CONTENTS

President’s Message .......................................................................................................................... 1
Financial Statements ............................................................................................................................ 2
Premiums & Members’ Equity .............................................................................................................. 3
Membership Growth ............................................................................................................................ 4
Risk Profile ........................................................................................................................................ 5
Rate Stability ...................................................................................................................................... 6
CIRMAcare Medical Care Plan .......................................................................................................... 8
Risk Management Results ................................................................................................................. 9
Risk Management Training & Education Programs .......................................................................... 10
Risk Management Achievement Award Recipients 2015 .............................................................. 11
Governance ....................................................................................................................................... 12
CIRMA made many remarkable achievements in 2013-14:

Our member retention exceeded 99% and 10 new members joined. Premiums grew by a solid 8% to reach $86 million and Members’ Equity by an outstanding 12.7%, to $99 million. The balance in growth between our Premiums and Members’ Equity will help ensure CIRMA’s ongoing financial strength and rate stability.

We crafted innovative solutions built for change. We launched our new State-approved CIRMAcare® Medical Care Plan. Over 75 Workers’ Compensation members now participate in the plan, which integrates best-in-class injury care and disability management with innovative claims processes to facilitate injury recovery and return-to-work.

We deployed state-of-the-art automation technology across all core operations to increase efficiencies and deepen our understanding of our business. We rebuilt our core technology infrastructure from the ground up. Then we worked with strategic partners to reinvent our underwriting, business analytics, finance, and claims processes to give us insight into our members’ risk profile and loss experience and to improve decision-making in our members’ organizations and our own. With this increased capability we are better able to collaborate and provide superior products and risk management programs. We trained a record 5,400 participants in 213 training sessions and introduced nine new topics.

Viewed individually, each of these achievements is remarkable. Viewed collectively, they reveal a uniquely capable organization—one that is strong enough to deliver extraordinary value today while simultaneously reinventing itself for the future. Through our leadership in innovation, CIRMA will continue to provide superior products and services for our members for many years to come.

Sincerely,

Bruce A. Wollschlager
President & CEO, CIRMA
## ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2013-14</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested Assets</td>
<td>$293,478,988</td>
<td>$283,405,099</td>
</tr>
<tr>
<td>Cash &amp; Receivables</td>
<td>$17,053,164</td>
<td>$13,425,202</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$310,532,152</strong></td>
<td><strong>$296,830,301</strong></td>
</tr>
</tbody>
</table>

## LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>2013-14</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserves</td>
<td>$209,610,760</td>
<td>$197,114,419</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>$1,701,795</td>
<td>$11,668,543</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>211,312,555</strong></td>
<td><strong>208,782,962</strong></td>
</tr>
</tbody>
</table>

## MEMBERS’ EQUITY

<table>
<thead>
<tr>
<th></th>
<th>2013-14</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members’ Equity, Beginning of Year</td>
<td>$88,047,339</td>
<td>$86,834,000</td>
</tr>
<tr>
<td>Excess of Revenues over Expenses</td>
<td>$11,172,258</td>
<td>$4,213,301</td>
</tr>
<tr>
<td>Distribution of Members’ Equity</td>
<td>—</td>
<td>(2,999,962)</td>
</tr>
<tr>
<td><strong>MEMBERS’ EQUITY, END OF YEAR</strong></td>
<td><strong>99,219,597</strong></td>
<td><strong>88,047,339</strong></td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES & MEMBERS’ EQUITY**  
**$310,532,152**  
**$296,830,301**

## REVENUES

<table>
<thead>
<tr>
<th></th>
<th>2013-14</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premiums &amp; Commissions</td>
<td>$86,402,368</td>
<td>$79,982,912</td>
</tr>
<tr>
<td>Reinsurance Premiums</td>
<td>(15,923,993)</td>
<td>(14,325,201)</td>
</tr>
<tr>
<td>Investment Income</td>
<td>$16,920,333</td>
<td>$5,915,787</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>87,398,708</strong></td>
<td><strong>71,573,498</strong></td>
</tr>
</tbody>
</table>

## EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>2013-14</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for Loss &amp; LAE</td>
<td>$65,475,045</td>
<td>$57,112,501</td>
</tr>
<tr>
<td>Second Injury Fund</td>
<td>$1,463,176</td>
<td>$1,401,237</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>$9,288,229</td>
<td>$8,846,459</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>76,266,450</strong></td>
<td><strong>67,360,197</strong></td>
</tr>
</tbody>
</table>

