



CIRMA ANNUAL REPORT
2021-2022



**CIRMA + CT.
ALWAYS BETTER
TOGETHER.
NOW STRONGER
THAN EVER.**



David Demchak, ARM
President & CEO, CIRMA

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ALWAYS BETTER TOGETHER. NOW STRONGER THAN EVER.

Almost a half-century ago, our founders formed CIRMA with a salient vision: establish a **better** way to provide stable insurance protections and critical risk management and claims services for Connecticut's public sector by bringing community leaders **together**.

Throughout our history, the CIRMA Community demonstrated strength and stability when our local communities needed them the most. And although the only certainty we can truly rely upon is **uncertainty**, one constant remains—our mutual commitment to ensuring that, as a whole, we are **better together and stronger than ever**.

These words have meaning. They are purposeful. They are relevant. And they resonate throughout everything we do.

BETTER in that CIRMA Community members rely upon each other and work in unison toward common goals and a shared mission for long-term betterment and success.

TOGETHER in that we don't navigate the landscape alone—we are here and ready to partner and collaborate in ways that will see our communities through to a brighter tomorrow.

STRONGER in that we consistently demonstrate combined strength, fortitude, and unquestionable value across the CIRMA community—and these values converge and amplify to help see us through our most challenging times.

The strength of our balance sheet continues to solidify the undeniable power of our combined underwriting excellence, expense management discipline, unmatched claim and risk management expertise, and committed community. To that end, I am both humbled and proud to reflect upon the 2021–2022 fiscal year—in addition to the many accomplishments featured within this Annual Report, the following notable outcomes represent our sustained shared successes spanning over the last five years.

Over the last five years:

- Total Assets have **grown by \$46M**
- Our combined ratio results **outperformed the industry by almost 20 percentage points**
- Members' Equity has **grown by \$77.4M**
- Over **\$21.2M in Members' Equity was distributed over the last five years**, with nearly **\$42M total distributed over the last twelve years**
- The **average rate need was -3.22%** for workers' compensation and **-0.12%** for liability-auto-property
- Approximately **\$124M in medical cost savings** have been achieved through CIRMA managed care programs
- Almost **102,000 public-entity employees and volunteers participated** in CIRMA training

The long-term success we help our members achieve is not created overnight. Our partnership is a sustained endeavor. We take a long-term approach to deliver consistent, competitive, and dependable value to our members, and our accountability for each other has fortified over the years. Our shared mission—our mutual purpose, is the foundation of everything we do and remains critical to our long-term success.

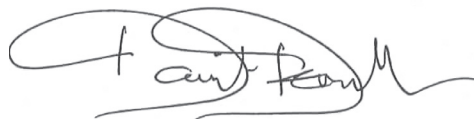
Our unwavering sense of advocacy and accountability for one another will continue to guide us toward a promising future. CIRMA's strategic imperatives remain evergreen and will continue to provide us with the unified direction we need to perpetuate the delivery of optimal financial and operational outcomes.

Over the next year, we will continue to focus on the following:

- **Building** and developing best-in-class talent
- **Advancing** capital management strategies
- **Leveraging** technology and data through business intelligence and innovation
- **Expanding** products and services tailored for our members
- **Enhancing** our members' engagement in managing risk

By bringing community leaders together, our founders established a better way to protect Connecticut's cities, towns, schools, and local public agencies. Our shared mission continues to stand the test of time and defines our roles in helping our members navigate all that can go wrong by remaining committed to doing what is right. My sincere gratitude and heartfelt appreciation go to our community of employees, members, board and committee volunteers, and business partners.

