

**Minutes**  
**Meeting of the Personnel Committee**  
**Louisiana Insurance Guaranty Association**

**November 30, 2017**

The meeting of the Personnel Committee was held on November 30, 2017, at 9:15 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:

**William D. Hughs, III**  
**Bill Gourgues**

**Appointee of the Speaker of the House**  
**State Farm Insurance Companies**

Board Members Present:

**Markham R. McKnight (Treasurer)**  
**Tom McCormick**

**Appointee of the Commissioner of Insurance**  
**LAMMICO**

Others Present:

**John Wells**  
**Gerry Coryell**  
**Stephanie Laborde**

**Executive Director, LIGA**  
**Claims Manager, LIGA**  
**LIGA General Counsel, Milling Benson Woodward, LLP**

Members absent from the meeting:

**Denis Husers (Committee Chairperson)**

**Appointee of the Commissioner of Insurance**

*Call to Order by the acting Chairperson of the LIGA Personnel Committee*

Mr. Hughs called the meeting to order at 9:15 a.m.

*Quorum*

Mr. Hughs then confirmed there was a quorum present.

*Approval of September 29, 2016, Personnel Committee Minutes*

A motion was made by Mr. Gourgues and seconded by Mr. Hughs to approve the Minutes of the September 29, 2016, Personnel Committee minutes. Objections were called for. There being none, a vote was taken, and the motion carried.

*Report on current staffing*

Mr. Wells provided an update on staffing and payroll. He explained that the "firehouse effect" was heavily discussed in the guaranty fund community to justify retaining qualified staff during low claim volume. He stated the carrying cost of such employees was not appealing when volume is low. However, there is a bigger risk associated when the insolvencies supply claims faster than LIGA can hire and train staff.

Mr. Hughs questioned what caliber of temporary adjusters they were getting from their staffing firm. Mr. Wells stated the adjusters LIGA had hired recently were adjusters that LIGA recruited and sent to the staffing firm. He added there were a couple of workers currently employed as temporary adjusters that would be sorely missed if LIGA had

another large insolvency and they were employed elsewhere. He realizes however too that it might not be reasonable to spend \$150,000 or \$200,000 each year if the claim volume doesn't warrant such; It is a delicate balance.

Mr. Wells then asked for the committee's thoughts on the most prudent thing to do; whether to have an extra carrying cost in the slow time or accept that there would be serious struggles when they do get a sizeable number of claims. Mr. Gourgues stated in his business he knows you could predict claims but in LIGA's case it is more difficult to predict insolvencies. Mr. Wells stated it was also difficult to predict the type and variety of claims, so finding the individual to have on staff that is well-rounded would be beneficial; although they specialize in one line of business their temperament could be applied to other lines of business.

Mr. Gourgues questioned what would LIGA's base amount of staffing would they need when they are not getting those insolvencies. Mr. Wells stated their current staff would be their bare minimum. Mr. Hughs commented that staffing number had been that way for several years. Mr. Wells explained staffing following the retirement of an adjuster at the end of 2015 and the influx of claims in 2016.

Ms. Laborde stated you needed the supervising adjuster with the expertise in the LIGA law even if you do not have any adjusters under them, so that if you get an insolvency in that area you can hire the temporary adjusters.

The committee further discussed the right balance for LIGA's staffing.

#### ***Discussion of Executive Director Performance Evaluation***

Mr. Hughs stated they would go into Executive Session to discuss Executive Director Performance Evaluation and they would also be discussing the addition of temporary staff to permanent.

**It was moved by Mr. Hughs and seconded by Mr. Gourgues to go into Executive Session. Objections were called for. There being none, a vote was taken, and the motion carried.**

#### **\*Executive Session\* 9:24 a.m. to 9:32 a.m.**

Upon coming out of Executive Session and into regular session, Mr. Hughs state that the Committee was supportive of hiring one of the temporary adjusters to the permanent staff. He stated next that the Committee was not supportive of filling the vacant Operations Manager position at the present time. He stated if there was an uptick in claims due to insolvencies they would review the need again for an Operations Manager.

Mr. Hughs stated they also looked at raises for both Mr. Wells and Mr. Coryell. He stated they were both doing a great job. He added that the Committee thought a 10% increase for each would be appropriate. He then added they should have the Personnel Committee meet on an annual basis instead of every two years.

#### ***Old Business***

None discussed.

#### ***New Business***

Mr. Wells stated they should schedule the next meeting and in between they should exchange some emails with regards to more formal evaluations.

*Adjournment*

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

The meeting was adjourned at 9:38 a.m.



Denis Husers, Committee Chairperson

*These Minutes were written by Lacey Anderson, Administrative Assistant, LIGA, from a recording on the FTS Reporter.*