

TO ALL MEMBERS OF THE BOARD OF GOVERNORS FOR THE LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
AND THE PUBLIC

RE: LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
BOARD OF GOVERNORS MEETING
MARCH 22, 2016 MINUTES

Ladies and Gentlemen:

A meeting of the Governing Board for the Louisiana Citizens Property Insurance Corporation was held on Tuesday, March 22, 2016. The meeting was conducted at the offices of the Department of Insurance located at 1702 N. Third St. Baton Rouge, Louisiana, Hearing Room, commencing at 1:00 P.M.

Present were: Denise Brignac, Chairwoman
Eric Berger
Gene Galligan
Craig LeBouef (arrived following roll call)
Sam Little
Eugene Montgomery
Johnny Reeves
Preston Robinson
Sen. John Smith
Rep. Kirk Talbot

Absent were: Fred Bosse
Jason Dupree
Senator Eric LaFleur
Kevin Reinke
William (Bill) Starr

Also present: Vijay Ramachandran, Interim CEO
Steve Cottrell
Paige Harper
Ricky Lindsey

Chairwoman's Report

Chairwoman Brignac called the meeting to order at 1:00 p.m., asking Ms. Harper to call roll. There being a quorum present, she began by noting that May 15th is right around the corner and Board members will need to file their Tier 2.1 financial disclosures with the Board of Ethics by that date. She then gave an update on the CEO search, noting that the search consultant has 12 potential candidates he is reaching out to for the position. Once all of the resumes are in hand, Chairwoman Brignac will review them with the Commissioner, who will select which ones will be interviewed. The interview process will include a selection committee comprised of Board members. Several members have already been asked to participate. The last item on her report was to note that with new members on the Board she would be revisiting Committee assignments. With that, Chairwoman Brignac moved on to the second agenda item, the minutes of the prior meeting on January 14, 2016. After a review of the minutes, Mr. Robinson moved to approve them as proposed. Mr. LeBouef seconded the motion. With no further discussion on the motion forthcoming, a vote was taken and the motion passed unanimously.

The next item on the agenda was the CEO Report.

CEO Report

A) Financials. The first item discussed was Mr. Cottrell's report on financials. Mr. Cottrell noted that the 2015 year end "yellow book" financials have already been submitted to the Department of Insurance for review. Copies were submitted to the Audit Committee beforehand. Mr. LeBouef, the Chair of the Audit Committee spoke up and stated that everything was found to be in good order and that as Chair of the Audit Committee he tenders the filing of the December 31, 2015 financial statements with the Louisiana Department of Insurance to the Board for ratification. With his motion to ratify the filing, Chairwoman Brignac asked for a second. Mr. Montgomery seconded. With no further discussion on the motion, a vote was taken. The motion passed unanimously.

Mr. Cottrell went on to talk briefly about cash flow and to point out the annual statement of actuarial opinion regarding year end financial reserves. The actuarial annual statement has been discussed in the past, but never included in the Board book. From now on it will be included.

- B) Audit Update.** Mr. Cottrell explained that LCPIC has a new audit firm, chosen through a proposal process by the Legislative Auditor. The firm's name is Duplantier, Hrapmann, Hogan & Maher. Their bid was significantly lower than the others submitted at \$52,546 (almost half of the other bids). They expect to complete the audit by June 15th. They have a lot of government audit experience, but it is not clear that they have audited other insurance companies. After a lengthy discussion on the issue of the Legislative Auditor choosing LCPIC's auditor's rather than LCPIC having a say, the meeting moved to the next agenda item.
- C) December Financials.** Mr. Cottrell noted the information was in the Board book and would be happy to answer any question anyone had. No one had any questions.
- D) Personal Lines Rates.** Mr. Cottrell updated the Board on the Personal Lines rate filing that the Board voted to submit to the Department of Insurance in January. At that time they also voted to implement the rates if they were approved as submitted (+/- .5%). He was happy to report that the rate filing was approved as submitted.
- E) Reinsurance Update.** Mr. Cottrell began by reminding the Board members that LCPIC's current reinsurance structure expires at the end of May. He then went into a detailed explanation of the program and the factors that impact it. The projection for the 2016/2017 year is that LCPIC's reinsurance cost will be down slightly while the coverage will increase. LCPIC plans on buying the same amount as last year, but because its' TIV (total insured value) has decreased, that means more coverage. Also, LCPIC plans on lowering the retention from \$50 million to \$40 million; a move that will protect the company's cash in the event of a storm. After some additional discussion, meeting moved to the next agenda item.

F) Complaints. In the months of January and February LCPIIC received eleven complaints. Four were claim related and six policy related and one was both claim and policy related. With no questions on complaints, the meeting moved forward.

With the CEO report concluded, Chairwoman Brignac moved on to the Executive Session. She asked if anyone from the public first wished to address the Board. When no one stepped forward, Chairwoman Brignac stated that she would entertain a motion to go into Executive Session to discuss potential and pending litigation. Mr. Montgomery so moved. Mr. Galligan seconded the motion. The Chairwoman called for a roll call vote. The motion passed unanimously and the Board entered into Executive Session. Everyone except LCPIIC staff and the Board were asked to leave the room.

-----Executive Session-----

At the conclusion of the Executive Session, Chairwoman Brignac asked for a motion to exit Executive Session and re-enter the public forum. Mr. Berger so moved. Mr. Little seconded the motion. A roll call vote was taken. The motion passed unanimously. Chairwoman Brignac noted that the Board had re-entered the public forum. She asked that the record reflect that the Board did not take any formal action while in Executive Session.

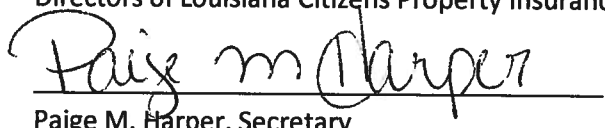
With the conclusion of the agenda, and with no further business to discuss, Chairwoman Brignac stated that the next Board meeting is scheduled for May 12, 2016. Mr. Reeves moved to adjourn the meeting; Mr. Galligan seconded. There being no opposition, the meeting was adjourned.

Adjourn

Paige M. Harper
General Counsel and Corporate Secretary/Chief Administrative Officer

Approved:

I hereby certify that these are a true and correct copy of the March 22, 2016 minutes that were adopted by the Board of Directors of Louisiana Citizens Property Insurance Corporation on May 12, 2016.

A handwritten signature in cursive script that reads "Paige M. Harper". The signature is written in black ink and is positioned above a solid horizontal line.

Paige M. Harper, Secretary