**Minutes of the Affordable Housing Risk Pool**

**Board of Directors Meeting**

**Via Zoom, Vancouver, Washington**

**Thursday, December 3, 2020 at 10:42 am**

A telephonic meeting of the Board of Directors of the Affordable Housing Risk Pool (“AHRP”) was held at 10:42 a.m. on December 3, 2020, in Vancouver, Washington.

**1.0 CALL TO ORDER AND ROLL CALL**

Directors Present

Director Erickson DevNW

Director Fox Homes for Good

Director Kauss Housing Authority of the County of Stanislaus

Director Kugler Housing Authority of the County of Tulare

Director Madsen Columbia Cascade & Mid-Columbia Housing Authorities

Director Leonard Housing Authority of Snohomish County

Director Rooker Housing Authority of the City of Walla Walla

Director Turner Coos-Curry Housing Authority

Others Present

Mary Wray Willis Watson

Courtney Giesseman Willis Watson

Michelle Frye Director of Finance, HARRP

Rick Gehlhaar Director of Claims, HARRP

Bill Gregory Executive Director, HARRP

Rebecca Plummer AHRP Senior Policy Administrator

Robin Cox Policy and Claims Administrator, HARRP

Rachel O’Neil Public Entities Policy Administrator, HARRP

President Rooker called the meeting to order at 10:42 a.m.

**2.0 AGENDA APPROVAL**

A motion was made by Director Kugler and seconded by Director Erickson to approve the Agenda, with the removal of Item #: 5.2, Item #: 6.5, Item #: 6.6, Item #:6.8. Motion passed by unanimous vote.

**3.0 CONSENT AGENDA**

A motion was made by Director Madsen and seconded by Director Kugler to approve the Consent Agenda. Motion passed by unanimous vote.

**4.0 COMMENTS FROM THE PUBLIC**

None

**5.0 PRESENTATIONS**

5.1 Willis Watson Towers, Reinsurance and Excess Renewal Presentation Mary Wray & Courtney Giesseman.

Ms. Wray shared information on renewal difficulties, the 2021 AHRP team, marketing overview and approach, and possible fronting partners with no collateral requirements. The marketing response did include several quotes and they are pending a few others. They did receive several quotes for the $25M Excess but they might need the facultative layer. They should have firm quotes by week’s end.

Risk attaching basis coverage is no longer available and all AHRP policies will need to have a 1/1 renewal date beginning in 2022. Ms. Wray agreed that this could present a logistical nightmare as AHRP has 400 policies. She predicted push back from lenders as well.

Ms. Giesseman commented that there are resources to assist in the renewal process of all 400 policies. After the first year, the process will be simplified. She added that the Willis team will be there to support and assist AHRP.

Director Rooker suggested that AHRP have a meeting with Ms. Wray and Ms. Giesseman with the affected staff members.

Ms. Giesseman continued by stating that the exposure data had decreased due to the King County departure. The liability program will have no change in structure. Liability have increased by 6% and collateral will be required. The liability unit count was not affected by King County’s exit. Excess Liability keeps growing in AHRP. Primary liability will increase by 6%, property by 3% and excess by 4.75%.

A question was raised concerning the surplus and whether or not it will be an issue. Liability has a long tail obligation and Munich wants to ensure adequate surplus.

Another question was asked concerning rebuilding property areas that had been subjected to wildfires. The answer will depend on the surrounding vegetation.

Ms. Wray and Ms. Giesseman concluded their presentation at 11:29 a.m.

**6.0 DISCUSSION AND ACTION ITEMS**

6.1 Consider Management Agreement Renewal

A motion was made by Director Kauss and seconded by Director Madsen to approve the Management Agreement Renewal. Motion passed by unanimous vote.

6.2 Consider Approving the Annual Report Publishing Proposal

A motion was made by Director Kugler and seconded by Director Kauss to approve the Annual Report Publishing Proposal. Motion passed by unanimous vote.

6.3 Consider Acceptance of Equipment Breakdown Coverage Quote

A motion was made by Director Kugler and seconded by Director Leonard to approve the Equipment Breakdown Coverage Quote. Motion passed by unanimous vote.

6.4 Consider Approving Broker/Consultant Contract Addendum

A motion was made by Director Kauss and seconded by Director Kugler to approve the Broker/Consultant Contract Addendum. Motion passed by unanimous vote.

6.7 Consider Collateral Funding, Regulation 114 Trust

A motion was made by Director Leonard and seconded by Director Kugler to approve the Collateral Funding. Motion passed by unanimous vote.

6.9 Consider Acceptance of Executive Director’s Report

The Executive Director’s report included work on reinsurance renewals, self-insured retention levels, the new software, branding, risk control, performance evaluations of the staff, the Washington audit, job description changes, the budgets.

A question was asked concerning the upcoming changes in AHRP and how it will impact HARRP and HARRP members. It is undetermined at this point.

Director Rooker suggested to discuss strategies and then send the board an email outlining those ideas.

**7.0 TREASURER’S REPORT**

A motion was made by Director Kauss and seconded by Director Leonard to approve the Treasurer’s Report. There was no discussion. Motion passed by unanimous vote.

**8.0 MATTERS FROM THOSE PRESENT**

Director of Claims Gehlhaar provided an update on the CHIP claim, which has been paid. $7.6M was paid by PESLIC and $1M by AHRP. AHRP is currently in the subrogation process with PG&E and is expecting 70-75% reimbursement.

**9.0 PRESIDENT’S REPORT**

The next meeting will be held on December 16, 2020.

**10.0 ADJOURNMENT**

The meeting was adjourned at 11:43 a.m.

Renee Rooker, President