

STANDING INSURANCE COMMITTEE

SPECIAL MEETING MINUTES

June 14, 2010 – Town Hall Lower Level Conference Room L101

- I. Call to order - Chairperson Nasinnyk called the meeting to order at 7:00 P.M.
- II. Roll Call - Members present: Kristine Nasinnyk, Chairperson; Clark Castelle; Sharon Braverman; Cheryl Constantine; Mike Longo; and James Zolad. Others present: Joe Peak, R.C. Knox and Company; Lou Jachimowicz, Business Administrator; and Jeff Baron, Director of Administrative Services.
- III. Public Participation – None.
- IV. Consider and take action placement of coverage – The Agent of Record presented a handout showing a premium and exposure summary, as well as the coverage and limits of liability, for workers compensation, liability, auto and property coverage. It also included an experience modification analysis, showing why the experience modification factor has gone from .88 to 1.00. On the liability, automobile and property side, the premium is reduced, the experience is good, and the individual premium components, particularly the cost per auto, are at a very low level. The Town's insurance carrier, CIRMA, has offered the Town a three year rate lock program, similar to the program that the Town has participated in previously. If the Town does not choose to go out on the open market for this coverage and continues to work with CIRMA on its loss control program, CIRMA will hold the cost per thousand dollars of exposure at the same or lower rate for the next three years. The Town will remain in the retrospective rating program that it began last July. The premium, or initial pay in, for workers compensation for 2010-11 will be \$331,000. Given the current level of losses, CIRMA wants the premium to be much higher. In order to avert a sudden spike in the workers compensation premium, CIRMA has offered a program that would gradually increase premiums over the following three years to the proper \$744,000 level. The \$744,000 is subject to the Town's experience, if workers compensation losses were to increase, the final premium level would increase. The Town would have to agree to keep this coverage with CIRMA during this period. No other municipality currently has this kind of a program with CIRMA. The rate lock program and the staging of the workers comp premiums would provide the Town with a very stable insurance program and level of premiums. Neither the Committee nor the Agent of Record could identify any down side for the Town with participating in these two programs. Ms. Braverman made a motion that the Standing Insurance Committee recommend to the Newington Town Council that they place the Town's workers compensation, liability, automobile, and property insurance coverage with CIRMA for 2010-11, and that it accept the three year rate lock program for liability, auto, and property coverage offered by CIRMA, as

presented. Second by Mr. Longo. The motion passed unanimously by a vote of 6 YES to 0 NO. Ms. Constantine then made a motion that the Standing Insurance Committee also recommend to the Newington Town Council that it accept the workers compensation premium stage in program offered by CIRMA, as presented. Second by Mr. Zolad. Discussion: final wording has not yet been received from CIRMA, given the high volume of their other policy year end renewals. If there are any surprises or items of contention for the Town, the matter will be brought back before the Standing Insurance Committee and, if necessary, the Town Council for further action. The motion passed unanimously by a vote of 6 YES to 0 NO.

- V. Any Other Business Pertinent to the Committee – None.
- VI. Public Participation - None.
- VII. Response to Public Participation – None.
- VIII. Adjournment – the meeting adjourned at 8:03 P.M.