



CONNECTICUT INTERLOCAL RISK MANAGEMENT AGENCY

ANNUAL REPORT

2015-16

Member Owned
Member Governed



Financial Strength
& Stability



Building better
communities to live,
learn, & work in

CIRMA

Member Owned
Member Governed

President's Message



David Demchak, ARIM
President & Chief Executive Officer

Municipal leaders founded CIRMA on the belief that they could, by pooling their resources and working together, create an organization that could serve them far better than the commercial insurance market. They were right.

Today, CIRMA not only outperforms, outpaces, and out-delivers every other municipal insurer, we play a vital part in our members' communities by providing outstanding financial strength and innovative services.

In 2015 - 16, CIRMA:

- Declared a Members' Equity Distribution of \$3.2 Million, bringing total distributions to \$14.7 Million over six years.
- Delivered unparalleled rate stability with 0% rate-need for both pools in 2015-16 and 2016-17.
- Delivered quality medical care with cost savings of over \$24.7 Million through our managed care program.
- Provided new risk management solutions, including the E-Learning Center, safety awareness programs, and law

enforcement risk management programs.

- Introduced new and enhanced coverage solutions.
- Working with members, CIRMA increased online Workers' Compensation claims reporting to over 80%, up from 30% just two years previously.

CIRMA's achievements are made possible, in part, by our expert underwriting, business analytics programs, and sound financial management. CIRMA achieved successes across all core operations. Our strategic investment in automation systems and increased efficiencies in our Claims and Underwriting processes have produced reductions in expenses over the past year—savings that directly benefit CIRMA members.

CIRMA set many financial records this year:

- Members' Equity reached \$115 Million, a new high.
- Premiums reached \$94 Million, a new high.
- Assets reached \$344 Million, also a new high.

From our founding in 1980, CIRMA's mission has been to anticipate and respond to the risk management and financing needs of its members.

Our 100% member renewal attests to our success in meeting our mission with long-term rate stability, broader coverages, and expanded products and services.

CIRMA's true success is found in its members' achievements

As important as the year's financial and operational results are, CIRMA's most significant achievements are found everyday throughout Connecticut in the town halls, schools, parks, and communities of our members.

Our members' employees, volunteers, and students work and learn in safer, more productive environments. Costs are reduced. The quality of life in their towns and cities is enhanced. Their communities are more resilient, and they are better prepared for the future.

This year CIRMA members continued to build their risk management programs and to increase the safety, security, and well-being of their workplaces and communities. A record 6,348 member employees participated in CIRMA training and education programs. By implementing CIRMA best practices and innovative solutions, CIRMA members achieved large, sustained reductions in the frequency and severity of losses in both pools—reductions that benefit their

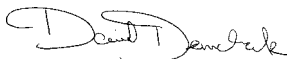
communities through reduced costs and improved operations, accidents and injuries averted. Again, by empowering members, CIRMA meets its mission.

As a member-owned and governed organization, the results its members achieve are the true measure of CIRMA's success.

Together, we are CIRMA.

By working in partnership with our members, business partners, and strategic alliances, we've built a unique organization. CIRMA will continue to help make our communities better and safer places to live and work and to bring value to our communities long into the future.

