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ANNUAL REPORT ■ 2019-2020





President's Message

CIRMA's Rich History

During these most uncertain and unprecedented of times, CIRMA celebrated a significant milestone: our 40th anniversary. Just over four decades ago, a sharp increase in the cost of liability insurance almost drove the insurance industry to the brink of collapse—municipalities, boards of education and local public agencies across the nation were deeply affected. In fact, during the crisis, an issue of Time Magazine's front page featured a sobering headline: "Sorry America. Your Insurance Has Been Canceled."

Out of these difficult times formed the humble beginnings of the Connecticut Interlocal Risk Management Agency. And over the last 40 years CIRMA has seen – and overcome – many challenging moments. Despite all this, the following remains true: in times of great disruption and uncertainty, our ability to stay grounded in our sense of purpose, and remain true to our mission has allowed us to deliver unmatched and sustainable results for our members.

Optimal Performance and Sustained Success

Today, we continue to proudly deliver critical insurance products and leading risk management and claims services for the communities where we work and live—and they are counting on us.

We have a demonstrated history of rising above our competitors. CIRMA's financial strength and performance, especially through these difficult times, exemplifies the undeniable value of our underwriting excellence, expense management discipline, and unmatched claim and risk management expertise. We continue to deliver new and innovative products and services that meet the evolving needs of our members and make strategic investments in technologies that systematically increase operational agility, bolster business efficiencies, and enrich member experiences across all of our lines of businesses.

We are better positioned than ever to continue our success and remain laser-focused on exceeding the expectations of our members. The long-term value of CIRMA is embodied in our strong financial and operational performance.

Over the last five years:

- Total **Assets** have **grown by \$70M**
- Our **combined ratio results outperformed the industry by almost 18 percentage points**
- **Members' Equity has grown by \$81M**
- Nearly **\$20M** in Members' Equity was distributed over the **last five years**, with **\$32M** distributed over the **last ten years**

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- Average **rate need** was **-2.54** for workers' compensation and **-0.82** for liability-auto-property
- **Over \$118M** in **medical cost savings** have been achieved through CIRMA managed care programs
- **Over 80,000** public-entity employees participated in **CIRMA training**

A Bright Future Ahead

Our strategic business imperatives will continue to propel us forward with a deep sense of clarity as we remain focused on investing in business intelligence and innovation, expanding our products and services, recruiting world-class talent, enhancing member engagement, and advancing CIRMA capital management strategies.

CIRMA's consistent financial and operational achievements continue to augment our ability to deliver substantial and sustainable competitive advantages, over time. Our focus, as always, will continue to be on helping to protect our members. We have the resources to solve tough problems. We are engaged in every facet of our industry and have the deepest commitment to our employees, our members, and our business partners.

A Promise Made. A Promise Kept.

Much has changed since 1980. Our industry continues to evolve at a rapid pace, and technology has transformed the way we connect and get things done—especially during a global pandemic. In light of all of this, we continue to emerge from a position of strength and vitality.

We continue to serve our members in profound ways that extend far beyond the limits of any policy. I believe this is largely because **our mission** was carefully constructed years ago to endure the test of time. **Our mission** has remained contemporary throughout the years and will continue to guide us for decades to come. **Our mission**, after all, remains the unequivocal keystone of **The CIRMA Promise**.

