

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

RE: LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
JUNE 28, 2012 MINUTES

Ladies and Gentlemen:

A meeting of the Governing Board for the Louisiana Citizens Property Insurance Corporation was held on Thursday, June 28, 2012. 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 3:31 P.M.

Present were: Denise Brignac, Chairwoman  
Fred Bosse  
Gene Galligan  
Sam Little  
Eugene Montgomery  
Senator Dan Morrish  
Jim Napper  
William (Bill) Starr (arrived following roll call)

Absent were: Eric Berger  
Jerry Carlisle  
Rep. Cromer  
Senator Eric LaFleur  
Craig LeBouef  
Johnny Reeves

Also present: Commissioner Donelon  
Treasurer Kennedy  
Richard Robertson, CEO  
Steve Cottrell  
Paige Harper  
Quin Netzel  
Ron Eaton

#### Chairwoman's Report

Ms. Brignac, Chairwoman, called the meeting to order at 3:31 p.m. Chairwoman Brignac asked Ms. Harper to call roll. With a quorum established, Chairwoman Brignac noted that the next regularly scheduled meeting is set for Thursday, July 12, 2012. She stated that she had been

subpoenaed to testify in court on that day and asked Mr. Napper, as Vice Chair of the Board, to fill in for her as necessary.

Chairwoman Brignac then turned the meeting over to Mr. Robertson to address the 2012 rates and Senate Bill 204/Public Act 632.

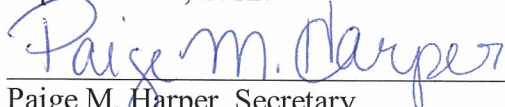
Mr. Robertson noted that LCPIC needs to make rate filings in order to be in compliance with the new Act. However, he also noted that there had been some uncertainty about the effective date of the Act, or rather, when the changes required by the Act should be made effective. Because of that uncertainty, LCPIC management obtained an opinion from outside counsel, Mr. Emile Rolfs of Breazeale Saches, as to the interpretation of the law. It is the opinion of Mr. Rolfs that the law cannot be effective retroactively and would be effective as of June 7, 2012, the day the bill was signed into law by the Governor. As such, Mr. Robertson asked the Board to please approve the filing of the amended rates (removing the 10% increase over the highest rate in the 12 coastal parishes as required by statute) and the formulas used to calculate those rates with an effective date of June 7, 2012. After a lengthy discussion and disagreement on the issue, Mr. Napper moved, on behalf of Treasurer Kennedy, that the Board approve the filing of the proposed amended rates (removing the 10% increase over the highest rate in the 12 coastal parishes as required by statute) and the formulas used to calculate those rates with an effective date of August 15, 2011. Mr. Starr seconded the motion. With no further discussion by the Board, Chairwoman Brignac called for a roll call vote. The motion was not approved with only three "aye" votes (Mr. Napper, Sen. Morrish and Mr. Starr) and four "nay" votes (Mr. Bosse, Mr. Galligan, Mr. Little and Mr. Montgomery).

After some additional discussion, Mr. Montgomery moved that the Board approve the filing of the proposed amended rates (removing the 10% increase over the highest rate in the 12 coastal parishes as required by statute) and the formulas used to calculate those rates with an effective date of June 7, 2012. Mr. Bosse seconded the motion. After a short discussion, Chairwoman Brignac called for a roll call vote. The motion was approved by a majority with four "aye" votes (Mr. Bosse, Mr. Galligan, Mr. Little and Mr. Montgomery) and three "nay" votes (Mr. Napper, Sen. Morrish and Mr. Starr).

The agenda being concluded, Chairwoman Brignac entertained a motion to adjourn. Mr. Napper moved to so adjourn the Board meeting. With no opposition to the motion, the meeting was adjourned.

**Approved:**

I hereby certify that these are a true and correct copy of the June 28, 2012 minutes that were adopted by the Board of Directors of Louisiana Citizens Property Insurance Corporation on September 13, 2012.

  
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Paige M. Harper, Secretary