

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
MAY 23, 2012 MINUTES

Ladies and Gentlemen:

A meeting of the Governing Board for the Louisiana Citizens Property Insurance Corporation was held on Wednesday, May 23, 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 3:11 P.M.

Present were: Denise Brignac, Chairwoman
Eric Berger (arrived following roll call)
Fred Bosse
Rep. Cromer
Gene Galligan
Craig LeBouef
Sam Little
Eugene Montgomery
Jim Napper
Johnny Reeves
William (Bill) Starr (arrived following roll call)

Absent were: Jerry Carlisle
Senator Eric LaFleur
Senator Dan Morrish
Julie Quinn

Also present: Commissioner Donelon
Treasurer Kennedy
Richard Robertson, CEO
Steve Cottrell
Paige Harper
Vijay Ramachandran
Senator Bret Allain
Representative Joe Harrison
Mr. Jim Harris
Mr. Rich Piazza

Chairwoman's Report

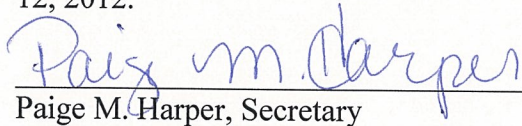
Ms. Brignac, Chairwoman, called the meeting to order at 3:11 p.m. Chairwoman Brignac noted that nine members were present and determined that a quorum existed. With a quorum established, Chairwoman Brignac noted that due to the nature of the agenda items, a lot of discussion was expected. To keep the meeting moving in an orderly and calm fashion, she requested that Board members ask for permission to ask a question.

Chairwoman Brignac then turned the meeting over to Mr. Napper since the special meeting was called at the written request of Mr. Napper, Mr. Berger, Mr. LeBouef and Mr. Starr. Mr. Napper addressed the filed and approved "wind and hail only" rates and the manner in which they were calculated. He expressed his opinion that the methodology used is not in compliance with the state statute regulating Louisiana Citizens Property Insurance's rates and that if no other voluntary carriers meeting the definitions outlined in the statutes and writing "wind and hail only" policies exist, then the company must only use actuarial rates. He further discussed the rates and rate increases in seven Coastal parishes individually. Mr. Napper completed his discussion by stating that he proposes amending the approved rates in any parish where there is no voluntary market for "wind and hail only" policies, by filing to use the actuarial rate plus 10% and delay any rate increase due to become effective June 1, 2012 until the new rates are approved. Representative Cromer took Mr. Napper's statement as a motion and seconded it. After a lengthy and in depth discussion of the topic and motion by Board members, Mr. Fred Bosse made a substitute motion that the Board request an Attorney General opinion as to the appropriate interpretation of Louisiana Revised Statute 22:2303(a) (1) (a)-(c) with respect to the latitude provided the Board with regard to establishing rates for "wind and hail only" policies. Mr. Berger seconded the motion. After further in-depth discussion on the substitute motion by Mr. Bosse, Chairwoman Brignac called for a roll call vote. The motion passed by a majority vote with six yeas (Mr. Berger, Mr. Bosse, Mr. LeBouef, Mr. Little, Mr. Montgomery, and Mr. Reeves) and three nays (Mr. Galligan, Mr. Napper and Mr. Starr) (Rep. Cromer had exited the meeting to return to the Legislative Session before the vote was taken).

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 May 23, 2012 minutes that were adopted by the Board of Directors of Louisiana Citizens Property Insurance Corporation on July 12, 2012.



Paige M. Harper, Secretary