

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
SPECIAL INSURANCE COMMITTEE MEETING MINUTES
THURSDAY MARCH 9, 2017 – 3:30 P.M.

A special meeting of the Insurance Committee of the Non-Flood Protection Asset Management Authority was held on Thursday, March 9, 2017 at 3:30 p.m., in the 2nd Floor Conference Center, 6001 Stars & Stripes Blvd., New Orleans, Louisiana after due legal notice of the meeting was sent to each Board member, the news media, and a copy of the call was posted.

Comm. Wheaton chaired the meeting in Chair Fierke's place, and called the meeting to order at 3:35 p.m. and led in the Pledge of Allegiance.

The roll was called which constituted a quorum.

PRESENT:

Chair Rodger Wheaton
Comm. Stan Brien
Comm. Sean Bruno

ABSENT:

Chair Thomas Fierke

STAFF:

Jesse D. Noel, P.E. – Executive Director
Ngoc Ford – Deputy Director
Sharon Martiny – Administrative Assistant

ALSO PRESENT:

Tim Avegno – Eagan Insurance
Charles Kennedy – Kennedy Financial Services

OPENING COMMENTS

Chair Wheaton that insurance should be mapped out with the insurance broker well in advance of renewal. The Committee has a better idea of what is being renewed.

ADOPT AGENDA

Prior to the quorum, the meeting was deemed informational only. Comm. Bruno offered a motion to adopt the Agenda, seconded by Comm. Brien and unanimously adopted.

NEW BUSINESS

1) Motion to recommend approval to the full Board to renew contract with Eagan Insurance Agency, LLC as insurance agent of record to procure property, casualty, liability, flood, auto, employee practices and workers compensation policies for the Authority

Tim Avegno, Insurance Agent of Record, advised that currently there is no written contract for the Insurance Agent. This should be put in writing for everyone's benefit to avoid any issues. Comm. Bruno offered a motion to recommend approval to the full Board to renew contract with Eagan Insurance Agency, LLC as insurance agent of record, second by Comm. Brien.

2) Motion to recommend approval to the full Board to authorize the Executive Director to renew flood insurance policies which expire on various dates for several NFPAMA properties and to ratify payment of same

Mr. Avegno added that this is determined by the Federal Government flood insurance program. The NFIP is currently issuing dividend checks for some policies as they were quoted at more than what the policy was for. The policies were adjusted in January and changed from a V Zone to a V-E Zone. Rebate checks will be issued for those policies. Chair Wheaton noted that 300 Lakeshore Dr. is Shelter No. 1. Insurance for the Shelter is not a pass through. Insurance is approximately \$17,000 per Shelter. The Authority is currently trying to get the Shelters open as they have been closed since Hurricane

Katrina. There have been multiple vandalisms at the Shelters with copper wire being stolen and graffiti sprayed on the Shelters. The tenants will get the Shelter operational and will be operated as public restroom facilities. This is purely an economic venture to get the Shelters open and have a presence in that area. The Authority does not have the staff to open the Shelters, which would have been vandalized if they were opened.

Mr. Avegno advised that the highest the Authority could go on a flood policy is \$50,000 with a 10% discount. The E.D. advised that flood insurance was a requirement by FEMA to get the structures repaired and receive grant assurances after Katrina. Chair Wheaton added that the Authority is paying premiums to pay the government back for money that was invested to repair the buildings. Approximately \$13 million was spent to repair the Bastian-Mitchell Hangar; the Authority receives \$250,000 annually in rent of which approximately \$150,000 is for insurance. The Authority nets \$108,000 on a \$13 million structure.

Comm. Bruno offered a motion to recommend approval to the full Board to authorize the Executive Director to renew flood insurance policies, second by Comm. Brien.

All below insurances expire on 07/01/17:

3) Motion to recommend approval to the full Board for renewal of auto insurance

The automobile market has become a tough market with not many players. Vehicles that are not being used could be disposed of, which would lead to a savings \$2,500 per vehicle

The E. D. advised that there are approximately 17 vehicles that are covered, and all are in excess of 10 years old. Not all vehicles are being used.

4) Motion to recommend approval to the full Board for renewal of auto insurance (fire truck)

Mr. Avegno advised that the fire truck is a specialty market as the automobile does not cover fire trucks. That should not change much.

5) Motion to recommend approval to the full Board for renewal of Property Insurance (Wind and Fire) for Fuel Farm

The Authority may come back if the Shelters were taken down, but the fuel farm is a requirement. The tornado a few weeks ago did damage aircraft at Lakefront Airport and did damage in New Orleans East and Michoud, which is a major facility. The tornado was not a named storm, so the damage was not covered by FEMA.

6) Motion to recommend approval to the full Board for renewal of Property Insurance (Wind and Fire) for all other properties

Mr. Avegno advised that property insurance was a big ticket item last year with quotes from \$30 million as opposed to \$70 million. As far as the property market, there will be an approximate 10% decrease. Similar limits are suggested this year; FEMA requires at least \$20 million. Even though there is a named storm, it does not mean that FEMA will come into play. The whole area must be deemed a catastrophe.

7) Motion to recommend approval to the full Board for renewal of Marina Liability Insurance

Mr. Avegno advised that Marina Liability is \$1 million in coverage that covered Marina operations. There was a boathouse claim that was covered under the General Liability. That is not part of the Marina liability as it was over the water.

8) Motion to recommend approval to the full Board for renewal of General Liability Insurance

This insurance is for exposure to non-Marina and non-Airport areas managed by the Authority. The main exposure is Lakeshore Dr. This covers the Authority as managers for Non-Marina and non-Airport and all land up to the levees. Chair Wheaton advised that there is some question as to who owns the land where Lakeshore Dr. crosses over the levee, which makes some time to sort out. General liability is the exposure to the

Authority as managers of the assets and land. The Flood Authority is responsible for the seawall and the levees. The Flood Authority has its own G.L. policy.

9) Motion to recommend approval to the full Board for renewal of excess General Liability Insurance

This is excess liability coverage over the General Liability policy; it does not cover excess automobile, Airport or Marina. The E.D. requested quotes on an umbrella policy. Chair Wheaton noted concerns regarding having limits of only \$1 million in automobile liability insurance as that amount is low. If there is an excess policy of \$10 million, that is fine.

10) Motion to recommend approval to the full Board for renewal of Airport Owner/Operator Liability Insurance

Mr. Avegno advised that the carrier was switched two years ago, which increased the premium by \$10,000. That premium is not likely to change. There is \$100 million in coverage as required by the FAA.

11) Motion to recommend approval to the full Board for renewal of Public Official Insurance

Mr. Avegno advised that the limit on Public Official Insurance is \$3 million, and protects Board members and professionals. The E.D. advised that there are also statutory protections that are given to public officials.

12) Motion to recommend approval to the full Board for renewal of Workers Compensation Insurance

Mr. Avegno advised that Worker's Comp. is basically statutory. Mr. Dixon noted concerns regarding employees working in or around the Marinas. Mr. Avegno advised that the workers on barges are not Jones Act exposure as a worker is not a master or a crew of a vessel. Workers are temporary workers in a navigable waterway.

ANNOUNCE NEXT MEETING

The next Insurance Committee meeting will be scheduled upon request.

ADJOURNMENT

Comm. Bruno offered a motion to adjourn, seconded by Comm. Brien and unanimously adopted. The meeting adjourned at 4:25 p.m.