Sincerely,



David Demchak, ARM
President & CEO, CIRMA



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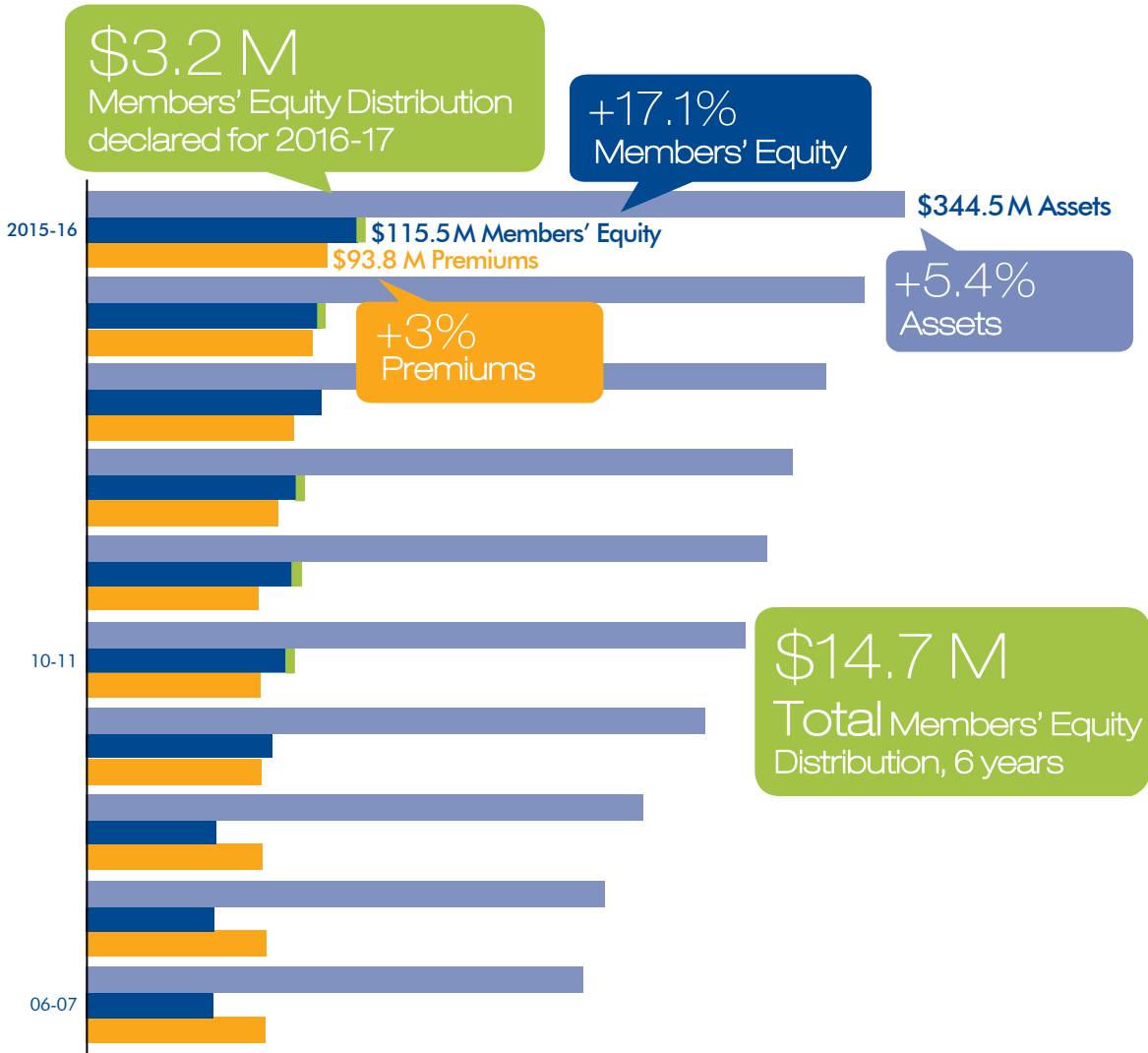
Financial Statements 2015-16

ASSETS	2015-16	2014-15
Invested Assets	\$325,894,813	\$306,519,452
Cash & Receivables	18,587,884	20,439,184
TOTAL ASSETS	\$344,482,697	326,958,636
LIABILITIES		
Reserves	224,425,364	\$220,021,312
Current Liabilities	4,561,262	8,286,009
TOTAL LIABILITIES	228,986,626	228,307,321
MEMBERS' EQUITY		
Members' Equity, Beginning of Year	98,651,315	99,219,597
Excess of Revenues over Expenses	20,044,752	1,877,510
Distribution of Members' Equity	(3,199,996)	(2,445,792)
MEMBERS' EQUITY, END OF YEAR	\$115,496,071	98,651,315
TOTAL LIABILITIES & MEMBERS' EQUITY	\$344,482,697	\$326,958,636
REVENUES		
Premiums & Commissions	\$93,794,988	\$91,060,537
Reinsurance Premiums	(14,509,161)	(14,901,408)
Investment Income	13,389,985	5,021,227
TOTAL REVENUES	\$92,675,812	81,180,356
EXPENSES		
Provision for Loss & LAE	\$63,790,399	\$68,746,234
Second Injury Fund	1,546,222	1,530,148
General & Administrative	7,294,439	9,026,464
TOTAL EXPENSES	72,631,060	79,302,846
EXCESS OF REVENUES OVER EXPENSES	\$20,044,752	\$1,877,510

Auditors, Grant Thornton LLP

Assets, Premium & Members' Equity, 10-Year growth, 2015-16

Outstanding growth in Total Assets, Premiums, and Members' Equity for 2015-16!

