

Louisiana Citizens Property Insurance Corporation Board Meeting

Tuesday, July 18, 2023 2:30 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
III.A. Report on Executive Committee - Employment Contract for Richard Newberry (Voteable)	
IV. Minutes	Speaker (s): Lorusso
V. CEO Report	Speaker (s): Newberry
V.A. Overview	Speaker (s): Newberry
V.A.1. Depopulation (Voteable)	Speaker (s): Newberry
V.A.2. Proposed Commercial Rate Filing (Voteable)	Speaker (s): Newberry
V.B. Financials and Management Report	Speaker (s): Sciortino
V.B.1. May 2023 Financials	
V.B.2. Management Report	
V.C. 2022 Audit Report	Speaker (s): Sciortino
V.C.1. Statutory Audit	Speaker (s): Sciortino
V.C.2. GASB Audit	Speaker (s): Sciortino
V.D. 2005 Deficit Re-certification (Voteable)	Speaker (s): Sciortino
V.E. 2024 Assessment Rate (Voteable)	Speaker (s): Sciortino
V.F. Complaints	Speaker (s): Harper
VI. Executive Session	Speaker (s): Lorusso
VI.A. HR Complaints	Speaker (s): Harper
VI.B. Litigation Update	Speaker (s): Harper
VII. Adjournment	

Louisiana Citizens Property Insurance
Corporation Board Meeting
Thursday, May 18, 2023 1:00 PM Central

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

I. Call To Order

Chairman Lorusso called the meeting to order at 1:00 p.m.

II. Roll Call

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

Present: 8, Absent: 6.

III. Chairman's Report

IV. Minutes

Approval of Minutes of the prior meeting held on March 9, 2023. This motion, made by Jeff Albright and seconded by Eugene Montgomery, Carried.

William Chauvin: Absent, Gene Galligan: Absent, Mike Huval: Absent, Shannon Johnson: Absent, Bill Starr: Yea, Kirk Talbot: Absent, Jeff Albright: Yea, Eric Berger: Yea, Brian Chambley: Yea, Tony Ligi: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Steven Werner: Yea
Yea: 8, Nay: 0, Absent: 6

V. CEO Report

V.A. Overview

V.A.1. 2023-2024 Reinsurance Update

Mr. Newberry reported that the reinsurance placement this year was a challenge, but as of a few hours ago it is complete and closed for 2023-2024. He summarized for the Board members the reinsurance tower and how it would work in the event of a catastrophe.

V.A.2. 2022 Actuarial Report

Mr. Newberry presented the Actuarial Report to the Board.

V.A.3. Depopulation Update (Voteable)

Mr. Newberry reported that LCPIC has started Round 18. In the original timeline, voted on by the Board, the assumption would take place on 11/1/2023 to help accommodate the Incentive Program. However, at least one potential participant insurer has said that they cannot participate with an assumption date during storm season, so Mr. Newberry asked the Board to approve changing the assumption date to December 1, 2023.

To approve the recommended change in the timeline dates, pushing the assumption date back one month to December 1, 2023. This motion, made by Jeff Albright and seconded by Eugene Montgomery, Carried.

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

Yea: 8, Nay: 0, Absent: 6

V.A.4. Approve Purchase of Proof of Concept Partnership with 4Warn (Voteable)

Mr. Newberry presented the proposed contract with 4Warn, explaining the cost and why he believes LCPIC needs to avail itself of the service. He asked the Board to approve entering into the contract.

To approve a contract with 4Warn to combat social engineering targeted against LCPIC. This motion, made by Jeff Albright and seconded by Tony Ligi, Carried.

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

Yea: 8, Nay: 0, Absent: 6

V.B. Financials and Management Report

V.B.1. March 2023 Financials and Management Report

Mr. Sciortino presented the March 2023 financials and management report to the Board and answered Board member questions.

V.B.2. 1st Quarter 2023 Financials (Voteable)

Mr. Sciortino presented LCPIC's 1st Quarter 2023 financials and asked the Board to approve them and their filing with the LDI.

To approve the proposed LCPI financials for the first Quarter of 2023; and, to approve the filing of those financials with the Louisiana Department of Insurance. This motion, made by Steven Werner and seconded by Tony Ligi, Carried.

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

Yea: 8, Nay: 0, Absent: 6

V.C. 2022 Audit Update

Mr. Sciortino updated the Board on the 2022 Audit. He noted that it had gone smoothly and was on track to be completed in time for a timely filing.

V.D. Complaints

Ms. Harper presented the complaints for March and April 2023. She noted that fourteen (14) complaints had been received, with six (6) being claim related and eight (8) being policy related.

