



Housing Authority
Insurance Group

Annual Report 2005

Member Driven



drive *n.* An urgent, basic, or instinctual need; an impelling culturally acquired concern, interest, or longing; dynamic quality

A commitment to providing our members with premium insurance products and services continued to be the inspiration behind HAI Group's member-driven mission. In 2005, that drive was defined by the dedicated approach taken by our staff, management, Board of Directors, and Committee members. A unified culture led to greater interdepartmental teamwork, resulting in more efficient business practices. Our Board of Directors and Committees worked diligently to broaden the company's outreach and increase awareness for our niche industry. And, as always, the feedback and knowledge gained from members proves how fully invested they remain in improving the lives of the residents they serve.



Dan Labrie, *Chief Executive Officer*

T Dear Members:

Two-thousand and five was an unbelievable year for HAI Group thanks to our members, staff, Board, and Committees.

We could talk at length about the various unique components and indicators that led to a successful year, but what it really comes down to is the relationship we have with our members and how we respond to your needs and help you resolve those issues.

As a member-driven organization, I believe there are three key words that best describe our initiatives in 2005. While these phrases relate to previous years, they became even more magnified and meaningful to us in 2005. They include service, stability, and accountability.

Service is the most important aspect of our business. This is what makes HAI Group so unique and allows us to operate differently from the traditional insurance company. Service is about the added value that we provide to your housing authority. It comes in the form of affordable insurance products, risk management services, training, problem solving, providing information, and the knowledge and experience of our professional staff.

Stability is a promise to you that we will always maintain the financial ability to pay your current and future claims and meet the obligations of the policies issued by this organization. It also means having excellent capitalization, strong operating results, a leading position, and proven expertise in the housing authority market.

Accountability is about keeping our word to you and performing to the best of our abilities to meet the goals and objectives of the organization. It is about our focus to deliver quality products and services, maintain strong relationships with our business partners, and fulfill our commitment to you.

While the challenges going forward are great, we are confident in our ability to meet them head on, while continuing to meet the goals of our member-driven mission.

Member Driven

Richard Collins, *Chairman of the Board*



T Dear Members:

Throughout this annual report, you will see one recurring theme: Housing Authority Insurance Group is member driven. Being member driven, the company understands that the owners, in their role as policyholders or members, are the primary focus of all activities. By focusing on the customer, success follows.

Throughout 2005, our customer focus activities resulted in the single most successful year for HAI Group since the formation of Housing Authority Risk Retention Group in 1987. As you examine the financial statements accompanying this report, keep in mind the intangibles that made this member-driven organization so successful.

One such intangible is member retention. More than 300 policyholders have 10 or more years of membership and our overall retention ratio for HAPI and HARRG remains strong at 97%. This ratio can be attributed to the sharing of information on each member by the Underwriting, Claims, Marketing, Risk Control, and Finance departments. This teamwork allows HAI Group to enhance services and provide improved insurance products. In return, we earn member loyalty.

In 2005, our ability to analyze the insurance market, collect data, and know the competition produced new business in excess of \$11 million. We continue to grow and prosper.

Our customer focus extends to innovations other than insurance products. With the conversion of HTVN from satellite to Web-based technology and the enhancement of HousingCenter.com, HAI Group continued to be at the forefront of customer communications. Members benefit from the initiative and forward-thinking approach of our dedicated and professional staff, which saw the need and worked to accomplish these technological advantages.

We are pleased to present this annual report to you. Enjoy reading of the success in which we all continue to share.

Richard W. Collins

Member-Driven Mission:

Performance driven. Service driven. *Member Driven.*

In 2005, Housing Authority Insurance Group's member service efforts were the driving force behind the most successful year in our company's history. Outstanding individual and team performances propelled HAI Group to outperform itself on almost every level of the business operation, particularly in the areas of financial stability, customer retention and relationships, technological initiatives, strategic alliances, and product and service developments. It was a year that

was as much about vision as it was about the bottom line. A forward-thinking approach on internal needs, member relationships, and outside partnerships led to more efficient practices and higher business standards. By leveraging technology, developing and training talent, designing new products and services, and creating strong partnerships to strengthen our industry, HAI Group reinforced the core value of our member-driven mission.

Initiative

in-i-ti-a-tive n. The ability to originate or follow through with a plan of action or task

With the members as the driving force behind our customer service goals, Housing Authority Insurance Group staff took an aggressive approach towards innovation in 2005. Seeking fresh ways to bolster our product and service lines, we expanded our outreach to the members through a myriad of groundbreaking initiatives.

HAI Group's improved, more user-friendly Web site made its debut in July 2005. After months of intense design and testing, **www.housingcenter.com** re-emerged as a central location for our members to access important account information, industry and company news, product and service updates, and much more.

The collage displays three screenshots of the Housing Authority Insurance Group website. The top-left screenshot shows the 'Products & Services' page, which lists various insurance products and includes a 'Contact Us' form. The top-right screenshot shows the 'Children and Young Residents' page, featuring a table of contests and a 'Risk Management Roundtable Discussion Forum' announcement. The bottom-center screenshot shows the 'Contact Us' page, which includes a form for inquiries and a link to a 'GAO Report on Risk Retention Groups'. The bottom-right screenshot shows the 'About Us' page, which features a photo of a man and text about the company's history and mission.

It was out with the old and in with the new as the unveiling of HAI Group's improved Web site, www.housingcenter.com, sent the message that we are dedicated to providing our members with the resources needed to make their jobs easier. A combination of substance and style, the revamped Web site provides members with greater access to personal reports and documents, while serving as a sleek marketing tool for HAI Group's products and services. An enhanced public site, along with the advent of a members-only area, contributes to the company's well-rounded online presence. A member-comprised user test group was put together to examine the site prior to its July launch and ensure proper content and navigation. Appropriate staff was trained on Web-building software to allow for immediate postings and updates. The site has already supported the company's marketing efforts as HAI Group is listed at or near the top of numerous search engine Web sites for inquiries on public and affordable housing.

Member-driven value was also evident in the company's product development area. The establishment of a cost-sensitive Businessowners Policy (BOP) offers a clear, consolidated quote package that is easy for members to understand. To guarantee our

underwriters' ability to handle any and all insurance matters, staff was required to receive training on all lines of coverage, making the process of addressing policy issues as easy as possible for members.

Ensuring the protection of our companies through the licensing of Housing Authority Property Insurance, A Mutual Company, allowed the BOP effort to take place. The initiative, which began



in 2004, has already resulted in the licensing of 40 states at yearend, with a target goal of 48 states in 2006. In addition to helping guarantee HAI Group's survival, licensing provides us with an insurance policy of our own, while adding great market value to the company. To ensure HAPI's compliance with state regulatory claims-handling procedures, the Claims Department worked diligently with external insurance industry resources to produce new claims-reporting forms.

Customer service is more than a catch-phrase. It's a culture. With the launch of the Service, Trust, Accountability, Respect, and Sustainability (S.T.A.R.S.) values statement, HAI Group further promoted and managed our member-driven culture, while encouraging organizational teamwork. These five attributes convey the driving force behind our operations and serve as a pure, simple, and cohesive source of guidance in managing the relationships of our internal team and business partners.

While planning for the future is paramount to HAI Group's existence, it is also necessary to look back and recognize those who have helped make our company what it is today. To that end, the

Marketing Department initiated the membership loyalty program. More than 300 recognition plaques were produced and delivered to members who have been with HAI Group for 10 or more years.

Customer communications took on a whole new meaning as staff took measures to broaden contacts within our member PHAs. By expanding our contact efforts during member visits and providing additional information and education via e-mail, we were able to address our customers' needs in a more accurate, timely fashion.



At yearend 2005, Housing Authority Property Insurance, A Mutual Company, secured licensing in 40 states. The impetus for becoming an admitted carrier was the hard market following September 11 and other catastrophic exposures by the traditional insurers. HAPI concluded that it must become less reliant on other carriers, while maintaining its long-term business viability and performance of services presently provided by the issuing carrier in a timely and more cost-efficient manner.

Staff also collaborated on a Customer Communications Project, resulting in a four-part series of articles entitled “On the Road,” which was featured in our quarterly newsletter, InSite. The series offered readers a detailed, behind-the-scenes look at the activities associated with member visits.

Teamwork

team-work *n.* Work done by several associates with each doing a part but all subordinating personal prominence to the efficiency of the whole

Like a well-oiled machine, HAI Group’s functionality relies on the ability of its individual parts to work in unison. Unparalleled interdepartmental cooperation and teamwork helped drive our innovative spirit and greatly contributed to our success in 2005.

By bolstering our internal committee structure, we were able to address various staff and membership needs. The creation of the Customer Focus group in 2004 spurred the development of committees to handle projects such as our improved Web site; office safety; company/departmental history and education; a marketing slogan to help our members identify with our products and services; and a newsletter PHA spotlight team to report on HAI Group’s long-standing members. In an effort to

tackle important issues facing the membership, departments banded together as part of Team Risk. A network of individuals dedicated to handling specific accounts, Team Risk communicates via e-mail to gather all the necessary information needed to address a member’s concerns prior to a member visit. The cohesive nature of this unit helps minimize conflicts, increase capabilities, and appropriately service an account from top to bottom.

