

TOWN OF NEWINGTON
STANDING INSURANCE COMMITTEE
PLACEMENT OF COVERAGE SUBCOMMITTEE

May 30, 2018

Town Hall – Lower Level – Conference Room L-100

SPECIAL MEETING MINUTES

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IN NEWINGTON, CT

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Town Clerk

- I. Call to Order – Chairperson Diana Serra called the meeting to order at 5:32 PM.
- II. Roll Call – Members present: Diana Serra, Chairperson; Beth DelBuono, Sharon Braverman, and John Slusarski. Others present: William Guerrero and Rachel Merritt, USI Insurance Services; Lou Jachimowicz, Chief Finance and Operations Officer; Jeff Baron, Director of Administrative Services.
- III. Public Participation – None.
- IV. Insurance Coverage Proposals – Presented by Mr. Guerrero. He began with an overview of the ancillary benefits received by the Town by having CIRMA (the Connecticut Interlocal Risk Management Agency) as the insurance carrier. These include the annual member equity distribution, loss control and other services, the pollution liability coverage through a policy purchased by CIRMA, and the retrospective rating (retro) program for workers compensation coverage. The latter, with good loss control and claim experience, provides the Town with the opportunity to get money back. CIRMA's development factors applied to incurred losses are comparable to those used by other carriers.

For 2018-19, CIRMA offered a rate increase for LAP (Liability, Auto, and Property) coverage of 8%. Primarily, this increase is because property claims in recent years have been adverse. CIRMA has agreed to reconsider the possibility of offering a three year rate lock. Such an offer would require the Town to partner with CIRMA to manage the Town's property with inspections by CIRMA in order to minimize future claims. Typical increases from carriers have been in the 3%-5% range. There is some volatility in the marketplace. Municipalities prefer stability.

The workers compensation coverage is on a retro program. CIRMA offered a renewal deposit (i.e. premium) that would be lowered from the current \$672,157 to \$621,459. Combined with the LAP increase, this would result in a net increase of \$4,000, a 1% increase in premiums. In any retro program there is a minimum premium and a maximum premium. The proposed minimum premium would be up a little to \$311,008 (excluding the State second injury fund) and the maximum premium would increase to \$865,547 (also excluding the second injury fund).

Newington is doing well when compared with its peer group of similar sized Towns. Mr. Guerrero distributed a series of bar charts comparing Newington to the CIRMA pool overall and to other Towns of roughly the same size. These included comparisons over six job classifications. He also had loss graphics for several departments, by year. In the future, Mr. Guerrero will be able to update this information to include 2017-18, which will not conclude until June 30th.

- V. Any Other Business Pertinent to the Subcommittee – The subcommittee agreed to attempt to hold a meeting of the Committee as a whole on June 18th at 5:30 PM. At that time, the Committee would need to make a recommendation to the Town Council for action by the Town Council on June 26th.
- VI. Public Participation - None
- VII. Response to Public Participation - None
- VIII. Adjournment – the subcommittee meeting adjourned at 6:31 PM.

Respectfully submitted,

Jeff Baron

Jeff Baron
Director of Administrative Services