V.E. Executive Session

With the CEO report concluded, Chairman Lorusso moved on to the Executive Session. He asked if anyone from the public first wished to address the Board. With no speakers from the public, Chairman Lorusso stated that he would entertain a motion to go into Executive Session to discuss potential and pending litigation.

Approval of the Board moving out of the public forum and into Executive Session to discuss potential and pending litigation and other allowed items. This motion, made by Jeff Albright and seconded by Steven Werner, Carried.

William Chauvin: Absent, Gene Galligan: Absent, Mike Huval: Absent, Shannon Johnson: Absent, Kirk Talbot: Absent, Jeff Albright: Yea, Eric Berger: Yea, Brian Chambley: Yea, Tony Ligi: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Bill Starr: Yea, Steven Werner: Yea
Yea: 8, Nay: 0, Absent: 5

V.E.1. HR Complaints

V.E.2. Litigation Update

At the conclusion of the Executive Session, Chairman Lorusso asked for a motion to exit Executive Session and re-enter the public forum. Chairman Lorusso noted that the Board had re-entered the public forum. He asked that the record reflect that the Board did not take any formal action while in Executive Session.

Approval of the Board moving out of Executive Session and back into the public forum. This motion, made by Eric Berger and seconded by Steven Werner, Carried.

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

Chambley: Yea, Tony Ligi: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Steven Werner: Yea

Yea: 8, Nay: 0, Absent: 6

VI. Adjournment

With the conclusion of the agenda, and no further business to discuss, Chairman Lorusso asked for a motion to adjourn.

Approval of Adjourning the meeting at 2:00 pm. This motion, made by Eugene Montgomery and seconded by Eric Berger, Carried.

William Chauvin: Absent, Gene Galligan: Absent, Mike Huval: Absent, Shannon Johnson: Absent, Bill Starr: Yea, Kirk Talbot: Absent, Jeff Albright: Yea, Eric Berger: Yea, Brian Chambley: Yea, Tony Ligi: Yea, Eugene Montgomery: Yea, Kevin Reinke: Yea, Steven Werner: Yea
Yea: 8, Nay: 0, Absent: 6



2023 Depopulation Round 18

2023 Offering and Selection Criteria Applied

For each of the policies selected by companies participating in this year's depopulation, an evaluation of risk was completed from the following two perspectives:



Individual Level

A policy's expected annual loss from a PCS event (hurricane, severe convective storm, etc.) was estimated based on a 50/50 blend of RMS and AIR modeling



Portfolio Level

Taking into consideration the geographic concentration of LCPIC's total book of business, each policy was ranked based on its contribution to the 100 and 250 year Probable Maximum Loss ("PML") relative to its premium

The portion of selected policies offered to each company participating was based on the two risk views above along with LCPIC's consideration of the level of depopulation that would be most beneficial.

Note that the scientific approach to depopulation discussed above allows LCPIC to generate a higher percentage reduction in reinsurance costs relative to the percentage of premium lost. In addition, the metrics of risk are different for each company based on models used, geographic concentration, ratemaking, reinsurance structure, and numerous other considerations.

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.”

Board approved plan for 2023 Round 18 offering:

- 1. Allow companies to review LCPIC’s full book of business
- 2. Companies submit requested policies
- 3. LCPIC analyzes requested policies to project the financial impact
- 4. Present to the board in July which policies will be offered

Proposed offering based on risk evaluations of requested policies

<u>Company</u>	<u>Requested</u>	<u>Proposed to be Offered*</u>
Safepoint Insurance	26,365	19,689
Cajun Underwriters Reciprocal Exchange	26,365	19,689
Distinct Total Policies	26,365	19,689

*Consideration based on 3/31/23 in-force policies geographic areas as well as LCPIC’s analysis of the impact to the expected hurricane Probable Maximum Loss