Teamwork extended outside the company as our MIS Department

on the future, HTVN teamed with Risk Control and Claims to create public officials liability and breach of contract programming that will be available to members in 2006. HTVN worked closely with Marketing and Executive Services staff to create fresh content for the Web site. By producing an electronic HTVN Program Calendar, the department shaved 70% off its printing budget, while offering members convenient, instant access to curriculum and show times.

Personal Touch

Face-to-face interaction with our members is a crucial component of HAI Group’s member-driven culture. Here’s how Marketing & Agency Operations has reached out to our members since 2003:

| | 2003 | 2004 | 2005 |
|---------------------------------|------|------|------|
| Member Visits | 200 | 236 | 348 |
| Tradeshows/conferences | 30 | 50 | 47 |
| Reach out calls | 579 | 727 | 682 |
| Hand-delivered dividends | 150 | 110 | 149 |
| Total dividends declared | 372 | 382 | 403 |

worked with American Alternative Insurance Corporation (AAIC) and Underwriting staff to improve the process of issuing policies for Housing Enterprise Risk Services (HERS). The joint effort cut down policy issuance time by 70%.

Housing Television Network’s (HTVN) efforts greatly contributed to the team concept, as departments united to build informative programs for its more than 120 subscribers. With an eye

Responsive

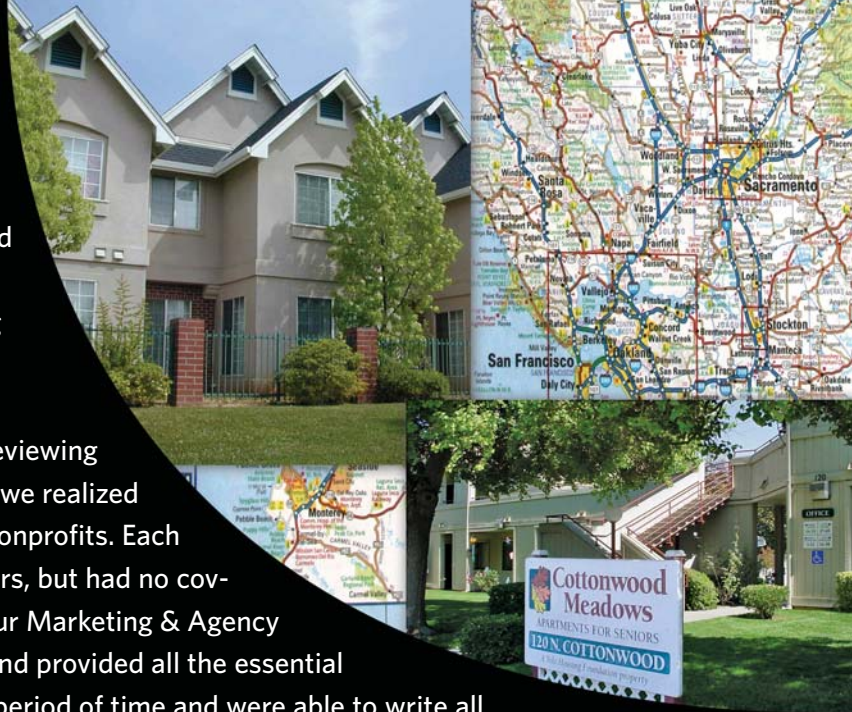
re-spon-sive *adj.* Promptly reacting to appeals or suggestions

When you talk, we listen. Our ability to respond to member requests in a timely manner is what separates HAI Group from the competition. In 2005, HAI Group showed that responding to your insurance needs is more than our job; it’s our pleasure.

Whether it was through surveys, e-mail communication, or direct interaction with members at Board meetings or PHA visits, HAI Group worked diligently to address your concerns. In the hopes of gathering feedback and comments, the Finance Department e-mailed a member services survey to customers in the fall. The response generated a number of ideas, including multiple requests to investigate the

S.T.A.R.S.-Studded Team

Two of HAI Group's traveling reps from the Marketing and Underwriting departments attended one of CHARMA's annual renewal meetings in March 2005. CHARMA consists of seven housing authorities, including Contra Costa County; Marin County; Sacramento Redevelopment; Yolo County; Oakland; Richmond; and Santa Clara County. In reviewing one of the members' unusual exposure checklists, we realized they did not have adequate coverage for their 10 nonprofits. Each of these nonprofits had different Boards of Directors, but had no coverage for these Boards. The reps placed a call to our Marketing & Agency Operations Department, explained the situation, and provided all the essential information. We turned a quote around in a short period of time and were able to write all 10 policies. We received acknowledgement from the PHA thanking us for our quick action, efficiency, and diligent effort. This situation showed a tremendous amount of interdepartmental teamwork and emphasized our Service, Trust, Accountability, Respect, and Sustainability (S.T.A.R.S.) commitment to member service.



possibility of offering a healthcare insurance program for members. As a result, the Human Resources Department will coordinate a feasibility study in 2006 to explore the initiative.

The Risk Control Department responded to service requests for HERS policyholders by sending staff out to personally inspect locations and visit with members. Expanding our outreach decreased the members' need to fill out multiple service forms, while allowing us to personally address their concerns on HERS-related and other insurance issues. At the December Board Meeting, the Risk Control Committee acted

on a member suggestion to initiate a roundtable discussion forum. Committee members shared current risk control strategies being employed by PHAs participating in the roundtable.

Being There for You

Risk Control participated in **44** on-site standardized training sessions, reaching **1,029** students. Site surveys increased from 2004, with **175** locations visited, resulting in **1,111** recommendations for improvement. Between new and outstanding recommendations, nearly **1,201** were fulfilled, resulting in an **8%** implementation rate increase from 2004.

Here's how Risk Control has extended its training delivery since 2003:

| Year | Sessions | Students |
|------|----------|----------|
| 2003 | 47 | 906 |
| 2004 | 28 | 619 |
| 2005 | 44 | 1,029 |

The Marketing Department responded to the membership's desire to provide separate coverage for residents' personal property by introducing the Renter's Insurance Program. The program provides residents with peace of mind coverage on their personal items and relieves PHA staff from having to determine their own guidelines. Agency Operations, a division of Marketing that was created to complement our core programs, continued its remarkable success in 2005, writing \$5 million in premium. Its growth necessitated the addition of a full-time employee and has played an integral role in satisfying our customers' needs.

What could be more important than responding to member feedback? How about taking the initiative to seek it out? The Underwriting Department took customer service to the next level by inviting suggestions through its bounce back card program. The cards, which are placed in policy renewal folders, have resulted in a large influx of ideas and comments and have contributed to enhanced underwriting standards and practices. Underwriters also worked with Finance staff to improve the accuracy and efficiency of endorsement invoices. The new invoices provide greater clarity on charges and feature contact information for appropriate staff.

Technology

tech-nol-o-gy *n.* The practical application of knowledge especially in a particular area

Staying on the cutting edge of technology is pivotal to HAI Group's operations. Due to recent funding cuts in the public and affordable housing industry, we explored more cost-effective measures to deliver our products and services. Technology played a large role in that effort in 2005 as HAI Group sought practical solutions to address your needs.

HTVN set the pace for technological innovation as it took

The Numbers Don't Lie

HAI Group's Underwriting Department continued to make a difference in 2005 as staff representatives made **178** member visits. The department issued **759** liability policies and **835** property policies for HARRG and HAPI, while HERS wrote a combined **719** property/liability coverage lines.

Overall, premium volume grew to **\$112.6 million**, with HERS approaching the **\$10.5 million** mark. Our membership base held strong with a **93%** retention rate.

the first steps in its transition from the satellite-based programming of the Housing Television Network to the Web-streaming video of the Housing TeleVideo Network. The transformation marks a landmark change in technology and cus-

tomers outreach. Whereas the costs and equipment needs associated with satellite only allowed HAI Group training and certifications to reach 7% of the membership, Web streaming straight to your desktop allows us to extend online, on-demand programming to 100% of the membership, as well as prospective members at half the cost. HTVN continued to deliver a full slate of programming

while staff worked diligently behind the scenes to prepare for the transition. In addition to organizing a request for proposal with outside vendors for equipment and software, staff engaged in brainstorming sessions to

Off Air and Online

In addition to its efforts to transition from satellite to online programming, Learning Technologies continued to provide training to its subscribers from HTVN's studios in Cheshire, CT. In 2005, HTVN delivered a total of **241** hours of programming, which was **41** hours above the guaranteed yearly subscription of 200 hours. Extra time included **20** hours of contracted and advertised programs, and another **21** hours of unadvertised programming.

HTVN aired six certifications in 2005, including *Section 8 Regulatory Management (VHM)*; *Managing Maintenance (MMC)*; *Becoming a Great Manager (GMC)*; *Defensive Driver (DDC)*; *Public Housing Manager (PHM)*; and *OSHA 10-hour General Industry (OSH)*. There were **743** students from over **35** sites who participated in the six certifications.

