

Louisiana Citizens Property Insurance Corporation Board Meeting

Thursday, January 12, 2023 1:00 PM

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

I. Call To Order	Speaker (s) : Lorusso
II. Roll Call	Speaker (s) : Harper
III. Chairman's Report	Speaker (s) : Lorusso
IV. Minutes	Speaker (s) : Lorusso
V. CEO Report	Speaker (s) : Newberry
V.A. Overview	Speaker (s) : Newberry
V.B. 2023 LCPIC Reinsurance Market and Strategy Update	Speaker (s) : Newberry
V.C. Catastrophe Vendor RFP Update	Speaker (s) : Newberry
V.D. Round 17 Depopulation (Voteable)	Speaker (s) : Newberry
V.E. Financials and Management Report	Speaker (s) : Sciortino
V.F. Complaints	Speaker (s) : Harper
V.G. Executive Session	Speaker (s) : Lorusso
V.G.1. HR Complaints	Speaker (s) : Harper
V.G.2. Litigation Update	Speaker (s) : Harper
V.G.3. Lease Negotiations	Speaker (s) : Newberry
V.H. Lease Contract Approval (Voteable)	Speaker (s) : Newberry
VI. Adjournment	

Louisiana Citizens Property Insurance
Corporation Board Meeting
Thursday, November 10, 2022 1:00 PM Central

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

I. Call to Order

A meeting of the Governing Board for the Louisiana Citizens Property Insurance Corporation was held on Thursday, November 10, 2022. The meeting was conducted at the offices of the Department of Insurance located at 1702 N. Third Street, Baton Rouge, Louisiana, Hearing Room, commencing at 1:00 p.m. Chairman Lorusso called the meeting to order at 1:00 p.m.

II. Roll Call

Chairman Lorusso asked Ms. Harper to take roll.

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

Present: 10, Absent: 3.

III. Chairman's Report

III.A. Chairman Lorusso invited the individual below to present their program to the LCPIC Board for consideration and informational purposes.

- InsurCard Property/Cat Program

The contact info for the presenters are:

Bob Mendte
President, InsurCard
Rmendte@insurcard.com
(215) 855-1113

William M. Wolfe
Attorney at Law
Mobile: (225) 907-4185
email bill@billwolfelaw.com

IV. Minutes of Prior Meeting

To approve the minutes of the prior meeting on September 8, 2022 as presented by LCPIC. This motion, made by Tony Ligi and seconded by Steven Werner, Carried.
Jeff Albright: Absent, Bill Starr: Absent, Kirk Talbot: Absent, Eric Berger: Yea, Brian Chambley: Yea, William Chauvin: Yea, Gene Galligan: Yea, Mike Huval: Yea, Shannon Johnson: Yea, Tony Ligi: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Steven Werner: Yea
Yea: 10, Nay: 0, Absent: 3

V. CEO Report

V.A. Overview

V.A.1. 2023 Officer Appointments (Voteable)

To approve the 2023 officers of LCPIC as recommended by Richard Newberry, CEO. This motion, made by Eugene Montgomery and seconded by Eric Berger, Carried.
Jeff Albright: Absent, Bill Starr: Absent, Kirk Talbot: Absent, Eric Berger: Yea, Brian Chambley: Yea, William Chauvin: Yea, Gene Galligan: Yea, Mike Huval: Yea, Shannon Johnson: Yea, Tony Ligi: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Steven Werner: Yea
Yea: 10, Nay: 0, Absent: 3

V.A.2. 2023 Board Schedule (Voteable)

To approve the 2023 Board Meeting Schedule as recommended by LCPIC management. This motion, made by William Chauvin and seconded by Tony Ligi, Carried.
Jeff Albright: Absent, Bill Starr: Absent, Kirk Talbot: Absent, Eric Berger: Yea, Brian Chambley: Yea, William Chauvin: Yea, Gene Galligan: Yea, Mike Huval: Yea, Shannon Johnson: Yea, Tony Ligi: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Steven Werner: Yea
Yea: 10, Nay: 0, Absent: 3

V.A.3. Update on Personal Lines Rate Filing

Mr. Newberry reported that the personal lines rate filing previously approved by the Board and filed with the LDI has been approved by the LDI and as voted on by the Board will be implemented effective January 1, 2023.

V.A.4. Personal Lines Limit Increase (Voteable)

Approval of an increase in the Personal Lines Coverage A Policy Limit to \$1,500,000 on new business effective 01/01/2023. Renewals may exceed \$1,500,000 due to inflation guard adjustments effective 01/01/2023. This motion, made by William Chauvin and seconded by Eric Berger, Carried.
Jeff Albright: Absent, Bill Starr: Absent, Kirk Talbot: Absent, Eric Berger: Yea, Brian Chambley: Yea, William Chauvin: Yea, Gene Galligan: Yea, Mike Huval: Yea,

Shannon Johnson: Yea, Tony Ligi: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Steven Werner: Yea
Yea: 10, Nay: 0, Absent: 3

Chairman Lorusso, as a nonvoting member, except to break a tied vote, asked that his opposition to the increase in the limits be noted.

V.A.5. Depopulation (Voteable)

Mr. Newberry gave an update on Round 16 of depopulation. It was noted on the agenda as voteable in case a change arose, but a vote is not needed. The depopulation participants requested a total of 19,800 distinct policies (21,000 policies were offered by LCPIC). Of the 19,800 policies, 3,947 were authorized for depopulation by the agents of record. Those insured's have until the end of February to opt out of being depopulated.

V.A.6. Claim Vendor RFP (Voteable)

Mr. Newberry introduced this item and noted that after increasing in policy count from approximately 40,000 policies to approximately 127,000 policies, LCPIC management wants to do another RFP for a claim vendor to provide the best staffing for CAT claims handling.

To approve the initiation of the RFP process to determine all vendors for the catastrophe claims processes. This motion, made by Eugene Montgomery and seconded by Tony Ligi, Carried.

Jeff Albright: Absent, Bill Starr: Absent, Kirk Talbot: Absent, Eric Berger: Yea, Brian Chambley: Yea, William Chauvin: Yea, Gene Galligan: Yea, Mike Huval: Yea, Shannon Johnson: Yea, Tony Ligi: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Steven Werner: Yea
Yea: 10, Nay: 0, Absent: 3

V.A.7. Proposed 2023 Budget (Voteable)

Joe Sciortino introduced and explained the proposed budget to the Board. It was noted that the proposed budget was presented to the Executive Committee and all of their questions were answered. After a discussion with the Board, the motion below was submitted:

To approve the proposed LCPIC 2023 Budget as recommended by LCPIC management. This motion, made by Eugene Montgomery and seconded by Tony Ligi, Carried.

Jeff Albright: Absent, Bill Starr: Absent, Kirk Talbot: Absent, Eric Berger: Yea, Brian Chambley: Yea, William Chauvin: Yea, Gene Galligan: Yea, Mike Huval: Yea, Shannon Johnson: Yea, Tony Ligi: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Steven Werner: Yea
Yea: 10, Nay: 0, Absent: 3

V.B. Financials and Management Report

V.B.1. 3rd Quarter 2022 Financials (Voteable)

To approve the proposed LCPIC financials for the third quarter of 2022; and, to approve the timely filing of those financials with the Louisiana Department of Insurance. This motion, made by William Chauvin and seconded by Eric Berger, Carried.

Jeff Albright: Absent, Bill Starr: Absent, Kirk Talbot: Absent, Eric Berger: Yea, Brian Chambley: Yea, William Chauvin: Yea, Gene Galligan: Yea, Mike Huval: Yea, Shannon Johnson: Yea, Tony Ligi: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Steven Werner: Yea
Yea: 10, Nay: 0, Absent: 3

V.B.2. Management Report

Mr. Sciortino summarized the report(s) by stating that as of September 2022, LCPIC had a total net enforce policy count of 121,471 policies (up from 38,829 in September 2021). TIV as of September 2022 was \$41.3 billion (as compared to \$7.7 billion in September 2021).

V.C. Complaints

Ms. Harper reported that in September and October 2022 LCPIC received a total of 11 complaints.

VI. Executive Session

Prior to entering Executive Session, Chair Lorusso asked if there were any members of the public who wished to speak to the Board; there being none he asked for the below motion to go into Executive Session.

To move into Executive Session. This motion, made by William Chauvin and seconded by Eric Berger, Carried.

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

Yea: 10, Nay: 0, Absent: 3

VI.A. HR Complaints

VI.B. Litigation Update

To Exit Executive Session. This motion, made by William Chauvin and seconded by Eric Berger, Carried.

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

Yea: 10, Nay: 0, Absent: 3

Having exited Executive Session, Chair Lorusso noted that the Board had reentered the public forum and asked that the record reflect that the Board did not take any formal action while in Executive Session.

VII. Adjourn

To adjourn the meeting at. This motion, made by Eugene Montgomery and seconded by Shannon Johnson, Carried.

Jeff Albright: Absent, Bill Starr: Absent, Kirk Talbot: Absent, Eric Berger: Yea, Brian Chambley: Yea, William Chauvin: Yea, Gene Galligan: Yea, Mike Huval: Yea, Shannon

Johnson: Yea, Tony Ligi: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Steven
Werner: Yea
Yea: 10, Nay: 0, Absent: 3



2023 Overview and Reinsurance Factors

January 12, 2023 Board Meeting

January Renewal Summary

Pricing was up more than expected, capacity was available at the right price so most avoided widespread shortfalls/incomplete placements, lower layers of programs were under pressure so most cedants increased retentions, as well as contractual terms/conditions tightening. January 1st renewal is not as heavy for largely coastal or HU exposed programs. For the actual coastal programs placed at 1/1 there was marginally tighter capacity and more pressure on contract term tightening.

Heading into the renewal cycle, we assumed loss-free layers would see risk-adjusted increases of ~30%.

By early December, the median risk-adjusted increase on FOTs for loss-free layers was +42%.

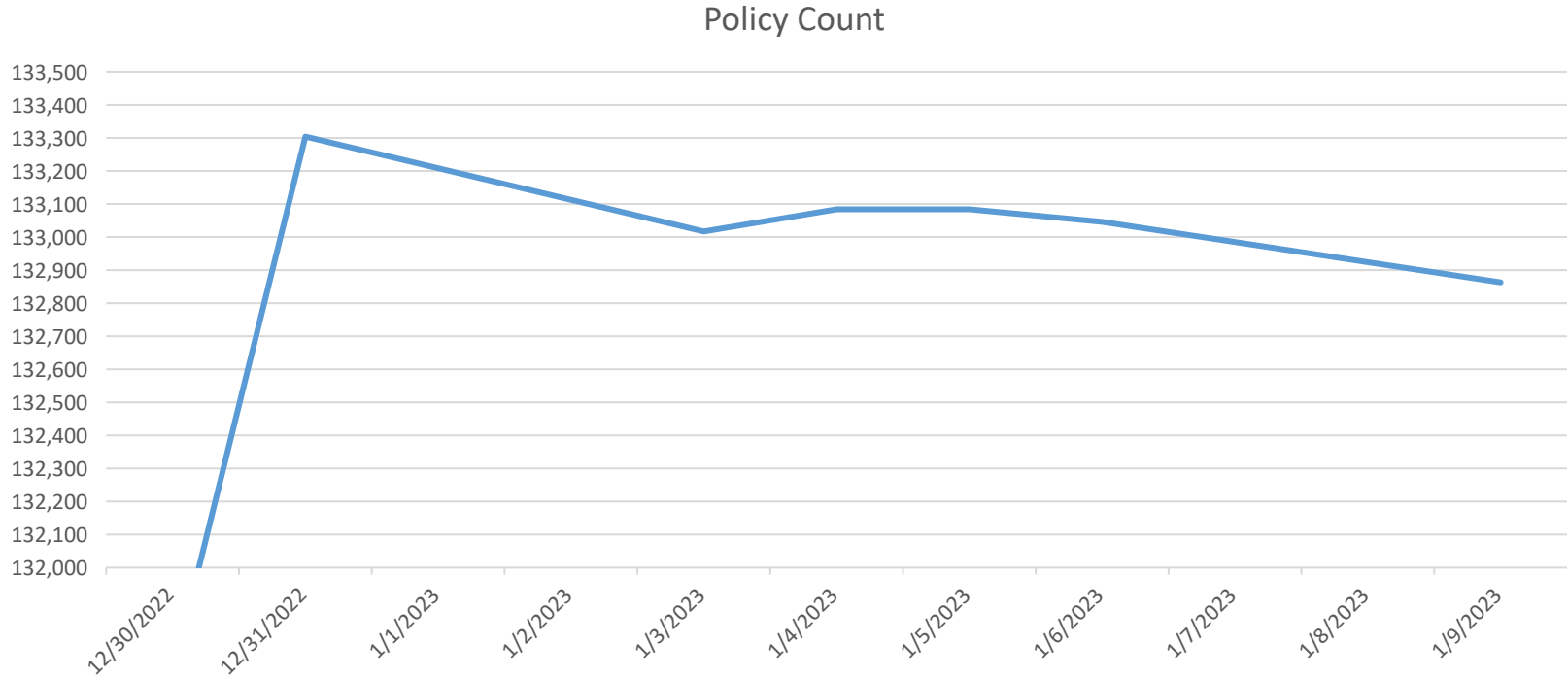
The risk-adjusted price increase on loss-impacted layers varied widely, from +67% to + 155%.

Expectation heading into the renewal was demand would exceed supply by \$25B - \$50B because of increased demand due to inflation and reduced supply due to reinsurers' reduced appetite. For context, we estimated the total Property Cat XOL market at ~\$500B of limit.

Headline was decreases in capacity (examples: Amlin Bermuda, Axis, AXAXL, Fidelis, Nephila, etc.) were partially offset by increased available capacity from a handful of reinsurers (examples: Arch, Ark, Chubb, Validus, etc.).

Policy Count Update

12/30/22 through 1/9/23



Projection of 3-31-2023 Total Insured Value and In-Force Premium as of 1/6/2023

Policy Count Estimates	
Low	116,500
Mid	131,500
High	146,500

Date	Policies	Average Monthly Change in Policies	TIV (Billions)	Average Monthly Change in TIV (Billions)	In-force Premium	Average Monthly Change in In-force Premium	Average Monthly Percentage Change in Policies	Average Monthly Percentage Change in TIV	Average Monthly Percentage Change in Prem
12/31/2017	40,734		\$7.653		70,330,000				
12/31/2018	38,931	(150)	\$7.256	(\$0.033)	66,355,000	(331,250)	-0.4%	-0.4%	-0.5%
12/31/2019	36,371	(213)	\$6.749	(\$0.042)	61,765,000	(382,500)	-0.5%	-0.6%	-0.6%
9/30/2020	35,717	(55)	\$6.651	(\$0.011)	59,710,000	(228,333)	-0.1%	-0.2%	-0.4%
12/31/2020	36,321	50	\$6.664	\$0.004	59,260,000	(150,000)	0.1%	0.1%	-0.3%
9/30/2021	38,829	209	\$7.460	\$0.089	66,840,000	842,222	0.6%	1.3%	1.4%
11/30/2021	39,781	79	\$7.810	\$0.175	70,260,000	1,710,000	0.2%	2.3%	2.6%
12/31/2021	41,157	1,376	\$8.393	\$0.583	75,960,000	5,700,000	3.5%	7.5%	8.1%
1/31/2022	43,108	1,951	\$9.171	\$0.778	83,630,000	7,670,000	4.7%	9.3%	10.1%
2/28/2022	45,550	2,442	\$9.978	\$0.807	91,466,678	7,836,678	5.7%	8.8%	9.4%
3/31/2022	48,972	3,422	\$11.261	\$1.283	103,846,455	12,379,777	7.5%	12.9%	13.5%
4/30/2022	53,321	4,349	\$13.065	\$1.804	120,196,327	16,349,872	8.9%	16.0%	15.7%
5/31/2022	58,776	5,455	\$15.107	\$2.042	141,076,366	20,880,039	10.2%	15.6%	17.4%
6/30/2022	75,149	16,373	\$21.980	\$6.873	196,218,858	55,142,492	27.9%	45.5%	39.1%
7/31/2022	98,497	23,348	\$30.990	\$9.010	275,457,085	79,238,227	31.1%	41.0%	40.4%
8/31/2022	112,035	13,538	\$33.345	\$2.355	326,237,940	50,780,855	13.7%	7.6%	18.4%
9/30/2022	121,471	9,436	\$41.332	\$7.987	360,147,000	33,909,060	8.4%	24.0%	10.4%
10/31/2022	126,089	4,618	\$44.058	\$2.726	382,207,000	22,060,000	3.8%	6.6%	6.1%
11/30/2022	129,671	3,582	\$45.690	\$1.632	395,881,000	13,674,000	2.8%	3.7%	3.6%
1/6/2023	133,037	3,366	\$49.531	\$3.841	419,484,008	23,603,008	2.6%	8.4%	6.0%

Low Selection - Monthly Change in TIV from 1/6/23 to 9/30/23: **(\$0.485)**
 Low Selection - Total Change in TIV from 1/6/23 to 9/30/23: **(\$4.365)**
 Low - Projected Total Insured Value (Billions) as of 9/30/23: **\$45.17**
 Low - Percentage Increase in TIV from 1/6/23: **-9%**

Low Selection - Monthly Change in In-Force Prem from 1/6/23 to 9/30/23: **(\$5,520,445)**
 Low Selection - Total Change in In-Force Prem from 1/6/23 to 9/30/23: **(\$49,684,008)**
 Low - Projected In-Force Premium as of 9/30/23: **369,800,000.00**
 Low - Percentage Increase in In-Force Prem from 1/6/23: **-12%**

Expected Selection - Monthly Change in TIV from 1/6/23 to 9/30/23: **(\$0.020)**
 Expected Selection - Total Change in TIV from 1/6/23 to 9/30/23: **(\$0.180)**
 Expected - Projected Total Insured Value (Billions) as of 9/30/23: **\$49.35**
 Expected - Percentage Increase in TIV from 1/6/23: **0%**

Expected Selection - Monthly Change in In-Force Prem from 1/6/23 to 9/30/23: **(\$231,556)**
 Expected Selection - Total Change in In-Force Prem from 1/6/23 to 9/30/23: **(\$2,084,008)**
 Expected - Projected In-Force Premium as of 9/30/23: **417,400,000.00**
 Expected - Percentage Increase in In-Force Prem from 1/6/23: **0%**

High Selection - Monthly Change in TIV from 1/6/23 to 9/30/23: **\$0.450**
 High Selection - Total Change in TIV from 1/6/23 to 9/30/23: **\$4.050**
 High - Projected Total Insured Value (Billions) as of 9/30/23: **\$53.58**
 High - Percentage Increase in TIV from 1/6/23: **8%**

High Selection - Monthly Change in In-Force Prem from 1/6/23 to 9/30/23: **\$5,057,332**
 High Selection - Total Change in In-Force Prem from 1/6/23 to 9/30/23: **\$45,515,992**
 High - Projected In-Force Premium as of 9/30/23: **465,000,000.00**
 High - Percentage Increase in In-Force Prem from 1/6/23: **11%**

RFP for Catastrophe Administration Services released on 12/15/22

▪ **Current Catastrophe Administrator and supporting firms include:**

MD Claims, Legion Claims, BSA Claims, Inspection Depot, Team One, IAS Claims, Eberl Claims, Schafer Wood & Associates, Creative Adjusting Team and One Call.

