ANNUAL REPORT
2016-17

Helping members build
better, safer communities
to live, learn, & work in
President’s Message

Continued Successful Collaboration

A look at our organization’s performance for 2016-17

As a member-owned and member-governed organization, CIRMA represents one of the most successful collaborations between Connecticut municipalities, school districts and local public agencies. It makes CIRMA unique and stand apart from other municipal insurance programs. CIRMA’s model and mission continue to produce proven results in providing strong financial performance and innovative risk management and insurance solutions for the benefit of its members.

A Year of Success

CIRMA’s partnership with our members is at the core of our success, which we continue to build together. Each year brings its own set of successes and challenges, and I am truly proud of all we accomplished.

In my report last year, I highlighted what was then record breaking financial and operational achievements. I am very pleased to report that for the 2016-17 fiscal year, we again out performed the prior year’s results.

Throughout this report there are many notable achievements; however, here are the highlights of CIRMA’s financial and operational performance in 2016-17.

Financial

- Members’ equity grew 13% ($15 million) from the prior year to $130.7 million, a new high, further strengthening our capital position.
- We distributed $5 million of members’ equity, the largest equity distribution in CIRMA’s history, for a total of nearly $20 million over the past seven years.
- Our total assets grew 5% to $365 million, another new high.
- Membership and premiums grew to new highs of 396 and $97 million, respectively.
- While membership and risk increased, our rates remained flat, continuing a multi-year trend of rate stability.

Operational

- Our renewal rate for 2016-17 was 100% and we added 15 new members; the average retention over the past five years is 99.5%.
- A total of 164 members, representing nearly $50 million in premium, participated in CIRMA’s Rate Stabilization Programs, the highest level of participation since the programs’ inception.
- Over 10,000 municipal employees participated in CIRMA’s risk management training and education program. This record-setting participation is
Operational (continued)

largely attributable to the successful roll-out of CIRMA’s innovative E-Learning Center.

• Realized a $4.2 million reduction in losses and claim adjustment expenses, positively impacting our bottom line in the income statement. These savings are the result of significant operational enhancements, such as restructuring the claim organization, renegotiating vendor fees and predictive analytics.

• Provided members with over 20,000 customized risk management reports, making data more consumable to improve decision making, drive behavioral change, and reduce losses.

Collectively, our financial and operational achievements met the foundational tenets of CIRMA’s mission: to ensure the availability of coverage at reasonable prices, create stability in the marketplace, prevent accidents and manage injuries through tailored risk and claims management, and empower members to manage risk.

Innovation for Tomorrow

Being innovative, agile, and member-focused is essential to our continued financial strength and long-term viability.

To do that, we will focus on these five strategic points:

• Fully execute all aspects of CIRMA’s mission with expertise and member focus.

• Deliver expertise through the recruitment, development, and retention of skilled insurance and risk management professionals.

• Continue to invest in technology that maintains a competitive advantage, provides efficiency and improves decision making and the customer experience.

• Drive holistic member solutions through cross-functional collaboration across all our core operations.

• Build a capital management model that de-leverages organizational risk and provides the framework to efficiently manage and utilize CIRMA’s members’ equity.

This was a great year of working together and we appreciate being part of the important work that you do.

We believe executing our mission and fulfilling our core values of being member focused, innovative, and collaborative will position all of us to build safer and better communities in which to live, learn and work.

President & CEO, CIRMA
Financial Strength

Total Assets

$365M

Total over 7 years

$19.7M

Members’ Equity Distribution to CIRMA Members

$5M for 2016-17

$19.7M

Members’ Equity Distribution History


$2.8M $3.2M $3.0M $2.5M $3.2M $5.0M

Premiums & Members’ Equity

Total Assets +5%

Members’ Equity +13%

Premiums +4%

Members’ Equity Distribution History

$2.8M 2010-11

$3.2M 2011-12

$3.0M 2012-13

$2.5M 2013-14

$3.2M 2014-15

$5.0M 2015-16

$130M 2016-17

$97M 2013-14

$365M 2016-17

$19.7M 2010-11
The year 2016-17 saw reductions in losses, and excellent growth in total assets and members’ equity — benefiting all CIRMA members!
Membership 2016-17

Our growth in membership and high retention demonstrate our value to members!

15 New members in 2016-17!

+100% Retention Rate for 2016-17!

396 Members Strong

Members Strong
**Workers’ Compensation**

Total Payroll

$3,314,694,587

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**Liability-Auto-Property**

<table>
<thead>
<tr>
<th>Total Operating Expenses</th>
<th>Cities &amp; Towns</th>
<th>Public Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$2,894,259,051</td>
<td>$4,089,679,606</td>
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<tr>
<td>Total Operating Expenses</td>
<td></td>
<td>$6,983,938,657</td>
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</tbody>
</table>

**Insured Exposures:**

- Fire Stations: 263
- Libraries: 122
- School Buildings: 743
- School Buses: 435
- Sewage Treatment Plants: 50
- Town Halls: 127
- Ambulances: 104
- Buses (other): 146
- Fire Trucks: 649
- Light Trucks: 1,515
- Motorcycles: 57
- Police Trucks: 103
- Police Vehicles: 2,130
- Private Passenger Vehicles: 1,073
- Refuse Trucks: 68
- Trailers: 1,202
- Trucks (other): 2,763
- Vans: 712
- Police Officers: 2,860
- Students: 251,075

**Total Insured Property Value**

$16,120,484,648

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Simsbury Public Works Department
2018 Excellence in Risk Management Award Recipient
Stable rates help members better forecast costs and plan budgets.

