



CONNECTICUT INTERLOCAL RISK MANAGEMENT AGENCY

# ANNUAL REPORT 2014-15



# PRESIDENT'S MESSAGE

Delivering Value Beyond Price



Dave Demchak, ARIM  
President & Chief Executive Officer

**T**he year 2014-15 was one of outstanding success for CIRMA and its members:

- Over 99% of CIRMA members renewed this year and nine new members joined, bringing total membership to 386, a new high.
- Total Premiums reached \$91 million, a 5.4% increase and a new high. The increase flowed from membership growth, not rate increases; CIRMA declared 0% and 0% aggregate rate indications for both pools.
- CIRMA declared a \$2.5 million Members' Equity Distribution, the fourth in five years, bringing total distributions to \$11.5 million — great news at a time of reduced funding.

CIRMA completed a major milestone with the launch of new automation systems, providing improved communication, efficiencies, and data management for better decision-making.

CIRMA broke records in the development and delivery of high-quality services and programs. Over 5,500 member employees participated in our training and education programs. The CIRMAcare™ program delivered outstanding care and cost containment services to members. Our value-add programs reduced liability for members and improved service delivery.

Our members themselves had many achievements that are just as important: Our Board of Directors and Committees guided CIRMA's direction and the development of a range of new programs, including the E-Learning Center, new best practices and addressed emerging risks. Both the Workers' Compensation and Liability-Auto-Property pool members made significant reductions in claims frequency, severity, and average claims costs.

**Value Beyond Price.** As remarkable as these achievements are, their real significance lies in what they mean to members. Our financial and membership growth means that our members can depend on CIRMA for low, stable rates and security year after year. Our program development expertise means we deliver sophisticated services and improved tools that address new trends and emerging exposures. Against a backdrop of turmoil in the global financial markets and uncertain state funding, CIRMA is strongly positioned to serve its members long into the future.

CIRMA is a unique organization dedicated to meeting the diverse risk management and insurance needs of Connecticut's municipalities, public schools, and local public agencies. For this reason, there is no one single metric that can capture the full value of a CIRMA membership. Instead, by acting as a financial backstop and risk management expert, our value is shown by our members' increased efficiencies and capacity to deliver a broader range of services to their communities. Our strength helps our members' communities to grow and thrive, a value beyond price.

A handwritten signature in black ink, reading "David Demchak". The signature is fluid and cursive, with the first name "David" and last name "Demchak" clearly legible.

David Demchak  
President & Chief Executive Officer, CIRMA

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“CIRMA is a municipal expert. They know our exposures and the best ways to assure we have exactly the right coverage. Budgets and needs change. CIRMA is always available, professional, well-informed, and provides a high level of service.”

Lisa Pellegrini, First Selectman, Somers

“We are delighted to be a member of CIRMA, your professional staff and services are a great value to all First Selectmen.”

Edmund J. Meehan, First Selectman, Chester

# FINANCIAL STATEMENTS 2014-15

ASSETS	2014-15	2013-14
Invested Assets	\$306,519,452	\$293,478,988
Cash & Receivables	20,439,184	17,053,164
<b>TOTAL ASSETS</b>	<b>\$326,958,636</b>	<b>\$310,532,152</b>

LIABILITIES		
Reserves	\$220,021,312	\$209,610,760
Current Liabilities	8,286,009	1,701,795
<b>TOTAL LIABILITIES</b>	<b>228,307,321</b>	<b>211,312,555</b>

MEMBERS' EQUITY		
Members' Equity, Beginning of Year	99,219,597	88,047,339
Excess of Revenues over Expenses	1,877,510	11,172,258
Distribution of Members' Equity	(2,445,792)	—
MEMBERS' EQUITY, END OF YEAR	98,651,315	99,219,597
<b>TOTAL LIABILITIES &amp; MEMBERS' EQUITY</b>	<b>\$326,958,636</b>	<b>\$310,532,152</b>

REVENUES		
Premiums & Commissions	\$91,060,537	\$86,402,368
Reinsurance Premiums	(14,901,408)	(15,923,993)
Investment Income	5,021,227	16,920,333
<b>TOTAL REVENUES</b>	<b>81,180,356</b>	<b>87,398,708</b>