Round 18 Company List for Approval

Company:	LCPIC	Cajun Underwriters Reciprocal Exchange	Safepoint Insurance Company
NAIC #:	CZN-O	17321	15341
State of Domicile:	Louisiana	Louisiana	Florida
Date Admitted to Louisiana:	8/15/2003	6/15/2022	9/23/2015
<u>A.M. Best Rating:</u>			
2023	NR (Not Rated)	NR (Not Rated)	NR (Not Rated)
2022	NR (Not Rated)	NR (Not Rated)	NR (Not Rated)
2021	NR (Not Rated)	N/A	NR (Not Rated)
2020	NR (Not Rated)	N/A	B- (Fair)
2019	NR (Not Rated)	N/A	B- (Fair)
2018	NR (Not Rated)	N/A	B (Fair)
<u>Demotech Rating:</u>			
2023	N/A	A (Exceptional)	A (Exceptional)
2022	N/A	A (Exceptional)	A (Exceptional)
2021	N/A	N/A	A (Exceptional)
<u>NAIC Risk-Based Capital:</u>			
	2022 (\$000)	2022 (\$000)	2022 (\$000)
Total adjusted capital	\$77,089	\$14,085	\$42,622
Authorized control level risk-based capital	\$41,938	\$2,906	\$8,286
RBC % (total adjusted capital divided by authorized control level)	184%	485%	514%
<u>Financial Summary:</u>			
	As of December 31, 2022		
Total Assets	\$770,448	\$35,726	\$122,556
Total Liabilities	\$693,359	\$21,641	\$79,933
Total Policyholders' Surplus	\$77,089	\$14,085	\$42,623
Gross Premiums Written (Including Reinsurance Assumed)	\$424,637	\$58,297	\$314,452
	As of March 31, 2023		
Total Assets	\$828,548	\$64,750	\$121,862
Total Liabilities	\$699,888	\$42,962	\$70,308
Total Policyholders' Surplus	\$128,660	\$21,788	\$51,554
Gross Premiums Written (Including Reinsurance Assumed)	\$101,299	\$36,404	\$59,458

Round 18 Timeline – October 1, 2023 Assumption Date

Date	Activity	Activity Details
5/1/2023	LCPIC policy data file available to companies	<ul style="list-style-type: none"> Signed non-disclosure agreement required Initial data file available to download for data as of 4/30/2023
7/1/2023	Deadline for companies to submit list of requested policies and required documents to LCPIC	<ul style="list-style-type: none"> List of requested policies due from companies Louisiana Certificate of Authority and all required financial documents due to LCPIC LCPIC to analyze financial impact from requested policies and limit if necessary
7/13/2023	Board presentation of companies	Companies applying to participate in Round 18 will be presented to LCPIC board for approval
7/19/2023	Notification of board decision	LCPIC to notify companies of board decision for company participation and policies selected
7/19/2023	Agent authorization portal opening	<ul style="list-style-type: none"> Agents begin authorizing requested policies Authorization portal to close 8/31/2023 <p><i>*Proof of approved forms and rates must be sent to LCPIC.</i> <i>*Coverage comparison worksheet(s) must be submitted to LCPIC prior to agent authorization.</i></p>
8/31/2023	Agent authorization portal closing	Final day for agent authorizations.
9/8/2023	Final assumption list	Finalize assumption list of policies and send to companies.
9/18/2023	Assumption documents	<ul style="list-style-type: none"> LCPIC to send assumption agreement to companies. LCPIC to send letter of assumption to policyholders. Companies to send assumption certificate to policyholders by 9/30/2023.
10/1/2023	Assumption period begins	<ul style="list-style-type: none"> Authorized policy files transferred to companies.
10/1/2023–12/31/2023	Opt-out period	<ul style="list-style-type: none"> Policyholders have until 12/31/2023 to opt-out of assumption. LCPIC will continue to renew assumed policies renewing before 1/1/2024
1/1/2024	Companies renewals start	<ul style="list-style-type: none"> Renewals to be issued by assuming company.



2023 Round 18 Depopulation Timeline Next Steps

- Agents will be able to authorize policies to approved companies starting July 19, 2023 thru August 31, 2023.
- Coverage comparison worksheets and summary of company financials will be available on the website for agents.
- System will close to agents and companies August 31, 2023.
- Assumption notification will be sent out to agents and policyholders by September 18, 2023.
- Policyholders have until December 31, 2023 to opt-out.
- Policies renew with assuming companies beginning January 1, 2024.



2023 Depopulation Round 19

Proposed Round 19 Timeline – Assumption Date of April 1, 2024 (Tentative)

Date	Activity	Activity Details
11/1/2023	LCPIC policy data file available to companies	<ul style="list-style-type: none"> Signed non-disclosure agreement required Initial data file available to download for data as of 10/31/2023
12/15/2023	Deadline for companies to submit list of requested policies and required documents to LCPIC	<ul style="list-style-type: none"> List of requested policies due from companies Louisiana Certificate of Authority and all required financial documents due to LCPIC LCPIC to analyze financial impact from requested policies and limit if necessary
1/11/2024	Board presentation of companies	Companies applying to participate in Round 19 will be presented to LCPIC board for approval
1/12/2024	Notification of board decision	LCPIC to notify companies of board decision for company participation and policies selected
1/15/2024	Agent authorization portal opening	<ul style="list-style-type: none"> Agents begin authorizing requested policies Authorization portal to close 2/29/2024 <p><i>*Proof of approved forms and rates must be sent to LCPIC.</i> <i>*Coverage comparison worksheet(s) must be submitted to LCPIC prior to agent authorization.</i></p>
2/29/2024	Agent authorization portal closing	Authorization portal to close at 4 pm CST.
3/8/2024	Final assumption list	Finalize assumption list of policies and send to companies.
3/18/2024	Assumption documents	<ul style="list-style-type: none"> LCPIC to send assumption agreement to companies. LCPIC to send letter of assumption to policyholders. Companies to send assumption certificate to policyholders by 3/31/2024.
4/1/2024	Assumption period begins	<ul style="list-style-type: none"> Authorized policy files transferred to companies.
4/1/2024–6/30/2024	Opt-out period	<ul style="list-style-type: none"> Policyholders have until 6/30/2024 to opt-out of assumption. LCPIC will continue to renew assumed policies renewing before 7/01/2024.
7/1/2024	Companies renewals start	<ul style="list-style-type: none"> Renewals to be issued by assuming company.





