# celebrating 45 years



Annual Report 2023-2024



# 



# TODAY. TOMORROW. TOGETHER.



### President's Message:

# 45 YEARS OF PROGRESS, AND WE'RE JUST GETTING STARTED

# Dear Team, Valued Members, and Trusted Partners,

As we stand on the threshold of our 45th anniversary, I can't help but marvel at the extraordinary journey we've traveled together. The theme for this year's Annual Meeting of Members, "Today, Tomorrow, Together", is not just a slogan—it's the heartbeat of who we are and what we've accomplished. This milestone is more than a number. It's a testament to the resilience, innovation, and collective spirit that have fueled our success and positioned us for a future brimming with possibilities.

### **Today**

The undeniable strength of our balance sheet is a testament to the disciplined approach we've maintained in managing risk and opportunity. Our sustained growth has been more than just a reflection of financial strength—it represents the trust our members place in us and the value we deliver day after day. This growth isn't accidental; it results from disciplined strategies, bold decision-making, and a commitment to building an organization that serves our members' needs now and for years to come.

Our members' equity growth has reached new heights, marking the best results in our history. This proves that we continue to deliver on our promise to serve our members while building a stronger, more resilient community around us. As our investment strategies have been optimized, we've ensured that every dollar works harder to support our operations, setting us up for sustainable success.

Our operational achievements are equally significant. We've underpinned our financial standing to strategically support CIRMA's mission and operations. Our teams have worked tirelessly to support our core strategic initiatives, streamline processes, enhance service delivery, and ensure we move forward with innovation and agility.

In addition to the many accomplishments featured within this Annual Report, the following notable outcomes represent our recent sustained shared successes.

### Over the last five years:

- Total Assets have grown by over \$52M
- Members' Equity has grown by over \$68M
- Almost \$14M in Members' Equity was distributed over the last five years, with nearly \$44M approved for distribution over the last fourteen years
- Approximately \$120M in medical cost savings have been achieved through CIRMA-managed care programs
- The average rate need was -2.7% for workers' compensation and 0.4% for liability-auto-property
- 183,100 public-entity employees and volunteers participated in CIRMA training

### **Tomorrow**

The future? It's calling, and we're ready to answer. We are not content with standing still. I am confident in our ability to navigate the complexities of the future with the same focus and determination that have brought us here today. We're committed to driving

innovation, pushing boundaries, and adapting to meet the ever-evolving needs of our members. Our investments today pave the way for tomorrow's breakthroughs, ensuring we remain at the forefront of our industry.

We've weathered storms, faced challenges head-on, and emerged stronger—always. As we look forward, we confidently embrace the unknown because we know our foundation is rock-solid.

The future is bright, and together we will shape it.

### **Together**

Together, we've built something special. Our journey—our success story—has been a team effort. The entire CIRMA community, from our dedicated staff to our loyal members and invaluable partners, has played a role in making this remarkable narrative possible. Together, we have built something that transcends optimal financial or operational outcomes—a community of trust, a beacon of excellence.

As we celebrate this 45-year milestone, we're not just reflecting on the past. We're forging ahead, excited for what comes next, because this isn't the finish line—it's the springboard for even more outstanding achievements.

CIRMA has continued to demonstrate the holistic value we bring to our members. Our sustained performance is a clear testament to the strength of our balance sheet and the disciplined approach we've maintained in managing risk and opportunity while demonstrating a relentless commitment to our members. Thank you for your unwavering dedication, trust, and partnership.

With immense gratitude and anticipation,

**David Demchak, ARM**President and CEO, CIRMA

# Table of Contents

- 1 A Message from Our President and CEO
- **3** Important CIRMA Milestones
- **5** | Financials
- **7** Long-Term Rate Stability
- **9** | Membership
- **10** | Claim Highlights
- **11** Risk Management Achievements
- **12** Excellence in Risk Management Awards
- **17** | Governance



### IMPORTANT CIRMA MILESTONES



### 1980

Connecticut Conference of Municipalities spearheads legislation enabling Interlocal Risk Management Agencies, ultimately establishing CIRMA. CIRMA began its first year of operation with 16 members, and before the end of the policy year an additional nine members joined, raising the total to 25.

