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
NOVEMBER 13, 2014 MINUTES

Ladies and Gentlemen:

A meeting of the Governing Board for the Louisiana Citizens Property Insurance Corporation was held on Thursday, November 13, 2014. 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  
Rep. Cromer  
Gene Galligan  
Craig LeBouef  
Sam Little  
Senator Dan Morrish  
Jim Napper  
Johnny Reeves  
Kevin Reinke  
William (Bill) Starr (arrived following roll call)

Absent were:  
Eric Berger  
Fred Bosse  
Senator Eric LaFleur  
Eugene Montgomery

Also present:  
Commissioner Donelon  
Dave Thomas, CEO  
Steve Cottrell  
Paige Harper  
Vijay Ramachandran  
Derek Haney  
Ricky Lindsey
Chairwoman’s Report

Chairwoman Brignac called the meeting to order at 1:05 p.m., asking Ms. Harper to call roll. There being a quorum present, she began by her report to the Board by noting that the Executive Committee met on Monday, November 3 at the Department of Insurance. One of the agenda items was a review of proposed revisions to the Plan of Operations. The majority of the proposed changes were simply removing Title 22 verbiage and making reference to the specific Title 22 code sections instead so that the Plan is not outdated when statutory wording changes, as has happened in the past and is currently the case. The other proposed edits included adding definitions for “subscriber agreement” and “senior management”. The final change is to the threshold amount for contracts that must have Board approval. Currently the Plan sets that amount at $15,000. The Executive Committee discussed using statutory citations that set limits for small purchases (set by the Governor) and for professional services. Currently those limits are set at $25,000 and $50,000 respectively. At this point, because the actual vote on the Plan of Operation proposal was set on the agenda for later in the meeting, Mr. Napper moved to take the Plan of Operation item (H.) and the Expense Notification policy (G.) out of order and finish the discussion on both, allowing the Board to go ahead and vote at this point in the agenda. Chairwoman Brignac pointed out that the written Expense Notification policy, once approved, will go into the Plan of Operation. She also noted that that Executive Committee reviewed and approved the language and recommended that the full Board approve it as well. Rep. Cromer seconded Mr. Napper’s motion. With no further discussion forthcoming on the motion, Chairwoman Brignac called for a vote. The motion passed unanimously.

Once the agenda was re-ordered, Chairwoman Brignac asked the Board to first consider the written Expense Notification policy. Mr. Napper moved to approve the policy as recommended by the Executive Committee. Mr. Galligan seconded the motion. With no discussion and no opposition, the motion passed unanimously.

Next, the Plan of Operations with the proposed changes, included the insertion of the newly approved Expense Notification policy, was considered. If approved, the Plan will be sent to the House and Senate Insurance Committees for final approval. Mr. LeBouef made a motion to approve the proposed changes to the Plan of Operation. Mr. Napper seconded the motion. With no further discussion forthcoming, a vote was taken. The motion passed unanimously.

At this point, Chairwoman Brignac recognized Jim Napper and his longtime service on the Board. Mr. Napper is retiring from the Treasurer’s office and will be leaving the Board at the end of 2014. Commissioner Donelon likewise added his appreciation of Mr. Napper’s service.

Finally, to end her report, Chairwoman Brignac noted that the Executive Committee also reviewed, considered and approved for recommendation to the Board the proposed budget for 2015.

The second agenda item was the minutes from the previous meeting. After a review of the minutes, Sen. Morrish moved to approve the minutes as proposed. Mr. Napper 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.
A) **2015 Officer Appointments.** The first item under the CEO’s report was the proposed slate of officer’s for 2015. Mr. Thomas informed the Board of Mr. Netzel’s resignation and his choice of Vijay Ramachandran to take the role of Chief Operations Officer (COO) over Underwriting and Claims, rather than filling the Chief Claim Officer position. After Mr. Thomas answered questions from the Board members, Mr. Napper moved to approve the slate of officers. Rep. Cromer seconded the motion. With no further discussion forthcoming, a vote was taken. The motion passed unanimously.

