

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  
NOVEMBER 26, 2019 MINUTES

Ladies and Gentlemen:

A meeting of the Governing Board for the Louisiana Citizens Property Insurance Corporation was held on Tuesday, November 26, 2019. 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 1:00 P.M.

Present were: Nick Lorusso, Chairman  
Jeff Albright  
Eric Berger  
Renee Free  
Gene Galligan  
Tom Glasson  
Eugene Montgomery  
Rep. Talbot  
Brian Van Dreumel

Absent were: Brian Chambley  
Denise Gardner  
Craig LeBouef  
Kevin Reinke  
William (Bill) Starr  
Sen. Smith

Also present: Commissioner Donelon  
Richard Newberry, CEO  
Paige Harper  
Joe Sciortino  
Derek Haney

## Chair's Report

Chairman Lorusso called the meeting to order at 1:00 p.m. He began by asking Ms. Harper to call roll. With nine members present, a quorum was met and the meeting moved forward.

The next item on the agenda was the minutes of the previous meeting. Chair Lorusso gave everyone an opportunity to review the minutes from the September meeting. It was noted by Ms. Harper that the draft minutes in the Board Book contained a typographical error related to the effective date of the commercial rate filing and would need to be amended to 02/01/2020 instead of 02/20/2020. After the Board members were given an opportunity to review the minutes, Mr. Albright moved that the September 2019 minutes be approved as amended. Mr. Montgomery seconded the motion. With no further discussion on the motion or the minutes, Chair Lorusso called for a vote. The minutes were approved unanimously.

Chairman Lorusso then moved to the CEO Report and asked Mr. Newberry to take over with his updates.

## CEO Report

A) Overview. Mr. Newberry began his report by introducing a proposed slate of officers for LCPIC. The slate included Mr. Newberry as CEO, Paige Harper as General Counsel/Corporate Secretary/Chief Administrative Officer, Ricky Lindsey as Chief Information Officer and Joseph Sciortino as Vice President Accounting and Finance. Mr. Van Dreumel moved:

To approve the proposed slate of officer appointments for the year 2020; specifically, Mr. Newberry as CEO, Paige Harper as General Counsel/Corporate Secretary/Chief Administrative Officer, Ricky Lindsey as Chief Information Officer and Joseph Sciortino as Vice President Accounting and Finance.

Mr. Berger seconded the motion. With no further discussion on the motion forthcoming, Chair Lorusso called for a vote. With no objections, the motion was approved unanimously.

Mr. Newberry next informed the Board that due to expiring contracts, LCPIC management wished to issue an RFP for catastrophe vendors. He explained that LCPIC believes it to be in the company's best interest to undertake the process rather than simply renewing the existing contracts at their expiration/renewal date in spring 2020. LCPIC is asking for the Board's approval to issue an RFP. With approval, the current vendors will be notified that an RFP will be issued. In January, the proposed RFP, process and timelines will be presented to the Board. After discussion, Mr. Berger moved:

To approve the initiation of the RFP process for the purposed of determining the final RFP for catastrophe claim vendors.

Mr. Montgomery seconded the motion. With no further discussion on the motion forthcoming and no objections, the motion passed unanimously.

Next, Mr. Newberry presented the proposed schedule of 2020 Board meetings for approval. Mr. Glasson moved:

To approved the proposed schedule of Board meetings for 2020; specifically the second Thursday of January (9<sup>th</sup>), March (12<sup>th</sup>), May (14<sup>th</sup>), July (9<sup>th</sup>), September (10<sup>th</sup>) and November (12<sup>th</sup>) of 2020 at 1:00 p.m. in the Hearing Room of the Louisiana Department of Insurance.

Mr. Montgomery seconded the motion. With no discussion and no objections, the motion was approved unanimously.