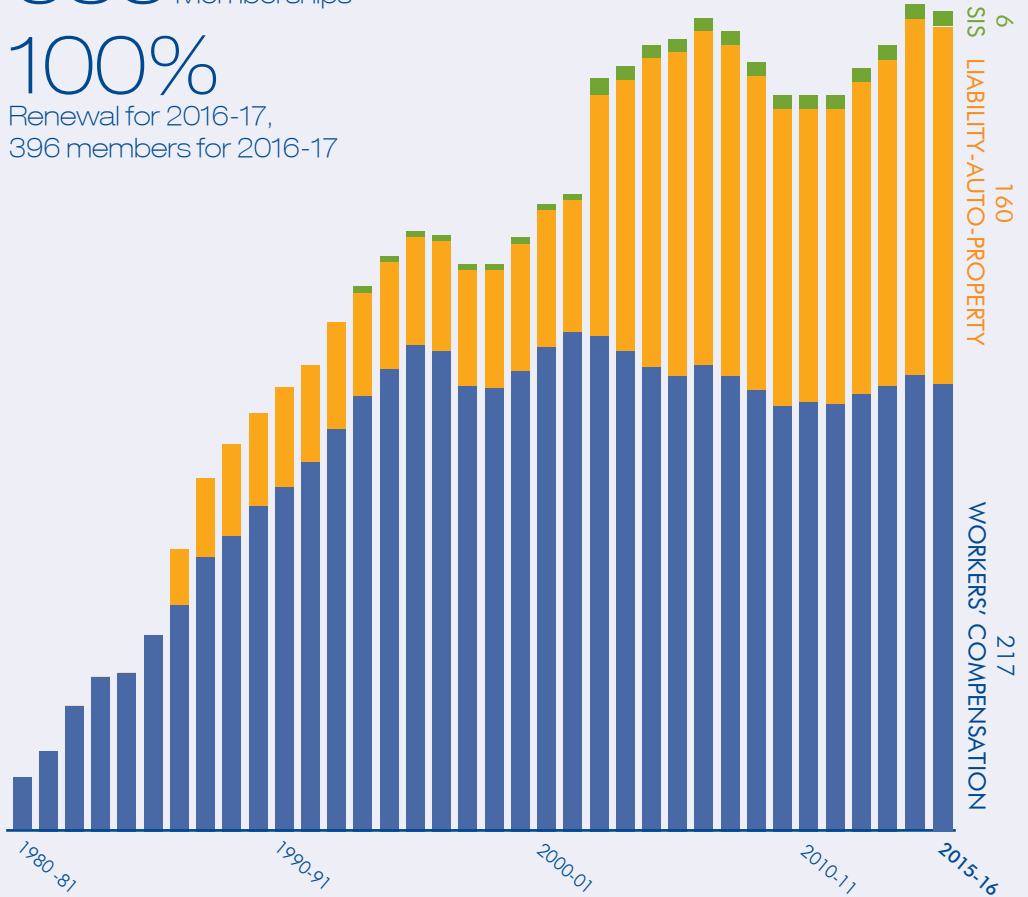


Membership Growth 2015-16

383 Memberships

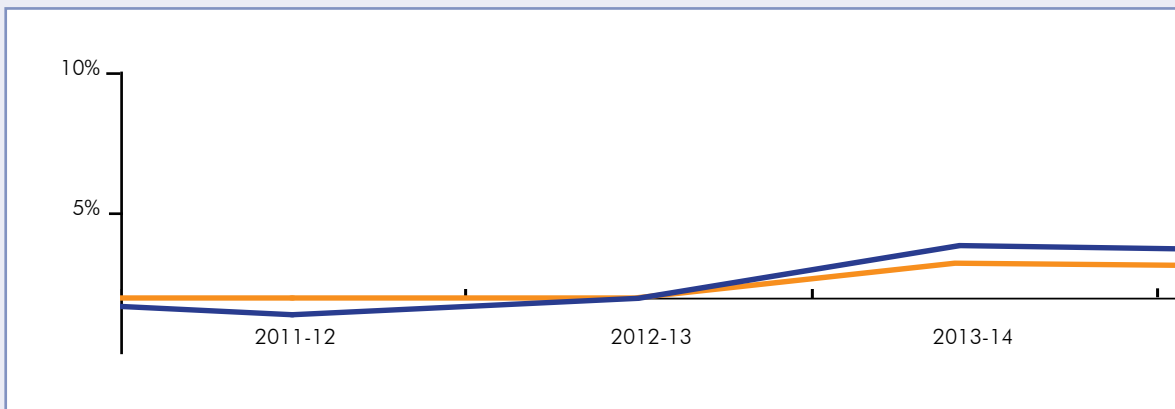
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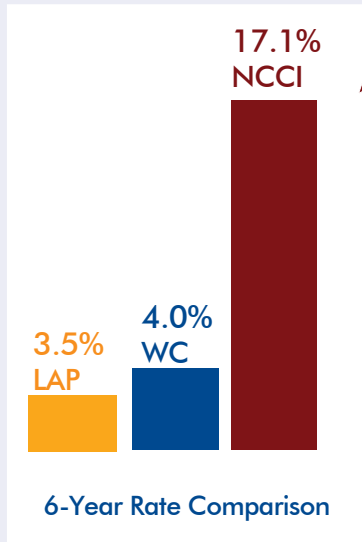
Renewal for 2016-17,
396 members for 2016-17



