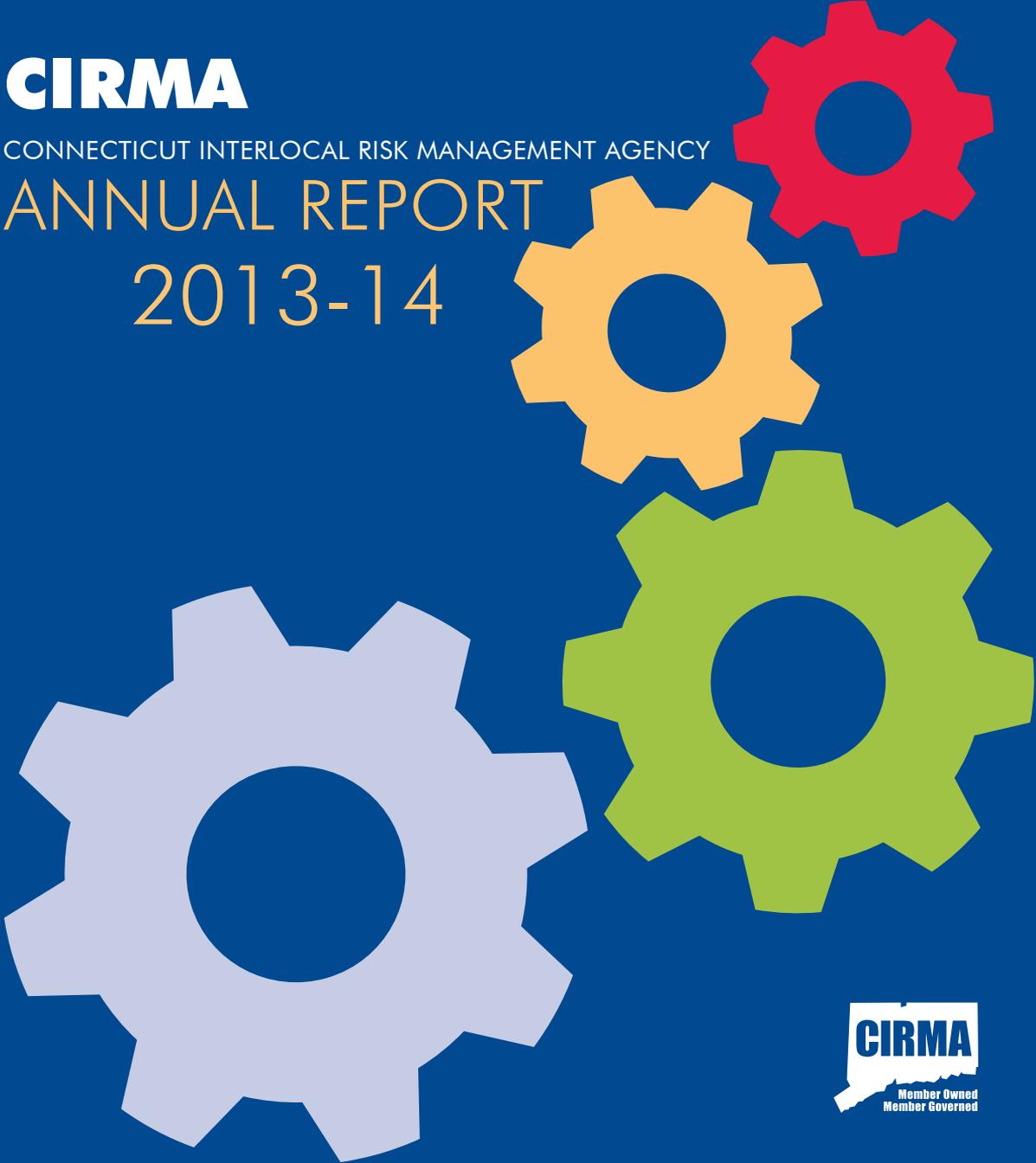


# CIRMA

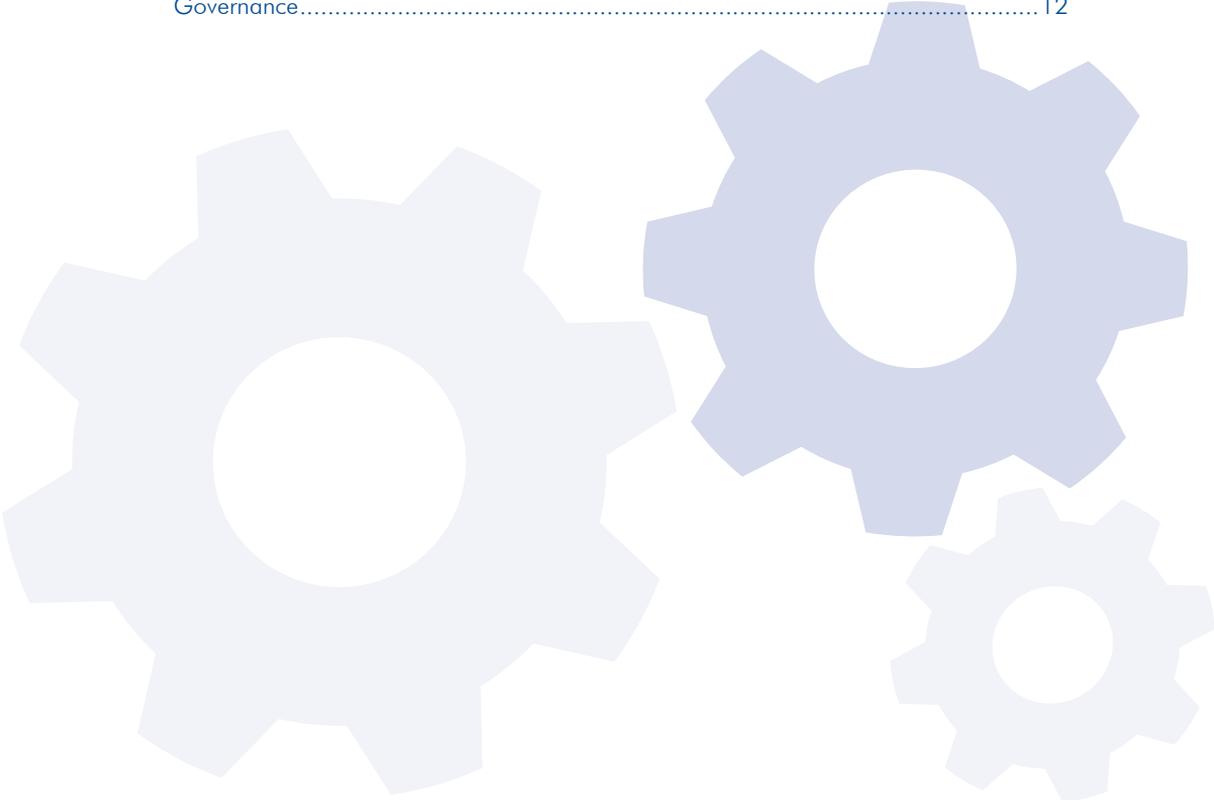
CONNECTICUT INTERLOCAL RISK MANAGEMENT AGENCY

## ANNUAL REPORT 2013-14



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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<sup>®</sup> 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 that reads "Bruce A. Wollschlager". The signature is written in a cursive, flowing style.