Non-renewal notice has been provided to MD Claims for Catastrophe Administration Services effective March 31, 2023.

Current contracts for FNOL, Field and Desk adjusting will auto renew in March 2023.

Proposed Structure may include multiple companies to serve as Catastrophe Administrator to service claims generated from 130,000 policies. Supporting firms include FNOL, field and desk adjusting vendors.

▪ **Public Notice:**

Plan of Operation – Section 27, Selection of Service Providers Requires:

1. At least two (2) journals and appear once a week for two (2) consecutive weeks.
 - Monday, December 15th – December 22nd:
 - The Advocate: Baton Rouge and New Orleans circulation.
 - Monday December 15th & December 21st 2022 - Press Release:
 - Insurance Journal (www.insurancejournal.com)
 - Emailed to 2,000+ insurance industry media outlets
 - Daily Headlines email newsletter 78,000+ subscribers
 - Bottom of Insurance Journal Home page for each day
2. The notice was also published on the Corporation’s Website at www.lacitizens.com.

▪ **Timeline:**

CALENDAR OF EVENTS		
DATE:	TIME:	ACTIVITY:
12/15/2022		RFP Released
1/02/2023	4:00 PM CT	Questions Due to LCPIC
1/16/2023		Responses Due from LCPIC
1/31/2023	4:00 PM CT	Proposals Due to LCPIC
2/15/2023		Evaluation of Proposals
2/27/2023- 3/03/2023		Oral Presentations by invited respondents
3/10/2023		Selections made RFP awarded

- **Evaluation Committee:**

Stephanie Jackson – Senior Director of Claims
 Blake Hoggatt - Vendor Claim Supervisor
 Rickey Lindsey _ Chief Information Officer
 Nhung Nguyen –Manager of Quality and Processes

EVALUATION CRITERIA		Points
1	Applicant or key personnel have meet applicable property and casualty insurance services as specified in this solicitation.	Pass/Fail
2	Corporate Background & Experience	10%
3	Financial Proposal & Stability	15%
4	Training, Quality Assurance & Professional Development	15%
5	Committed Resources	25%
6	Catastrophe Planning & Innovation	25%
7	Relevant LCPIC experience will be evaluated on their previous performance	5%
8	Louisiana Domiciled	5%

LCPIC has received request for copies of the RFP from 26 companies.
 Deadline to submit proposals is 1/31/23.



REQUEST FOR PROPOSALS

FOR

CATASTROPHE ADMINISTRATION SERVICES

12/15/2022

Louisiana Citizens Property Insurance Corporation
1 Galleria Blvd, Suite 720 Metairie, Louisiana 70001

DUE DATE: 1/31/2023

Refer All Inquiries to:
Email: RFP@lacitizens.com

<http://www.lacitizens.com/>

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Section 1 – Introduction

1.1 STATEMENT OF PURPOSE, GOALS AND OBJECTIVES

Louisiana Citizens Property Insurance Corp. (“LCPIC”) issues this Request for Proposal (“RFP”) to obtain responses from qualified Applicants capable of timely delivery of catastrophe administration services related to catastrophic claims administration and handling throughout the state as further described herein. The purpose of the Request for Proposal is to obtain competitive, detailed proposals from capable service providers that can meet the stated goals and mission of LCPIC.

The objective of LCPIC is to select multiple service providers that can successfully handle a large influx of claims from the staffing of field resources and a centralized claims unit (desk examiners) that can oversee all activity from receipt of the assignment, through field inspections and final resolution, while meeting the statutory requirements of the State of Louisiana.

1.2 Definitions

In addition to other terms defined in this RFP, the following terms shall have the following meanings:

- A. **Catastrophe or Catastrophic Event** – A natural or man-made event, occurring at any time, as designated by LCPIC where a large volume of claims is anticipated; sometimes referred to as a “CAT”.
- B. **Contract** – The legal binding agreement with a selected Applicant for Services that results from this RFP including, but not limited to, the applicants RFP response.
- C. **Courtesy Defense** – A defense provided by LCPIC at its sole option to a Vendor in certain legal actions.
- D. **File Examiner/Desk Adjuster** - A properly licensed claims adjuster as defined by LA R.S 22:1661, et seq. who will review files and documentation for accuracy, update reserves, confirm coverage, ensure claim lifecycle metrics are timely, and be proactive in the settlement of claims.
- E. **Independent Adjuster/Field Adjuster**-A properly licensed claims adjuster as defined by LA R.S. 22:1661, et seq. who will provide claims adjusting services for the catastrophe administrator on behalf of LCPIC.
- F. **FNOL** – First Notice of Loss
- G. **LCPIC** – Louisiana Citizens Property Insurance Corporation
- H. **Proof of Loss**-Receipt of sufficient information to act on the claim regardless of source or manner of receipt.¹
- I. **Proposal** – The material submitted by the Applicant pursuant to this RFP.
- J. **RFP** – This Request for Proposals and all attachments, amendments, and addenda.

¹ You are reminded that in Louisiana, “proof of loss” is a “flexible requirement”. A proof of loss is not required to be in any particular form. It may be informal, or verbal, or when the insurer or its representative receives its independent adjuster’s report. See *Riverland Oil Mill, Inc. v Underwriters for Lloyd’s, New York*, 368 So.2d 156, 163 (La.App.2 Cir. 1979) *writ denied*, 369 So. 2d 1365. “As long as the insurer receives sufficient information to act on the claim, ‘the manner in which is obtains the information is immaterial” *Louisiana Bag Co., Inc. v. Audubon Indem. Co.*, 2008-0453 (La.12/2/08), 999 So. 2d 1104,119-20

- K. **Selected Applicant** – An applicant who has been selected by LCPIC to enter into negotiations for a contract with LCPIC to provide products or services in accordance with this RFP.
- L. **Vendor** – A Selected Applicant who has contracted with LCPIC to provide products or services in accordance with this RFP.
- M. **Work Assignment** – A claim received by LCPIC and assigned to a Vendor for management of the investigation and adjustment where that Vendor’s Adjuster obtains all relevant information and documentation concerning the claim for its evaluation of applicable coverage under a particular policy or endorsement.
- N. **Authorized Subcontractor** – An individual or firm that has been approved by LCPIC to handle claims under the direction of the catastrophe claims administrator.

1.3 COMPANY OVERVIEW

Louisiana Citizens Property Insurance Corporation was created in accordance with provisions of Louisiana Revised Statute (R.S.) 22:2291 and operates solely in Louisiana. The Company's principal business activity is to operate insurance plans which provide essential property insurance for residential and commercial property, solely for applicants who in good faith are entitled, but are unable to procure insurance through the voluntary market. Additional information about Louisiana Citizens is available at LCPIC’s website: <http://www.lacitizens.com>.

1.4 MISSION STATEMENT

Louisiana Citizens Property Insurance Corporation will meet the property insurance needs of all of Louisiana Citizens’ insureds by offering coverage supported by fair, reliable service while remaining financially sound to avoid assessing property owners and insurance companies within the State of Louisiana.

1.5 GUIDING PRINCIPLES

LCPIC considers all parties to a claim as LCPIC customers, and that any loss may have a significant impact on their lives. Therefore, LCPIC will focus on their needs and provide a satisfying customer-focused claims experience.

LCPIC will assign claims to innovative, professional, responsible, skilled claims associates who demand excellent claims handling and customer service both from themselves and others.

1.6 POLICY INFORMATION

LCPIC has approximately 130,022 policies (94% homeowner and 6% commercial) with an approximate written premium of \$339 million and a total insured value of approximately \$37.1 billion. However, the number of policies, TIV and written premium is subject to change due to normal attrition and depopulation.

1.7 SCHEDULE OF EVENTS

Listed below are important actions and dates/times by which the actions must be taken or completed. Any change or modification to this calendar, modification to this RFP, or other important notices will be accomplished by posting of an addendum on the ‘Request for RFP’ section of LA Citizens website, at www.LACitizens.com. **It is the Respondent’s responsibility to monitor this website for changes. LCPIC is under no obligation to notify potential Respondents of the posting of an addendum, or underlying information contained in the addendum.**

DATE:	ACTIVITY:
12/15/2022	RFP Released
1/02/2023	Questions Due to LCPIC
1/16/2023	Responses Due from LCPIC
1/31/2023	Proposals Due to LCPIC
2/15/2023	Evaluation of Proposals
2/27/2023-3/03/2023	Oral Presentations by invited respondents
3/10/2023	Selections made RFP awarded

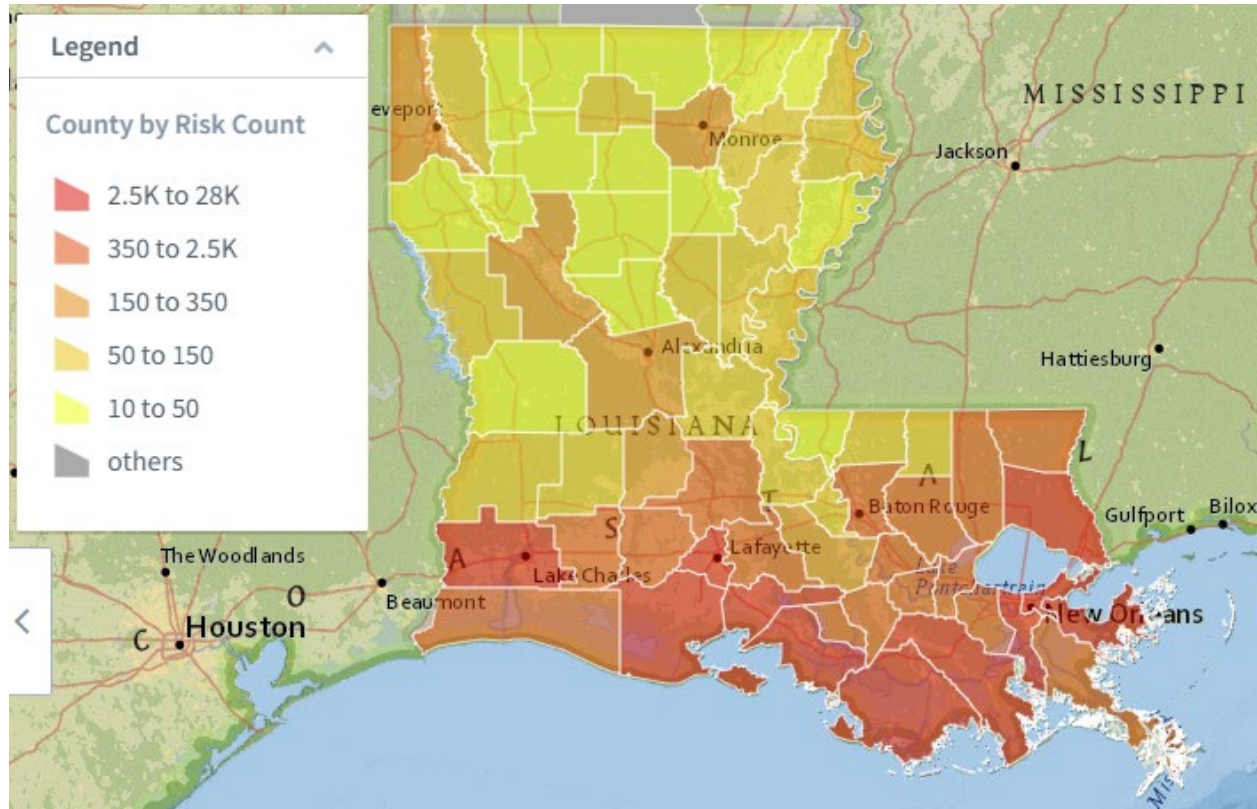
The above dates are estimates only. LCPIC reserves the right to modify the schedule as needed.

This RFP is based upon currently available information. Nothing herein shall be construed as a promise of a contract and Citizens reserves the right to accept or reject all proposals.

Section 2 - Additional Information and Requirements

2.1 LOCATION OF WORK

LCPIC provides coverage to the entire state of Louisiana. The map in Figure 1 (below) identifies an approximate coverage territory and policy count but may be subject to change.



2.2 MINIMUM RESOURCE AND EXPERIENCE REQUIREMENTS

Applicants must satisfy the following minimum resource requirements to be eligible for the award in the applicable Service Category:

MINIMUM RESOURCE AND EXPERIENCE REQUIREMENTS – PRIMARY CATASTROPHE CLAIMS ADMINISTRATION SERVICES
The Applicant and/or its key personnel must have a minimum of 7 years’ experience providing property and casualty insurance adjusting and claim administrative services.
Provide a resource commitment of Independent Adjusters and Desk Adjusters that will meet the requirements of Section 5, Scope of Work (A), "Core Team" members.
Office Space that meets the requirements identified in Section 5, Scope of Work (A) Catastrophe Claims Administration Services.

MINIMUM RESOURCE AND EXPERIENCE REQUIREMENTS - CATASTROPHE INDEPENDENT ADJUSTING SERVICES (LCPIC AUTHORIZED SUBCONTRACTOR)
Key personnel must have a minimum of three (3) years residential and seven (7) years commercial experience providing property and casualty insurance adjusting services.

MINIMUM RESOURCE AND EXPERIENCE REQUIREMENTS - CATASTROPHE DESK ADJUSTING SERVICES (LCPIC AUTHORIZED SUBCONTRACTOR)
Key personnel must have a minimum of three (3) years residential and seven (7) commercial experience providing property and casualty insurance Desk Adjusting services.

2.3 ASSISTANCE TO SERVICE PROVIDERS WITH A DISABILITY

Applicants with a disability may receive accommodation regarding the means of communicating this RFP or participating in the procurement process. For more information, contact LCPIC Vendor Management no later than ten (10) days prior to the deadline set for receipt of proposals.

2.4 SERVICE PROVIDERS CERTIFICATION

By submission of their proposals Applicants certify that they comply with:

- The laws of the State of Louisiana;
- The applicable portion of the Federal Civil Rights Act of 1964;
- The Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
- The Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government; and
- The condition that the proposal submitted was independently arrived at, without collusion, under perjury.

2.5 CONFLICT OF INTEREST

Each proposal shall include a statement indicating whether or not the Applicant or any individuals working on any resulting contract has a possible conflict of interest (i.e. including but not limited to claim employees of LCPIC within the last 2 years or family members employed by Louisiana Citizens Property Insurance Corporation). For purposes of any resulting contract, family includes any person related to the third degree through affinity or consanguinity (mother, father, brother, sister, and in-laws of same; also, cousins or any other recognized familial person).

LCPIC reserves the right to cancel the award if any interest disclosed from any source could either give the appearance of a conflict or cause speculation as to the objectivity of the work to be performed by the Applicant.

LCPIC's determination regarding any questions of conflict of interest shall be final.

2.6 RIGHT TO INSPECT PLACE OF BUSINESS

At reasonable times, LCPIC may inspect those areas of the Applicant's place of business that are related to the performance of the contract. If LCPIC makes such an inspection, the Applicant must provide reasonable assistance.

2.7 NEWS RELEASES

News releases related to this RFP or any subsequent contract will not be made without prior approval of LCPIC, and then only in coordination with the LCPIC's media spokesperson. Applicant shall not use any trade name, service mark or any other information which identifies LCPIC in sales (including prospective client meetings), marketing and publicity activities, including, but not limited to, interviews with representatives of any written publication, television station or network, or radio station or network without LCPIC's prior written authorization.

2.8 DISCRETIONARY GROUNDS FOR DISQUALIFICATION OF PROPOSALS

LCPIC may, in its sole discretion, disqualify a proposal based on any of the following circumstances that apply to the Applicant, its principals or any of its Core Team Members:

- Criminal Proceedings
- Any conviction of or plea of guilty to:
 - a) a felony;
 - b) a violation of any laws or regulations related to insurance or workers compensation; or
 - c) any other crime of moral turpitude;
- Any indictment for any items listed above;
- Debarment by any governmental agency;
- Actual or threatened Bankruptcy proceedings;
- Any finding of fraud, breach of fiduciary duty, bad faith, unfair business practices, or any similar finding by a court or administrative law judge;
- Any disciplinary proceedings by any governmental or regulatory entity;
- An actual or potential conflict of interest;
- Any denial, revocation or suspension of an occupational or vocational license or certification by any public or governmental licensing agency or regulatory authority, or other disciplinary actions by such a licensing entity; or

- Any action by a licensing board or credentialing panel, including the Licensing board of the Louisiana Department of Insurance.

2.9 CONTRACT PERIOD

The term of any contract resulting from this RFP shall be from the date the contract is fully executed and shall terminate on the date included in the executed contract. Vendors who accept assignments from LCPIC during the contract period are required to fulfill their obligations of associated assignment, even if it requires the vendors to fulfill those obligations beyond the end of the contract period. LCPIC, in its sole discretion, has the option to renew the contract annually. Such renewal shall be subject to all specifications and terms and conditions of the original contract. LCPIC, in its sole discretion, may elect to change fees to be paid for services by providing written notice to the selected Applicant.

2.10 REJECTION OF RESPONSES

LCPIC reserves the right to reject, in its sole discretion; any or all RFP responses and all or any part of any response. LCPIC's waiver of any deviation in any response will not constitute a modification of this RFP. Furthermore, waiver of any deviation will not preclude LCPIC from asserting all rights against Applicant for failure to fully comply with all terms and condition of this RFP and any resulting contract.

2.11 DECISION ON PROPOSAL

LCPIC's decision to reject a response is final. Applicants will not have the opportunity to re-apply until LCPIC issues a subsequent RFP.

2.12 LIMITATIONS

LCPIC reserves the right to accept or reject any or all proposals submitted in response to this RFP. LCPIC is not obligated to execute any contract or contracts or any specific number of contracts as a result of issuing this RFP. LCPIC further reserves the right to issue additional RFPs or other solicitations for the contracted or similar services at any time.

2.13 OBLIGATIONS FOR RFP COSTS

LCPIC shall not be obligated for any cost incurred in responding to this RFP. All of the costs and expenses incurred by any Applicant in connection with or arising out of its possible or actual response to this RFP shall be entirely the responsibility of the Applicant and shall not be borne or reimbursed directly or indirectly by LCPIC.

2.14 OBLIGATIONS OF SELECTED APPLICANT

Any Applicant selected by LCPIC as a Vendor will be responsible for the performance of all contractual obligations that may result from an award based on this RFP. By submitting a response, Applicant acknowledges, accepts, and agrees to all terms of this RFP. A response to this RFP is an offer to contract with LCPIC based upon terms, conditions, and specifications contained in this RFP.

2.15 LCPIC OBLIGATIONS

Issuance of this RFP does not constitute a commitment on the part of LCPIC to award a contract. LCPIC is under no obligation to award any contract as a result of this RFP. LCPIC maintains the right to reject any or all proposals and to cancel this RFP at any time. LCPIC reserves the right to select and contract with one or more Applicants to serve as selected Claim Services Vendors on an as-needed basis. No compensation of any kind is guaranteed to any Applicant.

2.16 RIGHT TO AMEND, MODIFY, OR WITHDRAW THE RFP

LCPIC reserves the right to alter, amend or modify any provisions of this RFP or to rescind, revoke, or withdraw this RFP, in whole or in part, at any time prior to the award of any contract if it is determined by LCPIC to be in the best interest of LCPIC policyholders.

