

STATE INSURANCE & RISK MANAGEMENT BOARD
Minutes of Meeting No. 322
September 26, 2018
9:30 A.M.

The Three Hundred Twenty-Second meeting of the State Insurance and Risk Management Board was held on Wednesday, September 26, 2018.

Vice Chairperson Mahler presided.

The following members were in attendance:

State Insurance & Risk Management Board

Mr. Seth T. Mahler, Vice Chairperson
Mr. Stephen Fontana
Mr. Daniel J. Friedman, via phone
Mr. Wallace J. Irish
Mr. Scott Kuhnly
Mr. Patrick Mahon
Mr. Chris T. Poulos

Ms. Susan M. Donatelli, Chairperson was unable to attend.
Mr. Richard Boccaccio was unable to attend.
Mr. George A. Dagon was unable attend.
Ms. Marjorie F.B. Lemmon 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
Ms. Doreen Lessard

S. Mahler
12/1/18

STATE INSURANCE & RISK MANAGEMENT BOARD
Minutes of Meeting No. 322
September 26, 2018
Page 2

1. Swearing in of New Board Member Scott Kuhnly

Mr. Mahler welcomed the new Board member, Mr. Kuhnly, and administered the oath of office.

2. Approval of Minutes of Meeting No. 321 held on June 12, 2018 (Exhibit 2)

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

VOTED: To approve the minutes of Meeting No. 321 held on June 12, 2018.

Mr. Kuhnly abstained from voting.

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

Mr. Tanguay informed the Board that the FY19 budget was cut by \$2.9 million in the General Fund and \$2.7 million in the Special Transportation Fund. He explained that Board will be in a deficiency position in the General Fund this year because of the substantial budget cut and there were fleet claims from last fiscal year that were pushed into this fiscal year. The Claims Committee will be meeting in November to review large losses. After this meeting, the Board will have a better idea of the amount of the deficiency.

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 for FY 17/18; and \$2,338,872.02 for FY 18/19.

4. Votes

A) UConn – Athletic Injury - Confirming (Exhibit 4A)

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

VOTED: To confirm coverage be placed as outlined in Exhibit 4A, Proposal #1 for a total premium of \$269,200.

4. B) Board of Regents for Higher Education – Community Colleges – Student Accident – Confirming (Exhibit 4B)

Mr. Tanguay advised that rate remained the same this year, but because enrollment is down at the community colleges this year, the premium decreased. A motion was made by Mr. Fontana, seconded by Mr. Mahler and unanimously

STATE INSURANCE & RISK MANAGEMENT BOARD
Minutes of Meeting No. 322
September 26, 2018
Page 3

4. B) Board of Regents for Higher Education – Student Accident – Confirming (Cont.)

VOTED: To confirm coverage be placed as outlined in Exhibit 4B for a total premium of \$54,871.28.

4. C) DOT – Metro-North/Shore Line East – Confirming (Exhibit 4C)

Mr. Tanguay explained that this policy provides excess rail liability and advised that Metro-North/M.T.A. is the second most heavily traveled commuter rail line in the country. DOT owns the cars, tracks and stations and contracts out the management and operation of the rail line to Metro-North/MTA. Within the agreement between the State and Metro-North, the State is responsible for 65% of all claim expenses and Metro-North is responsible for 35% of claim expenses on the New Haven side. A motion was made by Mr. Irish, seconded by Mr. Fontana and unanimously

VOTED: To confirm coverage be placed as outlined in Exhibit 4C for a total premium of \$1,696,890.

4. D) Master Student Malpractice – Confirming (Exhibit 4D)

Mr. Tanguay stated that this is a medical malpractice policy purchased to cover allied health students while they are doing off-site clinical work. After a review of the exhibit, a motion was made by Mr. Irish, seconded by Mr. Mahon and unanimously

VOTED: To confirm coverage be placed as outlined in Exhibit 4D for a total premium of \$98,527.

4 E) DOT – CT Transit Rolling Stock (Exhibit 4E)

Mr. Tanguay advised that this policy provides physical damage coverage on the CT Transit buses while they are parked in garages and parking lots in Stamford, Hamden and Hartford.

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

VOTED: To place coverage as outlined in Exhibit 4E for a total premium of \$146,135.

