

STATE INSURANCE & RISK MANAGEMENT BOARD

Minutes of Meeting No. 320

April 10, 2018

9:30 A.M.

Susan M. Donatelli
10/3/18

The Three Hundred Twentieth meeting of the State Insurance and Risk Management Board was held on Tuesday, April 10, 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. Richard Boccaccio
Mr. George A. Dagon
Mr. Stephen Fontana
Mr. Daniel J. Friedman, via phone
Mr. Wallace J. Irish
Mr. Patrick Mahon
Mr. Michael T. McCormack
Mr. Chris T. Poulos

Ms. Marjorie F.B. Lemmon 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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1. Overview of Actuarial Report by Raymond Nichols (Exhibit 1)

In 2016, at the direction of the Board, Mr. Nichols was contracted by People's United Insurance Agency to conduct an analysis on fleet and highway claims. The analysis was for reserves and cash flows and used for budgeting purposes to project claims for F.Y. 2017 and 2018. Mr. Nichols viewed the Executive Summary that was distributed to the members, providing an overview of how he determined his claim predictions.

The Board discussed hiring another actuary in the future to support the Board's budget request. Mr. Poulos felt that another actuarial report is needed for the future so that the Board's budget request can be supported. Mr. Mahler suggested looking into adding language in the T.P.A. contract so that the T.P.A. would provide the actuarial report. The Board agreed this topic should be added to the agenda for the June Board meeting.

2. F.M. Global Stewardship Report (Exhibit 2)

Mr. Joe Salitsky, Account Manager and Mr. Bill Santos, Account Engineer were welcomed and introduced to the Board. They presented F.M. Global's Stewardship Report as outlined in Exhibit 2.

They noted that due to several 2017 hurricanes that occurred in the nation, all major property insurers were impacted by losses. This will affect the property renewal premium this year.

Mr. Santos noted that the Army Corp of Engineers identified the City of Hartford as being subject to a potential levee failure which would impact DOT's CT Transit Bus Depot, Library/Museum warehouse and several other State agencies in Hartford. Additionally the Board was made aware of the potential flood exposures at the New Haven Rail Yard. Mr. Santos asked for the Board's help in addressing F.M. Global's flood mitigation plans with the agencies that would be impacted if there was a levee failure. The Board agreed that it should proactively make these agencies aware of this potential situation. This item will be put on the June Board meeting agenda for further discussion.

3. Approval of Minutes of Meeting No. 319 held on February 27, 2018 (Exhibit 3)

Mr. Mahler suggested removing "not outside counsel" from Page 3, third paragraph.

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

VOTED: To approve the minutes of Meeting No. 319, as amended, held on February 27, 2018.

Ms. Donatelli, Mr. Fontana and Mr. McCormack abstained from voting.

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4. Approval of Minutes of Special Meeting held on December 22, 2017 (Exhibit 4)

It was moved by Mr. McCormack, seconded by Mr. Poulos and

VOTED: To approve the minutes from the Special Meeting held on December 22, 2017.

Mr. Boccaccio, Mr. Dagon, Mr. Fontana and Mr. Mahon abstained from voting.

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

Ms. Cirish reviewed the Net Payment Analysis noting that the Board has requested an \$800,000 General Fund deficiency appropriation to pay fleet claims. The Board should know whether or not it receives a deficiency appropriation by early to mid-May.

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

VOTED: To approve the premium, deductible payments and informal bids processed by the Board since the last Board meeting totaling \$1,933,933.96.

6. Risk Management Committee Report (Exhibit 6)

Ms. Cirish commented on a request the committee had at its meeting last week. The committee had asked Ms. Cirish for a summary of the meeting with between F.M. Global and the Board of Regents. She prepared a summary and emailed it to the committee members.

Mr. Irish reviewed the minutes from the April 4, 2018 meeting. He noted that the committee met with Mr. Sanzo and Mr. Palmer from D.A.S./Fleet Operations. Mr. Irish explained that Fleet Operations acts as a motor pool for approximately 50 State agencies. Fleet Operations deals with Agency Transportation Administrators (A.T.A.'s) that are appointed by the agency's Commissioner. These A.T.A.'s are responsible for assigning the vehicles to employees. Mr. Irish explained that Fleet Operations had a Fleet Safety Coordinator nine years ago, but due to budgetary constraints, the position has not been filled. Mr. Irish noted that it was consensus of the committee to recommend to the Board that a meeting be set up between Ms. Cirish, Ms. Donatelli and Commissioner Currey. Mr. McCormack stated that pursuant to General Letter (G.L.) 115 the Fleet Safety Coordinator is responsible for working with the agency A.T.A.'s.

After some discussion, the Board accepted the recommendation of the Risk Management Committee to set up a meeting with Commissioner Currey. A motion was made by Mr. McCormack, seconded by Mr. Boccaccio and unanimously

VOTED: To set up an informal meeting between Ms. Cirish, Ms. Donatelli and Commissioner Currey to express the Board's recommendation of filling the position of Fleet Safety Coordinator.

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6. Risk Management Committee Report (Cont.)

Ms. Donatelli suggested that Mr. Poulos also attend this meeting since he has a fleet background.

Mr. McCormack distributed a draft of a letter to the Attorney General regarding a legal opinion as to the liability of the State when a State employee is involved in an auto accident.

After much discussion, the Board agreed to take time to review the draft letter and offer input. The Board will have a follow-up phone call to discuss this letter in May.

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

Ms. Cirish advised the Board that the Agent of Record contract with People's United Insurance Agency expires on July 31, 2019. This contract will have to go out to bid by the beginning of 2019. The contract with Constitution State Services, the State's Third Party Administrator, expires on March 1, 2019, however, this contract can be extended for three more years.

The Board agreed to put these items on the agenda at the June Board meeting and will set up committees to work on these contracts.

8. Any Other Matters to Properly Come Before the Board

Mr. Irish would like to discuss the Board's statutes (4a-19, 20 and 21) at the June Board meeting. This will be put on the agenda at the June Board meeting.

Ms. Donatelli asked the members to reply to Ms. McNeil in a timely manner with their anticipated attendance prior to each Board meeting. Ms. Donatelli is also working with Ms. Cirish to finalize the Board's procedural issues. She also would like to review the committees' goals and objectives.

9. Motion to Adjourn

It was moved by Mr. Poulos seconded by Mr. McCormack and unanimously

VOTED: The meeting be adjourned. The meeting adjourned at 12:07 P.M.