

TOWN OF NEWINGTON  
STANDING INSURANCE COMMITTEE  
SPECIAL MEETING MINUTES

2022 JUN 27 PM 3: 35

  
Town Clerk

June 23, 2022

- I. Call to Order – Committee Chairperson Tim Manke called the meeting to order at 5:17 PM.
- II. Roll Call – Members present: Sharon Braverman, Clarke Castelle, John Slusarski, Jon Trister, and Tim Manke. Also present, Jason Guerrero, USI Insurance Services; Lou Jachimowicz, Board of Education Chief Finance and Operating Officer (joined at 5:23 PM), and Jeff Baron, Director of Administrative Services.
- III. Public Participation – None.
- IV. Discuss and Take Action on Recommendation to Town Council on Placement of Insurance – Presented by Mr. Guerrero. A proposal from the Town's insurance carrier, the Connecticut Interlocal Risk Management Agency (CIRMA), and Mr. Guerrero's analysis of it, had been distributed earlier. He began with the Liability-Auto-Property (LAP) coverage. The LAP premium was \$853,220. The previous year it was \$851,740. The premium is essentially flat. This will be the premium whether the Committee and the Town accepts the proposed rate lock or not. The only changes to the expiring policy are in some of the endorsements on the Sexual Abuse policy coverage. Coverage is still covered under the umbrella. All other coverage limits remain the same. The Umbrella is Follow Form coverage. Each is a separate \$25 million tower. Mr. Slusarski asked if there was one claim, say for auto and general liability, it would be \$25 million for each? Mr. Guerrero replied that was correct. Mr. Slusarski asked if sections H (Public Officials Liability) and I (School Leaders Liability) have always been claims made? Mr. Guerrero responded that they had been. Mr. Slusarski asked if coverage were placed with a commercial carrier, would they also extend back to the retroactive date of 7/1/86? Again, Mr. Guerrero said that it would. The only tricky thing is on the sexual abuse. Mr. Castelle confirmed that, if an accident occurred in January, that there would be no reinstatement of the \$25 million limit until the following July 1st. The \$25 million is off the aggregate. Mr. Guerrero confirmed that any second accident would be out of pocket. He also noted that employees would be covered under worker's compensation. Mr. Castelle asked if there was any way to buy \$25 million to cover a second claim. Mr. Guerrero said that it is possible, but that it would be expensive. It would not be cost effective to do it. He could ask. Mr. Slusarski asked about claims over \$10 million. Mr. Guerrero replied that there had not been any to his knowledge. He noted that CIRMA was a pool; it would take something like a Category 5 hurricane to threaten the pool. Mr. Slusarski asked about fire apparatus. He felt that the agreed amounts were expensive. Mr. Baron stated that each apparatus was insured for the amount of the purchase price of the

