

TO BE APPROVED AT THE NEXT REGULARLY SCHEDULED MEETING

STATE INSURANCE & RISK MANAGEMENT BOARD

Minutes of Meeting No. 347

April 23, 2024

9:30 A.M.

The Three Hundred Forty-Seventh meeting of the State Insurance and Risk Management Board was held on Tuesday, April 23, 2024. The meeting was a hybrid meeting, held both in-person and via Microsoft Teams.

Interim Vice Chairperson Fontana presided

The following members were in attendance:

State Insurance & Risk Management Board

Mr. Stephen Fontana – Interim Vice Chairperson

Ms. Susan C. Alker

Mr. Brian M. Farrell

Mr. Seth T. Mahler

Mr. Patrick Mahon

Ms. Yamuna Menon, Assistant Comptroller – Ex Officio member

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

Mr. George A. Dagon was unable to attend

Mr. Scott Kuhnly was unable to attend

Department of Administrative Services/Insurance and Risk Management Board

Ms. Melissa M. Frank, Director of SIRMB

Ms. Sherry-Ann Chance

Mr. Gene Burk was unable to attend.

Mr. Rajpaul Singh was unable to attend

Office of the Agent of Record

Mr. Hank Dominiononi, President - Assured Partners

Mr. Brian Tamms, Senior Vice President - Assured Partners

Ms. Doreen Lessard – Account Executive - Assured Partners

Constitution State Services

Art Spada

Craig Tedeschi

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1. Appointment of Interim Vice Chair

Former Vice Chairperson Matthew Necci has resigned from the Board and with the absence of the chairperson at the meeting, the board voted to appoint Mr. Stephen Fontana as the interim vice chair.

The motion was moved by Ms. Alker seconded by Mr. Mahler and unanimously

VOTED: To appoint Mr. Fontana as interim Vice chairperson.

2. Call to Order

The meeting was called to order at 9:37 A.M.

3. Approval of Minutes

a) Meeting No. 346 held on February 6, 2024 (Exhibit 2)

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

VOTED: To approve the minutes of Meeting No. 346 held on February 6, 2024.

4) SIRMB Budget (Review and Discussion)

a) FY2023-2024 Budget Update as of March 31, 2024 (Exhibit 5a)

Ms. Chance provided a breakdown of total amounts expended on premiums, contractual fees and claims from the General Fund and the Special Transportation Fund as of March 31st, 2024. She also reviewed the balances in all funds and accounts for the period.

Mr. Fontana said he was pleased to see the balances available in the fund, which he knows is partly due to overall premiums being under budget. Mr. Tamms added that the balances may be misleading as significant deficiencies are projected in both accounts due to large claims pending settlement and an adverse verdict. Ms. Frank added that she has attended Finance Advisory Committee (FAC) meetings and appropriations hearings to address the deficiencies and will be attending another FAC meeting in May to seek funds for the projected deficiencies.

4. b) FY2023-2024 Expenditures for February 2024 (Exhibit 5b)

Ms. Chance then reviewed the expenditures for February after which a motion was made by Mr. Mahler, seconded by Mr. Mahon and unanimously

VOTED: To approve the expenditures for February 2024.

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4. b. continued) FY2023-2024 Expenditures for March 2024 (Exhibit 5b)

Ms. Chance reviewed the expenditures for March after which, a motion was made by Mr. Mahon, seconded by Mr. Mahler and unanimously

VOTED: To approve the expenditures for March 2024.

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

Ms. Frank explained that this is a list of policies under \$100,000 that have been renewed since the last Board meeting on February 6, 2024, and the exhibit is informational.

5. CT Rail Liability (Discussion/Approval) (Exhibit 5)

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 rail liability market was more challenging this year due to a reduction in capacity. Some carriers are no longer in the market and remaining carriers have reduced their limits, opting to provide coverage in the higher layer of the insurance tower. These conditions resulted in an overall increase in the CT Rail premium.

Mr. Tamms said that he has discussed this with the CT DOT who were understanding of the market challenges. He also reported to Ms. Alker on her question from the previous year regarding rail losses stating that the loss history is very good with very few claims made on this line.

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

VOTED: To place coverage as outlined in Exhibit 6 at an annual premium of \$2,304,567

Mr. Mahler abstained.

6. Constitution State Services Stewardship Report (Exhibit 4)

Art Spada, and Craig Tedeschi from Constitution State Services joined the meeting to present their Stewardship Report to the Board. Mr. Spada expressed how pleased he is with CSS's relationship with the Board, its staff, and the Assured Partners Teams for the last 12 years since March 1, 2012. They provided an overview of CSS's services and reviewed exhibits of highway liability and auto claims trends, highlighting data showing claim resolution success resulting in overall claims

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resolution being less than projected. The CSS teams explained a little about the tools used in their claims investigations and settlements and provided real examples of the results.

Ms. Alker thanked the CSS team for their hard work and tremendous results in saving the state's tax payer dollars.

7. Director's Report

Ms. Frank provided the following updates on her projects and endeavors: Centurrisk, the contracted appraisal firm, has completed its on-site component of the first phase of the appraisal state properties as of April 20th. She has met with UCONN Fire marshal and Facilities Operations team to establish a protocol for compliance with FM Global red tag permit system for reporting impairments to the fire suppression system. Compliance with the FM Global red tag permit system would allow for completion and close out of this recommendation at all UCONN and UCHC facilities regarding this process, which would be a significant improvement for the overall State's risk mark scores in the insurers property program. Ms. Frank stated that CSS will be handling all new bus claims for DOT/HNS as of 07/01/2024 while HNS will work through the resolution existing claims. Ms. Frank also reported that with the assistance of Ms. Doreen Lessard of AssuredPartners, the SIRMB resolved State Auditors' recommendations.

9. Other Matters to Come Before the Board

Mr. Fontana applauded the efforts of CSS and expressed his hope that they help with solutions to drive down the cost of claims. Mr. Tamms shared that CSS identification of claim trends, such as the frequency and severity of certain types of claims and their subsequent reporting, has allowed the risk manager and partners to begin risk mitigation discussions with the relevant stakeholders which has resulted in risk mitigation systems being put in place to prevent or mitigate the identified risks.

Mr. Fontana asked that for future SIRMB agendas that we add the time and date of the next meeting to be discussed and confirmed towards the end of the meetings. It was noted that the next board meeting would be on July 16th, 2024, at 9:30am.

10) Motion to Adjourn

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

VOTED: The meeting be adjourned. The meeting adjourned at 10:47 A.M.