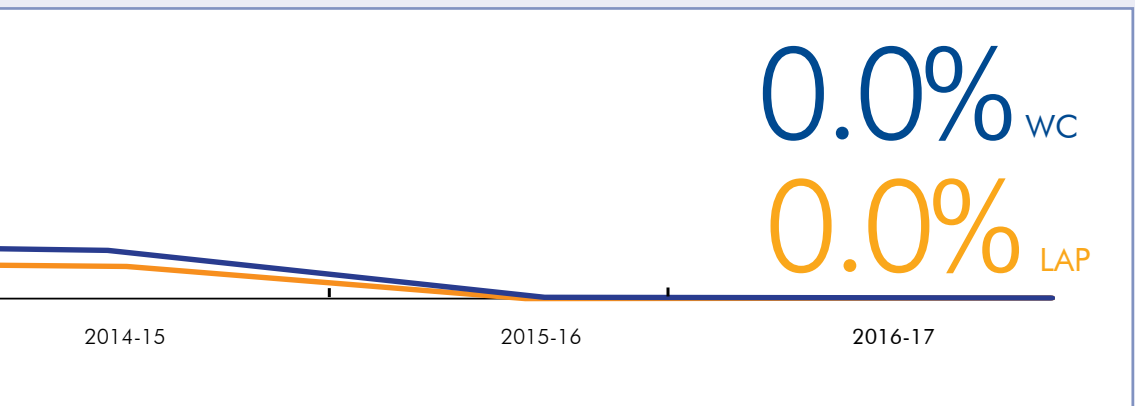
Long-Term Rate Stability

“Ensuring the availability of insurance coverage...
and creating stability in the marketplace.”





CIRMA's long-term rate stability is shown in this comparison of NCCI's and of CIRMA's 6-year cumulative rate need.

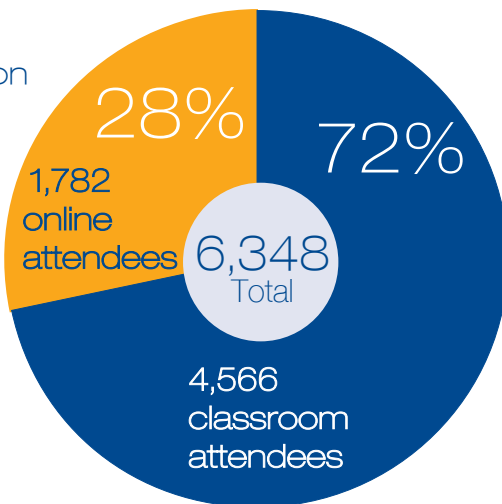


Risk Management Training & Education Programs 2015-16







CIRMA's Risk Management & Education programs are targeted to loss drivers.

6,348

participants attended
CIRMA classroom and
E-Learning Center
programs.



Classroom &
E-Learning participants

	22 Management & Liability topics	1,483
	36 Employee Safety topics	4,220
	5 Emergency Services topics	268
	7 Public School topics	136
	3 Public Works topics	176
	3 Property Management topics	65

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New classroom and
E-Learning Center
Topics for 2015-16

CIRMA's Risk Profile 2015-16

LIABILITY-AUTO-PROPERTY

Total Operating Expenses	
Town	\$2,732,800,394
Public Schools	\$3,811,097,159
Total Operating Expenses	\$6,543,897,553

	Ambulances	107
	Buses (other)	148
	Fire Stations	202
	Fire Trucks	683
	Libraries	119
	Light Trucks	1,570
	Motorcycles	71
	Police Trucks	96
	Police Vehicles	2,130
	Private Passenger Vehicles	1,125
	Refuse Trucks	67
	School Buildings	714
	School Buses	449
	Sewage Treatment Plants	45
	Trailers	1,193
	Town Halls	112
	Trucks (other)	2,788
	Vans	746

Total Insured Property Value	\$15,670,493,960
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CIRMA provides tailored coverages for the unique risks of Connecticut municipalities & public schools