4. F) Master Property (Exhibit 4F)

Mr. Tanguay stated that this is the second year of a two year policy with F.M. Global. He noted that there will be no membership credit this year. He also explained that because the rate went up slightly, values increased, and there is no membership credit (previous year \$575,000) the premium increased. After a review of the proposals, a motion was made by Mr. Irish to place coverage with the increased deductible of \$350,000 for a \$65,000 premium savings, a second was made by Mr. Mahon. Mr. Fontana

STATE INSURANCE & RISK MANAGEMENT BOARD
Minutes of Meeting No. 322
September 26, 2018
Page 4

4. F) Master Property (Cont.)

did not agree with increasing the deductible, which would shift the additional \$100,000 burden to the agencies. After a poll of the members, the motion failed with four nays and three yeas.

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

VOTED: To place coverage as outlined in Exhibit 4F, with a \$250,000 deductible for a total premium of \$5,841,973.

4. G) Named Windstorm (Exhibit 4G)

Mr. Tanguay reminded the Board that at last year's renewal the Board voted to drop the limits from \$150 million to \$50 million.

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 in Exhibit 4G, Option I, for a total premium of \$350,000.

4. H) State Library/Museum (Exhibit 4H)

Mr. Tanguay explained that values went up slightly and the rate remains the same. A motion was made by Mr. Poulos, seconded by Mr. Mahon and unanimously

VOTED: To place coverage as outlined in Exhibit 4H for a total premium of \$164,658.82.

4. I) UConn – Use of XL Center for Basketball/Hockey (Exhibit 4I)

The Board reviewed the exhibit and a motion was made by Mr. Kuhnly, seconded by Mr. Poulos and unanimously

VOTED: To place coverage as outlined in Exhibit 4I for a total premium of \$58,271.

5. DESPP – Aircraft/Helicopter Hull & P&I – Follow-Up (Exhibit 5)

At the last Board meeting the members requested a copy of a list of hours each fixed wing and helicopter are used during the year. Ms. McNeil emailed the members this information on July 11, 2018.

Mr. Irish reviewed the minutes from the committee meeting held on August 8, 2018. He noted that the committee was going to invite the DAS Agency Fleet Training Administrators to its next committee meeting, however, the meeting was postponed until the new Fleet Safety Coordinator was hired.

STATE INSURANCE & RISK MANAGEMENT BOARD

Minutes of Meeting No. 322

September 26, 2018

Page 5

6. Committee Reports

A) Risk Management Committee (Exhibit 6A)

Mr. Irish noted that the Fleet Safety Coordinator is now on board and will be coming to the next Risk Management committee meeting on October 3, 2018.

7. A.O.R. Contract

Mr. Mahler stated that since Ms. Donatelli had an emergency this morning and could not make the meeting, he will get in touch with her to see if she has a list of A.O.R. selection committee members. A follow-up email will be sent to the Board within two weeks advising of the selection committee.

8. F.M. Global's Flood Mitigation Plan

This item was on the June 2018 Board meeting agenda, but due to lack of time, it was deferred to this meeting. Mr. Tanguay advised that F.M. Global has identified ten buildings exposed to flood damage if there is a levee failure in Hartford. F.M. Global will work to come up with flood mitigation plans for these buildings.

9. Actuarial Services

The Board agreed that since there is no money in the budget, it could not justify hiring an actuary this year, however, the Board directed Ms. Cirish to contact UConn to see if Actuarial students could take on this project. Ms. Cirish will contact UConn and report back to the Board at the December Board meeting.

10. Any Other Matters to Properly Come Before the Board

Mr. Irish asked if the Board purchases cyber liability. Mr. Tanguay noted that UConn Health Center, UConn, Charter Oak State College and Western Connecticut State University have cyber liability policies. Mr. Tanguay and Ms. Cirish met with the Director of Cyber Security, Arthur House, to discuss cyber liability coverage options that are available to State agencies. Mr. House expressed no interest in this coverage need for this coverage, therefore, Mr. Irish suggested inviting Mr. House to an upcoming Board meeting to discuss this matter.

11. Date and Location of Next Meeting

The next Board meeting will be on Tuesday, December 11, 2018.

12. Motion to Adjourn

It was moved by Mr. Irish, seconded by Mr. Mahon and unanimously

VOTED: The meeting be adjourned. The meeting adjourned at 11:18 A.M.