

CIRMA

CONNECTICUT INTERLOCAL RISK MANAGEMENT AGENCY

ANNUAL REPORT 2013-14



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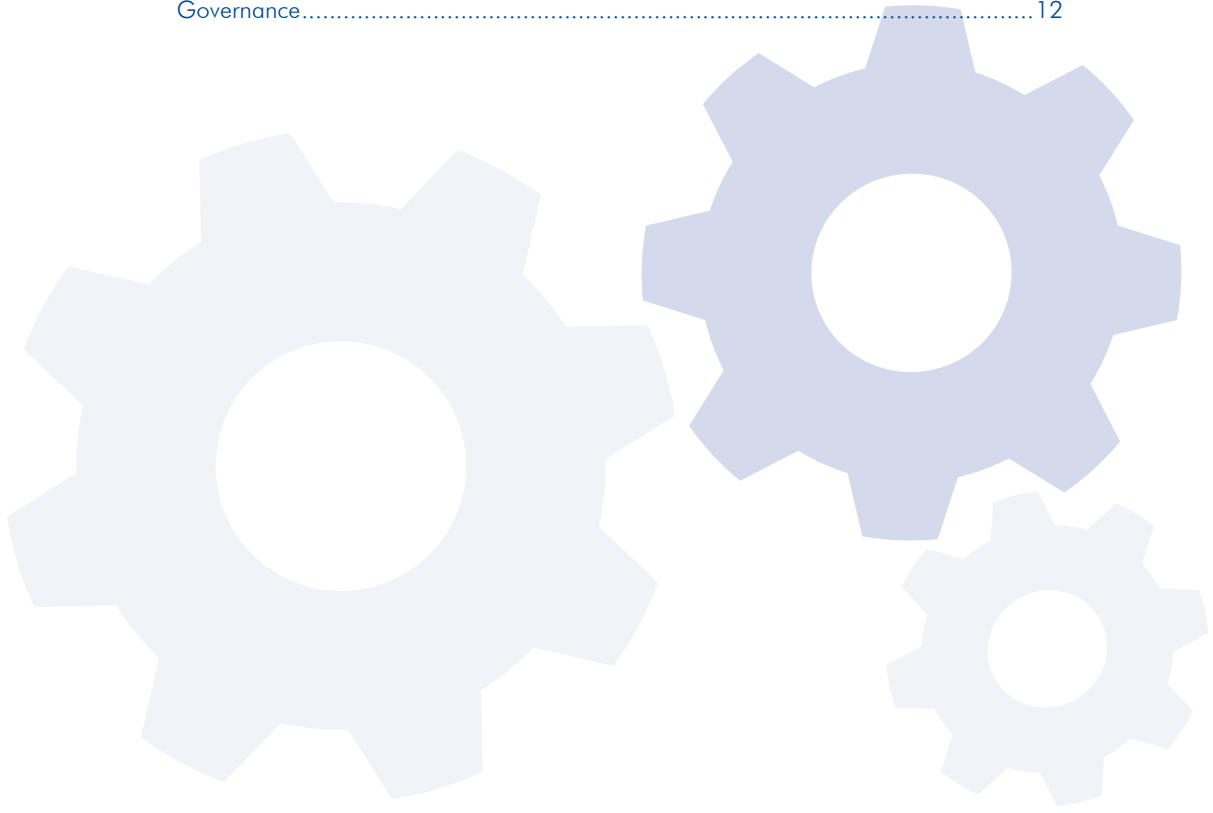
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PRESIDENT'S MESSAGE

CIRMA made many remarkable achievements in 2013-14:

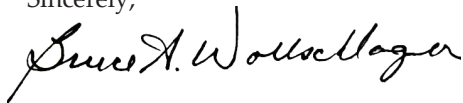
Our member retention exceeded 99% and 10 new members joined. Premiums grew by a solid 8% to reach \$86 million and Members' Equity by an outstanding 12.7%, to \$99 million. The balance in growth between our Premiums and Members' Equity will help ensure CIRMA's ongoing financial strength and rate stability.

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,

A handwritten signature in black ink, reading "Bruce A. Wollschlager". The signature is fluid and cursive, with the first name "Bruce" being more prominent and the last name "Wollschlager" written in a continuous script.