2.17 PUBLIC INFORMATION

LCPIC is subject to the Louisiana Public Records Act, R.S. 44: 1-44 and applicable rules and regulations. Applicant understands that LCPIC is bound by the provisions of the Louisiana Public Records Act and Attorney General Opinions issued under that statute. Proposals submitted to LCPIC in response to this RFP become the property of LCPIC and may be reproduced by LCPIC and may be subject to release by LCPIC to any requestor as public information. Any information that Applicant believes may be protected from disclosure should be clearly designated as such; such information may or may not be exempt from disclosure. Any proposal marked as confidential or proprietary in its entirety shall be rejected without further consideration or recourse.

2.18 ISSUANCE OF RFPs

Submitting a response to this RFP does not generate any rights or privileges with respect to any subsequent services contract.

2.19 WAIVERS AND RELEASES

LCPIC does not waive any privileges, rights, defenses, remedies, or immunities available to it or any other rights available to LCPIC. By submitting a proposal, Applicant releases LCPIC, and its employees and agents from any and all liability, claims, and lawsuits with respect to the information submitted by Applicant or obtained by LCPIC in connection with this RFP.

Section 3 - Affirmations and Certifications

3.1 By submitting a response to this RFP, Applicant hereby certifies that:

1) Favors

The Applicant has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip favor, or service to any person with a financial interest in the operations of LCPIC in connection with the submitted RFP proposal.

2) Financial Interests

The Applicant has not received compensation for participation in the preparation of specifications for this solicitation, or Applicant's response.

3) Antitrust

Neither the Applicant nor the firm, corporation, partnership, or institution represented by the Applicant, or anyone acting for such a firm, corporation or institution has violated the antitrust laws of this state or federal antitrust laws.

3.2 EQUAL OPPORTUNITY

Applicant represents and warrants that it will comply with the Civil Rights Act in giving equal opportunity without regard to race, color, creed, sex or national origin.

3.3 NO CONFLICTS

Applicant represents and warrants that Applicant has no actual or potential conflicts of interest in providing goods and/or services to LCPIC.

3.4 AMERICANS WITH DISABILITIES ACT (ADA)

Applicant represents and warrants that it will comply with the requirements of the Americans with Disabilities Act (ADA).

3.5 FALSE STATEMENTS & BREACH OF REPRESENTATIONS

By signature on Applicant's RFP response, Applicant affirms the representations, warranties, guarantees, certifications, and affirmations included in the response to this RFP. If Applicant signs the RFP with a false statement or it is subsequently determined that Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in this RFP, Applicant will be in default under any subsequently awarded contract.

3.6 EXECUTION OF PROPOSAL

Suspension, Debarment, and Terrorism: Applicant certifies that it and its principals are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state or local governmental entity and that Applicant is in compliance with all Louisiana licensing requirements and that Applicant is not listed on the federal government's terrorism watch list as described in Executive Order 13224.

Section 4 - Terms and Conditions

Applicants who apply to perform services for LCPIC shall agree to the terms and conditions stated below:

4.1 GOVERNING LAW

The RFP and any resulting contract shall be governed by and construed in accordance with the laws of the State of Louisiana (but not rules governing conflict of law issues).

4.2 VENUE

Any action or proceeding related to any resulting contract shall be brought in East Baton Rouge Parish, Louisiana, and the venue is proper in only such parish.

4.3 ADDITIONAL TERMS AND CONDITIONS

Any terms and conditions attached or submitted with a response to the RFP will not be considered by LCPIC.

4.4 REQUIREMENTS

Applicant agrees to comply with all terms and conditions set forth in the RFP. In submitting responses, Applicant agrees to comply with all requirements of the RFP and any resulting contract. All parts of the RFP may be incorporated as part of any resulting contract for all purposes.

4.5 QUESTIONS

LCPIC will accept written questions relating to this RFP. The deadline for receipt of written questions is 4pm, 1/02/2023. LCPIC will post all questions and responses on their Website by 4pm, 1/16/2023. Written questions should be sent to RFP@lacitizens.com with a copy to the email address as stated in Section 7, RFP Submission [p. 25] below.

4.6 CONTACT

Except as expressly provided in 'Questions' above, from 12/15/2022, to and including the date of selection by LCPIC, contact with any LCPIC Board member, employee or consultant by the respondent or other agent or consultants is expressly prohibited. Failure to comply with this prohibition will result in the immediate disqualification of a firm from further consideration.

4.7 MEDIA RELEASES OR PRONOUNCEMENTS

Applicant understands that LCPIC does not endorse any vendor, commodity, or service. Neither Applicant, Applicant's adjusters, or representatives may issue any media release, advertisement, publication, or

other pronouncement which pertains to the contract or the services to which the contract relates or which mentions LCPIC without the prior written approval of LCPIC.

4.8 OWNERSHIP OF DOCUMENTS

All proposal data Applicant prepares under this RFP, and any other related documents or items, to include electronic and non-electronic data, shall become the sole property and ownership of LCPIC.

4.9 STATUTORY EMPLOYER CLAUSES

Any Contract will recognize that in cases where Vendor's employees or contractors are performing services or working in Louisiana or are otherwise covered by the Louisiana Workers' Compensation Act: (1) the work and services to be performed by or for Vendor under this agreement are part of LCPIC's trade, business, or occupation, and are an integral part of and are essential to the ability of LCPIC to generate its good, products and services; (2) for the purposes of the Louisiana workers' Compensation Act, Vendor's employees and contractors are therefore statutory employees of LCPIC in accordance with the Louisiana Workers' Compensation Act; and (3) LCPIC shall be entitled to the protections afforded a statutory employer under Louisiana law. Irrespective of LCPIC's status as a statutory employer, as between LCPIC and Vendor, Vendor shall remain solely and primarily responsible for the payment of Louisiana workers' compensation benefits to Vendor's employees and contractors, and Vendor shall not be entitled to seek contribution from, and shall indemnify, LCPIC for any such payments, and all such employees of shall remain employees of Vendor, not LCPIC, for all other purposes [including the Indemnity and Insurance provisions of this agreement].

4.10 INSURANCE REQUIREMENTS

During the term of any purposed contract, selected Applicant(s) will maintain at its sole expense the following insurance, purchased from an insurer licensed to transact business in the state of Louisiana with an A.M. Best's rating of no less than A-: VI:²

Worker's Compensation Insurance: Before any work is commenced, the Selected Applicant(s) shall maintain during the life of the contract, Workers' Compensation Insurance coverage for its own employees that meets the statutory limits of the states in which selected Applicant(s) operates, as well as, Employer's Liability coverage with limits of at least \$500,000.

Commercial General Liability Insurance: The selected Applicant(s) shall maintain during the life of the contract such Commercial General Liability Insurance which shall protect him, LCPIC, and any subcontractor during the performance of work covered by the contract from claims or damages for personal injury, including accidental death, as well as for claims for property damages, which may arise from operations under the contract, whether such operations be by himself or by a subcontractor, or by anyone directly or indirectly employed by either of them, or in such a manner as to impose liability to the LCPIC. Such insurance shall name the LCPIC as additional insured for claims arising from or as the result of the operations of the selected Applicant(s) or his subcontractors. In the absence of specific regulations, the amount of coverage shall be as follows: Commercial General Liability Insurance, including bodily injury, property damage, and contractual liability, with limits no less than \$1,000,000 per occurrence and \$2,000,000 aggregate.

² **Note: This rating requirement shall be waived for Worker's Compensation coverage only.**

Business Automobile Liability Insurance including Automobile Non-Ownership Liability: The selected Applicant(s) shall maintain during the life of the contract, Business Automobile Liability Insurance including Automobile Non-Ownership Liability with a combined single limit of not less than \$1,000,000.

Professional Liability (Errors & Omissions): Insurance in an amount not less than \$1,000,000.

The selected Applicant(s) shall include all LCPIC authorized subcontractors as insureds under its policies or shall insure that all LCPIC authorized subcontractors satisfy the same insurance requirements stated herein above.

Selected Applicant(s) further agrees that it shall maintain sufficient and proper insurance to cover any indemnity obligation that it has assumed under purposed Contract for the duration of its content. All policies of insurance referenced herein will be primary and will include LCPIC as an additional insured with the exception of Worker's Compensation.

All policies will include provisions that the insured waive the rights of recovery or subrogation against LCPIC; and LCPIC shall be exempt from, and in no way liable for, any sum of money which may represent a deductible or premium in any of the aforementioned insurance policies. The payment of such deductible and premium shall be the sole responsibility of the selected Applicant(s).

Selected Applicant(s) shall provide copies of its policies upon request by LCPIC.

4.11 STATEMENT OF QUALIFICATIONS

Clarification of responsibilities and agreements with LCPIC:

- 1) Applicant warrants and certifies that Applicant maintains appropriate staffing and is eligible to perform the professional services as described in this RFP.
- 2) Applicant warrants and certifies that Applicant has the requisite training, license, and certification to provide the professional services covered under this RFP.
- 3) Applicant warrants, represents, covenants, and agrees that the work shall be accurate and free from any material errors.
- 4) Applicant must cooperate and work with LCPIC on all aspect of developing their service and if applicable, any reports.
- 5) Applicant must be available to LCPIC by telephone and e-mail.
- 6) Applicant must provide LCPIC with updated information within 24 hours of a change in any of the information provided to LCPIC on the proposal.

Section 5 - Area of Services

LCPIC is seeking Proposals from Applicants capable of providing catastrophe claims administration services throughout the state of Louisiana as further described herein.

5.1 Primary Catastrophe Claims Administration Services - Scope of Work

Pursuant to this Service Category, LCPIC is seeking Vendors to engage in catastrophe claims administration following a catastrophe event. The Catastrophe Claims Administration Service Vendors will follow principles, processes, and controls in claims handling that have been established and are currently in

operation to ensure excellent customer service and consistency in the handling of LCPIC claims arising from any event determined by LCPIC to be a catastrophic event (CAT).

The management of any catastrophic claim event places priority on fairness, professionalism, consistency, and expediency in handling all claims.

If awarded a contract, the selected Applicant and any LCPIC approved subcontractors must:

- 1) Provide all services in strict compliance with, all applicable laws and regulations, including, but not limited to L.R.S. 22:1892 and L.R.S. 22:1973 and LCPIC Claims Best Practices.
- 2) Coordinate, manage and deploy a catastrophe response that utilizes a combination of in-office Desk Adjusters, Customer Services Representatives and Independent field Adjusting services. Smaller, undisputed claims may be handled in-house without the need for a field inspection, while large, more complicated losses are managed by Adjusters in the field. Claims returned from the Independent field Adjusters will require Desk Adjusters to review files for accuracy and settlement.
- 3) Maintain a Core Team of Adjusters who (i) have attended, at least once annually, an orientation class presented by Applicant on LCPIC's adjustment standards, processes and procedures and (ii) who have been approved by LCPIC to be a Core Team member. Applicant shall monitor the availability of those Adjusters who have been designated Core Team members and shall proactively work with LCPIC to keep the roster of Core Team members updated.
- 4) Selected Applicant is required to submit Committed Adjuster roster annually by April 1st during each contract term and at all times throughout the term of the contract, maintain purposed number of committed Adjusters. Should applicant fail to provide the purposed number of Committed Adjusters by April 1st annually or fall below the required number of Committed Adjusters at any time during the contract term, LCPIC shall have the right at its' sole discretion, to immediately terminate the contract.
- 5) No employee or subcontractor of Applicant with a felony conviction may work on this engagement. To affirm compliance with this requirement, Applicant must conduct criminal conviction background checks on any employee or Subcontractor of Applicant who performs work subject to this proposal.
- 6) Provide a commitment level of Independent field Adjusters who will provide adjusting services at the request of LCPIC. Your response to this RFP should provide the number of qualified resources you propose to supply.
- 7) Pre-certify all Adjusters and File Examiners/Desk Adjusters assigned to handle LA Citizens claims. Provide LCPIC specific training to Adjusters and File Examiners/Desk Adjusters to include:
 - a. Claim handling, estimating and customer service skills
 - b. LCPIC Claims System:
 - c. LCPIC Policy Coverage Forms and Endorsements.
 - d. Xactimate Software
 - e. XactAnalysis Software, including XP
- 8) Deploy a sufficient number of Catastrophe Adjusters to settle claims according to LCPIC catastrophe operations policies and procedures and in compliance with all statutory guidelines. Adjusters should have a minimum three (3) years residential property adjusting experience and seven (7) years commercial property adjusting experience preferably from catastrophe events. Administrator will manage at a 10 to 1 ratio. Applicant will:

- a. Ensure that all Adjusters and Desk Adjusters are properly licensed to work claims in the State of Louisiana.
- b. Provide each Adjuster photo identification co-branded with the name of Applicant and LCPIC.
- c. Upon deployment, require all Adjusters and Desk Adjusters to provide claims services exclusively for LCPIC.
- d. Adjusters deployed by Applicant will:
 - i. Work seven (7) days per week or as directed by LCPIC during active catastrophe operations. This includes, at the request of LCPIC, providing after-hours, weekend and holiday service coverage.
 - ii. Maintain a well-groomed appearance at all times and wear appropriate work attire.
 - iii. Remain free from impairment due to the use of impairing drugs, chemicals or alcohol while at the catastrophe site, at LCPIC policyholders' property, or while working on LCPIC claims in any capacity. No Adjuster may possess alcohol, illegal substances or any type of weapon while at the catastrophe site or LCPIC policyholders' property.
 - iv. Contact LCPIC policyholders within seventy-two (72) hours of assignment. An inspection should be scheduled at the time of the initial contact with the LCPIC policyholder. If, after such attempts, no contact can be made with the policyholder, Adjuster shall send a "no contact" letter.
 - v. Complete inspections within 10 days of assignment or as otherwise determined by LCPIC based on the type of damage caused by the Catastrophic Event.
 - vi. Upload Xacti mate estimates within 5 days of inspection.
 - vii. Complete desk review, upload report and recommendation within 5 days of receipt of Proof of Loss (or estimate) from an insured or Adjuster but prior to 30 days after receipt of the Inspection in the event the inspection is late pursuant to Louisiana Revised Statutes 22:1892 and/or 1973.
 - viii. Return all phone calls, voicemail, emails and/or text within twenty-four (24) hours.
 - ix. Settlement with policyholders within designated authority.
 - x. Prepare large loss or authority request reports.
 - xi. Fraud management
 - xii. Correspondence management:
 - 1) Prepare and mail status, settlement, denial, reservation of rights letters
 - 2) Receive documents and files – attach to claims system
 - xiii. Utilize necessary forms, estimates, photographs, etc., to support a recommendation for payment or denial
 - xiv. Document LCPIC claims system(s) to reflect all actions taken in the adjustment of the claim
 - xv. Handle damage and payment supplements

- xvi. Respond to Department of Insurance requests as directed by LCPIC
 - xvii. Respond to all LCPIC requests for appearance or questioning for litigation or litigation preparation and cooperate with LCPIC and its counsel.
 - xviii. Be dismissed from the catastrophe immediately for failure to meet any of the specified requirements of this section, as determined by LCPIC. No warning by LCPIC is required and the dismissal is solely determined by LCPIC.
- 9) Utilize an appropriate number of claims managers, team leaders, and desk adjusters to oversee and manage work assignments.
- a. Desk Adjuster: Service ratio corresponding to deployed Adjusters for event as specified by LCPIC in coordination with selected Applicant as LCPIC deems necessary to fulfill its mission.
 - b. Work seven (7) days a week 12 hours per day or as directed by LCPIC during catastrophe operations. This includes, at the request of LCPIC, providing after hours, weekend and holiday coverage.
- 10) Perform Catastrophe claims administration services to ensure claims are paid or uncontested portions of claims are unconditionally tendered within 20 days of Proof of Loss to include but not be limited to the following activities:
- a. Assignment
 - b. Coverage verification
 - c. Reserve maintenance
 - d. Prior loss review
 - e. Loss investigation
 - f. Loss estimation -property, contents, ALE
 - g. Loss evaluation
 - h. Settlement with policyholders or tender within 20 days of receipt of the adjuster's report or Proof of Loss from the insured, whichever is earlier within designated authority
 - i. Prepare large loss or authority request reports to LCPIC
 - j. Loss and expense payment initiation in LCPIC claims system
 - k. Salvage disposition
 - l. Fraud management
 - m. Correspondence management:
 - i. Prepare and mail status, settlement, denial, reservation of rights letters
 - ii. Receive documents and files - attach to claims system
 - n. Utilize necessary forms, estimates, photographs, etc., to support a recommendation for payment or denial
 - o. Document LCPIC Claims system reflect all actions taken in the adjustment of the claim
 - p. Initiate loss reports in third-party systems (ISO)
 - q. Handle damage and payment supplements

- r. Respond to Department of Insurance requests as directed by LCPIC
 - s. Manage cycle time to ensure timely settlement
 - t. Manage daily reports
 - u. Handle disputed claims including with third party including Public Adjuster, Attorney Represented and/or Litigation
 - v. Quality Assurance via re inspection
- 11) Approve and issue expense and loss payments for those claims which meet the following criteria, to ensure claims are paid or uncontested portions of claims are unconditionally tendered within 20 days of Proof of Loss:
- a. Payment request is made by a claim manager, examiner or adjuster,
 - b. Adequate supporting documentation is provided,
 - c. LCPIC's liability to pay is clear based on the information provided to Applicant, and
 - d. Payment is within Applicant's settlement approval authority as agreed upon in writing between LCPIC and Applicant

Applicant will defer to LCPIC any payment decisions about which Applicant may have questions.

- 12) Establish a customer call center for catastrophe claims questions. Call center shall be available from 7 am until 7 pm. 7 days per week during the active phase of the catastrophe unless modified by mutual consent of LCPIC and Applicant, the cost of which shall be included in the administrative proposed in section 5.2 below.
- 13) At LCPIC's request implement a Quality Assurance and Reinspection program. Applicant will use QA software applications as provided by LCPIC. Information from the QA process will be used by Applicant to provide individual and group training to address any quality issues noted.
- 14) At no cost or expense to LCPIC, ensure that Adjusters possess all required equipment to perform the Services. Adjusters' equipment will include, but not be limited to, transportation, computer, estimating software, printer, ladder, camera, film, mobile phone, etc.
- 15) Comply with all legal requirements, administrative regulations, provisions of the Louisiana Insurance Code and the Louisiana Administrative Code, demonstrate good claims-handling practices and reporting, and claims processing procedures, as determined by LCPIC.
- 16) Follow LCPIC reporting thresholds and guidelines for each claim. Claims falling within these thresholds and guidelines will require initial captioned reports within 10 calendar days of assignment and subsequent status reports, as deemed necessary by LCPIC. Reporting electronically through XactAnalysis will be the required method unless otherwise approved by LCPIC.
- 17) Use of Authorized Sub Contractors:
- Catastrophe Claims Administrator shall serve as the primary provider for all work performed pursuant to its contract. Catastrophe Claims Administrator shall be responsible for all deliverables specified within this contract. Catastrophe Claims Administrator may enter into subcontracts with authorized third parties for the performance of any part of Catastrophe Claims Administrator's duties and obligations, but Catastrophe Claims Administrator will be the single point of contact for all subcontracted work. Catastrophe Claims Administrator acknowledges total responsibility for compliance with all terms

stated in the entire agreement.

Before entering into any subcontract, Catastrophe Claims Administrator shall furnish in writing to LCPIC the name of the proposed sub-contractor, a listing and qualification of the key personnel the sub-contractor will use, as well as a description of the proposed scope of work the sub-contractor will perform.

