

CON

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wins the day



ANNUAL REPORT 2020-2021

A MESSAGE FROM OUR PRESIDENT & CEO

The environment in which we live and cope today is unlike what most of us have experienced in our lifetimes. It goes without saying that our assumptive worldviews are forever changed. Yet, as a community, we have found new ways to connect, empathize, and serve. Over the past year, we demonstrated unwavering care, focus, and commitment while doing all we could to push back against challenges and hold fast to the belief that we will emerge from these difficult times as a community. A community that refused to shrink in the face of adversity. **A resilient community that is stronger than ever.**

commUNITY wins the day

There's no need to return to normal because I believe **we've created something better.** The last year has awakened our sense of collective resiliency, and, more importantly, the importance of community and partnership has never been more punctuated. When you combine the power of a shared community, aligned mission and values, and mutual goals, the results are limitless.

The force that is the CIRMA community simply cannot be understated or replicated and will continue to set us miles apart from our competitors. Because of the sustained commitment and dedication demonstrated by our community of employees, members, board and committee volunteers, and business partners, **CIRMA is better positioned than ever before.**

landmark outcomes

The strength of our balance sheet continues to serve as a testament to our underwriting excellence, expense management discipline, and unmatched claim and risk management expertise. Our financial and operational achievements also fortify our ability to invest in new technologies and provide our members with the absolute best products and services that the industry has to offer. **To that end, I am both humbled and proud to share that CIRMA continues to deliver outstanding financial and operational outcomes.**

over the last five years:

- Total assets have grown by \$77M
- Members' Equity has increased by \$98.1M
- Nearly \$19M in Members' Equity was distributed over the last five years, with almost \$37M distributed in the previous eleven years
- The average rate need was -3.3% for workers' compensation and -0.34% for liability-auto-property lines of businesses
- Over \$117M in medical cost savings has been achieved through CIRMA managed care programs
- Over 88,000 public-entity employees and volunteers participated in CIRMA training

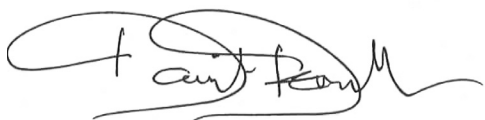
guided by our shared mission

CIRMA's mission remains the unequivocal keystone of our success. By staying aligned with its tenets, I am confident that we will continue to perpetuate our successes while exceeding the expectations of our members. The road to success is a journey rather than a destination, and CIRMA's strategic imperatives will continue to provide us with the unified direction we need. Therefore, we will continue our steadfast focus on investing in business intelligence and innovation, expanding our products and services, recruiting world-class talent, enhancing customer engagement, and advancing CIRMA capital management strategies.

**"if commUNITY
wins the day,
the day is ours."**

In closing, I'd like to extend my sincere gratitude and heartfelt appreciation to our community of employees, members, board and committee volunteers, and business partners. I believe that our community is impenetrable. Together, we have collectively redefined the meanings behind resiliency, dedication, service, and empathy. Our ability to transform adversity into opportunity while performing at tremendously high levels leaves me excited to see what we will accomplish together throughout the next year—**because if commUNITY wins the day, the day is ours.**

Sincerely,



David Demchak, President & CEO, CIRMA

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2020-2021 FINANCIAL STATEMENTS

assets	2020-2021	2019-2020
Invested Assets	\$402,258,783	\$374,366,105
Cash	\$27,272,197	\$18,115,520
Other Assets	\$7,966,097	\$9,970,458
Total Assets	\$437,497,077	\$402,452,083
liabilities & net assets		
Reserves	\$207,479,000	\$214,540,000
Current Liabilities	\$6,102,537	\$3,572,938
Total Liabilities	\$213,581,537	\$218,112,938
members' equity		
Members' Equity, Beginning of Year	\$184,339,145	\$177,475,963
Excess of Revenues Over Expenses	\$39,445,964	\$24,436,576
Distribution of Members' Equity	(\$4,905,064)	(\$1,902,103)
Statutory Adjustment to Equity	\$5,035,495	(\$15,671,291)
Members' Equity, End of Year	\$223,915,540	\$184,339,145
Total Liabilities & Members' Equity	\$437,497,079	\$402,452,083
revenues		
Premiums & Commissions	\$89,165,778	\$88,893,167
Reinsurance Premiums	(\$16,769,327)	(\$15,285,273)
Investment Income & Other	\$22,392,566	\$12,857,334
Total Revenues	\$94,789,017	\$86,460,228
expenses		
Provisions or Loss & LAE	\$41,305,793	\$51,459,068
Second Injury Fund	\$1,244,668	\$1,220,422
General & Administration	\$12,792,592	\$9,349,162
Total Expenses	\$55,343,053	\$62,023,652
Excess of Revenues Over Expenses	\$39,445,964	\$24,436,576