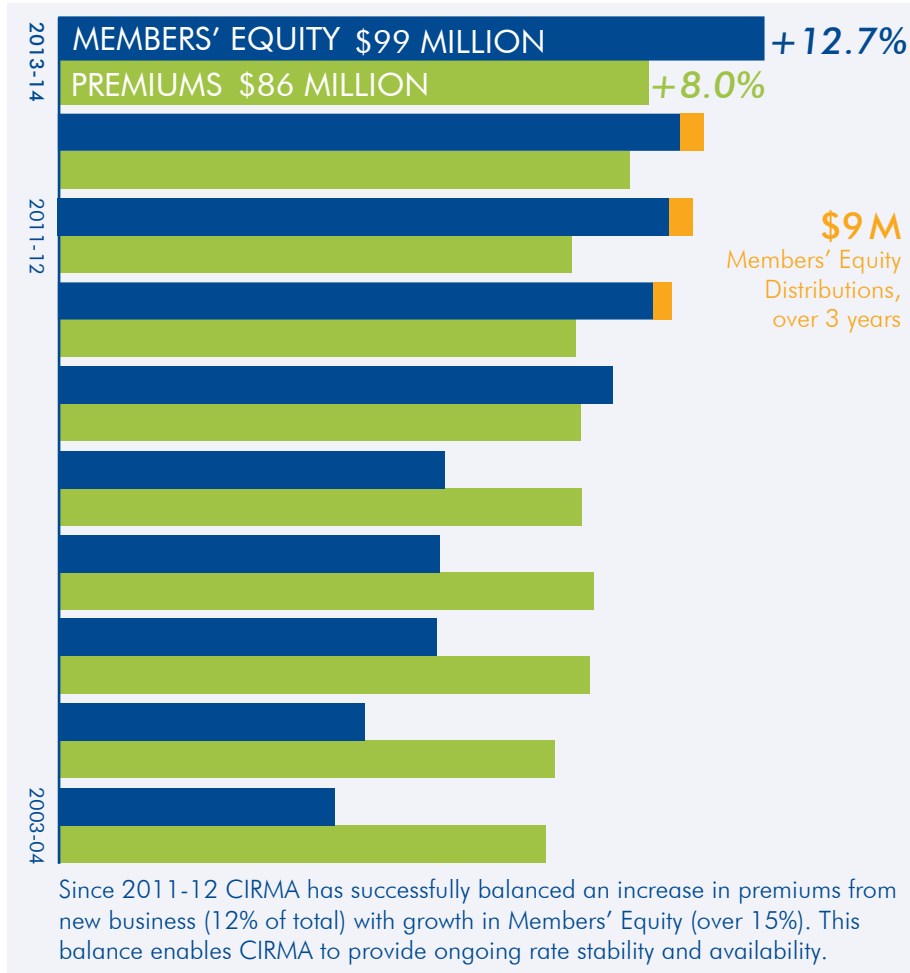
Bruce A. Wollschlager
President & CEO, CIRMA