COMMERCIAL RATE REVIEW

July 18th, 2023 Board of Directors Meeting

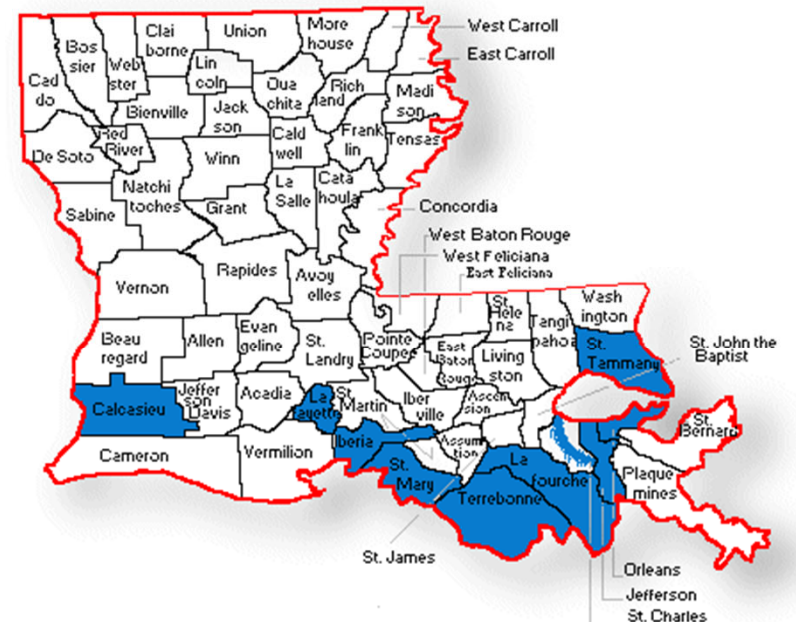
Current Book of Commercial Policies

June 30, 2023 Total Policies: 8,316

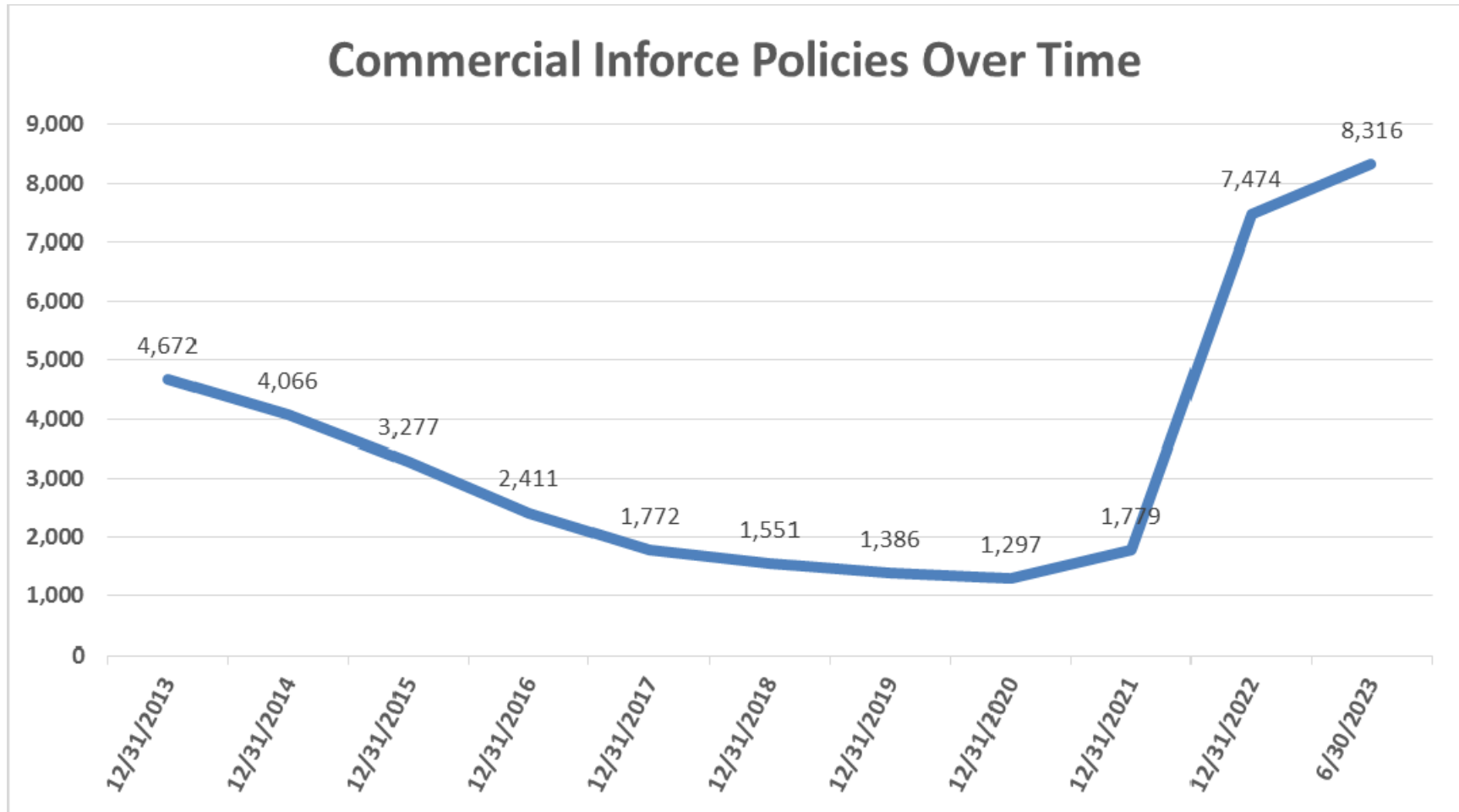
Total Insured Value: \$10 Billion

Ten Largest Parishes by Premium Volume (85% of Overall Commercial Premium)

<u>Parish</u>	<u>Inforce Premium</u>	<u>Policies</u>
Jefferson	29,619,922	1,894
Orleans	29,295,914	1,981
Terrebonne	11,961,662	803
Lafourche	7,378,782	511
St. Tammany	6,134,080	403
Calcasieu	5,483,187	250
St. Mary	4,541,946	428
Lafayette	3,552,638	213
Iberia	2,773,208	242
St. Charles	2,598,947	160



Commercial Inforce Policies Over Time



Growth by Policy Type

Policy Type	12/31/21 Inforce Policies	12/31/22 Inforce Policies	6/30/23 Inforce Policies
Commercial	698	2,389	2,289
Commercial Builders Risk / Renovations	29	91	54
Commercial Builders Risk Renovations Wind & Hail	3	7	5
Commercial Wind & Hail	1,039	4,987	5,968
Total	1,779	7,474	8,316

Average Coverage Value per Risk

12/31/21 Coverage Value	12/31/22 Coverage Value	6/30/23 Coverage Value
\$366,055	\$610,411	\$643,548

Recent Commercial Rate Changes

Effective Date	Overall Rate Change