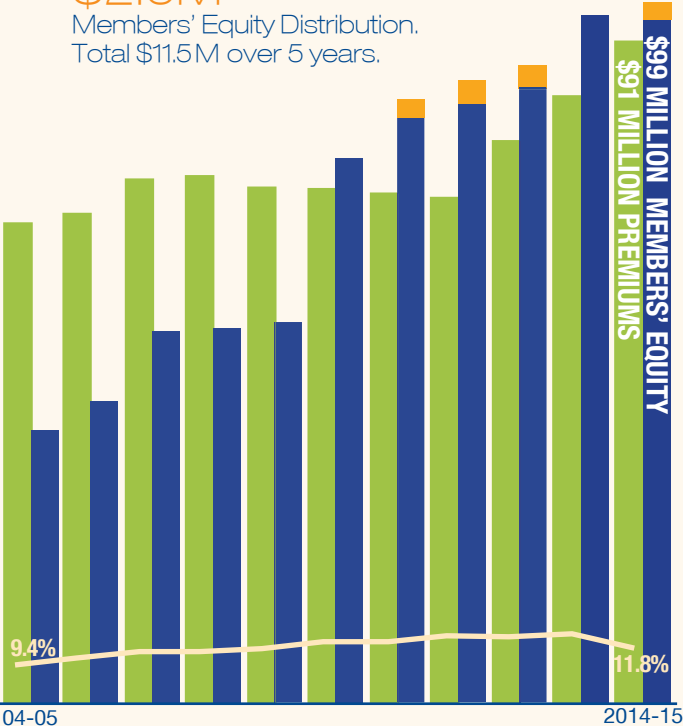
EXPENSES		
Provision for Loss & LAE	\$68,746,234	\$65,475,045
Second Injury Fund	1,530,148	1,463,176
General & Administrative	9,026,464	9,288,229
<b>TOTAL EXPENSES</b>	<b>79,302,846</b>	<b>76,226,450</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$1,877,510</b>	<b>\$11,172,258</b>

Auditors, Grant Thornton LLP

# PREMIUM, MEMBERS' EQUITY & ASSETS

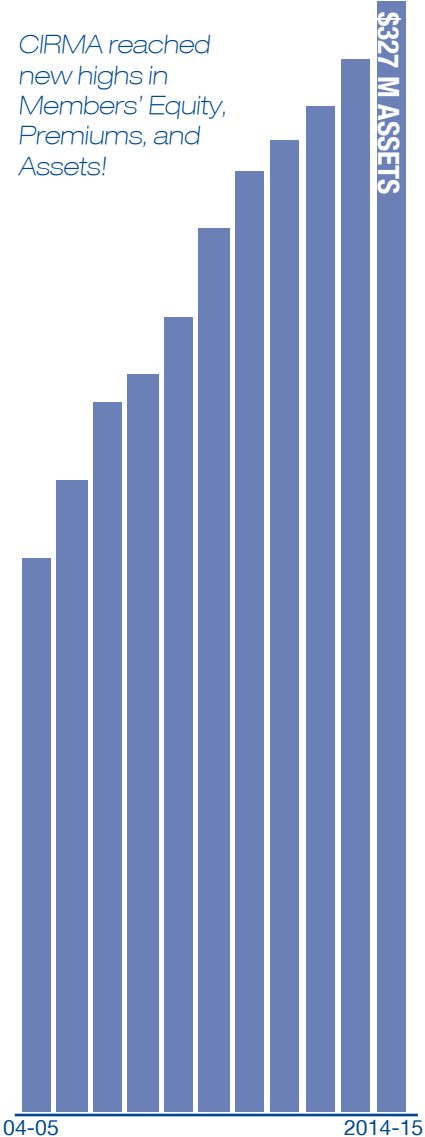
*The year's +5.4% increase in Premium is successfully balanced by Members' Equity of \$99 M, enabling CIRMA to provide ongoing rate stability and capacity.*

CIRMA declared a  
**\$2.5M**  
Members' Equity Distribution.  
Total \$11.5M over 5 years.

