AFFORDABLE HOUSING RISK POOL (AHRP)
BOARD OF DIRECTORS' MEETING

Embassy Suites, 7900 NE 82nd AVE, Portland, OR 97220
Thursday, December 11, 2025

10:35 AM

MINUTES

A meeting of the Board of Directors of the Affordable Housing Risk Pool ("AHRP") was held at 10:35 am on December 11, 2025 at Embassy Suites in Portland, OR.

I. CALL TO ORDER

President Rooker called the meeting to order at 10:35 am.

II. ROLL CALL

Directors Present	
Director Rooker	Walla Walla Housing Authority (WA)
Director Kugler (virtual)	Housing Authority of the County of Tulare (CA)
Director Kohler	Housing Authority of Douglas County (OR)
Director Utz (virtual)	Salem Housing Authority (OR)
Director Kruse	Stanislaus Regional Housing Authority (CA)
Director Havlicek	Housing Authority of the County of Santa Barbara (CA)
Director Fox	Homes for Good (OR)
Director Calkins (virtual)	Bellingham & Whatcom County Housing Authorities (WA)

Others Present	
Karen Thesing	Executive Director, HARRP
Cindy Steele	Director, Risk Management & Underwriting, HARRP
Tom Williams	Director, Claims & Underwriting, HARRP
Jesse Kinney	Director, Finance, HARRP
Karen Fallows	Operations Specialist, HARRP
Doug Alliston ESQ (virtual)	Legal Counsel, Alliston Law Office
Robin Cox (virtual)	Policy & Claims Administrator, HARRP
Darla Cazares (virtual)	A/R and Administrative Specialist, HARRP
Pat Saldaña (virtual)	Claims Specialist
Rachel O'Neil (virtual)	Public Entities Policy Administrator
Meaghan Brown (virtual)	Policy Administrator
Courtney Giesseman (virtual)	Alliant Insurance Services

III. AGENDA APPROVAL

A motion was made by Director Kruse and seconded by Director Kohler; a motion was made to approve the agenda; motion passed by unanimous vote.

IV. COMMENTS FROM THE PUBLIC

None

V. CONSENT AGENDA

The consent calendar was reviewed by the Board of Directors. Staff recommended that the Board of Directors approve the Consent Calendar. A motion was made by Director Kohler and seconded by Director Kruse; motion passed by unanimous vote.

VI. PRESENTATIONS

A. Jesse Kinney, Interim Financial Statements as of October 31, 2025

Jesse Kinney presented the interim financial statements for AHRP and ORWACA as of October 31, 2025. He noted that both pools were performing well, with AHRP exceeding budget expectations and claims maturity progressing positively. ORWACA continued to grow steadily, serving as a member services function to provide needed coverages. Jesse reported that the November financials were expected to show further improvement, with ORWACA projected to exceed budgeted income. Staff recommended the AHRP Board of Directors review and accept the AHRP and ORWACA October 31, 2025 financial statements. A motion was made by Director Kruse and seconded by Director Fox; motion passed by unanimous vote.

B. Jesse Kinney, 2026 AHRP and ORWACA Budget

Jesse Kinney presented the draft budgets for AARP and ORWACA for the 2026 fiscal year. He explained minor changes in allocations and projections, including updates based on actuarial reports, claims projections, and finalized reinsurance costs. The Board discussed investment fees and the management service agreement costs. Staff recommended the AHRP Board of Directors review and approve the presented AHRP budget with a total operational expense of $20,519,940, and the ORWACA budget with a total operating expense of $270,017. A motion was made by Director Calkins and seconded by Director Kruse; motion passed by unanimous vote.

C. Doug Alliston, Karen Thesing, Adoption of 2026 AHRP MOC

Doug Alliston and Karen Thesing presented the proposed revisions to the 2026 AHRP Memoranda of Coverage. They highlighted changes including updates to terminology, exclusions, and coverage definitions, as well as the addition of aggregate limits and reinsurance changes. The Board discussed the impact of these changes on coverage and member benefits. Staff recommended that the Board approve the revised Memoranda of Coverage (i.e. Property, General Liability and Crime MOCs) for the 2026 policy year as presented. A motion was made by Director Kruse and seconded by Director Calkins; motion passed by unanimous vote.

D. Karen Thesing, Defense Counsel Selection

Karen Thesing presented a recommendation to reaffirm staff's sole discretion to appoint defense counsel in litigated cases. The Board discussed the importance of maintaining control over counsel selection to ensure effective claims management. Staff recommended the Board of Directors approve and affirm that we have the exclusive right to select counsel. A motion was made by Director Kruse and seconded by Director Kohler; motion passed by unanimous vote.

E. Cindy Steele, AHRP Loss Control Grant Program

Cindy Steele presented the AHRP Loss Control Grant Program, outlining its incentive-based structure to support risk mitigation efforts among policyholders. The program offers grants of up to $2,500 per project, with a total annual budget of $25,000. Cindy provided examples of eligible projects, such as infrared inspections, smoke detection technology and specifically new water shut-off products on the market. The Board discussed the criteria for grant eligibility and the importance of focusing on preventable claims with recommendations to highlight some recent areas of focus as part of a communication campaign. Staff recommended the AHRP Board of Directors approve the implementation of the Loss Control Grant Program with supporting budget to enhance risk management practices among policyholders and reduce the financial impact of preventable claims. A motion was made by Director Kruse and seconded by Director Calkins; motion passed by unanimous vote.

