MINUTES

PCF OVERSIGHT BOARD

March 7, 2019

OUR LADY OF THE LAKE REGIONAL MEDICAL CENTER
HEROMAN BOARD ROOM
BATON ROUGE, LA

Dr. Christopher Foret, Chairman, convened the meeting of the Patient's Compensation Fund Oversight Board at 6:30 PM on Thursday, March 7, 2019.

The following Board members were in attendance:

Dr. Christopher Foret, Chairman	Mr. Robert Ruel	Ms. Jennifer DeCuir
Mr. Kent Guidry	Dr. Luis Alvarado	Mr. Gregory Waddell

The following Board members were absent:

Dr. Patrick Breaux	Dr. Corey Hebert	Mr. Marcus Naquin

Others present:

Mr. Ken Schnauder	Dr. Gerald Robertson	Mr. Patrick Scully
Mr. Kurt Loup	Dr. A. Jay Binder	Ms. Maria Callahan
Ms. Barbara Woodard	Ms. Trisha Michot	Ms. Maria Bowen
Ms. Betty Patrick	Ms. Diane Napoli	Mr. Larry Warren
Ms. Shelly Fowler	Ms. Donna Grodner	Ms. Ann LeBlanc
Mr. Dave Woolridge	Mr. John Thompson	Ms. Caroline Fletcher
Mr. Lolly Leger	Mr. Matt Padberg	Mr. Frank McGee

Dr. Foret called the meeting to order and asked that the record reflect six Board members were in attendance and a quorum was present. Dr. Foret then welcomed the guests to the meeting and asked all present to introduce themselves.

Dr. Foret asked for public comments or questions. No public comments were made.

Dr. Foret called for the approval of the February 7, 2019 minutes. Mr. Guidry moved for the minutes to be adopted and Mr. Ruel seconded the motion; by verbal vote, the minutes were adopted with no dissenting votes.

Dr. Foret asked for discussion of the Louisiana Department of Insurance (LDI) Examination Report on the Practice Protection Fund (PPF). Ms. Caroline Fletcher, Deputy Commissioner, advised the LDI completed an examination of the affairs and financial condition of the Practice Protection Fund and had found the PPF in violation of ***La. R.S. 22:46 (9)(d)(i)*** and was present to answer any questions. Mr. Dave Woolridge, PCF Board General Counsel, gave an overview of the events which took place at the prior Board meeting on February 7, 2019 and subsequently,

regarding the Practice Protection Fund. Mr. Lolly Leger, Executive Director of the Practice Protection Fund, was given an opportunity to explain the PPF's situation and gave the Board a summary of same. After much discussion, Ms. DeCuir made a motion to require the Practice Protection Fund to provide a current actuarial report, an audited or at least compiled financial statement as of December 31, 2018, a letter of intent and a letter of due diligence regarding the transition of the Trust members' coverage to The Doctor's Company as a fronting company with an offshore reinsurer, as explained by Mr. Leger, by March 31, 2019. Mr. Guidry seconded the motion; by verbal vote, the motion was approved with no dissenting votes. Mr. Guidry then made a motion for Mr. Woolridge to send letters to all providers in the Practice Protection Fund informing them of the recent discussions concerning the PPF. Ms. DeCuir seconded the motion; by verbal vote, the motion was approved.

Dr. Foret called for the presentation by NEAM, the Fund's fixed income portfolio manager. Ms. Marie Callahan provided the Board with an overview of the company for the benefit of the newer Board members. Mr. Patrick Scully, portfolio manager, presented the Board with a portfolio update and comparison overview.

Dr. Foret called for the quarterly investment update. Mr. Matt Padberg of Cardinal Investment Advisors presented the Board with a detailed quarterly report and portfolio update. Mr. Padberg advised the portfolio underperformed the benchmark by 9 basis points for the quarter; however, he advised the portfolio has outperformed its overall benchmark by 17 basis points over the year. Mr. Padberg stated he is pleased with the portfolio at this time.

Dr. Foret asked for the financial and budget reports and the administrative contracts. Ms. Woodard informed the Board the Fund balance for the fiscal year to date was approximately $1,114,099,888, the total net collected in surcharge payments to date was approximately $110,530,213 and the total net filing fees collected to date were $188,100. She advised the reported investment income through January was $19,341,346, the total operating expenses to date were $3,996,760, and the claims expenses to date were $93,113,051. There were no questions asked and no public comments made.

Mr. Schnauder advised the Board Cardinal Investment Advisors had submitted a fee proposal with two options, fixed fee and variable fee to continue their consulting services. After some discussion, Dr. Alvarado made a motion to approve the fixed fee option. Mr. Guidry seconded the motion; by verbal vote, the motion was approved with no dissenting votes.

Dr. Foret called for the claims report. Mr. Loup informed the Board for the month of February there were 71 panels filed, 93 panels closed, 91 claims opened, and 117 claims closed, ending the month with total pending claims count of 4,391. Mr. Loup advised $99,800 in judicial interest were paid for the month and $213,891 in legal fees and expenses were paid. Mr. Loup presented 21 claims for settlement approval for the month in the amount of $5,765,885. There were no questions asked and no public comments made.

Dr. Foret asked if there were any questions or comments from the public. There were none.

Dr. Foret thanked the guests for attending the meeting. Mr. Ruel then made a motion for the Board to move into Executive Session; Dr. Alvarado seconded the motion. The verbal vote was unanimous, and the Board moved into Executive Session to discuss matters of litigation.

Dr. Christopher Foret, Chairman

4/4/19

Date