



Memorandum

DATE: November 22, 2021
TO: Chairman and Members of the Board
FROM: Kevin H. Roche, CEO/General Manager
SUBJECT: Finance & Audit Committee Minutes – November 18, 2021

There was a **Finance & Audit Committee Meeting** held on the date noted above via the Zoom Platform in accordance with the **ecomaine** Remote & Hybrid Meeting Policy. The meeting was called to order by Bill Shane, Chair.

Item #1: Approval of the Minutes

Mike Shaw motioned to approve the minutes as written. The motion was second by Matthew Frank. All in favor.

Item # 2: Presentation – Todd Jacobson, USI Insurance – Terrorism Coverage

Todd Jacobson provided the history of Terrorism Insurance Policies. He stated prior to 911, Terrorism Insurance was not excluded on insurance policies. After 911, insurance carriers evaluated their exposure and stopped offering coverage. The Industry & Federal Government recognized that there needed to be a buffer in the insurance industry picking up related acts of Terrorism. Therefore, creating the Terrorism Risk Insurance Act (TRIA), the purpose was to provide the following:

- A buffer between the Federal Government and Insurance Carriers on possible Acts Of Terrorism (Foreign & Domestic).
- Development of the Terrorism Risk Insurance Act (TRIA), requiring the government to share in the cost of loss greater than \$5 Million on a certified terrorist act.
- Types of coverage were developed, Certified, and Non-Certified events on possible terrorist related acts.
- Guidance on determination of a certified event and who is responsible for declaration. Currently the Government (Secretary of the Treasury, Homeland Security, and the Department of Justice) are the determining bodies declaring and event as an Act of Terrorism.
- Definition on Non-Certified Terrorism coverage that provides some insurance coverage for a terrorist act that does not meet the criteria of certified. Note - If the event is certified by the government any losses incurred from the event would not be covered.
- Cost of Terrorism Insurance varies on industry & location.
- Terrorism Insurance cannot be excluded from Workmen Compensation Policies.

There was a lengthy discussion, it was recommended by the committee to table discussion until the December 2021 Executive Committee meeting, where staff will review current insurance deductibles. Todd will provide staff with an update on current policies and deductibles.

Item #3: Cash Disbursement Report

Bill Shane reported that he had reviewed the cash disbursements and no issues or concerns.

Item # 4: **Financial Statements**

Greg L'Heureux (staff) reviewed the year-to-date financials.

Adjourn: Mike Shaw made a motion to adjourn. The motion was second by Rod Regier.
All in favor.

Present: Dennis Abbott, Anne Bilodeau, Linda Boudreau, Dave Durrell, Matthew Frank, Caleb Hemphill,
Troy Moon, Rod Regier, Bill Shane, Mike Shaw & Erik Street

Guest: Todd Jacobs, USI

Staff Matt Grondin, Greg L'Heureux, Wei Huang, Denise Mungen, Kelly Rickett & Kevin Roche