Catastrophe Claims Administrator shall not contract with a proposed sub-contractor if LCPIC has any reasonable objection.

Catastrophe Claims Administrator shall change a sub-contractor previously selected if LCPIC makes a reasonable and timely objection to such sub-contractor.

By appropriate written agreement, Catastrophe Claims Administrator shall require each sub-contractor, to the extent of the work to be performed by the sub-contractor, to be bound to the Catastrophe Claims Administrator by the terms of this Agreement, and to assume to Catastrophe Claims Administrator all of the obligations and responsibilities which the Catastrophe Claims Administrator, by this Agreement, assumes toward LCPIC. Each subcontract agreement shall preserve and protect the rights of LCPIC under this Agreement with respect to the work to be performed by the sub-contractor, so that subcontracting thereof will not prejudice such rights.

Catastrophe Claims Administrator shall make available to each sub-contractor, before execution of the subcontract, copies of this Agreement to which the sub-contractor shall be bound.

Catastrophe Claims Administrator shall include all sub-contractors as insureds under its policies or shall insure that all sub-contractors satisfy the same insurance requirements stated herein for the Catastrophe Claims Administrator, including, but not limited to, naming LCPIC as additional insured.

- 18) Catastrophe Claims Administrator's duties do not include;
- a. Hiring counsel;
 - b. Responding directly to demands for appraisal, or rejection of same, or failing to forward the demand for appraisal to LCPIC; and
 - c. Hiring outside experts or vendors or making assignments to an expert or vendor without notice and approval by LCPIC.

5.2 COMPENSATION AND FEES

- A. Claim Administration Fee. In addition to fees payable pursuant to the Catastrophe Field Adjusting Fee Schedule identified below as Exhibit A, selected Applicant will be paid an Administrative Fee (for compensation of Desk Examiners and Customer Service Representatives) of:

Proposed amount (\$_____) per claim **[NOTE: Applicant's response should provide what Applicant proposes to charge]**

- B. Catastrophe Independent Field Adjusting Fees: The following Adjusting Fee Schedule (Exhibit A) will apply to all field inspected claims.

Exhibit A: Catastrophe Field Adjusting Compensation Fee Schedule

The fees paid pursuant to this Adjusting Fee Schedule are all inclusive for claim adjustment services. At its sole discretion, LCPIC has the ability to adjust pricing, based on changes to market conditions.

FEES BASED ON GROSS CLAIM DOLLAR AMOUNT (GCA)	
<p>Gross Claim Amount (GCA) means the lesser of the policy limits or the agreed cost to repair or replace before application of depreciation, deductible, or other applicable limits. Third party invoices entered into the estimate are not to be included in the Gross Claim Amount.</p>	
<p>Claim Withdrawn: This fee applies when the insured elects to voluntarily withdraw the claim after assignment but prior to the initial inspection.</p>	\$75.00
<p>Closed Without Payment "CWOP": This fee applies to policies with full denial or inspection with no damage found.</p>	\$250.00
<p>Erroneous Assignment: A claim assigned in error by LCPIC.</p>	\$75.00
\$.01 - \$1,000.00	\$350.00
\$1,000.01 - \$2,500.00	\$475.00
\$2,500.01 - \$5,000.00	\$600.00
\$5,000.01 - \$7,500.00	\$675.00
\$7,500.01 - \$10,000.00	\$750.00
\$10,000.01 - \$15,000.00	\$900.00
\$15,000.01 - \$25,000.00	\$975.00
\$25,000.01 - \$35,000.00	\$1,175.00
\$35,000.01 - \$50,000.00	\$1,425.00
\$50,000.01 - \$75,000.00	\$1,700.00
\$75,000.01 - \$100,000.00	\$1,900.00
\$100,000.01 - \$250,000.00	2.4% but not less than \$3,000.00
\$250,000.01 and up	2.2% but not less than \$5,750.00

ITV Total loss estimate- foundation only remaining or substantial structure damage with strong potential to exceed policy limit. Reserve notification required within 24 hours. ITV: Total loss estimate will be a flat rate of \$750

Claim Re-opens: If a file re-opens, the fee will be a flat rate of \$125 without a field inspection. Reopen with inspection may be billed at \$300, or the difference of the gross amount increase from the original estimate based on the fee schedule, whichever is greater

- A. If the claim is subcontracted to a third-party adjusting firm, The LCPIC Catastrophe Administrator will pay the subcontractor directly based on the Catastrophe Adjusting Fee Schedule. The LCPIC Catastrophe Administrator will be responsible for verifying the third-party adjusting firm invoice/fee and initiate the expense payment in LCPIC's claims systems.
- B. Loss Adjustment Expenses for experts, engineers, attorneys and specialized loss adjusting services must be approved, in advance, by LCPIC. Depending on the nature and severity of the catastrophe, LCPIC may grant Vendor blanket authority to incur such expenses or grant authority on an individual claim basis. Vendor will enter all approved expenses into LCPIC's claims systems and LCPIC will pay vendors directly.
- C. LCPIC will provide Vendor with access to software required to conduct re-inspections and perform quality assurance of claims. Any cost associated with the utilization of the software will be assumed by LCPIC.
- D. LCPIC will not pay for ordinary office or overhead expenses, including but, not limited to expenses for rent, clerical staff, copiers, printers, laptops, computers, furniture, office supplies, postage, shipping, freight, paper, electronic forms, and envelopes, and the like.

Note: If it appears to LCPIC that standards are not met or may not be met within the stated timeframes, LCPIC reserves the right to reassign claims to an alternate Catastrophe Claims Administrator.

Section 6 – Vendor Service Requirements & Expectations

6.1 SITE REQUIREMENTS

If awarded a contract, the selected Applicant(s) shall be required, at no cost to LCPIC, to maintain a minimum site requirement of an established and fully staffed office in Louisiana during the term of the contract.

An office that is maintained outside of Louisiana may be acceptable if the selected Applicant(s) establish a temporary office in the area where a major storm event occurs. LCPIC and Applicant will mutually determine when this requirement is necessary.

The selected Applicant(s) will notify LCPIC in writing of any change or addition of office locations where any LCPIC claims are being handled.

6.2 AUDITING CLAIM SERVICE VENDOR'S PERFORMANCE

LCPIC may, at its option, perform periodic audits of the claims files of the Applicant(s) selected through this RFP. The audit may include, but not be limited to, a review of one or more of the following areas:

- 1) Compliance with procedures, controls, adjuster experience and caseload limits established by LCPIC, or applicable state regulatory agencies;
- 2) The quality of expertise with which claims have been handled;
- 3) The degree of promptness and efficiency in claims handling;
- 4) The adequacy and accuracy of payments and establishment/maintenance of reserves;
- 5) The adequacy and quality of file documentation and analysis of compensability issues;
- 6) The proper use of electronic reporting and electronic file documentation; and,
- 7) The adequacy of communication with LCPIC and State agencies involved in claims.

These audits may be conducted, at the option of LCPIC, at the Applicant's location or at the offices of LCPIC. These audits will be in addition to daily monitoring of claims by LCPIC.

6.3 RESPONSIBILITY FOR PENALTIES, ATTORNEY'S FEES AND BAD FAITH DAMAGES

Any penalty, attorney's fees or bad faith damage assessed, or any obligation incurred, as a result of selected Applicant's delay or a claim handled by Vendor in bad faith assigned under any contract resulting from this RFP may be the sole responsibility of the selected Applicant and may not be paid from LCPIC funds. Upon written notice, LCPIC may withhold such penalty or bad faith damage from sums owed to Applicant.

Depending on the nature of the claim, LCPIC may provide the selected Applicant with a separate agreement upon award of a contract related to Courtesy Defense. The separate contract will not be a part of this RFP but will be provided by LCPIC during the contract period.

6.4 LIQUIDATED DAMAGES - FAILURE TO SUPPLY INDEPENDENT/FIELD ADJUSTERS AND DESK ADJUSTERS:

Claims Administrator must provide all Adjusters, meaning those Adjusters identified by Vendor and selected by LCPIC in response to a Deployment Notification, within seventy-two (72) hours, or as otherwise specified by LCPIC to the designated catastrophe staging office.

The parties recognize that certain breaches of Vendor's duties to supply Adjusters under its Contract will result in certain harm to LCPIC which is not easily quantifiable. Therefore, the parties agree to the following liquidated damages for the specific breach described below:

Unrealized Staffing. In response to a deployment notification, Vendor must provide within seventy-two (72) hours, or as otherwise specified by LCPIC, all resources Vendor committed to supply, including but not limited to Independent Adjusters/Field Adjusters and File Examiners/Desk Adjusters. ***If Vendor fails to comply with LCPIC's notification within the stated time frame, LCPIC will require a corrective action plan and Vendor will pay \$350 to LCPIC, as liquidated damages and not as a penalty, for each Committed Adjuster requested and not provided to the designated location in the stated timeframe for each day until a replacement Adjuster is provided to the designated location.*** It will be LCPIC's option to demand immediate payment for liquidated damages or to deduct them from future payments to Vendor. Upon written notice, LCPIC may withhold such liquidated damage from sums owed to Applicant. See ***Other Damages*** below.

Vendor must provide committed Desk Adjusters, meaning those Desk Adjusters identified by Vendor and selected by LCPIC in response to a deployment notification as specified by LCPIC. Desk Adjusters must comply with stated timeframes as indicated. ***If vendor fails to comply with stated timeframe, LCPIC reserves the right to reassign and the vendor may forfeit up to 50% of***

the combination of the Claim Administration Fee at LCPIC's discretion. See **Other Damages** below.

Abandonment by Adjuster. Upon notice to Vendor by LCPIC that an Adjuster has abandoned or stopped performing adjusting Services on an assigned claim, Vendor will provide a replacement Adjuster to the designated location within seventy-two (72) hours. If Vendor fails to comply with LCPIC's notification within the stated timeframe, LCPIC will require a corrective action plan and Vendor will pay to LCPIC, as liquidated damages and not as a penalty, for each replacement Adjuster requested and not provided to the designated location for each day following the stated timeframe until a replacement Adjuster is provided to the designated location.

Other Damages. The liquidated damages discussed above do not include, and do not substitute for, Vendor's liability to LCPIC for any other damages LCPIC may sustain or be liable for to its insureds or any third party because of Vendor's fault, negligence or breach of this contract, including but not limited to penalties and bad faith damages. See, for example, [RESPONSIBILITY FOR PENALTIES AND BAD FAITH DAMAGES](#) above.

6.5 LCPIC SYSTEM REQUIREMENTS

LCPIC requires that all estimates submitted for review are composed through the Xactimate estimating software, through the LCPIC profile, if available. The LCPIC profile will be available on Xactimate Version X1. Furthermore, it is LCPIC's intention to utilize the XactAnalysis Network to assign claims to the firms and receive the finished report package. In addition, the Field Adjusters will be required to have XactAnalysis SP. Please visit www.Xactware.com for more information on any of these programs.

Section 7- RFP Application Instructions & Evaluation Criteria

7.1 QUESTIONS

There is an open question period beginning upon release of the RFP and ending on the date and time specified in Section 1, Calendar of Events [p. 6]. During that period, Applicants may submit questions in writing to the RFP Committee. LCPIC will post answers to the questions on LCPIC's website in accordance with Section 8, Calendar of Events, so all questions and answers are made available at the same time to all Applicants. Answers will constitute an amendment to the RFP only to the extent a substantive change is made.

APPLICANTS ARE ADVISED TO RAISE ANY QUESTIONS THEY HAVE REGARDING THE REQUIREMENTS OF THIS RFP, INCLUDING THE SCOPE OF SERVICES OR OTHER TERMS, DURING THE OPEN QUESTION PERIOD.

Applicants are requested to submit questions in the following format:

RFP Section No.	Page #	Question
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7.2 PROPOSAL CONTENTS

The purpose of Applicant's Proposal is to demonstrate its qualifications, competence, financial stability and capacity to provide the services in conformity with the requirements of this RFP. Any information deemed appropriate by Applicant may be included. The proposal should be completed using the Excel Form "LCPCI Request For Proposal - Catastrophe Claims Administrative Services" found on our website www.lacitizens.com. The following categories of information provide the core of the response.

7.3 FIRM PROFILE & BACKGROUND

This section should include the applicant’s name and mailing information.

7.4 RESOURCE COMMITMENTS

An accurate count of adjusters being made available to LCPIC during a catastrophic event must be included in an applicant’s proposal for Catastrophe Claims Administration and Independent Adjusting Services. Adjuster totals for catastrophe claim data should consider the ability to use existing resources in and out of state to include both 1099 and staff employees.

7.5 SERVICES OFFERED

Please provide details of services offered that may be of benefit to future LCPIC needs.

7.6 CATASTROPHE RESPONSE

The applicant must provide details into the firm’s capabilities and experience in responding to catastrophic events.

7.7 Training

This section provides the applicant an opportunity to highlight training opportunities offered by the firm.

7.8 Quality Assurance

This section provides the applicant an opportunity to provide details into the Quality Assurance process, procedures, and measurements.

7.9 Other Relevant Information

This section provides the applicant an opportunity to provide additional information into the firm’s areas of differentiation, technology adoption and challenges facing the industry.

7.10 References

The applicant will provide 3 references of clients to which the firm provides similar services of those described in the RFP.

7.11 Attachments

The applicant can provide additional information that will assist in the review and evaluation process of the firm.

7.12 EVALUATION CRITERIA

LCPIC will review all Proposals to determine compliance with stated requirements. Proposals that comply will be reviewed by the evaluation committee using the allocation of points indicated below. At any time before awarding a Contract, LCPIC reserves the right to seek clarifications deemed necessary for proper evaluation of Proposals.

Pursuant to L.R.S. 22:2315 LCPIC shall give preference to Applicants engaged in the business of adjusting claims, who have been domiciled in Louisiana for a period of not less than two years.

EVALUATION CRITERIA		Points
1	Applicant or key personnel have meet applicable property and casualty insurance services as specified in this solicitation.	Pass/Fail

2	Corporate Background & Experience	10%
3	Financial Proposal & Stability	15%
4	Training, Quality Assurance & Professional Development	15%
5	Committed Resources	25%
6	Catastrophe Planning & Innovation	25%
7	Relevant LCPIC experience will be evaluated on their previous performance	5%
8	Louisiana Domiciled	5%

7.13 EVALUATION RANKINGS

After the Proposals are evaluated and scored by the individual evaluators the scores will be combined and averaged to determine the initial ranking of Proposals. The Evaluation Committee will meet to review the scores and rankings in order to determine which Applicants may be awarded a contract. It is LCPIC's intention that any proposed contracts that may be awarded will be to the most responsible and responsive Applicants whose proposals are determined to be the most advantageous to LCPIC, taking into consideration the criteria set forth in this RFP and final ranking by evaluators.

7.14 NOTICE OF INTENT TO AWARD

LCPIC will notify successful Applicant(s) and proceed to negotiate terms for a final contract. Unsuccessful Applicant(s) will be notified in writing accordingly.

Applicant(s) shall not submit their own standard contract terms and conditions as a response to this RFP. Applicant(s) should submit in its proposal any exceptions or contract deviations that its firm wishes to negotiate. Negotiations may coincide with the announcement of the selected Applicant(s).

7.15 PROTESTS

Any person, firm or corporation aggrieved by the specifications of this RFP or any proposed award(s) has the right to submit a protest in writing to the Chief Executive Officer of LCPIC. A protest to the RFP specifications must be filed at least two (2) days prior to the due date of the proposals as listed in Section 8, Calendar of Events. A protest of any proposed award(s) must be filed within 14 days after the award or intention of award has been announced by LCPIC.

Section 8 – RFP Submission

The deadline for receiving proposals is 1/31/2023. The preferred method of format response is to utilize the Excel form 'LCPIC Claims Administration Response' and attached other relevant documents in a single .PDF document complete with a table of contents and respective links. Also, please submit **four** hard copies via Fed Ex or mail and **one** electronic emailed copy of your proposal to the LCPIC contact below.

Contact Information

Questions related to procurement should be addressed as follows:

Louisiana Citizens Property Insurance Corporation
 1 Galleria Blvd, Suite 720
 Metairie, Louisiana 70001
 Email: RFP@lccitizens.com

Upon the expiration of the deadline to submit, LCPIC will conduct a review of all proposals received and determine which, if any, will be accepted. At that time, LCPIC will contact the Applicant and continue the vetting process and negotiate a contract.

Incomplete proposals will result in disqualification.

Knowingly submitting a proposal that contains false information will disqualify a proposal.

Section 9 – Signature Requirements

Responses must be signed by a company officer empowered to bind the company. Responses without the required signature will be rejected.

Section 10 – Confirmation Requirements

Responses must confirm that the Applicant will comply with all of the provisions in this RFP.

Section 11 – Frequently Asked Questions

11.1 For Scope of Work – (A) Primary Catastrophe Claims Administration Service: Is the number of committed adjusters under resource commitment inclusive of Desk Adjusters and Field Adjusters?

Yes, applicant shall quantify the number of resources committed to LCPIC for the following classifications: Personal Lines Field Adjuster; Commercial Lines Field Adjuster; Personal Lines Desk Examiner; Commercial Lines Desk Examiner; Litigation Desk Examiner. Subsequent to engaging in a contract, Applicant shall provide names, and other relevant information of all committed resources. The number of necessary Managers, Team Leads, Desk Adjusters, File Reviewers, and Claim Processors would be in addition to the amount of Independent Adjusters as stated in resource Adjuster Count.

11.2 Is the experience level for inside (Desk) adjusters the same as the minimum requirement for field adjusters?

Yes

11.3 Is the Primary Catastrophe Claims Administrator required to provide the names of committed adjusters or do we simply manage to meet or exceed the expected requirements?

LCPIC will request the Adjuster names and profiles from successful Applicant(s) when notice of intent to award is issued and confirm all adjusters are properly licensed to work claims in the State of Louisiana.

11.4 Does the Claims Administrator have the authority to sub-contract to third party firms? If so, do the adjusters provided by those firms count toward the resource commitments?

Yes, an applicant may sub-contract services with LCPIC pre-approval; however, the applicant under contract will ultimately be accountable for the total number of resources committed, as well as the overall work product.

11.5 Does LCPIC require the Claims Administrator to build/host the voicemail system or is that system provided by / hosted by LCPIC?

During a catastrophe the LCPIC FNOL call tree option will be routed to the selected applicant's phone system. Therefore, the Claims Administrator would need to host their own voicemail system or answering service for calls received outside of operational hours.

11.6 Policy-in-force and claim historical data:

YEAR	POLICY-IN-FORCE	CLAIMS REPORTED
2012	104,471	20,670
2019	36,371	1,975
2020	35,670	8,404
2021	41,157	15,418

END OF DOCUMENT



2023 Depopulation Round 17

Statute on Depopulation

RS 22:2314 B.(1):

“Not less than once per calendar year, the corporation, with the approval of the governing board of the corporation, **may offer some or all of its in-force policies for removal to the voluntary market.** The corporation shall include in any offers for depopulation policies that, **based on geographic and risk characteristics,** serve to reduce the exposure of the corporation.”