B) **Financials.** The next item discussed was Mr. Cottrell’s report on financials. Mr. Cottrell noted that with regard to cash, at the end of the year LCPIC should be down by approximately $20 million in cash from the beginning of the year. However, we should still begin 2015 with about $89 million.

While the Audit Committee was unable to meet formally to review and approve the quarterly financials for filing, the financials were sent to the Audit Committee members for review and comment. Mr. LeBouef state that he did review the financials and had one question about the mechanics of the CAT bonds, which was answered for him. He said he found the financials to look materially correct. Mr. LeBouef then moved to approve the filing of the financials with the Department of Insurance. Mr. Little seconded the motion. With no discussion or opposition, the motion was approved unanimously.

C) **Management Report.** Mr. Cottrell noted the management report summary pages are in the Board book. The management report details all aspects of the company. With no questions on the report, he moved on to the next agenda item.

D) **2015 Budget.** Mr. Cottrell introduced the proposed 2015 budget by giving an overview of the proposal. After an in-depth discussion with the Board and assurances that the Executive Committee approved the proposed budget, Mr. LeBouef moved to approve. Mr. Little seconded the motion. With no further discussion on the motion forthcoming, a vote was taken and the motion passed unanimously.

E) **Commercial Rate Process Change.** The final topic on the agenda for Mr. Cottrell to bring to the Board was a proposal concerning the commercial rating territories. Currently the rating territories for commercial are simply the FAIR and Coastal Plans; unlike personal lines where the territories are more granular at a by-parish level. Changing the territories will not result in an increase or decrease in premium to LCPIC, but it will result in a more accurate allocation of risk between parishes within the FAIR and Coastal Plans. A change in territories would require the approval of the Board and subsequent approval by the House and Senate Insurance Committees. After a lengthy discussion by the Board, and a statement by Mr. Thomas and Mr. Cottrell that they are not advocating for or against the changing of territories, only providing the information and the option to the Board, Mr. LeBouef moved to approve and present to the House and Senate Insurance Committees for consideration and approval. Mr. Reinke seconded the motion. Chairwoman asked if anyone wanted to discuss the motion further; hearing no further discussion, she called for a roll call vote. The motion passed by a majority with one nay vote by Mr. Starr.

F) **Depopulation Update.** Mr. Ramachandran updated the Board on the progress of the current round of depopulation. He reported that as of the time of the Board meeting 10,262 policies had been authorized for take-out of the 35,861 requested by the participating insurers. All of these policies are personal lines policies. No commercial lines policies have ever been requested in the history of the depopulation program.

G) **$65 App Fee Refund Update.** With Mr. Ramachandran’s report complete and the discussion of the written Expense Notification policy and the Plan of Operation having been addressed earlier in the agenda, Chairwoman Brignac asked Ms. Harper to move on to the update of the $65 App Fee Refund. Ms. Harper informed the Board that the $65 application fee refund has been completed. She further reported that on October 24th the claims administrator reverted, as per a Court order, the remaining funds of $1,828,080 back into LCPIC’s account.

H) **Oubre Class Settlement Update.** The next agenda item was an update on Oubre. Ms. Harper reported to the Board that in the October quarter of the claim settlement process, the claims presented for review were down to 701. LCPIC found documents to present to the Special Master on 182 of those claims. Given those numbers, LCPIC expects to pay approximately $2,322,000, if all of the October documents are deemed acceptable to eliminate those 182 claims from
the class. Also, in October, LCPIIC received the Order to pay for the undisputed claims from the July quarter. That amount was $20,052,000. After answering questions on Oubre, Ms. Harper moved to the Complaints.

**Complaints.** In the months of September and October LCPIIC received eight complaints. They were evenly split between claim and policy related. With no questions regarding complaints, the agenda was complete.

With the conclusion of the agenda, and with no further business to discuss, Chairwoman Brignac noted that the next Board meeting is scheduled for January 8, 2015. Mr. Napper moved to adjourn the meeting; Rep. Cromer 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 November 13, 2014 minutes that were adopted by the Board of Directors of Louisiana Citizens Property Insurance Corporation on January 8, 2015.

[Signature]
Paige M. Harper, Secretary