Thank you for your ongoing investment of time and trust. **We truly are better, together.**



David Demchak, ARM
President and CEO, CIRMA

**A MESSAGE
FROM OUR
PRESIDENT
AND CEO**



\$46M

increase in assets
over last five years



\$77.4M

increase in
Members' Equity
over last five years



\$42M

total Members'
Equity Distribution
over last 12 years

2021-2022 FINANCIALS

assets

Invested Assets	\$411,880,918
Cash	\$17,194,381
Other Assets	\$4,228,741
TOTAL ASSETS	\$433,304,040

liabilities

Reserves	\$199,607,178
Current Liabilities	\$5,708,930
TOTAL LIABILITIES	\$205,316,108

members' equity

Members' Equity, Beginning of Year	\$223,915,540
Excess of Revenues over Expenses	\$19,097,931
Distribution of Members' Equity	(\$4,724,875)
Statutory Adjustment to Equity	(\$10,300,664)
MEMBERS' EQUITY, END OF YEAR	\$227,987,932

TOTAL LIABILITIES & MEMBERS' EQUITY	\$433,304,040
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revenues

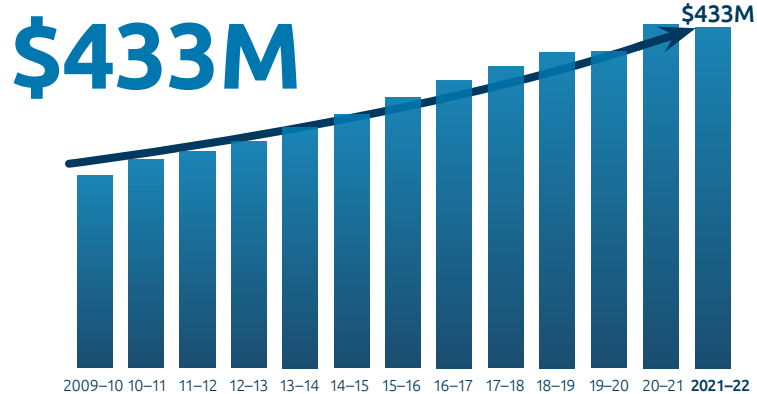
Premiums & Commissions	\$90,812,038
Reinsurance Premiums	(\$18,953,586)
Investment Income & Other	\$11,130,005
TOTAL REVENUES	\$82,988,457

expenses

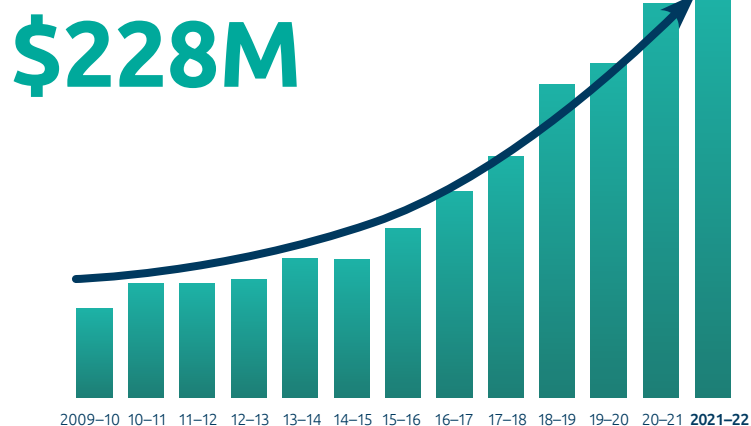
Provisions for Loss & LAE	\$50,136,828
Second Injury Fund	\$1,200,295
General & Administrative	\$12,553,400
TOTAL EXPENSES	\$63,890,523

EXCESS OF REVENUES OVER EXPENSES	\$19,097,934
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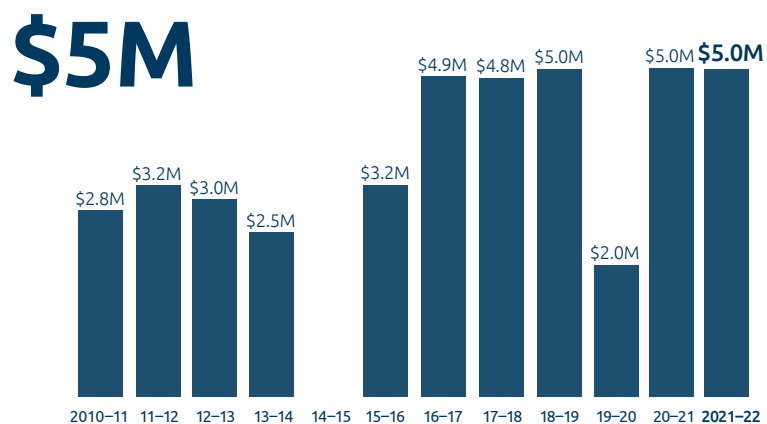
total assets



