

Louisiana Citizens Property Insurance  
Corporation Board Meeting  
Thursday, September 8, 2022 1:00 PM Central

Poydras Building - Hearing Room first floor  
1702 N. Third Street  
Baton Rouge, Louisiana 70802

### I. Call to Order

A meeting of the Governing Board for the Louisiana Citizens Property Insurance Corporation was held on Thursday, September 8, 2022. 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. Chairman Lorusso called the meeting to order at 1:08 p.m.

### II. Roll Call

Chairman Lorusso asked Ms. Harper to take roll.

Jeff Albright:	Present
Eric Berger:	Absent
Brian Chambley:	Absent
William Chauvin:	Present
Gene Galligan:	Present
Mike Huval:	Present
Shannon Johnson:	Absent
Tony Ligi:	Present
Nick Lorusso:	Present
Eugene Montgomery:	Present
Kevin Reinke:	Present
Bill Starr:	Present
Kirk Talbot:	Present
Steven Werner:	Present

Present: 11, Absent: 3.

### III. Chairman's Report

#### IV. Minutes of the Prior Meeting

To approve and adopt the minutes from the July 14, 2022 Board meeting as presented. This motion, made by Kirk Talbot and seconded by Steven Werner, Carried.

Eric Berger: Absent, Brian Chambley: Absent, Shannon Johnson: Absent, Jeff Albright: Yea, William Chauvin: Yea, Gene Galligan: Yea, Mike Huval: Yea, Tony Ligi: Yea, Nick Lorusso: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Bill Starr: Yea, Kirk Talbot: Yea, Steven Werner: Yea

Yea: 11, Nay: 0, Absent: 3

### V. CEO Report

Following the adoption of the July minutes, Chair Lorusso gave the floor to Mr. Newberry for the CEO Report.

## V.A. Overview

Mr. Newberry began his report by giving an overview of the number of policies LCPIC has been writing each day. On July 15, LCPIC reached the peak of the influx of new policies with 2,879 new policies in one day. While that number has gone down, LCPIC is still writing approximately 500 a day. During the three months of summer, June, July and August, LCPIC wrote about 60,940 new policies. As of the date of the Board meeting, the total policy count is approximately 114,297 with a TIV of \$34 billion.

### V.A.1. Proposed Personal Lines Rate Filing

LCPIC is bringing a proposed personal lines rate filing to the Board for approval of the proposed rates, as well as the filing of the rates with the Louisiana Department of Insurance. The filing would affect the 108,000 personal lines policies LCPIC currently has in force, as well as any new policies. Mr. Newberry began his presentation with a description of the process for determining the proposed rate, including the formulas and methodology. The process is set forth by statute and entails a review and calculation of the market driven rate and the actuarial rate. The higher of the two is taken and then 10% is added. For the first time in recent history, a majority of the proposed personal line rates are based upon actuarial calculations rather than market rates. This is driven primarily by the increase in the cost of reinsurance. The proposed rates are 63.1% higher than current rates overall in the state. In the FAIR Plan, that amounts to an increase of 62.9% and in the Coastal Plan, 65.6%. The Actuarial Committee met earlier in the day to review the proposed filing and recommended that the Board approve it. Mr. Chauvin, Chair of the Actuarial Committee noted that the vote was unanimous.

To approve the proposed personal lines rate filing representing an overall rate increase of 63.1% (a 62.9% rate increase in the FAIR Plan and a 65.6% rate increase in the Coastal Plan), and the methods and formulas used to determine the rates; to approve the filing of the proposed rates with the Louisiana Department of Insurance; and if approved by the LDI as filed, or with no more than a +/- .5% change from the filed rates, to set the approved rates for implementation effective January 1, 2023. This motion, made by William Chauvin and seconded by Gene Galligan, Carried.

Eric Berger: Absent, Brian Chambley: Absent, Shannon Johnson: Absent, Jeff Albright: Yea, William Chauvin: Yea, Gene Galligan: Yea, Mike Huval: Yea, Tony Ligi: Yea, Nick Lorusso: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Bill Starr: Yea, Kirk Talbot: Yea, Steven Werner: Yea

Yea: 11, Nay: 0, Absent: 3

### V.A.2. Approved Commercial Rate Update

The commercial rate filing, previously approved by the Board, which represents a rate increase of 72.4%, was approved without any changes by the Louisiana Department of Insurance. These rates will be effective on November 1, 2022. Chair Lorusso stated that due to the increase exceeding 25%, in accordance with LCPIC's statutes, a notification will be sent to the House and Senate Insurance Committees.

### V.A.3. Depopulation 2022

At the May 2022 Board meeting, the Board approved the processes and timelines for the 2022, Round 16 of depopulation. Currently, SafePoint and its reciprocal company, Cajun Underwriters, have applied to participate in this round of depopulation. No other

companies have expressed interest. These two companies need to be approved by the Board in order to participate. Additionally, because of LCPIC's growth since May, LCPIC management proposes to offer 21,700 policies. Mr. Albright questioned whether the companies have the financial capability to handle the number of policies they are requesting. Commissioner Donelon stated that he has looked at their financial statements and that he/the LDI is very mindful and very hopeful and very confident in the SafePoint Group.

To approve Safepoint Insurance and Cajun Underwriters as participants in Round 16, Depopulation 2022. This motion, made by Tony Ligi and seconded by Mike Huval, Carried.

