

Louisiana Citizens Property Insurance
Corporation Board Meeting
Tuesday, July 18, 2023 2:30 PM Central

Poydras Building - Hearing Room first floor
1702 N. Third Street
Baton Rouge, Louisiana 70802

I. Call To Order

Chairman Lorusso called the meeting to order at 2:55 p.m.

II. Roll Call

Jeff Albright:	Present
Eric Berger:	Absent
Brian Chambley:	Absent
William Chauvin:	Present
Gene Galligan:	Present
Mike Huval:	Absent
Shannon Johnson:	Absent
Tony Ligi:	Present
Eugene Montgomery:	Present
Kevin Reinke:	Present
Bill Starr:	Absent
Kirk Talbot:	Present
Steven Werner:	Absent

Present: 7, Absent: 6.

III. Chairman's Report

III.A. Report on Executive Committee - Employment Contract for Richard Newberry (Voteable)

Commissioner Donelon explained to the Board that he'd asked the Executive Committee to meet to discuss his decision to enter into a contract with Richard Newberry, CEO. He noted that he had entered into a contract with the majority of LCPIC CEO's and had simply not gotten around to contracting with him before now. After discussion the Executive Committee agreed and voted to recommend that the full Board approve the Commissioner entering into a contract with Mr. Newberry. The Board discussed the issue in depth and decided that they would also like Commissioner Donelon to include a salary increase in the terms and conditions of the contract. The following motion was made:

To enter into a three year contract with Richard Newberry with terms and conditions to be determined by the Commissioner of Insurance. This motion, made by Jeff Albright and seconded by Eugene Montgomery, Carried.

Eric Berger: Absent, Brian Chambley: Absent, Mike Huval: Absent, Shannon Johnson: Absent, Bill Starr: Absent, Steven Werner: Absent, Jeff Albright: Yea, William Chauvin: Yea, Gene Galligan: Yea, Tony Ligi: Yea, Eugene Montgomery: Yea, Kevin Reinke:

Yea, Kirk Talbot: Yea
Yea: 7, Nay: 0, Absent: 6

IV. Minutes

In an effort to get to all of the important voteable items on the agenda prior to the loss of a quorum, approval of the minutes was pushed to the next meeting of the Board.

V. CEO Report

V.A. Overview

V.A.1. Depopulation (Voteable)

Mr. Newberry gave an update on depopulation and asked the Board to approve the following motions:

Approve Depopulation Companies, SafePoint and Cajun Underwriters, to participate in Round 18; and to approve 19,689 policies to be approved for eligibility for Round 18 of depopulation. This motion, made by Kirk Talbot and seconded by Eugene Montgomery, Carried.

Eric Berger: Absent, Brian Chambley: Absent, Mike Huval: Absent, Shannon Johnson: Absent, Bill Starr: Absent, Steven Werner: Absent, Jeff Albright: Yea, William Chauvin: Yea, Gene Galligan: Yea, Tony Ligi: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Kirk Talbot: Yea

Yea: 7, Nay: 0, Absent: 6

Approve the timeline for Rounds 18 and 19. This motion, made by Eugene Montgomery and seconded by Kirk Talbot, Carried.

Eric Berger: Absent, Brian Chambley: Absent, Mike Huval: Absent, Shannon Johnson: Absent, Bill Starr: Absent, Steven Werner: Absent, Jeff Albright: Yea, William Chauvin: Yea, Gene Galligan: Yea, Tony Ligi: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Kirk Talbot: Yea

Yea: 7, Nay: 0, Absent: 6

V.A.2. Proposed Commercial Rate Filing (Voteable)

The next item on the agenda was the proposed Commercial Rate filing. Mr. Newberry noted that the Actuarial Committee met prior to the Board meeting and approved bringing the rate filing to the Board for full Board approval to file it with the LDI. Mr. Newberry asked the Board to approve the following the motion:

To approve the proposed commercial rate filing indicating an overall increase of 3% in the FAIR plan, and an overall decrease of 6.8% in the Coastal plan, with a combined overall increase of 2.3% across both plans, as well as the formulas used to determine the rates; and to approve the filing of the proposed rates with the Louisiana Department of Insurance. And if approved by the Louisiana Department of Insurance as filed, or with no more than a + or - half a percent change from the filed rates, to set the approved commercial rates for implementation effective 11/01/2023. This motion, made by William Chauvin and seconded by Tony Ligi, Carried.

Eric Berger: Absent, Brian Chambley: Absent, Mike Huval: Absent, Shannon Johnson:

Absent, Bill Starr: Absent, Steven Werner: Absent, Jeff Albright: Yea, William Chauvin: Yea, Gene Galligan: Yea, Tony Ligi: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Kirk Talbot: Yea
Yea: 7, Nay: 0, Absent: 6

V.B. Financials and Management Report

The financials and management report were in the Board book, but in the interest of getting to the voteable items prior to losing a quorum, a discussion of those items was passed over.

V.B.1. May 2023 Financials

V.B.2. Management Report

V.C. 2022 Audit Report

The audit reports were included in the Board book for the review by Board members.

V.C.1. Statutory Audit

V.C.2. GASB Audit

V.D. 2005 Deficit Re-certification (Voteable)

Joe Sciortino next addressed the 2005 Deficit Re-certification, which is required annually by the Bond documents. He presented the following motion and after discussion the Board moved as follows:

To approve the re-certification of the 2005 deficit amount as \$1.360 Billion as of 05/31/2023. This motion, made by Jeff Albright and seconded by Kirk Talbot, Carried.

Eric Berger: Absent, Brian Chambley: Absent, Mike Huval: Absent, Shannon Johnson: Absent, Bill Starr: Absent, Steven Werner: Absent, Jeff Albright: Yea, William Chauvin: Yea, Gene Galligan: Yea, Tony Ligi: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Kirk Talbot: Yea

Yea: 7, Nay: 0, Absent: 6

V.E. 2024 Assessment Rate (Voteable)

Mr. Sciortino presented the assessment rate for 2024 and noted that the LDI had already approved the calculation of the new rate for the coming year. He asked the following of the Board:

To approve the proposed 2024 Assessment rate of 1.7%. This motion, made by Tony Ligi and seconded by Eugene Montgomery, Carried.

Eric Berger: Absent, Brian Chambley: Absent, Mike Huval: Absent, Shannon Johnson: Absent, Bill Starr: Absent, Steven Werner: Absent, Jeff Albright: Yea, William Chauvin: Yea, Gene Galligan: Yea, Tony Ligi: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Kirk Talbot: Yea

Yea: 7, Nay: 0, Absent: 6

V.F. Complaints

Ms. Harper noted that in the previous two months (May and June), 17 complaints had been received by LCPIC via the LDI. All 17 were policy related and due to the increase in the

personal lines rates. Mr. Newberry noted that LCPIC is receiving an average of 1500 phone calls a day related to the increase in rates.

VI. Executive Session

At this point in the meeting, a quorum had been lost and the Board could not move into Executive Session.

VI.A. HR Complaints

VI.B. Litigation Update

VII. Adjournment

With the conclusion of the agenda, and no further business to discuss and no quorum available to vote, Chairman Lorusso adjourned the meeting at 3:24 p.m.