

STATE INSURANCE & RISK MANAGEMENT BOARD
Minutes of Meeting No. 342
April 18, 2023
9:30 A.M.

The Three Hundred Forty-Second meeting of the State Insurance and Risk Management Board was held on Tuesday, April 18, 2023. The meeting was a Microsoft Teams meeting.

Vice Chairperson Necci presided.

The following members were in attendance:

State Insurance & Risk Management Board

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

Ms. Susan M. Donatelli, Chairperson was unable to attend.
Mr. Patrick Mahon was unable to attend.

Department of Administrative Services/Insurance and Risk Management Board

Ms. Melissa M. Frank
Mr. Rajpaul Singh
Ms. Eileen G. McNeil was unable to attend.
Mr. Gene Burk was unable to attend.

Office of the Agent of Record

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

1. Call to Order

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

2. Approval of Minutes

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- a) Meeting No. 341 held on February 7, 2023 (Exhibit 2)

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

VOTED: To approve the minutes of Meeting No. 341 held on February 7, 2023.

3. FOIA Training/Overview

Russell Blair, Director of Education and Communications from the Connecticut Freedom of Information Commission advised that FOIA is about public records, documents and meetings. Mr. Blair noted if anyone has any questions, please feel free to reach out to him. Mr. Blair advised that the SIRMB meetings are open to the public, therefore, anyone who wants to may come to our meetings and watch and listen. He advised that the public is not allowed to speak at the meetings. As our meetings are held virtually, you must have minutes of the meeting and the meeting must also be recorded. Meeting schedules need to be posted with the Secretary of the State which the SIRMB has done. If a Special meeting needs to be held, there has to be 24 hour advance notice and you cannot add any new items to the Agenda at the Special meeting. If you are going to have an Executive session, you need to include the description of what is to be discussed in Executive session on the agenda. Minutes must be posted within 7 days after the meeting. While it is not against the rules to use your own personal e-mail, it may be in your best interest to use the State e-mail address as if a request is made to see all your e-mails, it will be easier to retrieve them. If you do receive an FOIA request, you must acknowledge receipt of the request within 4 days.

4. Constitution State Services Stewardship Report (Exhibit 4)

Mr. Tamms introduced the Constitution State Services team. Art Spada, Susan Ryan and Craig Tedeschi presented their Stewardship Report to the Board. Mr. Spada expressed how pleased he is with CSS's relationship with the Board for the last 11 years since March 1, 2012. They provided an overview of CSS's services and reviewed exhibits of highway liability and auto claims trends. Mr. Spada extended an invitation to anyone on the Board who would be interested in visiting his office.

5) SIRMB Budget (Review and Discussion)

- a) FY2022-2023 Budget Update as of March 31, 2023 (Exhibit 5a)

Mr. Tamms reviewed the March budget spreadsheet noting that we are under or at budget for overall premiums. Mr. Tamms stated that there were a handful of claims that resolved for large amounts. As a result of this deficiency, Melissa Frank attended a meeting with the FAC Committee for further funding of the GF and the Deficiency Appropriations Committee meeting at the legislature to request STF funds. The GF funds were approved and have been moved to the SIRMB account and the STF funds are going through the process.

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A motion was made by Mr. Kuhnly, seconded by Mr. Farrell and unanimously

VOTED: To approve the Budget Update as of March 31, 2023.

5. b) FY2022-2023 Expenditures for February 2023 – March 2023 (Exhibit 5b)

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

VOTED: To approve the expenditures from February 2023 and March 2023.

5. c) Policy renewals - (Informational) (Exhibit 5c)

Ms. Frank explained that this is a list of policies under \$100,000 that renewed since the last Board meeting on February 7, 2023.

6. CTrail Liability (Discussion/Approval) (Exhibit 6)

Mr. Tamms explained that this coverage is for the high speed rail line between New Haven and Springfield. The tracks are owned by Amtrak and the Department of Transportation has an Access Agreement. Herzog/TASI is the operator and provides the 1st layer (\$25m) and the Department of Transportation is responsible for the next \$323m above that. Mr. Tamms explained that the renewal terms were very favorable given the marketplace. There was a small shift in carriers, but the renewal premium is flat. Ms. Alker inquired if there were any losses. Mr. Tamms advised that he would inquire to the carrier, but since Herzog insures the first layer that it is likely that any claims would be in their layer. Mr. Tamms will reach out to the carrier and request the information and advise.

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

VOTED: To place coverage as outlined in Exhibit 6 at an annual premium of \$2,139,000.

Mr. Mahler abstained.

7. Committee Reports (Informational)

There were no Committee Reports.

8. Director's Report

- a) Property Insurance – captive update (Informational) (Exhibit 8a-Exhibit 1)

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Ms. Frank provided an update regarding her efforts since the last Board meeting. Some of the highlights of her report were: Ms. Frank advised that herself and Mr. Tamms have a meeting coming up soon with CCSU. Ms. Frank stated that she was most proud of a meeting that was coordinated with the Tech schools. There were 17 building and maintenance supervisor participants and herself and Mr. Tamms discussed what the SIRMB was about and the human element recommendations that FM Global was most interested in. It was a great discussion and the participants were all very interested in the topics and they were all interested in visiting the FM Global Research facility in Rhode Island.

Ms. Frank reviewed Exhibit I summarizing the Captive Alternative to the Traditional Property policy. She advised the bottom line after review is to not recommend a captive. There were 32 property claims in the last 21 years; based on the number of claims, combined with the frequency that those claims would enter into the contemplated captive layer, we would pay significantly more than the current premium and deductibles. Based on that analysis, a captive structure would not be beneficial to the State. She also advised that due to the State's fiscal constraints and the SIRMB's budget, it is not practical to have a successful captive program. Mr. Tamms agreed and said that it would not be advantageous at this time.

b) Business Interruption – coverage discussion (Discussion/Approval) (Exhibit 8b-Exhibit 2)

Ms. Frank explained that a State agency inquired regarding the Board purchasing Business Interruption insurance for them due to a lease agreement that they entered into with a landlord outlining that in the event of a loss the landlord would have 10 months to fix the damage. In the past, the SIRMB has only added this coverage when required by contract. After discussion, the Board members agreed Mr. Tamms and Ms. Frank should do their due diligence and that no official vote is necessary.

Ms. Frank stated that she is receiving many good inquiries regarding contractual requirements from various agencies.

Ms. Frank further noted that she and Mr. Tamms were successful in drilling down into the CT Transit invoice for claims so that the SIRMB is only paying for claims that the SIRMB is responsible for and did find that there was a general liability claim that was billed and the invoice is being corrected.

9. Other Matters to Come Before the Board

There were none.

10) Executive Session

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State Building Appraisals RFP Update

Personnel Discussion

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

VOTED: to enter into Executive Session at 10:52 A.M. to discuss the Appraisals RFP

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

VOTED: to end Executive Session at 10:58 A.M.

11) Motion to Adjourn

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

VOTED: The meeting be adjourned. The meeting adjourned at 10:59 A.M.