



Chair's Report: 2006, Fourth Quarter

Chair Encourages Member Participation, Recognizes Retiring Captive Insurance Pioneer

**L. Glen Redding, Jr. of Stillwater Housing Authority of Stillwater, Oklahoma
2006 – 2007 Chair HAI Group's Board of Directors**

The Board of Directors and Committees of Housing Authority Insurance Group met September 18-20 in Stowe, VT for the 2006 Annual Meetings to conduct the business of your insurance companies. There were several important items that you missed if you were unable to participate.

I encourage you to attend future HAI Group meetings. Your strong leadership and continued guidance on our Board and Committees helps make this company work for housing authorities. We need your continued participation on Committees to ensure oversight and suggestions for the companies. I hope to see you in Myrtle Beach, SC in December.

We now have a strong Internal Audit control system in place. Valerie Bashura is a dedicated internal auditor who will help us control the risk to the companies. She will help the companies maintain effective control and efficient performance of our goals and objectives.

The Board of Directors voted to allow an additional pricing level for smaller housing authorities (those with less than 100 units) to subscribe to the Housing TeleVideo Network for only \$600 per year. This will provide additional training for less than the cost of attending one national conference. I encourage all small housing authorities to take advantage of this training opportunity.

Lastly, I want to acknowledge the contributions of outside director and retiring Board member Harry House. Harry has served on the Board since 1988 and his contributions to HAI Group have been numerous. Harry also served as Chair of the Underwriting and Risk Controls Committees. Harry has always been the voice of reason and has helped us better understand our role in the captive insurance industry, while allowing us to stay focused on our primary function.

On a personal note, I am sad to see Harry leave. He has been my friend and a mentor. He will be missed. I am a better person and we are better company because of Harry House.