

## CLAIMS COMMITTEE

Regular meeting of the Claims Committee was held on Monday, May5, 2008 in the Conference Room, Third Floor, City Hall, Cranston, Rhode Island.

The meeting was called to order at 6:00 P.M. by the Chair.

Present: Councilman Anthony J. Lupino, Chair  
Councilman Richard D. Santamaria, Jr.  
Councilman Jeffrey P. Barone  
Council President Aram G. Garabedian

Absent: Councilman John E. Lanni, Jr., Vice-Chair  
Councilman Emilio L. Navarro

Also Present: Charles Garganese, Jr., Assistant City Solicitor  
Anna Marino, Claims Examiner  
Rosalba Zanni, Assistant City Clerk/Clerk of Committees

On motion by Councilman Barone, seconded by Councilman Santamaria, it was voted to go into Executive Session. Motion passed unanimously.

The meeting went into Executive Session at 6:00 P.M.

Present in Executive Session: Councilmen Lupino, Santamaria, Barone, Council President Garabedian; Charles Garganese, Jr., Assistant City Solicitor; Anna Marino, Claims Examiner; Rosalba Zanni, Assistant City Clerk/Clerk of Committees.

The meeting came out of Executive Session at 6:30 P.M.

On motion by Councilman Barone, seconded by Councilman Santamaria, it was voted to come out of Executive Session and seal minutes of Executive Session. Motion passed unanimously.

**PUBLIC SESSION:**

- **Discussion of transferring claims functions to an outside source.**
- **Discussion of the RI Interlocal Risk Management Trust and comparison to other private insurers who have submitted proposals for claims coverage.**
- **Discussion of recommendation to the full City Council for action.**

Present: Councilmen Lupino, Santamaria, Barone, Council President Garabedian; Charles Garganese, Jr., Assistant City Solicitor; Anna Marino, Claims Examiner; Rosalba Zanni, Assistant City Clerk/Clerk of Committees; Corsino Delgado, Director of Finance; Tom Dwyer and Colleen Bodzoney of the RI Interlocal Risk Management Trust; Jeff Bucci, Agent for Travelers.

**Chair** stated that the Administration has looked at another proposal, and Travelers submitted some figures. He asked Mr. Bucci if there is a sample policy submitted to the Administration. Mr. Bucci stated, no, not yet. Mr. Delgado stated that after the Trust made a presentation last Fall, the Administration felt it would be a good idea to compare the Trust's figures to the Travelers'. Chair presented a handout of questions and answers provided by the Trust.

**Council President** asked Mr. Bucci if he has seen what the Trust is willing to cover. Mr. Bucci stated that Travelers has not seen the sample policy of the Trust.

**Councilman Santamaria** asked if Mr. Bucci can address this handout of questions and answers. Mr. Bucci stated that he has just been provided with this handout and he would have to refer this to Travelers.

**Chair** asked if Travelers insured the City for the Providence Water case, Lillian Rivera case or Natasha Valley case. Mr. Bucci stated, no, but his company paid \$2.3 million for the Ice Rink, which was 100% , and \$300,000 for the Police Station.

**Mr. Delgado** stated that after the Trust made the presentation, the Administration provided a copy of the presentation and of what the Trust is offering, to Mr. Bucci. The intent was to do a full comparison in order for us to save money. The Trust's proposal was based on a \$300,000 deductible and Travelers has \$250,000 deductible.

**Council President Garabedian** stated that he would be in favor of hiring an independent consultant to give this Committee some guidance, since none of the Council members are experienced in insurance. He asked, of the 34 cities and towns, what is the amount the Trust collects in premiums. Mr. Dwyer stated \$15 million in property/liability premiums. Council President Garabedian addressed the same question to Mr. Bucci. Mr. Bucci stated that municipal premium throughout the US, \$250 million in property/liability premiums.

**Councilman Barone** stated that he would be willing to hear a presentation from Travelers and give them the same opportunity as was given to the Trust. This would allow the committee to be able to compare figures to the Trust and the Committee would also be more educated. Mr. Bucci stated that the Committee would have to decide what it wants and how much it wants to pay.

**Mr. Garganese** asked if Travelers has an exit fee similar to the Trust. Mr. Bucci stated, no.

**Mr. Delgado** stated that if we stay self-insured, the Administration is looking at obtaining catastrophic insurance as a stand alone policy, which would cover legal fees also.

**Mr. Dwyer** stated that in the sixteen years since he has been Executive Director of the Trust, only two members have taken the Trust to Court and they both won, Cumberland and East Providence.

**Mr. Bucci** stated that if you want to compare apples to apples, he would suggest you write a bid spec and go through an RFP. Mr. Garganese stated that his opinion would be that you would need an RFP in case there is another company that would be interested in bidding.

On motion by Councilman Barone, seconded by Councilman Santamaria, it was voted to have the Purchasing Agent draft an RFP for property casualty insurance.

Under Discussion:

**Chair** asked who would be drafting the specs. Mr. Delgado stated that we can obtain samples from other cities and towns and customize it to what we need.

**Chair** asked that motion be amended to include that the handout presented this evening with the questions and answers, as they are presented, be annotated on the submission of the policy. Councilman Barone asked that once the bids are opened at the Board of Contract and Purchase meeting, would that be referred to the Claims Committee. Mr. Delgado stated that he would believe they would, similar to when items are referred to Parks and Recreation or any other department.

Roll call was taken and motion passed unanimously, with the amendment made by Chair of the questions and answers handout presented this evening be annotated on the submission of policy.

The meeting adjourned at 7:30 P.M.

Respectfully submitted,

Rosalba Zanni  
Assistant City Clerk/Clerk of Committees