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
JANUARY 13, 2011 MINUTES

Ladies and Gentlemen:

A meeting of the Governing Board for the Louisiana Citizens Property Insurance Corporation was held on Thursday, January 13, 2011. 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 1:15 P.M.

Present were: Denise Brignac, Chairwoman
Jerry Carlisle
Representative Sam Little
Eugene Montgomery
Senator Dan Morrish
Jim Napper
William (Bill) Starr

Absent were: Eric Berger
Jody Boudreaux
Representative Chuck Kleckley
Senator Eric LaFleur
Craig LeBouef
Johnny Reeves

Also present: Commissioner James Donelon
Richard Robertson, CEO
Steve Cottrell
Paige Harper
Dan Laffey
Vijay Ramachandran
Ron Eaton
Scott Romito
Greg Pellegrini
Lisa Barthelemy
Chairwoman’s Report

Ms. Brignac, Chairwoman, called the meeting to order at 1:15 p.m. Chairwoman Brignac asked Ms. Harper to take roll call. There being a quorum present, the meeting began. Chairwoman Brignac began her report with a new nomination to the Actuarial Committee, Eugene Montgomery. Rep. Little moved that the Board approve the appointment of Eugene Montgomery to the Actuarial Committee. Mr. Carlisle seconded the motion. There being no discussion on the motion, Chairwoman Brignac called for a vote. The motion was approved unanimously and Eugene Montgomery officially became a member of the Actuarial Committee.

The next item in the Chairwoman’s Report was to set the Boards regular meeting schedule for 2011. Chairwoman Brignac proposed that the meeting schedule be set for every other month, beginning with the January meeting, on the second Thursday of the month at 1:00 pm. Sen. Morrish moved that the Board approve Chairwoman Brignac’s proposal. Mr. Napper seconded the motion. There being no further discussion on the motion, a vote was called and the motion was unanimously approved. The regularly scheduled Board meetings in 2011 will be held every other month on the second Thursday at 1:00 p.m.

Minutes of Prior Meeting
Chairwoman Brignac introduced the minutes from the November 10, 2010 meeting. After a short discussion regarding the minutes, Mr. Napper moved that the Board approve the minutes with an amendment that the $23 million spent on class actions in 2010 was attributable to the settlement of the Press class action. Mr. Carlisle seconded. With no discussion on the motion, a vote was taken and the minutes were approved. Chairwoman Brignac then moved on to the third item on the agenda, the CEO report. However, because the Board would lose a quorum at 3:00 p.m. when Rep. Little had to leave, Chairwoman Brignac asked for a motion to move the Actuarial Committee report, which would include a discussion of the commercial and personal lines rate filings, to the first item on the CEO’s report. Mr. Carlisle so moved. Rep. Little seconded the motion. There being no further discussion on the motion, Chairwoman Brignac called for a vote. With no opposition, the motion was passed unanimously and Item G1 on the CEO report was approved as the next item on the agenda.

CEO Report

G) Actuarial Report

1) Commercial Lines Rate Approval: Mr. Cottrell reported that the Department of Insurance has approved the commercial rates as previously approved by the Board of Directors for filing. The approved commercial rates include an overall rate increase of 2.14 percent and now must be set by the Board before they may be implemented. Mr. Carlisle moved that the Board set the rates as approved by the Department of Insurance with an effective date of May 1, 2011. Rep. Little seconded the motion. There being no further discussion, Chairwoman Brignac called for a vote. The motion passed with only one opposition vote from Mr. Napper.

