

**GLASTONBURY INSURANCE ADVISORY COMMITTEE
SPECIAL MEETING MINUTES
WEDNESDAY, JUNE 28, 2023**

The Glastonbury Insurance Advisory Committee along with Keri Rowley, Director of Finance and Administrative Services, held a special meeting at 5:30 p.m. in Meeting Room A of Town Hall at 2155 Main Street.

Also present was Insurance Agent of Record Scott Sundberg from H.D. Segur and Daniel Anderson, Account Executive from H.D. Segur.

Roll Call

Mr. Sridhar Kadaba, Chairman

Mr. Benjamin Kehl, Vice Chairman

Mr. Allen Friedrich

Ms. Ginny Kim (arrived at 5:46 p.m.)

Mr. Stephen Ludwig (excused)

Mr. Philip Markuszka (participated via phone until 6:02 p.m.)

Mr. Luther Weeks

The meeting was called to order at: 5:34 p.m. by Chairman Kadaba.

1. Public Comment Session. None

2. Communication: Minutes of 4/27/2023 Meeting.

The minutes were accepted as presented.

3. Communication: Review of General Market / Discussion of Select Coverages.

Mr. Sundberg provided an overview of the general market conditions. He explained that premiums are going up due to inflation, rising property costs, and increases in liability payouts. Mr. Sundberg provided an example of a claim that was recently settled by the Town of New Haven for 45 million dollars. He noted that this was an auto claim and not a police claim and explained that this payout had set the bar which increased insurance premiums across the state and country. Mr. Sundberg noted that the pricing for the Town came in under budget. He stated that the cyber category pricing is lower than last year. Mr. Sundberg remarked that Worker's Compensation was higher this year and explained that it is still an unbelievable deal. He directed the Committee members to page 3 of the claims document which details the Workers Compensation for the Town and Board of Education. He noted that the payouts are significant and the coverage is still under budget.

There was a discussion on the categories of coverage and how the numbers compare to last year. Mr. Kadaba asked Mr. Sundberg if the payout limit is 50 million dollars. Mr. Sundberg replied correct and reiterated that the claim in New Haven set the bar. Mr. Sundberg noted that another reason for the increase is due to student transportation. He explained that the Town does not subcontract the buses and added that this increases the risk. He explained that their approach is buying from separate individual carriers which gives the best bottom line. Mr. Kadaba asked Mr. Sundberg to provide an overview detailing how the other vendors, like CIRMA, compare with what he has presented. Mr. Sundberg noted that one is an insured product versus one with risk. Mr. Anderson explained that, in the case of Total Insured Values (TIV), it would be similar to underinsuring the same building, which has increased due to inflation and rising construction costs. The cost for insuring the building would have to be 30 to 40 percent more or it will be underinsured. Mr. Sundberg explained that going with CIRMA would mean that the payout for a school related replacement cost would be \$200 dollars per square foot instead of the actual cost, which is closer to \$300-\$350 per square foot. Mr. Sundberg explained that one of the options has risk and potential loss and explained that many towns cannot invest in something that is uninsured because of the taxpayer money. Mr. Sundberg stated that an A+ company is better than one that has risk. Mr. Kadaba remarked that the insured company works like the FDIC. Mr. Kehl asked if there were limits on Workers Comp claims. Mr. Sundberg replied that there are no limits. There was further discussion on CIRMA and self-insured policies. Mr. Sundberg explained that, if going the CIRMA model, Worker's Comp is the way to go, because the payouts are scheduled and more predictable.

4. Communication: Renewal Pricing for FY 2023-2024

The Committee members discussed the coverage comparisons across the board. The Town expiring coverage was \$1,347,565; the BOE expiring coverage was \$831,863 (**Total expiring: \$2,179,428**). The budgeted coverage for the Town was \$1,463,469; the budgeted coverage for BOE was \$908,175 (**Total budgeted: \$2,371,644**). The renewal coverage for the Town is \$1,462,873; the renewal for the BOE is \$894,500 (**Total renewal is \$2,357,372**). Mr. Sundberg noted that the bottom line is under budget and added that it helped that there were savings in the Cyber category. Ms. Kim asked Mr. Sundberg to explain the large increase for the policy coverage. Mr. Sundberg explained that the Town has made the decision to increase the coverage to 50 million. He also explained that the school bussing adds risk, which increases the policy. Mr. Sundberg stated that the large loss in New Haven has resulted in towns requesting additional limits and added that this increases the rates. He noted that the Welles Turner Library has an increased property valuation and explained that properties across the board have went up and payrolls increased. Mr. Sundberg explained that the claim in New Haven is deemed as historic and has increased the pricing and added that attorneys know the limits and what they can get for a settlement.

Mr. Sundberg explained that the Cyber category has decreased because of competition. Ms. Kim asked about the crime policy coverage. Mr. Sundberg noted that it is a separate coverage.

Ms. Kim remarked that the property category for 2023 had zero claims incurred. Mr. Sundberg explained that the claims in the property category are predominately winter claims, like a busted pipe. He noted that a water main pipe in Waterbury cost 1 million dollars. Mr. Kadaba asked the Committee members if there were any additional questions. There were no other questions. Mr. Kadaba moved on to the action item.

5. Action: Recommendation to Town Manager of FY 2023-2024 Insurance for Liability-Automobile-Property and Worker's Compensation Coverage.

Motion by: Mr. Kehl

Seconded by: Ms. Kim

BE IT RESOLVED, that the Glastonbury Insurance Advisory Committee recommends to the Town Manager coverage of FY 2023-2024 Insurance for Liability-Automobile-Property and Worker's Compensation Coverage.

Result: Motion passed unanimously (5-0-0).

6. Adjournment

With no further business to review, the meeting adjourned at 6:27 p.m.

Respectfully submitted,

Nadya Yuskaev

Nadya Yuskaev

Recording Secretary