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**REPORT OF THE ANNUAL MEETING**

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April 28, 2020

Insurance Placement Facility of Delaware

190 N. Independence Mall West  
Philadelphia, PA 19106-1554

Board of Directors

2019 – 2020

Ms. Nicole Ford, Chairperson .....	Allstate Insurance Company
Ms. Patricia Quinn, Vice Chairperson .....	CNA
Ms. Marybeth Baxter .....	Nationwide Insurance Company
Mr. Dan Harrington .....	The Travelers Companies, Inc
Mr. Richard Landers .....	State Farm Insurance Companies
Ms. Diana Matalka .....	American Modern Insurance Group
Ms. Stacie Palmer .....	Liberty Mutual Insurance Company
Mr. Nathan Sarcyk .....	The Hartford
Mr. Dave Sponic .....	Donegal Insurance Companies
Ms. Blaine Stanley .....	Chubb Group
Ms. Jaynine Warner .....	Farmers Insurance
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Mr. Daniel M. Taylor, Jr., Esq., General Counsel .....	Margolis Edelstein, Pittsburgh
Mr. John M. Ogle, President .....	Insurance Placement Facility of Delaware

AGENDA FOR THE ANNUAL MEETING  
INSURANCE PLACEMENT FACILITY OF DELAWARE

April 28, 2020 - 8:00 A.M.

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1. Call to Order - 8:00 a.m. - Ms. Nicole Ford, Chairperson, presiding
2. Approval of Minutes of Previous Year Annual Meeting - April 25, 2019
3. Ratification of Board, Officer's and Committee Actions
4. Report of the Chairperson
5. Report of the President
6. Treasurer's Report
7. New Business
8. Election of Board of Directors 2020-2021

Nominations are:

- 1) Allstate Insurance Company
  - 2) American Modern Insurance Group
  - 3) Chubb Group
  - 4) CNA
  - 5) Donegal Insurance Companies
  - 6) Farmers Insurance
  - 7) Liberty Mutual Insurance Company
  - 8) Nationwide Insurance Companies
  - 9) State Farm Insurance Companies
  - 10) The Hartford
  - 11) The Travelers Companies, Inc
9. Adjournment of Meeting

Insurance Placement Facility of Delaware  
Minutes of the Annual Meeting  
April 28, 2020  
Teleconference  
8:00 a.m.

The Annual Meeting of the Insurance Placement Facility of Delaware was called to order with Chairperson Nicole Ford presiding. President John M. Ogle served as secretary and reported a quorum was present with 118 companies, representing 75.56% of the membership in person or by proxy.

Upon motion duly made, seconded and carried, the Minutes of the April 25, 2019 Annual Meeting were approved as distributed.

A motion to ratify the actions of the Board of Directors and the Officers for the 2019-2020 term was duly made, seconded and carried.

Motions were made, seconded and carried to waive the reading of the Chairman's report, the President's report and the Treasurer's report, as all three reports were included in pre meeting materials and will be incorporated into the Annual Report. The reports were accepted as presented.

The President noted the 2019 financial audit report provided by the accounting firm of Mazars, accepted by the Audit Committee and as reported to Board of Directors will be made part of the Annual Report.

With no new business, Nominating Committee chairperson, Ms. Marybeth Baxter placed into nomination the following Member Companies to serve on the Board of Directors for the 2020-2021 term.

Allstate Insurance Companies  
Chubb Group  
American Modern Insurance Group  
CNA  
Donegal Insurance Group  
Farmers Insurance  
Liberty Mutual Group  
Nationwide Insurance Companies  
State Farm Insurance Companies  
The Hartford  
The Travelers Companies, Inc.

There being no other nominations, it was moved, seconded and carried to close nominations. Chairperson Ford requested and received confirmation from the secretary that a sufficient amount of ballots had been cast for the nominees. Mr. Ogle reported that 146 companies representing 75.55% of the membership indicated their intention to cast ballots either in person or by proxy in favor of the nominated slate. Therefore, upon motion duly made, seconded and carried, the slate was declared elected.

There being no further business and upon motion duly made, seconded and carried, the meeting was adjourned.

