

STATE INSURANCE & RISK MANAGEMENT BOARD
Minutes of Meeting No. 314
February 28, 2017
9:30 A.M.

The Three Hundred Fourteenth meeting of the State Insurance and Risk Management Board was held on Tuesday, February 28, 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
Mr. George A. Dagon, Jr.
Ms. Susan M. Donatelli
Mr. Stephen Fontana
Mr. Daniel J. Friedman
Mr. Wallace J. Irish
Mr. Patrick Mahon
Ms. Martha Carlson, Deputy Comptroller

Linda R. Savitsky, Acting Chair

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 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

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1. Stewardship Report – Constitution State Services

Art Spada, Chris Moricco and Craig Tedeschi from Constitution State Services (CSS) presented their Stewardship Report to the Board. Mr. Spada expressed his pleasure with CSS's relationship with the Board since March 1, 2012. The team provided an overview of CSS's services and reviewed the claim trends since the inception of its contract with the Board. CSS offered to be available to attend meetings with those agencies incurring the most claims.

2. Approval of Minutes of Meeting No. 313 held on December 13, 2016 (Exhibit 2)

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

VOTED: To approve the minutes of Meeting No. 313 held on December 13, 2016.

Mr. Dagon, Mr. Friedman and Ms. Carlson 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 noting the Board could potentially have lapses in both the General and Special Transportation Funds. These lapses are contingent upon the actions taken at the Large Loss meeting in May.

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

VOTED: To approve the premium, deductible payments and informal bids processed by the Board since the last Board meeting totaling \$4,372,901.07.

4. Votes

A) Casualty Policy – Confirming (Exhibit 3A)

Mr. Tanguay reminded members that at the last Board meeting he was directed to contact Safety National to see if they would match Lexington's revised quote with same limits as expiring. Safety National reduced its quote and Mr. Tanguay contacted the excess carriers to get their quotes for the layers on top of Safety National's. All excess carriers came in less than expiring. An email providing this information was sent out to the Board members at the end of December.

Mr. Tanguay explained that he and Ms. Cirish recently met with Safety National and said that they offer many risk management and loss control services. A motion was made by Mr. Mahon, seconded by Mr. Fontana and unanimously

VOTED: To confirm coverage as outlined in Exhibit 4A for a total premium of \$2,014,625.

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5. F.Y. 2018 and 2019 Budgets (Exhibit 5)

A spreadsheet was handed out showing the Board's estimated 2017 budget, the requested 2018 and 2019 budgets and the technical adjustments proposed by the Governor. Ms. Carlson noted that these numbers will probably change by the end of the legislative session.

6. Board Committees

Ms. Savitsky stated that at the last Board meeting Ms. Donatelli expressed interest in researching tort reform in the State. The Board agreed to establish an ad-hoc committee to look into the possibility of setting tort caps. Ms. Donatelli volunteered to chair this committee and Mr. Fontana offered to work on this committee as well. Ms. Carlson stated that if the Board goes forward with proposing tort reform, it should strictly be for the State since that's the Board's statutory charge. She also suggested checking with the Office of Legislative Research to obtain information on when and who proposed tort reform in the past.

Ms. Savitsky noted that the only active committee is the Claims Committee. In the past there was a Fiscal/Underwriting Committee and a Risk Management Committee. The Fiscal/Underwriting Committee is no longer needed since the policy renewals now coincide with the Board meetings. The Risk Management Committee became defunct once the Board's budget was cut.

Ms. Carlson expressed interest in serving on the Claims Committee, however, Ms. Savitsky reminded the Board that there are quorum issues if one more member serves on this committee.

The Board agreed to hold a short Executive Session twice a year before the Board meetings to keep the full Board apprised as to the claims that were discussed at the Large Loss meetings:

Mr. Boccaccio noted that he would like to resurrect the Risk Management Committee even though there is no funding. Mr. Irish volunteered to be the Chair of this committee and Mr. Boccaccio offered to serve on this committee as well.

Ms. Savitsky requested that Ms. McNeil send out an email to those members who could not attend this meeting and ask for volunteers to serve on either the ad-hoc Tort Reform Committee or the Risk Management Committee.

7. Any Other Matters to Properly Come Before the Board

Ms. Carlson questioned why the Board does not purchase physical damage coverage on all its State vehicles. Mr. Tanguay advised that years ago the Board made the decision to drop comprehensive and collision coverage on all State vehicles except those valued over \$100,000. He explained that the Board was paying out a lot more in premiums than the claim payouts. Mr. Tanguay offered to go to the market for premium indications to insure the State's 12,000 plus vehicles for comprehensive and collision. Mr. Tanguay will report back to the Board at its next meeting.

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8. Date and Location of Next Meeting (Exhibit 8)

A schedule of the 2017 Board meetings was distributed to each member. The next Board meeting is scheduled for Tuesday, April 18, 2017 at 450 Columbus Boulevard, Hartford, CT.

9. Motion to Adjourn

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

VOTED: The meeting be adjourned. The meeting adjourned at 11:22 A.M.