**EXCESS OF REVENUES OVER EXPENSES**  
**$11,172,258**  
**$4,213,301**

Auditors, Grant Thornton LLP
Since 2011-12 CIRMA has successfully balanced an increase in premiums from new business (12% of total) with growth in Members’ Equity (over 15%). This balance enables CIRMA to provide ongoing rate stability and availability.
MEMBERSHIP GROWTH 2013-14

Member satisfaction is reflected in our growth and high retention rates.

"Anticipating and responding to the risk management and financing needs of its members in a changing environment."
LIABILITY-AUTO-PROPERTY

Total Operating Expenses

<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town</td>
<td>$2,508,166,314</td>
</tr>
<tr>
<td>Public Schools</td>
<td>$3,674,456,540</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>$6,182,622,854</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambulances</td>
<td>104</td>
</tr>
<tr>
<td>Bus (other)</td>
<td>147</td>
</tr>
<tr>
<td>Fire Trucks</td>
<td>635</td>
</tr>
<tr>
<td>Fire Stations</td>
<td>202</td>
</tr>
<tr>
<td>Libraries</td>
<td>119</td>
</tr>
<tr>
<td>Light Truck</td>
<td>1,518</td>
</tr>
<tr>
<td>Motorcycles</td>
<td>77</td>
</tr>
<tr>
<td>Police Trucks</td>
<td>79</td>
</tr>
<tr>
<td>Police Vehicles</td>
<td>2,163</td>
</tr>
<tr>
<td>Private Passenger Vehicles</td>
<td>1,106</td>
</tr>
<tr>
<td>Refuse Trucks</td>
<td>71</td>
</tr>
<tr>
<td>School Buildings</td>
<td>714</td>
</tr>
<tr>
<td>School Buses</td>
<td>433</td>
</tr>
<tr>
<td>Sewage Treatment Plants</td>
<td>45</td>
</tr>
<tr>
<td>Trailers</td>
<td>1,097</td>
</tr>
<tr>
<td>Town Halls</td>
<td>112</td>
</tr>
<tr>
<td>Trucks (other)</td>
<td>2,649</td>
</tr>
<tr>
<td>Vans</td>
<td>759</td>
</tr>
<tr>
<td>Watercraft</td>
<td>249</td>
</tr>
</tbody>
</table>

**Total Insured Property Value** $15,347,255,312

WORKERS’ COMPENSATION

Total Payroll $3,141,005,645
“Ensuring the availability of insurance coverage at reasonable prices, and thereby creating stability in the marketplace.”

CIRMA’s Workers’ Compensation rate need for 2014-15 is 178% lower than the NCCI’s rate indication.
CIRMA’s long-term rate stability is shown here in this comparison of NCCI’s to CIRMA’s 5-year cumulative rate need (2010-11 to 2014-15).
In 2013-14, CIRMA introduced its proprietary, State-approved Medical Care Plan (MCP), CIRMAcare®. The plan provides a gold-standard of medical care to injured employees through a network of preselected doctors, hospitals, and other healthcare providers who deliver a broad range of occupational health services. The CIRMAcare MCP ensures that services are tailored to the specific injury-care needs and workplace demands of Connecticut’s municipalities and public schools.

75
Participants to date

The CIRMAcare MCP provides:

• Access to CIRMA’s extensive Preferred Provider Network with over 33,000 medical care providers.
• Experienced Telephonic and Field Nurse Case Management.
• Catastrophic Nurse Case Management.
• Comprehensive pharmacy network, medical imaging, and durable medical equipment programs.
• Exclusive network of physical therapy providers.
• State-of-the-art medical bill review system.
• Utilization review.
“Preventing accidents and managing injuries through effective loss control and claims management programs, resulting in savings over the long term.”