F. Karen Thesing, Criteria for AHRP Participation

Karen Thesing reviewed the eligibility criteria for AHRP participation, referencing statutes across four states. She reported that seven entities were identified for cancellation due to non-compliance with eligibility requirements. The Board affirmed the criteria and directed staff to issue notices of cancellation, allowing up to 120 days for affected entities to secure alternative coverage. Staff recommended the Board of Directors (1) affirm WA, CA, OR, and NVs eligibility definition specifying the types of entities that are permitted to participate in affordable housing pools, (2) allow PME's that are affiliated through a Housing Authority, or non-profit, who solely provide services for one of those aforementioned entities, to participate in AHRP, and (3) provide a Notice of Cancellation to the seven entities that do not meet state statutes' eligibility criteria. A motion was made by Director Calkins and seconded by Director Fox; motion passed by unanimous vote.

G. Renee Roker, Karen Thesing, Appointment of AHRP Director and Treasurer

With the resignation of Janelle, the Board considered the appointment of a new Affiliated Board Member and Treasurer. Bob Havlicek was nominated and appointed to both positions, effective January 1, 2026. Staff recommended the Board of Directors appoint Bob Havlicek as an AHRP Affiliated Board Member and to the Treasurer position, effective January 1st, 2026. A motion was made by Director Kruse and seconded by Director Kugler; motion passed by unanimous vote.

H. Karen Thesing, Property Management Agreement: Acceptable Indemnification Language

Karen Thesing presented a recommendation to implement revised indemnity language for Property Management Entities (PMEs). The Board discussed the need for flexibility in indemnification agreements while maintaining appropriate protections. Staff recommended the Board of Directors approve and implement the revised indemnity language as written. A motion was made by Director Fox and seconded by Director Kruse; motion passed by unanimous vote.

VII. MANAGEMENT REPORTS

A. Risk Management & Underwriting

No report.

B. Tom Williams, Claims Management

Tom Williams provided the Claims Management report, noting that litigation costs for AHRP had increased in 2025, while claim intake remained steady. He emphasized the ongoing focus on expense control and the challenges posed by rising litigation costs.

C. Jesse Kinney, Finance

Jesse Kinney discussed the option of a deductible rate program which is currently not available on AHRP. It was noted that due to the timeline of the actuarial work involved implementation was not possible for this year but the study is expected to be available in the first half of 2026 with potential implementation in the 2027 policy year.

D. Karen Thesing, Executive Director

Karen Thesing provided two key updates. First, she confirmed that Washington State statute grants an exemption from business and occupation (B&O) taxes for entities such as AHRP, the pool has paid these taxes since 2014. Two legal opinions and confirmation from the CPA firm established that AHRP qualifies for this exemption. The CPA is now petitioning the state for relief, with a four-year lookback period, and Karen will update the Board as the process progresses. Second, Karen reported that she is serving on a Washington State coalition focused on addressing the affordability of insurance for affordable housing. The coalition includes housing sector representatives, legislators, analysts, and lobbyists, with AHRP as the only pool represented. The group is exploring options for financial relief and legislative solutions, and Karen committed to sharing updates and draft proposals as they develop. She also noted similar efforts in Oregon, where reimbursement provisions have already passed, and offered to provide early-stage documents for Board review.

VIII. INFORMATIONAL ITEMS

A. Courtney Giesseman, 2026 AHRP Property Reinsurance Final Rates

Courtney Giesseman provided an update on the 2026 AHRP property and liability reinsurance program. She reported that additional market interest and capacity were secured, including Iron Shore expanding participation and the addition of SRU to strengthen future property limits. These changes resulted in a significant improvement from October projections, with the overall property rate decrease improving from 2.5% to 6.28%. Courtney noted that liability renewals required aggregate limits to maintain Munich's participation, resulting in an 8% increase on primary liability and a 7% increase on excess layers—still favorable compared to market trends of 15–30%. She confirmed that no additional collateral will be required for year-end 2025, though future collateral may be needed based on performance. Key wins included substantial rate reductions in higher property layers, retention of Munich's 8x of $2 million capacity, and avoidance of a habitational exclusion, which would have been detrimental to lending requirements. Courtney concluded by emphasizing that these outcomes represent strong positioning for AHRP in a challenging market.

IX. PRESIDENT'S REPORT

President Renee Rooker expressed appreciation to the Board and staff for their participation and engagement throughout the year. She reiterated appreciation for the contributions of Director Kohler and extended holiday wishes to all attendees.

X. ADJOURNMENT

There being no further business, a motion was made by Director Kohler and seconded by Director Calkins to adjourn the meeting. The motion passed by unanimous vote and the meeting adjourned at 11:32 am.

Renée Rooker

Renee Rooker, President