Proposed offering based on risk evaluations of requested policies

<u>Company</u>	<u>Requested</u>	<u>Proposed to be Offered*</u>
Safepoint Insurance	26,598	19,582
Cajun Underwriters Reciprocal Exchange	26,598	19,582
Ocean Harbor	1,025	730
Distinct Total Policies	27,239	20,399

*Consideration based on 9/30/22 in-force policies geographic areas as well as LCPIC’s analysis of the impact to the expected hurricane Probable Maximum Loss



Round 17 Company List for Approval

Company:	LCPIC	Cajun Underwriters Reciprocal Exchange	Ocean Harbor Casualty Insurance Company	Safepoint Insurance Company
NAIC #:	CZN-O	17321	12360	15341
State of Domicile:	Louisiana	Louisiana	Florida	Florida
Date Admitted to Louisiana:	8/15/2003	6/15/2022	2/18/2008	9/23/2015
A.M. Best Rating:				
2022	NR (Not Rated)	NR (Not Rated)	B (Fair)	NR (Not Rated)
2021	NR (Not Rated)	N/A	B (Fair)	NR (Not Rated)
2020	NR (Not Rated)	N/A	B (Fair)	B- (Fair)
2019	NR (Not Rated)	N/A	B (Fair)	B- (Fair)
2018	NR (Not Rated)	N/A	B (Fair)	B (Fair)
Demotech Rating:				
2022	N/A	A (Exceptional)	A (Exceptional)	A (Exceptional)
2021	N/A	N/A	A (Exceptional)	A (Exceptional)
NAIC Risk-Based Capital:				
	2021 (\$000)	2021 (\$000)	2021 (\$000)	2021 (\$000)
Total adjusted capital	\$134,628	\$0	\$93,516	\$40,800
Authorized control level risk-based capital	\$26,635	\$0	\$9,397	\$7,534
RBC % (total adjusted capital divided by authorized control level)	505%	Estimated at 400% Per Insurer	995%	542%
Financial Summary:				
	As of December 31, 2021			
Total Assets	\$589,149	\$0	\$369,470	\$142,798
Total Liabilities	\$454,521	\$0	\$275,954	\$101,999
Total Policyholders' Surplus	\$134,628	\$0	\$93,516	\$40,799
Gross Premiums Written (Including Reinsurance Assumed)	\$75,859	\$0	\$341,629	\$189,619
	As of September 30, 2022			
Total Assets	\$720,297	\$24,316	\$402,176	\$113,903
Total Liabilities	\$595,682	\$8,560	\$315,464	\$70,480
Total Policyholders' Surplus	\$124,615	\$15,756	\$86,712	\$43,423
Gross Premiums Written (Including Reinsurance Assumed)	\$338,849	\$44,112	\$304,789	\$255,717

2023 Round 17 Depopulation Timeline

- Agents will be able to authorize policies to approved companies starting January 16, 2023 thru February 28, 2023.
- Coverage comparison worksheets and summary of company financials will be available on the website for agents.
- System will close to agents and companies February 28, 2023.
- Assumption notification will be sent out to agents and policyholders by March 18, 2023.
- Policyholders have until June 30, 2023 to opt-out.
- Policies renew with assuming companies beginning July 1, 2023.



November 2022 Management Reports

January 12, 2022 Board Meeting

Overview

Corporate Overview

November 30, 2022

Underwriting Overview

Premium Written & Policies Issued

Premium Written (000s)	Nov-22	2022 YTD	Nov-21	2021 YTD
Direct Written Premium*	\$21,317	\$389,316	\$6,307	\$65,931
Takeout Written Premium	0	0	0	17
Net Written Premium Before Reinsurance	<u>\$21,317</u>	<u>\$389,316</u>	<u>\$6,307</u>	<u>\$65,913</u>
Earned Premium (000s)				
Direct Earned Premium	\$31,715	\$194,966	\$5,617	\$57,095
Takeout Earned Premium	0	2	2	80
Net Earned Premium Before Reinsurance	<u>\$31,715</u>	<u>\$194,965</u>	<u>\$5,615</u>	<u>\$57,015</u>
Counts				
Direct Policies Issued	8,846	141,372	3,825	42,538
Policies Takeout Initial	-	-	-	-
Policies Takeout Renewal	-	-	-	-
Net Policies Issued	<u>8,846</u>	<u>141,372</u>	<u>3,825</u>	<u>42,538</u>

Inforce Policies & Coverage Details

Count*	Nov-22	Nov-21
Direct Inforce Policies	129,671	39,795
Takeout Inforce Policies	0	14
LPMS Net Inforce Policies	0	0
EPIC Net Inforce Policies	129,671	39,781
Total Net Inforce Policies	<u>129,671</u>	<u>39,781</u>
TIV (000s)*		
Direct TIV (Cov A-D)	\$41,025,051	\$7,804,433
Direct Cov E, F, Mold, BI	\$4,665,180	\$305,332
Total Direct Cov A-D, E, F, Mold, BI	\$45,690,231	\$8,109,764
Takeout TIV (Cov A-D)	\$0	\$3,036
Takeout Cov E, F, Mold, BI	\$0	\$0
Total Takeout Cov A-D, E, F, Mold, BI	\$0	\$3,036
Net TIV (Cov A-D)	\$41,025,051	\$7,801,397
Net Cov E, F, Mold, BI	\$4,665,180	\$305,332
Total Net Cov A-D, E, F, Mold, BI	<u>\$45,690,231</u>	<u>\$8,106,728</u>

Underwriting Overview

Net Inforce by Policy Type

	Count	Net Inforce		
		Premium (000s)	TIV Cov A-D (000s)	E, F, Mold, BI (000s)
Commercial Lines				
Builders Risk	99	\$2,901	\$125,560	\$0
Commercial	2,395	28,220	1,817,272	73,657
Wind & Hail Only	4,788	48,725	6,443,253	344,395
Total Commercial	7,282	\$79,847	\$8,386,086	\$418,052
Personal Lines				
Builders Risk	1,531	\$4,791	\$361,755	\$0
Condo	840	874	72,222	-
Homeowners	20,478	92,375	10,196,148	4,247,128
Mobile Home	6,039	9,236	312,236	-
Residence	58,126	127,461	11,792,552	-
Wind & Hail Only	35,375	81,297	9,904,052	-
Total Personal	122,389	\$316,034	\$32,638,965	\$4,247,128
Grand Total	129,671	\$395,881	\$41,025,051	\$4,665,180

Written Premium Analysis - Month

Term Type (\$000s)	Nov-22		Nov-21	
	Written Premium	Counts	Written Premium	Counts
New Business	\$15,145	5,793	\$3,083	1,377
Renewals	6,172	3,053	3,225	2,448
Total Direct Premium Written	\$21,317	8,846	\$6,307	3,825
New Business Written From (\$000s)				
Southern Fidelity	42	161	29	19
Lighthouse	(65)	49	23	22
Geovera	1,838	618	216	109
Maison	(63)	22	22	15
Others	13,393	4,943	2,793	1,212
Renewal	15,145	5,793	3,083	1,377
Total Renewals*	6,172	3,053	3,225	2,448
Total Direct Premium Written	21,317	8,846	6,307	3,825

Written Premium Analysis - Year-to-Date

Term Type (\$000s)	2022 YTD		2021 YTD	
	Written Premium	Counts	Written Premium	Counts
New Business	\$330,985	106,432	\$20,369	10,960
Renewals	58,330	34,940	45,561	31,578
Total Direct Premium Written	\$389,316	141,372	\$65,931	42,538
New Business Written From (\$000s)				
Southern Fidelity	\$69,387	25,128	\$209	147
Lighthouse	29,677	10,196	365	276
Geovera	21,314	7,429	1,364	776
Maison	13,788	5,966	289	153
Others	196,819	57,713	18,142	9,608
Renewal	330,985	106,432	20,369	10,960
Total Renewals*	58,330	34,940	45,561	31,578
Total Direct Premium Written	\$389,316	141,372	\$65,931	42,538

Underwriting Overview

Net Premium Written & Earned by Policy Type

Policy Type	Net Premium Written			Net Premium Earned		
	2022 YTD	2021 YTD	Variance	2022 YTD	2021 YTD	Variance
Commercial	26,852	3,286	23,565	15,808	1,715	14,094
Commercial Builders Risk	263	547	(284)	92	536	(444)
Commercial Builders Risk Renovations	2,683	182	2,502	1,667	43	1,624
Commercial Builders Risk Renovations Wind & Hail Only	454	210	244	287	64	223
Commercial Builders Risk Wind & Hail Only	-	-	-	-	-	-
Commercial Wind & Hail Only*	<u>47,842</u>	<u>3,723</u>	<u>44,119</u>	<u>22,460</u>	<u>2,681</u>	<u>19,779</u>
Total Commercial	78,094	7,948	70,146	40,315	5,039	35,275
DWG-1 Builders Risk	816	332	484	606	285	321
DWG-1 Builders Risk Renovation	3,937	695	3,242	2,277	453	1,825
DWG-1 Builders Risk Renovations Wind & Hail Only	-	-	-	-	-	-
DWG-1 Builders Risk Wind & Hail Only	99	28	71	59	22	37
DWG-1 Condo	833	365	468	529	358	171
DWG-1 Condo Wind & Hail Only	230	146	84	171	132	39
DWG-1 Mobile Home	8,834	3,466	5,368	5,913	2,770	3,143
DWG-1 Mobile Home Wind & Hail Only	2,133	629	1,504	1,288	409	878
DWG-1 Residence	43,728	16,887	26,841	27,762	15,485	12,276
DWG-1 Residence Wind & Hail Only	19,166	5,966	13,200	11,547	5,455	6,091
DWG-2 Residence	7,673	2,038	5,635	3,991	1,922	2,069
DWG-3 Residence	73,123	12,038	61,086	35,098	11,163	23,935
DWG-3 Residence Wind & Hail Only	<u>58,204</u>	<u>9,711</u>	<u>48,493</u>	<u>29,246</u>	<u>8,294</u>	<u>20,952</u>
Total Dwelling	218,777	52,301	166,476	118,488	46,750	71,739
HO-2 Broad Form*	8,576	1,545	7,031	3,962	1,511	2,450
HO-3 Special Form	75,874	3,817	72,057	28,688	3,426	25,262
HO-4 Contents Broad Form	111	70	40	87	66	21
HO-6 Unit Owners Form	581	201	381	357	197	161
HO-8 Modified Coverage Form	52	31	21	36	27	10
HO-R Homeowner Renovation	<u>7,250</u>	<u>-</u>	<u>7,250</u>	<u>3,032</u>	<u>-</u>	<u>3,032</u>
Total Homeowners	92,445	5,665	86,780	36,162	5,227	30,935
Net Premium Written & Earned Before Reinsurance	389,316	65,913	323,402	194,965	57,015	137,949
Ceded Reinsurance				127,257	25,281	101,976
Net Premium Earned as of 11/30				67,708	31,734	35,973

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Premium Payment Collections Overview - November 2022

Checks	Month				Year-to-Date			
	Nov-22		Nov-21		2022 YTD		2021 YTD	
Payment Method	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected
Mail	587	1,415,988	235	469,064	8,726	24,093,829	3,554	6,593,762
Walk-In	83	389,136	15	25,198	740	4,478,523	174	217,623
6370 Lockbox - Manual	3,815	9,954,819	0	0	43,061	126,146,170	0	0
2444 Lockbox - Upload	<u>2,738</u>	<u>3,075,658</u>	<u>2,513</u>	<u>2,877,578</u>	<u>25,545</u>	<u>29,147,290</u>	<u>27,027</u>	<u>28,562,694</u>
Total Checks	7,223	\$14,835,601	2,763	\$3,371,840	78,072	\$183,865,813	30,755	\$35,374,079
Credit Cards								
Payment Method	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected
Mail	0	0	0	0	0	0	9	13,866
Online	2,411	1,876,024	818	472,407	17,705	12,990,074	9,074	5,658,595
LPMS	0	0	0	0	0	0	0	0
EPIC	<u>6,779</u>	<u>5,772,871</u>	<u>2,148</u>	<u>1,494,293</u>	<u>89,380</u>	<u>74,881,424</u>	<u>20,153</u>	<u>13,134,257</u>
Total Credit Cards	9,190	\$7,648,895	2,966	\$1,966,700	107,085	\$87,871,497	29,236	\$18,806,717
Electronic Funds Transfer (Checking or Saving)								
Payment Method	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected
Online	2,004	1,508,165	770	430,424	15,532	11,165,710	7,922	4,564,550
EPIC	<u>5,282</u>	<u>9,048,954</u>	<u>1,695</u>	<u>1,862,561</u>	<u>68,922</u>	<u>119,353,922</u>	<u>14,848</u>	<u>13,375,169</u>
Total EFTs	7,286	\$10,557,119	2,465	\$2,292,985	84,454	\$130,519,632	22,770	\$17,939,719
Payment Method								
	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected
Mail	587	1,415,988	235	469,064	8,726	24,093,829	3,563	6,607,628
Walk-In	83	389,136	15	25,198	740	4,478,523	174	217,623
Online	4,415	3,384,189	1,588	902,830	33,237	24,155,784	16,996	10,223,144
6370 Lockbox - Manual	3,815	9,954,819	0	0	43,061	126,146,170	0	0
2444 Lockbox - Upload	2,738	3,075,658	2,513	2,877,578	25,545	29,147,290	27,027	28,562,694
LPMS	0	0	0	0	0	0	0	0
EPIC	<u>12,061</u>	<u>14,821,825</u>	<u>3,843</u>	<u>3,356,854</u>	<u>158,302</u>	<u>194,235,346</u>	<u>35,001</u>	<u>26,509,426</u>
Total Payments Collected	23,699	\$33,041,614	8,194	\$7,631,525	269,611	\$402,256,942	82,761	\$72,120,515

*Does not include NSF's or Refunds. Only includes payments submitted

Depopulation Efforts Overview

Takeout Activity by Round Inception-to-Date

Assumption	As of 11/30/2022		
	Initial Assumption	Policies Assumed	Premium Assumed
03/1/2008 Round 1	26,359		
12/1/2008 Round 2	13,133		
04/1/2009 Round 3	3,350		
12/1/2010 Round 4	12,292	10,484	\$12,701
12/1/2011 Round 5	9,844	8,360	\$12,948
12/1/2012 Round 6	6,791	6,115	\$7,839
12/1/2013 Round 7	13,322	11,790	\$15,540
12/1/2014 Round 8	10,581	8,962	\$12,757
12/1/2015 Round 9	13,150	10,827	\$15,979
12/1/2016 Round 10	10,186	8,984	\$12,399
12/1/2017 Round 11	9,856	7,067	\$9,921
12/1/2018 Round 12	32	28	\$37
12/1/2019 Round 13	100	89	\$92
12/1/2020 Round 14	76	66	\$94
Grand Total	<u>129,072</u>	<u>72,772</u>	<u>100,307</u>

Depopulation Summary Rounds 13 & 14

	Round 14 ITD		Round 13 ITD	
	Policy Count	Unearned Premium	Policy Count	Unearned Premium
Policies Selected	76		102	
Policies Cancelled as of Assumption	<u>0</u>		<u>(2)</u>	
Policies Initially Assumed	76	75	100	64
Activity on Assumed Policies:				
Optouts (Remaining with LCPIC)	(8)	(6)	(6)	(4)
Reinstated Policies	0	0	1	2
Policies Canceled	(2)	(2)	(5)	(6)
Policies Not Renewed	0	0	0	0
Renewals Not Included in Initial Assumption	0	0	0	0
Policies Expired by LCPIC-Renewing by Depop Company	(66)	0	(89)	0
Renewals Not Taken (Expired without Payment)	0	0	(1)	0
Renewals Issued on Behalf of Depop Company*	0	26	0	35
Payment for Endorsement Activity	0	0	0	0
Renewals Issued - Prior Term Canceled	0	0	0	0
Adjustments made for Report Errors	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Activity - November 2022	(76)	\$19	(100)	\$28
Inforce with LCPIC	0		0	
Renewals Offered by Depop Companies	<u>66</u>		<u>89</u>	
Depopulated Policies	66	\$94	89	\$92
*Renewals Offered and Expired				
Initial Assumption - Renewals Offered	82		113	
Renewals Offered After Assumption - Not Included in Initial Assumption	0		0	
Renewals Not Offered	<u>0</u>		<u>0</u>	
Number of Renewals Processed by LCPIC	82		113	
Number of Policies Expired by LCPIC - Renewing by Depop Company	<u>(66)</u>		<u>(89)</u>	
Total Number of Policies Renewed by LCPIC	16		24	
Number of Expired Policies Without Payment	0		(1)	
Number of Policies Non-Renewed	0		0	
Number of Policies Canceled	0		0	
Optouts	(1)		(1)	
Renewals Issued-Prior Term Canceled	<u>0</u>		<u>0</u>	
Renewals Accepted On Behalf of Depop Company	15		22	

Claim Overview

Inception-to-Date Loss, Expense, & Claim Count - As of 9/30/22 (Updated Quarterly)

	Loss Year	ITD Claims	ITD Loss & LAE (000s)*
Hurricanes:			
Hurricane Katrina	2005	66,141	\$1,663,797
Hurricane Rita	2005	14,810	\$189,210
Hurricane Gustav	2008	52,161	\$329,043
Hurricane Ike	2008	3,402	\$13,559
Hurricane Isaac	2012	17,820	\$121,303
Hurricane Harvey	2017	121	\$225
Hurricane Nate	2017	12	\$17
Hurricane Barry	2019	618	\$2,142
Hurricane Laura	2020	2,720	\$101,411
Hurricane Sally	2020	5	\$10
Hurricane Delta	2020	2,132	\$25,206
Hurricane Zeta	2020	2,643	\$21,796
Hurricane Ida	2021	14,182	\$537,685
Total Hurricanes		176,767	3,005,404
PCS Events:			
39-Wind & Thunderstorm Event	2011	125	\$499
41-Wind & Thunderstorm Event	2011	3,050	\$30,086
46-Wind & Thunderstorm Event	2011	263	\$2,293
61-Tropical Storm Lee	2011	792	\$3,519
92-Hail Storm	2013	2,869	\$23,524
94-Wind & Thunderstorm Event	2013	60	\$284
1644-Wind & Thunderstorm Event	2016	687	\$623
1714-Wind & Hail Event	2017	208	\$4,901
1730-Wind & Hail Event	2017	45	\$170
1731-Wind & Hail Event	2017	207	\$1,233
1700-Tropical Storm Cidy	2017	58	\$114
1819 - Wind & Hail Event	2018	25	\$162
1821 - Wind & Thunderstorm Event	2018	40	\$157
1922 - Wind & Thunderstorm Event	2019	59	\$226
1923 - Wind & Thunderstorm Event	2019	38	\$123
1924 - Wind & Thunderstorm Event	2019	25	\$74
1925 - Wind & Thunderstorm Event	2019	15	\$63
1927 - Wind & Thunderstorm Event	2019	145	\$1,137
1969 - Wind & Thunderstorm Event	2019	9	\$35
Tropical Storm Olga	2019	103	\$272
2012 - Wind and Thunderstorm Event	2020	78	\$245
2018 - Wind and Thunderstorm Event	2020	3	\$6
2020 - Wind and Thunderstorm Event	2020	33	\$130
2021 - Wind and Thunderstorm Event	2020	80	\$377
2022 - Wind and Thunderstorm Event	2020	32	\$143
2023 - Wind and Thunderstorm Event	2020	26	\$229
2024 - Wind and Thunderstorm Event	2020	67	\$406
2027 - Wind and Thunderstorm Event	2020	6	\$25
2029 - Wind and Thunderstorm Event	2020	8	\$67
Tropical Storm Cristobal	2020	34	\$166
2117 - Winter Storm	2021	162	\$783
2125 - Wind & Hail Event	2021	33	\$239
2126 - Wind & Hail Event	2021	86	\$710
2131 - Wind & Hail Event	2021	43	\$480
2132 - Wind & Hail Event	2021	55	\$211
TS Claudette	2021	9	\$24
TS Nicholas	2021	14	\$199
2220 - Wind and Thunderstorm Event	2022	59	\$1,436
2299 - Wind & Hail Event	2022	23	\$269
2221 - Wind & Hail Event	2022	27	\$225
2223 - Wind & Hail Event	2022	4	\$25
2225 - Wind & Hail Event	2022	17	\$174
Total PCS Events		9,722	76,066
Other Outsourced Claims:			
2015 Day Claims Outsourced to Worley	2015	666	\$3,098
2016 Day Claims Outsourced to Worley	2016	59	\$338
2018 Day Claims Outsourced to Worley	2018	75	\$231
2019 Day Claims Outsourced to Worley	2019	35	\$155
2020 Day Claims Outsourced to Alacrity	2020	51	\$152
Outsourced Day Claims (2010-2013)	2010-2013	13,322	\$110,391
Total Other Outsourced Claims		14,208	114,364
In-house Day Claims (2014 Forward)	2014-2022	12,524	\$100,728
Total Claims		213,221	3,296,561

