

**STATE INSURANCE & RISK MANAGEMENT BOARD**

**Minutes of Meeting No. 296**

**September 27, 2012**

**10:00 A.M.**

The Two Hundred Ninety-Sixth meeting of the State Insurance and Risk Management Board was held on Thursday, September 27, 2012 at the Board of Regents for Higher Education, 39 Woodland Street, Hartford, CT. Although there was no quorum at the meeting, it was the consensus amongst those present at this meeting to accept each vote. Following this meeting, an electronic voting spreadsheet was sent to the members not in attendance. All items were subsequently accepted.

Acting Chairperson Mahler presided.

The following members were in attendance:

State Insurance & Risk Management Board

Mr. Seth T. Mahler, Acting Chairperson  
Ms. Marjorie F.B. Lemmon  
Mr. Patrick Mahon  
Ms. Linda R. Savitsky

Mr. Robert Broomall was unable to attend.  
Mr. Wallace J. Irish was unable to attend.  
Mr. Edward S. Pocock, III was unable to attend.  
Ms. Denise Zamore was unable to attend.  
Ms. Martha Carlson, Deputy Comptroller was unable to attend.

Department of Administrative Services/Insurance and Risk Management Board

Ms. Daria J. Cirish, Risk Manager  
Ms. Eileen G. McNeil

Office of the Agent of Record

Mr. John Byrnes, President  
Mr. Fred Tanguay, Vice President  
Ms. Doreen Lessard



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1. Approval of the Minutes of Meeting No. 295 held on June 21, 2012 (Exhibit 1)

A motion was made to confirm approval of the minutes. After the electronic consensus vote, it was unanimously

VOTED: To approve the minutes of Meeting No. 295 held on June 21, 2012.

2. Reconciliation of and Review of Premium Payments, Informal Bids Processed by the Board since the Last Approval (Exhibit 2)

Mr. Tanguay noted that it is still early in the fiscal year and there have been no reductions to the Board's budget so far.

A motion was made to confirm approval of the Item #2. After the electronic consensus vote, it was unanimously

VOTED: To approve the premium, deductible payments and informal bids processed by the Board since the last meeting totaling \$1,357,640.98 in F.Y 2012; \$1,796,715.68 in F.Y. 2013.

3. Votes

A) UConn Athletic Insurance - Confirming (Exhibit 3A)

Mr. Tanguay explained that this policy is for basic athletic injury coverage since the NCAA provides catastrophic coverage subject to a \$90,000 deductible. This policy covers the catastrophic policy deductible.

A motion was made to confirm approval of Item 3A. After the electronic consensus vote, it was unanimously

VOTED: To confirm coverage be placed with Option #I, as outlined in Exhibit 3A at an annual premium of \$169,995.

3. B) CT State Colleges & Universities Athletic Insurance – Confirming (Exhibit 3B)

Mr. Tanguay explained that this coverage is catastrophic coverage for club, intramural and basic for intercollegiate sports. The CT University System advised the Board that this year, students' accident coverage now provides basic coverage for athletic injury. They chose not to renew the basic coverage even though they were informed of the potential gaps in coverage. The Board members expressed their concern with potential gaps in coverage and wanted to go on record noting that the Board has strong reservations about dropping the basic coverage. After some discussion, a motion was made to confirm approval of Item 3B. After the electronic consensus vote, it was unanimously

VOTED: To confirm catastrophic coverage be placed as outlined in Exhibit 3B at an annual premium of \$40,776.

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3. C) CT Transit Rolling Stock - Confirming

Mr. Tanguay explained that this policy provides property coverage on the CT Transit buses while they are parked in garages and parking lots. Many of the buses are valued at \$300,000 or more and the schedule also includes the hybrid/fuel cell buses. Although the rate slightly increased, the values went up significantly since the old buses are being replaced with new ones.

A motion was made to confirm approval of Item 3C. After the electronic consensus vote, it was unanimously

VOTED: To confirm coverage be placed as outlined in Exhibit 3C at an annual premium of \$97,274.

3. D) Master Student Malpractice - Confirming (Exhibit 3D)

Mr. Tanguay noted that this is medical malpractice coverage for Allied Health students while they are in a clinical setting. He advised that the C.N.A. program offers one of the best coverages in the country. Although the rate remained the same, the number of participants has gone up.

A motion was made to confirm approval of Item 3D. After the electronic consensus vote, it was unanimously

VOTED: To confirm coverage be placed as outlined in Exhibit 3D at an annual premium of \$95,696.

3. E) DOT – Metro-North - Confirming (Exhibit 3E)

Mr. Tanguay stated that Zurich proposed three different excess limit options. He noted that ridership has increased and the number of cars has increased. After some discussion, a motion was made to confirm approval of Item 3E. After the electronic consensus vote, it was unanimously

VOTED: To place coverage as outlined in Exhibit 3E with limits of \$75 million excess \$25 million S.I.R. at an annual premium of 871,750; limits of \$25 million excess \$75 million at an annual premium of 295,000. Total premium is \$1,166,750.

3. F) State Library Museum (Exhibit 3F)

Mr. Tanguay advised that this policy covers substantial fine art values at the museum and library and this coverage is in excess of the \$25 million limits provided by the F.M. Global property policy. He noted that although the rate has remained the same, values have increased. A motion was made to confirm approval of Item 3F. After the electronic consensus vote, it was unanimously

VOTED: To place coverage as outlined in Exhibit 3F at an annual premium of \$153,460.54.

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3. G) Equipment Breakdown (Exhibit 3G)

Mr. Tanguay advised the rate remained the same. After some discussion, a motion was made to confirm approval of Item 3G. After the electronic consensus vote, it was unanimously

VOTED: To place coverage as outlined in Exhibit 3G at an annual premium of \$252,720.

3. H) Master Property (Exhibit 3H)

Mr. Tanguay reviewed the exhibit, explaining that there are various sub-limits on the policy. He noted that last year F.M. Global reduced its limit on wind-storm coverage because of the prediction that there could potentially be \$400 million worth of damage if a Cat #III storm hit Connecticut, with majority of damage in the New Haven-Hartford corridor. Last year the Board purchased a separate policy for additional \$150,000,000 windstorm limits (excess of the \$250,000,000 limit provided by the F.M. policy).

Mr. Tanguay advised that this year, F.M. indicated it would quote the excess windstorm limits for \$750,000. After discussion and review of exhibit, a motion was made to confirm approval of Item 3H. After the electronic consensus vote, it was unanimously

VOTED: To place property coverage as outlined in Exhibit 3H at an annual premium of \$4,700,000; to place \$150,000,000 excess \$250,000,000 windstorm limits as outlined in Exhibit 3H at an annual premium of \$600,000.

4. Review of Board's Committees

The Board members reviewed the committees and decided that due to the nature and structure of the Board, the Fiscal/Underwriting Committee is no longer necessary. The Board discussed the possibility of setting aside money to fund Risk Management initiatives. After some discussion, the Board agreed to table this discussion until the next Board meeting.

5. Any Other Matters to Properly Come Before the Board

There were none.

6. Date and Location of Next Meeting

The next Board meeting is scheduled for Thursday, December 6, 2012. The meeting will be held at the Board of Regents for Higher Education.

7. Motion to Adjourn

A motion was made to confirm adjournment of the meeting. After the electronic consensus vote, it was unanimously

VOTED: The meeting be adjourned. The meeting adjourned at 11:29 A.M.