

**STATE INSURANCE & RISK MANAGEMENT BOARD**  
**Minutes of Meeting No. 332**  
**February 16, 2021**  
**9:30 A.M.**

The Three Hundred Thirty-Second meeting of the State Insurance and Risk Management Board was held on Tuesday, February 16, 2021. 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. George A. Dagon  
Mr. Stephen Fontana  
Mr. Scott Kuhnly  
Ms. Marjorie F.B. Lemmon  
Mr. Patrick Mahon  
Ms. Martha Carlson, Deputy Comptroller

Department of Administrative Services/Insurance and Risk Management Board

Mr. David E. Pajak  
Ms. Eileen G. McNeil  
Ms. Carol Wilson

Office of the Agent of Record

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

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1. Call to Order

The meeting was called to order at 9:39 A.M.

2. Introduction – David Pajak, Director of Insurance and Risk Management

Mr. Pajak introduced himself to the Board and provided a brief overview of his risk management experience. Mr. Pajak was hired on January 15th and is looking forward to working with the Board.

3. Constitution State Services Stewardship Report (Exhibit 3)

Art Spada, Account Executive Officer/National Accounts, Susan Ryan, Claim Account Executive and Craig Tedeschi, Claim Account Executive 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. CSS noted that the claim frequency for claims under \$250,000 has dropped in the five years and that the State is moving in the right direction. CSS reviewed performance overviews for auto and general liability, as well as overviews for auto liability for DAS, DOT and DPS.

Mr. Pajak would like an increase in claim reporting within the first three days of an accident and asked if CSS had an app to report a claim. Mr. Tedeschi explained that there is currently no app, but with a phone or computer, the claim could be reported via the internet. Ms. Carlson suggested that Mr. Pajak reach out to Mark Raymond of DAS since the State is in the process of technological upgrades.

4. Approval of Minutes

a) Meeting No. 331 held on December 15, 2020 (Exhibit 4a)

A motion was made by Mr. Mahon, seconded by Mr. Kuhnly and

VOTED: To approve the minutes of Meeting No. 331 held on December 15, 2020.

Ms. Carlson abstained.

4. b) Special Meeting held on January 8, 2021 (Exhibit 4b)

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

VOTED: To approve the minutes of the Special Meeting held on January 8, 2021.

Ms. Carlson abstained.

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5. SIRMB Budget - Review and Discussion (Exhibit 5a)
- a) FY2020-2021 Budget Update as of January 31, 2021

Ms. McNeil reviewed the spreadsheet that explaining that the total expenses included the payment of the casualty premiums. She noted that most of the remaining expenses to the end of the FY are for claim/fee payments.

- b) FY2020-2021 Expenditures for December 2020 – January 2021

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

VOTED: To approve the expenditures from December 2020.

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

VOTED: To approve the expenditures from January 2021.

Prior to the meeting, the Board was given a deficiency spreadsheet. Mr. Tanguay reviewed the spreadsheet noting that the Board will most likely be deficient by approximately \$100,000 in the GF account and \$800,000 to \$900,000 in the STF. He explained that even though trials have been postponed, many cases are going to mediation. The deficiencies will depend on the timing of the settlements.

Ms. Carlson advised that a letter should go to the DAS Business Office with a copy to Carol Wilson so that they can put OPM on notice. The letter should explain what caused the deficiencies and that the Board's budget was cut by approximately \$1.6 million.

6. SIRMB Goals CY2021-22 – discussion (Exhibit 6)

Mr. Pajak worked with Ms. Donatelli develop five priorities for the SIRMB during CY2021. The first priority is to work with State agencies to help them better manage their property risks. FM Global identified ten areas of high risk, e.g., UConn, CSCU, the State Library, State Capitol and XL Center. FM Global is seeking improvements and/or long-term commitments by July or August prior to the October 2021 renewal of the Property Policy.

The SIRMB's second goal is to review the bond penalties for 30 public officials. In accordance with CGS 4-20, the bond penalties are to be reviewed every four years. The crime bond for State employees excludes the 30 public officials. Mr. Pajak will be meeting with the auditors to review the financial controls in place at various State agencies to determine the appropriate bond penalties for public officials.

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6. SIRMB Goals CY2021-22 – discussion (Cont.)

Ms. Carlson suggested that Mr. Pajak send the Board an email explaining the bond coverage, what the limits are for each public official who is covered etc. She also suggested sending an email to the Constitutional Officers advising them of the limits of their coverage. Ms. Carlson advised Mr. Pajak to contact DAS's General Counsel to have them review CGS 4-20 to make sure no technical change needs to be made to the statute.

The SIRMB's third priority is the completion of the RFP for TPA services for auto and highway claims. Mr. Pajak will be meeting with DAS/Procurement, members of the Claims Committee and Assured Partners to start the RFP process for the TPA contract. The current contract expires on February 28, 2022 and the RFP needs to be publicly noticed in the fall.

The fourth SIRMB priority is to evaluate the impact of the FY22 and FY23 Governor's Budget. The Board's budget was reduced significantly and Mr. Pajak will review the budget with Mr. Tanguay for any cost beneficial savings opportunities. Mr. Pajak indicated there may be cost savings opportunities outside of the SIRMB's direct purview such as builders risk and owners liability policies within construction contracts managed by DAS Construction Services.

The SIRMB's fifth priority is to evaluate claim trends and recommend risk controls to agencies. At the last Claims Committee meeting, Mr. Fontana offered some suggestions to help reduce the frequency and severity of claims. The committee agreed that it may be worth making technological and programmatic improvements such as providing drivers with additional training, making sure that all of the CT Transit buses have cameras installed in them, etc. Mr. Pajak will reach out to CT Transit to determine if the buses have cameras installed and will also request that CSS provide a report of all CT Transit claims that did not have camera footage for accident investigations during the past five years.

7. Committee Reports (Informational)

a) Claims Committee Report (Patrick Mahon)

Mr. Mahon advised the Board that the committee reviewed 19 claims. Of these 19 claims, three were resolved and the three had reserve increases.

b) Risk Management Committee (Discussion)

Ms. Donatelli asked the members for their opinion on whether the Risk Management Committee should continue since there are only two members left on the committee. After some discussion, it was the consensus of the Board to table the discussion for a few months until new members are appointed and then decide whether to continue with the Risk Management Committee or establish an ad hoc committee or task force as needed.

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8. Any Other Matters to Properly Come Before the Board

Mr. Mahon asked if there was a follow-up with the CCSU Board of Regents regarding the outstanding recommendations from FM Global. Mr. Pajak advised that he and Mr. Tanguay will be working on this as part of the first CY2021 priority.

9. Motion to Adjourn

It was moved by Mr. Kuhnly seconded by Mr. Fontana and unanimously

VOTED:       The meeting be adjourned. The meeting adjourned at 11:53 A.M.