members' equity



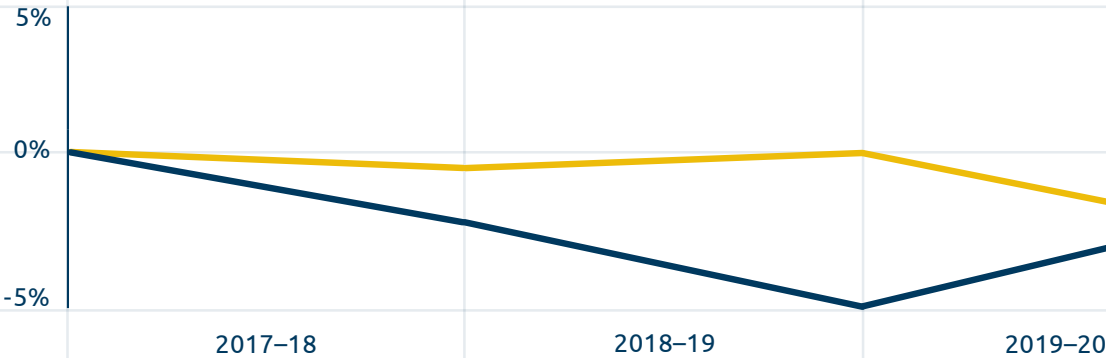
members' equity distribution



2021-2022 FINANCIAL STATEMENTS

**STABLE AND COMPETITIVE
PRICING OVER THE LAST FIVE YEARS:**

-3.22% WC | -0.12% LAP



MEMBERS IN RATE STABILIZATION PROGRAMS:

42

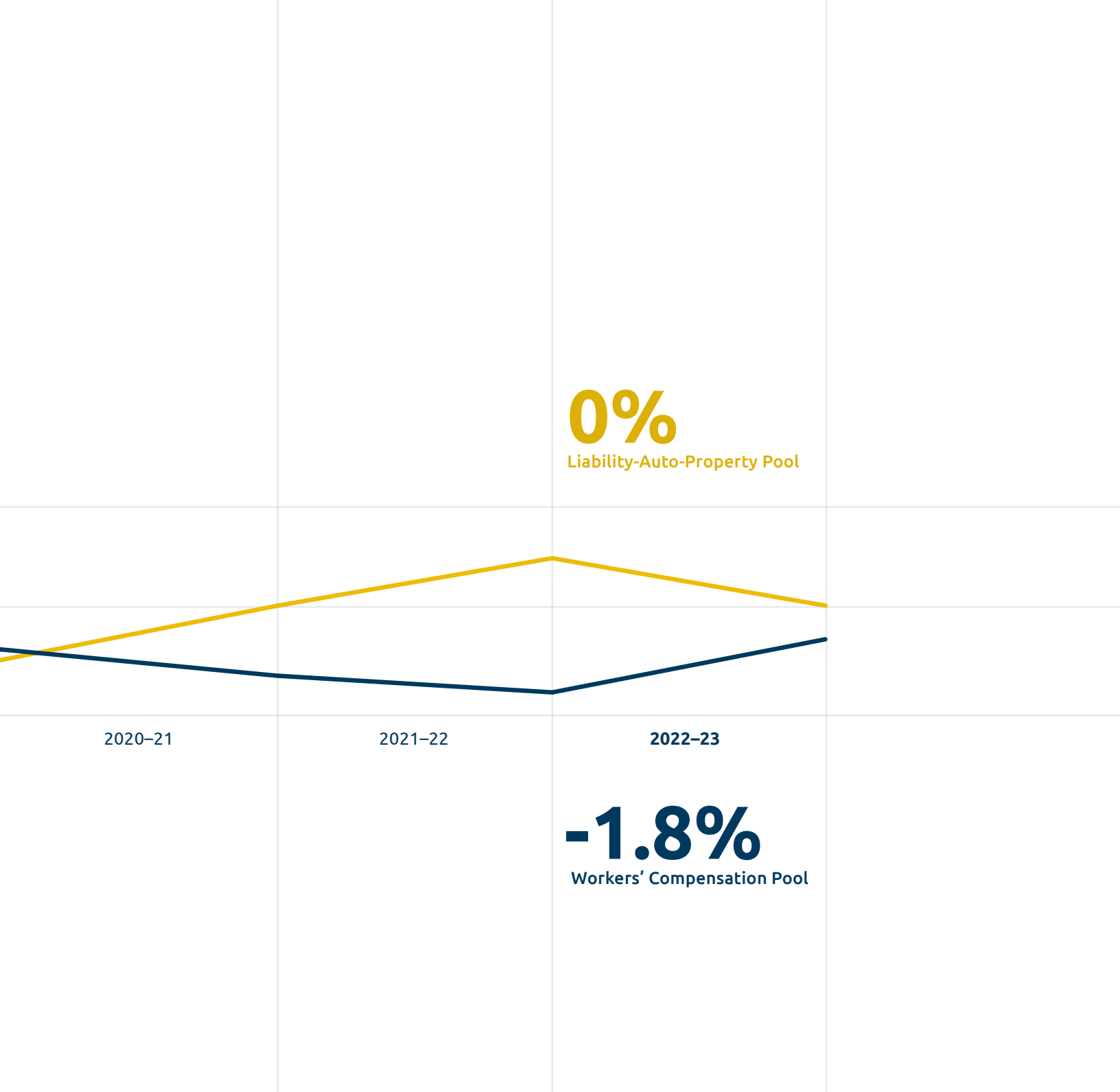
Workers' Compensation
Agreements

125

Liability-Auto-Property
Agreements

167

Total Member
Participants



\$45.3M

Rate Stabilization Programs Total Premium

**LONG-TERM
RATE STABILITY**

2021-2022 MEMBERSHIP

workers' compensation pool

\$3.5B

Workers' Compensation
Total Payroll

68K

Employees & Volunteers Protected

liability-auto-property pool

\$17.7B

Total Insured Property Value

\$7.7B

Total Operating Expenses

<div>3,093</div> <div>Armed Officers</div>	<div>223,926</div> <div>Students</div>	<div>118</div> <div>Ambulances</div>	<div>173</div> <div>Buses (other)</div>	<div>252</div> <div>Fire Stations</div>	<div>615</div> <div>Fire Trucks</div>
<div>117</div> <div>Libraries</div>	<div>71</div> <div>Motorcycles</div>	<div>1,104</div> <div>Passenger Vehicles</div>	<div>2,393</div> <div>Police Vehicles</div>	<div>75</div> <div>Refuse Trucks</div>	<div>739</div> <div>School Buildings</div>
<div>255</div> <div>School Buses</div>	<div>49</div> <div>Sewage Treatment Plants</div>	<div>1,308</div> <div>Trailers</div>	<div>121</div> <div>Town Halls</div>	<div>4,616</div> <div>Passenger Trucks</div>	<div>713</div> <div>Vans</div>