2/1/15	-0.2%
8/15/15 *	+9.5% *
2/1/16	-8.7%
2/1/17	-5.9%
2/1/18	-5.2%
2/1/19	-8.3%
2/1/20	+0.2%
2/1/21	+2.7%
2/1/22	+6.8%
11/1/22	+72.4%

* Rate impact from the sun setting of a Louisiana statute which excluded 12 parishes from +10% rate requirement

Given the concentration of LCPIC's policies near the coast, rate changes are primarily driven by the fluctuation in the cost of reinsurance.

Commercial Rate Review

- ❖ Expected Commercial premium needed is based on the projection of the following categories of loss & expense listed in order of significance:

<u>Loss/Expense Category</u>	<u>Basis of Estimate</u>
Reinsurance Expense	Actual 2023 contracts
Catastrophe (PCS Event) Loss & ALAE	50/50 blend of RMS and AIR catastrophe models
Operating Expense	LCPIC historical expense ratios
Non-Catastrophe Loss & ALAE	Most recent five years of LCPIC claims

Proposed Commercial Rate Change Proposed to be Effective 11/1/23

The continuation of a hardening reinsurance market is driving a proposed rate change of 2.3% overall

Plan	Rate Change Indication	6-30-23 Inforce Policies	6-30-23 Average Premium per Risk
FAIR	3.0%	8,007	\$7,460
Coastal	-6.8%	309	\$11,750