FINANCIAL STATEMENTS 2013-14

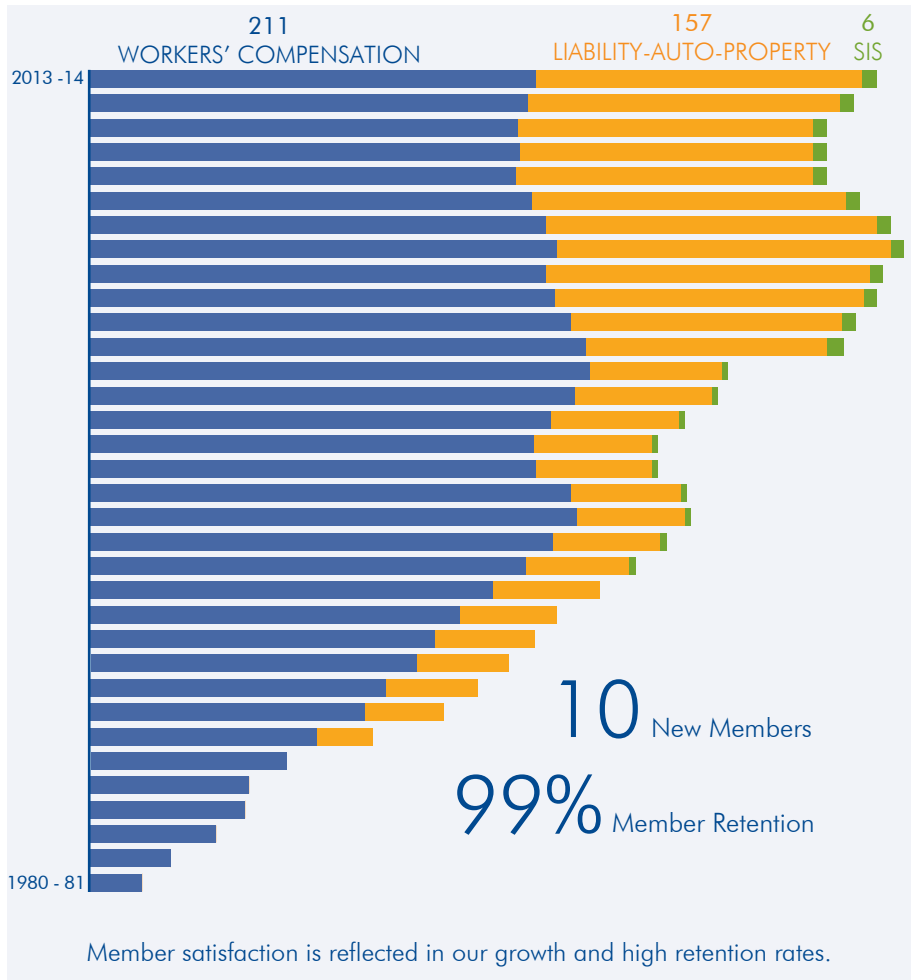
ASSETS	2013-14	2012-13
Invested Assets	\$293,478,988	\$283,405,099
Cash & Receivables	17,053,164	13,425,202
TOTAL ASSETS	\$310,532,152	\$296,830,301
LIABILITIES		
Reserves	\$209,610,760	\$197,114,419
Current Liabilities	1,701,795	11,668,543
TOTAL LIABILITIES	211,312,555	208,782,962
MEMBERS' EQUITY		
Members' Equity, Beginning of Year	88,047,339	86,834,000
Excess of Revenues over Expenses	11,172,258	4,213,301
Distribution of Members' Equity	—	(2,999,962)
MEMBERS' EQUITY, END OF YEAR	99,219,597	88,047,339
TOTAL LIABILITIES & MEMBERS' EQUITY	\$310,532,152	\$296,830,301
REVENUES		
Premiums & Commissions	\$86,402,368	\$79,982,912
Reinsurance Premiums	(15,923,993)	(14,325,201)
Investment Income	16,920,333	5,915,787
TOTAL REVENUES	87,398,708	71,573,498
EXPENSES		
Provision for Loss & LAE	\$65,475,045	57,112,501
Second Injury Fund	1,463,176	1,401,237
General & Administrative	9,288,229	8,846,459
TOTAL EXPENSES	76,266,450	67,360,197
EXCESS OF REVENUES OVER EXPENSES	\$11,172,258	\$4,213,301

Auditors, Grant Thornton LLP

PREMIUM & MEMBERS' EQUITY



MEMBERSHIP GROWTH 2013-14



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

LIABILITY-AUTO-PROPERTY

Total Operating Expenses	
Town	\$2,508,166,314
Public Schools	\$3,674,456,540

Total Operating Expenses	\$6,182,622,854
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Ambulances	104
Bus (other)	147
Fire Trucks	635
Fire Stations	202
Libraries	119
Light Truck	1,518
Motorcycles	77
Police Trucks	79
Police Vehicles	2,163
Private Passenger Vehicles	1,106
Refuse Trucks	71
School Buildings	714
School Buses	433
Sewage Treatment Plants	45
Trailers	1,097
Town Halls	112
Trucks (other)	2,649
Vans	759
Watercraft	249