Sincerely,

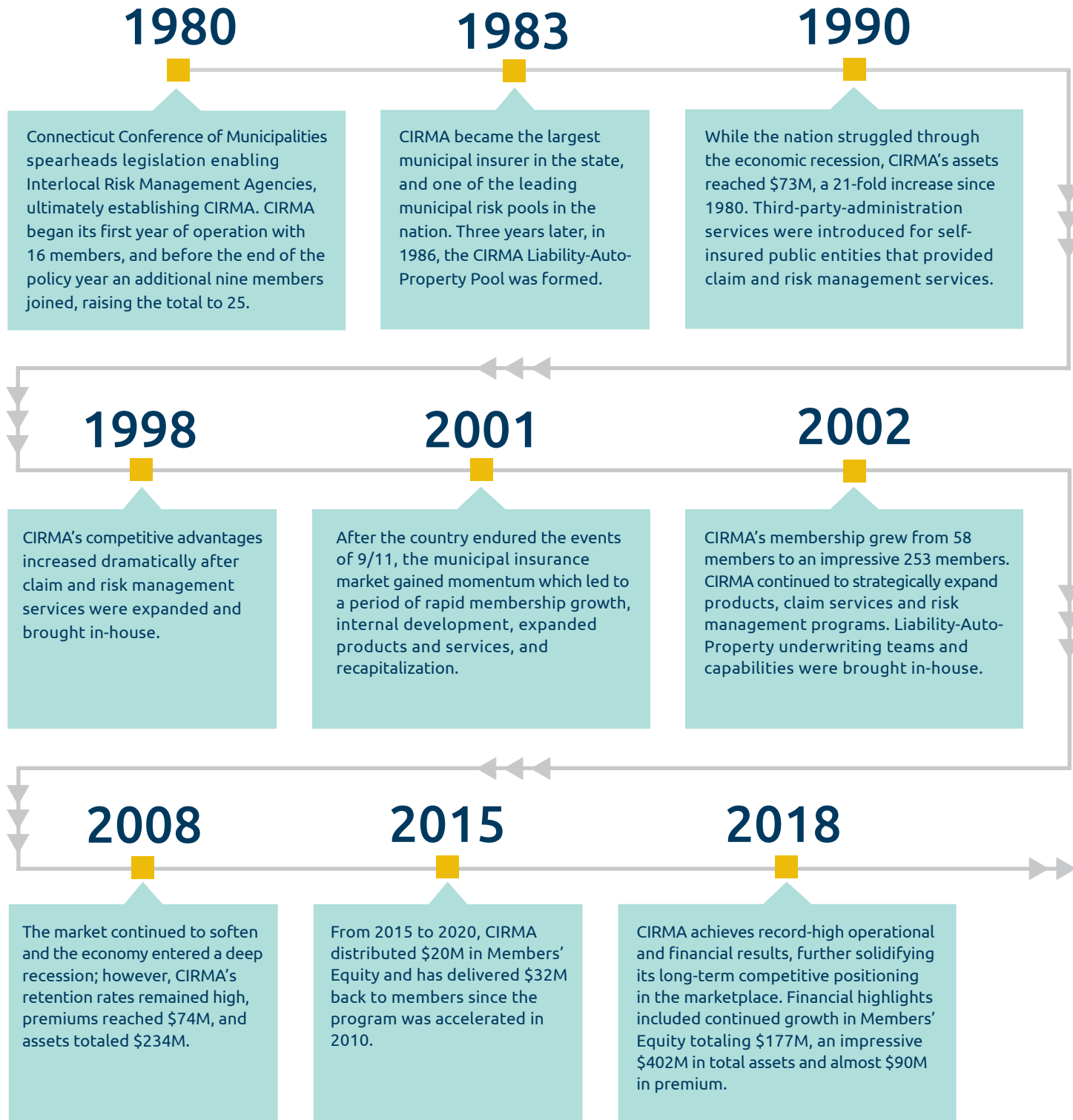


David Demchak, President & CEO,
Connecticut Interlocal Risk Management Agency

Celebrating 40 Years

A Promise Made.
A Promise Kept.

Important CIRMA milestones



CIRMA + Our Members. **Better Together.**



2019 Financial Statements

2020

ASSETS

	2019-20	2018-19
Invested Assets	\$374,366,105	\$364,490,370
Cash	\$18,115,520	\$27,307,534
Other Assets	\$9,970,458	\$10,943,487
TOTAL ASSETS	\$402,452,083	\$402,741,391

LIABILITIES

Reserves	\$214,540,000	\$218,751,000
Current Liabilities	\$3,572,937	\$6,514,426
TOTAL LIABILITIES	\$218,112,937	\$225,265,426

MEMBERS' EQUITY

Members' Equity, Beginning of Year	\$177,475,963	\$150,546,596
Excess of Revenues over Expenses	\$24,436,576	\$35,866,931
Distribution of Members' Equity	(\$1,902,103)	(\$4,819,367)
Statutory Adjustment to Equity	(\$15,671,291)	(\$4,118,197)
MEMBERS' EQUITY, END OF YEAR	\$184,339,145	\$177,475,963
TOTAL LIABILITIES & MEMBERS' EQUITY	\$402,452,083	\$402,741,391

REVENUES

Premiums & Commissions	\$88,893,167	\$94,488,137
Reinsurance Premiums	(\$15,285,273)	(\$15,381,543)
Investment Income & Other	\$12,852,334	\$10,791,278
TOTAL REVENUES	\$86,460,228	\$89,897,872

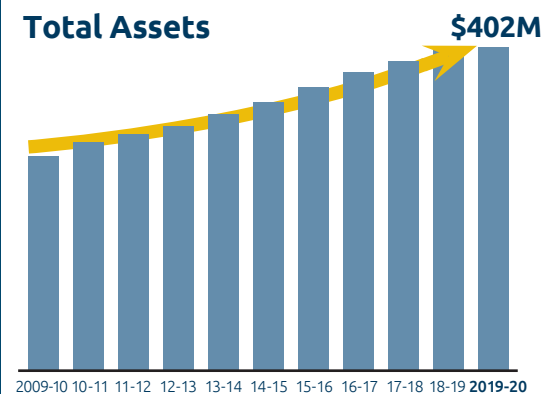
EXPENSES

Provision for Loss & LAE	\$51,459,068	\$44,605,942
Second Injury Fund	\$1,220,422	\$1,253,635
General & Administrative	\$9,344,162	\$8,171,364
TOTAL EXPENSES	\$62,023,652	\$54,030,941

