



State of Tennessee

David H. Lillard, Jr., State Treasurer

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State of Tennessee Receives Insurance Check to Help Cover Flood Costs

State Treasurer David H. Lillard, Jr. accepted a \$5 million insurance check this week as an advance to help cover the costs of repairing state buildings that were damaged during the May floods.

The Tennessee Treasury Department includes the Risk Management Division, which is responsible for managing risk for all property and operations of the state, including public higher education institutions. The total value of all property under the Risk Management Division is approximately \$16.9 billion.

Chartis Insurance, the company that underwrites the state's property insurance, was not required to advance any money until the state had completed its repairs and filed claims for reimbursement of its expenses.

However, by providing the advance, Treasurer Lillard said the state will save money on "out-of-pocket" costs while the repair work is being done.

"It is just an example of the great relationship we have with Chartis and its subsidiary, Lexington Insurance, and the excellent customer service they provide," Treasurer Lillard said. "It is a demonstration of their good faith."

Treasurer Lillard also thanked James O'Dell, senior vice president with Willis of Tennessee, the state's insurance broker, for its assistance in expediting reimbursement for flood damages.

In all, state buildings and property sustained about \$19 million in damage due to the flooding. The state will absorb a portion of that cost as part of its deductible.

Shep Tapasak, senior vice president for Chartis, and James Emig, vice president for Chartis, traveled to Nashville from Atlanta to present the check.

"Lexington Insurance prides itself on delivering on policyholder obligations promptly and expediently," Mr. Tapasak said. "We felt it important to personally show our support to the State of Tennessee."

Thomas W. Chester, Deputy Commissioner of the state's general services division, was also present for the check presentation.