### 1983

CIRMA became the largest municipal insurer in the state, and one of the leading municipal risk pools in the nation. Three years later, in 1986, the CIRMA Liability-Auto-Property Pool was formed.



### 2015

From 2015 - 2024, CIRMA distributed over \$32M in Members' Equity and has delivered \$44M back to members since the program was initiated in 2010.

### 2008

The market continued to soften and the economy entered a deep recession; however, CIRMA's retention rates remained high, premiums reached \$74M, and assets totaled \$234M.

### 2018

CIRMA achieves record-high operational and financial results, further solidifying its long-term competitive positioning in the marketplace. Financial highlights included continued growth in Members' Equity totaling \$177M, an impressive \$402M in total assets and almost \$90M in premium.



### 2019

As the COVID-19 pandemic swept through communities, CIRMA rapidly adapted its operations to meet members' evolving needs. By leveraging technology, enhancing virtual services, and reinforcing support channels, CIRMA maintained exceptional service levels. Despite the unprecedented challenges, CIRMA continued to deliver strong operational results and significant financial performance, reinforcing our commitment to resilient and proactive member support during the crisis.

# CELEBRATING 45 YEARS



### 1990

While the nation struggled through the economic recession, CIRMA's assets reached \$73M, a 21-fold increase since 1980. Third-party-administration services were introduced for self- insured public entities that provided claim and risk management services.

### 1998

CIRMA's competitive advantages increased dramatically after claim and risk management services were expanded and brought in-house.

### 2002

CIRMA's membership grew by 58 members to an impressive 253 members. CIRMA continued to strategically expand products, claim services and risk management programs. Liability-Auto- Property underwriting teams and capabilities were brought in-house.

### 2001

After the country endured the events of 9/11, the municipal insurance market gained momentum which led to a period of rapid membership growth, internal development, expanded products and services, and recapitalization.





### 2024

On the cusp of its 45th anniversary, CIRMA reached new heights with record operational and financial performance. Financial milestones included continued growth in Members' Equity, reaching new heights at \$252M, marking the best results in CIRMA history. CIRMA also substantially increased total assets, totaling over \$455M, and earned nearly \$90M in premiums. These achievements underscore CIRMA's commitment to long-term resilience and competitive strength, solidifying our position as a trusted partner in the insurance industry.





### 2023-2024

### **FINANCIALS**

### Assets

 Invested Assets
 \$440,967,111

 Cash
 \$6,299,901

 Other Assets
 \$7,234,362

 TOTAL ASSETS
 \$454,501,374

### **Liabilities**

 Reserves
 \$199,430,115

 Current Liabilities
 \$2,687,999

 TOTAL LIABILITIES
 \$202,118,114

### **Members' Equity**

Members' Equity, Beginning of Year \$234,204,652
Excess of Revenues over Expenses \$16,579,461
Distribution of Members' Equity (\$2,000,000)
Statutory Adjustment to Equity \$3,599,147

MEMBERS' EQUITY, END OF YEAR \$252,383,260

TOTAL LIABILITIES & MEMBERS' EQUITY \$454,501,374

### Revenues

Premiums & Commissions \$89,916,951
Reinsurance Premiums (\$26,375,496)
Investment Income & Other \$19,245,653
TOTAL REVENUES \$82,787,108

### **Expenses**

Provisions or Loss & LAE \$52,538,020
Second Injury Fund \$851,948
General & Administration \$12,817,679
TOTAL EXPENSES \$66,207,647