Respectfully submitted by,



Mr. John M. Ogle, CPCU  
President

Approved by,



Ms. Nicole Ford  
Chairperson of the Board

## DELAWARE - BOARD MEMBERS

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	<b>Count</b>	<b>Note*</b>	<b>Percentage</b>
<b>Total Board</b>	75		59.1370
Baxter	10	10+3	7.3152
Stanley	28		7.0510
Both	4	4+3	2.0550
None	1		0.0010
Other	0		0.0000
<b>Subtotal</b>	43		16.4222
<b>TOTAL</b>	<b>118</b>		<b>75.5592</b>

\* Represents total votes plus board member votes

**Report of the Chairperson**

**Ms. Nicole Ford**

**52nd Annual Meeting**

**Of the Members of the**

**Insurance Placement Facility of Delaware**

**April 28, 2020**

**Welcome to the 52nd Annual Meeting of the Insurance Placement Facility of Delaware. As we continue in our sixth decade in operation, I am pleased to report that the Facility continues to meet its primary purpose of making basic property insurance available to those property owners who have been unable to secure such coverage in the voluntary marketplace.**

**Despite Delaware's Hurricane exposures created by its proximity to both the Atlantic Ocean and the Delaware Bay, there remains a wide range of companies doing business in the State of Delaware. With many companies active in the marketplace, it is not a surprise that the State's FAIR Plan is a very small player in the overall market. In 2019, the Delaware FAIR Plan issued just 1,379 policies and wrote only \$517,025 in Written Premium.**

**Despite the small volumes, the Delaware FAIR Plan still receives a routine flow of new applications and renewal payments from all three counties in the State. The FAIR Plan has policies in force in most every part of the state including the Wilmington urban core and the southern coastline. Unexpectedly, in 2019, the Delaware FAIR Plan saw its New Business Applications count increase by 30.7% over the prior year.**

**Over the past decades, the Delaware FAIR Plan has recorded many surplus years, but as of late, the smallness of the Plan combined with several large fire losses have conspired to provide a string of deficit results. In 2019, Despite a 59% decline in Loss Incurred and a 15% drop in General Expenses, the three large fire losses combined with a 5.9% fall in Premiums Earned resulted in a Net Result of Operations 2019 loss of \$148,962.**

**As has been the case since inception, the Delaware FAIR Plan is run with the full support and staffing provided by the Insurance Placement Facility of Pennsylvania. Although that arrangement greatly benefits both organizations, it is the insurance industry itself that reaps the greatest financial benefit.**

In closing I would like to express my appreciation to Mr. John M. Ogle and the members of his Staff. Their dedication to the FAIR Plan is evident in so many ways and I think I speak for all the Board members when I say we take great comfort knowing the operation is in such capable hands.

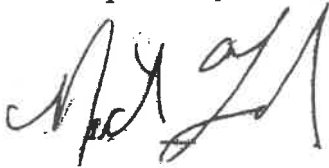
I would also like to recognize the contributions of our General Counsel Mr. Daniel M. Taylor. Mr. Taylor's timely and well thought out advice has served the Board well over the years and 2019 was no exception.

I would also be remiss if I did not acknowledge all the members of our committees and in particular, our Committee Chairman. Your readiness to serve and to offer the Staff guidance on any number of assorted issues goes a long way in making the Delaware FAIR Plan a well-run operation.

Every year it seems the Board of Directors or the FAIR Plan staff lose some very talented individuals to other assignments or retirement. 2019 was no exception. To all of those who have moved on, I would like to offer my personal thanks and gratitude for all the years of service to the FAIR Plan.

Lastly, I would like to thank all my fellow Board members for their support and dedication. I realize that many travel a considerable distance and sometimes under less than ideal circumstances. During our meetings, I am constantly amazed at your knowledge and your willingness to take time from your busy schedules to assist in the oversight of the Delaware FAIR Plan. For all your efforts, I am indeed grateful.

Respectively submitted,

A handwritten signature in black ink, appearing to read 'Nicole Ford', written in a cursive style.

