARMSTRONG MANUFACTURING, INC.	-	32,823	3,857	36,680	-	-
MALLOY, INC.	-	-	-	-	-	-
Total	7,246,774	13,190,723	2,074,317	12,863,085	1,130,542	8,518,187

(1) Gross Unpaid Indemnity

The Gross Unpaid Indemnity amounts represents future indemnity loss projections for the SISF on all open and Incurred but not report (IBNR) claims.

(2) Gross Unpaid Medical

The Gross Unpaid Medical amounts represents future medical loss projections for the SISF on all open and IBNR claims.

(3) Gross Unpaid Expenses

The Gross Unpaid Expenses are future estimates for SISF administrative and legal expenses in the management and litigation of all open and IBNR claims.

(4) Excess Insurance Recoveries

The Excess Insurance Recoveries are projections of the future reimbursements due the SISF from excess insurers pursuant to excess contracts in place with the bankrupt self-insured employers.

(5) Trust Fund Recoveries

The Trust Fund Recoveries are projections of future reimbursements due the SISF from trust funds established when the Workers' Compensation Agency called surety bonds or letters of credit that were held as security for a self-insured program.

(6) Net Unpaid Total

The Net Unpaid Total is the total Gross Unpaid Medical, Gross Unpaid Indemnity, Gross Unpaid Expenses, less Excess Insurance Recoveries and Trust Fund Recoveries.