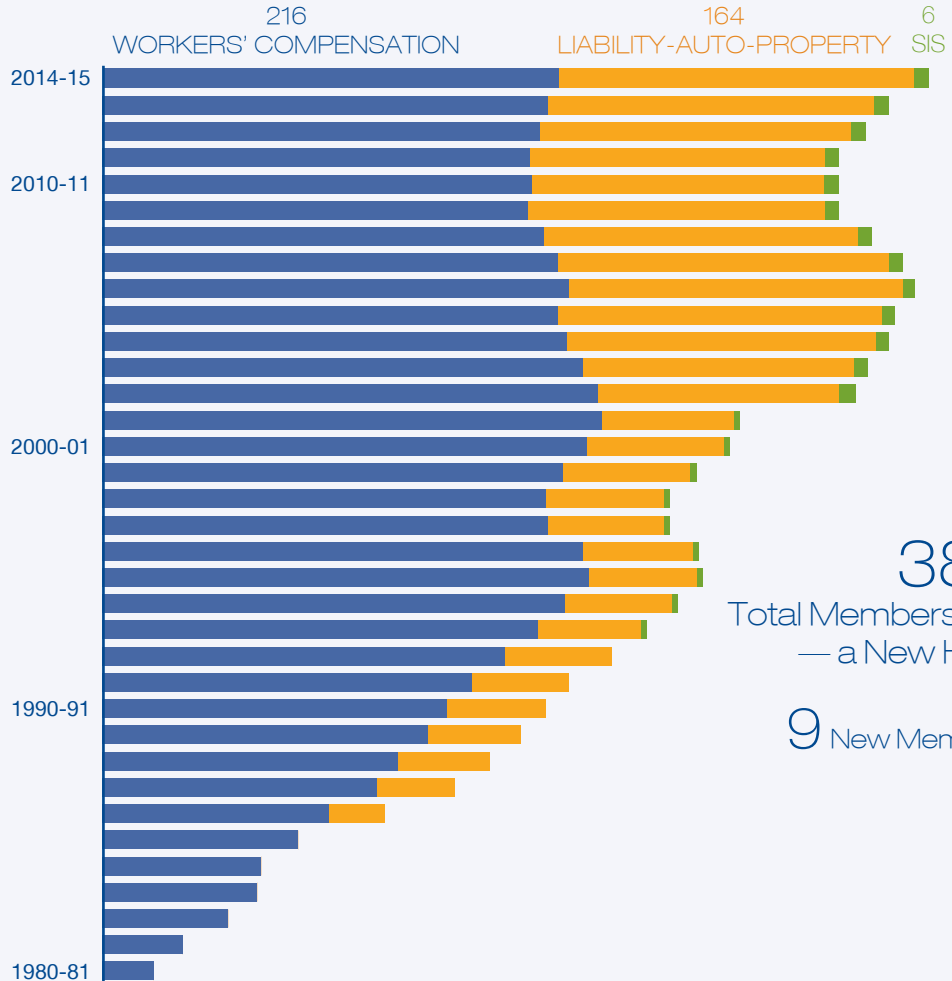


*Improved efficiencies enabled CIRMA to reduce the ratio of our General & Administrative Expenses to Net Premiums of 11.8% to below the industry average of 17.7%.*