HTVN began offering certification via satellite in 2001 and has aired a total of **21** certifications in the last five years. Nearly **3,650** students from **45** sites have participated in an HTVN certification, whether it was PHM or HQS (Housing Quality Standards), to LCS (Leadership), or OSH.

HTVN, which first broadcast via satellite in 1995, was created to provide educational services to PHAs throughout the country. After 10 successful years, HTVN has trained more than **110,000** people and looks forward to many more years of educating PHAs and agencies nationwide via Web-based programming as the Housing TeleVideo Network.

Analyzing the Risk to Members

At the end of 2004, a broad-based loss analysis showed a continuing climb in public officials related claims and costs. The Risk Control Committee was informed of this trend and members with Public Officials Liability coverage were notified of the rise in frequency and severity. A matrix was developed and provided to members identifying how claims can be affected in this area. Members were sent information via the personnel hotline as a source for knowledge and support for mitigating claims. Agencies with the highest counts and costs were analyzed both in an absolute sense and on an individual basis so that comparisons could be made. An educational seminar for supervisors in the area of personnel policy was arranged at a member PHA and was completed in collaboration with the Claims Department. Claims, Learning Technologies, and Risk Control developed content for two sessions broadcast via the Housing Television Network (HTVN), while a video was produced on employment practices in collaboration with HTVN. Services have also been addressed in this area as HAI Group has worked with the Nonprofit Risk Management Center to develop a personnel policy review, online book, and Web seminar.



redefine their roles, participated in online training demos, attended Web streaming seminars, and reassessed studio needs. By virtue of the flexibility offered through this technology, PHAs can participate on a subscription or pay-per-view basis.

HTVN wasn't alone in its quest to modernize as MIS assisted the Risk Control Department in its search to increase member services through technology. The introduction of a risk survey planning queue allows staff to plan out the department's survey and travel schedule, track member requests, and help complete visits in a timely fashion. The program also permits underwriters to view a schedule of visits and post survey requests. Risk Control also employed the use of geographic

mapping software to help determine the frequency and location of member visits.

In addition to enhancing the member Web site, upgrades were made to the company Intranet, including a revamped travel and expense system that allows us to more efficiently capture information and monitor staff travel. The system sets the tone for future automation of vouchers, which will ultimately lead to electronic settlement with most outside vendors.

Electronics also played a large part in our member communications efforts. Laptops and cell phones were distributed to traveling staff to accommodate members in all time zones, while senior managers used handheld PDAs to retrieve e-mails while out in the field.

Advocacy

ad-vo-ca-cy *n.* The act of supporting or defending a cause; to plead on behalf of another

With heavy federal budget cuts on the horizon, HAI Group looked to strengthen our ties with industry peers. A Political Action Task Force (PATF) was created to assist the Board in developing a vehicle to improve the political environment of our members, while influencing our own insurance interests. Teaming with the Council for Large Public Housing Authorities (CLPHA), Public Housing Authorities Directors Association (PHADA), and the National Association of Housing and Redevelopment Officials (NAHRO) helped HAI Group establish a communication link with outside organizations, with

an eye towards addressing project-based accounting management.

HAI Group also continued to uphold the ideals of good, uniform regulation and strong corporate governance. That's why in late 2005 we voiced our support for the United States Government Accountability Office (GAO) Report on its assessment of the success the risk retention group industry has had in achieving its principal goals of making commercial liability insurance available and affordable. The report examined the impact risk retention groups have had on availability and affordability of commercial liability insurance and regulatory and governance issues.

Our sponsorship of the highly successful and well attended Housing Authority Defense Attorneys (HADA) seminars continued in 2005 with HADA's annual session taking place at the June Board Meeting. HADA once again provided a forum for HARRG defense attorneys and HAI Group members to network and discuss legal issues confronting PHAs, as well as strategies for addressing those challenges. The seminar also provided the opportunity for attendees to earn Continuing Legal Education accreditation.

Development

de-vel-op-ment *n.* To expand by a process of growth

Professional development and continued education remain vital to HAI Group's member-driven mission. Promoting ongoing learning on various industry topics vastly contributed to our knowledge base and further prepared staff to handle member requests.

How We Rate

Building upon our financial strength and ensuring our status as a premium insurance provider continued to heighten our reputation as a member-driven company. A.M. Best Company reaffirmed HAI Group's **"A- g" (Excellent)** HARRG-HAPI group rating for 2005 with a positive outlook. The rating reflects the companies' excellent capitalization, very strong operating results, leading position, and proven expertise in our niche market.

A.M. Best is a worldwide insurance-rating and information agency with more than 100 years of history. The company was founded in 1899 by Alfred M. Best. It is the largest and longest-established company devoted to issuing in-depth reports and financial-strength ratings about insurance organizations.

Source: www.ambest.com

The Human Resources Department once again spearheaded our internal and external training efforts. Employees continued to earn producers' licenses and attended courses on topics such as ethics, effective auditing, living wills, flood, property/casualty, commercial auto, and insurance fraud. A course was also held to help reinvigorate the Customer Focus process and

ensure that staff continues to meet those initiative standards. PHA orientation program participation increased, allowing employees to visit with local housing staff and learn more about the day-to-day operations of our members. Senior and middle management received leadership training to help create cohesion and promote open and honest communication.

The Marketing Department heeded the call for development as staff earned insurance consultant licenses for Agency Operations and attended nearly 400 different courses on subjects such as housing industry and HUD training, mold, law and ethics, flood, and computer skills.

Claims echoed those efforts as employees attended in-house seminars conducted by defense counsel on specific coverage topics to further prepare us to properly handle claims for new programs. Development of Claims staff took precedence in 2005 as

two staff members earned Public Housing Management certificates, while another garnered an Associate in Claims designation.

The company also stepped up its internship program, hosting students from Howard University (Washington, D.C.) and the University of New Haven (CT). The Howard students gained insight into the insurance industry and spent the summer working on projects for the Underwriting and

Winning Bid

The end of 2005 was a crucial time for HAI Group as a number of large member housing authorities went out to bid. Our ability to retain accounts and service our existing customers to the best of our ability proved our member-driven mission. When working on the bids for Denver and Houston housing authorities, we were amazed to see how much support we received from all departments. The bid truly became a company effort. The teamwork throughout the bid process was simply fantastic. We wanted to make sure that we responded to every question and that we had every bid sheet filled out. Denver generated more than 20 quotes from Underwriting and Agency Operations. We had two weeks to work on all coverage lines that we needed from Denver. We completed the process on time and were awarded the bid.



Photos: Denver, CO

Finance departments, while the UNH interns conducted staff interviews to help gather data about the company.

Risk Control continued its training mission by delivering two standardized on-site Essentials in Risk Management and Safe Driving sessions. Staff also added a Safety Committee Training program, delivering 13 of these sessions to the membership.

Extensive training was also held at the Board and Committee level as staff gave presentations to teach members about surplus, work plan overview, reading financial statements, aggregate stop losses, the GAO Report, and the inner-workings of finite reinsurance and its presence in the media.

Efficiency

ef-fi-cien-cy *n.* Effective operation as measured by a comparison of production with cost (as in energy, time, and money)

Maintaining cost-effective methods is a staple of HAI Group's business practices. Whether it is promoting more efficient spending habits or negotiating coverage savings on behalf of our members, we remain committed to managing expenses and protecting the bottom line.

Part of HAI Group's pledge in being a member-driven organization is looking out for the best interests of our customers. Our Marketing Department took this concept to heart as we saved members nearly \$300,000 on coverages by negotiating prices with carriers as an agent on their

behalf. Our ability to earn savings on coverages such as Section 8, flood, umbrella, wind/hail, assisted living, and boiler reflected our willingness to fight for our members and negotiate the best possible rates.

Charged with ensuring the security and maintenance of our company's capital, the Finance Department worked to eliminate all of HARRG's and 75% of HAPI's security requirements. The initiative saved the company \$24 million in securities in the form of letters of credit, which helped free up capital and surplus.

The rollout of the BOP product prompted our MIS Department to look to an outside vendor to accommodate the software needs of the new program. Because of the uncertainty of how many

Claims Review

HARRG

In 2005 HARRG members filed **1,289** general liability claims. During that period, **1,188** were closed, while **1,872** remained open at yearend. HARRG's total paid and reserved losses since inception of the program are **\$274 million**, up from **\$258 million** at yearend 2004.

HAPI

HAPI members filed **454** property claims. In that time, **555** were closed, while **245** remained open. HAPI's total paid and reserved losses since inception are **\$125 million**, up from **\$110 million** at yearend 2004.

HERS

HERS members filed **91** liability claims. During that period, **78** were closed, while **100** remained open. HERS total (liability) paid and reserved losses since inception are **\$4.4 million**, up from **\$1.7 million** at yearend 2004.

HERS members also filed **44** property claims in 2005. During that period, **47** were closed, while **23** remained open. HERS total (property) paid and reserved losses since inception are **\$2.7 million**, up from **\$1.3 million** at yearend 2004.

AUTO DIRECT

Auto Direct members filed **210** claims in 2005. During that period, **174** were closed, while **134** remained open. Auto Direct total paid and reserved losses since the program's inception was **\$2.7 million**, up from **\$1.3 million** at yearend 2004.

