

TOWN OF NEWINGTON
STANDING INSURANCE COMMITTEE
SPECIAL MEETING MINUTES

November 15, 2012

Town Hall Conference Room L100

- I. Call to order – Chairperson Castelle called the meeting to order at 5:02 PM.
- II. Roll call – members present: Clarke Castelle, Chairperson; Dave Nagel; Sharon Braverman; and Jane Ancona Siegel. Others present: Joe Peak and John Rose, People’s United Insurance Agency; Lou Jachimowicz, Chief Finance and Operations Officer; and Jeff Baron, Director of Administrative Services.
- III. Public participation – None.
- IV. Agent of Record stewardship report – Presented by the representatives of People’s Insurance. The report consisted of three sections. The initial section was Account Executive activities. This includes monitoring the losses from years prior to 2009. On the current workers compensation program, the Town’s losses hit the max for the 2010-11 policy year, due both to higher losses and lower initial pay in. There is a savings for the Town compared to what it would have paid had it remained on the prior program. For 2011-12, it is calculated that the Town will owe an additional \$20,000 on the first of the two annual adjustments. In the prior plan, the cost would have been about \$34,000. Deloitte is still performing their actuarial work, which is due to People’s and the Town on December 1st. Then budget projections for the Insurance Reserve Fund will follow later in December. People’s United and the Town asked CIRMA for the cost to increase the limits of the extra expense coverage, for items such as portable classrooms that would be rented or purchased in the event of a loss, from \$500,000 to \$2,000,000. This increase would result in an additional cost of only \$1,200. The Town is poised to enter a new three year program for both workers compensation and liability-auto-property coverage. The Town’s 2013-14 liability-auto-property rates will increase 3% and then be locked at 0% increase for the following two years. Most of the other towns that are coming up for renewals are receiving increases in the 6%-7% range. CIRMA announced that the current year’s policy has a coverage enhancement for pollution liability. CIRMA now has approximately 80% of Connecticut municipalities as clients.

The second area of the report dealt with claims management. While 2010-11 was not a good year, Mr. Peak reported consistent performance in the other years. Overall the loss experience has been favorable. The loss development triangle statistical analysis developed by CIRMA to show how losses develop over time was

distributed. The claims review, to examine claim reserves and the status of large claims, is scheduled for next month. The CIRMA Business Plan, which analyzes the Town's losses in many different ways, was also given to the Committee. The loss analysis provided by CIRMA gives direction to loss control. Loss control was the third section of the report. Mr. Rose reviewed the highlights of the past year, which included initiatives in slips & falls, ergonomics, hazard communications, and workplace violence.

- V. Professional and general liability policy wording – This is the question raised by the Committee during their February review of the Town's policy language. Bodily injury, within general liability, is defined to include humiliation and mental anguish. General liability doesn't cover wrongful acts. In the professional liability coverage the trigger is a wrongful act, but this coverage does not cover bodily injury. Mr. Peak had discussions with CIRMA and the Town provided a hypothetical scenario involving humiliation and mental anguish. Both the underwriter and the claims divisions of CIRMA stated in writing that the Town would be defended and covered by CIRMA and that there is no gap in coverage. It helps that all coverage is provided by CIRMA. Chairperson Castelle said he was still a little skeptical of CIRMA's answers because he feels that when you read the policy wording there is a gap, but he does not wish to pursue it further since CIRMA put it in writing that the Town would be covered. He will accept CIRMA's assurances that there is no gap in coverage.
- VI. Any other business pertinent to the Committee – None.
- VII. Public participation – None.
- VIII. Response to public participation - None.
- IX. Adjournment – The meeting adjourned at 6:08 PM.

Respectfully submitted,

Jeff Baron

Jeff Baron
Director of Administrative Services