Total Insured Property Value	\$15,347,255,312
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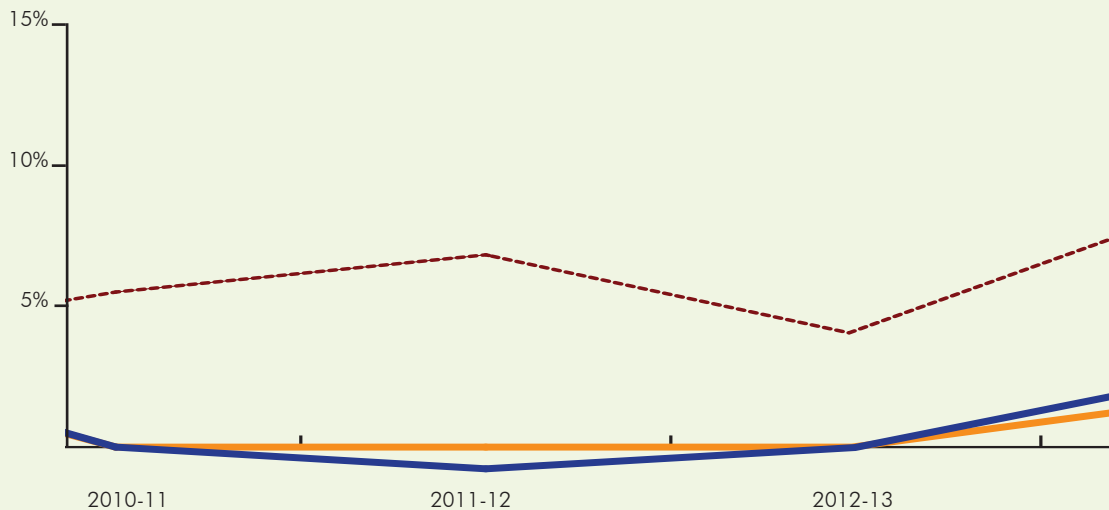
WORKERS' COMPENSATION

Total Payroll	\$3,141,005,645
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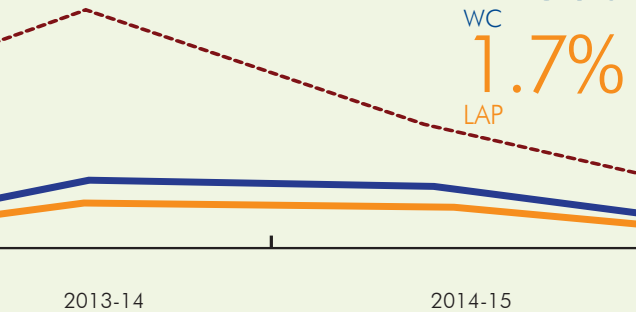
RATE STABILITY



“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.



4.1%

NCCI
Rate Indication

2.3%

WC
1.7%

LAP

Five-Year Rate Comparison

27.8%
NCCI



4.0%
WC

3.5%
LAP

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).

CIRMAcare Medical Care Plan

"Providing quality services tailored to municipal operations and requirements."

CIRMAcare®

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

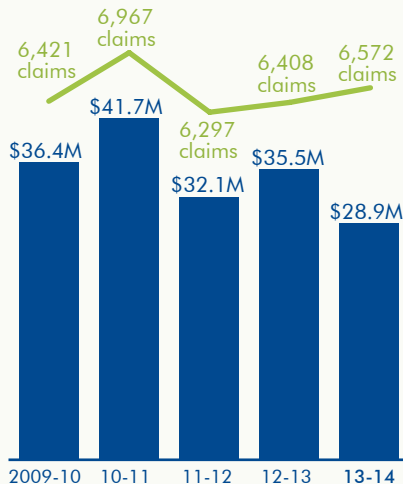
The CIRMAcare MCP provides:

- 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.

