

STATE INSURANCE & RISK MANAGEMENT BOARD
Minutes of Meeting No. 331
December 15, 2020
9:30 A.M.

The Three Hundred Thirty-First meeting of the State Insurance and Risk Management Board was held on Tuesday, December 15, 2020. Due to the COVID-19 pandemic, the meeting was a teleconference meeting.

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. Scott Kuhnly
Ms. Marjorie F.B. Lemmon
Mr. Patrick Mahon
Mr. Michael T. McCormack
Mr. Chris T. Poulos

Ms. Martha Carlson, Deputy Comptroller, was unable to attend.

Department of Administrative Services/Insurance and Risk Management Board

Ms. Eileen G. McNeil
Ms. Carol Wilson
Mr. Jerry Lynn
Ms. Aleksandra Scott

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 9:32 A.M.

2. Approval of Minutes of Meeting No. 330 held on September 15, 2020 (Exhibit 2)

Mr. McCormack asked that the vote in Item #5b) be amended since he was not there for the discussion and therefore, did not oppose the vote. A motion was made by Mr. Kuhnly, seconded by Mr. Mahler and

VOTED: To approve the minutes as amended of Meeting No. 330 held on September 15, 2020.

Mr. Dagon abstained.

3. SIRMB Budget - Review and Discussion (Exhibit 3)

a) FY2020-2021 Budget Update as of November 2020

Mr. Tanguay advised that the Board may have a slight deficiency in its premium budget for both the GF and STF. At this point there are no projections for claims due to court shut-downs. He will not have any projections until February and should have deficiency numbers by the February Board meeting.

b) FY2020-2021 Expenditures for September-November 2020

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

VOTED: To approve the expenditures from September 2020 to November 2020.

Mr. McCormack opposed. He wanted to go on record that he objects to the State paying CT Transit claims. His viewpoint is since the State is named as an Additional Insured, it is not responsible for the payment of these claims. Ms. Donatelli reiterated that the Board received a memo from DOT stating they disagree with Mr. McCormack's interpretation. DOT agreed to seek a modification to the CT Transit contract to include a carve-out for the current claims process. Additionally, OPM has approved the budget and shift of the budgeted insurance funding from DOT to DAS for the Board's oversight.

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4. Report from the Chair

a) Risk Manager Recruitment Status

A motion was made by Ms. Donatelli, seconded by Mr. Poulos and unanimously

VOTED: To enter into Executive Session at 9:49 A.M.

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

VOTED: To end Executive Session at 9:54 A.M.

4. b) Insurance Program Chart – Informational (Exhibit 4b)

Ms. Donatelli prepared an informational chart showing policies over \$100,000 in premiums for the past three years. The policies were listed according to their renewal dates.

5. Insurance Renewals (Discussion & Approval)

a) TRIA Coverage - Reconsideration (Exhibit 5a)

The Board was provided a summary of the Terrorism Risk Insurance Act (TRIA) that described the distinction between acts of terrorism that are certified and those that are noncertified. Only certified acts are eligible for coverage through TRIA. Ms. Donatelli asked the Board to reconsider the purchase of TRIA coverage under the FM Global property policy that the Board approved at its last meeting. The FM Global policy does cover physical loss or damage to property covered by or resulting from terrorism. If TRIA coverage is cancelled on December 15, 2020 the Board would save \$233,377.88 in return premium.

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

VOTED: To cancel TRIA coverage on the Property Policy resulting in a return premium of \$233,377.88.

Ms. Lemmon opposed. Mr. McCormack abstained.

5. b) Aviation Liability (Exhibit 5b)

Ms. Donatelli stated that after the September Board meeting there was a conference call between herself, Mr. Tanguay, Ms. McNeil and Sergeant Eric Hurley of the State Police/Emergency Services/Aviation Unit. Sgt. Hurley explained that the three fixed wing aircraft are part of a contingency plan for when the helicopters are under maintenance (approximately 4-6 weeks) and are used in certain circumstances where the helicopters cannot be used. There are two helicopters. The Bell 407 is owned by the State and is primarily used for surveillance, missing

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5. b) Aviation Liability (Cont.)

persons, suspect apprehension, search and rescue, and aerial photos/videos. The Bell OH-58 is owned by the federal government and was obtained under a federal surplus program where insurance is contractually required. After the meeting with Sgt. Hurley it was determined that insurance is necessary on all the aircraft. To cancel coverage on the fixed wing aircraft, it would save \$30,000.

Mr. Poulos wants to go on record that he does not agree with insuring all the fixed wing aircraft since they are used in a limited capacity and that Board could save \$30,000. Mr. McCormack agreed. Ms. Donatelli reminded the Board that the State Police have a statutory responsibility and, in their opinion, all the existing aircraft (helicopters and fixed wing) are a necessary component of their operation.

Mr. Poulos. Ms. Donatelli suggested that Mr. Poulos invite Sgt. Hurley to an upcoming Risk Management Committee meeting.