*CIRMA reached new highs in Members' Equity, Premiums, and Assets!*

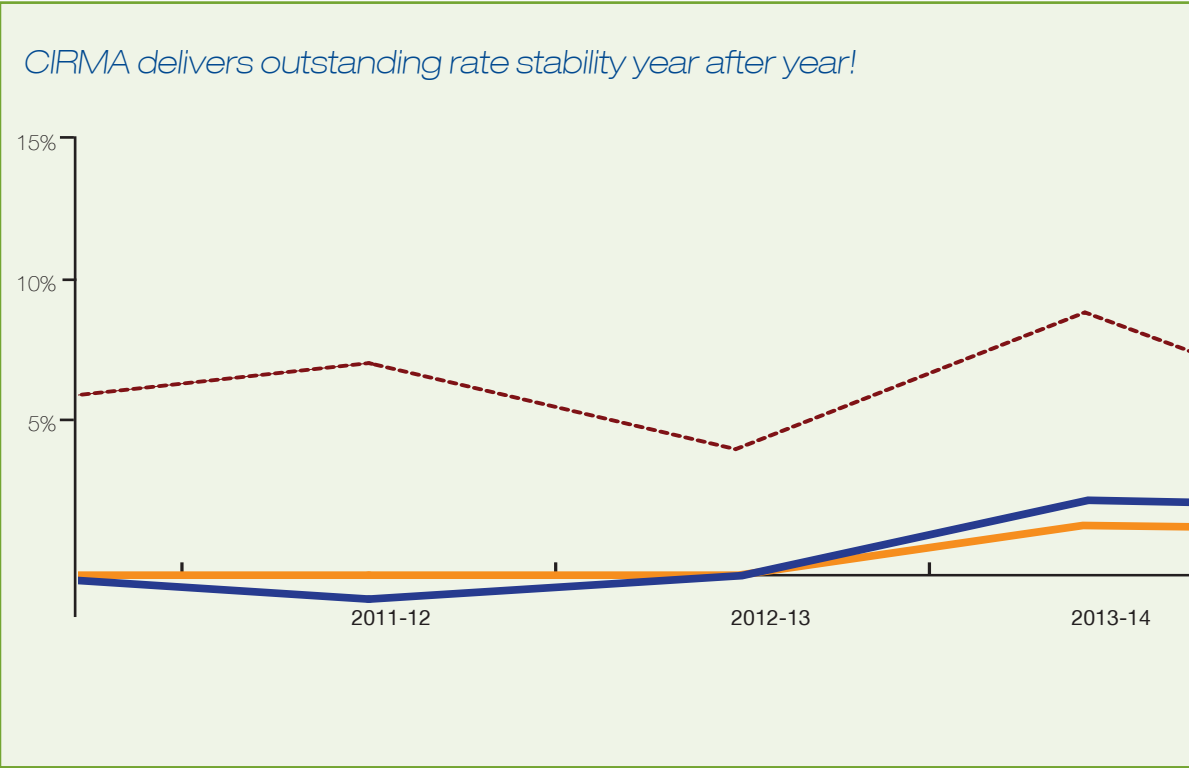


# MEMBERSHIP GROWTH

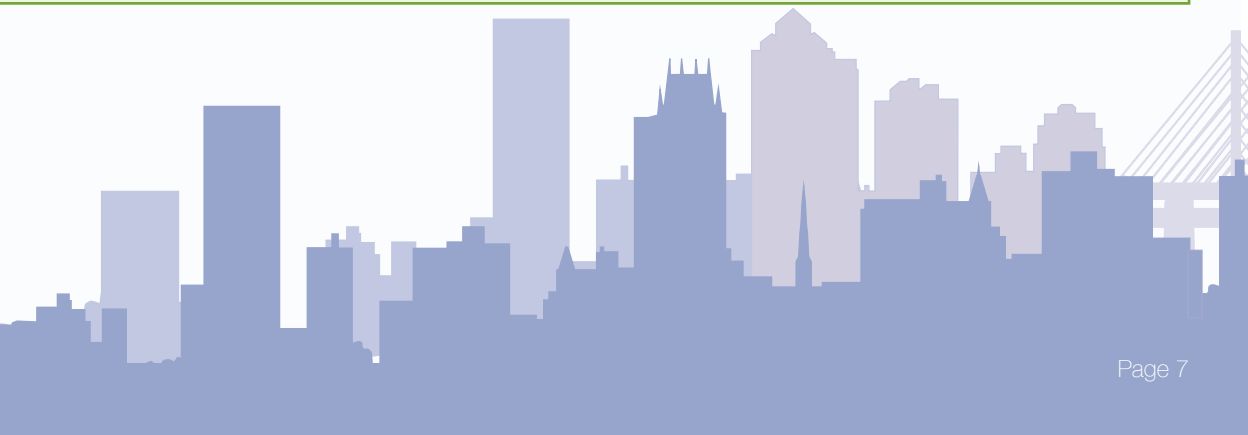
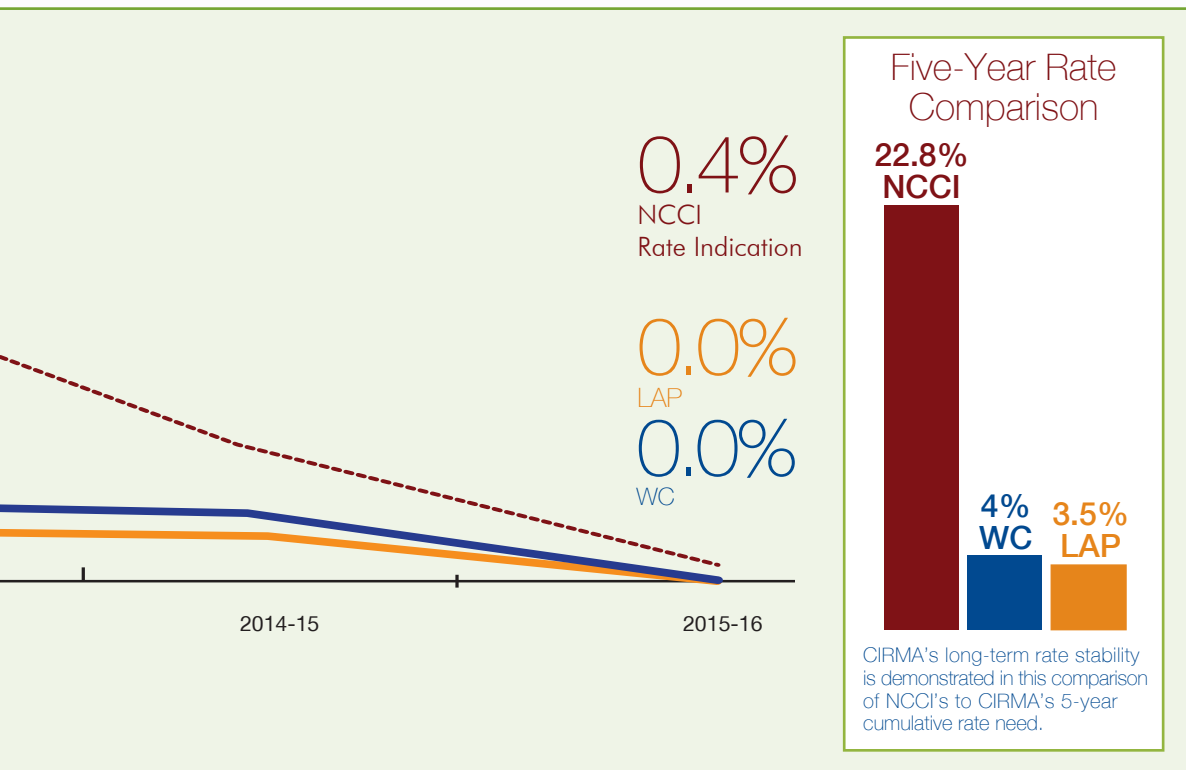


