

STATE INSURANCE & RISK MANAGEMENT BOARD

Minutes of Meeting No. 318

December 12, 2017

9:30 A.M.

The Three Hundred Eighteenth meeting of the State Insurance and Risk Management Board was held on Tuesday, December 12, 2017 via teleconference.

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

Mr. George A. Dagon, Jr.

Ms. Susan M. Donatelli

Mr. Stephen Fontana

Mr. Daniel J. Friedman

Mr. Wallace J. Irish

Ms. Marjorie F.B. Lemmon

Mr. Patrick Mahon

Mr. Michael T. McCormack

Ms. Martha Carlson, Deputy Comptroller

Ms. Chris T. Poulos

Department of Administrative Services/Insurance and Risk Management Board

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

S. Mahler
4/10/18

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

Mr. Poulos could not be sworn in at today's meeting since it was a phone meeting. Mr. Poulos was in attendance at the meeting, but could not vote. He will meet with Ms. Savitsky before the next Board meeting to be sworn in.

2. Approval of Minutes of Meeting No. 317 held on September 26, 2017 (Exhibit 2)

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

VOTED: To approve the minutes of Meeting No. 317 held on September 26, 2017.

Mr. Dagon, Mr. Irish, Ms. Lemmon and Mr. McCormack abstained from voting.

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 advising that the Board's 2018 General Fund budget was reduced by \$2.9 million and the Special Transportation Fund budget was reduced by \$2.7 million. She noted that the Board will most likely have to request a deficiency appropriation to pay claims.

Ms. Savitsky advised that members will be notified of any updates to the Board's budget.

After a review of the payments, a motion was made by Ms. Carlson, seconded by Mr. McCormack and unanimously

VOTED: To approve the premium, deductible payments and informal bids processed by the Board since the last Board meeting totaling \$10,757,953.33.

4. Votes

A) Casualty Policy (Exhibit 4A)

Mr. Tanguay reviewed the three option packages. Each option consisted of various limits in excess of a \$4 million S.I.R. He noted that Safety National currently writes the first \$5 million layer excess the \$4 million S.I.R. He also noted that Safety National provides various risk management services that are included in the premium. Mr. Tanguay advised that in recent years there have only been two losses that have exceeded the \$4 million S.I.R.

Mr. Boccaccio requested that quotes be obtained to increase the current \$4 million S.I.R. to a higher S.I.R. A lengthy discussion ensued regarding the Board's potential ability to pay claims within a higher S.I.R. and the potential liability should a catastrophic event occur.

It was the consensus of the Board to direct Mr. Tanguay to obtain quotes for a \$5 million S.I.R. and a \$10 million S.I.R. and then build excess limits from \$46 million to \$81 million over the \$5 and \$10 million S.I.R.'s. Once Mr. Tanguay receives quotes he will share with Ms. Cirish who will email the

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4. A) Casualty Policy (Cont.)

Board. The Board will hold a special meeting the week of December 18 to review the updated quotes and vote.

4. B) Master Physical Damage (Exhibit 4B)

Mr. Tanguay explained that this policy provides collision and comprehensive physical damage on scheduled State-owned vehicles with a value of \$100,000 or more, or leased vehicles where insurance is contractually required.

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

VOTED: To place coverage as outlined in Exhibit 4B with Evanston Insurance Company for a premium of \$140,320.

Ms. Lemmon abstained from voting.

4. C) Division of Public Defender Services (Exhibit 4C)

Mr. Tanguay informed the Board that the Division of Public Defender Services hires attorneys that are not State employees. This policy provides professional liability to these attorneys.

After a review of the two proposals, a motion was made by Mr. Mahler, seconded by Mr. McCormack and unanimously

VOTED: To place coverage as outlined in Exhibit 4C, Option I, for an annual premium of \$58,467.

5) Committee Reports

A) Risk Management Committee (Exhibit 5A)

Mr. Irish stated that the Risk Management Committee met in November and December as indicated in the attached minutes. He noted that the committee will meet with DAS/Fleet Operations in February to find out how they handle claims, training of drivers, etc., as well as to discuss risk management initiatives. He also informed the Board that the committee would like to meet with the CT Port Authority. Mr. Irish said that the committee is in need of more members.

B) Claims Committee

Mr. Mahon was not able to attend the Claims Committee meeting, therefore, Mr. Mahler gave an overview of the meeting held on December 4, 2017. Mr. Mahler explained that the committee reviewed sixteen large loss cases including CT Transit Bus, State Police uninsured/underinsured motorist cases. He noted that the Claims Committee would like to work with the Risk Management Committee to discuss ways of reducing the Board's liability on these two type of cases.

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6. Any Other Matters to Properly Come Before the Board

There were none.

7. Date and Location of Next Meeting

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

VOTED: To set the Board's 2018 meeting schedule. The meetings are scheduled for February 27, April 10, June 12, July 24, September 13 and December 11, 2018.

8. Motion to Adjourn

It was moved by Mr. Fontana seconded by Mr. Mahler and unanimously

VOTED: The meeting be adjourned. The meeting adjourned at 10:56 A.M.