<table>
<thead>
<tr>
<th></th>
<th>WORKERS’ COMPENSATION POOL</th>
<th>LIABILITY-AUTO-PROPERTY POOL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$36.4M 6,421 claims 6,967</td>
<td>$24.1M 2,772 claims 3,043</td>
</tr>
<tr>
<td></td>
<td>$41.7M 6,967 claims</td>
<td>$24.3M 2,487 claims</td>
</tr>
<tr>
<td></td>
<td>$35.5M 6,408 claims</td>
<td>$24.2M 2,697 claims</td>
</tr>
<tr>
<td></td>
<td>$28.9M 6,572 claims</td>
<td>$29.7M 2,673 claims</td>
</tr>
<tr>
<td></td>
<td>2009-10 10-11 11-12 12-13 13-14</td>
<td>2009-10 10-11 11-12 12-13 13-14</td>
</tr>
</tbody>
</table>
A record number of participants attended 213 training sessions, reflecting higher average attendance at each session. Nine new training topics were introduced on areas of emerging risks.
<table>
<thead>
<tr>
<th>NEW &amp; INNOVATIVE RISK MANAGEMENT INITIATIVES</th>
<th>SUBSTANTIAL IMPACT ON LOSS COST FACTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Milford</td>
<td>Cheshire Public Schools</td>
</tr>
<tr>
<td></td>
<td>Guilford Public Schools</td>
</tr>
<tr>
<td></td>
<td>Plainfield Public Schools</td>
</tr>
<tr>
<td></td>
<td>Windham Public Schools</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SUSTAINED RISK MANAGEMENT PROGRAMS</th>
<th>OUTSTANDING COMMITMENT &amp; RESULTS FROM SAFETY &amp; HEALTH COMMITTEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berlin</td>
<td>Deep River</td>
</tr>
<tr>
<td>Lebanon</td>
<td></td>
</tr>
<tr>
<td>New Hartford</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ESTABLISHING RISK MANAGEMENT AS AN ORGANIZATIONAL PRIORITY</th>
<th>EXCEPTIONAL PROPERTY MANAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chester</td>
<td>Ashford</td>
</tr>
<tr>
<td>Estuary Transit District</td>
<td>Goshen</td>
</tr>
<tr>
<td>East Haddam &amp; East Haddam Public Schools</td>
<td>Hartland</td>
</tr>
<tr>
<td>Windsor Locks</td>
<td></td>
</tr>
</tbody>
</table>

Page 11
GOVERNANCE 2013-14

BOARD OF DIRECTORS
Elizabeth Paterson, Mansfield, Chairman
Mark Boughton, Danbury
Susan Bransfield, Portland
Stephen Cassano, Manchester
Robert Chatfield, Prospect
Robert Congdon, Preston
John Elsesser, Coventry
Matthew Galligan, South Windsor
Barbara Gilbert, Rocky Hill
Mary Glassman, Simsbury
Barbara Henry, Roxbury
Scott Jackson, Hamden
Cynthia Mangini, Enfield
Denise Menard, East Windsor
Leo Paul, Litchfield
Lisa Pellegrini, Somers
Herbert Rosenthal, Newtown
Mark Walter, East Haddam
Steven Werbner, Tolland

BUDGET AND AUDIT COMMITTEE
John Elsesser, Coventry, Chairman
Stephen Cassano, Manchester
Matthew Galligan, South Windsor
Mary Glassman, Simsbury
Elizabeth Paterson, Mansfield
Herbert Rosenthal, Newtown

CLAIMS ADVISORY COMMITTEE
Gary Conrad, Westport, Chairman
Harold Alvord, Norwalk
Cynthia Bennett, East Hartford
Jonathan Berchem, Milford
Edward DeMarco, East Windsor
Nicholas DiCorleto, Ellington
Arthur Giulietti, Hamden
Kim Kell, Milford
Thomas Kulhawik, Norwalk

CLAIMS ADVISORY COMMITTEE, continued
Mark Langton, Middletown
Cynthia Mangini, Enfield
Denise Menard, East Windsor
Timothy O’Neil, Manchester
Mark Palmer, Coventry
Lisa Pellegrini, Somers
Daniel Roche, New Haven
Joseph Samolis, Middletown
Greg Simmons, Manchester
Kori Termine Wisneski, Middletown
Susan Zecca, Norwalk

INVESTMENT COMMITTEE
Brandon Robertson, Avon, Chairman
Elizabeth Bauer, Coventry
Bruce Benway, Killingly
Frank Chiaramonte, Harwinton
Gary Conrad, Westport
Judy Doneiko, Milford
Barbara Henry, Roxbury
Leo Paul, Litchfield
James Reynolds, Middletown
Daniel Roche, New Haven
Robert Swick, Milford Transit District
Diane Waldron, Glastonbury

