STATE INSURANCE & RISK MANAGEMENT BOARD
Minutes of Meeting No. 352
April 22, 2025
9:30A.M.

The Three Hundred and Fifty-Second meeting of the State Insurance and Risk Management Board was held on Tuesday, April 22, 2025. The meeting was a hybrid meeting, held both in-person and via Microsoft Teams.

Vice Chairperson Fontana presided

The following members were in attendance:

<u>State Insurance & Risk Management Board</u>
Mr. Stephen Fontana – Vice Chairperson
Ms. Susan C. Alker
Mr. Brian M. Farrell
Mr. Seth T. Mahler
Mr. Patrick Mahon
Mr. John P. Rogers

Ms. Susan M. Donatelli, Chairperson, was unable to attend.
Mr. George A. Dagon was unable to attend
Mr. Scott Kuhnly was unable to attend
Ms. Yamuna Menon, Assistant Comptroller, was unable to attend

<u>Department of Administrative Services/Insurance and Risk Management Board</u>

Ms. Melissa M. Frank, Director of SIRMB
Ms. Sherry-Ann Chance

<u>Office of the Agent of Record</u>
Mr. Hank Dominioni, Agency President - Assured Partners
Mr. Brian Tamms, Senior Vice President - Assured Partners
Ms. Doreen Lessard, Account Executive - Assured Partners

<u>Constitution State Services</u>
Art Spada
Craig Tedeschi
Mary Rahardjo
Tanya McKreith Baker

1. Call to Order

The meeting was called to order at 9:31 A.M.

2. Approval of Minutes

Meeting No. 351 held on February 25, 2025 (Exhibit 2)

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

a. VOTED: To approve the minutes of Meeting No. 351 held on February 25, 2025.

Mr. Fontana and Mr. Mahon abstained

3. Constitution State Services Stewardship Report

The Constitution State Services team joined the meeting to present their Stewardship Report to the Board. Constitution State Services is the 3rd party claims administrator for the State's auto and general liability claims. Mr. Spada expressed how pleased he is with CSS's relationship with the State, the Board, its staff, the claim committee and the Assured Partners Team over its 13-year relationship. They provided an overview of CSS's services and reviewed highway liability and auto claims trends including claim counts, average claim cost and key performance indicators. CSS highlighted their claim resolution success which resulted in several large claims settling for significantly less than the settlement authority granted, which resulted in significant savings for the State.

4. SIRMB Expenditures (Approval)

a. FY2024-2025 Expenditures for February 2025 (Exhibit 4a)

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

VOTED: To approve the expenditures for February 2025.

a. continued) FY2024-2025 Expenditures for March 2025 (Exhibit 4a)

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

VOTED: To approve the expenditures for March 2025.

5. SIRMB Budget Update (Discussion)

FY2024-2025 Budget Update as of March 31, 2025 (Exhibit 5a)

Ms. Frank reported that the SIRMB is projecting a surplus in the Board's General Fund and a minor deficit in the Special Transportation Fund.

a) HB 6413 – Increased UM /UIM for DOT Employees

Ms. Frank provided an update on House Bill 6413 – *An Act Requiring Uninsured and Underinsured Motorist Coverage for Department of Transportation Employees*. She explained that the bill was brought forward by the DOT, and would increase UM/UIM coverage from the current state limits of $25K/$50K to $1M for DOT employees whose roles require them to be outside of their vehicles. The bill would require the state, via the SIRMB, to provide this increased coverage, and the current fiscal note recommends appropriating funds of $700K - $1.7M for this new exposure. The legislature will be voting soon on this bill and the DAS' Legislative Liaison will provide updates from OPM to Ms. Frank when available.

Ms. Frank advised that the upcoming biennial budget request for FY26 and FY27 did not provide funding for claims that may arise if this bill is passed. Mr. Tamms added that this was due to the budget request being submitted before this bill was drafted.

b) Resolution Regarding Reserves (Approval)

As a follow up to the December 2024 Board Meeting Ms. Frank requested that the Board formally approve the resolution authorizing Ms. Frank to work with the proper state personnel to request the establishment of reserves to support the State Insurance and Risk Management Board's self-insurance program, as authorized by the Board statute CGS 4a-20.

