

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 9, 2012 MINUTES

Ladies and Gentlemen:

A meeting of the Governing Board for the Louisiana Citizens Property Insurance Corporation was held on Friday, March 9, 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 10:32 A.M.

Present were: Denise Brignac, Chairwoman
Eric Berger
Rep. Cromer
Sam Little
Eugene Montgomery
Senator Dan Morrish
Jim Napper
Johnny Reeves
William (Bill) Starr

Absent were: Fred Bosse
Jerry Carlisle
Gene Galligan
Senator Eric LaFleur
Craig LeBouef
Senator Julie Quinn

Also present: Commissioner Donelon
Richard Robertson, CEO
Steve Cottrell
Paige Harper
Dan Laffey
Ron Eaton
Vijay Ramachandran
Scott Romito
Joby Najolia
Lisa Barthelemy
Darren Patin
Jim Babst

Mr. Eric Carl
Jack Culotta
Gordon King
Richard Leibowitz

Chairwoman's Report

Ms. Brignac, Chairwoman, called the meeting to order at 10:32 a.m. Chairwoman Brignac asked Ms. Harper to take roll call. There being a quorum present, the meeting began. Chairwoman Brignac began her report by letting the Board know that at the next Board meeting she will be re-appointing committees. She asked that anyone interested in sitting on a particular committee please let her know.

Minutes of Prior Meeting

Chairwoman Brignac introduced the minutes from the January 12, 2012, January 31, 2012 and February 9, 2012 meetings. Mr. Napper moved that the Board approve the minutes as proposed. Mr. Reeves seconded. With no discussion on the motion, a vote was taken and the minutes were approved unanimously. Chairwoman Brignac then moved on to the third item on the agenda, the CEO Report.

CEO Report

A) 2011 Financials

Mr. Robertson asked Mr. Cottrell to report on the financials. Mr. Cottrell noted that although no Audit Committee members were at the Board meeting, the Audit Committee did meet and reviewed the 2011 Financials in detail. The Committee voted to both file the financials with the Department of Insurance by March 1 as required and to recommend to the full Board that the filing ratified, or retroactively approved. After a short period of questions and answers, Mr. Berger moved that the Board approve the filing of the December 31, 2011 financial statement with the Department of Insurance. Sen. Morrish seconded the motion. There being no discussion on the motion, Chairwoman Brignac called for a vote. The motion passed unanimously.

B) Management Report

Mr. Cottrell pointed out that the regular Management Reports were included in the Board book under Tab B for the convenience of the Board members. He asked if any Board members had any questions on the report. There being no questions, Mr. Cottrell moved forward with the next item on the agenda.

C) 2012 Personal Lines Rate Filing

Mr. Cottrell began by reminding the Board that at the January 2012 meeting the members were given a detailed explanation of the formulas and processes of the rate analysis. He also noted that the Board gave LCPIC management approval to submit the proposed personal lines

rate filing for 2012 to the Louisiana Department of Insurance. The effective date of the filing, if approved was set for June 1, 2012. Mr. Cottrell then reported to the Board that the Louisiana Department of Insurance completed their review and approved the filing of an overall rate increase of 10.5%. The next step in the process is for the Board to give approval for the implementation of the approved rates. After a short discussion, Mr. Berger moved that the Board of LCPIC implement the rate change as proposed by LCPIC and approved by the Department of Insurance. Mr. Little seconded the motion. With no further discussion on the motion forthcoming, Chairwoman Brignac called for a vote. The motion was passed by a majority vote with only two in opposition (Mr. Starr and Mr. Napper).

D) Bond Refinancing Update

Mr. Cottrell updated the Board on the results of the recent Bond Refinancing approved by the Board. He shared that the actual savings for LCPIC were almost double what was originally estimated, at a total of over \$13,000,000.

At this point in the meeting, Chairwoman Brignac indicated that due to scheduling conflicts on the part of a few Board members, there was a need to try to rearrange the agenda in order to move the Executive Session up before they needed to leave the meeting. Mr. Napper moved to amend the agenda. Mr. Little seconded. With no discussion on the motion forthcoming, Chairwoman Brignac called for a roll call vote. The motion passed unanimously.

Chairwoman Brignac then asked if there were any members of the public who wished to comment before the Board went into Executive Session. There being none, she accepted a motion from Representative Cromer to move into Executive Session. Mr. Napper seconded. With no discussion on the motion forthcoming, Chairwoman Brignac called for a roll call vote. The motion passed unanimously.

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

At the conclusion of Executive Session, Mr. Little moved that the Board come out of Executive Session and back into the public forum. Mr. Montgomery seconded the motion. With no discussion on the motion, a roll call vote was taken. With unanimous approval, the Board left Executive Session and reentered the public forum. Chairwoman Brignac asked that the record reflect that no formal action was taken while in Executive Session.

F) Ehrhardt PR- Crisis Communications Contract

The next item on the agenda to be discussed was the Ehrhardt public relations contract. Mr. Eaton introduced the contract and explained that LCPIC Management wished to enhance its disaster communication recovery plan by bringing in a public relations firm familiar with crisis communications. After issuing an RFP, LCPIC received three proposals. From those three proposals, the Ehrhardt Group was chosen to be recommended to the Board of Directors. After Mr. Eaton assured the Board that the RFP was handled on a competitive basis and that no member of the Ehrhardt Group is related to any employees of LCPIC, Mr. Napper moved to approve the contract with the Ehrhardt Group. Mr. Berger seconded the motion. With no further

discussion on the motion, Chairwoman Brignac called for a vote. The motion passed unanimously.

Although a quorum had been lost after the final vote, Mr. Cottrell gave an update to the remaining Board members on the CAT Bond and Reinsurance process.

After the update, Chairwoman Brignac noted that the next regularly scheduled Board meeting is set for May 10 at 1:00 p.m. With no quorum for a vote, the meeting was adjourned.

Approved:

I hereby certify that these are a true and correct copy of the March 9, 2012 minutes that were adopted by the Board of Directors of Louisiana Citizens Property Insurance Corporation on May 10, 2012.

Paige M. Harper
Paige M. Harper, Secretary