2) Personal Lines Proposed Rate Filing: Mr. Romito, LCPIC’s in-house Actuary, presented the proposed personal lines rate filing for the Board’s approval. Mr. Cottrell began by
reviewing the process that LCPIC uses to calculate the proposed rates. Mr. Robertson also interjected that the Actuarial Committee met to review the materials prior to their presentation to the full Board. Although the Chair of the Actuarial Committee was unable to attend the Board meeting, the committee did complete its review of the proposed personal lines rate filing and recommended that the Board approve for filing with the Department of Insurance. Mr. Romito then presented a binder given to each Board member with the formulas and calculations used in preparing the rates and the proposed rate filing. He reviewed the material and the process. After answering questions from Board members, Mr. Romito explained that he also asked our newly appointed outside actuary to perform a peer review of the work from an actuarial perspective. The actuary shared his thoughts and had no concerns with the rate calculations. The overall proposed rate change is a 9% increase. The proposed increase for the FAIR Plan is 8.8% and for the Coastal Plan is 11.8%. After much discussion, Mr. Carlisle moved to approve both the filing of the proposed rates with the DOI and the formulas used to calculate the proposed rates. Rep. Little seconded. With no further discussion on the motion, Chairwoman Brignac called for a vote. The motion passed with four “yes” votes and two opposition votes from Mr. Napper and Mr. Starr.

With time running short before Rep. Little’s 3:00 pm departure, Mr. Napper moved to move forward next with all agenda items requiring a vote. Rep. Little seconded the motion. There being no discussion on the motion, Chairwoman Brignac called for a vote. With no opposition, the motion passed unanimously. Chairwoman Brignac asked Mr. Cottrell to present the 2011 budget, the next item requiring a vote.

D) Executive Committee Report

1) 2011 Budget: Mr. Cottrell noted that the Executive Committee met in December 2010 to review the proposed budget with LCPIC management in detail. The Committee voted to approve the budget and to submit it to the full Board for approval as well. Mr. Napper added that the Committee went over the budget in detail and asked several questions, all of which were answered prior to approving the budget. Mr. Cottrell spoke briefly about the budget information provided in the Board books and pointed out that LCPIC is doing its best to keep expenses down and to reduce them where possible. With no questions on the budget, Chairwoman Brignac said that she would entertain a motion to approve the 2011 budget as proposed and approved by the Executive Committee. Mr. Montgomery so moved. Mr. Carlisle seconded the motion. There being no further discussion on the motion, Chairwoman Brignac called for a vote. The motion passed unanimously.

2) Print and Mail Contract: The next item on the agenda requiring a vote was the Print and Mail contract. Mr. Laffey referred to a memo in the Board book with background information on the print and mail services LCPIC receives and LCPIC’s recommendation to extend the current contract with Mele Printing to be renewed annually up to, but not exceeding, a five year period. After discussion it was determined that the annual renewals would be subject to a review process and LCPIC management would report to the Board in advance that the renewal is coming up. Rep. Little moved to approve the extension of the Print and Mail Contract with
Mele Printing as discussed. Mr. Carlisle seconded the motion. There being no further discussion, Chairwoman Brignac called for a vote. The motion passed unanimously.

E) 2011 Officer Elections: The next voting item on the agenda was the slate of officers for 2011 as proposed by the CEO, Richard Robertson. A copy of the proposed slate is attached. Mr. Carlisle moved to approve the officers as proposed. Mr. Napper seconded the motion. There being no further discussion, Chairwoman Brignac called for a vote. With no opposition, the motion was unanimously approved.

K) Regions Bank Signatory Resolution: The next item requiring a vote was the Regions Bank Signatory Resolution removing Mr. Jackson, who resigned from LC Pic, and adding Mr. Ramachandran as a signatory. Mr. Napper moved to approve the signatory resolution. Mr. Carlisle seconded. There being no discussion on the motion, Chairwoman Brignac called for a vote. The Regions Bank Signatory Resolution removing Mr. Jackson and adding Mr. Ramachandran was approved unanimously.

At this time, Chairwoman Brignac stated that she would like to move to the Executive Session before Rep. Little had to leave. Sen. Morrish moved to enter the Executive Session. Mr. Carlisle seconded the motion. Chairwoman Brignac called for a roll call vote. There being no opposition to the motion, the Board moved into Executive Session.

(The Board was unable to complete the Executive Session and vote to reenter the public forum before losing a quorum at 3:00 pm. No formal action was taken by the Board during Executive Session.)
Approved:

I hereby certify that these are a true and correct copy of the January 13, 2011 minutes that were adopted by the Board of Directors of Louisiana Citizens Property Insurance Corporation on March 18, 2011.

\[Signature\]
Paige M. Harper, Secretary