

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
FEBRUARY 11, 2014**

RESOLUTION NO. 2014-06

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

WHEREAS, HANO's policies for these coverages were in effect for the period of January 28, 2013 to January 28, 2014; and

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

WHEREAS, the 2013-2014 policies were to expire on January 28, 2014, and the renewal would be effective from that date until January 28, 2015; and

WHEREAS, Marsh completed the majority of its solicitation and submitted quotes to HANO on January 24, 2014, four days before the expiration of the current policies and

WHEREAS, the Legal Department notified the Administrative Receiver on January 27, 2014 of receipt of the quotes from Marsh and the pending expiration dates on the current policies; and

WHEREAS, there not being sufficient time to obtain Board of Commissioners approval to bind coverage before the expiration date of the policies in question, the Administrative Receiver authorized the Legal Department to bind coverage based on the quotes received January 24, 2014; and

WHEREAS, HANO received binding instruction from Marsh on January 27, 2014, payable within 30 days from effective date of the new policy (January 28, 2014) for the required property damage coverage and

WHEREAS, the Legal Department has examined the binding instructions and determined that they are appropriate and the coverage is as requested

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THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans hereby ratifies the Administrative Receiver's previous action binding coverage prior to the expiration of the policies for 2013-2014, and hereby authorizes HANO to pay Marsh USA, Inc., in the total amount of \$1,049,221.70

Executed this 11th day of February, 2014

APPROVAL:

A handwritten signature in black ink, appearing to read 'D. Gilmore', is written over a horizontal line. The signature is fluid and cursive.

DAVID GILMORE
ADMINISTRATIVE RECEIVER
CHAIRMAN, BOARD OF COMMISSIONERS



February 11, 2014

MEMORANDUM

**To: David Gilmore
Administrative Receiver
Chairman, Board of Commissioners**

**From: Alan Lindenlaub
Risk Manager**

Re: HANO 2014-15 Property Insurance Renewal Ratification

Approval of the Housing Authority of New Orleans (HANO)'s 2014-15 property insurance renewal in the amount of \$1,049,221.70 is requested. The proposal for the 2014-15 property insurance renewal was presented to HANO on January 24, 2014. Coverage was bound by the deadline of January 28, 2014 via verbal and email confirmation. Payment is due by February 27, 2014.

Marsh, our risk management consultant and agent marketed HANO's property insurance needs under approximately 12 different scenarios to several major carriers including Swiss Re, AWAC, Ironshore, Alterra, Lloyds, ACE, Westchester, Travelers – B&M, Colony, Chubb Custom, AmRisk, Lexington, and AXIS.

There was a new vendor in the market for the primary block of our policy structure. It is a syndicate structure on the London market. They made a very aggressive bid for our business. While we ultimately chose to stay with our current carrier, Swiss Re was forced to meet the syndicate's bid in order to retain our business.

In terms of overall market trends, there were no major events in 2013, so the Super Storm Sandy driven spike on 2012 gross rates corrected itself back down for 2014.

In summary, we retained our current coverage limits and lowered some deductibles while achieving a 10.3% reduction in the gross rate of coverage and a \$50K net reduction in our overall premium.

Looking forward, this new syndicate structure may very well generate enough of a competitive environment to keep the market rates down again next year and offer HANO carrier options in an otherwise relatively restricted market.