**EXCESS OF REVENUES OVER EXPENSES** \$16,579,461



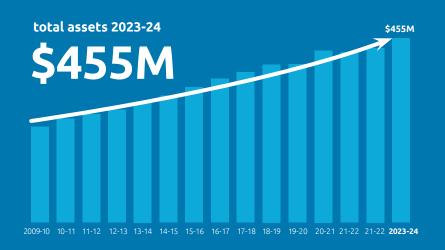
Increase in Assets Over Last Five Years

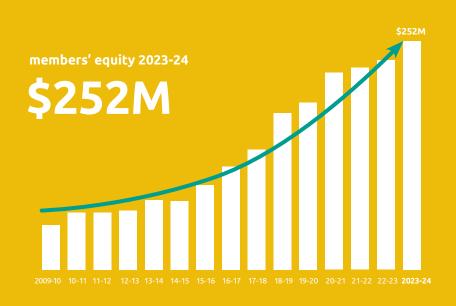


Increase in Members' Equity Over Last Five Years

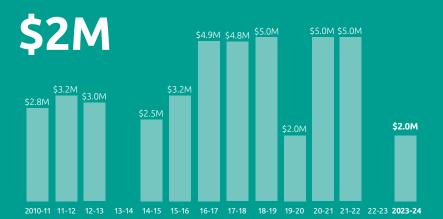


Total Members' Equity Distribution Over Last 14 Years





members' equity distribution 2023-24





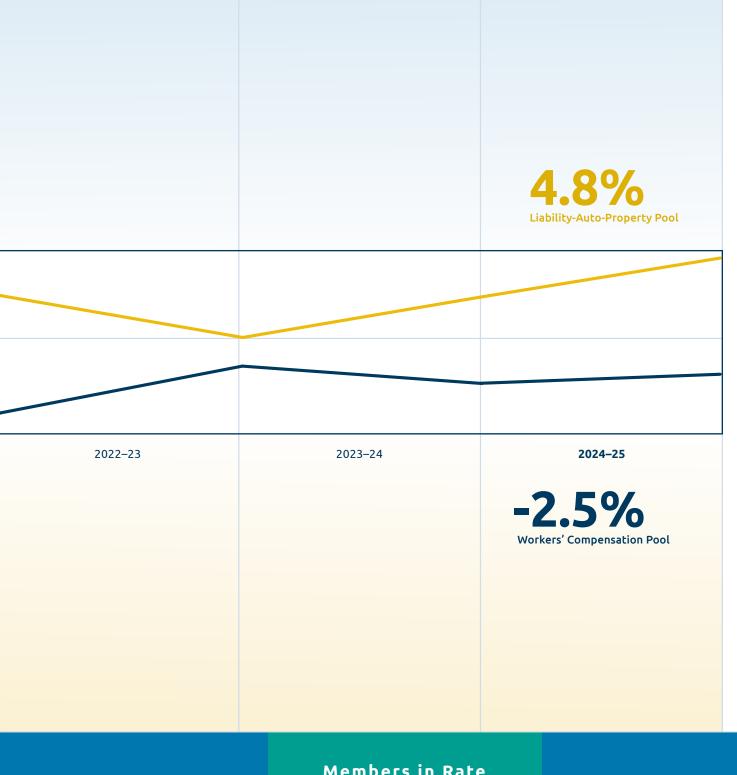


STABLE AND COMPETITIVE PRICING OVER THE LAST FIVE YEARS:

-2.7% WC | 0.4% LAP

\$40M

Rate Stabilization Programs
Total Premium



38

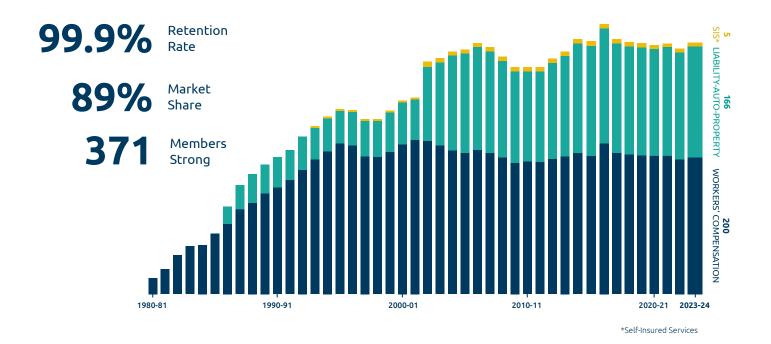
Workers' Compensation Agreements Members in Rate
Stabilization Programs:

118

Liability-Auto-Property
Agreements

156

Total Member Participants



workers' compensation pool

\$3.6B Workers' Compensation Total Payroll

~68 K Employees and Volunteers Protected

liability-auto-property pool

\$21B Total Insured Property Value

\$8.3B Total Operating Expenses

<b>3,202</b> Armed Officers	<b>242,148</b> Students	<b>126</b> Ambulances	<b>161</b> Buses	<b>245</b> Fire Stations	<b>646</b> Fire Trucks
118 Libraries	<b>71</b> Motorcycles	<b>1,132</b> Passenger Vehicles	<b>2,589</b> Police Vehicles	<b>66</b> Refuse Trucks	<b>739</b> School Buildings
232 School Buses	<b>55</b> Sewage Treatment Plants	<b>1,372</b> Trailers	<b>128</b> Town Halls	<b>4,638</b> Trucks	<b>728</b> Vans

workers' compensation claim

\$21M Total Incurred

\$21M Total Managed Care Savings

liability-auto-property claim

\$16M Total Incurred

In Claim Management



\$3.1M

Preferred Provider **Network Savings** 



\$16.5M

**Total Bill Review Savings** 



2,080

Total Claims Managed



Contracts Reviewed



6,193

Total Claims Managed



Claim Settlements



Subrogation/Recovery



8,696

**Prescriptions Filled** 



\$1.1M

**Prescription Savings** 

\$3.2M

Subrogation/Recovery

\$12.1M

Total Subrogation/Recovery Over the Last Five Years



14% VS 18% Industry

Average Prescription Spend



### onsite training



4,225

Workshop Attendees

159

Instructor-led Training

### member consultation

7,880

**Consulting Hours** 

118

Stewardship & Loss Analysis Reports

401

Assessments Performed

### new publications



online training

49,972

**E-learning Participants** 

1,029

Webinar/CSAP Participants

42

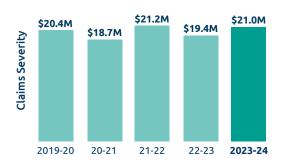
New Online Topics Introduced

- **3** Whitepapers
- .
- **4** Bulletins
- **2** Best Practices Guides
- **2** School Announcements
- **2** Lessons Learned
- 2 Roll Call Topics
- 2 Online Training Resources
- 3 Management Publication Series