Summary of Findings – HARRG and HAPI

"We found that claims are well handled and in complete compliance with HARRG and HAPI internal claims handling guidelines."

"We found that claims are generally reported timely by HARRG and HAPI members and promptly assigned to claims technicians who appropriately analyze coverage and promptly begin claims handling activities upon receipt of the claim."

"We found that claims are thoroughly investigated by independent adjusters assigned by HARRG/HAPI to evaluate liability and verify damages."

"We found the HARRG and HAPI systems and procedures used to process claims to be efficient and appropriate."

Source: Northshore International Insurance Services, Inc.

Summary of Findings – HERS

"A claim review of the Housing Enterprise Risk Services (HERS) program was completed in February 2005 and was very satisfactory. Overall, HAI Group files are in good order and are being handled by experienced claim staff."

Source: American Alternative Insurance Corporation (AAIC)

states would file for the product, we structured a pricing model with the vendor that would base costs on the amount of written premium, saving us thousands of dollars each month.

MIS' efforts to increase productivity and efficiency extended to the Claims Department as well. The incorporation of the Data Beacon tracking system improved

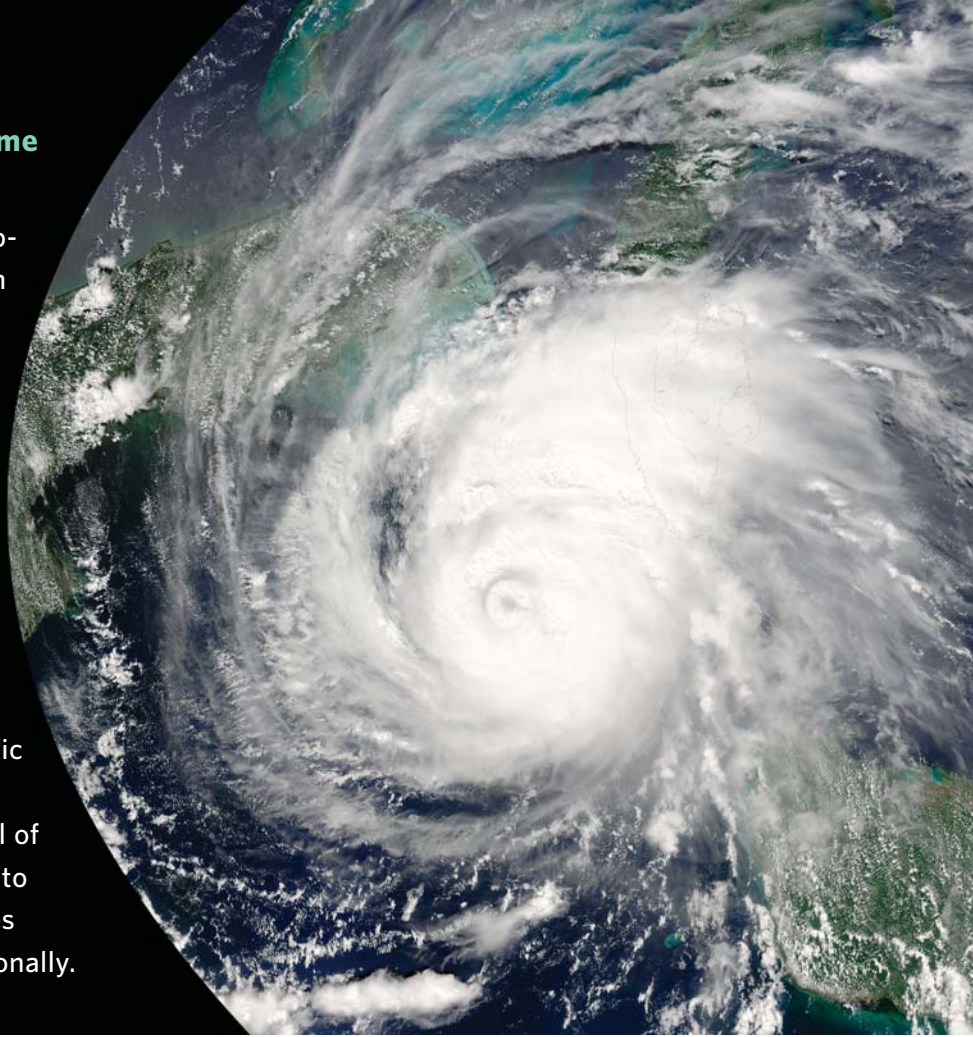
reporting capability, while allowing staff to monitor expenses and research claims trends in various states and venues. MIS also assisted the Claims and Finance departments in the automation of form letters, saving both departments more than 500 hours and 3,000 letters annually.

MIS also teamed with Risk Control to evaluate methods to

leverage technology. As a result, MIS worked to preload Risk Control forms, provided staff with real time system access via handheld tablet personal computers, and enhanced report forms provided to Underwriting. These upgrades enabled the department to continue its high level of service delivery without an increase in staff.

Customer Service Our Claim to Fame

The Claims Department is always member driven and 2005 was no exception. When Hurricane Katrina struck in August, an entire housing authority's fleet of vehicles was practically wiped out. Despite the fact that the coverage is placed with one of our partners, our Claims staff stepped in and guided the member through the claims process. We reported the fleet claim and worked with the carrier to ensure that settlements on each of the vehicles was reasonable and made as timely as possible given the catastrophic nature of the claim. By keeping our member well informed with a high level of attention, the PHA's key staff was able to better focus on other devastating issues affecting them personally and professionally.



Electronic communications also proved to be a source of significant savings as Executive Services utilized the Web site and e-mail to post Board Meeting information and send out registration forms, resulting in more immediate member feedback and paperless convenience. The department also implemented the outsourcing of all major mailings to cut down on time and costs.

Anticipation

an-tic-i-pa-tion *n.* Visualization of a future event or state

Whether it was working alongside industry organizations to forecast the future of public housing, mapping out product and service

needs for our customers, or anticipating the internal demands of the company, HAI Group's forward-thinking approach set the pace for our member-driven mission.

Surveying the membership played a key role in establishing the current and future needs of our stakeholders. Staff reached out to customers more than ever to gather feedback on a wide range of topics. In addition to the Finance Department's member services survey, Executive Services reached out to members on multiple occasions to gain insight into their interests, needs, and preferences for the improved Web site. Ideas and suggestions will continue to be implemented going forward.

With the demand to accommodate future internal compliance issues, members of our Audit Committee and staff worked side-by-side to address HAI Group's internal audit needs. Thus, a job description was drafted for a full-time internal auditor position to be filled in 2006.

Member Driven is a concept that defines the innovation behind our products and services. **Member Driven** is our dedication to helping you meet all your insurance needs. **Member Driven** is the philosophy and culture that guides the staff of HAI Group to perform to the best of our abilities day in and day out.

Member Driven is quite simply all about you.

Board of Directors and Committees

Board of Directors: (Left to Right) Top Row: Dan Labrie; John Johnson; James DiPaolo; Harry House; Douglas Dzema; Barry Romano; Middle Row: Domenic Schiano; J. Len Williams; John Primmer; C.R. Neill; Edwin Lowndes; Bottom Row: Linnie Willis; Richard Collins, *Chair*; L. Glen Redding, Jr., *Vice Chair*; Terri Hamilton Brown; Not in Photo: Stephen Falek



Corporate Officers: (Left to Right) Top Row: Dominic Mazzoccoli, *Vice President*; Mark Wilson, *Treasurer*; Ed Malaspina, *Vice President*; Bottom Row: Bill Lewellyn, *Vice President*; Dan Labrie, *President*; Leslie Whitlock, *Secretary*



(Left to Right) Lee Reno, *General Counsel*; Richard Collins, *Chair*; L. Glen Redding, Jr., *Vice Chair*; Dan Labrie, *President and Chief Executive Officer*



Governance Committee: (Left to Right) Top Row: Douglas Dzema, *Chair*; Richard Collins; Barry Romano; Edwin Lowndes; Bottom Row: Linnie Willis; L. Glen Redding, Jr., *Vice Chair*; J. Len Williams





Audit Committee: (Left to Right)
James DiPaolo; Barry Romano, *Chair*;
Richard Collins



Claims Committee: (Left to Right) Top Row:
Marva Leonard-Dent; Gillian Brown; Michael
Lundy; Barry Romano; Douglas Dzema;
Terrence Madigan; Middle Row: Keith
Pamperin; Donald Emerson; Bill Morlock;
Tony Love, *Vice Chair*; Caster Binion; Bottom
Row: William Smith; Jacquelyn Roberson;
Sharon Scudder; Kathleen Sulsky; Not in
Photo: Herbert Brown; Marilyn Allen



Finance Committee: (Left to Right) Top Row:
Robert Faircloth, *Vice Chair*; Alan Katz;
Maynard Scales; Gary Wasson; James
DiPaolo, *Chair*; Middle Row: Edward Mauk;
James Borgstadt; Edwin Lowndes; Lemuel
Boggs; Bottom Row: John Primmer; Helen
Kipplen; Terri Hamilton Brown; Not in Photo:
David Brown; Paul Caverly; Laura Hinchey;
Ed Hinojosa; Prim Kapani; June Parker;
George Phillips; D. Joseph Sanders



Learning Technologies Committee:
(Left to Right) Top Row: Terrence Madigan;
Lee Eastman; Roger Fleetwood; C.R. Neill,
Chair; Maynard Scales, *Vice Chair*; Middle
Row: Kathleen Sulsky; L. Glen Redding, Jr.;
Bottom Row: Bonnie Latting; Helen Kipplen;
Terri Hamilton Brown; Not in Photo:
David Brown; Kevin Loso; Joe Macaluso;
Tina-Marie Sullivan

Marketing Committee: (Left to Right) Top Row: James DiPaolo; Alan Katz, *Vice Chair*; Barry Romano; Douglas Dzema; Terrence Madigan; Middle Row: Tony Love; Philip Allen; Caster Binion; Karl Opheim; Domenic Schiano; Bottom Row: Sharon Scudder; Linnie Willis, *Chair*; L. Glen Redding, Jr.; Terri Hamilton Brown; Not in Photo: Marilyn Allen; Scott Bertrand; Paul Caverly; Stephen Falek; J.D. Foster; Kevin Loso



Political Action Task Force: (Left to Right) Lee Reno; C.R. Neill; L. Glen Redding, Jr.



