

STATE INSURANCE & RISK MANAGEMENT BOARD
Minutes of Meeting No. 336
February 8, 2022
9:30 A.M.

The Three Hundred Thirty-Sixth meeting of the State Insurance and Risk Management Board was held on Tuesday, February 8, 2022. Due to the COVID-19 pandemic, the meeting was a Microsoft Teams 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. Stephen Fontana
Mr. Scott Kuhnly
Mr. Patrick Mahon
Mr. Matthew S. Necci
Ms. Martha Carlson, Deputy Comptroller

Mr. George A. Dagon was unable to attend.
Mr. Brian M. Farrell was unable to attend.
Ms. Marjorie F.B. Lemmon was unable to attend.

Department of Administrative Services/Insurance and Risk Management Board

Ms. Eileen G. McNeil
Mr. Gene Burk
Ms. Jolita Lazauskas
Mr. Jay Yasensky
Mr. Rajpaul Singh

Office of the Agent of Record

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

Constitution State Services

Mr. Art Spada
Mr. Craig Tedeschi

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1. Call to Order

The meeting was called to order at 9:33 A.M.

2. Constitution State Services Stewardship Report (Exhibit 2)

Art Spada 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. They provided an overview of CSS's services and reviewed exhibits of auto and highway liability claims trends during the past ten years.

3. Approval of Minutes

a) Meeting No. 335 held on December 14, 2021 (Exhibit 3a)

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

VOTED: To approve the minutes of Meeting No. 335 held on December, 14, 2021.

b) Special Meeting held on January 7, 2022 (Exhibit 3b)

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

VOTED: To approve the minutes of the Special Meeting held on January 7, 2022.

4. SIRMB Budget - Review and Discussion

a) FY2021-2022 Budget Update as of January 31, 2022 (Exhibit 4a)

Mr. Tanguay stated that most premiums have been paid to the end of the fiscal year. He noted that if all auto claims with settlement authority are paid this fiscal year, the Board would not lapse funds in the GF. If however, any of these auto claims are settled next fiscal year, the Board would lapse money. Mr. Tanguay stated that he is working very closely with CSS to see if these claims can get settled this fiscal year. Mr. Tanguay informed the Board that there are three STF claims totaling \$575,000 in which settlement authority has been granted. If these claims are resolved this fiscal year, the Board will have a \$900,000 deficiency in the STF. If these three claims are not settled, the Board will have a \$300,000 deficiency in the STF. Mr. Tanguay also noted that we have been working with the Business Office regarding the projected deficiency.

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b) FY2021-2022 Expenditures for December 2021-January 2022

After a review of the expenditures, a motion was made by Mr. Kuhnly, seconded by Mr. Necci and unanimously

VOTED: To approve the expenditures from December 2021 January 2022.

5. Committee Reports (informational)

a) Claims Committee Report (Patrick Mahon)

Mr. Mahon advised that the committee met with the TPA on January 11, 2022 to review 17 claims. Mr. Mahon stated that the TPA has outstanding settlement authority of \$3.5 million and that Mr. Tanguay is working very closely with the TPA to try and get as many of these claims settled this fiscal year.

5. b) TPA Contract Negotiation Status

Mr. Tanguay informed the Board that the contract for TPA services is still being reviewed. It should be offered to CSS within the next seven to ten days.

5. c) Appraisal Services RFP Status

Mr. Tanguay advised that the RFP for appraisal services has been sent out and responses were due last Monday. All bids are in and a DAS Contract Specialist is currently reviewing them. They will then be sent to the Appraisal Committee for its review and scoring. Mr. Kuhnly, Ms. Lemmon and Mr. Necci are on this committee. Mr. Tanguay advised that the Board should know the cost of the contract by February 15, 2022 and that it will be paid for out of the Board's GF.

6. CSCU Property Risk Improvement Program Status

Mr. Tanguay reminded the Board that there has been a significant disconnect between the CSCU facilities personnel and FM Global. There remain several outstanding recommendations that have not been addressed by CSCU. Mr. Tanguay noted that FM will not insure the CSCU locations going forward if the outstanding recommendations are not addressed. He advised that OPM received \$1.2 million in bonding funds to help pay for some of these improvements. Mr. Tanguay stated that the improvements will be addressed over the course of three years (three phases). Mr. Tanguay is meeting with the CSCU system to see what improvements they will be addressing in the first phase. He noted that this is the first time in three years there has been some progress. He stated that monthly meetings with each facility will continue to oversee what improvements are being made.

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7. Succession Planning

Ms. Donatelli noted that after several years, Mr. Mahler would like to step down as the Board's Vice Chair. Mr. Necci will now be filling this role.

8. Other Matters to Properly Come Before the Board

Mr. Mahler asked for a status update for the filling of the Risk Manager's position. Ms. Donatelli informed the Board that interviews will be set up soon and that she and Mr. Fontana will be working with DAS/HR to review and score the candidates.

9. Motion to Adjourn

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

VOTED: The meeting be adjourned. The meeting adjourned at 10:30 A.M.