Nicole Ford  
Chairperson of the Board

## **Report of the President**

**John M. Ogle**

### **52nd Annual Meeting Of the Members of the Insurance Placement Facility of Delaware April 28, 2020**

**Good morning and welcome to the 52nd Annual Meeting of the Insurance Placement Facility of Delaware.**

**For the past few years, we have seen a steady decline in FAIR Plan business and 2019 was no exception. With a small premium base, the Delaware FAIR Plan has also always been susceptible to the negative impacts of large fire losses and 2019 was no exception. The Delaware FAIR Plan suffered three such fire losses in 2019 totaling \$254,556.61 in loss payments.**

**In 2019, although the Delaware FAIR Plan issued fewer policies than it did in 2018, it received almost 31% more New Applications. Time will tell if this uptick is a sign of a changing marketplace, but rest assured the Plan stands ready to meet the fire insurance needs of the property owners of Delaware.**

**Although the FAIR Plan recorded a 58.7% drop in Losses Incurred it was somewhat of a reflection of the poor years experienced in 2018 and 2017. In addition, a 15.3% decline in Underwriting expenses was offset by 5.9% drop in Premiums Earned, yielding an Underwriting deficit of \$148,378. Considering Investment Income and Other Income and Expenses, the Delaware FAIR Plan finished 2019 with a Net Result of Operations deficit of \$148,962.**

**Over decades the Delaware FAIR Plan has remained a small niche writer for those unable to secure coverage in the normal marketplace. Annual Premiums Written have never exceeded \$900,000 and annual policy counts have only once been as high as 6,063. Despite its limited size, the FAIR Plan has still paid out over \$13,910,000 in Losses.**

**The Delaware FAIR Plan continues to be serviced through a cost sharing arrangement with the Pennsylvania FAIR Plan. That agreement provides the Delaware FAIR Plan with not only access to a modern system software but also experienced and dedicated personnel.**

As we approach our 53rd year in operation, I can't help but to think of all the Board and Committee members, Insurance Department senior staff and all the FAIR Plan staff, who have moved on to their next challenge. To all, I would like to express my thanks for their years of dedicated service.

In closing, I would like to thank the members of my management team and the employees for their efforts over these past 12 months. This has certainly been a year of change with retirements of our tenured Accounting and Underwriting managers and the hiring of their replacements. While institutional knowledge is next to impossible to replace, we were fortunate to promote from within and hire a seasoned industry professional familiar with the FAIR plan.

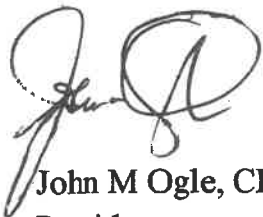
I would also like to thank General Counsel Daniel Taylor for his timely and sound legal advice throughout the year. Today's working and social environments have changed so drastically from just a few years ago, but Dan has managed to steer the organization clear of the many potential pitfalls.

I also think it is appropriate to thank the Delaware Insurance Department and in particular, Christina Miller. We value the relationship we have with the Department and her efforts to guide us through to appropriate people has been invaluable. Time does not permit me to personally thank all those many individuals inside the Department who have lent us their knowledge and expertise, but suffice it to say, those efforts are greatly appreciated.

Lastly, I would like to thank all the members of the Board and its various Committees. Your interest, support and enthusiasm go a long way in running this organization.

Whether it has been an email, a phone conversation or a meeting, members repeatedly go to great lengths to be engaged in the operation of the Plan. Your efforts and support are greatly appreciated.

Respectfully Submitted

A handwritten signature in black ink, appearing to read "John M. Ogle". The signature is stylized with large, flowing loops.

John M Ogle, CPCU  
President

# INSURANCE PLACEMENT FACILITY OF DELAWARE

## DELAWARE FAIR PLAN

### Treasurer's Report

December 31, 2019

#### **ASSETS**

Cash in Bank	1,025,044.12
Investments, Short term at cost plus accumulated discount	284,995.47
Accrued Investment Income	0.00
Due from Participating Members	71,702.81
Premiums Receivable	3,618.00
Other Receivables	0.00
Equipment *	0.00
 Total Assets	 <u><u>1,385,360.40</u></u>

#### **LIABILITIES AND MEMBERS' EQUITY**

Unearned Premiums	265,085.00
Unearned Advance Premiums	19,423.00
Outstanding Losses	14,500.00
Outstanding Loss Adjustment Expenses	3,825.00
Accrued Expenses	11,188.00
Unpaid Post Retirement Benefits	347,389.00
Unpaid Pension	172,582.00
Accounts Payable	14,165.62
Claims Checks Payable	111,575.87
Unpaid Premium Tax	3.44
 Total Liabilities	 <u>959,736.93</u>
Members' Equity (Deficit)	425,623.47
 Total Liabilities and Members' Equity	 <u><u>1,385,360.40</u></u>

Respectfully Submitted,



Joseph L. Budka Jr.  
Accounting Manager

\* E. D. P. Equipment