98%

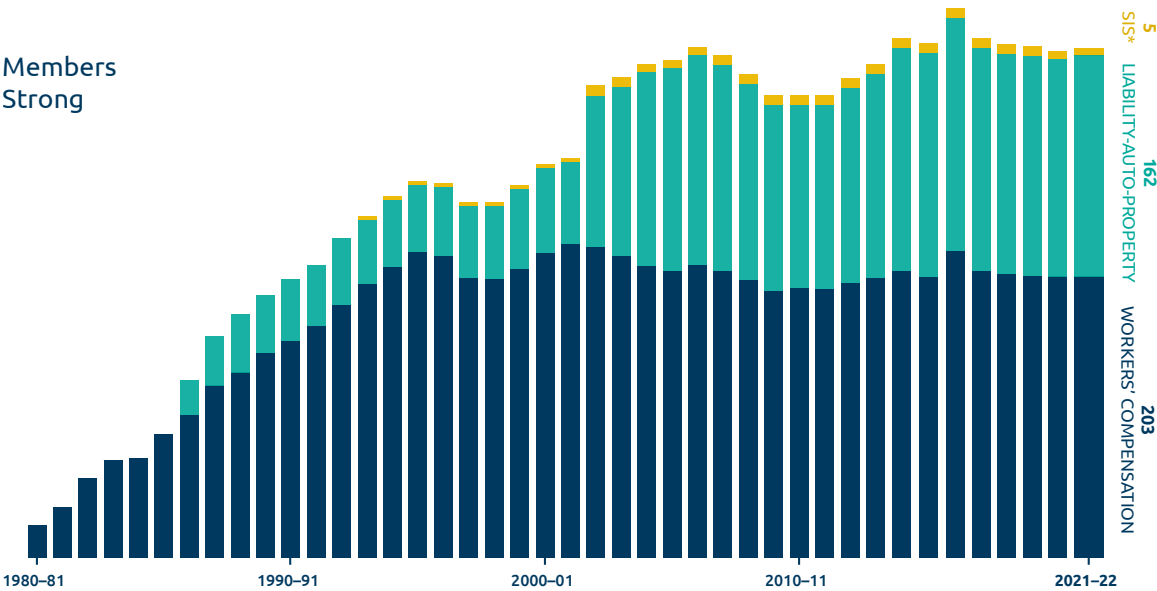
Retention Rate Over Last 5 Years

86%

Market Share

370

Members Strong



*Self-Insured Services

workers' compensation claim

\$21.2M Total Incurred

\$29.4M Total Managed Care Savings



\$2.6M

Preferred Provider Network Savings



\$25.6M

Total Bill Review Savings



6,164

Total Claims Managed

1,120
Claims Resolved
Totaling

\$19M

in Settlement Agreements



9,423

Prescriptions Filled



\$706K

Prescription Savings

 Average Prescription Spend: **10% VS 14% Industry**

liability-auto-property claim

\$15.8M Total Incurred

\$9.7M In Favorable Litigation Outcomes



2,017

Total Claims Managed



266

Contracts Reviewed

recovery/subrogation

\$2.4M Subrogation

\$14.4M Total Recovery/
Subrogation over
the last five years

combined ratio results

20 Percentage Points
Better Than Industry



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 CIRMA's underwriting excellence, expense management discipline, and unmatched claim and risk management capabilities and expertise.

**CIRMA combined ratio results compared to NAIC commercial insurance results.*

2021-2022 CLAIM HIGHLIGHTS

2021-2022
RISK
MANAGEMENT
ACHIEVEMENTS

TRAINING AND
EDUCATION

23,816

Total Training Participants

onsite training



2,293 Workshop Attendees

116 Instructor-led Sessions

3 New Topics Introduced

online training

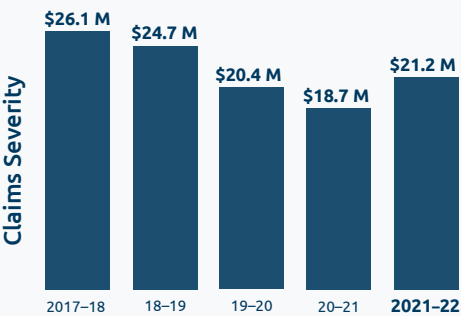
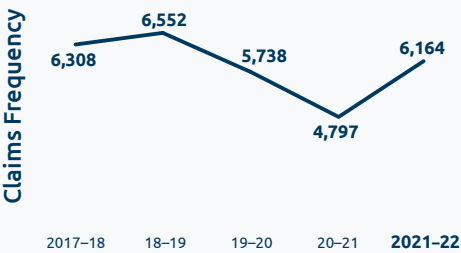


20,471 E-learning Participants

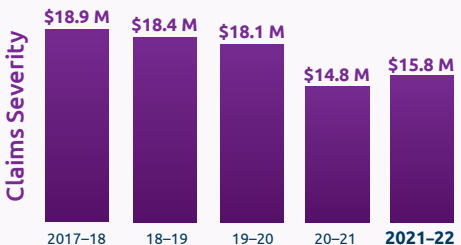
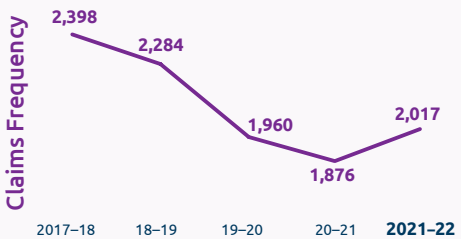
1,052 Webinar Participants