Risk Control Committee: (Left to Right) Top Row: Roger Fleetwood; Mark Holmes; Philip Allen; Merle Heckman; Omar Arce; Tracy Barlow; Middle Row: Gary Evangelista; Domenic Schiano, *Chair*; Linnie Willis; Jay Cunningham; Bottom Row: Bonnie Latting; Bernice Jones; Carolyn Klima; Rosa Torres; Not in Photo: Stephen Falek, *Vice Chair*; Scott Bertrand; Lee Black; Raymond Budd; J.D. Foster; Dana Groover; Clem Kirkland



Underwriting Committee: (Left to Right) Top Row: William Woods; John Johnson, *Chair*; Richard Collins; Frances Haywood; C.R. Neill; Harry House; Middle Row: Tyrone Garrett; Sam Brunson; Lee Eastman; L. Glen Redding, Jr.; Karl Opheim; Bottom Row: Russell Sciandra; J. Len Williams; Robert Lambert, *Vice Chair*; Linnie Willis; Not in Photo: Richard Baker; Barbara Bernard; Hans Froelicher; Thomas Hickey; Bennie Lawson; C. Michael McInnish; Jerome Ryans



Housing Authority Insurance Group Membership 2005

Alabama

ARD, Inc.
Attalla HA
HA of the City of Auburn
Bonita Terrace Ltd
HA of the City of Bridgeport
HA of the City of Decatur
Huntsville HA
HA of the City of Lafayette
HA of the City of Montgomery
Morrow Realty Co, Inc.
Prichard Hsg Corp II; Chancery Square, LP
Sheffield HA

Arizona

HA of Cochise County
HA of the City of Eloy
Flagstaff Hsg Corp
HA of the City of Flagstaff
HA of Maricopa County
HA of the City of Nogales
Pinal County HA
City of South Tucson HA
Urban League Manor
Williams HA
Winslow HA

Arkansas

HA of the City of Amity
HA of the City of Arkadelphia
Granite Mtn Dev
HAs of Hot Springs & Garland County
HA of the City of Little Rock
HA of the City of Magnolia
Malcolm Manor LP
North Little Rock HA
HA of the City of Paragould
HA of the City of Trumann

California

Aliso Village Hsg Corp
Area HA of the County of Ventura
Breihan Hsg Assoc LP dba Hillside Village Apts
California HA Risk Mgmt Agcy
Cedar Road Hsg Assoc LP
Contra Costa County HA
HAs of the City & County of Fresno
Livermore HA
HA of the City of Los Angeles
Los Angeles LOMOD Corp
HA of the City of Madera
Marin County HA

Mission Grove Hsg LP dba Old Grove Apts
HA of the County of Monterey
Oakland HA
Oxnard HA
HA of the City of Paso Robles
HA of the City of Port Hueneme
HA of the City of Richmond
Riverview Plaza Assoc
Sacramento Hsg & Redev Agcy
HA of the County of San Bernardino
HA of the City of San Buenaventura
HA of the County of San Diego
San Diego Hsg Comm
Hsg Dev Ptnrs of San Diego
San Francisco HA
HA of the County of San Mateo
HA of the County of Santa Clara
Senior Chateau Investors LLC
c/o GH Capital LLC; K.B. Portfolio, LLC
HA of the City of Soledad
Villa Calleguas, Inc.
HA of the City of Wasco
Yolo County HA

Colorado

HA of the City of Aurora
HA of the City of Boulder
Clayton Street Residence
Colorado Hsg & Finance Auth
HA of the City of Colorado Springs
Corona Residence Apts dba Robert A. Colaizzi
HA of the City & County of Denver
HA of the City of Englewood
Fountain Ridge South Apts LLLP
Garfield County HA
Grover Mgmt Co LLC
Jefferson County HA
HA of the City of Lakewood
HA of the Town of Limon
Littleton HA
Mountainview Place Apts c/o US Bancorp Comm Dev Corp
Nedco Elderly dba Liggins Tower
Nesbitt Investments LLC dba The Bonaparte Apts
Northeast Denver Hsg Center, Inc. dba 448 Golfers Way
HA of the City of Pueblo
Rocky Ford HA
The Routt County Foundation for Senior Citizens, Inc.
Summit HA

Connecticut

Ansonia HA
HA of the Town of Ashford
Berlin HA
Bethel HA
HA of the Town of Bloomfield
Branford HA
HA of the City of Bridgeport
HA of the City of Bristol
Brookfield HA
HA of the Town of Brooklyn
Canton HA
Cheshire HA
Clinton HA
Colchester HA
Coventry HA
CPS Properties, Inc.
HA of the City of Danbury
Darien HA
HA of the Town of Deep River
Derby HA
East Hampton HA
East Hartford HA
East Windsor HA
Ellington HA
Enfield HA
Essex HA
Fairfield HA
Farmington HA
Glastonbury HA
Glenbrook Road Elderly Hsg Corp
Greater Bristol Realty Corp
HA of the Town of Greenwich
HA of the Town of Griswold
Groton HA
Guilford HA
HA of the Town of Hamden
HA of the City of Hartford
Hebron HA
Killingly HA
Ledyard HA
Litchfield HA
Manchester HA
Mansfield HA
Meadow Landing I LP
HA of the City of Meriden
Middlefield HA
HA of the City of Middletown
Milford Redev and Hsg Ptnr
Monroe HA
Montville HA
Morris HA
HA of the Borough of Naugatuck
HA of the City of New Britain
HA of the Town of New Canaan
HA of the City of New Haven

HA of the City of New London
Newington HA
North Canaan HA
North Haven HA
HA of the City of Norwalk
Norwich HA
Oxford HA
Plainfield HA
Plymouth HA
HA of the Town of Portland
HA of the City of Preston
Putnam HA
Ridgefield HA
Rocky Hill HA
HA of the Town of Seymour
Sharon HA
Shelton HA
HA of the Town of Simsbury
Somers HA
HA of South Windsor
Southington HA
HA of the Town of Sprague
HA of the Town of Stafford
HA of the City of Stamford
Neighborhood Hsg Svcs of Stamford, Inc.
Stonington HA
Stratford HA
Suffield HA
HA of the Town of Thomaston
HA of the Town of Thompson
Tolland HA
HA of the City of Torrington
Torrington Comm Hsg Corp
HA of the Town of Trumbull
HA of the Town of Vernon
HA of the Town of Voluntown
Wallingford HA
HA of the City of Waterbury
Watertown HA
HA of the Town of West Hartford
HA of the City of West Haven
HA of the Town of Westbrook
Westport HA
HA of Wethersfield
HA of the City of Willimantic
HA of the Town of Winchester
HA of the Town of Windsor
HA of the Town of Windsor Locks
Woodstock HA