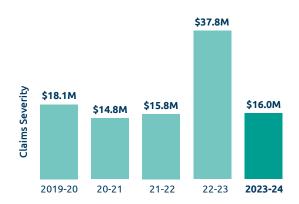
# workers' compensation pool results



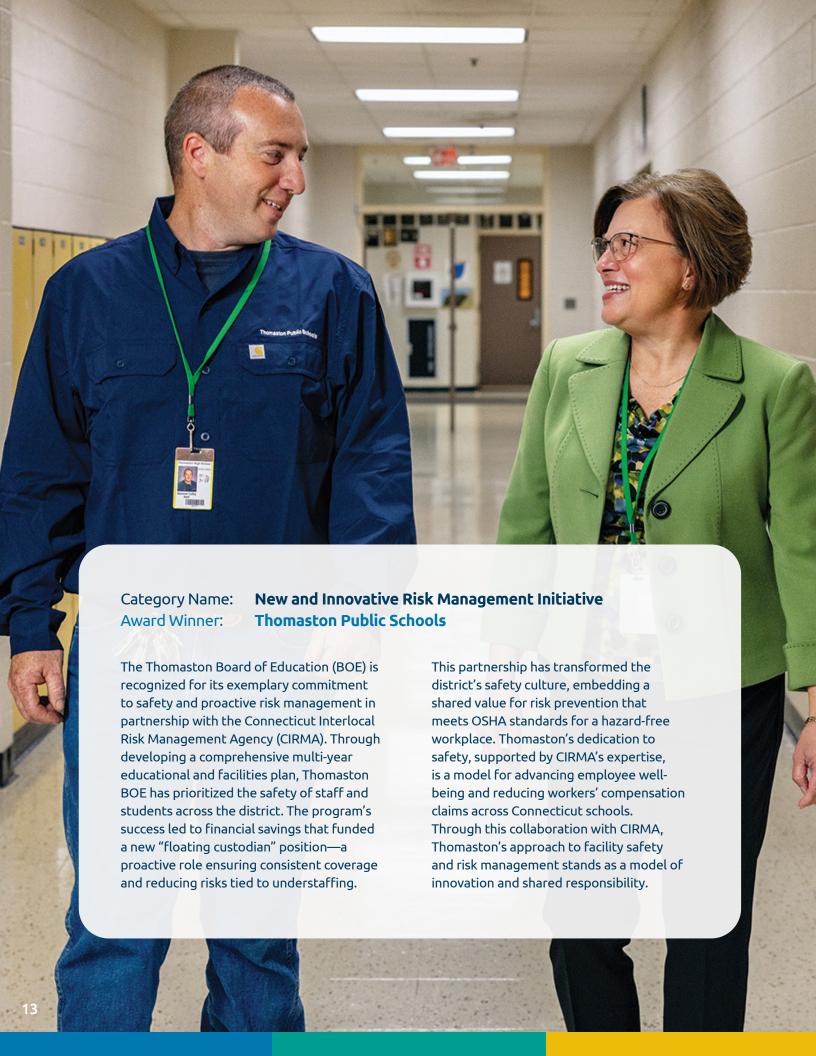


# liability-auto-property pool results









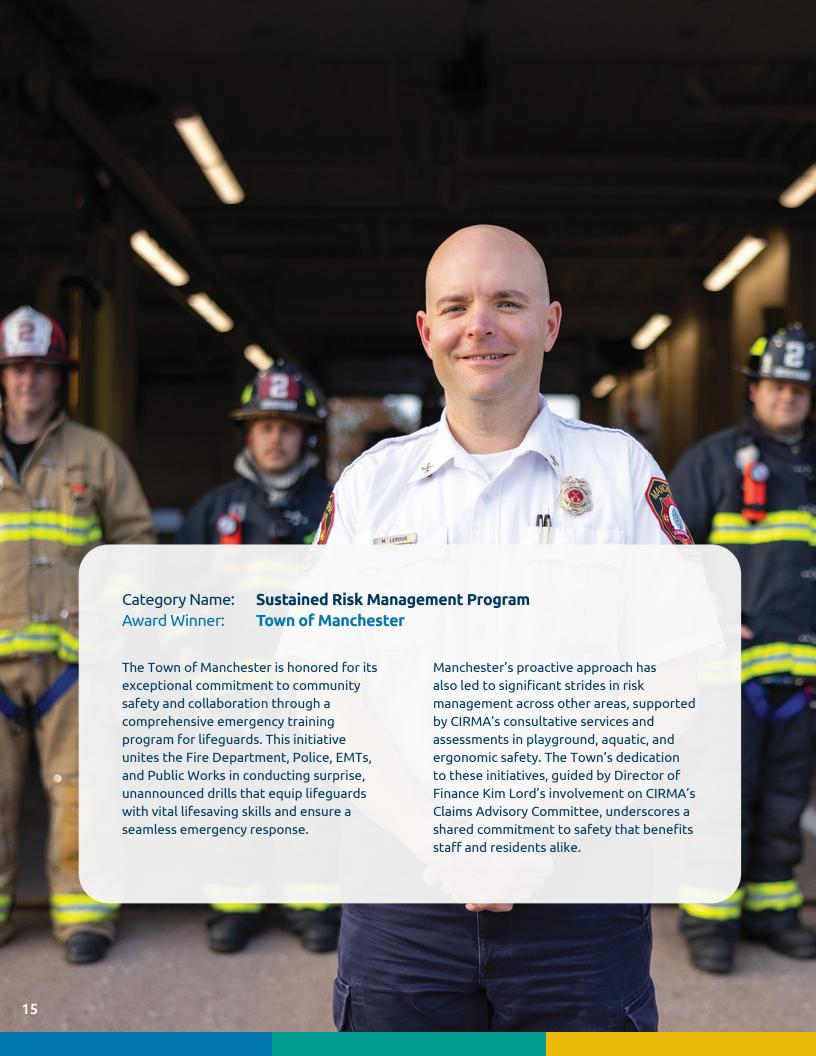


exemplifies leadership and commitment to best-in-class risk management—their achievements set a benchmark in employee safety and operational resilience.

This proactive program has yielded impressive results: since 2019, Norwalk has

and critical wellness topics tailored to the

intense demands of firefighting.





