Special Meeting - GHI Board of Directors December 12, 2011

Directors Present: Novinski, Wartell, James, Boswell, Hess, Jones, McFadden, Morse

Excused Absence: Moore

Others in Attendance: Eldon Ralph, General Manager

Joseph Perry, Director Finance

Joan Krob, Director Member Services

Gretchen Overdruff, Immediate Past General Manager

Dianne Wilkerson, Audit Committee Chair

Debbie Cooley, Audit Committee Monica Johnson, Recording Secretary

Doug Love

Limit Liability Insurance

President Boswell called the meeting to order at 6:30 p.m. to discuss the property liability insurance. General Manager Ralph mentioned to the Board that the cost of liability insurance being provided by Travelers would increase by \$120,400.00 more with a \$25K deductible for each occurrence. Mr. Ralph stated that Mr. Polkes, the insurance broker, recommended that GHI stay with Travelers insurance for the other elements that are covered by the umbrella coverage.

Mr. Ralph introduced Mr. Brent Polkes who provided the Board with an overview of quotes that he has obtained from two competitive companies: Hartford Mutual insurance and Westminster American insurance. Mr. Polkes explained that Traveler's liability premiums increased dramatically due to GHI's excessive claims because of extreme weather conditions, and Travelers could not continue to keep the rate at a reasonable level under the circumstances. Mr. Polkes suggested that the Board consider moving its liability coverage to Westminster American and continue with Travelers for the other necessary coverage.

The Board discussed the information provided by Mr. Polkes at some length during which time Mr. Polkes responded to various questions.

<u>MOTION</u>: THAT THE BOARD OF DIRECTORS DOES APPROVE FOR FIRST READING THE EXPENDURE OF \$ 530,387.00 FOR RENEWING THE PROPERTY AND BUSINESS OWNERS INSURANCE PACKAGE FOR 2012 AS PROPOSED BY POLKES AND GOLDBERG INSURANCE COMPANY.

Moved: Hess Seconded: Jones Carried 8

MOTION: TO ADJOURN.

Moved: Hess Seconded: Jones Carried 8

The meeting adjourned at 6:50 p.m.

Ed James Secretary