

**HOUSING AUTHORITY OF NEW ORLEANS  
BOARD OF COMMISSIONERS  
REGULAR MEETING  
FEBRUARY 24, 2015**

**RESOLUTION NO. 2015-06**

**WHEREAS**, the Housing Authority of New Orleans (HANO) annually obtains insurance coverage to protect its assets from loss; and

**WHEREAS**, HANO's policies for these coverages were in effect for the period January 28, 2014 to January 28, 2015; and

**WHEREAS**, pursuant to HANO instructions, marketing efforts were begun to obtain quotes from various insurers for the required coverages prior to the policy expiration date; and

**WHEREAS**, the solicitation process was completed and quotes were submitted to HANO on January 22, 2015, and based on the proposals submitted to HANO for review, HANO will maintain the same level of coverage for the next year, realize certain improvements in the coverage package, not experience any additional level of exposure, and obtain the insurance for less cost than last year; and

**WHEREAS**, HANO staff reviewed the highest ranking proposals and recommended the following policy package to the Executive Director:

<u>Coverage</u>	<u>Premium</u>
<u>Property</u>	\$865,774
<u>Liability</u>	
General Liability	\$ 30,037
Umbrella Liability	\$ 12,335
Worker's Compensation	\$ 94,874
<u>FINPRO</u>	
Management Liability	\$ 98,630
Fiduciary Liability	\$ 5,858
Crime	\$ 12,472
Professional Law Enforcement Liability	\$ 26,162
<u>Automobile Liability and Property</u>	<u>\$107,943</u>
Total	\$1,254,085 (-12%); and

**WHEREAS**, in order to avoid a lapse in coverage and as there was no regularly scheduled meeting of the Board of Commissioners prior to the renewal date of the policies, the Executive Director, in accordance with HANO's Procurement Policy, authorized staff to bind coverage and executed the necessary documents on behalf of HANO; and

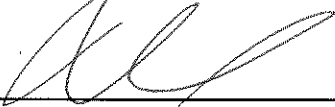
**WHEREAS**, the HANO Procurement Policy states that the Board of Commissioners will ratify the actions of the Executive Director at the next regularly scheduled meeting of the Board.

**Resolution No. 2015-06**  
**February 24, 2015**  
**Page 2**

**THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of the Housing Authority of New Orleans approves the insurance renewal coverage for 2015 and ratifies the actions of the Executive Director in executing any and all documents necessary for the procurement of insurance coverage prior to expiration in the total amount of \$1,254,085.

**Executed this 24<sup>th</sup> day of February, 2015**

**APPROVAL:**



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**DWAYNE G. BERNAL**  
**PRESIDENT, BOARD OF COMMISSIONERS**



February 24, 2015

**MEMORANDUM**

**To:** Board of Commissioners  
President Dwayne G. Bernal, Vice President Alice Riener,  
Commissioner Glen Pilié, Commissioner Toni Hackett Antrum, and  
Commissioner Vonda Rice

**Through:** Gregg Fortner  
Executive Director

**From:** Robert Barbor  
General Counsel  
  
Alan Lindenlaub

**Re:** Ratification of Action of Executive Director  
Annual Renewal of Property, Liability and Auto Insurance Policies

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The Housing Authority of New Orleans (HANO) carries a variety of insurance policies related to our property portfolio and operations. Our policies are renewed on an annual basis. HANO staff and our Insurance Agent (Marsh, USA, Inc.) began the process of renewal last year. Policies covering Property, Liability (General Liability, Umbrella Liability, Directors & Officers, Employment Practices, Worker's Comp, Law Enforcement Professional, Fiduciary, and Criminal) and auto were shopped across a spectrum of carriers to obtain the best coverage at the most reasonable cost.

Proposals were sent to a total of 25 carriers in the market requesting quotes on the various lines of insurance. Due to the unique nature of HANO's operations, we generally do not get responses from all carriers. After responses were received, the top three proposals were evaluated and presented to HANO staff for review on January 22, 2015.

Based on the proposals submitted to HANO for review, HANO will be able to maintain the same level of coverage for the next year, with certain improvements in the coverage package, not experience any additional level of exposure, and obtain the insurance for less cost than last year.

The recommended proposal provides the following premiums for the lines of insurance and shows reductions and/or increases from last year:

<u>Policy</u>	<u>Premium</u>
<u>Property</u>	\$865,774 (-21.76%)
<u>Liability</u>	
General Liability	\$ 30,037 (-2.60%)
Umbrella Liability	\$ 12,335 (-0.85%)
Worker's Compensation	\$ 94,874 (-21.01%)
<u>FINPRO (+8%)</u>	
Management Liability	\$ 98,630
Fiduciary Liability	\$ 5,858
Crime	\$ 12,472
Professional Law Enforcement Liability	\$ 26,162
<u>Automobile Liability and Property</u>	\$ 107,943 (+12%)
<u>Total</u>	\$1,254,085 (-12%)

The largest portion of the insurance package is our property coverage. The current quote is based on a property portfolio valued at \$134,620,898. This is a reduction of 10.73% from last year's valuation due mainly to continuing demolition at Iberville. In addition, savings were realized due to a reduction in the rate, and placement with a new insurance group, resulting in a savings of 21.76% over last year's premium.

Savings were also realized in our liability package due to a decrease in rates. Financial and Professional Liability (FINPRO) and auto saw slight increases due to claims and an increase in our fleet.

All policies were required to be renewed no later than January 28, 2015 to avoid any lapse in coverage. Due to the cancellation of the January 27, 2015 Regular Meeting of Board of Commissioners, the Executive Director, pursuant to authority contained in HANO's Procurement Policy, Section 2.5, authorized our insurance agent to bind coverage and signed the appropriate contracts. The Procurement Policy states that the Board of Commissioners will ratify the execution of any contracts at the next regular meeting.

## **CERTIFICATIONS**

### Finance

The Finance Department has certified that this procurement is budgeted and available in the HANO FY 2015 budget.

HANO requests that the Board of Commissioners of the Housing Authority of New Orleans approve the insurance renewal coverage and ratify the actions of the Executive Director in executing any and all documents necessary for the procurement of insurance coverage prior to expiration in the total amount of \$1,254,085.