

REMARKS OF KEVIN MCCURDY
COMMITTEE ON EDUCATION AND WORKFORCE DEVELOPMENT
THE 35TH LEGISLATURE
MAY 16, 2024

Good morning to the Education and Workforce Development Committee Chair, Honorable Senator Marise C. James; Vice Chairman, Senator Donna A. Frett-Gregory, other Committee Members, other Senators present, and the listening and viewing audience.

I am Clarina Modeste Elliott, Executive Assistant Commissioner, testifying on behalf of Kevin McCurdy, Commissioner of the Department of Finance, accompanied by Mr. Anthony Selkridge, Director of the Government Insurance Fund. I appreciate the opportunity to address you today regarding bill No. 35-0240, which proposes transferring the administration of the Government Insurance Fund from the Department of Finance to the Department of Labor, while also amending sections of title 24 Virgin Islands Code, chapter 11. This transfer aims to enhance the efficiency of managing workers' compensation benefits, ensuring prompt delivery of medical coverage, rehabilitation services, and disability compensation to eligible workers.

Our primary objective is to ensure the effective fulfillment of the mandated obligations of the Government Insurance Fund (GIF). Therefore, we

do not oppose its transition from the Department of Finance to the Department of Labor. In addition to the recommendation of creating a new fund, we would like a reserve established to address any negative balances that may exist after reconciling the old fund. We anticipate completing the reconciliation no later than the end of this calendar year.

The GIF, under the Department of Finance, plays a crucial role in administering premiums and settling claims within the Workers' Compensation division of the Department of Labor. It serves as the territory's sole provider of workers' compensation insurance and possesses the necessary capabilities to execute this responsibility effectively. Over the years, the GIF has undertaken initiatives to enhance its operations, including contracting with Oliver Wyman Actuarial Services for comprehensive analysis and guidance since 2009, completing the computerization of its processes through Vention Technology, and embracing remote operation capabilities, as demonstrated during the Covid-19 pandemic. Moving forward, the GIF aims to align its practices with industry standards and incorporate best practices into its standard operating procedures. To include the separation of functions which fosters accountability and transparency. It is imperative that we continue to heed the recommendations of the actuary promptly, as delays in implementation can hinder effective fund management.

In conclusion, the GIF is committed to modernization, efficiency, and financial prudence. With record premium collections in recent years and

prudent expenditure management, the fund is on track to achieve financial stability within the foreseeable future. We reiterate our support for the transition of GIF to the Department of Labor and stand ready to address any inquiries you may have. Thank you for your attention.