Claim Overview

Loss & Expense Reserves & Open Claim Counts as of November 30, 2022

Catastrophe Name	Loss Year	Open Claim Count				Reserves (000s)	
		Litigated	Non-Litigated	Nov-22 Total	Nov-21 Total	Nov-22	Nov-21
Hurricanes:							
Hurricane Katrina*	2005	2	-	2	2	\$85	\$85
Hurricane Isaac	2012	7	1	8	11	\$1,132	\$1,064
Hurricane Barry	2018	-	-	-	1	-	\$10
Hurricane Laura	2020	156	11	167	194	\$5,708	\$5,235
Hurricane Sally	2020	-	-	-	-	-	-
Hurricane Delta	2020	88	5	93	113	\$2,340	\$2,675
Hurricane Zeta	2020	22	24	46	41	\$2,119	\$1,853
Hurricane Ida	2021	208	994	1,202	1,152	\$36,880	\$31,275
Total Hurricanes		483	1,035	1,518	1,514	\$48,264	\$42,197
PCS Events:							
92-Hail Storm	2013	-	-	-	-	-	-
1714-Wind & Hail Event	2017	1	-	1	1	\$140	\$37
1821-Wind & Thunderstorm Event	2018	-	-	-	-	-	-
1923-Wind & Thunderstorm Event	2019	-	-	-	-	-	-
1927-Wind & Thunderstorm Event	2019	-	-	-	-	\$5	\$5
2020 - Wind and Thunderstorm Event	2020	-	-	-	-	-	-
2021 - Wind and Thunderstorm Event	2020	1	-	1	1	\$39	\$26
2022 - Wind and Thunderstorm Event	2020	-	-	-	-	\$7	\$7
2023 - Wind and Thunderstorm Event	2020	-	-	-	-	\$1	\$3
2024 - Wind and Thunderstorm Event	2020	-	-	-	-	\$1	\$1
2027 - Wind and Thunderstorm Event	2020	-	-	-	-	-	-
Tropical Storm Cristobal	2020	-	-	-	-	\$5	\$5
2117 - Winter Storm	2021	-	1	1	4	\$90	\$134
2125 - Wind & Hail Event	2021	-	-	-	1	\$18	\$24
2126 - Wind & Hail Event	2021	-	-	-	3	\$31	\$70
2131 - Wind & Hail Event	2021	1	-	1	3	\$67	\$50
2132 - Wind & Hail Event	2021	1	1	2	1	\$28	\$19
Tropical Storm Claudette	2021	-	1	1	-	\$1	\$1
Tropical Storm Nicholas	2021	-	2	2	-	\$4	\$4
2220 - Wind and Thunderstorm Event	2022	-	3	3	-	\$160	-
2221 - Wind and Thunderstorm Event	2022	-	8	8	-	\$58	-
2223 - Wind and Thunderstorm Event	2022	-	-	-	-	\$0	-
2225 - Wind and Thunderstorm Event	2022	-	-	-	-	\$5	-
2299 - Wind & Hail Event	2022	-	-	-	-	-	-
Other	N/A	-	-	-	-	-	-
Total PCS Events		4	16	20	14	\$659	\$385
Other Outsourced Claims:							
2016 Day Claims Outsourced to Worley	2016	-	-	-	-	-	-
2018 Day Claims Outsourced to Worley	2018	-	-	-	-	-	-
2019 Day Claims Outsourced to Worley	2019	-	-	-	-	-	-
2020 Day Claims Outsourced to Alacrity	2020	-	-	-	1	\$15	\$19
Total Other Outsourced Claims		-	-	-	1	\$15	\$19
Inhouse/Day Claims		43	158	201	131	4,144	2,233
Total Claims		530	1,209	1,739	1,660	\$53,083	\$44,834
IBNR						\$131,925	\$164,456
Total Reserve & IBNR						\$185,008	\$209,290

*Counts do not include EPIC commercial claims.

Claim Overview

Claim Level Statistics - All Claims

	Month		Year-to-Date	
	Nov-22	Nov-21	2022 YTD	2021 YTD
New Reported Claims	175	220	1,570	14,395
Claims Reopened	354	1,504	5,343	4,317
Closed Claims, as of 11/30	513	5,837	5,753	14,869
Closed with Pay	437	4,912	5,406	12,003
Closed without Pay	97	1,092	1,053	3,612
Avg Severity of Closed Claims	39,455	19,694	28,643	16,787
Avg Days to Close	377	66	259	76
Avg Days Open	152	59	116	51
Open Large Losses (>\$25K)	0	0	N/A	N/A

Claim Level Statistics - Hurricanes

New Reported Claims	18	166	332	13,279
Claims Reopened	321	1,478	5,016	3,969
Closed Claims, as of 11/30	370	5,734	4,537	13,703
Closed with Pay	354	4,843	4,734	11,374
Closed without Pay	34	1,057	493	3,036
Avg Severity of Closed Claims	49,349	19,750	33,285	17,479
Avg Days to Close	482	64	293	73
Avg Days Open	192	58	129	51
Open Large Losses (>\$25K)	0	0	N/A	N/A

Claim Level Statistics - PCS Events

New Reported Claims	1	1	136	393
Claims Reopened	8	4	93	121
Closed Claims, as of 11/30	8	23	158	409
Closed with Pay	6	20	139	209
Closed without Pay	2	4	34	211
Avg Severity of Closed Claims	7,978	23,053	12,961	4,702
Avg Days to Close	773	207	152	89
Avg Days Open	35	90	35	35
Open Large Losses (>\$25K)	0	0	N/A	N/A

Claim Level Statistics - Other Outsourced Claims

New Reported Claims	0	0	0	0
Claims Reopened	0	0	0	4
Closed Claims, as of 11/30	0	0	1	5
Closed with Pay	0	0	1	4
Closed without Pay	0	0	0	2
Avg Severity of Closed Claims	0	0	4,530	2,395
Avg Days to Close	0	0	650	266
Avg Days Open	0	0	305	61
Open Large Losses (>\$25K)	0	0	N/A	N/A

Claim Level Statistics - Inhouse/Day Claims

New Reported Claims	156	53	841	723
Claims Reopened	25	22	210	223
Closed Claims, as of 11/30	135	80	934	752
Closed with Pay	77	49	532	416
Closed without Pay	61	31	526	363
Avg Severity of Closed Claims	14,201	14,741	10,668	10,833
Avg Days to Close	68	129	115	123
Avg Days Open	49	101	63	47
Open Large Losses (>\$25K)	0	0	N/A	N/A

*Figures do not include EPIC commercial claims

Monthly Claims Loss Adjustment Expense Overview

	<u>LCPIC Mangement</u>		<u>Management</u>	
	<u>In-house</u>		<u>Outsourced</u>	
	Nov-22	Nov-21	Nov-22	Nov-21
Claim Management Fees				
Alacrity Solutions - Admin Fees	-	-	-	-
BSA - Admin Fees	-	-	-	-
Creative Adjusting- Admin Fees	-	-	268,200	2,067,300
Eberl - Admin Fees	-	-	-	12,150
MD Claims LLC - Admin Fees	-	-	86,225	415,750
IAS Services Group LLC - Admin Fees	-	-	-	-
One Call - Call Center	-	-	-	241,500
Total Claim Management Fees	\$ -	\$ -	\$354,425	\$2,736,700
Adjusting, Engineering, & Reinspection Expenses				
Elite Claims Service	27,994	35,215	-	713
MD Claims LLC	14,850	8,115	13,091	774,460
LEGION CLAIMS SOLUTIONS LLC	11,804	7,218	616	366,860
TEAM ONE ADJUSTING SERVICES LLC	2,906	3,050	1,531	1,342,317
Arc Claims Solutions	4,000	10,000	-	-
US Forensic (Engineering)	6,108	6,515	7,252	4,674
River Road Partners LLC	14,000	-	-	-
Forensic Investigations Group (Engineering)	6,587	4,530	-	-
Grey Consulting Group	-	11,600	-	-
BSA Claims Service	5,075	2,150	3,665	1,664,037
INSPECTION DEPOT INC	666	2,575	316	742,355
MCCORKLE APPRAISAL UMPIRE & CLAIMS SERVICES LLC	6,495	4,231	-	675
Keystone Experts and Engineers LLC	2,789	-	6,807	-
Eagle View Technologies	1,850	-	26	-
AQUILINE WORLEY PARENT LLC	(529)	225	-	225
All Other	41,935	13,300	1,937	498,487
Total Adjusting, Engineering, & Reinspection Exps	\$146,531	\$108,724	\$35,241	\$5,394,802
Total LAE Expenses	\$146,531	\$108,724	\$389,666	\$8,131,502
LCPIC Claims Payroll & Benefits*	80,905	6,612	88,898	70,356
Total Expenses	\$227,436	\$115,335	\$478,564	\$8,201,858

Average LAE Expenses - Open & Closed Claims Method (Measures Trend; Actual Cost Per Claim May Vary)

Total Expenses	227,436	115,335	478,564	8,201,858
Ending Open Claims (1739) Ending Closed Claims (513)	1,073	644	1,179	6,853
Total Direct Labor Cost Per Claim Handled	\$212	\$179	\$406	\$1,197

Average LAE Expenses - Closed Claims Method

Total LAE Expenses Paid on Closed Claims	93,136	48,174	22,114	4,495,887
Allocated LCPIC Claims Payroll & Benefits**	17,719	1,602	20,961	58,324
Allocated Expenses - Call Center**	-	-	-	-
Total Expenses - Closed Claims	\$110,856	\$49,776	\$43,075	\$4,554,211
Closed Claims	235	156	278	5,681
Total Direct Labor Cost Per Closed Claim	\$472	\$319	\$155	\$802

*Claims Payroll & Benefits allocated based on total open & closed claims handled internally vs externally.

**Allocation Formula = $\left(\frac{\text{Closed Claims}}{\text{Closed Claims} + \text{Open Claims}}\right)$

***Counts do not include EPIC commercial claims

YTD Claims Loss Adjustment Expense Overview

	<u>LCPIC Mangement</u>		<u>Management</u>	
	<u>In-house</u>		<u>Outsourced</u>	
	2022	2021	2022	2021
Claim Management Fees				
Alacrity Solutions - Admin Fees	-	-	-	64,320
BSA - Admin Fees	-	-	-	-
Creative Adjusting- Admin Fees	-	-	10,541,100	4,945,950
Eberl - Admin Fees	-	-	13,380	264,770
MD Claims LLC - Admin Fees	-	-	1,428,575	4,119,463
IAS Services Group LLC - Admin Fees	-	-	423,100	-
One Call - Call Center	-	-	-	546,500
Total Claim Management Fees	\$ -	\$ -	\$12,406,155	\$9,941,003
Adjusting, Engineering, & Reinspection Expenses				
Elite Claims Service	286,396	104,655	-	713
MD Claims LLC	163,650	172,497	290,100	1,802,951
LEGION CLAIMS SOLUTIONS LLC	124,523	155,028	52,874	1,261,018
TEAM ONE ADJUSTING SERVICES LLC	81,883	30,925	214,451	2,847,104
Arc Claims Solutions	80,800	43,600	-	-
US Forensic (Engineering)	58,507	42,307	84,775	20,739
River Road Partners LLC	58,000	-	-	-
Forensic Investigations Group (Engineering)	56,825	52,887	-	-
Grey Consulting Group	56,119	91,200	-	9,600
BSA Claims Service	48,582	106,196	129,462	3,094,881
INSPECTION DEPOT INC	36,792	44,278	72,111	1,484,669
MCCORKLE APPRAISAL UMPIRE & CLAIMS SERVICES LLC	34,452	11,196	-	675
Keystone Experts and Engineers LLC	32,740	-	56,460	-
Eagle View Technologies	28,744	21,802	6,072	10,749
AQUILINE WORLEY PARENT LLC	8,871	37,584	14,225	107,931
All Other	210,171	105,478	300,323	2,118,433
Total Adjusting, Engineering, & Reinspection Exps	\$1,367,055	\$1,019,633	\$1,220,854	\$12,759,463
Total LAE Expenses	\$1,367,055	\$1,019,633	\$13,627,009	\$22,700,465
LCPIC Claims Payroll & Benefits*	484,355	379,638	879,704	557,890
Total Expenses	\$1,851,410	\$1,399,271	\$14,506,714	\$23,258,355

Average LAE Expenses - Open & Closed Claims Method (Measures Trend; Actual Cost Per Claim May Vary)

Total Expenses	1,851,410	1,399,271	14,506,714	23,258,355
Ending Open Claims (1739) Ending Closed Claims (5753)	<u>2,706</u>	<u>2,406</u>	<u>4,786</u>	<u>14,123</u>
Total Direct Labor Cost Per Claim Handled	\$684	\$582	\$3,031	\$1,647

Average LAE Expenses - Closed Claims Method

Total LAE Expenses Paid on Closed Claims	1,007,683	716,271	840,291	12,547,223
Allocated LCPIC Claims Payroll & Benefits**	111,236	128,358	250,554	227,431
Allocated Expenses - Call Center**	-	-	-	-
Total Expenses - Closed Claims	\$1,118,918	\$844,629	\$1,090,845	\$12,774,655
Closed Claims	1,868	1,918	3,885	12,951
Total Direct Labor Cost Per Closed Claim	\$599	\$440	\$281	\$986

Note: Worley/Alacrity claims were moved to LCPIC in April

*Claims Payroll & Benefits allocated based on total open & closed claims handled internally vs externally.

**Allocation Formula = $\left(\frac{\text{Closed Claims}}{\text{Closed Claims} + \text{Open Claims}} \right)$

***Counts do not include EPIC commercial claims

Monthly Underwriting & Customer Service Labor Expense Overview

Underwriting & Customer Service Expenses

	<u>Month</u>		<u>Year-to-Date</u>	
	Nov-22	Nov-21	2022	2021
LCPIC Underwriting Payroll & Benefits*	201,504	101,588	1,816,120	1,420,779
LCPIC Customer Service Payroll & Benefits*	64,084	10,514	216,817	151,875
Temporary Labor - Customer Service	-	-	-	-
Total Payroll & Benefits	\$265,589	\$112,103	\$2,032,938	\$1,572,653
Total Expenses	\$265,589	\$112,103	\$2,032,938	\$1,572,653

Average Underwriting Expenses - Policies Issued Method

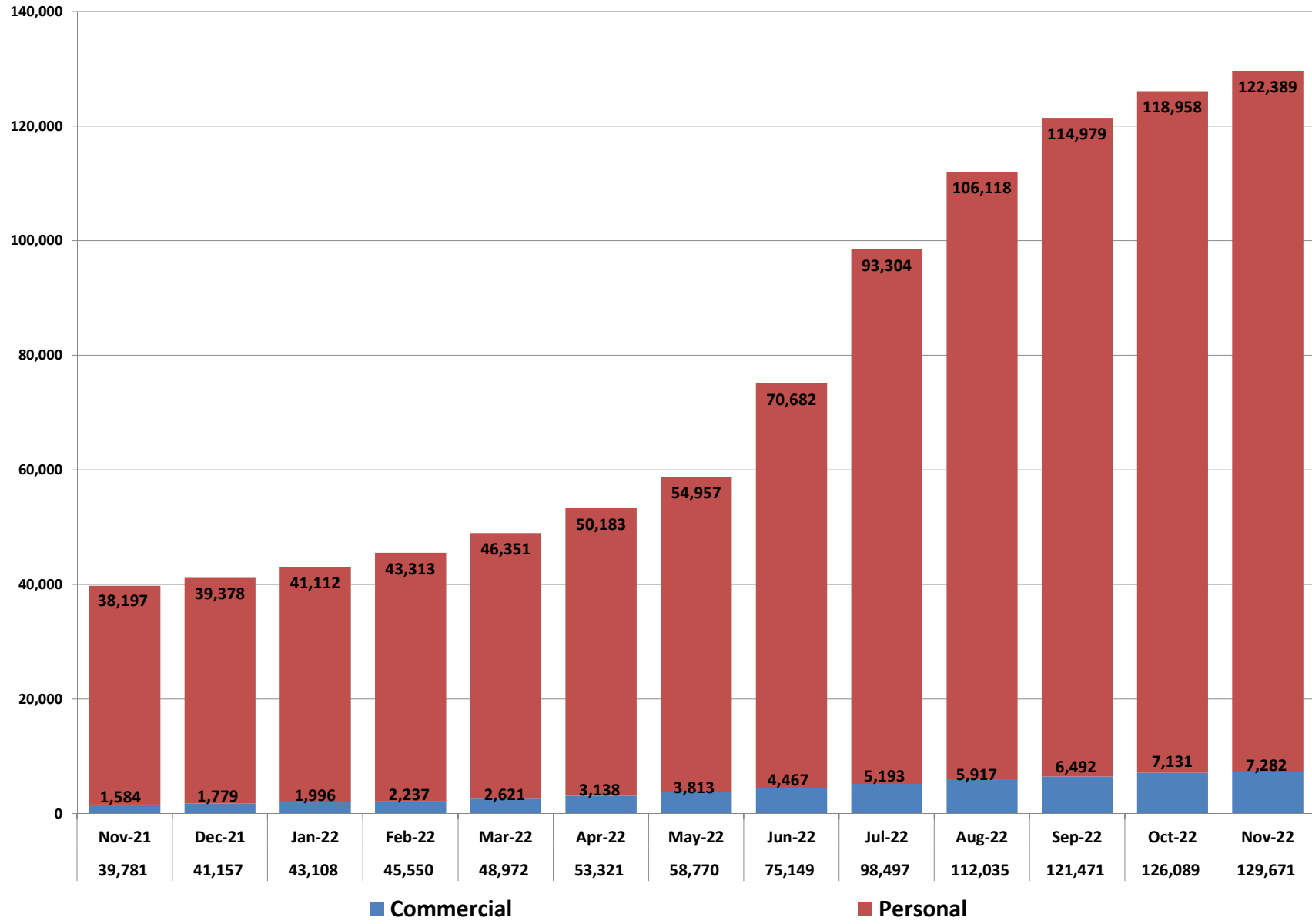
Total Expenses	\$265,589	\$112,103	\$2,032,938	\$1,572,653
New Policies Issued	5,793	1,377	106,432	10,960
Renewal Policies issued	<u>3,053</u>	<u>2,448</u>	<u>34,940</u>	<u>31,578</u>
Total Policies Issued*	8,846	3,825	141,372	42,538
Average Cost Per Policy Issued	\$30.02	\$29.31	\$14.38	\$36.97