Delaware

Dover HA
New Street LP
Newark HA
Willis Road Assoc
Wilmington HA

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|--|--|---|---|
| District of Columbia District of Columbia HA | HA of the City of Greenville HA of the City of Griffin HA of the City of Hampton HA of the County of Harris HA of Hartwell In-Fill Hsg Corp Innovative Hsg Initiatives dba Albany Gardens HA of the City of Jackson HA of the City of Lavonia HA of the City of Macon HA of the City of Monroe Newnan HA HA of the City of Quitman Royston HA St. John Villa Apts HA of the City of Sandersville HA of Savannah Standley-Oxford LP Swett & Crawford Thomaston HA Thomson HA Tifton HA-City of Tifton HA of the City of Unadilla HA of the City of Union Point HA of the City of Vienna HA of the City of Winder | HA of the City of Bloomington HA of the City of Brazil Charlestown HA HA of the City of East Chicago HA of the City of Elkhart HA of the City of Evansville Fort Wayne HA Fulton County HA HA of the City of Gary HA of the City of Hammond Indianapolis Hsg Agcy Jeffersonville HA Kokomo HA Marion HA McMillen Park Apts LP and IL LP HA of the City of Michigan City Mishawaka HA HA of the City of Muncie HA of the City of Richmond HA of the City of South Bend Springhill of Marion LP Sullivan HA United Neighborhoods, Inc. Woodland East Apts | PHA of the City of Newton HA of the City of Oakley HA of the City of Oberlin HA of Olathe City Paola HA City of Parsons PH Dept HA of the City of St. Francis Salina HA Solomon HA PH Agcy of the City of South Hutchinson HA of Stafford Sterling HA Topeka HA Ulysses HA HA of the City of Wellington Wichita HA |
| Florida Clearwater HA Comm Building Group Ltd dba Boca Ciega Townhomes, Inc. Crestview HA Deerfield Beach HA Delray Beach HA HA of the City of Eustis HA of the City of Fort Pierce Gainesville HA Hialeah HA Hugh Ash Manor, Inc. Indian River County HA Jewish Center Towers HA of the City of Key West Miami Beach HA Monroe County HA North Tampa Hsg Dev Corp HA of the City of Orlando Pahokee HA Palm Beach County HA Panama City HA Parkview Village Dev Ltd Pensacola Area Hsg Comm Riviera Beach HA HA of St. Petersburg Sanford City HA HA of the City of Sarasota Tallahassee HA HA of the City of Tampa HA of the City of Titusville Union County HA Venice HA Warrington Village dba Forest Creek Apts West Palm Beach HA Winter Haven HA | Illinois Artspace Chicago LP; Artspace Chicago LP dba Switching Station Artist Lofts c/o Holsten Mgmt Corp Chicago HA Danville VA LP East Garfield Park Place LP HA of the City of East St. Louis HMB Atlanta I LP & Edison Hsg Georgia dba Woods at Glenrose Humboldt Park Cooperative LP HA of Joliet Neighborhood Hsg Svcs of Chicago, Inc. Peoria HA Peoria Opportunities Hsg Corp Springfield HA Urban-Walsh LP; Urban-Walsh GP LLC; HD/AD LLC; Urban-Walsh Ltd LLC; and or their successors and assigns and their prospective officers, directors, employees, agents, affiliates and representatives | Iowa The Apts of River Trace Comm Hsg Dev Corp dba Forest Avenue Townhomes Des Moines Municipal Hsg Agcy Oakridge Neighborhood and Homes of Oakridge Human Svcs | Kentucky New Directions Hsg Corp, New Vision Residential Svcs, Inc. HA of Owensboro |
| Georgia HA of the City of Acworth American Safety Ins Svcs, Inc. Arcadia Commons, Inc. Ashcroft Group HA of the City of Athens Atlanta HA HA of the City of Barnesville HA of the City of Bremen HA of the City of Cairo HA of the City of Chatsworth HA of Columbus Columbus Villas HA HA of the City of Cordele HA of the City of Cuthbert HA of the City of Dalton HA of the City of East Point Fairburn HA HA of the City of Gibson Greensboro HA | Indiana AHEPA National Hsg Corp; AHEPA 343, Inc.; AHEPA 410, Inc.; AHEPA 100, Inc.; AHEPA Buffalo Hsg Dev, Inc. dba AHEPA 67 II Apts; AHEPA 28 IV, Inc.; AHEPA 58 II, Inc.; AHEPA 78 V, Inc.; AHEPA 192 III, Inc.; AHEPA 296, Inc. HA of the Town of Bloomfield | Kansas Argonia HA HA of the City of Atchison HA of the City of Atwood HA of the City of Bird City HA of the City of Chanute Chapman HA HA of the City of Clay Center HA of the City of Colby Columbus HA Dodge City HA Fort Scott HA HA of the City of Galena HA of Garden City HA of the City of Great Bend HA of Greenleaf Holton HA Howard HA HA of the City of Hoxie Jetmore City HA HA of the City of Kansas City HA of the City of Kinsley Lawrence-Douglas County HA Liberal HA HA of the City of Lindsborg HA of the City of Linn Manhattan HA | Louisiana DKA Four LLC dba Lake Haven Apts and Riverside Court Apts Houma-Terrebonne HA HA of New Orleans Peace Lake Towers, Inc. Proctor Point Realty LLC HA of St. James Parish |
| | | | Maine City of Biddeford HA HA of the City of Brewer Fort Fairfield HA Lewiston HA HA of the City of Old Town Portland HA Presque Isle HA Waterville HA |
| | | | Maryland HA of Allegany County HA of the City of Annapolis Hsg Comm of Anne Arundel County HA of Baltimore City HA of Cambridge HA of Crisfield HA of the City of Cumberland HA of the Town of Easton HA of the City of Frederick Glenarden HA HA of the City of Havre De Grace HA of Prince George's County Redev Auth of Prince George's County St. Mary's County HA St. Michael's HA Wicomico County HA |

Massachusetts

Adams HA
 Amherst HA
 Andover HA
 Auburn HA
 Barnstable HA
 Belmont HA
 Beverly HA
 Boston HA
 Bourne HA
 Brockton HA
 Brookline HA
 Burlington HA
 Cambridge HA
 Chelsea HA
 Chicopee HA
 Clinton HA
 Concord HA
 Danvers HA
 Dedham HA
 Dennis HA
 Dracut HA
 Dukes County Regional HA
 Fall River HA
 Falmouth HA
 Fitchburg HA
 Framingham HA
 Gloucester HA
 Groveland HA
 Hanson HA
 Haverhill HA
 Holyoke HA
 Hsg Environmental Svcs
 Hudson HA
 Lawrence HA
 Lowell HA
 Lynn HA
 Malden HA
 Mansfield HA
 Marlborough Comm Dev Auth
 Maynard HA
 Medford HA
 Medway HA
 Melrose HA
 Memorial Parish House LP
 Methuen HA
 Milford HA
 Milton HA
 Needham HA
 New Bedford HA
 Newburyport HA
 Newton HA
 North Adams HA
 North Andover HA
 North Attleboro HA
 North Reading HA
 Northampton HA
 Norwood HA
 Pembroke HA
 Pittsfield HA

Plymouth HA
 PMC Ins Group
 Quincy HA
 Reading HA
 Revere HA
 Rockland HA
 Rockport HA
 Saugus HA
 Scituate HA
 Shrewsbury HA
 Somerville HA
 Spear Mgmt Group
 Springfield HA
 Stoughton HA
 Taunton HA
 Tewksbury HA
 Wakefield HA
 Waltham HA
 Watertown HA
 Wayland HA
 Webster HA
 Weymouth HA
 Winchendon HA
 Woburn HA
 Worcester HA

Michigan

Ann Arbor Hsg Comm
 Bay City Hsg Comm
 Bay County Hsg Dept
 Benton Harbor Hsg Comm
 Benton Township Hsg Comm
 Clinton Township Hsg Comm
 Detroit Hsg Comm
 DHC Woodbridge Corp
 City of Ecorse Hsg Comm
 Flint Hsg Comm
 Gladwin City Hsg Comm
 Grand Rapids Hsg Comm
 Hamtramck Hsg Comm
 Highland Park Hsg Comm
 Hope Woods Ltd Dividend Hsg Assoc LP
 Inkster Hsg Comm
 Lansing Hsg Comm
 Laurel Park Elderly Hsg
 Lincoln Park Hsg Comm
 Livonia Michigan Hsg Comm
 Mackinac County Hsg Comm
 Melvindale HA
 Muskegon Heights Hsg Comm
 Muskegon Hsg Comm
 Niles Hsg Comm
 Pontiac Hsg Comm
 Port Huron Hsg Comm
 Reed City Hsg Comm
 Saginaw Hsg Comm
 St. Clair Shores Hsg Comm
 St. Joseph Hsg Comm
 Ypsilanti Hsg Comm

Minnesota

HRA of the City of Barnesville
 HRA of Baudette
 Big Stone County HRA
 Brainerd HRA
 HRA of Cass Lake
 HRA of Clarkfield
 HRA of Crosby
 Duluth HRA of Duluth
 HRA of Eveleth
 HRA of Gilbert
 HRA of Grand Rapids
 Hibbing HRA
 Hutchinson HRA
 HRA of Lake Benton
 Lincoln County HRA
 Litchfield HRA
 Public Hsg Comm of the City of Marshall
 HRA of Melrose
 Minneapolis PHA
 HRA of Montevideo
 Moorhead PH Agcy
 HRA of Moose Lake
 Mower County HRA
 HRA of North Mankato
 Olmsted County HRA
 HRA of Park Rapids
 Red Wing HRA
 Hsg and Economic Dev of the County of Renville
 PH Agcy of the City of St. Paul
 HRA of the City of South St. Paul
 Todd County HRA
 Tracy HRA
 HRA of Two Harbors
 Virginia HRA
 Washington County Hsg & Redev Assoc
 Winona Redev & HA