Commercial Rate Review

Proposed Schedule to Implement

- **July 18th - Board meeting**
 - Vote to submit rates to the Department of Insurance
- **July / August**
 - Department of Insurance review of rate filing
 - Rates implemented if approved by DOI within +/-0.5% (*Provides LCPIC the time necessary for programming changes and meeting deadlines with respect to annual rate change required by statute*)
- **September – Board meeting**
 - Update on final rate change approved by DOI
 - Vote to implement only if rates changed materially (+/- 0.5%) since July board meeting
- **November 1st - Rates effective**

Appendix

Louisiana Citizens Property Insurance Corporation
Indicated Commercial Rate Changes

(1)	<u>2022 Direct Earned Premium</u> (2)	<u>Actuarial Indications</u> (3)	<u>R.S. 22:2303 Adjustment</u> (4)	<u>R.S. 22:2303 Indications</u> (5)
FAIR Plan	\$ 43,948,900	-6.4%	1.10	3.0%
Coastal Plan	<u>\$ 3,299,313</u>	<u>-15.3%</u>	1.10	<u>-6.8%</u>
Statewide Total	\$ 47,248,213	-7.0%		2.3%

(2) See Exhibit 5 for FAIR, Exhibit 6 for Coastal

(3) See Exhibit 3, Page 1 for FAIR, Exhibit 4, Page 1 for Coastal

(4) Factor to adjust to 10% above according to Louisiana statutes.

(5) $\{[1 + (3)] * (4)\} - 1$

Louisiana Citizens Property Insurance Corporation
2022 Earned Premium Distribution

Plan / Parish	2022 Earned Premium (1)
FAIR Plan	
Acadia	358,112
Allen	75,081
Ascension	580,525
Assumption	114,827
Avoyelles	4,515
Beauregard	56,248
Bienville	-
Bossier	72,896
Caddo	172,430
Calcasieu	2,401,010
Caldwell	-
Cameron	142,176
Catahoula	11,866
Claiborne	-
Concordia	-
DeSoto	3,439
East Baton Rouge	900,403
East Carroll	-
East Feliciana	14,935
Evangeline	50,304
Franklin	778
Grant	-
Iberia	1,003,125
Iberville	25,898
Jackson	-
Jefferson	10,859,639
Jefferson Davis	459,935
Lafayette	975,790
Lafourche	1,442,962
La Salle	3,971
Lincoln	-
Livingston	114,010
Madison	20,727
Morehouse	-
Natchitoches	442
Orleans	10,387,632
Ouachita	4,329
Plaquemines	660,109
Pointe Coupee	16,465
Rapides	15,953
Red River	1,963
Richland	3,254
Sabine	324
Saint Bernard	758,261
Saint Charles	1,019,128
Saint Helena	9,006
Saint James	376,561
Saint John the Baptist	694,645
Saint Landry	217,647
Saint Martin	144,658
Saint Mary	1,631,587
Saint Tammany	2,190,476
Tangipahoa	508,503
Tensas	3,245
Terrebonne	4,859,133
Union	491
Vermilion	409,313
Vernon	1,616
Washington	40,063
Webster	3,437
West Baton Rouge	121,921
West Carroll	-
West Feliciana	3,136
Winn	-
Total	43,948,900

2022 Earned Premium Distribution

<u>Plan / Parish</u>	<u>2022 Earned Premium (1)</u>
<u>Coastal Plan</u>	
Cameron	138,809
Iberia	-
Jefferson	394,710
Lafourche	1,714,381
Orleans	53,552
Plaquemines	419,113
Saint Bernard	41,334
Saint Mary	21,698
Terrebonne	510,940
Vermilion	4,776
Total	3,299,313
TOTAL (FAIR + Coastal)	47,248,213

Notes:

(1) See Exhibit 5 for FAIR, Exhibit 6 for Coastal

Louisiana Citizens Property Insurance Corporation

Statewide Rate Level Indication

FAIR Plan - Commercial

Accident Year Ending December 31,	Trended On Level Earned Premium	Trended and Developed Total Incurred Losses Excluding CAT	Loss Ratio	Weights
(1)	(2)	(3)	(4)	(5)
2018	\$8,251,343	\$266,318	3.23%	NA
2019	7,134,901	137,644	1.93%	NA
2020	6,693,841	53,902	0.81%	NA
2021	9,793,165	77,270	0.79%	NA
2022	80,565,230	1,920,702	2.38%	NA
Total	\$112,438,480	\$2,455,836	2.18%	XXX

