

STATE INSURANCE & RISK MANAGEMENT BOARD
Minutes of Meeting No. 344
September 6, 2023
9:30 A.M

The Three Hundred Forty-fourth meeting of the State Insurance and Risk Management Board was held on Wednesday, September 6, 2023. The meeting was a Hybrid Meeting with in person attendees at One Financial Plaza, Hartford CT, and virtual attendees on Microsoft Teams.

Vice Chairperson Matthew Necci presided.

The following members were in attendance:

State Insurance & Risk Management Board

Mr. Matthew S. Necci, Vice Chairperson
Ms. Susan C. Alker
Mr. Brian M. Farrell
Mr. Seth T. Mahler
Mr. Patrick Mahon
Mr. George A. Dagon, Jr
Mr. Stephen Fontana
Mr. Scott Kuhnly
Ms. Yamuna Menon, Assistant Comptroller

Ms. Susan M. Donatelli, Chairperson was unable to attend

Department of Administrative Services/Insurance and Risk Management Board

Ms. Melissa M. Frank Director of SIRMB
Ms. Sherry Chance
Mr. Jay Yasensky
Mr. Gene Burk

Office of the Agent of Record

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

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1. Call to Order

The meeting was called to order at 9:35am

2. Approval of Minutes

a) Meeting No. 343 held on July 11, 2023

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

VOTED: To approve the minutes of Meeting No. 343 held on July 11, 2023.

Ms. Menon, Mr. Kuhnly, Mr. Dagon, and Mr. Fontana abstained

3) SIRMB Budget (Review and Discussion)

a) FY2022-2023 Budget Update as of August 31, 2023 (Exhibit 3a)

Ms. Frank advised the Board that it is early in the fiscal year and the budget is on track. She also shared that the carryforward requests for both the General Fund and the Special Transportation Fund were approved and allotted to our current year budget. While these amounts may assist with pending claims, she noted that the General Fund was still underfunded, and fund deficiencies may arise later depending on the outcome of pending claims. Ms. Frank also shared that the potential deficiency has already been addressed with OPM via the Midterm Budget update.

b) FY2022-2023 Expenditures for July 2023-August 2023 (Exhibit 3b)

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

VOTED: To approve the expenditures for July 2023.

A motion was made by Mr. Dagon and seconded by Mr. Fontana and unanimously

VOTED: To approve the expenditures for August 2023

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c) Overview Budget Discussion

Mr. Tamms reiterated comments made in the budget review by Ms. Frank, adding that though the Special Transportation Fund (STF) allocation was as requested, a large loss verdict is pending and that has the potential to create a STF budget deficiency. The midterm budget update to the OPM highlighted the potential for mid to late fiscal year deficiencies so that interested parties are already aware of potential needs.

d) Policy renewals - (Informational) (Exhibit 3d)

Mr. Tamms referred to the exhibit for a list of policies under 100K which was approved at the last board meeting.

4. Report from The Director of Risk Management

a) Risk Management report – informational

Ms. Frank provided an update regarding her efforts since the last board meeting, as outlined in Exhibit 4a.

5) Insurance Renewals – (Discussion & Approval)

a) Metro-North Rail Liability (Expires 9/24/23) (Exhibit 5a)

Mr. Tamms noted that there was a significant increase in Metro North ridership projected for the 23-24 fiscal year, but despite the increased ridership the renewal premiums only increased by 3% from the prior year.

Mr. Tamms further reviewed the specifics of the coverage and premiums as specified in Exhibit 5a.

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

VOTED: To place coverage as outlined in the Exhibit 5a at an annual premium of \$2,694,738

b) Student Malpractice/Allied Health (Expires 9/25/23) (Exhibit 5b)

Mr. Tamms stated that the Student Malpractice policy provides liability coverage for students from the State Colleges and State Universities who were placed in clinical rotations. The premium is 100% reimbursable.

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A motion was made by Mr. Fontana, seconded by Mr. Kuhnly and the board unanimously

VOTED: To place coverage as outlined in Exhibit 5b at an annual premium of \$110,042.

c) CT DOT Rolling Stock (Expires 10/1/23)

Mr. Tamms advised that this policy provides property damage coverage on the state-owned CT Transit buses while they are parked in state-owned garages and parking lots. The 2022 thermal event which was limited to one Electric bus presented some underwriting issues, but coverage was secured on the entire fleet including the electric buses. The expiring policy had the same limit and deductible for diesel and electric buses, but the renewal policy has separate deductibles and limits for electric and diesel buses. With these contingencies the renewal premium is only 5% higher than in the prior year.

A motion was made by Ms. Alker, seconded by Mr. Dagon and the board unanimously

VOTED: To place coverage as outlined in Exhibit 5c at an annual premium of \$248,535.

d) UConn Co-Gen Plant (Expires 10/1/23)

Mr. Tamms explained that this coverage is purchased because of an inter-connection agreement between Eversource and UConn. UConn is contractually required to purchase this coverage. This policy is 100% reimbursable.

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

VOTED: To place coverage as outlined in Exhibit 5d at an annual premium of \$370,363.

e) Property (Expires 10/15/23)

Mr. Tamms stated that the State qualified for and would be receiving a membership credit based upon the State's longevity as an FM Global client and a resilience credit from the property insurer FM Global that would be applied to the renewal premium. For the upcoming renewal period there is an almost \$2 billion increase in total property values due to new buildings and renovations and 11 properties with updated values. As in the past, premiums did not increase as properties were added to the policy. Though there was an increase in the premium, Mr. Tamms noted that relative to inflation effects on the property insurance market the renewal premium is considered very fair. Mr. Tamms reminded the Board that a portion of the premium is reimbursed which would result in a lower net effect on budget.

A motion was made by Mr. Fontana, seconded by Mr. Farrell and the board unanimously

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VOTED: To place coverage as outlined in Exhibit 5e at an annual premium of \$11,062,372.

f) State Library/Museum (Expires 10/15/23)

Mr. Tamms advised that the Excess Fine Arts Coverage is supplemental to the property coverage and specific to 5 museum locations. The renewal premium is under budget and was relatively stable to expiring premium.

A motion was made by Mr. Fontana, seconded by Mr. Kuhnly and the board unanimously

VOTED: To place coverage as outlined in Exhibit 5f at an annual premium of \$147,451.

6) Administrative Report to the Governor (Informational)

Ms. Frank advised that the Board's Administrative Report to the Governor was submitted as part of DAS's report to the governor. The report included the Board's improvements/achievements during FY2023.

7) Executive Session

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

VOTED: To enter executive session at 10:23AM

a) Topic: RFP for appraisal services update

A motion was made by Mr. Dagon, seconded by Mr. Kuhnly and the board unanimously

VOTED: To end executive session at 10:24AM

8) Other Matters to Come Before the Board

Ms. Alker suggested that we discuss in a future meeting efforts to mitigate climate risks and their associated costs. This suggestion was noted for further discussion.

9) Date and location of next meeting

The next meeting will be held on October 3rd, 2023, at 9:30AM. New meeting invitations will be sent by Ms. Chance and Ms. Frank. The format will likely be the same as the current meeting.

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10) Motion to Adjourn

It was moved by Mr. Mahon and, seconded by Mr. Mahler and the board unanimously

VOTED: The meeting be adjourned. The meeting adjourned at 10:27AM