Mississippi

Cheshire Manor Inc. and MS Cheshire Homes of Harrison County, Inc.
 East Villa, Ltd; Mary E. Herrington, General Ptnr; Jason Herrington LP; Park Mgmt LLC, Managing Agent
 Glenn Miller Et. AL
 J&A Mgmt, Inc.
 Mississippi Hsg Dev
 NCBA Estates
 Providence Mgmt, Inc.; Providence Crossing LLC; Cocke Estates LLC
 Southern Investment Mgmt
 Southland Mgmt Corp
 Tupelo II Apts Homes LP

Missouri

1414 North Washtenaw LP c/o US Bancorp Comm Dev Corp
 HA of Kansas City
 Poplar Bluff HA
 St. Louis HA

Montana

Glasgow HA

Nebraska

Albion HA
 HA of the City of Crete
 Hall County HA
 HA of Hayes Center
 Lincoln HA
 HA of the City of Omaha
 HA of Oshkosh
 Platte Valley Apts LP
 HA of Tilden

Nevada

HA of the City of Las Vegas
 Yorkshire Terrace LP

New Hampshire

Berlin HA
 Claremont HA
 Concord HA
 Derry HRA
 Dover HA
 HA of the Town of Exeter
 Franklin HA
 Keene HA
 Laconia HRA
 Lancaster HA
 Lebanon HA
 Manchester HRA
 Nashua HA
 Northumberland HA
 Portsmouth HA
 HA of the Town of Salem
 Somersworth HA

New Jersey

HA and Urban Redev Agcy of the City of Atlantic City
 Battery View Senior Citizens
 HA of the Borough of Belmar
 HA of the Township of Berkeley
 HA of the Town of Boonton
 Brunswick Village Urban Renewal LP
 HA of the City of Camden
 HA of the Borough of Clementon
 Church Street Corp / Church Senior Hsg LP
 HA of the Borough of Collingswood
 HA of the Town of Dover
 HA of the City of East Orange

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| <p>HRA Edison HA of the City of Elizabeth HA of the City of Englewood Grandview Terrace, Inc. Hightstown HA HA of the Township of Irvington HA of the City of Jersey City HA of the City of Long Branch Hsg & Urban Dev Auth of the City of New Brunswick HA of the City of Newark HA of the City of Orange HA of the City of Passaic Penns Grove HRA HA of the City of Perth Amboy HA of the Town of Phillipsburg HA of the City of Salem Trent Center West Apts HA of the City of Trenton HA of the City of Union City Westwood Senior Hsg Corp and Thomas J. Reilly Senior Corp</p> | <p>Hsg Resources of Columbia County, Inc.; Hsg Resources Real Estate Holding Corp Cortland HA Dunkirk HA Village of Ellenville HA Elmira HA Freeport HA Fulton HA Geneva HA Glen Cove HA City of Glens Falls HA Gloversville HA Village of Great Neck HA Greenburgh HA Hathorn Redev Company HA of the Village of Hempstead Town of Hoosick HA City of Hornell HA City of Hudson HA Ilion HA Ithaca HA Kingston HA L.B.S.H. Hsg Corp Lackawanna Municipal HA City of Lockport HA Town of Mamaroneck HA Massena HA Mechanicville HA Village of Monticello HA Mount Kisco HA New Rochelle Municipal HA New Rochelle Neighborhood Revitalization Corp & New Rochelle Comm Hsg Dev Corp Newark New York HA Niagara Falls HA Niagara Falls Neighborhood Hsg Svcs, Inc. North Tarrytown HA North Tonawanda HA Norwich HA Village of Nyack HA Ogdensburg HA Olean HA Peekskill HA Plattsburgh HA Port Chester HA Port Jervis HA Potsdam Sandstone Senior Citizens Club, Inc. Poughkeepsie HA Town of Ramapo HA Rensselaer HA Rochester HA Rockville Centre HA St. Margaret's House Hsg Dev Fund Corp Schenectady Municipal HA Village of Spring Valley HA Syracuse HA Tarrytown HA</p> | <p>Tonawanda HA Troy HA Two Hundred Seventy-Two to Two Hundred Eighty Linwood Ave, Inc. dba Baptist Manor, Inc. Watertown HA Watervliet HA HA of the City of White Plains Town of Wilna HA Village of Woodridge HA Municipal HA for the City of Yonkers</p> | <p>Clayton HA HA of the City of Coalgate HA City of Comanche HA of the City of Commerce Cookson Hills Electric Co-op Curtis Plaza, Inc. Cyril PHA HA of the City of Del City HA of the City of Drumright HA of the City of Elk City HA of the Town of Fort Cobb HA of the Town of Fort Gibson Frederick HA HA of the City of Geary HA of the City of Grandfield Granite HA HA of the City of Guthrie Haileyville HA HA of the City of Hartshorne HA of the City of Heavener HA of the City of Henryetta Hobart HA HA of the City of Holdenville HA of the City of Hydro HA of the City of Idabel Independent Living Svcs for Youth HA of the City of Keota HA of the City of Krebs Hugo HA Kiamichi Electric Cooperative HA HA of the City of Lawton Lawton Support Svcs HA of the Town of Lone Wolf Madill HA Maud HA HA of the City of McAlester HA of the City of Miami Minco HA Mountain Park HA Mountain View PHA HA of the City of Muskogee HA of the City of Newkirk HA of the City of Norman Oilton HA Oklahoma City HA HA of Osage County HA of the City of Pawnee Picher HA HA of the City of Ponca City Prague HA Roosevelt HA HA of the City of Ryan HA of the City of Sayre HA of the Town of Seiling Seminole HA HA of the City of Shawnee HA of the City of Snyder HA of the City of Stigler Stillwater HA Stratford HA HA of the City of Stroud</p> |
| <p>New Mexico HA of the City of Alamogordo HA of the City of Artesia HA of the City of Bayard Town of Bernalillo HA Village of Chama HA Cimarron HA Clovis Hsg & Redev Agcy, Inc. HA of the City of Espanola City of Eunice HA HA of the Village of Fort Sumner Gallup HA HA of the City of Las Cruces HA of the City of Lovington Rio Arriba County HA HA of the Village of Santa Clara Santa Fe Civic HA Socorro County HA HA of the City of Truth or Consequences HA of the Village of Wagon Mound</p> | | <p>North Carolina Bridgewood Square Development Ventures, Inc. HA of the City of Durham HA of the City of High Point HA of the City of Kinston Mid-East Regional HA Raleigh HA Washington HA Wilmington Hooper School Apts LLC</p> | |
| | | <p>North Dakota Fargo HA Sisters Path LP</p> | |
| | | <p>Ohio Austintown Assoc a Ptnrshp Compass West Apts Columbus Metro HA Cuyahoga Metro HA Doan LP Erie Metro HA Gallia Metro HA Jefferson Metro HA Lorain Metro HA Lucas Metro HA Morgan Metro HA Parma PHA Sandusky Bay Kiwanis Stark Metro HA Trumbull Metro HA Zanesville Metro HA</p> | |
| <p>New York Albany HA AME ZION Trinity HDFC Amsterdam HA Auburn HA Batavia HA City of Beacon HA Binghamton HA Brigham Senior Hsg Ltd Buffalo Municipal HA Village of Catskill HA Clinton Manor Apts Hsg Dev Fund Co, Inc.; Mohawk Valley Apts Hsg Dev Fund Co, Inc. Cohoes HA</p> | | <p>Oklahoma HA of the City of Ada Afton HA HA of the City of Anadarko HA of the City of Antlers Apache HA HA of the City of Atoka HA of the City of Beggs Boley HA HA of the Town of Boswell Broken Bow HA HA of the City of Cache Caddo Electric Coop HA Cement HA HA of the Town of Cheyenne</p> | |

