

TO BE APPROVED AT THE NEXT REGULARLY SCHEDULED MEETING

STATE INSURANCE & RISK MANAGEMENT BOARD

Minutes of Meeting No. 346

February 6, 2024

9:30 A.M.

The Three Hundred Forty-sixth meeting of the State Insurance and Risk Management Board was held on Tuesday, February 6, 2024. The meeting was a hybrid meeting with in person attendees at One Financial Plaza, Hartford CT, and virtual attendees on Microsoft Teams.

Chairperson Donatelli presided.

The following members were in attendance:

State Insurance & Risk Management Board

Ms. Susan M. Donatelli, Chairperson
Mr. Matthew S. Necci, Vice Chairperson
Ms. Susan C. Alker
Mr. George A. Dagon
Mr. Scott Kuhnly
Mr. Seth T. Mahler
Mr. Patrick Mahon
Ms. Yamuna Menon, Assistant Comptroller

Mr. Stephen Fontana was unable to attend
Mr. Brian M. Farrell was unable to attend

Department of Administrative Services/Insurance and Risk Management Board

Ms. Melissa M. Frank, Director of Insurance and Risk Management
Ms. Sherry-Ann Chance
Ms. Carrie Scace
Mr. Gene Burk
Mr. Rajpaul Singh was unable to attend
Mr. Jay Yasensky was unable to attend

Office of the Agent of Record

Mr. Brian Tamms, Senior Vice President
Ms. Doreen Lessard

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1. Call to Order

The meeting was called to order at 9:36 A.M

2. Approval of Minutes

a) Meeting No. 345 held on December 12, 2023 (Exhibit 2)

A motion was made by Mr. Mahon, seconded by Mr. and Kuhnly

VOTED: To approve the minutes of Meeting No. 345 held on December 12, 2023.

Ms. Alker & Mr. Dagon abstained.

3. SIRMB Budget (Review and Discussion)

a) FY2023-2024 Budget Update as of January 2024 (Exhibit 3a)

Ms. Chance presented an overview of the budget as of January 31st, 2024, noting that all major premiums for the fiscal year except for the CT Rail Liability have been settled. She noted that the Master Physical Damage, Master Liability and The Public Defenders policy premiums were the only non-reimbursable premiums paid in the December to January period and that all contract fees, expenses, and claims billed in the period have been paid.

b) FY2023-2024 Expenditures for December 2023 - January 2024 (Exhibit 3b)

After a review of the expenditures, a motion was made by Mr. Mahon seconded by Mr. Kuhnly and unanimously

VOTED: To approve the expenditures from December 2023 & January 2024

Mr. Tamms presented the budget forecast. He noted that though premiums have been running behind projections, claims paid from both the General Fund and the Special Transportation Fund are running ahead of budget and significant deficiencies are expected in both funds. He noted that this was mainly due to 2 large claims which are currently pending settlement from each of the funds.

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4. CT State Community College - Cyber Liability Insurance policy - new (approval)

Mr. Tamms stated that currently due to consolidation of the 12 state colleges, CT State tasked The SIRMB with securing one Cyber policy to cover all the CT State Community colleges.

Two coverage options were presented by the agent of record, CT State Colleges has opted for option 2 from Starr Surplus Lines Ins. Co which provides \$5,000,000 aggregate limit. Another 5M of excess coverage was offered but declined.

After some discussion by the board on comparable coverages across similar institutions and questions on the choice of coverage Mr. Mahler made a motion to approve and Mr. Mahon seconded and the Board unanimously

VOTED: To approve the purchase of Cyber insurance coverage for CT State Community College at \$115,000.

5 Renewed Insurance Policies (Informational)

Ms. Frank advised the board that all policies under 100K renewed since the last board meeting were routine annual renewals and there was nothing outside of the norm that renewed.

6) Claim Review

a) Claim Summary (Exhibit 6a)

Mr. Tamms presented claim analysis data assessing the average amounts of claims, average total dollars incurred, and average indemnity paid before, during and after the Covid 19 pandemic. Mr. Tamms illustrated with the data presented that the number of claims for fleet and bus claims were approaching Pre Covid levels and the average cost per claim was close to its pre covid amount.

For Highway claims the number of claims increased due to an increase in highway claims on a specific stretch of highway. Despite the increase in the number of claims the average cost per claim for highway claims is lower post covid than pre covid.

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Mr. Tamms presented data on Auto Claims identifying the top 5 sources from where claims arise. He noted that Bus claims have the highest incidence of claims, and that wheelchair securement & wheelchair ramp incidence was identified as a cost driver for Bus claims. Mr. Tamms reported that because of the identification of this issue the CT DOT has taken steps along with the multiple 3rd party bus operators to improve the safety of bus rides with a focus on safety mechanisms and procedures for wheelchair riders.

Data was also presented on the cost of claims over the last 6 calendar years. Mr. Tamms stated that 2023 seemed to have the largest claims but though claims seem to be getting more expensive the main reason for the increase is a few very serious incidents which resulted in more expensive settlements.

After the conclusion of the claims analysis and review, Chairwoman Donatelli expressed appreciation on the relevant data presented and noted that it was helpful for the board to get information on the factors driving dollars spent on claims. She asked Mr. Tamms to continue to keep the Board informed on claim trends identified.

Claims Committee Report

Mr. Mahon advised that on January 24, 2024, the Claims Committee met with Constitution State Services, to review ongoing claims. He reported that 4 claims were resolved favorably, and 11 ongoing claims were discussed. The committee increased settlement authority on several claims, 5 of which have upcoming trial or mediation dates.

b. Actuarial Report

Mr. Tamms presented the actuarial report based on data through FY 2023 with the projections of required reserves for claim handling and settlement for FY 24 and FY 25. Mr. Tamms noted that the actuarial projections were higher for highway claims due to an adverse verdict from 2022, Bus claims projections are increased in line with the claim trends discussed in the claims review section.

7. Director's Report

Ms. Frank provided an update regarding her efforts since the last Board meeting. Some of the highlights of her report were:

Appraisals of selected state properties began on 02/05/2024 by the contracted appraisal firm.

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Meetings with the State Library regarding coverage on transportation of high dollar artifacts where increased risk mitigation and safety measures were recommended.

Meetings with Eversource re interconnection agreements for solar arrays on State properties. Efforts are ongoing for an appropriate mutual agreement.

8. Executive Session

Mr. Mahon made a motion to enter executive session at 10:35A.M.

Topics: a) Agent of Record contract

b) RATP Dev/HNS DOT contract - Claims Administration

the executive session ended at 10:45A.M.

9. Other Matters to Come Before the Board

There were none.

10. Motion to Adjourn

It was moved by Patrick Mahon and seconded by Seth Mahler

The meeting was adjourned at 10:45 A.M.