(6) Weighted Experience Non-Cat Loss & ALAE Ratio	2.18%
(7) Expected Non-Cat Loss & ALAE Ratio	1.80%
(8) Credibility	55.00%
(9) Credibility Weighted Non-Cat Loss Ratio	2.01%
(10) Expected Catastrophe Loss & ALAE	18.75%
(11) Variable portion of ULAE as % of Expected Catastrophe Loss & ALAE	0.00%
(12) Expected Catastrophe Loss, ALAE, and Variable ULAE	18.75%
(13) Wtd Non-CAT & Expected CAT Loss, ALAE, and Variable ULAE Ratio	20.76%
(14) Fixed Expense Ratio	6.00%
(15) Reinsurance Expense Loading	56.11%
(16) Variable Expenses	13.00%
(17) Investment Income	1.50%
(18) Credibility Weighted Indicated Rate Level Change	-6.40%
(19) Dollar Change	(\$5,156,175)

Notes:

- (2) See Exhibit 3, (Page 2 of 3), Column (6)
- (3) See Exhibit 3, (Page 3 of 3), Column (5)
- (4) $=[(3) / (2)]$
- (5) Based on judgment
- (6) Total line of column (4)
- (7) See Exhibit 15
- (8) Based on earned house years using 40,000 as fully credible, see Exhibit 14
- (9) $=(6)*(8)+[1-(8)]*(7)$
- (10) From Exhibit 17, item (8) (FAIR)
- (11) See Exhibit 16
- (12) $=(10)*(1+(11))$
- (13) $=(9)+(12)$
- (14) See Exhibit 16
- (15) See Exhibit 18
- (16) See Exhibit 16
- (17) See Exhibit 21
- (18) $=(13)+(14)+(15)/(1.0-(16)+(17))-1.0$

Louisiana Citizens Property Insurance Corporation

Adjustments to Earned Premium

FAIR Plan - Commercial

Accident Year Ending December 31,	Earned Premium	On Level Factors	On Level Earned Premium	Trend Factor	Trended On Level Earned Premium
(1)	(2)	(3)	(4)	(5)	(6)
2018	\$4,628,072	1.6108	\$7,454,762	1.1069	\$8,251,343
2019	\$3,720,932	1.7355	\$6,457,643	1.1049	7,134,901
2020	\$3,320,470	1.8258	\$6,062,449	1.1041	6,693,841
2021	\$4,900,622	1.8190	\$8,914,121	1.0986	9,793,165
2022	\$43,948,900	1.7649	\$77,563,931	1.0387	80,565,230
Total	\$60,518,997	XXX	\$106,452,906	XXX	\$112,438,480

Notes:

- (2) See Exhibit 5
- (3) $=[(4) / (2)]$
- (4) See Exhibit 5
- (5) See Exhibit 13, Column (6)
- (6) $[(4) \times (5)]$

Louisiana Citizens Property Insurance Corporation

Adjustment of Losses

FAIR Plan - Commercial

Accident Year Ending December 31,	Non- Catastrophe Incurred Losses as of 12/31/2022	Loss Development Factor	Current Cost Factor	Trended and Developed Total Incurred Losses Excluding CAT
(1)	(2)	(3)	(4)	(5)
2018	\$204,201	1.0040	1.2990	\$266,318
2019	\$110,499	1.0070	1.2370	137,644
2020	\$45,126	1.0140	1.1780	53,902
2021	\$66,992	1.0280	1.1220	77,270
2022	\$1,618,674	1.1100	1.0690	1,920,702
Total	\$2,045,492	XXX	XXX	\$2,455,836

Notes:

- (2) See Exhibit 7 (Includes ALAE)
- (3) See Exhibit 11
- (4) See Exhibit 12
- (5) =[(2) x (3) x (4)]

Louisiana Citizens Property Insurance Corporation

Statewide Rate Level Indication

Coastal Plan - Commercial

Accident Year Ending December 31,	Trended On Level Earned Premium	Trended and Developed Total Incurred Losses Excluding CAT	Loss Ratio	Weights
(1)	(2)	(3)	(4)	(5)
2018	\$2,143,553	\$43,955	2.05%	NA
2019	1,731,496	4,275	0.25%	NA
2020	1,805,178	35,303	1.96%	NA
2021	2,278,242	925	0.04%	NA
2022	6,412,378	0	0.00%	NA
Total	\$14,370,847	\$84,458	0.59%	XXX

(6) Weighted Experience Loss and Allocated Loss Adjustment Expense Ratio	0.59%
(7) Expected Non-Cat Loss Ratio	1.30%
(8) Credibility	15.82%
(9) Credibility Weighted Non-Cat Loss Ratio	1.19%
(10) Expected Catastrophe Loss & ALAE	13.46%
(11) Variable portion of ULAE as % of Expected Catastrophe Loss & ALAE	0.00%
(12) Expected Catastrophe Loss, ALAE, and Variable ULAE	13.46%
(13) Wtd Non-CAT & Expected CAT Loss, ALAE, and Variable ULAE Ratio	14.65%
(14) Fixed Expense Ratio	6.00%
(15) Reinsurance Expense Loading	54.28%
(16) Variable Expenses	13.00%
(17) Investment Income	1.50%
(18) Credibility Weighted Indicated Rate Level Change	-15.30%
(19) Dollar Change	(\$981,094)

