

**Town of Wethersfield
Insurance Committee Minutes
Thursday, November 19, 2015
Town Manager's Conference Room**

Members Present: Chris Bazinet, Jack Dolan, Greg Curtin, Nermin Duric

Others present: Chris Wardrop, USI Insurance; Chris Monroe, USI Insurance; Jeff Bridges, Town Manager; Mike O'Neil, Finance Director; Kristine Lombardo, Finance Department

Meeting was called to order by Chairman Bazinet at 5:30 p.m.

Public comment was solicited. None was offered.

The minutes of the October 15, 2015 meeting were reviewed by the Committee. Mr. Curtin made a motion to accept the minutes as distributed. The motion was seconded by Mr. Dolan, and was approved unanimously.

Reports from Agents of Record:

Chris Wardrop, USI Insurance, Agent of Record for LAP and Workers Compensation Insurance.

Mr. Wardrop debriefed the October 15, 2015 minutes and noted that it was mentioned that he would provide a further comparison of insurance carriers, coverages, and the limits and asked Mr. Bazinet to clarify what he was looking for. Mr. Bazinet requested to see a type of high level qualitative comparison that the Insurance Committee can then bring to the Town Council once they are ready to make their recommendation. Mr. Wardrop said that he could write up some qualitative comparisons of insurers for the Town Council. For example, he mentioned that Travelers doesn't write school leaders liability coverage and their umbrella coverage would be provided by another company outside of Travelers. Mr. O'Neil asked if carriers don't cover all types of insurance that the Town requires would it necessarily mean that each insurance company has to make their margins and the price would increase. Mr. Wardrop explained that that is not always the case, since there are many factors that go into a price. However the Town would have to be open to have to deal with two insurance carriers.

Mr. Wardrop mentioned that for FY17 there are alternate coverage considerations that the Town should consider adding. First the current policy has a \$1M coverage for extra expenses (i.e. renting portable classrooms) however for an added \$964 per year we can get it increased by \$1M to \$2M in coverage. Second he discussed cyber coverage, which would cost roughly \$10-15K a

year. This would provide the Town with coverage that would encompass paying a public relations firm if there was a cyberattack and personal information either in hard copy or electronically was compromised. It also would cover social engineering claims, where a person could impersonate another person via email and ask them to make a transaction that is not really authorized by the legitimate authority. Lastly, it would also cover ransom malware attacks too.

Mr. Wardrop also stated that the new improved docks at the Cove have been added to the insurance policy.

CIRMA will be making a presentation at the next Insurance Committee meeting on December 17, 2015 and Mr. Curtin asked if Mr. Wardrop would please prepare a list of questions that we would like to ask CIRMA and it was discussed what some of those questions should be. Mr. Curtin then asked if Mr. Wardrop could please provide those questions to CIRMA prior to the meeting.

Chris Monroe, USI Insurance, Agent of Record for Health Insurance.

Mr. Monroe reviewed the FY16 medical claims report as of October 30, 2015. Mr. Monroe explained that the last two months were surpluses. Therefore in the first four months of the fiscal year we have a combined surplus of roughly \$250K.

Mr. Monroe mentioned that Mr. O'Neil attended two meetings, one on October 22, 2015 and one on November 10, 2015 concerning the creation of a stop loss captive that is hosted by CREC and Gallagher is running. They are trying to gather municipalities and have them pool their risk with other towns. Mr. O'Neil stated that there were roughly 12 or 15 towns that were represented at the meetings and that they are asking to have data collection information from the Town's finance department by the end of December. Jeff Bridges agreed that it is an interesting new approach that needs to be considered and he told Mr. O'Neil that he should continue with the process and try to get solid numbers so that we can see how much we could be potentially saving.

Mr. Monroe stated that the emerging captive relationship will be interesting to see how it changes the marketplace. He stated that it should bring more transparency and control to municipalities. Jeff Bridges mentioned that the Town will still need to buy reinsurance elsewhere though. Since this is a new concept, Mr. Wardrop asked if the Town could join the captive group in the second year and let the towns in the first group kick the tires and see how well it worked. Mr. Monroe mentioned that he's not sure if it would necessarily work that way since it is such a new concept. Jeff Bridges also mentioned that he wants to make sure that all of

the towns participating have similar policies to us when it comes to all types of potential insurance risks.

With no further business to come before the Committee, Mr. Curtin made a motion to adjourn. The motion was seconded by Mr. Dolan, and was approved unanimously.

The meeting was adjourned at 6:37 p.m.

Minutes prepared by:
Kristine Lombardo