Average Underwriting Expenses - Average Inforce Method

Total Expenses	\$265,589	\$112,103	\$2,032,938	\$1,572,653
Average Inforce Policies	<u>127,880</u>	<u>39,533</u>	<u>79,484</u>	<u>37,259</u>
Average Cost Per Policy Inforce	\$2.08	\$2.84	\$25.58	\$42.21

LCPIC Policy Inforce Count by Month - Net of Depop

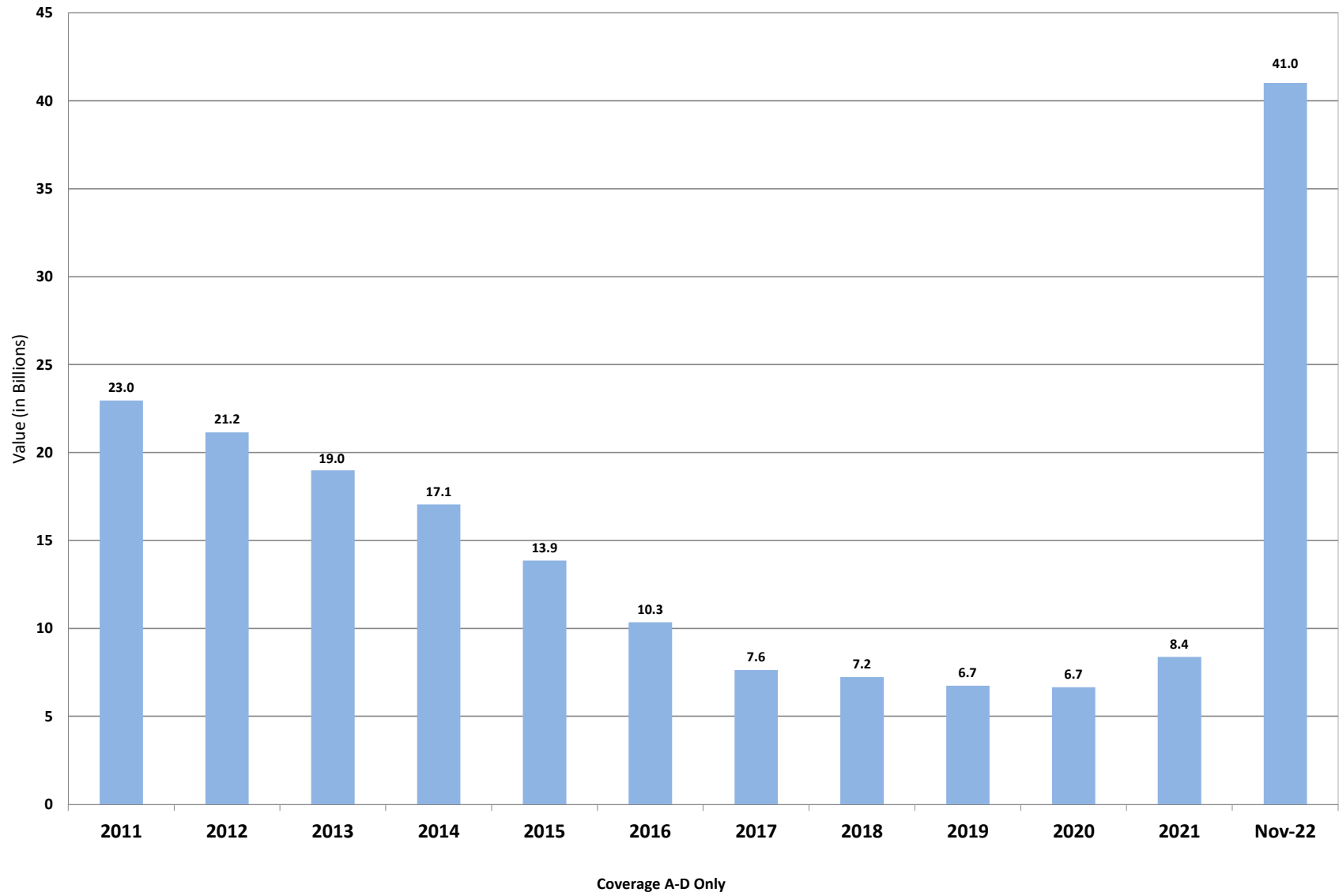
November 2021 to November 2022



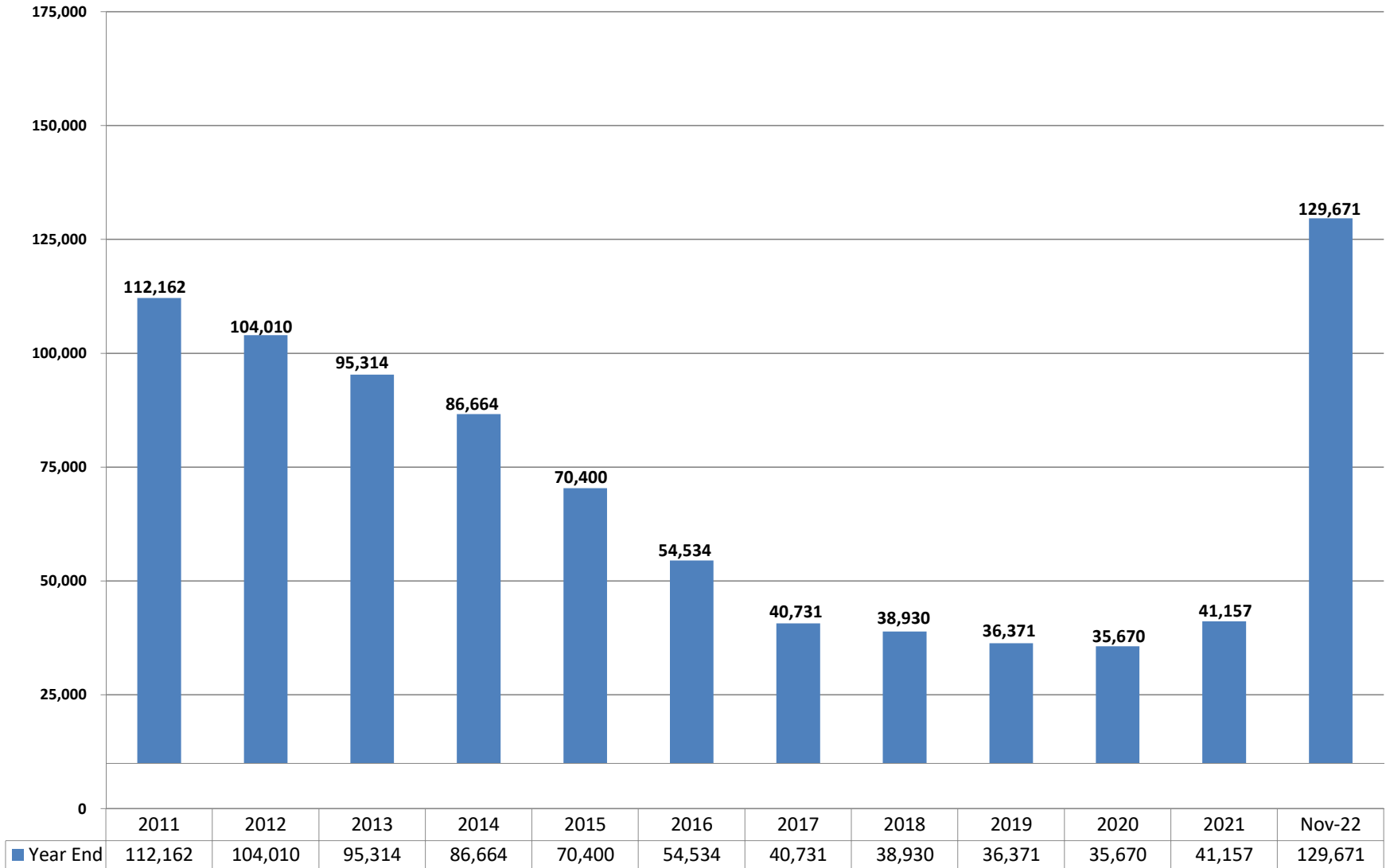
Inforce Policies by Business Type - Before and After Takeout

	Direct		Takeout		Net	
	Inforce Count	Inforce TIV (Cov A-D)	Inforce Count	Inforce TIV (Cov A-D)	Inforce Count	Inforce TIV (Cov A-D)
2014						
Commercial	4,066	2,096,567,144	0	0	4,066	2,096,567,144
Dwelling/Fire	82,157	13,839,492,939	10,123	1,970,066,142	72,034	11,869,426,797
Homeowners	12,117	3,660,845,415	1,553	567,583,115	10,564	3,093,262,300
Total	98,340	19,596,905,498	11,676	2,537,649,257	86,664	17,059,256,241
2015						
Commercial	3,277	1,497,204,405	0	0	3,277	1,497,204,405
Dwelling/Fire	72,408	12,376,316,487	11,923	2,057,700,796	60,485	10,318,615,691
Homeowners	8,540	2,623,350,960	1,902	577,334,260	6,638	2,046,016,700
Total	84,225	16,496,871,852	13,825	2,635,035,056	70,400	13,861,836,796
2016						
Commercial	2,411	925,695,675	0	0	2,411	925,695,675
Dwelling/Fire	58,027	9,998,911,542	10,139	1,930,663,790	47,888	8,068,247,752
Homeowners	5,308	1,687,045,020	1,073	331,030,288	4,235	1,356,014,732
Total	65,746	12,611,652,237	11,212	2,261,694,078	54,534	10,349,958,159
2017						
Commercial	1,917	698,219,319	145	68,986,262	1,772	629,233,057
Dwelling/Fire	45,046	7,701,211,707	8,934	1,609,900,097	36,112	6,091,311,610
Homeowners	3,377	1,091,844,962	530	181,662,634	2,847	910,182,328
Total	50,340	9,491,275,988	9,609	1,860,548,993	40,731	7,630,726,995
2018						
Commercial	1,566	541,521,424	15	7,560,569	1,551	533,960,855
Dwelling/Fire	36,134	6,118,634,043	1,045	185,721,160	35,089	5,932,912,883
Homeowners	2,343	790,049,943	53	19,531,860	2,290	770,518,083
Total	40,043	7,450,205,410	1,113	212,813,589	38,930	7,237,391,821
2019						
Commercial	1,386	469,575,313	0	0	1,386	469,575,313
Dwelling/Fire	33,142	5,631,461,706	94	17,081,940	33,048	5,614,379,766
Homeowners	1,937	659,608,641	0	0	1,937	659,608,641
Total	36,465	6,760,645,660	94	17,081,940	36,371	6,743,563,720
2020						
Commercial	1,297	466,376,258	0	0	1,297	466,376,258
Dwelling/Fire	32,711	5,598,707,747	79	18,066,970	32,632	5,580,640,777
Homeowners	1,742	612,865,456	1	1,444,760	1,741	611,420,696
Total	35,750	6,677,949,461	80	19,511,730	35,670	6,658,437,731
2021						
Commercial	1,779	1,133,671,054	0	0	1,779	1,133,671,054
Dwelling/Fire	37,500	6,526,506,708	11	2,422,920	37,489	6,524,083,788
Homeowners	1,889	725,972,182	0	0	1,889	725,972,182
Total	41,168	8,386,149,944	11	2,422,920	41,157	8,383,727,024
As of November 30, 2022						
Commercial	7,282	8,386,086,040	0	0	7,282	8,386,086,040
Dwelling/Fire	101,911	22,442,816,734	0	0	101,911	22,442,816,734
Homeowners	20,478	10,196,148,015	0	0	20,478	10,196,148,015
Total	129,671	41,025,050,789	0	0	129,671	41,025,050,789

Total Insured Value - After Takeout



Inforce Policy Count - After Takeout



Takeout Activity by Company Inception-to-Date

Round 13 Assumption 12/1/2019

Company	Initial Assumption	Opt Outs	<u>As of 11/30/2022</u>		Policies Assumed	Premium Assumed
			Canceled/Reinstated Policies	Expired Policies		
Safepoint	100	(6)	(4)	(1)	89	\$92
Grand Total	100	(6)	(4)	(1)	89	92

Round 14 Assumption 12/1/2020

Company	Initial Assumption	Opt Outs	<u>As of 11/30/2022</u>		Policies Assumed	Premium Assumed
			Canceled/Reinstated Policies	Expired Policies		
Safepoint	76	(8)	(2)	0	66	\$94
Grand Total	76	(8)	(2)	0	66	94

LCPIC Operating Cash Summary - Forecast

Rounded (000's)

	2022								2023			
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
								Estimate	Estimate	Estimate	Estimate	Estimate
TOTAL BEGINNING CASH & INVESTMENTS	175,764	184,130	173,890	233,592	278,079	299,678	311,545	328,948	348,030	329,356	377,912	366,073
+ Receipts	23,810	46,900	78,125	59,106	44,479	34,132	29,427	26,600	17,600	17,600	27,000	32,600
TOTAL RECEIPTS	23,810	46,900	78,125	59,106	44,479	34,132	29,427	26,600	17,600	17,600	27,000	32,600
- Rita/Katrina Claims												
- 2005 Class Action												
- Isaac Claims							1,163			125		75
- Laura/Delta/Zeta Claims	1,084	1,375	2,164	2,089	1,209	859	661	1,000	1,200	1,100	1,000	1,000
- Ida Claims	7,578	6,218	7,213	11,768	7,803	5,931	5,426	5,000	5,000	5,000	4,500	4,500
- Other Claims	1,023	723	580	521	1,473	1,951	1,291	800	3,750	3,750	3,750	3,750
- Reinsurance Recoveries	(409)	(502)	(2,189)	(13,531)	(37,033)	(3,054)	(4,581)	(4,174)	(6,900)	(43,630)	(6,655)	(5,890)
- Cat LAE Expense	1,648	1,310	1,312	1,238	1,102	406	1,431	900	430	430	390	390
- Non Cat LAE Expense	106	82	85	92	121	124	161	80	250	250	250	250
- Commissions	1,757	2,173	4,256	7,102	5,545	4,189	3,182	2,943	2,660	1,760	1,760	2,700
- Reinsurance/Cat Bonds Expense	244	44,762	2,117	2,004	41,067	5,678	1,515	1,748	22,873	1,768	33,557	1,657
- Emergency Assessments			2,505				4,520			2,028		1,306
- Depopulation									3,415			
- Transfer to(from) Trustee/Invest												
- Other	1,554	1,275	2,210	1,949	1,649	1,634	1,914	1,700	1,498	1,825	1,513	1,832
TOTAL EXPENSES	14,585	57,416	20,252	13,232	22,936	22,238	12,163	9,997	36,204	(27,622)	40,065	11,570
ENDING OPERATING CASH	55,994	45,478	103,352	149,226	170,769	182,663	199,927	216,530	197,926	243,148	230,083	251,113
INVESTED CASH/CASH EQUIVALENTS	39,861	40,251	44,560	48,974	46,119	45,958	46,483	46,500	46,848	47,998	47,047	48,872
TOTAL LCPIC OPERATING CASH	95,855	85,729	147,912	198,200	216,888	228,621	246,410	263,030	244,774	291,146	277,130	299,985
INVESTMENTS	88,275	88,161	85,680	79,879	82,790	82,924	82,538	85,000	84,582	86,766	88,943	86,535
TOTAL CASH & INVESTMENTS	184,130	173,890	233,592	278,079	299,678	311,545	328,948	348,030	329,356	377,912	366,073	386,520

Louisiana Citizens Property Insurance Corporation
Combined Statutory Income Statement
For the Month Ending November 30, 2022
Rounded (000's)

	2022 Budget Month	2022 Actual Month	Variance to Budget	2021 Actual Month	2022 Budget Year To Date	2022 Actual Year To Date	Variance to Budget	2021 Actual Year to Date
Direct Premiums Written	\$5,266	\$21,317	\$16,051	\$6,307	\$76,097	\$389,316	\$313,219	\$65,931
Direct Premiums Written - Depopulation	0	0	0	0	0	0	0	(17)
Ceded Premiums Written	(3,600)	(18,561)	(14,961)	(2,492)	(34,400)	(124,827)	(90,427)	(25,281)
Ceded Premiums Written - Facultative	0	210	210	0	0	(2,430)	(2,430)	0
Net Premiums Written	1,666	2,965	1,299	3,815	41,697	262,059	220,362	40,633
Change In Unearned Premium Reserve	1,299	10,398	9,099	(690)	(9,081)	(194,349)	(185,268)	(8,835)
Change In Unearned Premium Reserve - Depopulation	0	0	0	(2)	(1)	(2)	(1)	(63)
Net Premiums Earned	2,965	13,363	10,398	3,123	32,615	67,708	35,093	31,735
<i>Less Underwriting deductions:</i>								
Direct Losses Incurred	5,458	2,785	(2,673)	(2,218)	68,598	100,589	31,991	455,010
Direct Losses Incurred - Class Action	0	0	0	0	0	0	0	8,333
Direct Allocated Loss Adjustment Expenses Incurred	1,103	71	(1,032)	4,348	13,303	7,953	(5,350)	22,475
Direct Unallocated LAE (Home Office Expenses)	452	1,003	551	3,193	6,661	18,743	12,083	13,879
Ceded Losses and LAE	(5,848)	(1,584)	4,264	(3,953)	(70,328)	(104,128)	(33,800)	(452,313)
Net Losses and LAE Incurred	1,165	2,275	1,110	1,370	18,234	23,157	4,923	47,385
Commissions Incurred	527	2,132	1,605	631	7,610	38,932	31,322	6,593
Commissions Incurred - Depopulation	0	0	0	0	0	0	0	(3)
Underwriting Expenses Incurred (Home Office Expenses)	553	1,272	719	433	7,119	14,581	7,462	6,715
Total Other Underwriting Expenses Incurred	1,079	3,403	2,324	1,064	14,728	53,513	38,784	13,306
Net Underwriting Gain (Loss)	720	7,685	6,965	689	(347)	(8,962)	(8,615)	(28,956)
Other Income:								
Interest Earned	37	207	170	32	375	1,096	721	762
Other Income	73	459	386	110	862	7,726	6,864	669
Total Other Income	110	666	556	142	1,237	8,822	7,585	1,431
Net Operating Income	830	8,351	7,521	831	890	(140)	(1,030)	(27,525)
<i>Bond Income/Expense:</i>								
Emergency Assessment Income	389	249	(140)	(590)	4,943	4,533	(410)	4,947
Debt Service Expense	(390)	(407)	(17)	589	(4,954)	(4,985)	(31)	(4,952)
Earnings on Bond Assets	1	158	157	0	11	452	441	5
Net Bond Income/Expense	0	0	0	(0)	0	0	0	0
Net Income	830	8,351	7,521	831	890	(140)	(1,030)	(27,525)

Louisiana Citizens Property Insurance Corporation
Combined Statutory Change In Surplus
For the Month Ending November 30, 2022
Rounded (000's)

	2022 Year To Date	2021 Year End	2020 Year End
Surplus, Previous Year	\$134,628	\$161,938	\$186,463
Net Income	(140)	(28,337)	(24,632)
Change In Nonadmitted Assets	(2,848)	(767)	(155)
Change In Provision For Reinsurance	0	(105)	(1,550)
Tax Exempt Surcharge, Current Year	5,980	1,898	1,813
Surplus, Current Year	137,619	134,628	161,938

*Tax Exempt Surcharge is collected per R.S 22:2303.4.(B) to maintain a federal tax exempt status and to augment the financial resources of the corporation. It is collected on each policy and represents an amount equal to the premium taxes paid which is 3% of the policy premium.