\$77M

increase in
assets over
last five years



\$98.1M

increase in
Members'
Equity over last
five years

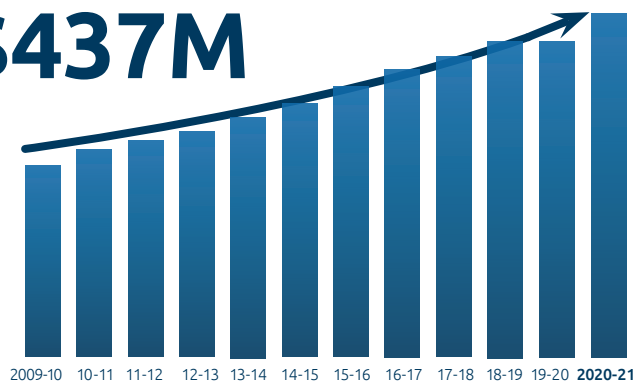


\$37M

total Members'
Equity
Distribution over
last 11 years

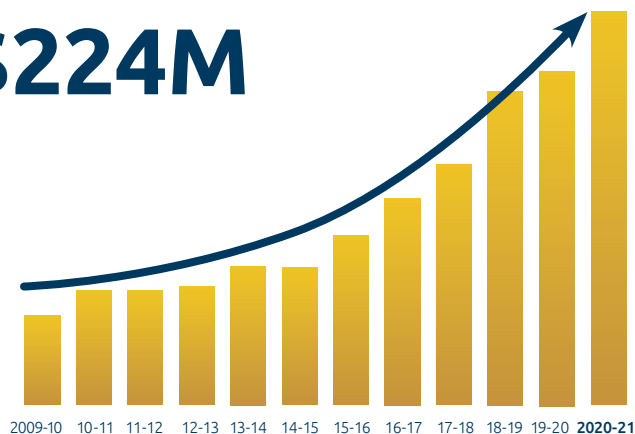
total assets

\$437M



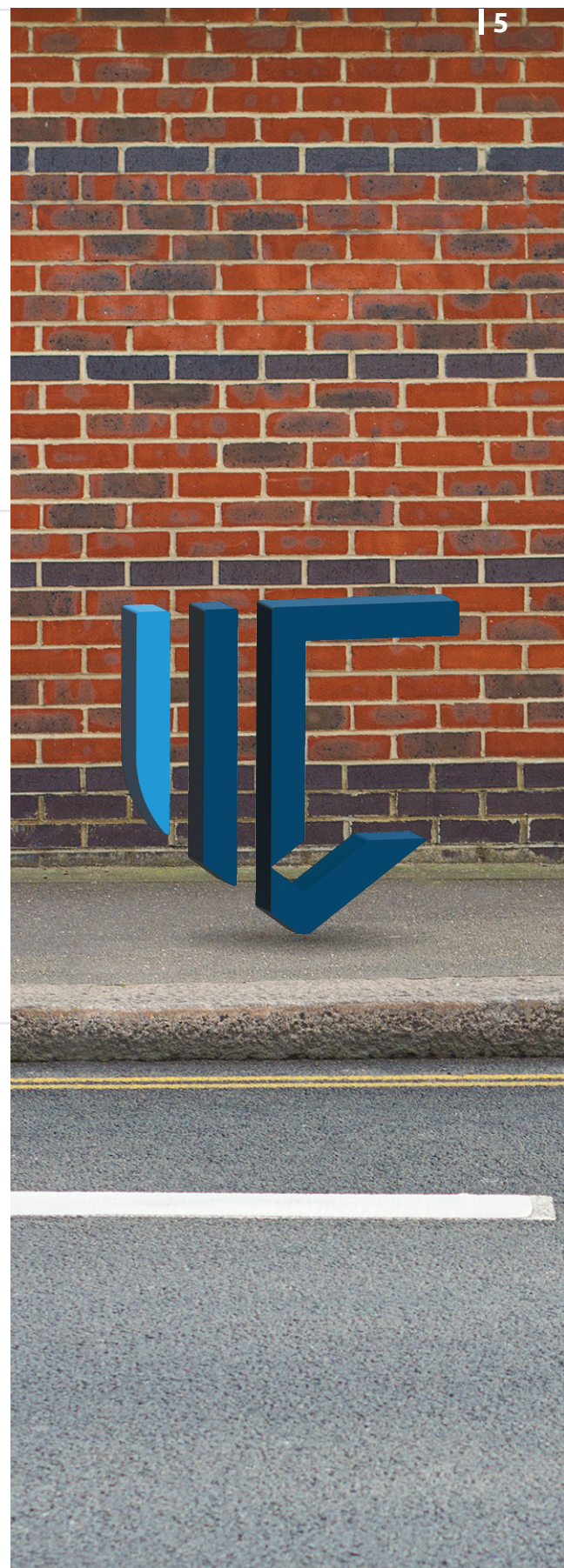
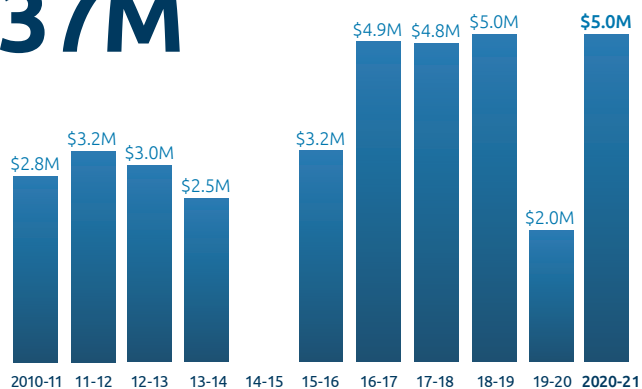
members' equity