# RATE STABILITY

*CIRMA delivers outstanding rate stability year after year!*







# CREATING RISK MANAGEMENT & INSURANCE SOLUTIONS



Working with our Board of Directors, Committees, and Strategic Partners, CIRMA creates tailored programs and services for our members' unique exposures:

## MEMBERS' RISK PROFILE

### LIABILITY-AUTO-PROPERTY

Total Operating Expenses	
Town	\$2,627,289,676
Public Schools	\$3,825,176,524
<hr/> Total Operating Expenses	<hr/> \$6,452,466,200

*+ 4.8% increase*

### WORKERS' COMPENSATION

Total Payroll	<b>\$3,214,563,380</b>
	<i>+ 3.2% increase</i>

## CIRMA INSURES:

Ambulances	105	Fire Stations	216
Buses (other)	143	Libraries	124
Fire Trucks	689	School Buildings	733
Light Trucks	1,515	Sewage Treatment Plants	45
Motorcycles	71	Town Halls	118
Police Trucks	80		
Police Vehicles	2,087		
Private Passenger Vehicles	1,079	Total Insured Property Value:	<b>\$15,770,904,864</b>
Refuse Trucks	64		<i>+ 3.3% increase</i>
School Buses	497		
Trailers	1,100		
Trucks (other)	2,733		
Vans	758		
Watercraft	255		



## CIRMA COVERAGE PROGRAMS

CIRMA provides Liability-Auto-Property and /or Workers' Compensation coverage for:

- 133 Municipalities
- 129 School Districts
- 75 Local Public Agencies

### Value-added programs 2014-15:

- Volunteer Firefighter Accident Insurance — *8,767 Volunteers covered.*
- Tenant-User Liability Insurance Program (TULIP) — *231 policies issued.*
- Pollution coverage provided for LAP members.
- Property coverage for K-9 units.
- International Travel Program — *62 policies issued, covering 1,281 students.*



## CLAIMS MANAGEMENT SOLUTIONS

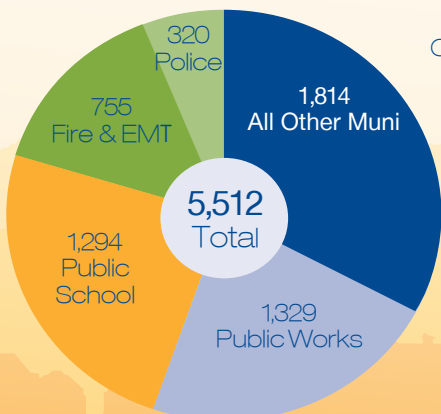
- CIRMAcare™ Medical Care Plan — *\$21 M in program savings!*
- Heart & Hypertension Program — *29 members*
- Expert restoration services
- Strong legal defense and advocacy
- Claims investigation, validation, education
- Contract review services