Louisiana Citizens Property Insurance Corporation
Combined Statutory Balance Sheet
For the Month Ending November 30, 2022
Rounded (000's)

	Current Year	Prior YTD	Prior Year-End
Assets			
Trustee Cash	\$89,838	\$70,871	\$64,369
Operating Cash	199,927	54,087	128,611
Invested Operating Cash and Cash Equivalents	46,483	6,997	11,518
Restricted Cash for Escheatment	4,927	1,891	1,781
Operating Investments - Bonds	82,538	71,425	66,570
Premiums Receivable	56,976	10,468	12,052
Reinsurance Recoverable	42,557	35,379	3,024
Electronic Data Processing Equipment	510	26	20
Long-Term Emergency Assessment Receivable	229,945	285,020	285,020
Current Emergency Assessment Receivable	7,349	3,408	15,000
Reinsurance Premium Refund Receivable	2,092	0	0
Reinsurance Premiums Advanced	0	2,064	68
Investments Due & Accrued	1,169	980	1,007
All Other Assets	111	111	111
Total Assets	764,421	542,726	589,149
Loss and Loss Adjustment Reserves	9,685	6,790	6,037
Loss and Loss Adjustment Reserves - Class Action	3,738	968	3,738
LCPIC Bonds	232,005	293,914	288,264
Advanced Assessments Collected	42,324	7,133	25,370
Restricted Assessments for Debt Service Reserves	41,543	45,966	38,717
Unearned Premiums	236,318	38,206	41,967
Advance Premiums	4,251	1,689	1,842
Unearned Tax Exempt Surcharge	7,090	1,146	1,259
Commissions Payable	8,838	2,318	2,652
Accounts Payable	996	484	194
Operating Expenses Payable	8,654	4,283	4,066
Reinsurance Premiums Payable	24,769	0	0
Provision for Reinsurance	1,657	1,552	1,657
Escheatment Payable	4,927	1,891	1,781
Contingent Liability	0	249	36,970
All Other Liabilities	7	2	9
Total Liabilities	626,801	406,593	454,521
Contributed Surplus - Emergency Assessments	978,205	978,205	978,205
Unassigned Surplus	(840,586)	(842,072)	(843,577)
Total Surplus	137,619	136,133	134,628
Total Liabilities, Surplus & Other Funds	764,421	542,726	589,149

Louisiana Citizens Property Insurance Corporation

Statement of Cash Flows

For the Month Ending November 30, 2022

Rounded (000's)

	Current Month	Year to Date 2022	Year to Date 2021
Operating Cash - Beginning of Period	232,755	141,909	102,175
<u>Cash from Operating Activities</u>			
Net Income	8,351	(140)	(27,525)
Adjustments to Net Income for Non-Cash Items:			
Furniture & Equipment Depreciation	3	37	42
EDP Depreciation	47	197	51
Net changes in operating assets and liabilities:			
Premiums Receivable	6,536	(44,417)	(3,115)
Reinsurance Receivable	(4,249)	(39,699)	(21,486)
Prepaid Expenses	11	(2,446)	(272)
Losses & Loss Adjustment Expenses	858	3,648	(3,416)
Unearned Premiums	(10,398)	194,351	8,898
Advance Premiums	587	2,409	518
Commissions Payable	(1,050)	6,186	542
Accounts Payable	(223)	801	441
Reinsurance Premiums Payable	18,313	24,880	(2,603)
Reinsurance Premiums Refund Receivable	(1,469)	(2,134)	192
Funds Held By Company Under Reinsurance Treaty	-	(36,970)	0
Take-out Premium Payable	0	-	(60)
Escheatment Payable	3	3,147	411
Accrued Expenses	308	4,588	67
Other Liabilities	(3)	(2)	(4)
Tax Exempt Surcharge	639	11,811	1,979
Net cash provided by operating activities	18,264	126,246	(45,341)
<u>Cash from Investing Activities</u>			
Purchase of EDP Equipment	0	(687)	(14)
Operating Investments - Bonds	387	(15,968)	5,997
Accrued Interest	(68)	(163)	158
Net cash provided by investing activities	318	(16,818)	6,141
<u>Cash From Financing Activities</u>			
	0	0	0
Operating Cash - End of Period	251,337	251,337	62,975
Trustee Cash - Beginning of Period	80,449	64,369	54,510
<u>Cash From Financing Activities</u>			
Emergency Assessments Receivable	(5,409)	6,871	10,128
Bonds Payable	14,798	18,597	6,233
Net cash provided by financing activities	9,388	25,468	16,361
Trustee Cash - End of Period	89,838	89,838	70,871
Total Ending Cash	\$341,175	\$341,175	\$133,846

Louisiana Citizens Property Insurance Corporation

Corporate Operating Expense Statement - Budget

Fiscal Year 2022

	Nov			YTD			Primary Driver of Change	2022 Budget Total
	Budget	Actual	Variance	Budget	Actual	Variance		
Direct Costs								
Salaries and Wages	438,011	576,798	138,786	4,602,326	5,020,307	417,981	Claims, Underwriting, Accounting, IT & Customer Service	5,507,405
Benefits, Taxes, Contributions and Workers Comp	198,472	231,668	33,196	2,066,498	2,201,376	134,878	Claims, Underwriting, Accounting, IT & Customer Service	2,937,536
Total Employee Salaries and Wages	636,484	808,466	171,982	6,668,824	7,221,684	552,859		8,444,941
Recruiting & Advertising	230	230	0	22,430	41,435	19,005	HR & Support Opps	42,450
Communication - Mobile Phones & Air Cards	3,064	3,038	(26)	32,147	31,774	(373)		33,130
Office and Equipment Repairs and Maintenance	4,964	16,036	11,072	203,520	233,266	29,747	IT, HR & Support Opps	206,400
Travel and Lodging	2,365	2,330	(35)	20,705	20,310	(395)		29,700
Furniture and Fixtures- Purchases < \$5,000	-	-	-	-	-	-		5,000
EDP Equipment (computers, printers, peripherals) - Purchases <\$5,000	(0)	10,917	10,917	72,339	163,497	91,157	IT	72,340
Computer Software - Purchases <\$1,000,000	6,850	6,850	-	91,130	442,350	351,220	IT	91,880
Software Maintenance	31,985	79,777	47,792	359,513	666,129	306,616	Underwriting, IT & Executive	400,981
Mele Printing	21,612	52,021	30,408	257,061	1,181,907	924,846	IT	292,930
Lexis Nexis	(0)	5,864	5,864	24,880	80,383	55,502	IT	24,880
Printing, Stationary, and Office Supplies	373	449	76	31,456	35,057	3,601	Accounting	34,900
Outside Services - CAT Readiness, D&O Employment Practices Deductible, Consulting	13,876	53,317	39,441	126,500	233,439	106,940	Underwriting, IT & Cust Service	276,470
External Management Fees	-	354,425	354,425	2,520,000	12,390,405	9,870,405	Claims	2,520,000
Other - Prof Fees, Dues, Subs, Training, Seminars, Miscellaneous	(0)	-	0	6,818	6,752	(66)		16,924
Total Direct Costs	721,801	1,393,718	671,917	10,437,323	22,748,387	12,311,064		12,492,927
Indirect Costs								
Rents, Leases, and Utilities	46,639	46,593	(47)	510,266	507,606	(2,660)		554,288
Rent and Storage - Eatel/Iron Mountain	30,856	33,634	2,778	315,700	323,538	7,838	HR & Support Opps	335,860
Communication - Internet & Phone	17,847	17,291	(556)	187,811	186,010	(1,802)		210,480
Depreciated Expense - Furniture & Fixtures	3,421	3,324	(97)	37,348	36,563	(785)		41,053
Depreciated Expense - EDP Equipment & Software	11,819	47,490	35,671	125,454	196,767	71,314	Executive	141,831
External Legal Expenses	101	6,000	5,899	32,521	56,450	23,929	Claims	35,300
Audit Fees	5,917	5,917	-	65,083	65,083	-		71,000
Actuarial Fees	3,750	3,750	-	41,250	41,250	0		45,000
Surveys and Underwriting Reports - Inspection & CLUE Reports	29,389	242,526	213,137	301,814	1,309,195	1,007,381	Underwriting & IT	378,410
Taxes, Licensing, and other fees - Insurance Department	23,909	100,901	76,992	341,400	1,884,569	1,543,169	Accounting	364,704
Boards, Bureaus and Assoc - LDI Insurance Rating & Fraud Assessment	52,837	214,105	161,268	734,472	3,688,860	2,954,388	Accounting	785,974
PIPSO Fees, ISO Fees, Xactware	10,308	19,139	8,831	112,742	145,430	32,688	IT	121,470
Liability Insurance - LCPIC, Directors, Officers	20,431	23,033	2,602	224,757	246,112	21,355	Executive	241,808
Bank Service Charges	25,080	108,979	83,899	280,854	1,831,950	1,551,096	Accounting	307,580
Postage & Courier Services	797	7,945	7,148	27,061	53,240	26,179	Support Ops	27,380
Other Miscellaneous	188	179	(9)	3,616	3,531	(85)		3,935
Total Indirect Costs	283,290	880,805	597,515	3,342,149	10,576,155	7,234,006		3,666,073
Home Office Expenses - P&L	1,005,091	2,274,523	1,269,432	13,779,472	33,324,542	19,545,070		16,159,000
Bank Service Charges - Unallocated	9,800	9,636	(164)	107,800	99,919	(7,881)	Accounting	117,600
Total Operating Expenses - Direct & Indirect	1,014,891	2,284,159	1,269,268	13,887,272	33,424,461	19,537,189		16,276,600
Capital Purchases								
Furniture and Fixtures- Purchases > \$5,000	-	-	-	-	-	-		
EDP Equipment (computers, printers, peripherals) - Purchases >\$5,000	16,793	16,793	(1)	589,093	687,279	98,186	IT	
Computer Software - Purchases >\$1,000,000	-	-	-	-	-	-		
Total Capital Purchases	16,793	16,793	(1)	589,093	687,279	98,186		

Louisiana Citizens Property Insurance Corporation

Claims Operating Statement - Budget

Fiscal Year 2022

	Nov			YTD			Primary Driver of Change	2022 Budget Total
	Budget	Actual	Variance	Budget	Actual	Variance		
Direct Costs								
Salaries and Wages	75,387	127,699	52,312	789,005	999,943	210,938	Up 7 FTE	890,937
Benefits, Taxes, Contributions and Workers Comp	25,227	42,104	16,878	292,865	364,116	71,251	Up 7 FTE	475,593
Total Employee Salaries and Wages	100,613	169,803	69,190	1,081,869	1,364,059	282,190		1,366,530
Recruiting & Advertising	-	-	-	-	-	-		-
Communication - Mobile Phones & Air Cards	640	632	(9)	6,986	6,924	(62)		6,986
Office and Equipment Repairs and Maintenance	-	-	-	-	-	-		-
Travel and Lodging	2,010	2,008	(2)	11,860	11,831	(29)		12,060
Furniture and Fixtures- Purchases < \$5,000	-	-	-	-	-	-		-
EDP Equipment (computers, printers, peripherals) - Purchases <\$5,000	-	-	-	-	-	-		-
Computer Software - Purchases <\$1,000,000	-	-	-	-	-	-		-
Software Maintenance	625	625	-	6,875	6,875	-		7,500
Mele Printing	-	-	-	-	-	-		-
Lexis Nexis	-	-	-	-	-	-		-
Printing, Stationary, and Office Supplies	-	-	-	1,674	1,648	(26)		1,915
Outside Services - CAT Readiness, D&O Employment Practices Deductible, Consulting	12,250	12,248	(2)	81,150	81,047	(103)		204,170
External Management Fees	-	354,425	354,425	2,520,000	12,390,405	9,870,405	Management fees - Hurricane Ida	2,520,000
Other - Prof Fees, Dues, Subs, Training, Seminars, Miscellaneous	-	-	-	725	709	(16)		725
Total Direct Costs	116,139	539,742	423,603	3,711,139	13,863,498	10,152,359		4,119,886
Indirect Costs								
Rents, Leases, and Utilities	8,063	8,052	(11)	86,294	85,438	(856)		95,229
Rent and Storage - Eatel/Iron Mountain	-	-	-	-	-	-		-
Communication - Internet & Phone	2,951	2,944	(7)	31,968	31,768	(200)		35,767
Depreciated Expense - Furniture & Fixtures	-	-	-	-	-	-		-
Depreciated Expense - EDP Equipment & Software	-	-	-	-	-	-		-
External Legal Expenses	101	6,000	5,899	27,266	51,540	24,274	Excess Legal Expenses due to 2020 & 2021 Storms	27,300
Audit Fees	-	-	-	-	-	-		-
Actuarial Fees	-	-	-	-	-	-		-
Surveys and Underwriting Reports - Inspection & CLUE Reports	-	-	-	-	-	-		-
Taxes, Licensing, and other fees - Insurance Department	-	-	-	-	-	-		-
Boards, Bureaus and Assoc - LDI Insurance Rating & Fraud Assessment	-	-	-	-	-	-		-
PIPSO Fees, ISO Fees, Xactware	6,376	15,212	8,836	70,356	102,857	32,501	Xact Assignments - Hurricane Ida, Increased Claimsearch fees	76,741
Liability Insurance - LCPIC, Directors, Officers	-	-	-	-	-	-		-
Bank Service Charges	-	-	-	-	-	-		-
Postage & Courier Services	-	-	-	-	-	-		-
Other Miscellaneous	-	-	-	(0)	-	0		291
Total Indirect Costs	17,491	32,208	14,717	215,884	271,603	55,719		235,328
Home Office Expenses - P&L	133,630	571,950	438,320	3,927,023	14,135,101	10,208,078		4,355,214
Bank Service Charges - Unallocated	-	-	-	-	-	-		-
Total Operating Expenses - Direct & Indirect	133,630	571,950	438,320	3,927,023	14,135,101	10,208,078		4,355,214
Capital Purchases								
Furniture and Fixtures- Purchases > \$5,000	-	-	-	-	-	-		-
EDP Equipment (computers, printers, peripherals) - Purchases >\$5,000	-	-	-	-	-	-		-
Computer Software - Purchases >\$1,000,000	-	-	-	-	-	-		-
Total Capital Purchases	-	-	-	-	-	-		-

Louisiana Citizens Property Insurance Corporation

IT Operating Statement - Budget

Fiscal Year 2022

	Nov			YTD			Primary Driver of Change	2022 Budget Total
	Budget	Actual	Variance	Budget	Actual	Variance		
Direct Costs								
Salaries and Wages	78,171	82,563	4,392	811,205	806,485	(4,720)	Up 1 FTE	923,836
Benefits, Taxes, Contributions and Workers Comp	38,532	39,290	758	386,581	381,926	(4,655)	Up 1 FTE	491,102
Total Employee Salaries and Wages	116,702	121,853	5,150	1,197,786	1,188,411	(9,375)		1,414,938
Recruiting & Advertising	-	-	-	-	-	-		-
Communication - Mobile Phones & Air Cards	890	884	(6)	8,530	8,351	(179)		8,640
Office and Equipment Repairs and Maintenance	3,686	14,768	11,082	177,914	195,464	17,550	P&N Tech Maintenance Increases - Not Budgeted	178,477
Travel and Lodging	-	-	-	459	398	(61)		529
Furniture and Fixtures- Purchases < \$5,000	-	-	-	-	-	-		-
EDP Equipment (computers, printers, peripherals) - Purchases <\$5,000	(0)	10,917	10,917	71,209	162,384	91,175	Laptops & Equipment for New Hires	71,210
Computer Software - Purchases <\$1,000,000	2,800	2,800	-	86,140	437,359	351,219	SQL Server & VM Ware - Not Budgeted	86,890
Software Maintenance	9,846	9,759	(87)	127,069	182,486	55,417	Additional Cisco & Melissa Licenses, Solarwinds Upgrade - Not Budgeted	138,114
Mele Printing	21,612	52,021	30,408	257,061	1,181,907	924,846	Increased Policies - New Business	292,930
Lexis Nexis	(0)	5,864	5,864	24,880	80,383	55,502	Increased Policies - New Business	24,880
Printing, Stationary, and Office Supplies	-	-	-	982	943	(38)		982
Outside Services - CAT Readiness, D&O Employment Practices Deductible, Consulting	857	36,377	35,520	9,423	86,168	76,745	Emergency EPIC Diagnostic (Due to Policy Growth)	10,280
External Management Fees	-	-	-	-	-	-		-
Other - Prof Fees, Dues, Subs, Training, Seminars, Miscellaneous	-	-	-	-	-	-		-
Total Direct Costs	156,392	255,242	98,849	1,961,454	3,524,256	1,562,802		2,227,870
Indirect Costs								
Rents, Leases, and Utilities	8,013	8,007	(6)	87,407	87,057	(350)		95,202
Rent and Storage - Eatel/Iron Mountain	28,726	28,716	(9)	277,332	276,912	(419)		295,790
Communication - Internet & Phone	3,922	3,226	(696)	35,297	34,203	(1,095)		39,665
Depreciated Expense - Furniture & Fixtures	-	-	-	-	-	-		-
Depreciated Expense - EDP Equipment & Software	-	-	-	-	-	-		-
External Legal Expenses	-	-	-	-	-	-		-
Audit Fees	-	-	-	-	-	-		-
Actuarial Fees	-	-	-	-	-	-		-
Surveys and Underwriting Reports - Inspection & CLUE Reports	-	-	-	-	-	-		-
Taxes, Licensing, and other fees - Insurance Department	-	-	-	-	-	-		-
Boards, Bureaus and Assoc - LDI Insurance Rating & Fraud Assessment	-	-	-	-	-	-		-
PIPISO Fees, ISO Fees, Xactware	-	-	-	-	-	-		-
Liability Insurance - LCPIIC, Directors, Officers	-	-	-	-	-	-		-
Bank Service Charges	-	-	-	-	-	-		-
Postage & Courier Services	-	-	-	-	-	-		-
Other Miscellaneous	-	-	-	-	-	-		-
Total Indirect Costs	40,661	39,950	(711)	400,036	398,172	(1,864)		430,658
Home Office Expenses - P&L	197,053	295,192	98,139	2,361,489	3,922,428	1,560,938		2,658,527
Bank Service Charges - Unallocated	-	-	-	-	-	-		-
Total Operating Expenses - Direct & Indirect	197,053	295,192	98,139	2,361,489	3,922,428	1,560,938		2,658,527
Capital Purchases								
Furniture and Fixtures- Purchases > \$5,000	-	-	-	-	-	-		-
EDP Equipment (computers, printers, peripherals) - Purchases >\$5,000	16,793	16,793	-	589,093	687,279	98,186	Venü Server project over budget 98K	-
Computer Software - Purchases >\$1,000,000	-	-	-	-	-	-		-
Total Capital Purchases	16,793	16,793	(1)	589,093	687,279	98,186		-