\$224M



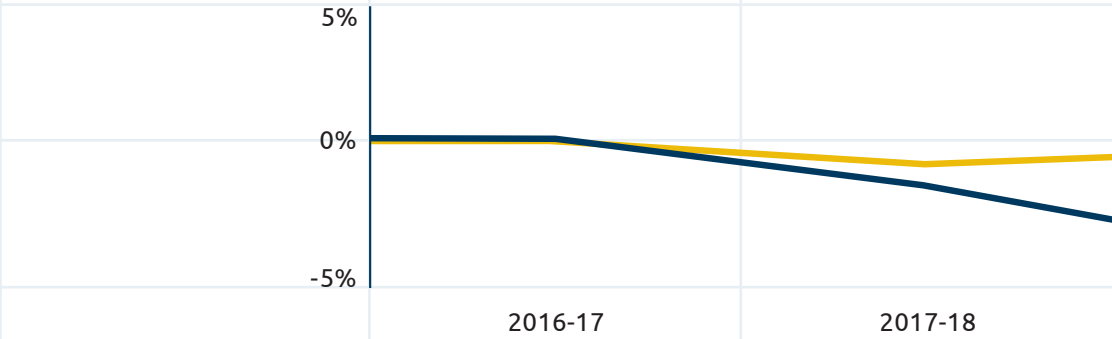
members' equity distribution history

\$37M



LONG-TERM RATE STABILITY

\$44.8M
Rate stabilization programs
total premium



Members in Rate Stabilization Programs:

44 + 124 = 168

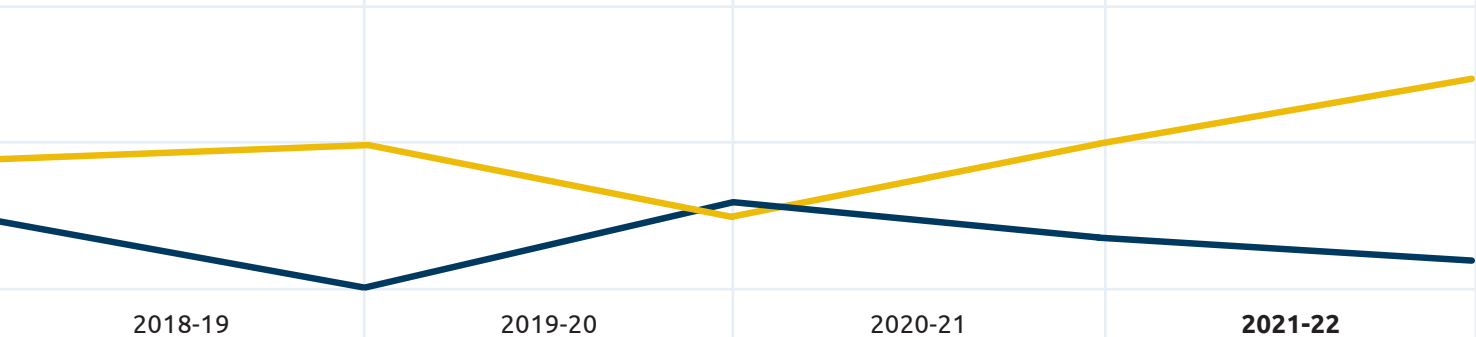
Workers'
Compensation
Agreements

Liability-Auto-
Property
Agreements

Total member
participants

2.4%

Liability-Auto-Property Pool



-3.8%

Workers' Compensation Pool

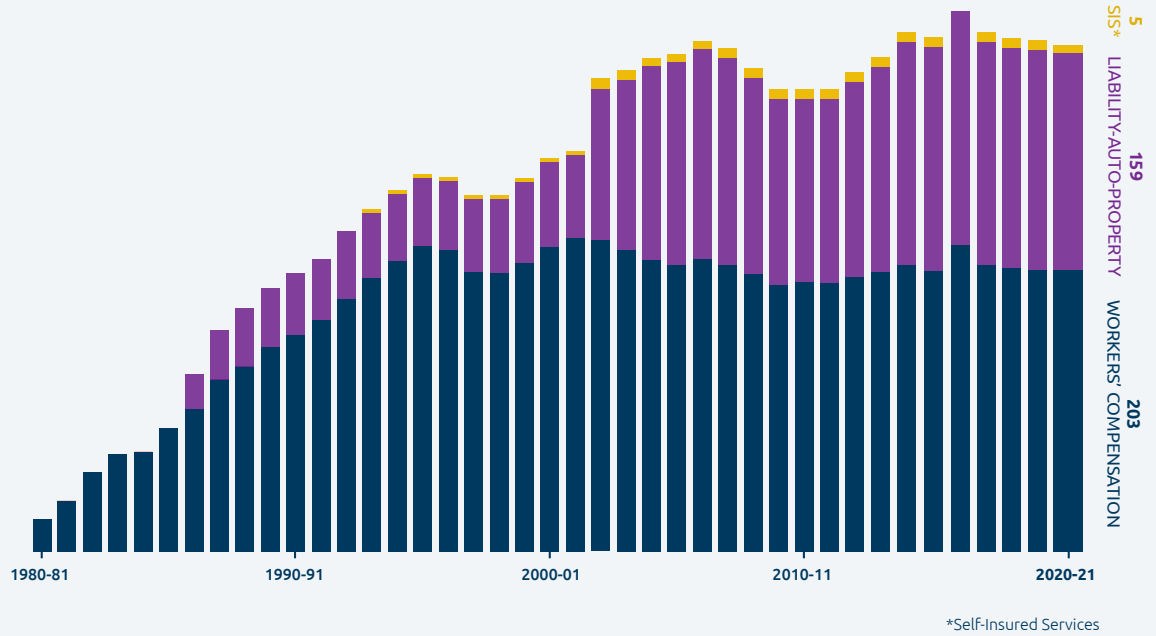
Stable and competitive pricing over the last five years:

-3.3% WC | 0.34% LAP

MEMBERSHIP

367 Members Strong

98% Retention Rate Over 5 Years



workers' compensation pool

\$3.4B Workers' Compensation Total Payroll

70K Employees & Volunteers Protected

liability-auto-property pool

3,055 Armed Officers
230,743 Students

119	Ambulances
174	Buses (other)
247	Fire Stations
627	Fire Trucks
116	Libraries
69	Motorcycles
1,107	Passenger Vehicles
2,390	Police Vehicles
83	Refuse Trucks
728	School Buildings
250	School Buses
48	Sewage Treatment Plants
1,240	Trailers
119	Town Halls
4,406	Trucks
695	Vans

CIRMA Community Wins Spotlight: Because Connecticut's Youth Deserve a Chance

CIRMA has a rich history serving Connecticut's communities, and we view the thousands of injured employees we support as extensions of the CIRMA family. In 2021 we embraced the opportunity to support local children who endure the effects of having a parent that has experienced an injury while on the job through a local non-profit, Kids' Chance Connecticut, an affiliate of Kids' Chance of America.