300 New Topics Introduced

workers' compensation
pool results



liability-auto-property
pool results



member consultation



7,400 Consulting Hours

63 Stewardship Reports

210 Assessments Performed

new publications



3 Whitepapers

3 Roll Call Topics

3 Hot Zone Topics

3 Lessons Learned

4 School Announcements



Category Name: **New and Innovative Risk Management Initiative**
Award Winner: **Town of South Windsor**

Collisions caused by distracted driving cost tens of billions of dollars yearly in vehicle and property repair damages, litigation fees, rising insurance rates, and more.

To help curtail the prevalent risk of distracted driving and improve the overall management of their fleet, the Town of South Windsor installed smart cameras in all town vehicles—the monitoring system captures internal and external footage to identify and notify supervisors of potential risks, including distracted driving. Known for its sustained commitment to collaboration with CIRMA, South Windsor worked closely with CIRMA Risk Management professionals and routinely sought CIRMA's Risk Management Advisory Committee's guidance during

program planning and implementation to help solidify the program's success.

The distracted driving and fleet monitoring system has proven immensely effective in identifying and reducing high-risk driver behaviors. Insights are shared with key personnel in real-time and inform proactive intervention—supervisors coach drivers to help course correct early on and change behaviors to mitigate future incidents involving motor vehicles. Ancillary program benefits include capturing necessary details in the event of an accident and tracking vehicle telemetries such as idling time, vehicle error codes, and many other helpful data points utilized by fleet vehicle managers.





Category Name: **Sustained Risk Management Program**
Award Winner: **Town of New Canaan**

Public entities face unique risks that require sustainable solutions and long-term commitment. Dedication to reviewing claims regularly and understanding a municipality's unique exposures can yield significant benefits—especially when used as part of a holistic approach to managing risk and reducing losses.

With a laser focus on reducing claim frequency and severity, the Town of New Canaan hand-selected a team dedicated to risk management. The team meticulously reviews claims monthly to monitor trends, identify problem areas, and implement risk mitigation opportunities.

The Town's consistent engagement with CIRMA's Risk Management team and steadfast commitment to managing loss costs have been effective, resulting in a 72% decrease in workers' compensation claim severity over the last four years.

**2023
EXCELLENCE
IN RISK
MANAGEMENT
AWARDS**

Category Name: **Substantial Impact on Total Cost of Risk**
 Award Winner: **Town of Windsor Locks**

Investing in new social and emotional health programs and resources or enhancing an entity's existing offerings can make a world of difference in reducing risk. Leaders who actively foster employee health and wellness within their organizations and throughout their communities can help nurture a collaborative and responsive culture that yields significant benefits over time.

Working in concert with department and town leaders, the Town of Windsor Locks formed a progressive program that provides a dynamic suite of resources to help improve the safety and well-being of its employees and the

local community. Program initiatives focus on stress reduction and improving social and emotional health and wellness. Education and awareness incentives underpin the program's success and are bolstered through targeted municipal training and education resources available through CIRMA.

The program proved successful, yielding significant reductions in Windsor Locks' total cost of risk. Windsor Locks achieved an impressive 64% decrease in workers' compensation claims severity and a remarkable 83% decrease in LAP claims severity since 2019.





Category Name: **Establishing Risk Management as an Organizational Priority**
Award Winner: **Town of Harwinton**

The Town of Harwinton continues to pave the way forward, using partnership and resourcefulness as a framework for the future. As an actively engaged stakeholder, the Town maximized its partnership with CIRMA to ensure risk management remained a top organizational priority.

Town-wide priorities spanning from maintaining impeccable OSHA regulation compliance to implementing the latest cybersecurity best practices continue to help build long-term operational resilience.

The Harwinton team worked closely with CIRMA's Risk Management team to identify and assess operational exposures to ultimately introduce a powerful collection

of risk management resources, policies, and procedures. The Town's commitment to managing a broad spectrum of municipal exposures continues to have a tremendous impact on maximizing the safety of its employees and the community.