WORKERS' COMPENSATION



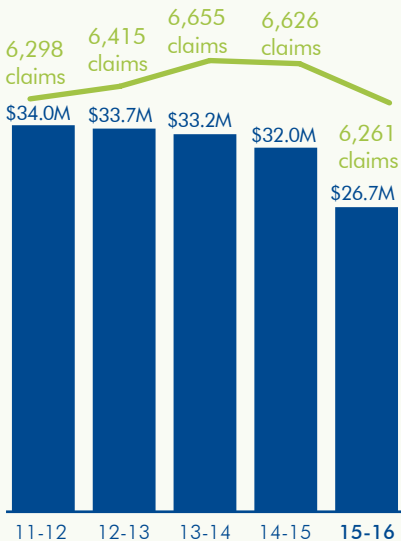
Total Payroll

\$3,219,749,749

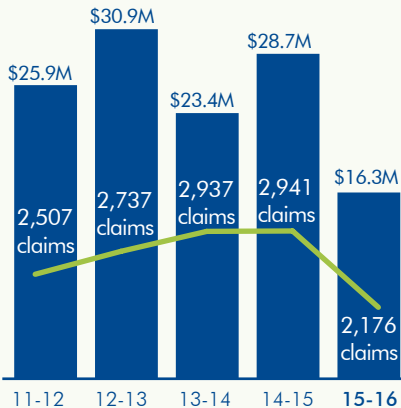
CIRMA Members' Risk Management Success

CIRMA members continued to achieve sustained reductions in both the frequency and severity of losses in both pools

WORKERS' COMPENSATION POOL



LIABILITY-AUTO-PROPERTY POOL




New! 2017 Excellence in Risk Management Awards

CIRMA's Excellence in Risk Management Awards program honors the leadership and commitment of those members who have made outstanding achievements in risk management.

TOWN OF SOUTHTON

Substantial Impact on Loss Cost Factors

Southington's executive-level Safety Committee created a workplace culture that first analyzes, then finds solutions to safety and risk management issues.

 Over the past four years, the Town of Southington achieved a reduction of 77% in Total Cost of Risk, 72% in lost work days, and a claims severity rate 50% lower than its peer towns.

NEW FAIRFIELD PUBLIC SCHOOLS

Establishing Risk Management as an Organizational Priority

The New Fairfield Public Schools are safer, more secure, and healthier places in which to work and learn because school leaders realized that their leadership played a pivotal role in creating a culture of safety across the organization.

 Workers' Compensation loss costs have been reduced by 83% and Workers' Compensation loss frequency by 53% since the 2011-12 policy period. Total Cost of Risk for 2015-16 was \$186,000, a reduction from \$1.1 Million in 2011-12.

TOWN OF WESTPORT POLICE DEPARTMENT

New and Innovative Risk Management Initiatives


Westport's Chief of Police created an innovative wellness program focused on the physical, mental, and emotional well-being of the officers to better prepare police officers to respond to calls and emergencies.

 Medical-only claims have decreased by over 50%, sick time has decreased, and the frequency and severity of Workers' Compensation claims are the lowest of their peer group.

TOWN OF VERNON & VERNON PUBLIC SCHOOLS

Sustained Risk Management Programs

Through the collaborative effort of Town and Public School leaders, departments, its Safety Committees, and CIRMA, the Town of Vernon and Public Schools created a culture of safety and risk management for employees and residents.

 The Town has achieved a decline of 30% in claims frequency and severity over the past several years; reporting lag time reduced from 13 days, to 4 days. The Public Schools have experienced a sustained 57% decline in claims frequency and 50% decline in severity over the past several years.

GOVERNANCE 2015-16

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CLAIMS ADVISORY COMMITTEE, continued

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Denise Lamontagne, Cromwell
Brett Mahoney, Waterford
Michael Maniago, Torrington
Keith Mello, Milford
Marc Montminy, Manchester
Marc Palmer, Coventry
Tim Silva, Waterford
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Michael Spera, Old Saybrook
Edward Stephens, Wolcott
William Tanner, POST
Beau Thurnauer, East Hartford

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Denise Menard, East Windsor
Lisa Pellegrini, Somers
Bonnie Reemsnyder, Old Lyme
Theodore Shafer, Burlington
William Smith, Granby
William Strachan, Consultant
Michael Wilkinson, Tolland
James Wren, Berlin

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Mary McCarthy, CT Technology Transfer Center
Lee Palmer, Darien
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, Columbia
Michael Wilkinson, Tolland

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Chairman
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Education Standards & Certification,
CT State Dept. Education
Michael Purcaro, Vernon Public Schools
Kenneth Roy, Glastonbury Public Schools
Dr. Paula Talty, Cromwell Public Schools

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.



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