After identifying several congruencies between the two organization's community-centric missions, CIRMA's Board of Directors approved a generous \$10,000 contribution to Kids' Chance Connecticut.

Kids' Chance of America, prominently known as Kids' Chance, is a national non-profit organization that provides critical scholarships to children with parents who have been affected by a catastrophic workplace injury, including loss of life.

\$16.4B Total Insured Property Value
\$7.2B Total Operating Expenses

RISK MANAGEMENT ACHIEVEMENTS

on-site training



2,197 Workshop Attendees
119 Instructor-led Sessions

on-line training



15,155 E-learning Participants
3,110 Webinar Participants
33 New Topics Introduced

new publications



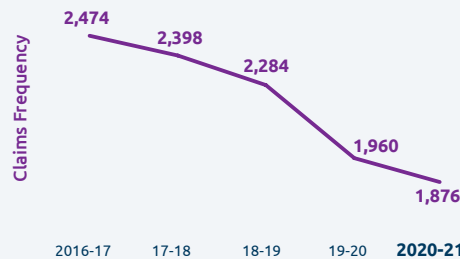
3 White Papers
3 Roll Call Topics
4 Hot Zone Topics
4 Lessons Learned
4 School Announcements

member consultation

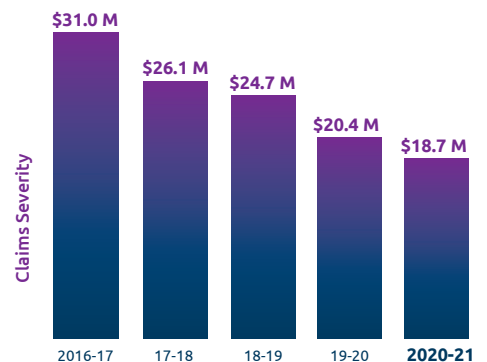
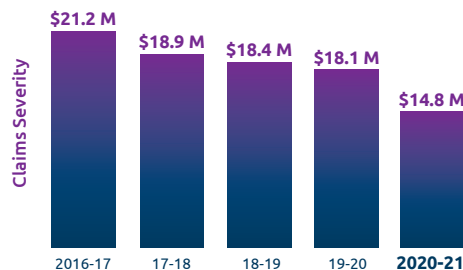
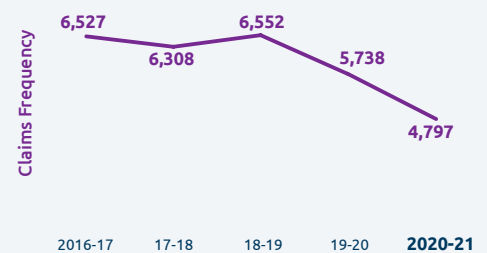


8,104 Consulting Hours
132 Stewardship Reports
214 Assessments Performed

liability-auto-property pool results



workers' compensation pool results



CLAIM HIGHLIGHTS



CIRMA's claim outcomes contribute to combined ratio results that outperformed the industry by almost 20 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: National Association of Insurance Commissioners U.S. Property & Casualty Industry Results





Total incurred

\$18,724,536

\$2,134,452
Preferred Provider
Network Savings
8,529
Prescriptions
Filled
\$19,454,663
Total Bill
Review Savings
\$654,546
Prescription
Savings
4,797/ 232
Claims Managed
and Settlements
5% vs. 13.7%*
Average Pharmacy
Spend

*industry average

Total Managed Care Savings
over the last five years:

\$117,423,419



| 11

Total incurred

\$14,817,888

1,876 Claims Managed

275 Contracts Reviewed

\$4M+ in Favorable Litigation Outcomes

recovery/subrogation


\$2,515,951

Subrogation

Total Recovery/Subrogation
over the last 5 years:

\$17,490,291

CIRMA CommUNITY Wins Spotlight: Courtesy Subrogation — a leading competitive advantage that sets CIRMA apart

It's an unfortunate reality that accidents happen throughout Connecticut public entities every day. It is even more unfortunate when the damaged property is not covered by insurance. When property damages are not covered under the policy, most insurance carriers abruptly halt the subrogation process, extinguishing the potential of recovering those losses.