CIRMA’s rate stability is the result of our financial strength,
Creating Stability in the Marketplace

Rates for 2017–18

-1.1%  
Liability–Auto–Property  
Rate Indication

-2.1%  
Workers’ Compensation  
Rate Indication

expert underwriting, and risk management programs.
**Claim Programs 2016-17**

**Workers' Compensation**

<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity/Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims Managed</td>
<td>6,443</td>
</tr>
<tr>
<td>Total Bill Review Savings</td>
<td>$20,850,322</td>
</tr>
<tr>
<td>Pharmacy Program Savings</td>
<td>$655,331</td>
</tr>
<tr>
<td>Subrogation + Recovery</td>
<td>$9,437,284</td>
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<tr>
<td>Direct Incurred</td>
<td>$26,684,802</td>
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</table>

**Liability-Auto-Property**

<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity/Amount</th>
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</thead>
<tbody>
<tr>
<td>Claims Managed</td>
<td>2,276</td>
</tr>
<tr>
<td>Contract Reviews Performed</td>
<td>279</td>
</tr>
<tr>
<td>Employment Practices</td>
<td></td>
</tr>
<tr>
<td>Liability Helpline Calls</td>
<td>48</td>
</tr>
<tr>
<td>Subrogation + Recovery</td>
<td>$4,350,766</td>
</tr>
<tr>
<td>Direct Incurred</td>
<td>$17,259,267</td>
</tr>
</tbody>
</table>

**Value-added programs & services help members avoid liability!**

- CIRMA’s Contract Review Program
- Employment Practices Liability Helpline Program

**Savings on future exposure $32,853,323**

**$4.2M** Reduction in losses and claim expenses

*CIRMA’s operational enhancements drive savings and positively impact our bottom line.*
Risk Management 2016-17

Record-setting Attendance!

3,658 E-Learning Center attendees
10,179 Total Attendees
6,521 On-site training attendees

Training attendance increased 60% over the prior year!

235 Onsite Sessions
9 New Onsite Topics
4 New Webinar Topics!
6 New White Papers!
5 New Roll Call Series Topics
2 New Best Practice Guides

8 New Alliances in 2016-17
38 Total Alliances

Strategic alliances expand CIRMA's ability to deliver value-added programs and services!

CIRMA's Risk Management team delivered:

7,631 Consultative Hours
109 Stewardship Reports
135 Assessments
Risk Management Results 2016-17

CIRMA members continued to reduce both the frequency and severity of losses in the Workers’ Compensation and Liability-Auto-Property pools.

Town of East Lyme
2018 Excellence in Risk Management Award Recipient
Town of East Lyme
Substantial Impact on Total Cost of Risk

In 2013-14, the Town of East Lyme's executive team expanded their risk management goals and initiatives with a concerted focus on reducing workplace injuries and improving the general health and wellness of their employees. Their efforts included an Annual Health and Wellness Fair — one of the largest in CIRMA’s membership, as well as strategic town-wide safety assessments. The results:

- 93% reduction in the Total Cost of Risk,
- 98% reduction in Lost Work Days,
- 47% reduction in Medical-only claims frequency, and
- 81% reduction in Medical-only claims frequency over four years.

Simsbury Department of Public Works
New & Innovative Risk Management Initiatives

Simsbury's Department of Public Works has placed a high value on safety in the workplace, continually striving to maintain a culture of safety and risk management throughout their department. Their efforts include ongoing training for all employees, management of daily workflows that support the safety of staff and residents, as well as the development and implementation of innovative equipment, policies, and procedures that go well beyond industry standards. Their efforts have resulted in total claims severity under $19,000 since 2011-12 — a record low for CIRMA’s Workers’ Compensation pool.

City of New London
Establishing Risk Management as an Organizational Priority

In 2014 the City of New London began establishing risk management as an organizational priority. A new Executive Steering Committee was established that year, with participation from all departments, to begin the process of creating a culture of risk management throughout the City. Under the direction of new executive leadership, including a new City Risk Manager and Chief Resource Officer, the City departments were tasked with analyzing, identifying, and addressing exposures and claim trends. Through this commitment and resource allocation, New London developed a new culture of risk management. And through these efforts, the City of New London reduced their Total Cost of Risk by $3.3 Million.

