

**Louisiana Citizens Property Insurance Corporation
Depopulation Process Round 5
May 23, 2011**

Introduction

New or existing private insurance companies are encouraged to assume policies currently covered by Louisiana Citizens Property Insurance Corporation (Louisiana Citizens).

Through this process, Louisiana Citizens can transfer policies back to the private insurance market. This benefits all property owners by preventing or reducing assessments charged to all property insurance consumers.

Timeline and Requirements for Assumption

The assumption date for Round 5 is December 1, 2011. This is the date when the insurers will assume the approved policies from Louisiana Citizens Property Insurance Corporation. The procedures and dates to effect this assumption are incorporated into the steps below:

Step 1. An insurer may request, for purposes of depopulation and subject to an appropriate confidentiality agreement, an initial data file of policies currently in force and eligible for assumption through Louisiana Citizens. All in-force policies will be included except for those currently pending cancellation, or set for non-renewal. Using this data file, the insurer should identify those policies it wishes to take out.

The initial data file will be made available in Microsoft Access format by August 6, 2011. The data will be as of July 31, 2011.

Step 2. After selection of the “take out” policies, in accordance with LSA-R.S. 22:1474, the insurer must secure approval from the current producer to assume the business.

Between September 1, 2011 and November 15, 2011 the depopulation companies will work with producers to seek final agent approval on individual policies.

To facilitate the producer authorization process, Citizens’ web portal should be used, which can be accessed through the Louisiana Citizens’ website, www.lacitizens.com. Insurers shall access the portal through a secure log in and ‘request’ the policies they wish to assume. An insurer will not be able to view another insurer’s request. The portal will be made available to insurers on September 1, 2011.

This portal will be available to producers on October 1, 2011. Producers shall access the portal through a secure log in, and authorize one company to assume each of their

Insurer Initial _____ LCPIC Initial _____

policies. While producers may represent multiple depopulation insurers they should not authorize an individual policy to more than one depopulation company. Producers should not authorize any policies which do not meet the insurer's underwriting standards and should remain with Citizens.

Insurers will have access to the portal to select policies from September 1, 2011 till November 15, 2011, while producers will have access to the portal to authorize policies to insurers from October 1, 2011 till November 15, 2011.

Step 3. Insurers must have their companies' Form A and Rates and Regulations approved and be approved to do business in Louisiana by the Louisiana Department of Insurance, on or before October 1, 2011.

Step 4. Access to the portal to make changes will be terminated on November 15, 2011 - 15 (fifteen) days prior to the policies being transferred to the insurer. LCPIC will examine the data, check to remove any policies that are not in force, and mark the producer approved policies for take out with the appropriate depopulation company. This list will be sent to the companies on or around November 20, 2011.

Step 5. The assuming insurer shall mail a certificate of assumption to each assumed policyholder confirming the assumption. This certificate shall be mailed between November 25, 2011 and November 30, 2011, and the agent should be copied. The certificate needs prior approval of both the Louisiana Department of Insurance and Louisiana Citizens. A separate letter to the insured and producer will also be mailed from Louisiana Citizens, informing them of the assumption.

On November 20, 2011 Louisiana Citizens will issue Assumption Agreements to the depopulation companies covering the selected policies. The assumption agreement must be reviewed and approved by the Louisiana Department of Insurance.

The Assumption Agreements will be effective December 1, 2011. Depopulation insurers will be responsible for the handling of losses on their assumed policies from December 1, 2011.

Louisiana Citizens will continue to renew any assumed policies on their paper until March 1, 2012 when depopulation carriers will provide replacement policies on their paper.

Step 6. Any policyholder wishing to 'opt out' of the assumption and remain with Louisiana Citizens can do so till January 31, 2012. This gives the policyholder sixty (60) days after their policy has been assumed. The producer shall complete and sign the Request to Continue Coverage Form available on our website to effect a policyholder opt out.

Future depopulation rounds will occur and producers will be notified in this manner.

Insurer Initial _____ LCPIC Initial _____