

STATE INSURANCE & RISK MANAGEMENT BOARD

Minutes of Meeting No. 327

December 10, 2019

9:30 A.M.

Susan M. Donatelli
2-19-20

The Three Hundred Twenty-Seventh meeting of the State Insurance and Risk Management Board was held on Tuesday, December 10, 2019.

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. Richard Boccaccio
Mr. George A. Dagon
Mr. Stephen Fontana
Ms. Marjorie F.B. Lemmon
Mr. Patrick Mahon
Mr. Michael T. McCormack
Mr. Chris T. Poulos
Ms. Martha Carlson, Deputy Comptroller

Mr. Daniel J. Friedman was unable to attend

Mr. Scott Kuhnly was unable to attend.

Department of Administrative Services/Insurance and Risk Management Board

Ms. Eileen G. McNeil
Ms. Jennifer Frazier
Mr. Jerry Lynn
Ms. Aleksandra Scott
Ms. Carol Wilson
Mr. Russ Wininger

Office of the Agent of Record

Mr. Fred Tanguay, Senior Vice President
Ms. Doreen Lessard

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1. Call to Order

The meeting was called to order at 9:40 A.M.

2. Approval of Minutes of Meeting No. 326 held on September 24, 2019 (Exhibit 2)

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

VOTED: To approve the minutes as amended of Meeting No. 325 held June 11, 2019.

Mr. Mahon, Mr. McCormack, Mr. Poulos and Ms. Carlson abstained from voting.

Mr. McCormack asked that the minutes from today's meeting reflect the fact that Ms. Donatelli is working with DOT to have the indemnification language in the DOT/First Transit clarified.

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

Ms. Donatelli reviewed the budget spreadsheet and detailed list of expenditures as of November 30, 2019. Mr. Tanguay noted that there will be a deficiency this fiscal year since the Board's budget was cut and there is not enough money to cover claims. He and the staff will work with the Business Office in early January to come up the projected deficiency amount.

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

VOTED: To approve the FY 2018/19 premium, deductible payments and informal bids processed by the Board since the last Board meeting totaling \$13,441,684.61.

4. Updates (Informational & Discussion)

A) DAS Fleet Operations Safety Coordinator's Update (Russ Winger)

Mr. Winger reviewed the changes that have been made since he was hired in September 2018. He advised the Board that he revamped General Letter 115 that outlines the policies and procedures for employees who drive State vehicles. General Letter 115 was last updated in 2012 and was outdated. He stated his biggest responsibility is the safety of State drivers. Mr. Winger also created a progressive discipline plan since there was not one in place.

Mr. Winger also stated that he has recovered \$578,000 in third party claims for the period of January 1, 2019 to December 1, 2019 and received \$484,000 from service transfers from agencies to reimburse for 343 physical damage incidents. Mr. Winger explained that 400 vehicles had previously been approved for personal garaging because of their job/union contract and that this policy is being reviewed. He also stated that Fleet Operations is starting a pilot program to have GPS installed on 40 vehicles.

Mr. Winger will email Ms. Donatelli a link to the DAS/Fleet Operations website so that the General Letter 115 can be sent to the Board.

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4. A) DAS Fleet Operations Safety Coordinator's Update (Cont.)

Mr. Poulos asked that the Board have a meeting with UConn, DOT and the State Police to show them what Mr. Wininger is doing and get them on board. Ms. Carlson stated the Commissioner Geballe can request a meeting with these agencies.

5. Report from the Chair

Ms. Donatelli advised the Board that she met with DAS Commissioner Josh Geballe. He praised the Board for its service and asked for ideas for some efficiencies to cut costs. The Board agreed to make some recommendations.

Ms. Donatelli stated that the Board's Digest of Administrative Reports to the Governor for FY2019 is included in the DAS report and is on-line. Ms. McNeil will send the members a link to this report.

Ms. Donatelli again stressed the importance of setting up a ct.gov email address since private emails are subject to FOIA. Ms. McNeil will send another email with the instructions to those members who have not yet created their ct.gov email.

Ms. Donatelli stated that the Risk Management Committee is being disbanded since there has not been a quorum for the last three meetings. Ad hoc committees will be established as needed.

Ms. Donatelli advised the members that Mr. Irish resigned from the Board.

Ms. Lemmon questioned why there are separate cyber liability policies for different agencies. Ms. Donatelli advised the Board that she discussed this issue with Commissioner Geballe who has an extensive IT background. In the future she would like to invite Commissioner Geballe and Mr. Mark Raymond to a meeting to assist the Board on this matter. The Board requested that the memo from the Attorney General's Office be discussed in Executive Session at the next Board meeting.

