

Minutes
Meeting of the Board of Directors
Louisiana Insurance Guaranty Association

June 24, 2021

The quarterly meeting of the LIGA Board of Directors was held on June 24, 2021, 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)
Noel Bunol
Cullen Clark
John Hawie
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
Louisiana Workers' Compensation Corporation
Appointee of the Commissioner of Insurance

Others Present:

Lacey Anderson
Diedre Arceneaux
Edward Dittmar
Stewart Guerin
Stephanie Laborde
John Wells

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

Members absent from meeting:

Cindy Betz
Markham McKnight (Treasurer)
Jennifer Wise

State Farm Insurance Companies
Appointee of the Commissioner of Insurance
Zurich Insurance Company

Call to Order

Chairman Gray called the meeting to order at 10:03 a.m.

Quorum

Chairman Gray confirmed that a quorum was present.

Approval of the Minutes of the March 25, 2021, Meeting of the Board of Directors

A motion was made by Mr. Hawie and seconded by Mr. Schrempp to accept the Minutes of the March 25, 2021, 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 reported on the complexities faced with the recent insolvencies of American Capital Insurance Company and Bedivere Insurance Company.

He continued his report with a discussion of Affirmative Casualty Insurance Company including a proposed Early Access Agreement and the disposition of ACIC's real estate.

Mr. Wells concluded his report by leading a discussion of potential changes to the Annual Meeting proxy process.

The Board discussed different options to make the process easier for members to comply.

A motion was made by Mr. Schrempp and seconded by Mr. Husers to give Ms. Laborde and Mr. Wells the authority to research a perpetual or repetitive annual meeting proxy process, including a web-based digital proxy. Objections were called for. There being none, a vote was taken, and the motion carried.

Mr. Wells announced that on May 10, 2021, LIGA hit a milestone. He was proud to announce that LIGA had paid out its one billionth dollar in payments since LIGA was created 50 years ago. He added the payments included unearned premiums, claims, defense cost and administrative cost.

Report on Claims and Litigation
Claims Manager, Deidre Arceneaux

Mrs. Arceneaux summarized her written report to the Board. She reported one of their top focuses was developing solutions to the lack of suit-level asbestos claim records they had not received and would not receive from the Bedivere estate. They were working closely with General Counsel and the LIGA claims staff, determining their claim handling practices to apply the 2010 LIGA Statute to the asbestos claims. They were also moving forward on their net worth investigations on both AMCAP and Bedivere. She added the rapid approach of the end of their statutory 6-month stay was September 11th on the Bedivere estate.

Report of General Counsel
General Counsel, Stephanie Laborde

Mrs. Laborde summarized her written report to the Board. She stated they had been extremely busy with Bedivere and the application of the 2010 changes to the law and how that would apply to those mostly asbestos questions. Additionally, she updated the Board on changes in Louisiana law from the recent legislative session.

Report of Insurance Commissioner's Office

Mr. Stewart Guerin reported that he would be replacing Mrs. Carolyn Fletcher. He added he had been with the Louisiana Department of Insurance for 30 years and he had nothing else to report.

Committee Reports and Recommendations, if necessary

Mr. Wells stated the Audit committee was the only one to have met since the last Board meeting and, as that meeting was held just prior to the current meeting, everyone present was in attendance. Thus, no update was needed.

Executive Session

Executive Session
10:54 a.m.-11:11 am.

Old Business

Chairman Gray called for any old business, hearing none, he called for any new business.

New Business

Hearing no other new business, Chairman Gray then brought their attention to the next Board meeting date on the agenda. He stated they would reconvene the Annual Meeting at that meeting. Chairman Gray then entertained a motion for adjournment.


Adjournment

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

The meeting was adjourned at 11:13 a.m.

APPROVED:

These minutes were presented and approved at a meeting of the Board of Directors of the Louisiana Insurance Guaranty Association, held September 30, 2021.



Stephen C. Schrempp, Secretary



Michael T. Gray, Chairman

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