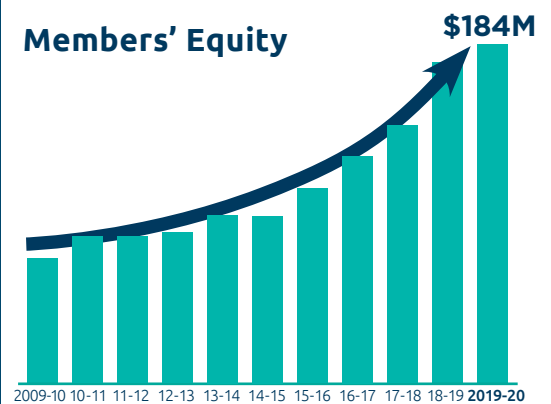
EXCESS OF REVENUES OVER EXPENSES

\$24,436,576	\$35,866,931
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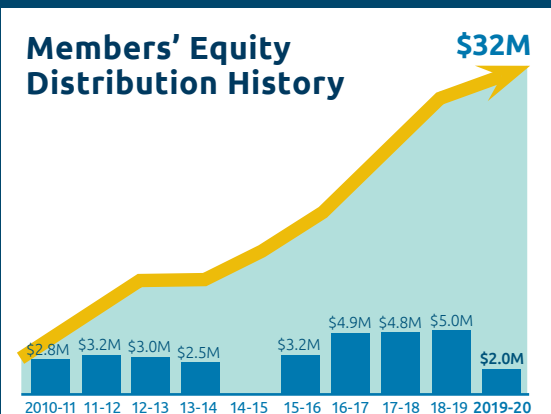
Total Assets