## SOPHISTICATED BUSINESS ANALYTICS

*Comprehensive reporting for improved decision-making*

## RISK MANAGEMENT TRAINING & EDUCATION PROGRAMS 2014-15



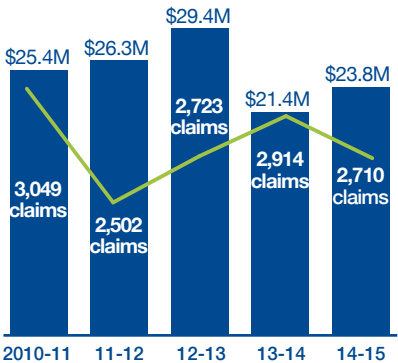
CIRMA held **237** sessions attended by **5,512** participants — a new high!

CIRMA introduced:

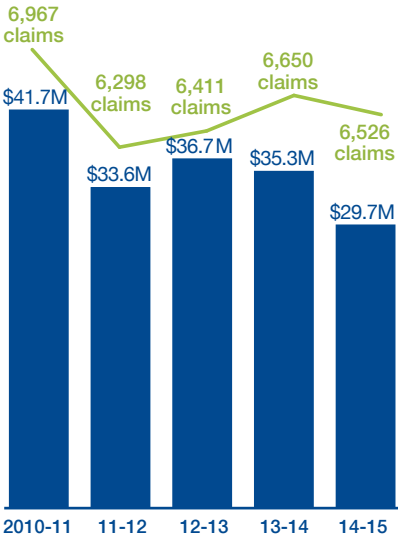
- **11** new training topics on areas of emerging risk.
- **New** Preventing Slips, Trips and Falls Training Kit.
- **2** New Law Enforcement Best Practice Guides.
- **New** E-Learning Center for online training & education.

# RISK MANAGEMENT RESULTS

LIABILITY-AUTO-PROPERTY  
POOL  
FREQUENCY & SEVERITY



WORKERS' COMPENSATION  
POOL  
FREQUENCY & SEVERITY



*Our members' successful efforts are shown by the long-term decline in frequency and severity in both pools.*

# RISK MANAGEMENT ACHIEVEMENT AWARDS 2016

NEW & INNOVATIVE RISK  
MANAGEMENT INITIATIVES

Cheshire

SUSTAINED RISK MANAGEMENT  
PROGRAMS

Warren

ESTABLISHING RISK  
MANAGEMENT AS AN  
ORGANIZATIONAL PRIORITY

Easton  
Harwinton  
Somers

SUBSTANTIAL IMPACT ON LOSS  
COST FACTORS

Bolton  
East Windsor

OUTSTANDING COMMITMENT &  
RESULTS FROM SAFETY &  
HEALTH COMMITTEES

Waterford

EXCEPTIONAL PROPERTY  
MANAGEMENT

North Stonington Public Schools



# GOVERNANCE 2014-15

## BOARD OF DIRECTORS

Barbara Henry, Roxbury *Chairman*  
Susan Bransfield, Portland, *Vice Chairman*  
Mark Boughton, Danbury  
Stephen Cassano, Manchester  
Robert Chatfield, Prospect  
Robert Congdon, Preston  
John Elsesser, Coventry  
Matthew Galligan, South Windsor  
Tony Harp, New Haven  
Scott Jackson, Hamden  
Denise Menard, East Windsor  
Elizabeth Paterson, Mansfield  
Leo Paul, Litchfield  
Lisa Pellegrini, Somers  
Herbert Rosenthal, Newtown  
Mark Walter, East Haddam  
Steven Werbner, Tolland

## BUDGET AND AUDIT COMMITTEE

Herbert Rosenthal, Newtown, *Chairman*  
Stephen Cassano, Manchester  
John Elsesser, Coventry  
Matthew Galligan, South Windsor  
Elizabeth Paterson, Mansfield