A motion to entertain further discussion and approve the resolution was made by Mr. Mahon, seconded by Mr. Farrell.

The Board once again agreed that it would make sense to establish reserves and further discussion ensued on the determination of appropriate amounts of reserve, the possible effects of having a reserve on the SIRMB budget and how reserves would be handled. Upon conclusion of the discussion, the Board unanimously

VOTED: To authorize Ms. Frank to request the establishment of required reserves.

6. Policy renewals - (Informational) (Exhibit 6)

Ms. Frank explained that this is a list of policies under $100,000 that have been renewed since the last Board meeting on February 25, 2025, and the exhibit is informational.

7. <u>CT Rail Liability (Discussion/Approval) (Exhibit 7)</u>

Mr. Tamms explained that CT Rail Liability 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. The coverage is provided by several carriers participating in a liability tower. Mr. Tamms explained that the rail liability market remains tumultuous. Some carriers have exited the market completely, while the remaining carriers are either reducing the limits they are offering or electing to deploy their capacity higher up in the insurance towers. Numerous markets in London and Bermuda were approached as several carriers in both markets make up the existing tower of coverage and the renewal retains several of the existing carriers with a few offering different coverage limits.

Mr. Fontana stated that the proposal seemed favorable to the state and 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 $2,563,763

Mr. Mahler abstained.

8. <u>Constitution State Services Contract Renewal (Discussion / Approval)</u>

Ms. Frank reminded the board of the options for the renewal of the Constitution State Services (CSS) Contract. The board expressed their satisfaction with the work that CSS is doing and that they felt it was prudent to exercise the existing contract option to renew the contract for the full available renewal term of 3 years, understanding that the contract can be terminated at any point.

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

VOTED: to renew the CSS contract for a term of 3 years.

9. <u>Committee Reports</u>
Mr. Mahon reported that the last Claims Committee meeting was held on January 15,2025. At that meeting two resolved claims were reviewed and 10 claims were presented for discussion. Settlement and/or reserve authority were either extended or increased on several of the claims discussed.

10. <u>MIRA Dissolution / DAS Discussion</u>

Ms. Frank advised the Board that she was involved in talks with the DAS pertaining to the dissolution of MIRA, a quasi-governmental organization that ran two large waste recycling sites in Hartford. The MIRA Dissolution Authority (MDA) has worked for the past year to wind down MIRA operations and DAS is preparing to take over the properties, contracts and assets that are remaining as of July 1, 2025. She stated that DAS is currently assessing the need for insurance policy(ices) that are in place to cover any potential liability which the State's sovereign immunity may not cover. If it is determined that the SIRMB may be requested to purchase needed coverage, Ms. Frank will request a Special Meeting of the Board sometime in June.

11. Director's Report – (Exhibit 11)

Ms. Frank provided an update on her ongoing risk management projects and endeavors.

Ms. Alker thanked Ms. Frank for her hard work and proactive approach to her roles and responsibilities.

12. TRIA Guidelines (Approval) – (Exhibit 12)

As a follow up to the December 2024 discussion regarding the establishment guidelines for the Board in purchasing Terrorism Risk Insurance (TRIA), Ms. Frank invited the board to weigh in on the proposed recommendations.
After Ms. Frank provided a general recap on existing TRIA coverage, Ms. Alker requested that more pertinent information be provided, such as what policies include TRIA coverage that may be required by contract. This request was seconded by Mr. Fontana, who added that the Board needs more information to properly assess the current practices and to make an informed recommendation and decision. Ms. Frank stated that she will provide additional information and revised guidelines for the next meeting.

13. Other Matters to Come Before the Board

Mr. Mahler confirmed the date of the next Board meeting as 07/15/2025 at 9:30am

14. Motion to Adjourn

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

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