Bruce A. Wollschlager  
President & CEO, CIRMA

# FINANCIAL STATEMENTS 2013-14

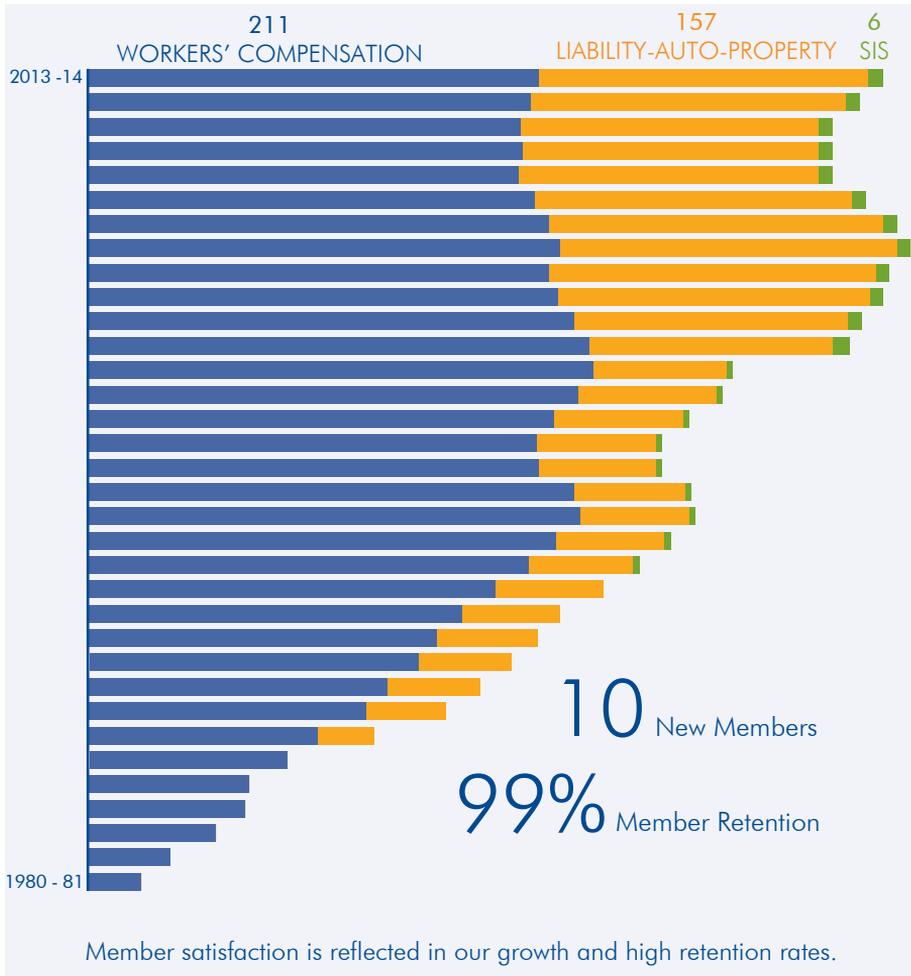
ASSETS	2013-14	2012-13
Invested Assets	\$293,478,988	\$283,405,099
Cash & Receivables	17,053,164	13,425,202
<b>TOTAL ASSETS</b>	<b>\$310,532,152</b>	<b>\$296,830,301</b>
LIABILITIES		
Reserves	\$209,610,760	\$197,114,419
Current Liabilities	1,701,795	11,668,543
<b>TOTAL LIABILITIES</b>	<b>211,312,555</b>	<b>208,782,962</b>
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)
<b>MEMBERS' EQUITY, END OF YEAR</b>	<b>99,219,597</b>	<b>88,047,339</b>
<b>TOTAL LIABILITIES &amp; MEMBERS' EQUITY</b>	<b>\$310,532,152</b>	<b>\$296,830,301</b>
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
<b>TOTAL REVENUES</b>	<b>87,398,708</b>	<b>71,573,498</b>
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
<b>TOTAL EXPENSES</b>	<b>76,266,450</b>	<b>67,360,197</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$11,172,258</b>	<b>\$4,213,301</b>

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
<b>Total Operating Expenses</b>	<b>\$6,182,622,854</b>

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

<b>Total Insured Property Value</b>	<b>\$15,347,255,312</b>
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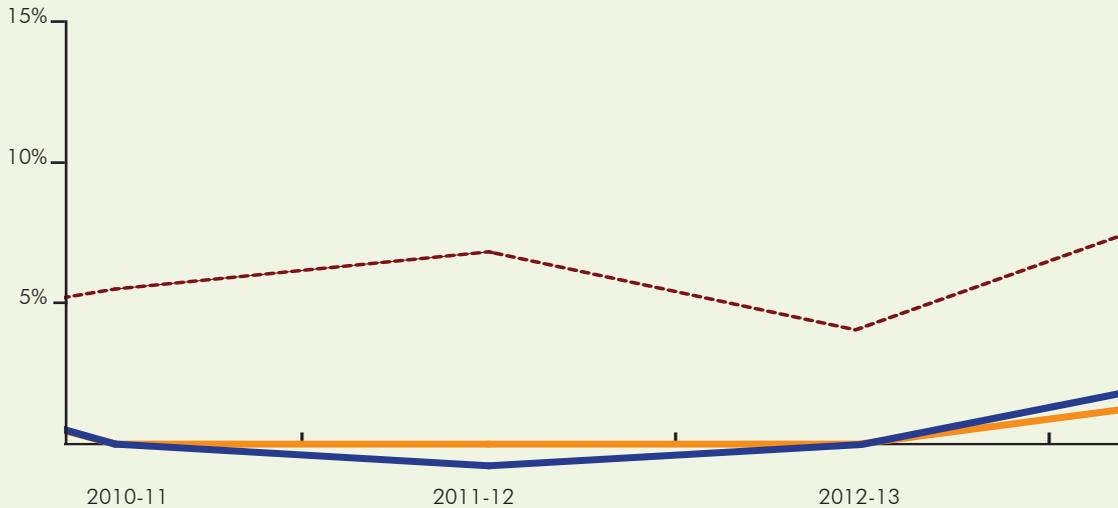
**WORKERS' COMPENSATION**