## CLAIMS ADVISORY COMMITTEE

Jonathan Berchem, Milford, *Chairman*  
Cynthia Bennett, East Hartford, *Vice Chairman*  
Harold Alvord, Norwalk  
Gary Conrad, Westport  
Edward DeMarco, East Windsor  
Nicholas DiCorleto, Ellington  
Arthur Giuliatti, Hamden  
Linda Gulizza, Norwalk  
Kim Kell, Milford  
Thomas Kulhawik, Norwalk  
Mark Langton, Middletown  
Cynthia Mangini, Enfield  
Denise Menard, East Windsor

## CLAIMS ADVISORY COMMITTEE, continued

Timothy O'Neil, Manchester  
Mark Palmer, Coventry  
Lisa Pellegrini, Somers  
Daniel Roche, New Haven  
Joseph Samolis, Middletown  
Greg Simmons, Manchester  
Kori Wisneski, Middletown  
Susan Zecca, Norwalk Police Department

## INVESTMENT COMMITTEE

Brandon Robertson, Avon, *Chairman*  
Elizabeth Bauer, Coventry  
Bruce Benway, Killingly  
Frank Chiaramonte, Harwinton  
Gary Conrad, Westport  
Judy Doneiko, Milford  
Adam Dunsby, Easton  
Sean Hendricks, Killingly  
Barbara Henry, Roxbury  
Denise Menard, East Windsor  
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  
Jose Claudio, Somers  
Robert Gagne, Orange  
Jeremiah Johnson, Darien  
Brian Klett, Rocky Hill  
Thomas Kulhawik, Norwalk  
Brett Mahoney, Waterford  
Michael Maniago, Torrington  
Keith Mello, Milford  
Marc Montminy, Manchester  
Marc Palmer, Coventry  
Murray Pendleton, Waterford

LAW ENFORCEMENT ADVISORY  
COMMITTEE, *continued*

Matthew Reed, South Windsor  
Tim Silva, Waterford  
Elliot Spector, Hasset & George PC  
Michael Spera, Old Saybrook  
Edward Stephens, Wolcott  
William Tanner, POST  
Thomas Terrible, Guilford  
Beau Thurnauer, East Hartford

OPERATIONS & UNDERWRITING COMMITTEE

Matthew Galligan, South Windsor, *Chairman*  
Rob Buden, Plainville  
Maria Capriola, Mansfield  
Thomas Cooke, Simsbury  
Lucian Jachimowicz, Newton Public Schools  
Karl Kilduff, Darien  
Tom Landry, Weston  
Kimberly Lord, East Windsor  
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*  
Denise McNair, Berlin, *Vice Chairman*  
Harold Alvord, Norwalk  
Ruth Checko, Avon  
Janette Devendorf, Manchester  
Gil Fried, University of New Haven  
David Gofstein, Coventry  
Glenn Marston, Avon

RISK MANAGEMENT ADVISORY  
COMMITTEE, *continued*

Mary McCarthy, CT Technology Transfer Center  
Lee Palmer, Darien  
Stephen Pendl, Cromwell  
Raymond Purtell, Glastonbury  
Kirk Severance, Granby  
Elliot Spector, Hasset & George, P.C.  
Michael Spera, Old Saybrook  
J. Darren Stewart, Stonington  
William Tanner, POST  
Kenneth Tucker, CT Dept. of Labor, OSHA  
Division  
Michael Turner, Wethersfield  
Mark Walter, East Haddam  
Patricia Washington, Glastonbury  
Michael Wilkinson, Tolland

SCHOOL DISTRICT ADVISORY COMMITTEE

Julie Pendleton, Old Saybrook Public Schools,  
*Chairman*  
Steven Wapen, EASTCONN, *Vice Chairman*  
Patricia Brooks, Manchester Public Schools  
Steven Busel, Plainville Public Schools  
Cindy Cruz, Plainville Public Schools  
Michele DiMauro, Middletown Public Schools  
Susan Domanico, Torrington Public Schools  
Peter Gerardi, Killingly Public Schools  
Donald Harwood, East Hampton Public Schools  
Nancy Haynes, Middletown Public Schools  
Timothy Howes, Wethersfield Public Schools  
Jason Lehman, East Hampton Public Schools  
Steven Michaud, Plainville Public Schools  
Steven Mills, Windsor Locks Public Schools  
Lee Palmer, Norwalk Public Schools  
Michael Purcaro, Vernon Public Schools  
Kenneth Roy, Glastonbury Public Schools  
Michael Spera, Old Saybrook

# 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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