Members' Equity



Members' Equity Distribution History



Outstanding Financial Achievements

+\$70M

Increase in Assets
Over Last 5 Years

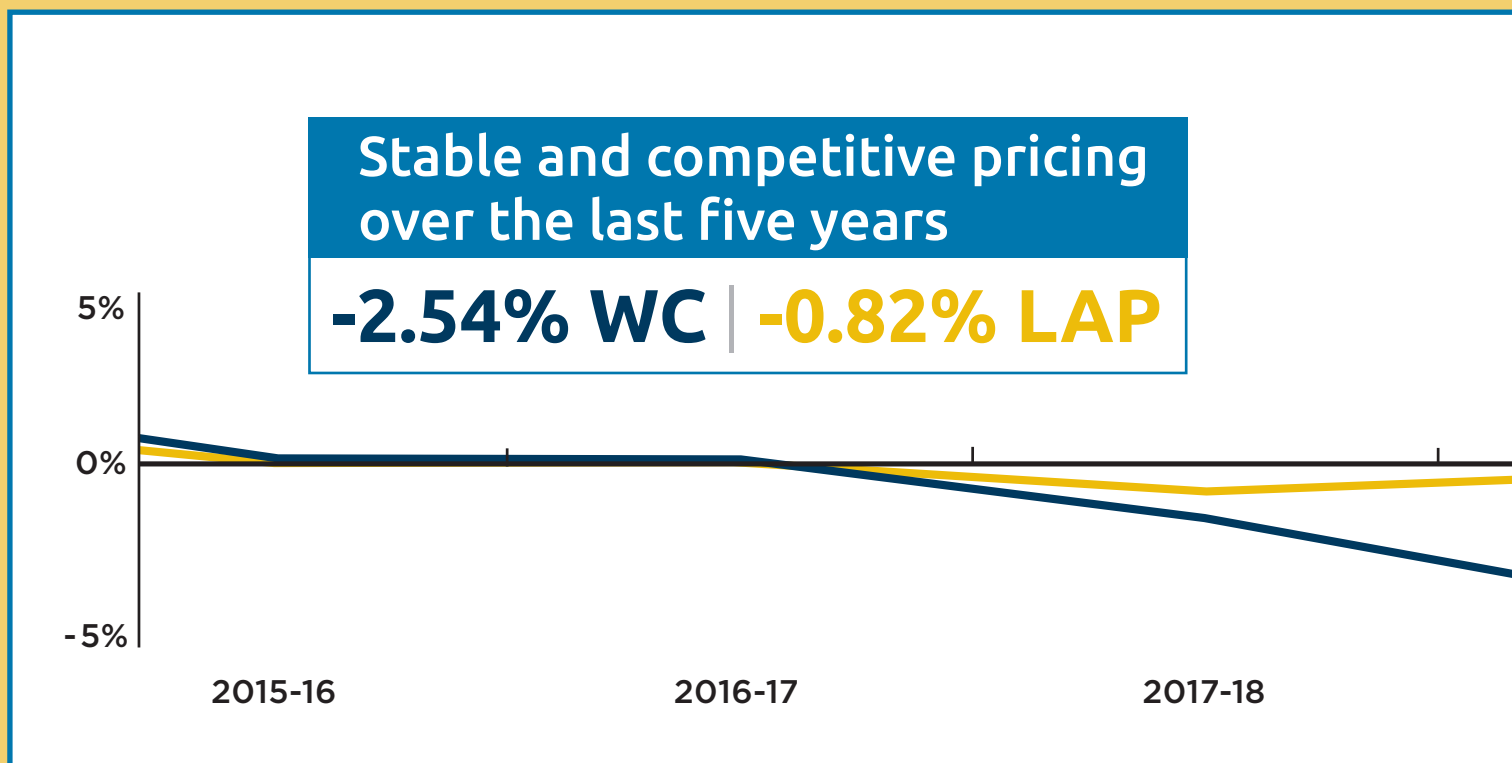
+\$81M

Increase in Members' Equity
Over Last 5 Years

\$32M

Total Members' Equity
Distribution Over
Last 10 Years

Long-Term Rate Stability



\$45,000,446

Total Premium for Rate
Stabilization Programs

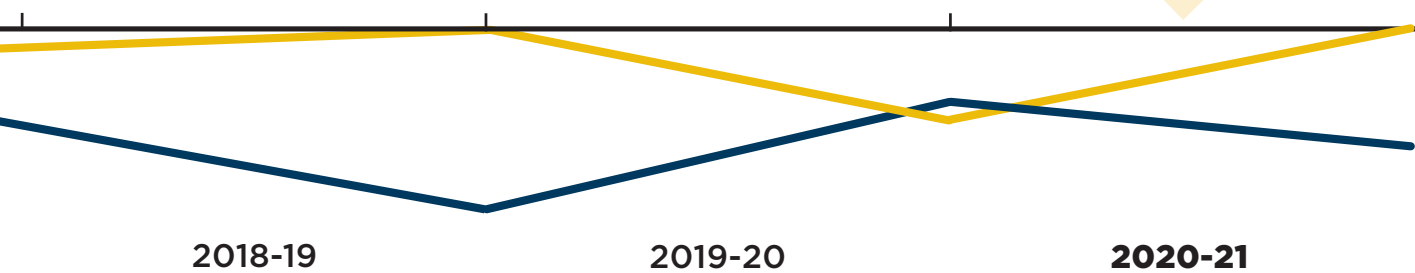


-3.0%

Workers' Compensation Pool

0%

Liability-Auto-Property Pool

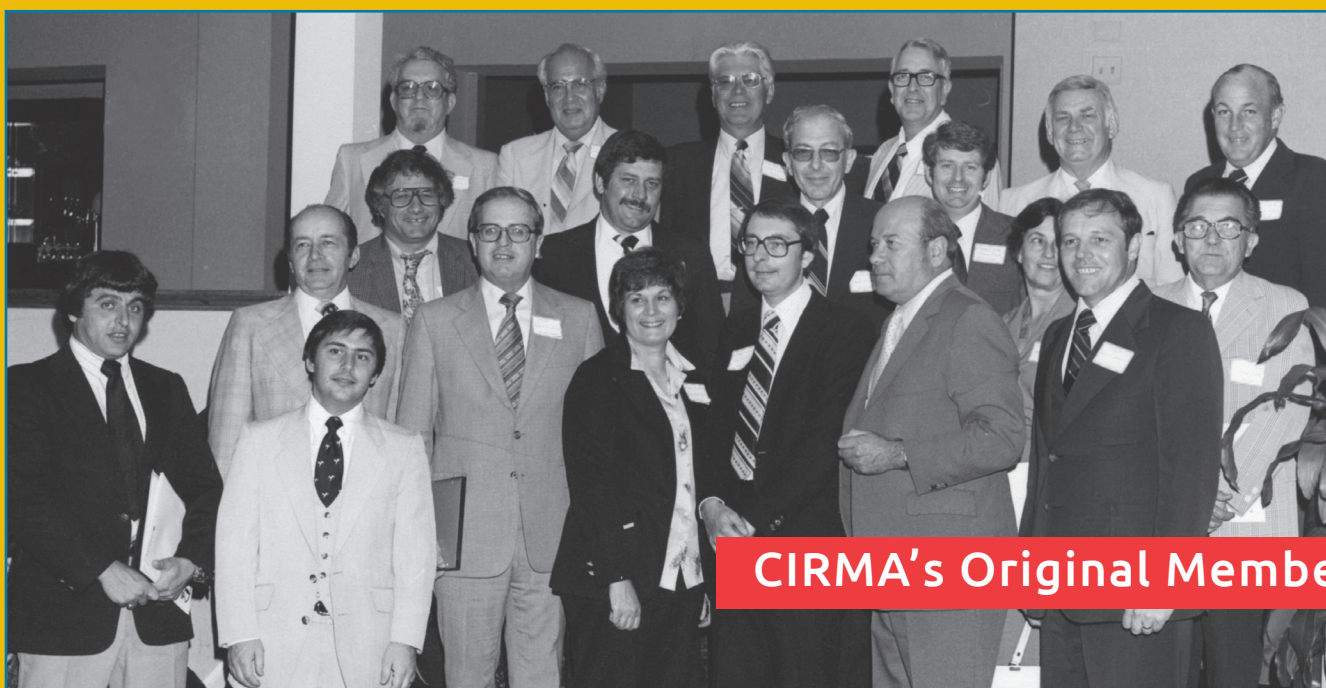


Members in Rate Stabilization Programs

Workers' Compensation Agreements	45
Liability-Auto-Property Agreements	123

Total 168

Member-Owned, Member-Governed



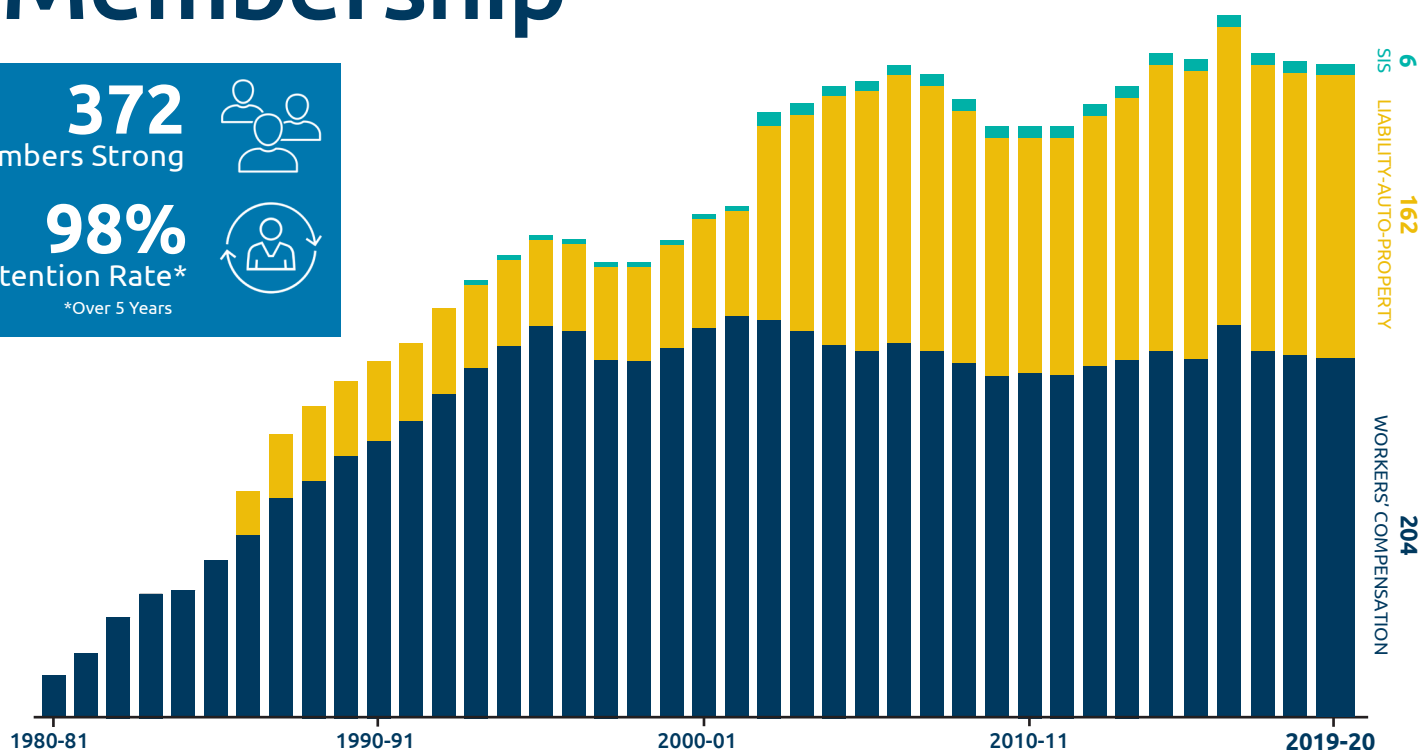
CIRMA's Original Members

Membership

372
Members Strong



98%
Retention Rate*
*Over 5 Years



6
LIABILITY-AUTO-PROPERTY
162
WORKERS' COMPENSATION
204

Risk Profile

Workers' Compensation Pool



\$3.4 Billion
Workers' Compensation
Total Payroll



71,400
Total Number of Employees
and Volunteers Protected

Liability-Auto-Property Pool

Armed Officers	3,039
Students	240,091
Ambulances	111
Buses (other)	157
Fire Stations	259
Fire Trucks	651
Libraries	119
Motorcycles	68
Passenger Vehicles	1,107
Police Vehicles	2,415
Refuse Trucks	73
School Buildings	740
School Buses	334
Sewage Treatment Plants	48
Trailers	1,281
Town Halls	123
Trucks*	4,425
Vans	731

*includes light trucks and trucks (other)



"With membership comes a partnership based on trust, reliability, stability, and unique value that transcends the typical customer/carrier relationship. CIRMA's ability to understand and mitigate risk through sophisticated analytical tools and tailored educational resources is unmatched."

