

STATE INSURANCE & RISK MANAGEMENT BOARD
Minutes of Meeting No. 317
September 26 2017
9:30 A.M.

The Three Hundred Seventeenth meeting of the State Insurance and Risk Management Board was held on Tuesday, September 26, 2017 at the D.A.S. Office, 450 Columbus Boulevard, Hartford, CT.

Acting Chairperson Savitsky presided.

The following members were in attendance:

State Insurance & Risk Management Board

Ms. Linda R. Savitsky, Acting Chairperson
Mr. Seth T. Mahler, Vice Chairperson
Mr. Richard Boccaccio
Ms. Susan M. Donatelli
Mr. Stephen Fontana
Mr. Daniel J. Friedman, via phone
Mr. Patrick Mahon
Ms. Martha Carlson, Deputy Comptroller



Mr. George A. Dagon, Jr. was unable to attend.
Mr. Wallace J. Irish was unable to attend.
Mr. Michael T. McCormack was unable to attend.
Ms. Marjorie F.B. Lemmon was unable to attend.

Department of Administrative Services/Insurance and Risk Management Board

Ms. Toni M. Fatone, Deputy Commissioner
Ms. Daria J. Cirish, Risk Manager
Ms. Eileen G. McNeil

Office of the Agent of Record

Mr. Fred Tanguay, Senior Vice President
Ms. Doreen Lessard

STATE INSURANCE & RISK MANAGEMENT BOARD

Minutes of Meeting No. 317

September 26, 2017

Page 2

1. Swearing in of New Board Member James R. Swearingen

Ms. Savitsky informed the members that Mr. Swearingen had to decline the position on the Board since he moved out of state.

2. Approval of Minutes of Meeting No. 316 held on June 20, 2017 (Exhibit 2)

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

VOTED: To approve the minutes of Meeting No. 316 held on June 20, 2017.

3. Reconciliation of and Review of Premium Payments, Informal Bids Processed by the Board since the Last Approval (Exhibit 3)

Ms. Cirish reviewed the Net Payment Analysis noting that since there is still no approved budget for FY 2017/18, the appropriation on the Net Payment Analysis spreadsheet is what the Board requested.

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

VOTED: To approve the premium, deductible payments and informal bids processed by the Board since the last Board meeting totaling \$1,663,592.06 for FY 16/17; \$1,522,547.99 for FY 17/18.

4. Votes

A) UConn – Athletic Injury - Confirming (Exhibit 4A)

Mr. Tanguay explained that the NCAA provides a catastrophic athletic injury policy with a \$90,000 deductible. This coverage is primary coverage purchased to cover the \$90,000 deductible and is reimbursed by UConn.

Mr. Tanguay stated that he and Ms. Cirish met with UConn to present the proposals and UConn advised to bind the \$2,000 Deductible Option.

A motion was made by Mr. Mahler, seconded by Ms. Carlson and unanimously

VOTED: To confirm coverage be placed as outlined in Exhibit 4A, Proposal 1 - \$2,000 Deductible Option for a total premium of \$280,172.

4. B) Board of Regents for Higher Ed. Community Colleges – Student Accident – Confirming (Exhibit 4B)

Mr. Tanguay stated this policy provides \$20,000 student accident coverage for students at the community colleges and is excess to any other health insurance the student may have. The rate is the same as expiring with the enrollment decreasing from last year by approximately 2,100 students. The premium is reimbursed by the Board of Regents.

STATE INSURANCE & RISK MANAGEMENT BOARD
Minutes of Meeting No. 317
September 26, 2017
Page 3

4. B) Board of Regents for Higher Ed. Community Colleges – Student Accident (Cont.)

A motion was made by Mr. Mahon, seconded by Mr. Fontana and unanimously

VOTED: To confirm coverage be placed as outlined in Exhibit 4B for a premium of \$58,985.12.

4. C) DOT – Metro-North/Shore Line East – Confirming (Exhibit 4C)

Mr. Tanguay noted that this policy was tentatively bound subject to the direction of the Board at its meeting today. He reviewed the exhibit noting that Metro-North is the second highest volume commuter rail line in the country with ridership of over 40 million passengers during the last year.

Mr. Tanguay advised that the renewal proposal came in less than expiring and less than budgeted. After some discussion, a motion was made by Mr. Mahler, seconded by Ms. Carlson and

VOTED: To confirm coverage be placed as outlined in Exhibit 4C at an annual premium of \$1,620,181.

Mr. Boccaccio abstained from voting.

4. D) Master Student Malpractice – Confirming (Exhibit 4D)

Mr. Tanguay stated that this is a medical malpractice policy purchased to cover allied health students while they are doing off-site clinical work and is first dollar coverage. He received two quotes, noting that the coverage has been with CNA Insurance Company for several years. He went back to both carriers to see if they would re-quote with a deductible. CNA Insurance Company was the only carrier to offer a revised quote. In light of the current fiscal situation, CNA agreed to give an additional 10% longevity discount with a \$0 deductible. This is a one-time discount that will not be offered again.

A motion was made by Mr. Fontana, seconded by Mr. Mahler and unanimously

VOTED: To confirm coverage be placed as outlined in Exhibit 4D for a total premium of \$88,767.