Courtesy Subrogation Recovery accounted for approximately **\$357,000** of total subrogation recovery in 2020-2021

CIRMA's Subrogation Plus team proactively reviews potential subrogation opportunities and meticulously collects and analyzes pertinent facts to ensure members are not held responsible for losses that they're not liable for, even if the damages are not covered under their policy. The result? Maximized recoveries, promptly returned funds, and yet another example of the power behind the CIRMA Community.

2022 EXCELLENCE IN RISK MANAGEMENT AWARDS

sustained risk management program Town of Durham

A resilient organization leverages insights and resources to manage and mitigate risks. An exceptionally resilient organization also leverages long-term partnerships and views obstacles as strategic opportunities to grow over the long term.

This town's shared vision on effective risk management is consistently reinforced through its core values and behaviors—in Durham, employees walk the talk.

As a bona fide founding member, the Town of Durham and CIRMA mutually enjoy a long-standing partnership that spans over forty years. This partnership of continuous engagement and long-term commitment has proven effective through delivering sustained optimal outcomes—results that endure and continue to withstand the test of time. The following results represent a selection of the town's risk management successes:

- Over the past five years, the Town of Durham has significantly reduced workers' compensation claim severity by an average of 55% on an annual basis
- Favorable liability-auto-property claim severity outcomes have consistently set the Town of Durham apart over the past five years

establishing risk management as an organizational priority Town of Coventry Police Department

A safe work environment does not happen by accident. Entity leaders must create, plan, implement, communicate, and ensure safety programs are effective and tailored to their unique operations. Most importantly, employees must embrace their roles in making their workplace safer.

The Town of Coventry Police Department empowers staff with educational tools and resources to effectively mitigate risk and keep employees safe. An active and engaged CIRMA stakeholder, the Coventry Police Department leverages all aspects of our mutually beneficial partnership to ensure that risk management continues to be a top organizational priority. The police department continues to experience the benefits of fostering an ongoing, department-wide commitment to managing risk effectively within their entity and community. Here are some of the strategic tactics they used to accomplish their goals:

- Collaborated with the CIRMA Risk Management team to develop and implement a comprehensive enterprise risk management policy that helps build resilience and establishes a laser focus on delivering long-term value

- Effectively rolled out the comprehensive policy through a formal employee training model that helped ensure buy-in and long-term engagement across their workforce

substantial impact on total cost of risk Town of East Hartford

Anticipating, balancing, and managing risk often generates tremendous value and competitive advantage across an entity. However, it takes sustained dedication and commitment to realize a significant risk management transformation. The Town of East Hartford has earned the reputation of facing risk management with an unbridled sense of dedication and commitment. The team keeps pace with ever-changing employee training needs so that they can continue to focus on a central town tenet: maximizing the safety of its employees and the community they serve. Their efforts had a tremendous impact on the town; here's how they did it:

- Developed a comprehensive training program that effectively utilizes a suite of CIRMA risk management value-add training resources and services

- Demonstrated a multi-year commitment to targeted employee education and training by ensuring almost 100 employees were adequately trained and prepared to assess and mitigate risk to help reduce rising workers' compensation and auto losses
- Achieved a remarkable 80% reduction in auto claim severity over the last five years

new and innovative risk management initiative Town of East Lyme Department of Public Works

Public entities face unique risks that often require unique solutions. With a laser focus on their need to identify and address specific OSHA compliance standards among staff, the Town of East Lyme's Department of Public Works made an important strategic decision to reevaluate, reimagine, and fortify its approach to risk management. This led to creating an innovative initiative that allowed the department to usher in a new era of maintaining the highest levels of OSHA compliance standards.

The department implemented Safe-T-First, a new strategic initiative that would systematically address the department's risk management needs. This multi-dimensional program helped to remediate areas of compliance concern while assessing and strengthening the Town of East Lyme's overall operational resilience.

- The new and innovative initiative helps orient employees not only to the functional details of employment, such as appropriate safety procedures, but also to the safety culture of both the department and the entity as a whole
- The success of the initiative led to a newly developed and fully integrated safety manual resource, enhanced training, and introduced a variety of additional resources to empower employees to commit to improving workplace safety

CIRMA Community Wins Spotlight: The Excellence in Risk Management Awards

The Excellence in Risk Management Awards program was first introduced in 1982 to celebrate the accomplishments

of CIRMA members while raising the profile of the risk management discipline. Since then, each year, we celebrate CIRMA's Excellence in Risk Management Awards program by honoring members who have demonstrated notable distinction by building dynamic

teams of risk-management champions. The program has been credited for cultivating risk management advocates across the Nutmeg State for almost 40 years. Each year, CIRMA awards \$10,000 to risk management leaders in Connecticut communities.