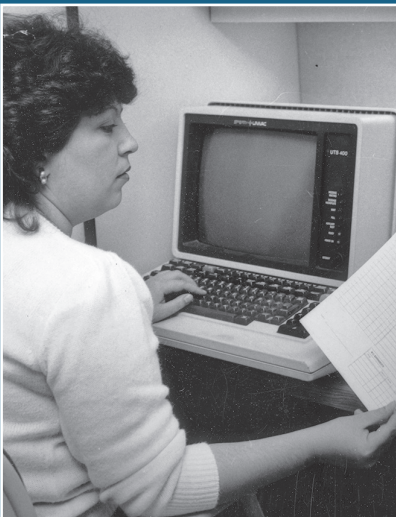
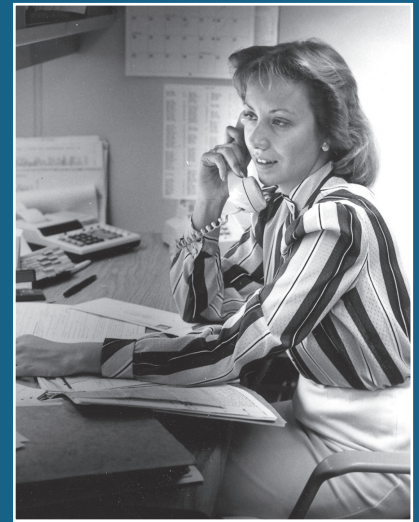
Jayne Stevenson
First Selectman, Town of Darien
Chairman, CIRMA
First Vice President, CCM



\$16.6 Billion
Total Insured Property Value

\$7.3 Billion
Total Operating Expenses

A Look Back In Time



Claim Highlights

Workers' Compensation Pool

TOTAL INCURRED
\$20,384,370

\$2,722,736

Preferred Provider
Network Savings

\$21,754,964

Total Bill Review
Savings

5,738 / 188

Claims Managed and
Settlements

10,911

Prescriptions Filled

\$794,502

Prescription Savings

6.2% vs. 13.7%*

Pharmacy Spend

*industry average



Total Managed Care Savings over the last five years **\$118,195,388**

Liability-Auto-Property Pool

TOTAL INCURRED
\$18,127,819

1,960

Claims Managed

136

Contracts Reviewed

Over \$8M

Favorable Litigation
Outcomes



Recovery/Subrogation

\$2,689,539

Subrogation

Total Recovery/
Subrogation over
the last 5 years

\$17,877,783



18

Percentage
Points

CIRMA's Claim outcomes contribute to combined ratio results that outperformed the industry by almost 18 percentage points, over the last five years.

Our ability to outperform the industry, year-over-year, validates the undeniable value of our underwriting excellence, expense management discipline, and unmatched claim and risk management capabilities and expertise.

Source: A.M. Best Combined Ratio Results, (2015-2019)

