

**CONNECTICUT  
INTERLOCAL  
RISK  
MANAGEMENT  
AGENCY**

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Letter of Commitment for Budget Stabilization Program  
between the  
Connecticut Interlocal Risk Management Agency (CIRMA)  
and the  
Town of Canton and Canton Board of Education  
Effective 7/01/13 – 7/01/16

CIRMA certifies that the Town is eligible for the budget stabilization program for Liability-Automobile-Property (LAP) coverages, which includes enhanced risk control services, and a multiple-year coverage period with stabilized rates applicable to annual contributions.

This program provides the following benefits to help the Town address their LAP losses:

- The Town receives a customized risk management program to reduce loss costs and insurance premiums.
- The Town secures a stable multi-year risk management budget to facilitate municipal financial planning.
- The Town re-allocates savings from loss costs and insurance premiums to risk control programs and other municipal operational expenses.
- The Town enhances its community goodwill and public image through improved risk management practices, reduced losses, and premium savings.

#### **CIRMA's Commitment**

- This is a multi-year commitment by CIRMA to assist the Town in implementing and monitoring the risk control program and return to the Town the risk control results.
- CIRMA agrees, in partnership with the Town, to establish a risk management plan to create a safe municipal environment and reduce losses.
- CIRMA has agreed to stair step the premium with no more than a 5% increase each year to the current rate charged to the Town per exposure unit for the years 2013-2014, 2014-2015 and 2015-2016; **however**, premiums may decrease during this multi-year agreement.\*
- \*This does not include crime.

#### **Town Commitment.**

- The Town agrees that the only way to reduce losses is through effective implementation of a risk management program.
- The Town agrees to commit sufficient resources to support and implement the risk management initiatives agreed upon with CIRMA.
- The Town acknowledges that this is a multi-year approach to reducing losses and to creating a safe municipal environment.

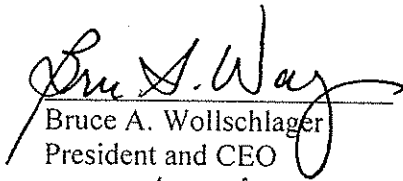


The Town agrees not to bid the LAP coverages during the period covered by this program as shown in the Endorsement.


This commitment shall remain in effect consistent with the Budget Stabilization Endorsement.

In the event the Town bids this contract during this program period, this mutual commitment ceases. Additionally, CIRMA reserves the right to terminate or modify the program for the following reasons:

- If the Town does not implement the agreed upon risk control initiatives.
- If the Town fails to make timely payment of premiums.
- If the Town possesses an unmanaged high risk/non-standard exposure.

  
Bruce A. Wollschlager  
President and CEO

6/10/13  
Date

  
Robert Skinner  
Chief Administrative Officer

6-4-13  
Date