6. Votes

A) Casualty Renewal (Exhibit 6A)

Mr. Tanguay explained that there have been increases in the insurance marketplace especially for mono-line auto liability. He noted that Safety National was the only carrier to bid on the first layer of \$5 million excess of a \$4 million S.I.R. The current limits are \$66 million excess \$4 million, however, since the rates drastically increased, the Board would not be able to afford to keep the current limits. Mr. Tanguay reviewed the quotes for \$45 million excess \$4 million S.I.R.

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6. A) Casualty Renewal (Cont.)

After review of the exhibit and much discussion, Mr. Fontana moved to renew with limits of \$45 million excess a \$4 million S.I.R., seconded by Mr. Dagon. Mr. McCormack made an amendment to the motion proposing that the Board drop the top layer and to renew with limits of \$30 million excess \$4 million S.I.R.

A tally was taken and the amendment failed by a vote of 2 yeas and 6 nays.

A subsequent tally was taken of the original motion by Mr. Fontana to renew with limits of \$45 million excess of a \$4 million S.I.R. The motion passed by a vote of 6 yeas and 2 nays and therefore it was

VOTED: To place coverage as outlined in Exhibit 6A, with limits of \$45 million excess of a \$4 million S.I.R at an annual premium of \$2,433,812.

Mr. Tanguay noted that DAS Fleet, State Police, UConn and DOT reimburse for their portion of the Fleet premium, thus making the net premium \$114,000 higher than last year's net premium.

6. B) Automobile Physical Damage (Exhibit 6B)

Mr. Tanguay stated that there was no rate increase per vehicle per hundred dollars of insured values from last year, however, values increased this year because DOT purchased several dump trucks this year, increasing its values by an additional \$11 million.

A motion was by Mr. Mahon, seconded by Boccaccio and unanimously

VOTED: To place coverage as outlined in Exhibit 6B at an annual premium of \$195,125.

6. C) UConn Cyber Liability (Exhibit 6C)

Mr. Tanguay advised that this policy is reimbursed by UConn. UConn was given the proposals and indicated they would most likely opt for Option II with a lower retention. UConn had not yet confirmed this decision. Therefore, this will be a confirming vote at the next Board meeting.

6. D) Public Defender Services Professional Liability (Exhibit 6D)

After a review of the exhibit, it was moved by Mr. Poulos, seconded by Mr. Mahon and unanimously

VOTED: To place coverage as outlined in Exhibit 6D, with coverage as expiring at an annual premium of \$59,861.

6. E) Old G. Fox Building (Informational) (Exhibit 6E)

Mr. Tanguay advised that the State is a major tenant at 960 Main Street (the former G. Fox Building). The building was sold to a new owner and the closing will be next week. As per the contractual agreement, the insurance is purchased by the owner and reimbursed by the State. This policy has not yet been renewed.

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7. Committee Reports

A) Claims Committee Report (Patrick Mahon)

Mr. Mahon advised that the Claims Committee met on October 1, 2019 and reviewed 18 large claims. The committee granted C.S.S. settlement authority for nine of these claims.

7. B) Risk Management Committee Report (Susan Donatelli)

Ms. Donatelli reminded the Board that the Risk Management Committee is now disbanded. Ad hoc committees will be established as needed.

8. Any Other Matters to Properly Come Before the Board

The Board members discussed the idea of amending the state statutes to cap automobile liability. After a discussion, the members were not in agreement it was not within the Board's authority to draft such legislation.

Mr. Poulos asked whether he or any other Board member could submit recommendations for Mr. Irish's replacement. Ms. Donatelli stated that it was acceptable.

Mr. Poulos wanted to go on record stating that, although he feels Mr. Tanguay and the staff at People's United Insurance Agency do an exemplary job, he has an issue with the RFP process. He feels it is not a good perception to have only one bidder. Ms. Donatelli reminded the members that DAS/Procurement handled the RFP process. The RFP was posted on-line and bidders were given one month to submit bids. Ms. Donatelli will invite DAS/Procurement to the future Board meeting to explain the RFP process.

9. Date and Location of Next Meeting

The 2020 Board meetings have been scheduled. The meetings will be held on February 19, 2020, June 16, 2020, September 15, 2020 and December 15, 2020.

10. Motion to Adjourn

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

VOTED: The meeting be adjourned. The meeting adjourned at 12:06 P.M.