Risk Management Achievements

Training and Education

On-site Trainings



7,217

Workshop Attendees

273

Instructor-led Sessions

28,018

Total Number of Employees Trained

Web-based Trainings



19,241

E-Learning Participants

1,560

Webinar Participants

14

NEW Topics

NEW Publications



7 White Papers

4 School Announcements

4 Roll Call Topics

1 Best Practice Guide

4 Hot Zone Topics

4 Lessons Learned

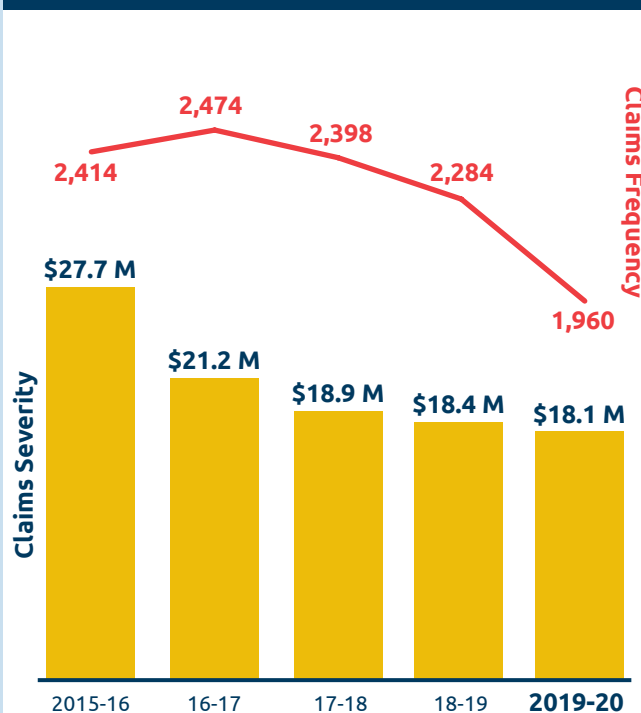
Member Consultation

8,029 Consulting Hours

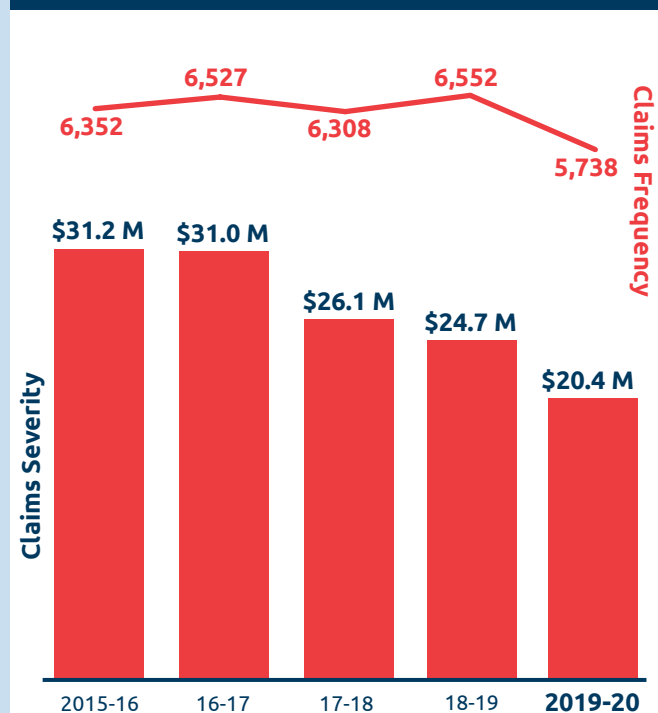
165 Stewardship Reports

275 Assessments Performed

Liability-Auto-Property Pool Results



Workers' Compensation Pool Results



2021 Excellence in Risk Management Awards

Cromwell Board of Education ■ Establishing Risk Management as an Organizational Priority

Education and training are essential components of an organization's safety and health program. A true testament to Cromwell BOE's sustained commitment to educating employees on the latest risk trends, approximately 250 employees from Cromwell Public Schools attended CIRMA Risk Management in-person training over the past year alone.

The Cromwell BOE team empowers staff with educational tools that uncover and close gaps to help mitigate losses. The team actively participates in CIRMA's School District Advisory Committee, and works in concert with CIRMA, bringing to bear all the expertise, tools and solutions necessary to deliver superior outcomes. The marked results realized include a significant decrease in the number of workers' compensation claims and a notable decline in Liability-Auto-Property claim costs, over the past year.

With a proven track record, the Cromwell BOE has been recognized for its dedication to the protection of its employees and community.

City of Middletown ■ Substantial Impact on Total Cost of Risk

Augmented by a strategic reorganization that streamlined investigatory processes and efficiencies, the City of Middletown substantially reduced costs by leveraging its partnership with CIRMA to gain in-depth knowledge of current and emerging regulations, safety and health management, and operational exposures.

Partnership is more than collaboration with our members; it's a long-term commitment to advocacy and solving problems to help them succeed. The Middletown Risk Manager and her team routinely engage with CIRMA Claims and Risk Management professionals. Both work closely to evaluate claim and risk management action items and develop practical solutions that solve complex challenges at facility and operation levels.

These efforts all add up to some impressive net results. Over the last six years, the City of Middletown has experienced a remarkable 41% decrease in overall Liability-Auto-Property claim severity and achieved approximately \$1.5M in legal cost savings.

Town of New Milford ■ Sustained Risk Management Programs

In today's environment, success requires vision. Public entities face unique risks that need long-term, sustainable solutions. With a laser focus on reducing risk across the board, the Town of New Milford implemented a robust employee training program that leverages CIRMA's educational tools and resources to improve workplace safety, reduce the cost of risk, and adhere to state and nationally-recognized standards.

Throughout the years, New Milford experienced a marked increase in program awareness and adoption. Over the last two years, 100% of employees successfully completed the training program using CIRMA's extensive suite of leading educational tools and resources.

Further amplifying the program's overall effectiveness, New Milford saw fewer workers' compensation claims with an almost 10% decrease in total claim volume. The Town also saw a notable decline in Liability-Auto-Property claims with a 41% reduction in claims over the last two years.

Vernon Board of Education ■ New and Innovative Risk Management Initiatives

In the wake of a global health crisis, educators were challenged to reimagine the world they once knew. And during a time of considerable duress, the Vernon Board of Education (BOE) would prove that while they couldn't predict the future, they could help control its impact.

The Vernon BOE sought out the District Health and Safety Committee's expertise and worked tirelessly throughout the summer months to construct a Re-Opening Plan for the 2020-2021 school year. The Vernon BOE also capitalized on its partnership with CIRMA. Recognizing the value of their bespoke core competence, Vernon worked closely with CIRMA's Risk Management team to implement critical health and safety protocols in preparation for the re-opening.

Due to their ongoing commitment to engaging strategic partners in unique and innovative ways, the Vernon BOE orchestrated a remarkably successful district-wide re-opening that others would widely emulate. The district has not experienced a single claim related COVID-19 exposures or its handling of the pandemic response.