MANAGEMENT
AWARD

New Milford

AWARDS
PROGRAM



GOVERNANCE

board of directors

Matthew Knickerbocker*, Bethel, Chairman
 Matthew Hoey, Guilford*, Vice Chairman
 Jayme Stevenson*, Darien, Outgoing
 Chairman (2019-2021)
 Mark Boughton, Danbury
 Susan Bransfield, Portland
 Elinor Carbone, Torrington
 Thomas Dunn, Wolcott
 Justin Elicker, New Haven
 John Elsesser, Coventry
 Carl P. Fortuna, Jr., Old Saybrook
 Laura Francis, Durham
 Barbara Henry*, Roxbury
 Catherine Iino, Killingworth
 Marcia Leclerc*, East Hartford
 Curt Leng, Hamden
 Edmond Mone, Thomaston
 Michael Passero, New London
 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, Vice Chairman
 Matthew Bacon, Middletown
 Jonathan Berchem, Milford
 Jason Bowsza, East Windsor
 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 Torre, Norwalk
 Shannon Walker, Windsor Locks
 Susan Zecca, Norwalk Police Department
 Kathi Zygmunt, Meriden

investment committee

Robert Swick, Milford Transit District, Chairman
 Jason Bowsza, East Windsor
 Gary Conrad, Westport
 Carl P. Fortuna, Jr., Old Saybrook
 Michael Gormany, City of New Haven
 John Salomone, Norwich

law enforcement advisory committee

J. Darren Stewart, Stonington, Chairman
 Christopher Arciero, Canton
 Nicholas Boulter, Simsbury
 Vincent DeMaio, Clinton
 Christopher Ferace, Putnum
 Brian Klett, Rocky Hill
 Thomas Kulhawik, Norwalk
 Denise Lamontagne, Cromwell
 Kristian Lindstrom, South Windsor
 John Lozefski, Middletown
 Brett Mahoney, Waterford
 Mark Palmer, Coventry
 David Rosado, Rose Kallor, LLP
 Tim Silva, Waterford
 Elliot Spector, Hasset & George PC
 Michael Spera, Old Saybrook
 Edward Stephens, Wolcott
 William Tanner, POST

operations and underwriting committee

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 Michael Criss, Harwinton
 Carl Fortuna, Old Saybrook
 Nancy Haynes, Bloomfield

Lucian Jachimowicz,
Newington Public Schools
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Theodore Shafer, Burlington
William Strachan, Consultant
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Michael Wilkinson, Tolland

risk management advisory committee

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Melissa Appleby, Simsbury
Brenda Bergeron, DEMHS
Nancy Conway-Raczka, Middletown
Marc Fasano, POST
Laura Francis, Durham
Mitch Goldblatt, Guilford
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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
Kenneth Tucker,
CT Dept. of Labor - OSHA Division
Mark Walter, Columbia
Steven Waznia, Berlin
Tim Webb, Ellington
Michael Wilkinson, Tolland

school district advisory committee

Dr. Patricia Ciccone,
Westbrook Public Schools, Chairman
John Barlow, Torrington Public Schools
Steven Busel, Plainville Public Schools
Michele DiMauro, Cromwell Board of Education
Dr. Jo Ann Freiberg, School Climate Consultants
Matthew Geary, Manchester 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 Dept. of Education



the CIRMA promise: our mission

The Connecticut Interlocal Risk Management Agency (CIRMA) aims to meet the risk management and risk financing needs of Connecticut's 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

about CIRMA

CIRMA was established as a Connecticut Conference of Municipalities (CCM) service program. Today, CIRMA is Connecticut's number-one municipal risk financing and risk management services provider for Connecticut's public entities. A member-owned and governed agency, CIRMA provides high-quality, tailored insurance for municipalities, school districts, and local public agencies.

CIRMA operates competitive Workers' Compensation and Liability-Auto-Property Risk Pools and provides holistic claims services and risk management solutions exclusively to the Connecticut public sector, including self-insured entities.



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