

STATE INSURANCE & RISK MANAGEMENT BOARD

Minutes of Meeting No. 321

June 12, 2018

9:30 A.M.

Susan M. Donatelli
10/3/18

The Three Hundred Twenty-First meeting of the State Insurance and Risk Management Board was held on Tuesday, June 12, 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
Mr. Stephen Fontana
Mr. Wallace J. Irish
Ms. Marjorie F.B. Lemmon
Mr. Patrick Mahon
Mr. Michael T. McCormack
Mr. Chris T. Poulos

Mr. Richard Boccaccio was unable to attend.
Mr. Daniel J. Friedman 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. Jonathan D'Elia, President
Mr. Fred Tanguay, Senior Vice President
Mr. Scott Anderson
Ms. Doreen Lessard
Mr. Richard Poirier

Office of the Attorney General

Attorney Kim Massicotte
Attorney Joe Chambers
Attorney John Langmaid

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1. Discussion with Attorney General's Office

At 9:31 A.M. the Board went into Executive Session to have a discussion with staff from the Office of the Attorney General.

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

VOTED: To end the Executive Session. Executive Session ended at 10:29 A.M.

2. SIRMB Statutes (Exhibit 2)

Mr. Irish questioned whether there is any Board member who is in violation of the attendance requirement. Ms. McNeil advised that there is not. She also stated that she notifies members if they have missed two consecutive meetings advising them that they are in jeopardy, and if they miss three consecutive meetings they are deemed to be resigned from the Board.

3. Approval of Minutes of Meeting No. 320 held on April 10, 2018 (Exhibit 3A)

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

VOTED: To approve the minutes of Meeting No. 320, as amended, held on April 10, 2018.

Ms. Lemmon abstained from voting.

4. Approval of Minutes the Special Meeting held on May 18, 2018 (Exhibit 3B)

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

VOTED: To approve the minutes of the Special Meeting held on May 18, 2018.

5. Reconciliation of and Review of Premium Payments, Informal Bids Processed by the Board since the Last Approval (Exhibit 5)

Ms. Cirish reminded the members that the Board's General Fund Account was cut by approximately \$2.9 million and required an additional \$956,205.88 to pay large losses by the end of the fiscal year. DAS offered to transfer the money to the Board's account from left over money in its Personal Services account due to unfilled positions. Ms. Cirish and Ms. McNeil attended a Finance Advisory Committee (FAC) meeting last week in which approval was given to transfer these funds to the Board's General Fund Account.

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 \$2,068,796.36.

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6. Votes

A) UConn – Co-Generation Plant (Exhibit 6A)

Mr. Tanguay explained that there is a 25 megawatt facility that provides power to the UConn campus in Storrs. He stated that this policy is purchased to fulfill a contractual obligation between Eversource and UConn. The agreement requires specialized endorsements approved by the Attorney General's Office and the premium rating is based on payroll figures which increased slightly from last year. He noted that UConn reimburses this premium.

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

VOTED: To place coverage as outlined in Exhibit 6A, for a total premium of \$202,130.

6. B) DESPP – Aircraft/Helicopter Hull & P&I (Exhibit 6B)

Mr. Tanguay stated that this policy covers the two helicopters and three Cessnas owned by the Department of Emergency Services and Public Protection (DESPP). This policy is paid for out of the Board's budget. Mr. Tanguay noted that we are still awaiting the application from DESPP. Mr. McCormack requested a copy of the renewal information so that the Board can review it at the next Board meeting.

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

VOTED: To place coverage as outlined in Exhibit 6B, for a total premium of \$67,052, provided that the Board gets a copy of the renewal information to review at the September Board meeting.

7. Committee Reports

A) Executive Session – Claims Committee

The Board went into Executive Session to discuss the minutes from the May 30, 2018 Claims Committee meeting.

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

VOTED: To end the Executive Session. Executive Session ended at 10:57 A.M.

Mr. Mahon informed the Board that the Claims Committee also discussed the Third Party Administrative (TPA) contract with Constitution State Services (CSS) explaining that the contract expires on February 28, 2019, however, there is a clause in the contract to extend it for up to three years. Mr. Mahon stated that the committee is very satisfied with the exemplary services provided by CSS and agreed to recommend to the Board a three year contract extension if CSS was willing to keep their rate flat for the next three years.

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7. A) Claims Committee (Cont.)

However, CSS only offered a rate flat for the first two years with a slight increase in year three. After reviewing CSS's proposal, the committee recommends a two year extension given the State's current financial situation.

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

VOTED: To extend the contract for TPA services with Constitution State Services for two years, at a flat rate effective March 1, 2019.

7. B) Risk Management Committee Report (Exhibit 7B)

Mr. Irish reviewed the minutes from the committee meeting held on June 6, 2018. He noted that the committee will be inviting the DAS Agency Fleet Training Administrators to its next committee meeting. Mr. Irish requested a copy of the HNS contract, as well as all the transit district contracts. These will be reviewed at the next Risk Management Committee meeting.

8. A.O.R. and T.P.A. Contracts

As a result of the above vote, the TPA contract will be extended for two more years effective March 1, 2019. Ms. Donatelli advised that the Agent of Record contract with People's United Insurance Agency expires on July 31, 2019. This contract is required to go out to bid since it cannot be extended any more. Ms. Donatelli will be putting together a panel of members to be on the selection committee and who will work on a draft for the RFP. This will be discussed further at the September Board meeting.

9. People's United Insurance Agency Stewardship Report

Mr. Tanguay, Mr. D'Elia, Mr. Poirier and Mr. Anderson reviewed its stewardship report and highlighted the services that were provided to the State throughout the year. They all expressed their appreciation to be on the State's account.

10. Discussion on F.M. Global's Flood Mitigation Plans

11. Discussion on Actuarial Services

Ms. Donatelli would like to defer Items #10 and #11 until the next Board meeting. A motion was made by Mr. Mahon, seconded by Mr. Fontana and unanimously

VOTED: To defer Items #10 and #11 on the agenda until the September 13, 2018 Board meeting.

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12. Any Other Matters to Properly Come Before the Board

There were none.

13. Motion to Adjourn

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

VOTED: The meeting be adjourned. The meeting adjourned at 11:59 A.M.