4. E) DOT – CT Transit Rolling Stock (Exhibit 4E)

Mr. Tanguay advised that this policy provides physical damage coverage on the CT Transit buses while they are parked in CT Transit garages and parking lots. Values have increased 38% or \$32 million from last year due to the scheduled replacement of older buses. A motion was made by Mr. Fontana, seconded by Mr. Mahler and unanimously

VOTED: To place coverage as outlined in Exhibit 4E for a total premium of \$157,143.

STATE INSURANCE & RISK MANAGEMENT BOARD
Minutes of Meeting No. 317
September 26, 2017
Page 4

4. F) Master Property Policy (Exhibit 4F)

Mr. Tanguay stated that this is the second year of a successive renewal agreement. He explained that the values increased this year by \$1 billion. The increase is due to an inflation factor that FM Global applied to the property values, as well as various new buildings that have been constructed primarily at UConn. Mr. Tanguay asked FM Global to provide quotes on higher deductibles. The Board reviewed the different deductible options offered by FM Global.

After some discussion, it was the consensus of the Board not to raise the deductible since the agencies are responsible for the deductible and this would be an unfunded financial burden shifted to the agencies.

A motion was made by Mr. Mahon, seconded by Mr. Fontana and unanimously

VOTED: To place coverage as outlined in Exhibit 4F for a total premium of \$5,023,377.

4. F-1) Excess Named Wind Storm Limits (Exhibit 4F-1)

Ms. Carlson suggested adding this item as separate agenda item labeled Item 4F-1 since it is a separate vote. A motion was made by Ms. Carlson, seconded by Mr. Mahler and unanimously

VOTED: To add a separate agenda, Item 4F-1, for the Excess Named Wind Storm Limits.

This agenda will be revised to include Item 4F-1.

Mr. Tanguay presented the exhibit on the Excess Named Windstorm limits. He explained that the current excess wind limits are \$150 million on top of FM Global's \$250 million wind sublimit. He asked RSUI to provide an alternative quote for a \$100 million limit which results in a premium savings of \$180,000. Some of the members wanted to drop this coverage and rely solely on FM Global's limits of \$250 million; others wanted to reduce the limits to \$100 million over FM Global's limits. A motion was made by Mr. Mahler, seconded by Ms. Savitsky to eliminate this coverage. A poll was taken and this motion was defeated with three yeas and five nays.

After additional discussion, the Board directed Mr. Tanguay to get a quote on a third option which would be \$50 million limit over FM Global's \$250 million limits. Mr. Tanguay will get the quote from RSUI Indemnity Company and send to Ms. Cirish who will email the Board for a vote and then to be confirmed at the December Board meeting.

4. G) State Library/Museum (Exhibit 4G)

Mr. Tanguay advised that this policy covers fine arts at the museum, library and warehouse and this coverage is in excess of the \$25 million limits provided by the F.M. Global property policy. A motion was made by Mr. Mahon, seconded by Mr. Fontana and

VOTED: To place coverage as outlined in Exhibit 4G for a total premium of \$168,817.70.

Mr. Mahler abstained from voting.

STATE INSURANCE & RISK MANAGEMENT BOARD
Minutes of Meeting No. 317
September 26, 2017
Page 5

4. H) DOT – CT Rail Line

Mr. Tanguay explained that this coverage is a for the new high-speed commuter rail line that runs from New Haven to Springfield. The line will use the Amtrak rail lines. DOT hired a service provider, which is a joint venture, to manage the line, stations, etc. Per an agreed upon Access Agreement, Amtrak is requiring \$320 million of rail liability from DOT. The joint venture is required to provide \$25 million of limits. DOT and the joint venture decided to buy the insurance together as a package, each paying for its own limits. Both he and Ms. Cirish had several meetings with DOT. With all parties accepting this quote, DOT instructed the Board to bind coverage as outlined in Exhibit 4H. The rail line will have test runs before it is anticipated start date of May 1, 2018.

A motion was made by Mr. Mahler, seconded by Mr. Mahon and unanimously

VOTED: To place coverage as outlined in Exhibit 4H for an 18-month premium of \$1,835,000.

4. I) UConn – Basketball/Hockey at XL Center and Mohegan Sun

Mr. Tanguay advised that this policy is purchased to satisfy a contractual requirement. A motion was made by Mr. Mahler, seconded by Mr. Fontana and unanimously

VOTED: To place coverage as outlined in Exhibit 4I for a total premium of \$50,261.

5. Any Other Matters to Properly Come Before the Board

In light of the current fiscal situation and with the lack of a budget, the Board discussed different scenarios to save money since it is uncertain of its appropriation at this point. Ms. Fatone suggested looking at each and every policy the Board purchases to see if certain policies/coverages are still necessary.

6. Date and Location of Next Meeting

The next Board meeting is scheduled for Tuesday, December 12, 2017 at 450 Columbus Boulevard, Hartford, CT. Ms. Savitsky reminded members to bring their calendars so that the 2018 Board meetings can be scheduled.

Ms. Savitsky said there may be a Special Board meeting called if a budget is passed before the December Board meeting.

7. Motion to Adjourn

It was moved by Mr. Boccaccio seconded by Mr. Mahon and unanimously

VOTED: The meeting be adjourned. The meeting adjourned at 11:28 A.M.