

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

**September 27, 2018**

The meeting of the Audit Committee was held on September 27, 2018, at 9:40 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:

**Thomas L. McCormick (Committee Chair)**  
**Cindy Betz**  
**John Hawie**

**LAMMICO**  
**State Farm Insurance Companies**  
**Louisiana Workers Compensation Corporation**

Board Members Present:

**Michael T. Gray (Board Chair)**  
**Stephen C. Schrempp (Board Secretary)**  
**Noel J. Bunol, IV**  
**William D. Hughs, III**  
**Denis Husers**

**The Gray Insurance Company**  
**Appointee of the President of the Senate**  
**Gulf States Insurance Company, LAFAC Representative**  
**Appointee of the Speaker of the House**  
**Appointee of the Commissioner of Insurance**

Others Present:

**John Wells**  
**Gerry Coryell**  
**Deidre Arceneaux**  
**Stephan Kowalski**  
**Stephanie Laborde**  
**Blair Caruso**  
**Edward Dittmar**  
**David Lonibos**  
**Andrew DeGraw**  
**Lacey Anderson**

**Executive Director, LIGA**  
**Claims Manager, LIGA**  
**Claims Manager Designee, LIGA**  
**Rep. of Insurance Commissioner, Department of Insurance**  
**LIGA General Counsel, Milling Benson Woodward, LLP**  
**Audit Manager, Postlethwaite & Netterville**  
**LIGA Investment Advisor, Wells Fargo Advisors, LLC**  
**VP of Institutional Trust Services, Hancock Whitney**  
**Reporter, *The Surplus Lines Reporter***  
**Administrative Assistant, LIGA**

*Call to Order by the Chairperson of LIGA Audit Committee*

The meeting was called to order by Chairperson McCormick at 9:56 a.m.

*Quorum*

Mr. McCormick then confirmed there was a quorum present.

*Approval of the Minutes of the March 29, 2018 Meeting of the Audit Committee*

A motion was made by Mr. Hawie and seconded by Ms. Betz to approve the Minutes of the March 29, 2018 Meeting of the Audit Committee. Objections were called for. There being none, a vote was taken, and the motion carried.

*Discussion of Postlethwaite & Netterville's performance*

Mr. Wells discussed the timing of the financial audit, which is usually in late February. Mr. McCormick inquired further about the engagement with Postlethwaite & Netterville and how the audit was to be conducted. Ms. Caruso stated there were no changes in the process from the previous year. She added she would be conducting the audit as the Manager, Mr. David Moore would be the Director and Emily from last year would be working on audit with them. She added as far as timing, they would be conducting the audit sometime at the end of January or beginning of February. After the audit is

completed, they will submit a draft in the middle of March for Mr. Wells to review. After his review they will then issue the final audit at the end of March in time for the submission of LIGA's annual report which is due March 30th. She added the audit reviews items such as risk assessments and cash disbursements, looking at the claims and major areas.

Mr. Hawie questioned if Postlethwaite & Netterville required them to rotate managers every 5 years or so. Ms. Caruso stated there was no such requirement. Mr. Wells added that while it was not a requirement, in practice it has changed. Amanda Strebeck was the manager of LIGA's audit for a few years prior to Ms. Caruso taking over.

#### ***Discussion of Engagement of auditors for LIGA's 2018 Financial Audit***

Mr. McCormick questioned if the committee was supposed to appoint the auditors at this meeting. Mr. Wells stated it was the Board and committee that selected P&N but in previous years it was he who signed the engagement letter. He added that it was the Audit Committee's purview to change auditors or otherwise direct the audit. Mr. McCormick stated the Audit Committee should be the one who appoints the auditors and the Chairman of the Audit Committee should be the one to sign the engagement letter. Everyone agreed.

**A motion was made by Mr. Hawie and seconded by Ms. Betz that the Audit Committee recommend to the Board to appoint Postlethwaite & Netterville to conduct the 2018 Financial Audit and the Chairman of the Audit Committee sign the engagement letter. Objections were called for. There being none, a vote was taken, and the motion carried.**

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

Nothing to report.

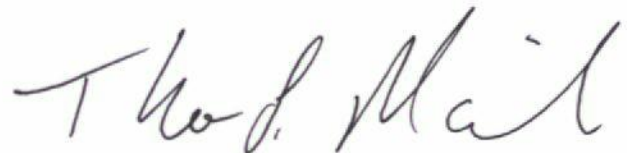
#### ***New Business***

The committee discussed having a stand-alone meeting in January to meet with the auditors and that the date was to be determined.

#### ***Adjournment***

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

The meeting was adjourned at 10:05 a.m.



**Thomas L. McCormick, Committee Chair**

*These Minutes were written by Lacey Anderson, Administrative Assistant, LIGA, from a recording on the FTS Reporter and notes taken during the committee meeting.*