

**STATE INSURANCE & RISK MANAGEMENT BOARD**

**Minutes of Meeting No. 323**

**December 11, 2018**

**9:30 A.M.**

The Three Hundred Twenty-Third meeting of the State Insurance and Risk Management Board was held on Tuesday, December 11, 2018.

Chairperson Donatelli presided.

The following members were in attendance:

State Insurance & Risk Management Board

Ms. Susan M. Donatelli, Chairperson  
Mr. Seth T. Mahler, Vice Chairperson  
Mr. George A. Dagon, via phone  
Mr. Stephen Fontana  
Mr. Daniel J. Friedman, via phone  
Mr. Wallace J. Irish  
Mr. Scott Kuhnly  
Ms. Marjorie F.B. Lemmon  
Mr. Patrick Mahon  
Mr. Michael T. McCormack  
Mr. Chris T. Poulos

Mr. Richard Boccaccio was unable to attend.  
Ms. Martha Carlson, Deputy Comptroller, was unable to attend.

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  
Ms. Christine Campbell

*Susan M. Donatelli 9-24-19*

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1. Approval of Minutes of Meeting No. 322 held on September 26, 2018 (Exhibit 1)

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

VOTED: To approve the minutes of Meeting No. 322 held on September 26, 2018.

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

2. Reconciliation of and Review of Premium Payments, Informal Bids Processed by the Board since the Last Approval (Exhibit 2)

Ms. Cirish and Mr. Tanguay reviewed the payments to date and reminded the Board that the General Fund and Special Transportation Fund appropriations were cut by approximately \$3 million each. Mr. Tanguay advised that there are several claims that will settle this fiscal year that will put the Board in a deficiency situation. The office is working with the D.A.S. Business Office to submit this deficiency request to O.P.M.

Mr. McCormack noted a discrepancy between the Net Payment Analysis and the Budget Vs. Actual Spreadsheet. He asked that these spreadsheets be revised for future meetings.

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 \$9,700,697.43.

3. Votes

A) Casualty Policy (Exhibit 3A)

Mr. Tanguay reminded the Board that last year the Board voted to reduce the liability limits from \$81 million to \$46 million. Mr. Tanguay reviewed the exhibit noting that Safety National and the excess carriers are offering a flat rate renewal for the current \$46 million limits. He also provided two other options for higher limits.

Mr. Tanguay noted that Safety National's premium also includes various free on-line training services.

After much discussion regarding purchasing higher limits, Mr. Fontana made a motion to approve Option II with limits totaling \$66 million, seconded by Mr. Dagon. After a vote of the members, the motion passed with 7 yeas and 4 nays.

VOTED: To approve Option II, as outlined in Exhibit 3A at an annual premium of \$1,985,534.

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3. B) Master Physical Damage (Exhibit 3B)

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.

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

VOTED: To place coverage as outlined on Exhibit 3B at an annual premium of \$115,606.

3. C) Division of Public Defenders – Lawyers Professional Liability (Exhibit 3C)

Mr. Tanguay explained that the Division of Public Defender Services hires contract attorneys that are not State employees in addition to their employees. This policy provides professional liability to these attorneys. After a review of the exhibit, a motion was made by Mr. Mahon, seconded by Mr. Fontana and unanimously

VOTED: To place coverage as outlined in Exhibit 3C for a total premium of \$58,467.

4. Committee Reports

A) Claims Committee (Exhibit 4A)

Mr. Mahon advised that the Claims Committee met on November 7, 2018 to discuss 18 large losses and granted settlement authority for several claims. Mr. Mahon noted that the committee will meet more often next year so that the committee does not have so many claims to review at once.

4. B) Risk Management Committee (Exhibit 4B)

Mr. Irish stated that the committee met on October 3 and December 5, 2018. He noted that the new D.A.S. Safety Coordinator attended both meetings and will work very closely with Deputy Commissioner Fatone to provide training to the agency A.T.A.'s.

Mr. Irish also explained that the committee discussed the importance of cyber liability coverage at the State's colleges and universities. The committee will work with the Board of Regents after the new administration is in place. He also noted that Ms. Cirish contacted the Treasurer's Office regarding cyber liability coverage. They expressed interest, however, they advised Ms. Cirish that the new administration would need to make the final decision.

5. Rules of Conduct – Draft (Exhibit 5)

Ms. Donatelli worked with D.A.S. to prepare a draft of the Insurance and Risk Management Board's Rules of Conduct. Ms. Lemmon suggested the document be called Procedures, instead of Rules of Conduct. Mr. Fontana also suggested identifying what constitutes a quorum. A motion was made by Mr. Kuhnly, seconded by Mr. Fontana and unanimously

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5. Rules of Conduct – Draft (Cont.)

VOTED: To accept the document with the changes noted above.

Ms. McNeil will email the revised document to the members.

6. Agent of Record Committee

Ms. Donatelli reminded the Board that the Agent of Record contract ends on July 31, 2019. Ms. Donatelli advised the members that she, Ms. Cirish and Ms. McNeil will be on the Agent of Record committee as well as two members from the Risk Management Committee, Mr. Kuhnly and Mr. Poulos, and two members from the Claims Committee, Mr. Mahler and Mr. Fontana. D.A.S. Procurement advised that the RFP will be sent out in April 2019.

7. Any Other Matters to Properly Come Before the Board

A copy of the FY 2018 Annual Report to the Governor was distributed to the members. Mr. Irish asked to see the draft of the FY 2019 report before it is submitted to the Governor's Office next year.

Ms. Cirish reported that she and Mr. Tanguay contacted UConn's Head of Actuarial Sciences to ask if actuarial students could be interested in preparing an actuarial report for the Board. He was very eager to have graduate degree students work on this project over their winter break. Mr. Irish suggested creating a committee to help these students with this project.

8. 2019 Board Meeting Dates

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

VOTED: To set the Board's 2019 meeting schedule. The meetings are scheduled for February 20, June 11, September 24 and December 10, 2018.

9. Motion to Adjourn

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

VOTED: The meeting be adjourned. The meeting adjourned at 11:15 A.M.