

STATE INSURANCE & RISK MANAGEMENT BOARD
Minutes of Meeting No. 319
February 27, 2018
9:30 A.M.

The Three Hundred Nineteenth meeting of the State Insurance and Risk Management Board was held on Tuesday, February 27, 2018.

Vice Chairperson Mahler presided.

The following members were in attendance:

State Insurance & Risk Management Board

Mr. Seth T. Mahler, Vice Chairperson
Mr. Richard Boccaccio
Mr. George A. Dagon
Mr. Daniel J. Friedman, via phone
Mr. Wallace J. Irish
Ms. Marjorie F.B. Lemmon, via phone
Mr. Patrick Mahon, via phone
Mr. Chris T. Poulos, via phone

S. Mahler
6/27/18

Ms. Susan M. Donatelli, Chairperson, was unable to attend.
Mr. Stephen Fontana was unable to attend.
Mr. Michael T. McCormack 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
Mr. John Byrnes
Ms. Doreen Lessard

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Mr. Mahler, Vice Chairperson, called the meeting to order at 9:40 A.M.

1. Constitution State Services Stewardship Report

Art Spada, Susan Ryan 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 exhibits of auto and highway liability claims trends during the past four years. Mr. Spada noted that the claim count decreased during the past year. Mr. Spada reminded the Board that CSS has several training services that are available at no charge to the State. He noted that the website, riskcontrol.com, provides additional information.

Mr. Boccaccio questioned whether CSS has an on-line reporting system available to the State. Mr. Spada stated that CSS would love for the State to access their on-line reporting system and will supply the access information to the Board so that it can approach State agencies with this proposal.

2. Approval of Minutes of Meeting No. 318 held on December 12, 2017 (Exhibit 2)

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

VOTED: To approve the minutes of Meeting No. 318 held on December 12, 2017.

The minutes from the Special Meeting held on December 22, 2017 to vote on the Casualty Policy renewal will be on the agenda for the April 10, 2018 meeting.

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

Mr. Tanguay reviewed the Net Payment Analysis reminding the Board that the General Fund budget was reduced by \$2.9 million and the Special Transportation Fund budget was reduced by \$2.7 million. He advised that the Board has requested an \$800,000 General Fund deficiency appropriation to pay claims. He noted that there are six large claims that are expected to settle by the end of the fiscal year.

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

VOTED: To approve the premium, deductible payments and informal bids processed by the Board since the last Board meeting totaling \$5,087,213.21

4. Risk Management Committee Report (Exhibit 4)

Mr. Irish reviewed the highlights of the Risk Management Committee meeting held on February 14, 2018. Mr. Irish advised that the committee recommended that F.M. Global present its Stewardship Report to the committee at its next meeting on April 4, 2018 and that the committee extend an invitation any Board member who would like to attend. Mr. Mahler said that F.M. Global normally presents its

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4. Risk Management Committee (Cont.)

Stewardship Report to the entire Board and feels they should present the report to the full Board at its April 10, 2018 meeting. This will be put on the Board's April agenda.

Mr. Irish noted that in 2016 an actuarial analysis was prepared. The committee would like the actuary to attend the Board's April 10, 2018 to review the report. This item will be put on the April 10, 2018 Board meeting agenda.

Mr. Irish stated that at the last committee meeting Mr. McCormack questioned the State's governmental immunity and what the State's exposure is to damages. The committee thought it prudent to request a statutory interpretation from the Office of the Attorney General or outside counsel. After discussion, the Board agreed it would be helpful to seek an opinion so that it could offer the Board guidance when deciding what limits to purchase. It was the consensus of the Board to request this of the Office of the Attorney General. At the committee meeting Mr. McCormack offered to draft this request and will send to Ms. Cirish so that she can request this information from the Office of the Attorney General. This letter will be shared with the Board.

A motion was made by Mr. Irish, seconded by Mr. Boccaccio and unanimously

VOTED: To request an opinion from the Office of the Attorney General regarding a statutory interpretation as to the State's liability.

5. Any Other Matters to Properly Come Before the Board

Mr. Tanguay distributed People's United Insurance Agency's annual Stewardship Report. The Board would like this to be put on the agenda for the June 12, 2018 meeting so that there is time to review and discuss it.

Mr. Mahler announced that Ms. Savitsky resigned and that the Governor appointed Ms. Donatelli to be the chairperson effective February 19, 2018. Ms. Donatelli was unable to attend today's meeting.

Mr. Irish suggested that a request be sent to D.A.S.'s legal counsel regarding the Board's attendance requirements. Mr. Mahler would like to have this discussion when Chairperson Donatelli returns. He was agreeable to having Mr. Irish contact Ms. Donatelli to discuss this issue prior to the next meeting.

6. Motion to Adjourn

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

VOTED: The meeting be adjourned. The meeting adjourned at 10:53 A.M.