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| <p>Talihina HA Tecumseh HA Temple HA HA of the Town of Terral Texas County HA HA of the City of Tulsa Hsg Ptnrs of Tulsa Tuttle HA Valliant HA HA of the City of Walters HA of the City of Watonga Waurika HA HA of Waynoka HA of the City of Weleetka HA of the City of Wetumka Wewoka HA HA of the City of Wilburton HA of the Town of Wister HA of the City of Yale</p> | <p>Cranston HA Town of Cumberland HA East Providence HA Jamestown HA Town of Lincoln HA HA of the City of Newport North Providence HA HA of the City of Pawtucket Town of Portsmouth HA Providence HA Town of Smithfield HA HA of the City of South Kingstown Tiverton HA Valley Affordable Hsg Corp HA of the Town of Warren Warwick HA Town of Westerly HA HA of the City of Woonsocket</p> | <p>Virgin Islands Virgin Islands HA</p> | <p>West Virginia HA of the City of Bluefield HA of the City of Fairmont HA of the City of St. Albans</p> |
| <p>Pennsylvania Allegheny County HA Alliance for Building Communities Eagle Valley Senior Hsg, Inc. HA of the City of Bradford Bucks County Redev Auth Cambridge Plaza I LP, Cambridge HDC Chester HA Clinton County HA Columbia County HRA Delaware County Redev Auth Erie HA Redev Auth of the City of Erie Gross & Quade Mgmt Co Harrisburg HA Lackawanna County HA Lancaster City HA HA of the City of Meadville HA of Monroe County Redev Auth of the County of Monroe Nanticoke HA Philadelphia HA HA of the City of Pittsburgh Richard Allen Phase III; Richard Allen, HDC; Philadelphia HA; Related Direct SL LLC; RC Credit Facility LLC; Philadelphia HA Dev Corp (PHADC) & Redev Auth (RDA) HA of Somerset County Tioga County HRA Titusville HA HA of the County of Warren</p> | <p>South Carolina HA of Cheraw Farmington Assoc HA of Florence</p> | <p>Virginia 1368 Euclid Street Alexandria Redev & HA Bristol Redev & HA Charlottesville Redev & HA Chesapeake Redev & HA Danville Redev & HA Emporia Redev & HA Fairfax County Redev HA/HCDC One LP Fairfax County Redev HA/HCDC Two LP Franklin Redev & HA Hampton Redev & HA Harrisonburg Redev & HA Hopewell Redev & HA Lee County Redev & HA Lincoln Square LP Louisa Methodist Hsg Dev Lynchburg Redev & HA Newport News Redev & HA Norfolk Redev & HA Norton Redev & HA Petersburg Redev & HA Portsmouth Redev & HA Randolph Place Dev Corp Richmond Redev & HA City of Roanoke Redev & HA Shenandoah Hsg Corp Staunton Redev & HA Suffolk Redev & HA Virginia United Methodist Hsg Dev Corp Waynesboro Redev & HA Williamsburg Redev & HA Wise County Redev & HA</p> | <p>Wisconsin Algoma HA Appleton HA Baraboo Comm Dev Auth HA of the Village of Bruce Corps House LP De Pere HA Village of DeForest HA Duffy Dev Corp City of Eau Claire HA HA of the City of Edgerton HA of the City of Fond Du Lac HA of the City of Green Bay Highland Park Comm LLC Homz Mgmt Corp Hsg Dev Corp City of Hudson HA La Crosse County Hsg Ladysmith HA Comm Dev Auth of the City of Madison HA of the City of Milwaukee HA of the City of Monroe HA of the Village of Pulaski HA of Racine County Rhineland HA Rodney Scheel House Foundation St. Johns Elderly Hsg Corp HA of the City of Superior HA of the City of Thorp HA of Walworth County Wisconsin Hsg Preservation Corp; WHPC Rockwell CT LLC; WHPC River Oaks LLC; McGregor Valley View Apts LLC</p> |
| <p>Rhode Island Bristol HA HA of the Town of Burrillville Central Falls HA</p> | <p>South Dakota Butte County HA</p> | <p>Tennessee Greater Bethlehem Plaza Hartsville HA Rogersville HA Smyrna HA Tennessee Hsg Dev Corp</p> | |
| | <p>Texas Austin Affordable Hsg Corp HA of the City of Austin Beaumont HA Billy W. Bell, Jr & Sr HA of the City of Dallas HA of the City of El Paso El Paso Las Puertas Abiertas, Inc. HA of the City of Galveston HA of the City of Garrison Harris County HA Houston HA Hunsicker Mgmt Company HA of the City of Laredo Liberty County HA Los Fresnos HA HA of the City of Pharr HA of the City of San Antonio San Antonio Homeownership Opps Corp Southwest Hsg Compliance Corp Swazon, Inc.</p> | <p>Vermont Abenaki Acres Barre HA Brattleboro HA Burlington HA Town of Hartford HA Parson Hill Ptnrshp Rutland HA Springfield HA Vermont State HA Winooski HA</p> | |
| | <p>Utah HA of Carbon County HA of Salt Lake City</p> | <p>Washington Bremerton HA HA of Grant County King County HA Pacific & Colony Assoc LP dba Prairiewood Apts Pierce County HA HA of the City of Seattle Thurston County HA</p> | <p>Wyoming HA of the City of Buffalo HA of the City of Casper Cheyenne HA Wyoming Hsg Opps</p> |

HAI Group Staff

Senior Staff: (Left to Right)

Top Row: Dave Sagers; Jeff Weslow;
Dominic Mazzoccoli; Mark Wilson;
Ed Malaspina; Bottom Row: Brian
Braley; Bill Lewellyn; Dan Labrie;
Leslie Whitlock; Bob Sullivan



Executive Services

Dan Labrie, *Chief Executive Officer*
Leslie Whitlock, *Director, Executive Services*
Brian Christina, *Communications Specialist*
Lisa Krasnow, *Graphic Specialist*
Megan Johnson, *Executive Assistant*
Dixie Finn, *Receptionist*

Claims Management

Bob Sullivan, *Vice President, Claims*
Rita Wade, *Property Claims Manager*
John Weber, *HARRG Regional Claims Manager*
Stefanie Warner, *HARRG Auto & HERS Liability Claims Manager*
Ernie Burgeson, *Senior Claims Examiner*
Laura Franco, *Senior Claims Examiner*
Michael Pepe, *Senior Claims Examiner*
Kimberly Clifford, *Senior Claims Examiner*
Jeff Lynes, *Claims Examiner*
Janelle Howard, *Claims Examiner*
Joyce Coleman, *Senior Administrative Assistant - Claims*
Sharon Sciascia, *Administrative Assistant*
Patty Emmons, *Part-time Administrative Assistant*

Finance

Mark Wilson, *Chief Financial Officer*
Janine Lehr, *Controller*
Amy Galvin, *Financial Compliance and Planning Manager*
Sarah Rodriguez, *Senior Staff Accountant*
Paulette Achilli, *Senior Staff Accountant*
Dorothy Robinson, *Staff Accountant*
Gladys Roman, *Insurance Compliance Associate*
Ying Xu, *Accounting Assistant*

Human Resources

Bill Lewellyn, *Vice President, Human Resources and Training*
Glenn Jurgen, *Human Resources Representative*

Learning Technologies

Brian Braley, *Vice President, Learning Technologies*
Patrick Sullivan, *Studio Director*
Jackie Festa-Biega, *Director of Programming*
Jay Dantscher, *Assistant Studio Director*
Jeanne Long, *Senior Programming Assistant*
Paula Shemchuk, *Programming Assistant*

MIS

Dave Sagers, *Vice President, MIS*
Jeff Bischoff, *Manager, Application Development*
Mark Kirkendall, *Senior Developer/Analyst*
April Parsons, *Senior Developer/Analyst*
Todd Disque, *Developer/Analyst*
Lori Harris, *Developer*
Lucille Tortora, *Network Engineer*
Jill McNamee, *Network Administrator*
Kathleen Thompson, *Desktop Support Specialist*

Marketing and Agency Operations

Ed Malaspina, *Vice President, Marketing and Agency Operations*
Sherry Sullivan, *Marketing Manager*
Michael Patenaude, *Marketing Representative*
Estelle Cote, *Marketing Representative*
Greg Shpak, *Marketing Representative*
Sandra Emanuele, *Program Coordinator*
Kimberly Tompkins, *Program Coordinator*
Nancy Quiles, *Program Coordinator*
Marissa Sylvester, *Licensing Coordinator*
Lori Luponio, *Marketing Coordinator*

Risk Control and Consulting

Jeff Weslow, *Director, Risk Control and Consulting*
Keith Root, *Risk Control Supervisor*
Brian Whalen, *Senior Risk Control Associate*
Joseph Noel, *Senior Risk Control Associate*
Joey Barbera, *Senior Risk Control Associate*
Jeff Briggs, *Senior Risk Control Associate*
Ken Peck, *Risk Control Associate*
John Stath, *Risk Control Associate*
Nancy Swistak, *Administrative Assistant*
Debbie Bower, *Program Assistant*

Underwriting

Dominic Mazzoccoli, *Vice President, Underwriting*
Judy Tripp, *Policy and Administration Support Manager*
Ken Merrifield, *Line Manager, Underwriting*
Gibriel Cham, *Underwriting and Corporate Risk Manager*
George Bartholomay, *Program Underwriter*
Ted Stevenson, *Product Development Manager*
Dave Prosser, *Product Development Manager*
Ellen Kiesel, *Assistant Manager, Product Development*
Paul Carrier, *Senior Product Development Analyst*
Joan Dunican, *Assistant Product Management Analyst*
Linda Blanc, *Senior Underwriter*
Jodi Neubaum, *Senior Underwriter*
Jean Solla, *Underwriter*
Robert Stanczykiewicz, *Underwriter*
Bob Miller, *Underwriter*
Brandi Feero, *Assistant Manager, Policy Administration and Support*
Robert Alexander, *Commercial Lines Rater*
Laurie Davidson, *Commercial Lines Rater*
Maria Diaz, *Collection Specialist*
Jeanne Aransky, *Assistant Underwriter*
Jane Renauld, *Assistant Underwriter*
Julius Whitehead, *Assistant Underwriter*
John Darin, *Assistant Underwriter*
Esther Lerner, *Insurance Services Representative*
Carmen MacArthur, *Insurance Services Representative*
Lori Jentzen, *Insurance Services Representative*
Donna Vreeland, *Insurance Services Representative*
Kate Wallace, *Insurance Services Representative*
Pauline Tavares, *Insurance Services Representative*
Liz Graham, *Insurance Services Representative*
Sandee Foster, *Administrative Assistant*