

Minutes
Meeting of the Board of Directors
Louisiana Insurance Guaranty Association

September 27, 2018

The quarterly meeting of the LIGA Board of Directors was held on September 27, 2018 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)
Stephen C. Schrempp (Secretary)
Cindy Betz
Noel J. Bunol, IV
John Hawie
William D. Hughs, III
Denis Husers
Thomas McCormick

The Gray Insurance Company
Appointee of the President of the Senate
State Farm Insurance Companies
Gulf States Insurance Company, LAFAC Representative
Louisiana Workers' Compensation Corporation
Appointee of the Speaker of the House
Appointee of the Commissioner of Insurance
LAMMICO

Others Present:

John Wells
Gerry Coryell
Deidre Arceneaux
Stephan Kowalski
Stephanie Laborde
Edward Dittmar
David M. 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
LIGA Investment Advisor, Wells Fargo Advisors, LLC
VP, Manager, Hancock Whitney
Reporter, *The Surplus Lines Reporter*
Administrative Assistant, LIGA

Members absent from meeting:

Markham R. McKnight (Treasurer)

Appointee of the Commissioner of Insurance

Call to Order by the Chairperson of LIGA Board of Directors

The meeting was called to order by Chairperson Gray at 10:05 a.m.

Quorum

Mr. Gray confirmed that a quorum was present.

Ms. Laborde announced LIGA had two new board members, Mr. Stephen Schrempp and Ms. Cindy Betz, and requested she administer the Oaths of Office to them. After reading the oaths aloud and they both agreed to the oaths Ms. Laborde signed the oaths and submitted them for LIGA's file.

Approval of the Minutes of the June 28, 2018 Meeting of the Board of Directors

A motion was made by Mr. Hughs and seconded by Mr. Husers to approve the Minutes of the June 28, 2018 Meeting of the Board of Directors. Objections were called for. There being none, a vote was taken, and the motion carried.

Report on Operations

Executive Director, John Wells

Mr. Wells summarized his written report to the board, highlighting the upcoming departure of Gerry Coryell and presenting his replacement, Deidre Arceneaux. Mr. Wells also advised that a staff adjuster would be departing LIGA for a better opportunity. That employee's departure gave LIGA the opportunity to transition one staff member from the temporary rolls to the permanent staff.

Mr. Wells stated that Mr. Coryell's departure meant replacing him as a signatory on the bank accounts with Ms. Arceneaux. He added that only one board member, Mr. McKnight, was listed as a signatory on the bank accounts and one more was needed. He proposed adding Mr. Hawie as a signatory due to his proximity to the office.

A motion was made by Mr. Husers and seconded by Mr. Hughs to add Deidre Arceneaux and John Hawie as signatories on LIGA's bank accounts and accept the resolution regarding this change. Objections were called for. There being none, a vote was taken, and the motion carried.

Mr. Wells stated LIGA's Agent for Service Process would also be changed from Mr. Coryell to Ms. Arceneaux.

It was moved by Mr. Hughs and seconded by Mr. Husers to approve the Agent for Service Process change from Mr. Coryell to Ms. Arceneaux and accept the resolution regarding the change. Objections were called for. There being none, a vote was taken, and the motion carried.

Mr. Wells asked for any other questions regarding his report or the budget submitted.

Mr. Husers questioned the attorney fees number on the budget. Mr. Coryell explained the primary reason for the increase in fees were per asbestos claims. These claims were challenging the LIGA statute and caused for a great deal of attorney work to protect LIGA.

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

Report on Claims and Litigation

Claims Manager, Gerry Coryell

Mr. Coryell summarized his written report to the board. He updated the board on the ongoing efforts with the claims concerning the 2017 amendments to the LIGA statute regarding the other insurance credits. He then formally introduced Ms. Arceneaux as his replacement when he retires on November 9th.

Ms. Arceneaux thanked Mr. Coryell and the board and stated she was excited and looked forward to working for LIGA and reporting to the board.

A motion was made by Mr. Hughs and seconded by Mr. Husers to approve the Report on Claims and 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 summarized her written report to the board. She added she was currently working on a research project that would benefit all LIGA defense counsel in the future.

A motion was made by Mr. Hughs and seconded by Mr. Husers 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

No report from Insurance Commissioner's Office.

Committee Reports and Recommendations

Mr. Hawie reported the Finance Committee had met previously before the meeting and discussed proposed changes to the LIGA's Investment Policy. He added the committee reviewed some changes offered by Mr. Wells and notes submitted on those changes by Mr. McCormick. He stated they resolved to make some changes to the investment policy.

Mr. Husers stated the Personnel Committee had met previously before the meeting and reviewed the staffing and compensation. He added they would meet again before the next board meeting in November.

Mr. McCormick stated the Audit Committee had met with Postlethwaite & Netterville and discussed LIGA's 2018 Financial Audit and approved them to handle the audit. He stated they were going to meet with them again in January to discuss the audit in more detail.

It was moved by Mr. Hughs and seconded by Mr. Husers to approve the engagement with Postlethwaite & Netterville for LIGA's 2018 Financial Audit. Objections were called for. There being none, a vote was taken, and the motion carried.

Executive Session

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

Executive Session
10:32 a.m.-10:48 a.m.

Old Business

Mr. Gray called for any Old Business.

New Business

Mr. Gray asked if anyone had any concerns regarding the upcoming meeting date. Hearing none, he called for a motion for adjournment.

Adjournment

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

The meeting was adjourned at 10:50 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 29, 2018.



Stephen C. Schrempp, Secretary



Michael T. Gray, Chairman

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