vehicle, rather than the cost to buy new. Mr. Slusarski questioned the price of one vehicle that a bid waiver had been requested for. Mr. Guerrero stated that he could send a list to the Fire Chief and ask him to check the amounts. Mr. Slusarski questioned the property values for the schools. Mr. Baron replied that the values had not been upgraded in several years and that the properties were insured for the aggregate amount. Mr. Guerrero noted that CIRMA works with a company called Ebiz, and that CIRMA's reinsurers would need an accurate value. On the workers' compensation insurance, Mr. Guerrero noted that the loss development factor (LDF) was down this year. He also told the Committee that the premium, the minimum and the maximum were unchanged. They have remained pretty consistent the last 3-4 years. They recognize that one out of every five years is a bad year. The experience modification factor is good. The Committee and USI will look into self-insurance in the fall. Mr. Castelle asked if LDF adjustments were due to history? Mr. Guerrero replied that the LDF would be higher if the Town went with someone other than CIRMA. Mr. Slusarski felt that the LDF was more dependent upon an insurance company's reserves. Mr. Guerrero moved on to cyber liability coverage. Travelers is their biggest insurer for cyber coverage. The premium is \$31,432, roughly double from the year before. Coverage remains the same, with one exception. The only reduction in coverage is in computer social engineering, from \$250,000 to \$100,000. It is a controllable aspect. The fact we could get \$2 million in coverage is great. The Town would only save \$3,200 for \$1,000,000 of coverage. The \$20,000 deductible is excellent. Travelers has Information Technology resources as well. Mr. Guerrero will remind Mr. Holland of the Board of Education about them. On the proposed rate lock, CIRMA offered one for the July 1, 2022 to 6/30/2025 period. It does not include the umbrella or workers compensation. If the Town does not agree to the rate lock, CIRMA will not punish the Town. Premiums will not change. The Town needs to go out once in a while to see what is in the marketplace. In this manner the Committee shows that it is doing its due diligence to the taxpayers and that USI is doing their due diligence as a broker. Mr. Slusarski asked about inflation. Mr. Guerrero stated that having something in writing was great. What USI is seeing is the tail end of the hard market for municipal insurance. He feels it is worth the exercise to test the market. USI doesn't want to put entities in a position of going with someone who is here today and gone tomorrow. This is an opportunity to test the market, which Newington hasn't done in a while. CIRMA doesn't punish Towns who don't accept their rate lock offers. Mr. Castelle asked a question about loss prevention. Mr. Guerrero responded that since COVID the level of meetings has decreased. He will review loss trends to see if they are acceptable. This Committee is right in line with previous Insurance Committees of the Town. It could also choose to accept the rate lock and to shop the umbrella coverage and the workers compensation. The Agent's recommendation is not to accept the rate lock. Forgoing the rate lock allows the Town the opportunity to ask questions it otherwise wouldn't. Mr. Castelle asked about the size of the other USI clients who are not with CIRMA. Some are small, but in general they vary. Mr. Castelle asked if there was a healthy municipal market? Mr. Guerrero assured him that there was. Mr. Slusarski stated that, with inflation, he could go either way on the rate lock question. Mr. Baron stated that it was a chance for the Town to save some money by not accepting the rate lock offer (and testing the market). Mr.

Castelle returned to the property values. Mr. Guerrero noted that these were exposure changes, not rate changes. They would not be subject to the rate lock. The Committee agreed by consensus not to accept CIRMA's offer on the rate lock. Ms. Braverman asked if there was any new legislation the Committee needed to be aware of. Mr. Guerrero responded that the first responder legislation he had mentioned to the Committee at an earlier meeting had failed to pass. It will be re-introduced. Mr. Slusarski stated that the proposed motion should be amended to say that the Committee's recommendation to the Town Council is that they not accept the rate lock. The Committee is only making a recommendation, not deciding to accept or reject. Mr. Castelle then moved that the Standing Insurance Committee recommends to the Newington Town Council that it direct the Town's Agent of Record, USI Insurance Services of Meriden, to place the Town's coverage for Property-Liability-Casualty insurance for the 2022-23 policy year with the Connecticut Interlocal Risk management Agency (CIRMA) for both the General Government and the Board of Education, and that they direct the Agent of Record to place other ancillary coverage as needed by the Town. The Standing Insurance Committee recommends that the Town Council not accept the CIRMA rate lock offer at this time. A second to the motion was made by Mr. Slusarski. The motion passed by a vote of 5 YES to 0 NO. Ms. Braverman then asked what the next step was. Mr. Manke responded that this would go to the Town Council on Tuesday. Mr. Guerrero stated that he will put together a timeline after the 4<sup>th</sup> of July holiday, for the fall. The Standing Insurance Committee should have it by early August.

- V. Any Other Business Pertinent to the Committee - None.
- VI. Public Participation – None.
- VII. Comments by Members – Mr. Castelle paid his respects to Mr. Jachimowicz. Mr. Make thanked the other members present for participating in the meeting.
- VIII. Adjournment – the meeting adjourned at 6:15 PM.

Respectfully submitted,

*Jeff Baron*

Jeff Baron  
Director of Administrative Services