An update on the 2019 round of depopulation was presented. As approved by the Board, 4000 policies were offered for depopulation. Of those, 2,388 were selected by the two companies who had elected to participate in this round. However, one of those companies, Spinnaker, backed out when only 12 of the policies they selected were authorized by the respective agents. Safepoint has not backed out and is expected to move forward with depopulating the 102 policies which were authorized for them.

Finally, Mr. Newberry updated the Board on the commercial rate filing that the Board approved for filing at the last Board meeting. The filing was made and the Louisiana Department of Insurance and Commissioner Donelon approved the rate filing with an effective date of February 1, 2020 for new and renewal policies.

B) Third Quarter Financials. The next item on the agenda was the retroactive approval of LCPIC's third quarter 2019 financials and their timely filing with the Department of Insurance. Mr. Sciortino gave the Board a summary of the financials, pointing out the highlights. He also noted that the financials were sent to the members of the Audit Committee for their review, questions and comments. No issues were identified by the committee members. After Mr. Sciortino answered questions, Mr. Montgomery moved:

To retroactively approve the LCPIC financials for the third quarter of 2019, and their timely filing with the Louisiana Department of Insurance.

Mr. Van Dreumel seconded the motion. There being no additional discussion forthcoming, a vote was taken by Chair Lorusso. The motion passed unanimously.

C) Proposed 2020 Budget. Mr. Newberry presented the proposed 2020 Budget to the Board. He began by re-capping 2019, what had been proposed for 2019 and the actual numbers for the year. After answering questions from the Commissioner, Mr. Newberry and Mr. Sciortino discussed the 2020 budget. After discussion with the Board, a motion was made by Mr. Albright:

To approve the proposed LCPIC budget for 2020, as prepared and presented by LCPIC Management.

Mr. Galligan seconded Mr. Albright's motion. With no further discussion forthcoming, the motion was brought to a vote and passed unanimously.

D) Management Report. Mr. Newberry noted that the numbers from the Management Report had already been presented and discussed in the previous reports and that he did not have anything else to add.

E) Complaints. The final item on the CEO report was complaints. Ms. Harper reported that in September and October 2019 there were six complaints received. One was policy related, four were claim related and one that was related to the class action administration, which LCPIC does not have anything to do

with apart from wiring payments to the class action account. There being no questions regarding the complaint, the CEO report was concluded.

With the conclusion of the CEO report, Chair Lorusso moved on to the Executive Session. He asked if anyone from the public first wished to address the Board. With no other speakers from the public stepping forward, Chair Lorusso stated that he would entertain a motion to go into Executive Session to discuss potential and pending litigation. Mr. Berger so moved. Mr. Glasson seconded the motion. Chair Lorusso called for a roll call vote. The motion passed unanimously and the Board entered into Executive Session. Everyone except LCPIIC staff and the Board were asked to leave the room.

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

At the conclusion of the Executive Session, Chair Lorusso asked for a motion to exit Executive Session and re-enter the public forum. Ms. Free so moved. Sen. Elect Talbot seconded the motion. A roll call vote was taken. The motion passed unanimously. Chair Lorusso noted that the Board had re-entered the public forum. He asked that the record reflect that the Board did not take any formal action while in Executive Session.

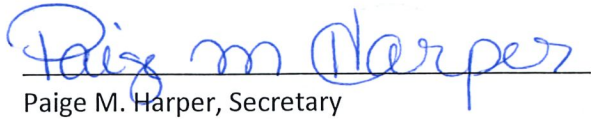
With no further business to discuss, Chair Lorusso asked for a motion to adjourn. Mr. Galligan so moved; Mr. Montgomery seconded. There being no opposition, the meeting was adjourned at 1:55 p.m.

## **Adjourn**

**Paige M. Harper**  
**General Counsel and Corporate Secretary/Chief Administrative Officer**

**Approved:**

I hereby certify that these are a true and correct copy of the November 26, 2019 minutes that were adopted by the Board of Directors of Louisiana Citizens Property Insurance Corporation on January 9, 2019.

  
Paige M. Harper, Secretary