Eric Berger: Absent, Brian Chambley: Absent, Shannon Johnson: Absent, Jeff Albright: Yea, William Chauvin: Yea, Gene Galligan: Yea, Mike Huval: Yea, Tony Ligi: Yea, Nick Lorusso: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Bill Starr: Yea, Kirk Talbot: Yea, Steven Werner: Yea

Yea: 11, Nay: 0, Absent: 3

To approve the schedule for Round 17, Depopulation 2023. This motion, made by Tony Ligi and seconded by Steven Werner, Carried.

Eric Berger: Absent, Brian Chambley: Absent, Shannon Johnson: Absent, Jeff Albright: Yea, William Chauvin: Yea, Gene Galligan: Yea, Mike Huval: Yea, Tony Ligi: Yea, Nick Lorusso: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Bill Starr: Yea, Kirk Talbot: Yea, Steven Werner: Yea

Yea: 11, Nay: 0, Absent: 3

To approve the offering of over 21,700 new policies for depopulation in Round 16, Depopulation 2022. This motion, made by Mike Huval and seconded by Tony Ligi, Carried.

Eric Berger: Absent, Brian Chambley: Absent, Shannon Johnson: Absent, Jeff Albright: Yea, William Chauvin: Yea, Gene Galligan: Yea, Mike Huval: Yea, Tony Ligi: Yea, Nick Lorusso: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Bill Starr: Yea, Kirk Talbot: Yea, Steven Werner: Yea

Yea: 11, Nay: 0, Absent: 3

#### V.A.4. Personal Lines Limit Increase

This topic was introduced as having been brought to LCPIC's attention by the PIA. Due to inflation policyholders with larger properties are unable to find enough coverage. LCPIC currently has a \$1,000,000 Coverage A limit of liability on personal lines policies. The proposal is to increase that limit to \$1,500,000. After discussion, the motion was withdrawn and it was decided one of the Board committees would look further into the proposal and would get back with the Board in the November meeting.

To approve an increase in the personal lines Coverage A policy limit to \$1,500,000 effective 10/01/2022. This motion, made by Jeff Albright, Withdrawn.

### V.B. Financials and Management Report

#### V.B.1. July 2022 Financials and Management Report

#### V.B.2. 2nd Quarter 2022 Financials

To approve the proposed LCPIC financials for the second quarter of 2022, and to approve the timely filing of those financials with the Louisiana Department of Insurance. This motion, made by William Chauvin and seconded by Eugene Montgomery, Carried.

Eric Berger: Absent, Brian Chambley: Absent, Shannon Johnson: Absent, Jeff Albright: Yea, William Chauvin: Yea, Gene Galligan: Yea, Mike Huval: Yea, Tony Ligi: Yea, Nick Lorusso: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Bill Starr: Yea, Kirk Talbot: Yea, Steven Werner: Yea  
Yea: 11, Nay: 0, Absent: 3

#### V.C. Complaints

In July and August of 2022, LCPIC received a total of twenty-one complaints. Ten of the complaints were claim related, ten were policy related and one encompassed both policy and claim issues. None of the Board members had questions.

#### VI. Executive Session

Prior to entering into Executive Session, Chair Lorusso asked if there were any members of the public who wished to speak to the Board; there being none he asked for a motion to go into Executive Session. This motion, made by Mike Huval and seconded by Eugene Montgomery, Carried.

Eric Berger: Absent, Brian Chambley: Absent, Shannon Johnson: Absent, Jeff Albright: Yea, William Chauvin: Yea, Gene Galligan: Yea, Mike Huval: Yea, Tony Ligi: Yea, Nick Lorusso: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Bill Starr: Yea, Kirk Talbot: Yea, Steven Werner: Yea  
Yea: 11, Nay: 0, Absent: 3

#### VI.A. HR Complaint Report

#### VI.B. Litigation Report

To exit Executive Session. This motion, made by Tony Ligi and seconded by Mike Huval, Carried.

Eric Berger: Absent, Brian Chambley: Absent, Shannon Johnson: Absent, Jeff Albright: Yea, William Chauvin: Yea, Gene Galligan: Yea, Mike Huval: Yea, Tony Ligi: Yea, Nick Lorusso: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Bill Starr: Yea, Kirk Talbot: Yea, Steven Werner: Yea  
Yea: 11, Nay: 0, Absent: 3

Having exited Executive Session, Chair Lorusso noted that the Board had reentered the public forum and asked that the record reflect that the Board did not take any formal action while in Executive Session.

#### VII. Adjournment

To adjourn the meeting at 2:25 pm. This motion, made by Jeff Albright and seconded by Gene Galligan, Carried.

Eric Berger: Absent, Brian Chambley: Absent, Shannon Johnson: Absent, Jeff Albright: Yea, William Chauvin: Yea, Gene Galligan: Yea, Mike Huval: Yea, Tony Ligi: Yea, Nick

Lorusso: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Bill Starr: Yea, Kirk Talbot:  
Yea, Steven Werner: Yea  
Yea: 11, Nay: 0, Absent: 3

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 September 8, 2022 minutes that were adopted by the Board of Directors of Louisiana Citizens Property Insurance Corporation on November 10, 2022.

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Paige M. Harper, Secretary