

Financial Affairs
Richard H. Hinds, Chief Financial Officer

SUBJECT: RENEWAL OF BOARD'S PROPERTY INSURANCE PROGRAM

At the Board meeting of March 13, 2002, the Board authorized Arthur J. Gallagher & Co. To secure and bind maximum available limits of property insurance coverage, with annual premiums for catastrophic, all risk, replacement cost coverage not to exceed \$15 million, effective May 1, 2002.

Coverage has been bound, effective May 1, 2002. Staff and the Board's broker continue to meet with insurers in an attempt to secure limits where the Board is being forced to participate as a self-insurer, as well as securing additional limits.

A completed agenda item, outlining the limits which have been bound, including all terms, conditions, premiums, deductibles, and strategies to continue to secure limits, along with recommendations for renewal of other ancillary coverages, including flood coverage and property coverages for owned transmission towers, antennae and equipment, will be provided to the Board no later than May 10, 2002.

RHH:SC