

**Minutes
Meeting of the Board of Directors
Louisiana Insurance Guaranty Association**

September 25, 2014

The quarterly meeting of the Board of Directors was held on September 25, 2014 at 10:00 a.m., at the Louisiana Insurance Guaranty Association, located at 2142 Quail Run, Baton Rouge, Louisiana 70808. The meeting was publicly noticed in accordance with the Open Meetings Law.

Members present constituting a quorum:

Michael T. Gray (Chairman)
Markham R. McKinght (Treasurer)
Wayne T. Roussel (Secretary)
David A. Ross
Keith D. Thompson
William D. Hughs, III
J.E. Brignac, Jr.

The Gray Insurance Company
Appointee of the Commissioner of Insurance
Appointee of the President of the Senate
State Farm Insurance Companies
Liberty Mutual Insurance Companies
Appointee of the Speaker of the House
Imperial Fire and Casualty Insurance Company

Others Present:

John Wells
Norman Reese
Caroline Brock
Stephanie Laborde
Edward Dittmar
Keri Dupont
Lacey Anderson

Director of Operations, LIGA
Director of Claims & Litigation, LIGA
Rep. of Insurance Commissioner, Department of Insurance
LIGA General Counsel, Milling Benson Woodward, LLP
LIGA Investment Advisor, Wells Fargo Advisors, LLC
Administrative Assistant, Milling Benson Woodward, LLP
Administrative Assistant, LIGA

Members Absent:

Kristin Wall
Denis Husers

Louisiana Workers' Compensation Corporation
Appointee of the Commissioner of Insurance

Call to Order by the Chairman of LIGA Board of Directors

The meeting was called to order by Chairman Gray at 10:02 a.m.

Quorum

Mr. Gray then advised a quorum was present.

Approval of the Minutes of the June 26, 2014 Meeting of the Board of Directors

Mr. Gray requested a motion to approve the Minutes of the June 26, 2014 Meeting of the Board of Directors.

A motion was made by Mr. Roussel and seconded by Mr. Ross to approve the Minutes of the June 26, 2014 Meeting of the Board of Directors. Objections were called for. There being none, a vote was taken and the motion carried.

Report on Operations

Director of Operations, John Wells

Mr. Wells informed the Board there had been an increase in claims due to the insolvencies of Freestone and Redrock. He informed the Board that Redrock would be sending only a couple of claims to LIGA but the files they would be receiving would be Directors and Officers claims which LIGA did not have a lot of experience in handling. He added Redrock formally insured local and community banks and they were interested in receiving those files and seeing what they had to work with.

Mr. Wells requested any questions or feedback from the Board with his attachments to his report regarding the Professional Employer Organizations (PEO's).

The Board and Ms. Laborde then discussed the internal structure of these Professional Employer Organizations.

Mr. Thompson stated he did appreciate the additional information Mr. Wells had provided for them in this report. Mr. Wells stated he could continue to attach it in future Board books or email it to the Board. Mr. Gray stated he thought it was a good practice to attach the info behind Mr. Wells' Board report in their books because it puts them on notice as to what was going on nationally with other guaranty funds.

A motion was made by Mr. Hughs and seconded by Mr. Thompson to accept the Report on Operations. Objections were called for. There being none, a vote was taken and the motion carried.

Report on Claims & Litigation

Director of Claims & Litigation, Norman Reese

Mr. Reese informed the Board that approximately 80% of the Southern Casualty claims had been closed. Mr. Reese noted the claims staffing had remained the same but would reduce as the remainder of the claims closed. He presented the remainder of his report noting to date how many claims were open and pending, and that he was unaware what kind of volume to anticipate from the Freestone and Redrock claims until LIGA received additional computer information.

A motion was made by Mr. Hughs and seconded by Mr. Roussel to accept the Report on Claims & Litigation. Objections were called for. There being none, a vote was taken and the motion carried.

Report of General Counsel

General Counsel, Stephanie Laborde

Ms. Laborde presented the Board with her General Counsel Report. She informed the Board that she was currently rewriting the ABC's of LIGA Law written over twenty years ago. Ms. Laborde explained that upon completion the article would be submitted to the Louisiana Law Review.

A motion was made by Mr. Hughs and seconded by Mr. Thompson to accept the Report of General Counsel. Objections were called for. There being none, a vote was taken and the motion carried.

Report of Insurance Commissioner's Office

Caroline Brock, Rep. of Insurance Commissioner, Department of Insurance

Ms. Brock informed the Board that The Insurance Commissioner's Office was still working on the Premium Tax Study but that the project was almost complete.

A motion was made by Mr. Ross and seconded by Mr. Thompson to accept the Report of the Insurance Commissioner's Office. Objections were called for. There being none, a vote was taken and the motion carried.

Committee Reports and Recommendations

Legal Committee

Chairperson, William D. Hughs, III

No committee report was given.

Finance Committee

Chairperson, Markham R. McKnight

No committee report was given.

Claims Committee

Chairperson, Keith D. Thompson

No committee report was given.

Nominating Committee

Chairperson, David A. Ross

No committee report was given.

Personnel Committee

Chairperson, William D. Hughs, III

Mr. Wells reminded the Board that the Personnel Committee had met back in July and had reviewed the organizational structure of LIGA. He informed the Board that in order to make any changes there would need to be a change in the Plan of Operation.

A motion was made by Mr. Hughs and seconded by Mr. Brignac to direct the staff and counsel to create a draft of the proposed changes to the Plan of Operation which would include a structure change to one Director and a Claims Manager to submit to the Board at the next Board meeting for approval. Upon the Board's approval it would be sent Commissioner of Insurance for approval. Objections were called for. There being none, a vote was taken and the motion carried.

Audit Committee

Chairperson, Kristin Wall

No committee report was given.

A motion was made by Mr. Hughs and seconded by Mr. Roussel to enter into Executive Session. Objections were called for. There being none, a vote was taken and the motion carried.

The Board went into Executive Session at 10:23 a.m.

******Executive Session******

The Board came out of Executive Session at 10:50 a.m. and returned to the open session of the agenda.

Old Business

There was none.

New Business

The Board discussed Board meeting dates and their availability to attend.

Adjournment

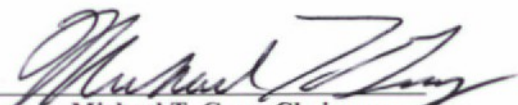
A motion was made by Mr. Hughs and seconded by Mr. Ross to adjourn the meeting. Objections were called for. There being none, a vote was taken and the motion carried.

The meeting was adjourned at 10:55 a.m.

APPROVED:

These minutes were presented and approved at a meeting of the Board of Directors of the Louisiana Insurance Guaranty Association, held November 20, 2014.


Wayne T. Roussel, Secretary


Michael T. Gray, Chairman

These Minutes were written by Kerri Dupont, Administrative Assistant, Milling Benson Woodward, LLP, from notes taken during the Board meeting. Changes and additions to the Minutes were made by Lacey Anderson, Administrative Assistant, LIGA, from a recording on the FTS Reporter and notes during the Board Meeting.