**2023
EXCELLENCE
IN RISK
MANAGEMENT
AWARDS**

GOVERNANCE

July 1, 2021 to June 30, 2022

board of directors

Matthew Knickerbocker*, Wilton, Chairman
Matthew Hoey*, Guilford, Vice Chairman
Jason Bowsza, East Windsor
Mary Calorio, Killingly
Elinor Carbone*, Torrington
Paula Cofrancesco, Bethany
Thomas Dunn, Wolcott
John Elsesser, Coventry
Carl P. Fortuna, Jr.*, Old Saybrook
Laura Francis, Durham
Rudolph Marconi, Ridgefield
Edmond V. Mone, Thomaston
Neil M. O'Leary, Waterbury
Michael Passero, New London
Lauren Rabin, Greenwich
Brandon Robertson, Avon
Herbert Rosenthal*, Newtown
John Salomone, Norwich
Gerard Smith, Beacon Falls
Mark Walter, Columbia

**Executive Committee Member*

audit and enterprise risk management committee

Herbert Rosenthal, Newtown, Chairman
Mary Calorio, Killingly
John Elsesser, Coventry
Brandon Robertson, Avon
John Salomone, Norwich

claims advisory committee

Jason Bowsza, East Windsor, Chairman
Matthew Bacon, Middletown
Jonathan Berchem, Milford
Gary Conrad, Westport
Matthew Knickerbocker, Wilton
Mark Langton, Middletown

Kim Lord, Manchester
Dana McGee, Rocky Hill
Kirk Severance, Granby
Lori Spielman, Ellington
Chris Torre, Norwalk
Shannon Walker, Windsor Locks
Kori Wisneski, Middletown
Susan Zecca, Norwalk Police Department
Kathi Zygmunt, Meriden

investment committee

Carl P. Fortuna, Jr., Old Saybrook, Chairman
Jason Bowsza, East Windsor
Gary Conrad, Westport
Edmond V. Mone, Thomaston
John Salomone, Norwich

law enforcement advisory committee

Christopher Arciero, Canton, Chairman
Nicholas Boulter, Simsbury
Erik Costa, Middletown
Vincent DeMaio, Clinton
Christopher Ferace, Putnam
Mack Hawkins, East Hartford
Brian Klett, Rocky Hill
Thomas Kulhawik, Norwalk
Denise Lamontagne, Cromwell
Kristian Lindstrom, South Windsor
John Lozefski, Middletown
Mark O'Mara, CTIC
Peter Reichard, New London
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

Maria Capriola, Simsbury, Chairman
Mary Calorio, Killingly, Vice Chairman
Michael Criss, Harwinton
Carl Fortuna, Old Saybrook
Nancy Haynes, Bloomfield
Lucian Jachimowicz, Newington Public Schools
Walter Lee, Ellington
Vanessa Perry, South Windsor
Patricia Perry, South Windsor
Michael Purcaro, Vernon
Christine Sasen, East Hartford
Theodore Shafer, Burlington
William Strachan, Consultant
Claudia Tata, Wethersfield
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
Marc Fasano, POST
Mark Langton, Middletown Public Schools
Melissa Maltese, East Windsor
Dawn Maselek, Vernon
Mary McCarthy, CT Technology Transfer Center
Lauren Rhines, Madison
Kirk Severance, Granby
Elliot Spector, Hasset & George PC
Michael Spera, Old Saybrook
Kenneth Tucker, CT Department of Labor
- OSHA Division
Mark Walter, Columbia
Steven Waznia, Berlin
Michael Wilkinson, Tolland

school district advisory committee

Jeffrey Nielsen, Milford Public Schools, Chairman
John Barlow, Torrington Public Schools
Karen Clancey, Manchester
Paula Cofrancesco, Bethany
Michele DiMauro, Cromwell Board of Education
Matthew Geary, Manchester Public Schools
Jordan Grossman, Canton Public Schools
Daniel Levy, Hamden
Kevin Munrett, Darien
Nancy Pugliese, CT State Dept. of Education

**2021–2022
GOVERNANCE**

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, school districts, 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

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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#GetTogetherCT