LAW ENFORCEMENT ADVISORY COMMITTEE
J. Darren Stewart, Stonington, Chairman
Nicholas Boulter, Simsbury
Brian Klett, Rocky Hill
Thomas Kulhawik, Norwalk
Harold LeMay, POSTC
Brett Mahoney, Waterford
Michael Maniago, Torrington
Keith Mello, Milford
Marc Montminy, Manchester
Murray Pendleton, Waterford
Matthew Reed, South Windsor
LAW ENFORCEMENT ADVISORY COMMITTEE, continued
Tim Silva, Waterford
Elliot Spector, Noble, Spector, Young & O’Conner
Michael Spera, Old Saybrook
Thomas Terrible, Guilford
Beau Thurnauer, East Hartford

OPERATIONS & UNDERWRITING COMMITTEE
Matthew Galligan, South Windsor, Chairman
Rob Buden, Plainville
Maria Capriola, Mansfield
Thomas Cooke, Simsbury
Paul DeStefano, Haddam
Lucian Jachimowicz, Newington Public Schools
Karl Kilduff, Darien
Tom Landry, Weston
Denise Menard, East Windsor
Tonya Park, Thompson
Lisa Pellegrini, Somers
Bonnie Reemsnyder, Old Lyme
Theodore Shafer, Burlington
Jonathan Sistare, Cromwell
William Smith, Granby
William Strachan, Consultant
Michael Wilkinson, Tolland
James Wren, Berlin

RISK MANAGEMENT ADVISORY COMMITTEE
Laura Francis, Durham, Chairman
Harold Alvord, Norwalk
William Bellotti, Plymouth
Janette Devendorf, Manchester
Ralph Fletcher, Ashford
Gil Fried, University of New Haven
David Gofstein, Coventry
Harold LeMay, POSTC
Glenn Marston, Avon
Mary McCarthy, CT Technology Transfer Center

RISK MANAGEMENT ADVISORY COMMITTEE, continued
Denise McNair, Berlin
Stephen Pendl, Cromwell
Raymond Purtell, Glastonbury
Kirk Severance, Granby
Elliot Spector, Noble, Spector, Young & O’Conner
Michael Spera, Old Saybrook
J. Darren Stewart, Stonington
Kenneth Tucker, CT Dept. of Labor, OSHA Division
Michael Turner, Wethersfield
Mark Walter, East Haddam
Dawn Warner, Middletown
Patricia Washington, Glastonbury
Michael Wilkinson, Tolland

SCHOOL DISTRICT ADVISORY COMMITTEE
Julie Pendleton, Old Saybrook Public Schools, Chairman
Patricia Brooks, Manchester Public Schools
Art Colley, Brookfield Public Schools
Susan Domanico, Torrington Public Schools
Sally Doyen, Portland Public Schools
Timothy Howes, Wethersfield Public Schools
William Mazzara, Regional School District 8
Charles McCarthy, North Stonington Public Schools
Steven Mills, Windsor Locks Public Schools
Sharon Milroy, Guilford Public Schools
Haynes Nancy, Middletown Public Schools
Michael Purcaro, Vernon Public Schools
Kenneth Roy, Glastonbury Public Schools
Michael Spera, Old Saybrook
Steven Wapen, EASTCONN
Marilyn Warren, Regional School District 18
MISSION STATEMENT

The purpose of the Connecticut Interlocal Risk Management Agency (CIRMA) is to meet the risk management and risk financing needs of Connecticut municipalities and local public agencies.

CIRMA achieves this purpose by:

• Anticipating and responding to the risk management and financing needs of its members in a changing environment.

• Providing quality services tailored to municipal operations and requirements.

• Ensuring the availability of insurance coverage at reasonable prices, and thereby creating stability in the marketplace.

• Preventing accidents and managing injuries through effective loss control and claims management programs, resulting in savings over the long term.

• Empowering municipalities to manage risk.

Essential to fulfilling CIRMA’s mission is the cooperative effort of its team of professional staff and service providers. This team is totally committed to serving the interests of CIRMA’s membership while striving to always provide quality service with excitement and a sense of urgency.