

STATE INSURANCE & RISK MANAGEMENT BOARD
Minutes of Meeting No. 328
February 19, 2020
9:30 A.M.

The Three Hundred Twenty-Eighth meeting of the State Insurance and Risk Management Board was held on Wednesday, February 19, 2020.

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, via phone
Mr. Stephen Fontana
Mr. Patrick Mahon
Mr. Michael T. McCormack
Mr. Chris T. Poulos, via phone

Ms. Marjorie F.B. Lemmon was unable to attend.
Mr. Scott Kuhnly 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
Ms. Eileen G. McNeil
Mr. Jerry Lynn
Mr. Russ Wininger

Office of the Agent of Record

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

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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. 327 held on December 10, 2019 (Exhibit 2)

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

VOTED: To approve the minutes of Meeting No. 327 held December 10, 2019.

3. Constitution State Services Stewardship Report (Exhibit 3)

Art Spada, Susan Ryan and Craig Tedeschi from Constitution State Services (CSS) presented their Stewardship Report to the Board. Mr. Spada expressed his pleasure with CSS's relationship with the Board since March 1, 2012. The team provided an overview of CSS's services and reviewed exhibits of auto and highway liability claims trends during the past five years. Ms. Donatelli inquired if CSS could extract the UM claims from the comparison since it skews the outcome. CSS advised they could provide this report. CSS is now providing a monthly trial report that is shared with the DAS Business Office.

CSS also noted that they attend monthly meetings with the Agent of Record and CT Transit/HNS Management to review all CT Transit claims. CSS takes over the settlement of claims over \$50,000.

Mr. Tanguay stated that his office will soon be hiring an actuary who will be working with CSS to analyze the liability claims.

4. SIRMB Budget (Review and Discussion) (Exhibit 4)

a) FY 2019-2020 Budget Updated as of January 2020

Mr. Tanguay has been working with the Board staff and the Business Office to come up with projected deficiency numbers for FY19/20. Mr. Lynn advised that the Business Office is looking to transfer money with agency funds to help with the Board's deficiency. The Board will have to go before the Finance Advisory Committee (FAC) for this transfer request. Mr. Lynn expects this to take place in April.

Mr. Tanguay noted that the Governor's FY2020/21 budget has been published. The Board's General Fund Account is being cut by \$2.3 million and the Special Transportation Account is being cut by \$1.6 million.

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4. a) FY 2019-20 Budget Updated as of January 2020 (Cont.)

Mr. McCormack brought up the contract between DOT and First Transit and stated that the Board should not be paying these CT Transit claims. Ms. Donatelli reminded him that this was discussed at the September Board meeting and that both she and Mr. Tanguay met with DOT and DOT advised that because of the relationship between DOT and First Transit, and notwithstanding the indemnity provision, these costs are considered part of the DOT's operating costs of the system and paid for out of the Special Transportation Fund. She noted that DOT has authority over the contract. A memo from DOT was distributed to the Board that clearly says the State's intent is to fund these losses. The Board had agreed that the indemnification language needed to be clarified in the next contract.

Mr. McCormack suggested that this contract be brought up at the deficiency hearing. He also stated that the Board should not be purchasing high excess liability limits. Ms. Donatelli recalled that the Board agreed to purchase lower excess liability limits for FY20 in order to keep within the Board's budget.

Mr. Fontana stated that since he used to serve on the FAC Committee, he advised that the committee should be educated as to how the Board operates and what the ramifications are of constant cuts to the Board's budget. Mr. Lynn and the Board agreed that it is necessary to explain this in more detail to the FAC Committee.

4. b) FY 2019-20 Expenditures for December 2019 – January 2020

Ms. Donatelli reviewed the budget spreadsheet and detailed list of expenditures as of January 31, 2020.

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

VOTED: To approve the FY 2019/20 premium, deductible payments and informal bids processed by the Board since the last Board meeting totaling \$3,825,738.47.

5. Report from the Chair

Ms. Donatelli advised that Board membership is now down to ten members since Mr. Friedman resigned.

"A Guide to Public Procurement" was distributed to the Board members for their review. Ms. Donatelli asked the members to review the guide since there will be a discussion on procurement practices at the next Board meeting from the DAS Procurement Division.

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6. Votes

a) UConn Cyber Liability - Confirming (Exhibit 6a)

Mr. Tanguay advised the Board that at the December Board meeting UConn had not yet confirmed its decision on what deductible option to choose. This item was to be a confirming vote at today's meeting. Mr. Tanguay advised that UConn chose the lower deductible option.

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

VOTED: To confirm coverage be placed coverage as outlined in Exhibit 6a at an annual premium of \$114,058.

6. b) Cyber Liability – Executive Session

At 10:49 A.M. the Board called an Executive Session to discuss an informal memo from the Attorney General's Office on cyber liability.

At 10:59 A.M. Executive Session ended.

7. Committee Reports

a) Claims Committee Report (Patrick Mahon)

Mr. Mahon stated that the Claims Committee met on February 4, 2020 to review 17 large claims.

8. Any Other Matters to Properly Come Before the Board

Mr. Winger informed the Board that the DAS/Fleet Operations GPS pilot program is up and running and he is in process of preparing a business case so that his office gets approval to install GPS equipment in all vehicles. He noted that GPS on the vehicles reduces fuel consumption, monitors speed and provides mechanical error messages.

Mr. Winger has met with OPM for an audit to determine how many vehicles are actively being used with hopes of potentially reducing the number of State vehicles. He is also looking into vehicles that are home-garaged to determine whether or not it is necessary for these employees to bring their assigned vehicles home.

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8. Any Other Matters to Properly Come Before the Board (Cont.)

Mr. Winger noted that these changes will make a significant financial impact, however, it will take a few years to see the benefits.

Mr. Poulos asked if Mr. Winger could run a report capturing claim data for Ms. Donatelli to use at the FAC meeting. Mr. Winger will forward information from the reports he has set up.

Ms. Donatelli advised the members that Ms. Cirish is retiring from State service on April 1, 2020. The Board extended its congratulations for her service.

9. Date and Location of Next Meeting

The next Board meeting will be held on June 16, 2020.

10. Motion to Adjourn

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

VOTED: The meeting be adjourned. The meeting adjourned at 11:22 A.M.