

ROCKPORT COUNTRY CLUB MEMBERS ASSOCIATION

BOARD OF DIRECTORS SPECIAL MEETING MINUTES

February 12, 2018

A Special meeting of the Board of Directors of the Rockport Country Club Members Association was held at the temporary offices of Rockport Country Club, Rockport, Texas.

**PRESENT:** Jon Heffron-President, Ric Young, Tiffanie Hoover, Herb Sutter, Charles Giesey and Chet Cloudt.

Also in attendance: General Manager - Rick DeLoach and Mike Johnson, and Blake McDavid.

The President convened the meeting at 3:10 PM. Jon took the minutes.

**GUESTS:** Blake McDavid of GSM Insurors - Rockport.

The sole agenda item was the consideration of insurance for the club's properties and operations for 2018.

The first item discussed was insurance covering the clubhouse and fitness center rebuilds, including workers compensation, builder's risk, liability, and property loss. Blake stated that he is coordinating insurance coverage with ClubDesign's insurance agent. Jon asked Blake to make certain the club was fully covered for all possible risks and potential liability in connection with the entire rebuilding process either through insurance the club purchases or by insurance provided by ClubDesign. Blake assured the Board that he would do this, and if there were any deficiencies in coverage, he would report them to Rick and Jon immediately so that they could be resolved and coverage purchased.

The next item discussed was all other insurance for the club for 2018. Blake addressed the Board referencing GSM's written presentation. Blake discussed GSM's search for insurance companies willing to offer insurance policies for the club's buildings and structures, business personal property, business income and extra expenses, golf course, as well as commercial business exposures (workers compensation, auto, D & O, employer liability, crimes, etc.). He explained that because of the storm last year and the fact that the club was in the process of substantially rebuilding its facilities, many of the carriers GSM shopped were unwilling to insure the club at this time. He noted these companies may be willing to do so in the future after the club was completely rebuilt and had returned to normal operations.

The club has two choices for windstorm coverage: ICAT and TWIA, and two choices for all other coverages (excluding Workers Compensation): Philadelphia Insurance Companies and International Insurance Company of Hanover. Blake recommended the club remain with Texas Mutual for Workers Compensation. The board had a lengthy discussion of all of the coverages and companies and asked Blake numerous questions. Blake noted that the club's insurance expense for 2018 will be higher than 2017 regardless of the company selected because of the storm in 2017 and because of the fact that the

club will be insuring more property at higher values than it has it in the past. Blake emphasized that no company was willing to offer windstorm coverage on the golf course and that the only flood insurance option for the club was through the National Flood Insurance Program, which is limited to \$500,000. He observed that Philly was not willing to offer the \$1,000,000 flood umbrella coverage. Finally, he noted that the ICAT coverage for 2018 would be substantially identical to 2017.

After much discussion and deliberation, the board unanimously agreed to purchase the following insurance:

- Windstorm – ICAT – coverage identical to 2017 (\$57,225 premium)
- Windstorm – TWIA – coverage for property and structures not covered by ICAT (\$12,172 premium)
- Commercial Package (including liability, property, Inland marine, Auto, employee benefits, crime, liquor liability, cyber security, umbrella, D&O, employment practices, fiduciary liability) – Philly – increased coverage amounts over 2017 (\$27,758 premium)
- Flood – Wright Flood (NFIP) (\$5,251 premium)
- Workers Compensation (in network) – Texas Mutual (\$9,872 premium)

Blake, Jon, and Rick were asked to report back to the Board when all final policies had been received. Finally, the Board asked that the record be made clear that the Club's decision to purchase insurance from Philly and ICAT for 2018 was without waiver of any rights the club may have against Philly, ICAT, or any other person or entity for past dealings, policies, claims, and coverage determinations.

**ADJOURN:** Upon a motion made and seconded, the meeting was adjourned at 5:00 PM.