

**HOUSING AUTHORITY OF NEW ORLEANS  
BOARD OF COMMISSIONERS  
REGULAR MEETING  
JANUARY 26, 2016**

**RESOLUTION NO. 2016-02**

**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 are in effect for the period January 28, 2015 to January 28, 2016; and

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

**WHEREAS**, the solicitation process was completed and quotes were submitted to HANO on January 21, 2016, and based on the proposals submitted to HANO for review, HANO will maintain the same level of coverage for the next year, 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:

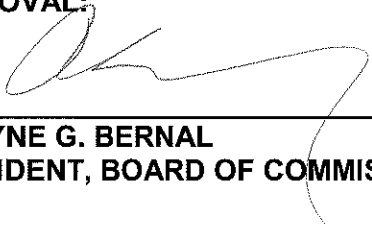
<b>COVERAGE</b>	<b>PREMIUM</b>
Property	\$ 772,459 (-11%)
<u>Liability</u>	
General Liability	\$ 30,430 (-5.83%)
Umbrella Liability	\$ 12,036 (-2.43%)
Worker's Compensation	\$ 97,753 (+3.03%)
<u>FINPRO (Financial and Professional)</u>	
Management Liability/D&O/EPL	\$ 114,017 (+16%)
Fiduciary Liability	\$ 5,728 (1%)
Crime	\$ 12,333 (-1%)
Professional Law Enforcement Liability	\$ 34,736 (+25%)
Automotive Liability and Property	\$ 106,256 (-1.5%)
<b>TOTAL</b>	<b>\$ 1,185,748 (-6%)</b>

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**THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of the Housing Authority of New Orleans approves the insurance renewal coverage for 2016 and authorizes the Executive Director to execute any and all documents necessary for the procurement of insurance coverage prior to expiration in the total amount of \$1,185,748.

Executed this 26<sup>th</sup> day of January, 2016

**APPROVAL:**



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



January 26, 2016

**MEMORANDUM**

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

**Through:** Gregg Fortner  
Executive Director

**From:** Kelly Loisel  
Staff Attorney/Insurance General Manager

**Re:** 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 Compensation, 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, all quotes were presented to HANO staff for review on January 21, 2016. The top two property proposals were evaluated. The remaining lines stayed consistent with last year due to a general lack of competition.

The staff presented their recommendations for coverage to the Executive Director.

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. HANO has been able to see a reduction in costs for the last 3 years.

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

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The largest portion of the insurance package is our property coverage. The current quote is based on a property portfolio valued at \$136,775,446. This is an increase of 1.6% from last year's valuation due mainly to the addition of certain Iberville structures that were not demolished. In addition, savings were realized due to a reduction in the rate, and placement with a new insurance group, resulting in a savings of 11% over last year's premium. The increases in the FINPRO coverages are directly related to claims paid out last year by AIG for litigation costs and settlements.

All policies are required to be renewed no later than January 28, 2016 to avoid any lapse in coverage.

### **CERTIFICATIONS**

#### Finance

The Finance Department has certified that this procurement is budgeted and available in the HANO Fiscal Year 2016 budget.

HANO requests that the Board of Commissioners of the Housing Authority of New Orleans approve the insurance renewal coverage and authorize the Executive Director to execute any and all documents necessary for the procurement of insurance coverage prior to expiration in the total amount of \$1,185,748.