

**FOR IMMEDIATE RELEASE
NOVEMBER 16, 2016**

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CITY MAKES OIG-RECOMMENDED IMPROVEMENTS TO PROPERTY AND CASUALTY INSURANCE PROGRAM

The New Orleans Office of Inspector General (OIG) today released a report titled "[Property and Casualty Insurance Follow-up Report](#)." In its follow-up to the OIG's [April 2012 report](#), the OIG found that the City implemented or partially implemented four of five recommendations.

The City spends about \$2 million per year on property and flood insurance and insurance broker services to protect approximately \$813 million in city properties. The OIG found that the City made improvements to its property and casualty insurance program since hiring a Risk Manager in June 2014. Specifically, the City:

- secured an updated Insurance Commissioner Certification for property and flood insurance coverage to make sure that city properties would be eligible for future FEMA assistance;
- corrected formatting problems and completed missing information on the list of insured properties identified in the original report;
- issued two RFPs for insurance broker services that included cost as a selection criterion; and
- refined the RFPs to improve the selection committee's ability to evaluate and compare proposer qualifications and performance history.

However, evaluators found that the City did not develop a complete and accurate list of insured properties or obtain appraisals on any insured properties. Successful completion of these tasks could allow the City to achieve additional savings on insurance premiums.

"We are pleased that the City improved its property and casualty insurance program," stated Inspector General Ed Quatrevaux. "We encourage the City to budget for appraisals of insured properties so that taxpayers will not be on the hook for damage done to city properties that are not insured for their full value."

The OIG also released the publication "[In Brief](#)" to provide a summary of the report. All OIG reports are posted on the website nola.oig.gov.

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