### GOVERNANCE

July 1, 2023 to June 30, 2024

### **BOARD OF DIRECTORS**

Carl P. Fortuna, Jr.\*, Old Saybrook, Chairman Elinor Carbone\*, Torrington, Vice Chairman Jason E. Bowsza\*, East Windsor Mary Calorio, Killingly Paula Cofrancesco, Bethany Thomas G. Dunn, Wolcott Michael Freda, North Haven Matthew T. Hoey, III, Guilford Matthew Knickerbocker\*, Wilton Rudy Marconi, Ridgefield

Edmond V. Mone, Thomaston

Michael Passero, New London

Lauren Rabin, Greenwich

Brandon Robertson, Avon

Herbert Rosenthal\*, Newtown

John L. Salomone, Norwich

Gerard Smith, Beacon Falls

Lori Spielman, Ellington

Mark Walter, Columbia

\*Executive Committee Member

### **AUDIT & ENTERPRISE RISK MANAGEMENT COMMITTEE**

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

### **CLAIMS ADVISORY COMMITTEE**

Jason Bowsza, East Windsor, Chairman Matthew Bacon, Middletown Gary Conrad, Westport Matthew Knickerbocker, Wilton Kim Lord, Manchester Dana McGee, Rocky Hill Kirk Severance, Granby

Lori Spielman, Ellington Chris Torre, Norwalk Kori Wisneski, Middletown

### **INVESTMENT COMMITTEE**

Carl P. Fortuna, Jr., Old Saybrook, Chairman Jason E. Bowsza, East Windsor Mary Calorio, Killingly Gary Conrad, Westport Edmond V. Mone, Thomaston Herbert Rosenthal, Newtown John L. Salomone, Norwich

### **LAW ENFORCEMENT ADVISORY COMMITTEE**

Vincent DeMaio, Clinton, Chairman Christopher Arciero, Canton Bryan Bishop, Newtown Nicholas Boulter, Simsbury Erik Costa, Middletown Christopher Ferace, Putnam Erik Gutsfeld, Rocky Hill Mack Hawkins, East Hartford Thomas Kulhawik, Norwalk David Kullgren, Newtown Kristian Lindstrom, South Windsor John Lozefski, Middletown Mark O'Mara, CTIC Frederick Sifodaskalakis, Cromwell Elliot Spector, Hasset & George PC Edward Stephens, Wolcott William Tanner, POST

# OPERATIONS & UNDERWRITING COMMITTEE

Maria Capriola, Simsbury, Chairman Mary Calorio, Killingly, Vice Chairman

Michael Criss, Harwinton

Carl P. Fortuna, Jr., Old Saybrook

Nancy Haynes, Bloomfield

Lucian Jachimowicz, Newington Public Schools

Walter Lee, Ellington

Patricia Perry, South Windsor

Michael Purcaro, Vernon

Christine Sasen, East Hartford

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

Melissa Maltese, East Windsor

Dawn Maselek, Vernon

Mary McCarthy, CT Technology Transfer Center

Lauren Rhines, Newington

John Rosa, CT Department of Labor

Kirk Severance, Granby

Elliot Spector, Hasset & George PC

Mark Walter, Columbia

Michael Wilkinson, Tolland

# SCHOOL DISTRICT ADVISORY COMMITTEE

Melissa Appleby, Simsbury

Jeffrey Nielsen, Milford Public Schools, Chairman

Karen Clancy, Manchester

Paula Cofrancesco, Bethany

Michele DiMauro, Cromwell Board of Education

Matthew Geary, Manchester Public Schools

Dr. Jordan Grossman, Canton Public Schools

Daniel Levy, Hamden

Kevin Munrett, Darien

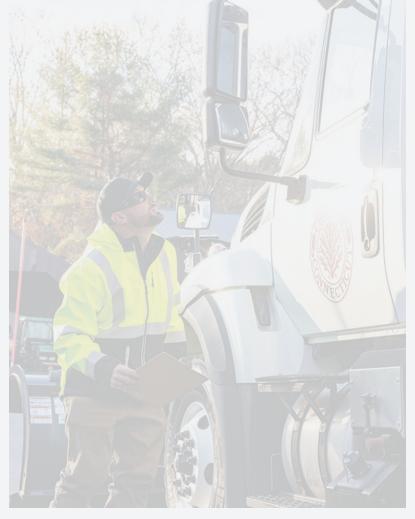
Nancy Pugliese, CT State Dept. of Education

















# CONGRATS TO OUR WINNERS!









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### 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

### **OUR STORY**

CIRMA, a member-owned and governed organization, was formed in 1980 as a Connecticut Conference of Municipalities service program. Today, CIRMA is Connecticut's number-one municipal risk financing and risk management services provider for Connecticut's public entities. 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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