<b>Total Payroll</b>	<b>\$3,141,005,645</b>
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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.”*

## **CIRMA**care®

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

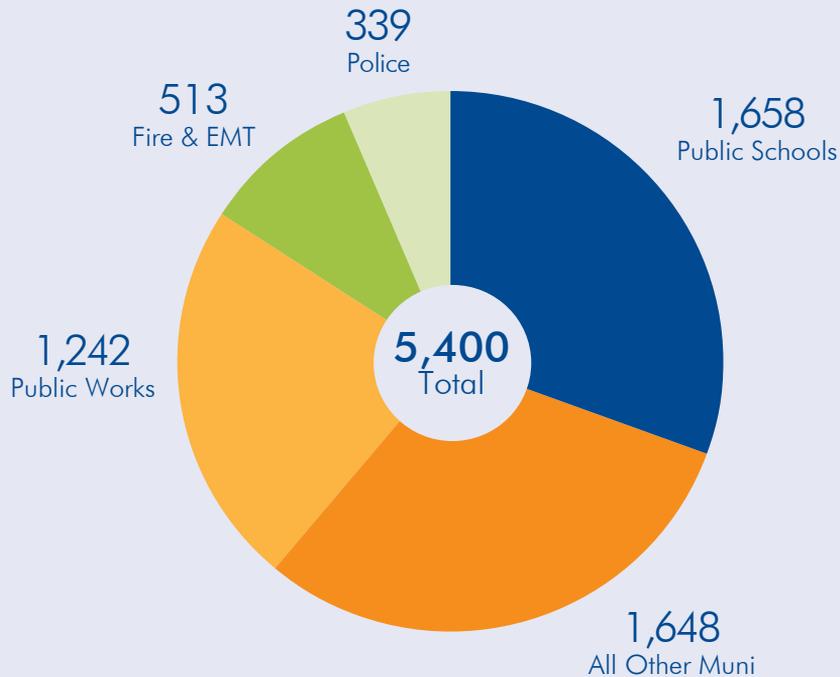


## LIABILITY-AUTO-PROPERTY POOL



# 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

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Susan Bransfield, Portland  
Stephen Cassano, Manchester  
Robert Chatfield, Prospect  
Robert Congdon, Preston  
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Barbara Gilbert, Rocky Hill  
Mary Glassman, Simsbury  
Barbara Henry, Roxbury  
Scott Jackson, Hamden  
Cynthia Mangini, Enfield  
Denise Menard, East Windsor  
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Lisa Pellegrini, Somers  
Herbert Rosenthal, Newtown  
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Arthur Giulietti, Hamden  
Kim Kell, Milford  
Thomas Kulhawik, Norwalk

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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*

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

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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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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*

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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

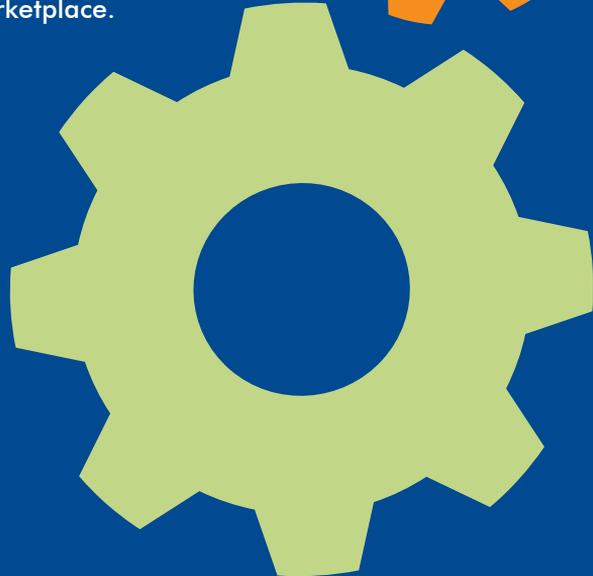
# MISSION STATEMENT

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  
203-946-3700 | CIRMA.org