Governance

BOARD OF DIRECTORS

* **Jayne Stevenson**, Darien, *Chairman*

* **Matthew Knickerbocker**, Bethel,
Vice Chairman

Mark Boughton, Danbury

Susan Bransfield, Portland

Elinor Carbone, Torrington

Thomas Dunn, Wolcott

Justin Elicker, New Haven

John Elsesser, Coventry

Laura Francis, Durham

* **Barbara Henry**, Roxbury

Matthew Hoey, Guilford

Catherine Iino, Killingworth

* **Marcia Leclerc**, East Hartford

Curt Leng, Hamden

Michael Passero, New London

Leo Paul Jr., Honorary Member

* **Herbert Rosenthal**, Newtown

John Salomone, Norwich

* **Scott Shanley**, Manchester

Mark Walter, Columbia

* *Executive Committee Member*

BUDGET AND AUDIT COMMITTEE

Herbert Rosenthal, Newtown, *Chairman*

Susan Bransfield, Portland

John Elsesser, Coventry

Barbara Henry, Roxbury



CLAIMS ADVISORY COMMITTEE

Kori Wisneski, Middletown, *Chairman*

John Ward, Granby, *Co-Chair*

Matthew Bacon, Middletown

Jonathan Berchem, Milford

Gary Conrad, Westport

Evonne Duzant, New Haven

Matthew Knickerbocker, Bethel

Mark Langton, Middletown

Kim Lord, Manchester

Dana McGee, Rocky Hill

Mark Palmer, Coventry

Lori Spielman, Ellington

Chris Toree, Norwalk

Shannon Walker, Windsor Locks

Susan Zecca, Norwalk

Kathi Zygmunt, Meriden

INVESTMENT COMMITTEE

Robert Swick, Milford Transit
District, *Chairman*

Jason Bowsza, East Windsor

Frank Chiramonte, Consultant

Gary Conrad, Westport

Judy Doneiko, Consultant

Rick Galarza, Hamden

Michael Gormany, New Haven

Barbara Henry, Roxbury

Paul Hopkins, Killingly

John Salomone, Norwich

LAW ENFORCEMENT ADVISORY COMMITTEE

J. Darren Stewart, Stonington, *Chairman*

Christopher Arciero, Canton

Nicholas Boulter, Simsbury

Scott Custer, South Windsor

Vincent DeMaio, Clinton

Christopher Ferace, Putnum

Brian Klett, Rocky Hill

Michael Kowal, CTIC

Thomas Kulhawik, Norwalk

Denise Lamontagne, Cromwell

John Lozefski, Cromwell

Brett Mahoney, Waterford

Marc O'Mara, CTIC

Mark Palmer, Coventry

Peter Reichard, New London

Tim Silva, Waterford

Elliot Spector, Hasset & George, PC

Michael Spera, Old Saybrook

Edward Stephens, Wolcott

William Tanner, POST

Michael Timbro, Middletown

OPERATIONS AND UNDERWRITING COMMITTEE

Maria Capriola, Simsbury, *Chairman*
John Ward, Granby, *Vice-Chairman*
Mary Calorio, Killingly
Michael Criss, Harwinton
Carl Fortuna, Old Saybrook
Nancy Haynes, Bloomfield
Lucian Jachimowicz, Newington Public Schools
Vanessa Perry, South Windsor

Michael Purcaro, Vernon
Bonnie Reemsnyder, Old Lyme
Christine Sasen, East Hartford
Theodore Shafer, Burlington
William Strachan, Consultant
Shannon Walker, Windsor Locks
Michael Wilkinson, Tolland

RISK MANAGEMENT ADVISORY COMMITTEE

Vanessa Perry, South Windsor, *Chairman*
Melissa Appleby, Simsbury
Brenda Bergeron, DEMHS
Nancy Conway-Raczka, Middletown
Janette Devendorf, Manchester
Marc Fasano, POST
Laura Francis, Durham
Mitch Goldblatt, Guilford
Mark Langton, Middletown Public Schools
Melissa Maltese, East Windsor
Dawn Maselek, Vernon
Mary McCarthy, CT Technology Transfer Center
Tim Nolan, Danbury

Lauren Rhines, Madison
Kirk Severance, Granby
Elliot Spector, Hasset & George PC
Michael Spera, Old Saybrook
Jayne Stevenson, Darien
J. Darren Stewart, Stonington
Kenneth Tucker, CT Department of Labor, OSHA
Mark Walter, Columbia
Steven Waznia, Berlin
Tim Webb, Ellington
Michael Wilkinson, Tolland
Louis Zullo, Cheshire

SCHOOL DISTRICT ADVISORY COMMITTEE

Dr. Patricia Ciccone, Westbrook Public Schools,
Chairman
John Barlow, Torrington Public Schools
Taryn Bonner, New London Public Schools
Steven Busel, Plainville Public Schools
Dr. Christine DeBarge, East Windsor Public
Schools
Michele DiMauro, Middletown Public Schools
Dr. Jo Ann Freiberg, School Climate
Consultants

Matthew Geary, Manchester Public Schools
Peter Gerardi, Killingly Public Schools
Jordan Grossman, Canton Public Schools
Joann Keating, New Canaan Public Schools
Jeffrey Nielsen, Milford Public Schools
Julie Pendleton, Old Saybrook Public Schools
Nancy Pugliese, CT State Department of
Education
Kenneth Roy, Glastonbury Public Schools



OUR MISSION

The purpose of the Connecticut Interlocal Risk Management Agency (CIRMA) is to meet the risk management and risk financing needs of Connecticut municipalities, boards of education, 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.

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.



Connecticut Interlocal Risk Management Agency

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