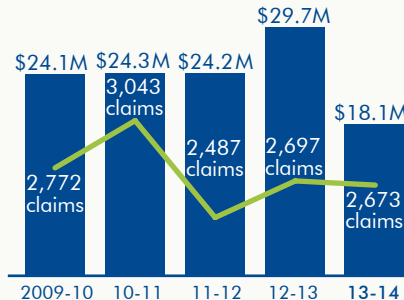
RISK MANAGEMENT RESULTS

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

WORKERS' COMPENSATION POOL

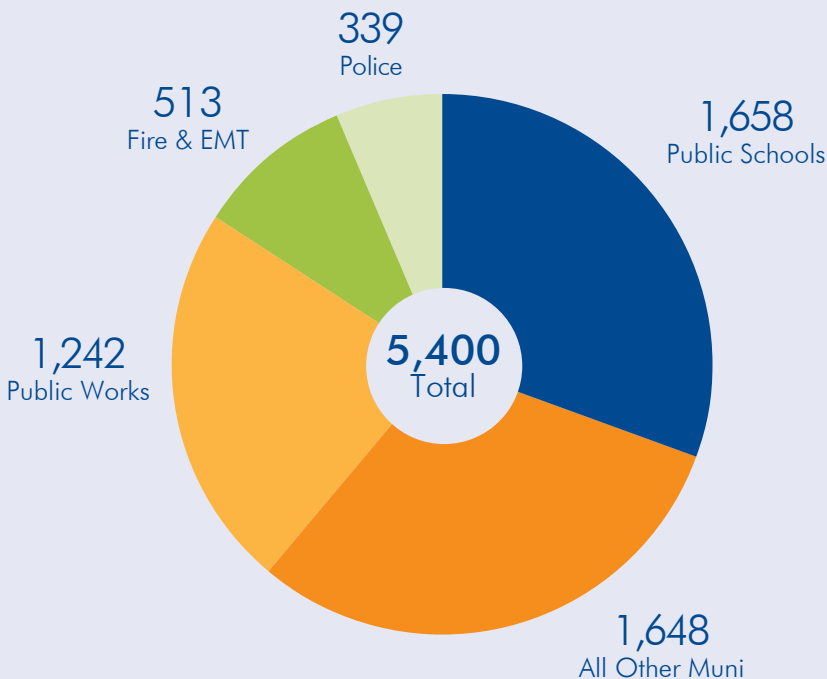


LIABILITY-AUTO-PROPERTY POOL



RISK MANAGEMENT TRAINING & EDUCATION PROGRAMS

"Empowering municipalities to manage risk."



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.

RISK MANAGEMENT ACHIEVEMENT AWARD RECIPIENTS 2015

NEW & INNOVATIVE RISK MANAGEMENT INITIATIVES

New Milford

SUSTAINED RISK MANAGEMENT PROGRAMS

Berlin

Lebanon

New Hartford

ESTABLISHING RISK MANAGEMENT AS AN ORGANIZATIONAL PRIORITY

Chester

Estuary Transit District

East Haddam &
East Haddam Public Schools

Windsor Locks

SUBSTANTIAL IMPACT ON LOSS COST FACTORS

Cheshire Public Schools

Guilford Public Schools

Plainfield Public Schools

Windham Public Schools

OUTSTANDING COMMITMENT & RESULTS FROM SAFETY & HEALTH COMMITTEES

Deep River

EXCEPTIONAL PROPERTY MANAGEMENT

Ashford

Goshen

Hartland

GOVERNANCE 2013-14

BOARD OF DIRECTORS

Elizabeth Paterson, Mansfield, *Chairman*
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Stephen Cassano, Manchester
Robert Chatfield, Prospect
Robert Congdon, Preston
John Elssesser, Coventry
Matthew Galligan, South Windsor
Barbara Gilbert, Rocky Hill
Mary Glassman, Simsbury
Barbara Henry, Roxbury
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Cynthia Mangini, Enfield
Denise Menard, East Windsor
Leo Paul, Litchfield
Lisa Pellegrini, Somers
Herbert Rosenthal, Newtown
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Steven Werbner, Tolland

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Arthur Giulietti, Hamden
Kim Kell, Milford
Thomas Kulhawik, Norwalk

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Daniel Roche, New Haven
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Gary Conrad, Westport
Judy Doneiko, Milford
Barbara Henry, Roxbury
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Daniel Roche, New Haven
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Marc Montminy, Manchester
Murray Pendleton, Waterford
Matthew Reed, South Windsor

**LAW ENFORCEMENT ADVISORY
COMMITTEE, continued**

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Michael Spera, Old Saybrook
Thomas Terrible, Guilford
Beau Thurnauer, East Hartford

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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

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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

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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

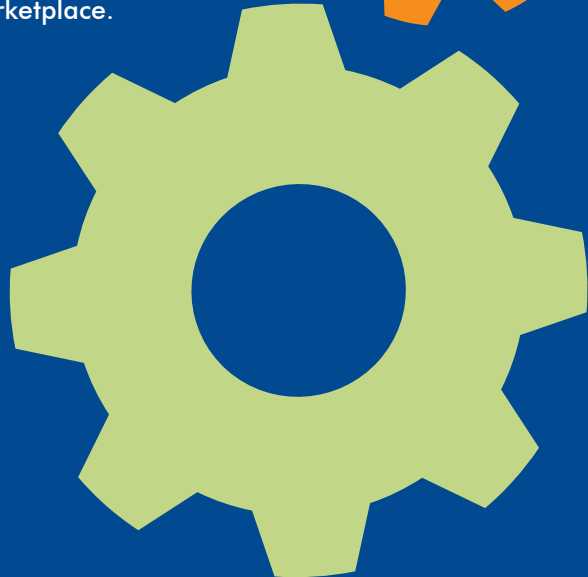
MISSION STATEMENT

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.



Connecticut Interlocal Risk Management Agency
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Connecticut 06426
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