Town of Glastonbury
Sustained Risk Management Programs

The Town of Glastonbury, a repeat award winner, established risk management as a priority in 2008-09. At monthly executive meetings, department leaders review exposures and losses along with corrective measures. The Town worked with CIRMA to monitor risk management efforts and trends. The executive team’s efforts, along with the Town’s Safety Committee, and the employee’s culture of safety, have enabled the Town to achieve:

- A Workers’ Compensation claim rate that is lower than their peer group average over the past 10 years,
- 88% decline in lost work days over the past five years, and
- Total Cost of Loss in 2016-17 of $515,000 — a 10-year low.
CIRMA’s Board of Directors and Committees set CIRMA’s direction and guide the development of programs and services.

### Board of Directors

Barbara Henry, Roxbury  
Chairman  

Steven Werbner, Tolland  
Vice Chairman  

Mark Boughton, Danbury  

Robert Congdon, Preston  

John Elsesser, Coventry  

Matthew Galligan, South Windsor  

Toni Harp, New Haven  

Catherine Iino, Killingworth  

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Curt Leng, Hamden  

Leo Paul, Litchfield  

Lisa Pellegrini, Somers  

Herbert Rosenthal, Newtown  

Scott Shanley, Manchester  

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Mark Walter, Columbia

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Susan Bransfield, Portland  

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John Elsesser, Coventry  

Matthew Galligan, South Windsor  

Barbara Henry, Roxbury  

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Dana McGee, Rocky Hill  

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Lori Spielman, Ellington  

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Susan Zecca, Norwalk Police Department

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Chairman  

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Frank Chiaramonte, Consultant  

Judy Doneiko, Consultant  

Adam Dunsby, Easton  

Sean Hendricks, Killingly  

Barbara Henry, Roxbury  

James Reynolds, Consultant  

Daniel Roche, New Haven  

Robert Swick, Milford Transit District

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Chairman  

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Shawn Corey, CTIC  

Robert Gagne, Orange  

Jeremiah Johnson, Darien  

Brian Klett, Rocky Hill  

Michael Kowal, CTIC  

Thomas Kulhawik, Norwalk  

Denise Lamontagne, Cromwell  

Brett Mahoney, Waterford  

Michael Maniago, Torrington  

Keith Mello, Milford  

Marc Montminy, Manchester  

Marc O’Mara, CTIC  

Mark Palmer, Coventry  

Brett Paradis, CTIC  

Tim Silva, Waterford  

Elliott Spector, Hassett & George PC  

Michael Spera, Old Saybrook  

Edward Stephens, Wolcott  

William Tanner, POST  

Beau Thurmaner, East Hartford  

Michael Timbro, Middletown
Member-owned
Member-governed

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Robert Buden, Plainville
Maria Capriola, Mansfield
Carl Fortuna, Old Saybrook
Lucian Jachimowicz, Newington Public Schools
Thomas Landry, Weston
Kimberly Lord, East Windsor/Manchester
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Bonnie Reemsnyder, Old Lyme
Theodore Shafer, Burlington
William Smith, Granby
William Strachan, Consultant
Michael Wilkinson, Tolland
James Wren, Bloomfield

Risk Management Advisory Committee
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Janette Devendorf, Manchester
Gil Freid, University of New Haven
Mitch Goldblatt, Guilford
Emmet Hibson, Fairfield
Mark Langton, Middletown Public Schools
Dawn Maselek, Vernon
Mary McCarthy, CT Technology Center
Denise McNair, Berlin
Joshua Medeiros, Canton
Debra Milardo, Madison
Tim Nolan, Danbury
Lee Palmer, New Milford
Vanessa Perry, South Windsor
Raymond Purtell, Glastonbury
Kirk Severance, Granby
Elliot Spector, Hasset & George PC
Michael Spera, Old Saybrook
J. Darren Stewart, Stonington
William Tanner, POST
Kenneth Tucker, CT Dept. of Labor, OSHA Division
Michael Turner, Wethersfield
Mark Walter, Columbia
Steven Waznia, Berlin
Tim Webb, Ellington
Michael Wilkinson, Tolland
Louis Zullo, Cheshire

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Steven Busel, Plainville Public Schools
Dr. Patricia Ciccone, Westbrook Public Schools
Michele DiMauro, Middletown Public Schools
Dr. Jo Ann Freiberg, CT State Dept. of Education
Peter Gerardi, Killingly Public Schools
Jordan Grossman, Canton Public Schools
Donald Harwood, East Hampton Public Schools
Jason Lehmann, East Hampton Public Schools
John Maloney, Cromwell Public Schools
Steven Michaud, Plainville Public Schools
Steven Mills, Windsor Locks Public Schools
Nancy Pugliese, CT State Dept. of Education
Michael Purcaro, Vernon Public Schools
Kenneth Roy, Glastonbury Public Schools
Paula Talty, Cromwell Public Schools
Steven Wapen, EASTCONN
CIRMA’s Mission

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.

CIRMA was established in 1980 as a service program of the Connecticut Conference of Municipalities. Governance is provided by CIRMA’s Board of Directors, elected from the membership. CIRMA operates two risk-sharing pools, the Workers’ Compensation Pool and the Liability–Automobile–Property Pool and provides risk management services to self-insured municipalities and local public agencies.