5. c) Casualty (Fleet, Highway, Bus) (Exhibit 5c)

Mr. Tanguay advised the Board that there have been double-digit increases in excess liability coverage everywhere in the marketplace. After a review of the exhibit, a motion was made by Mr. Mahon, seconded by Mr. Fontana and unanimously

VOTED: To place coverage as outlined in Exhibit 5b, without TRIA coverage, with limits of \$45 million excess of a \$4 million S.I.R. at an annual premium of \$2,845,136.

5. d) Automobile Physical Damage (Exhibit 5d)

Mr. Tanguay explained that this policy covers comprehensive and collision on state-owned vehicles valued at \$100,000 or more. He stated that values for UConn and DOT increased by \$17 million, however, both of these agencies reimburse for their portion of the premium. Mr. Tanguay noted that terrorism coverage is provided, except if there is a certified act of terrorism.

Ms. Lemmon asked Mr. Tanguay where the highest concentration of values are. Mr. Tanguay advised that there is approximately \$3 million in vehicle values located in Meriden. Ms. Lemmon wanted to go on record that she opposes not purchasing TRIA coverage.

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

VOTED: To place coverage as outlined in Exhibit 5d, without TRIA, at an annual premium of \$268,681.

Ms. Lemmon opposed.

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5. e) UConn Cyber Liability (Exhibit 5e)

Mr. Tanguay advised that the renewal date for this policy is on December 22, 2020. He explained that Beazley, the insurer, performed an external scan that prompted several questions of UConn. Mr. Tanguay has been in contact with UConn to get these questions answered. Beazley advised that in order for them to renew coverage, UConn would have to close some of its portals and install patches which UConn agreed to. In the meantime, the policy has been extended to January 15, 2021. Mr. Tanguay is awaiting the completed application from UConn. He noted that UConn reimburses 100% of the premium. After much discussion, Mr. Dagon made a motion to table this vote until Mr. Tanguay receives a premium indication in January. The motion was seconded by Mr. Poulos and unanimously

VOTED: To table the vote on the UConn Cyber Liability policy until Mr. Tanguay receives quotes in January.

5. f) Public Defenders Professional Liability (Exhibit 5f)

Mr. Tanguay reviewed the exhibit noting that even though the legal staff increased, the quote is still under budget. A motion was made by Mr. Poulos, seconded by Mr., Fontana and unanimously

VOTED: To place coverage as outlined in Exhibit 5f, for a total annual premium of \$63,441.

6. Committee Reports

a) Claims Committee Report (Patrick Mahon)

Mr. Mahon advised the Board that the committee worked with DAS/Procurement to extend the TPA contract for one year until 2/28/22. He noted that he, Mr. Mahler and Mr. Dagon will be working on the RFP for TPA services with DAS/Procurement. The new contract will commence on 3/1/22.

6. b) Risk Management Committee Report (Chris Poulos)

b i) Cyber Liability – Committee Recommendations

Mr. Poulos stated that Mr. Raymond and Mr. Brown from DAS/Information Technology attended the Risk Management Committee meeting on October 22, 2020 and explained that the State is attempting to migrate State data to a cloud-based environment and that the vendor

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6. b i) Cyber Liability – Committee Recommendations (Cont.)

provides limited cyber liability insurance. Mr. Poulos asked Mr. Tanguay to explore a consolidated policy for the schools within the Board of Regents to cover the gap in coverage offered by the vendor. Mr. Poulos advised that other states have one policy for its colleges. Mr. Tanguay will talk with cyber liability carriers to see if the Board can consolidate the policies for the schools within the Board of Regents. The goal is to roll these policies into one policy as they come up for renewal. Mr. Tanguay is also exploring one master policy for all agencies within the Executive Branch. He is working with Mr. Raymond to gather all the necessary information.

Mr. Tanguay is anticipating having quotes for various policy options by the February Board meeting.

6. b ii) Fleet Operations Report – Informational (Exhibit 6b ii)

Mr. Poulos advised that Mr. Winger from DAS/Fleet Operations prepared a report that provided the number of auto accidents for 2019. This report was distributed at the October 22, 2020 Risk Management Committee meeting. Mr. Poulos has since requested that Mr. Winger provide a similar report for 2020 (see 6b ii).

7. Any Other Matters to Properly Come Before the Board

Mr. Tanguay advised that he has been in discussions with FM Global regarding outstanding recommendations during pandemic. They provided a list of human element recommendations for four or five agencies. He and Ms. Donatelli have met with the Board of Regents to discuss the lack of compliance with FM Global's low cost recommendations. Ms. Donatelli feels that the next step is to advise OPM of these recommended improvements and that the Board expects cooperation from the Board of Regents. He and Ms. Donatelli will report back to the Board at an upcoming Board meeting.

Ms. Donatelli requested that the Board conduct its future meetings via Microsoft Teams.

8. Meeting Schedule – Proposed Dates for 2021

The dates of the 2021 Board meetings will be: February 16, April 13 (Special Meeting), July 13, September 14 and December 14.

The dates of the 2021 Claims Committee meetings will be: February 9, May 4 and September 7.

The dates of the 2021 Risk Management Committee meetings will be: January 19, March 16, June 15, August 17 and November 16.

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9. Motion to Adjourn

It was moved by Mr. Fontana seconded by Mr. Kuhnly and unanimously

VOTED: The meeting be adjourned. The meeting adjourned at 11:04 A.M.