

**STATE INSURANCE & RISK MANAGEMENT BOARD**  
**Minutes of Meeting No. 295**  
**June 21, 2012**  
**10:00 A.M.**

The Two Hundred Ninety-Fifth meeting of the State Insurance and Risk Management Board was held on Thursday, June 21, 2012 at the Board of Regents for Higher Education, 39 Woodland Street, Hartford, CT.

Acting Chairperson Mahler presided.

The following members were in attendance:

State Insurance & Risk Management Board

Mr. Seth T. Mahler, Acting Chairperson  
Mr. Robert Broomall  
Mr. Wallace J. Irish  
Mr. Patrick Mahon  
Ms. Linda R. Savitsky

Ms. Marjorie F.B. Lemmon 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

*Sam Clark*

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Before the start of the meeting, Mr. Mahler extended a thank you to Ms. Sherman for her years of service and commitment to the Board as well as her leadership role. The Board wishes Ms. Sherman the best in her future endeavors. Mr. Mahler will step up from Vice Chairperson to Acting Chairperson until an appointment is made by the Governor.

1. Approval of the Minutes of Meeting No. 294 held on March 8, 2012 (Exhibit 1)

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

VOTED: To approve the minutes of Meeting No. 294 held on March 8, 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 the Board will not be lapsing any money in its Other Expense (O.E.) account. The Board's O.E. account was reduced by \$624,768 at the beginning of the fiscal year. Mr. Tanguay also noted that due to a mild winter, there has been light claim activity on the highway liability exposure and should lapse approximately \$1.5 million in the S.T.F. account.

After a review of the payments, a motion was made by Ms. Savitsky, seconded by Mr. Mahon and unanimously

VOTED: To approve the premium, deductible payments and informal bids processed by the Board since the last meeting totaling \$3,523,566.11.

3. Votes

A) Airport Liability - Confirming (Exhibit 3A)

Mr. Tanguay noted that QBE offered a quotation this year and has historically been a large international airport liability carrier and is now getting into the U.S. market. QBE has hired several Phoenix Aviation Managers' claims employees and were very aggressive with their pricing. Mr. Tanguay also noted that People's United has a good relationship with QBE.

Mr. Tanguay explained the CT Airport Authority, a quasi-State agency, has been created and will be managing and operating the State airports. Once the F.A.A. approves the transfer of operations to the CT Airport Authority, it is anticipated that D.O.T.'s airport budget will be transferred to the Authority. Once this transfer takes place, the airports will be managed or operated by the State and it is anticipated that the Board will no longer have any purview over the insurance. Mr. Irish asked that the Board go to D.O.T. to find out what the Board's involvement will be once the F.A.A. approves the transfer of the State's airports to the CT Airport Authority and whether the State should be a named or additional insured under the Authority's policy.

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3. A) Airport Liability (Cont.)

After review of the exhibit, a motion was made by Mr. Mahon, seconded by Mr. Irish and unanimously

VOTED: To confirm coverage be placed with Option #II, as outlined in Exhibit 3A for an annual premium of \$99,757.

3. B) Co-Generation Plant – Confirming (Exhibit 3B)

Mr. Tanguay explained that this coverage is purchased due to a requirement by Northeast Utilities in the inter-connection agreement. UConn reimburses this premium and opted for Option I. A motion was made by Mr. Mahon, seconded by Mr. Irish and unanimously

VOTED: To confirm coverage be placed with Option #I, as outlined in Exhibit 3B for an annual premium of \$194,315.

3. C) Helicopter/Fixed Wing (Exhibit 3C)

Mr. Tanguay reviewed the exhibit noting that QBE also quoted this coverage. Mr. Tanguay noted that the claims staff and underwriter that worked for Phoenix Aviation Managers now work for QBE. He stated that due to budget constraints, the helicopter is operated minimally just to maintain its air-worthiness. He stated the fixed wing is used more often for speed control and search/rescue operations.

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

VOTED: To place coverage with Option II, as outlined in Exhibit 3C for an annual premium of \$57,858.00.

4. A) Claims Committee Report

Mr. Maher advised the Board that the Claims Committee met with both T.P.A.'s on May 17, 2012 to review 23 claims.

Mr. Irish suggested having the new T.P.A., Constitution State Services, meet with the Board in the spring once they have been in place for a year. The Claims Committee will review their work and set up a meeting with the Board.

5. Any Other Matters to Properly Come Before the Board

Mr. Mahler would like the Board to review each of its four committees (Claims, Fiscal/Underwriting, Risk Management and Legislative) to determine whether they are still necessary. This will be an agenda item at the next Board meeting.

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5. Any Other Matters to Properly Come Before the Board

Mr. Irish would like to discuss what the Board's role is relating to the CT Airport Authority at the next Board meeting.

6. Date and Location of Next Meeting

The next Board meeting is scheduled for Thursday, September 27, 2012. The meeting will be held at the Board of Regents for Higher Education.

7. Motion to Adjourn

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

VOTED: The meeting be adjourned. The meeting adjourned at 10:45 A.M.