Notes:

- (2) See Exhibit 4,(Page 2 of 3), Column(6)
- (3) See Exhibit 4, (Page 3 of 3), Column (5)
- (4) =[(3) / (2)]
- (5) Based on judgment.
- (6) Total line of column (4)
- (7) See Exhibit 15
- (8) Based on earned house years using 40,000 as fully credible, see Exhibit 14
- (9) =(6)*(8)+[1-(8)]*(7)
- (10) From Exhibit 17, item (8) (Coastal)
- (11) See Exhibit 16
- (12) =(10)*(1+(11))
- (13) =(9)+(12)
- (14) See Exhibit 16
- (15) See Exhibit 18
- (16) See Exhibit 16
- (17) See Exhibit 21
- (18) =(13)+(14)+(15))/(1.0-(16)+(17))-1.0
- (19) =(18)*2022 (2)

Louisiana Citizens Property Insurance Corporation

Adjustments to Earned Premium

Coastal Plan - Commercial

Accident Year Ending December 31,	Earned Premium	On Level Factors	On Level Earned Premium	Trend Factor	Trended On Level Earned Premium
(1)	(2)	(3)	(4)	(5)	(6)
2018	\$912,333	2.1227	\$1,936,615	1.1069	\$2,143,553
2019	\$720,027	2.1765	\$1,567,139	1.1049	1,731,496
2020	\$726,919	2.2491	\$1,634,906	1.1041	1,805,178
2021	\$967,209	2.1441	\$2,073,745	1.0986	2,278,242
2022	\$3,299,313	1.8711	\$6,173,497	1.0387	6,412,378
Total	\$6,625,800	XXX	\$13,385,902	XXX	\$14,370,847

Notes:

- (2) See Exhibit 6
- (3) $=[(4) / (2)]$
- (4) See Exhibit 6
- (5) See Exhibit 13, Column (6)
- (6) $[(4) \times (5)]$

Louisiana Citizens Property Insurance Corporation

Adjustment of Losses

Coastal Plan - Commercial

Accident Year Ending December 31,	Non- Catastrophe Incurred Losses as of 12/31/2022	Loss Development Factor	Current Cost Factor	Trended and Developed Total Incurred Losses Excluding CAT
(1)	(2)	(3)	(4)	(5)
2018	\$33,703	1.0040	1.2990	\$43,955
2019	\$3,432	1.0070	1.2370	4,275
2020	\$29,555	1.0140	1.1780	35,303
2021	\$802	1.0280	1.1220	925
2022	\$0	1.1100	1.0690	0
Total	\$67,491	XXX	XXX	\$84,458

Notes:

- (2) See Exhibit 8 (Includes ALAE)
- (3) See Exhibit 11
- (4) See Exhibit 12
- (5) =[(2) x (3) x (4)]

(1)	(2) Cumulative Rate Change History					(27)	(28)	(29)	(30)	(31)	(32) Trended Earned Premium at Current Rate Levels				(35)	(36)
	2/1/2015	8/15/2015	2/1/2016	2/1/2017	2/1/2018						2/1/2019	2/1/2020	2/1/2021	2/1/2022		
Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	-	
Acadia Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	14,255	22,997	38,164	118,507	656,476	
Allen Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	137,635	
Ascension Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	43,445	35,117	35,834	41,136	1,064,193	
Assumption Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	8,216	8,320	8,447	7,109	210,496	
Avoynes Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	2,427	8,276	
Beauregard Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	7,686	103,111	
Bienvenue Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	-	
Bossier Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	64	22,609	133,629	
Caddo Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	3,018	316,091	
Calcasieu Parish	1.508	1.474	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	310,871	318,223	309,907	1,237,129	4,401,428	
Caldwell Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	-	
Cameron Parish	1.508	1.474	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	76,986	73,756	69,216	139,434	260,631	
Catahoula Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	5,573	21,752	
Claiborne Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	-	
Concordia Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	-	
DeSoto Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	2	848	6,304	
East Baton Rouge Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	81,824	45,029	44,394	89,888	1,650,580	
East Carroll Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	-	
East Feliciana Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	6,571	27,379	
Evangeline Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	2,065	3,673	3,768	3,781	92,215	
Franklin Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	100	1,425	
Grant Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	-	
Iberia Parish	1.508	1.474	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	409,575	336,264	287,006	287,699	1,838,886	
Iberville Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	19,010	19,824	24,775	41,774	47,476	
Jackson Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	-	
Jefferson Parish	1.508	1.474	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	1,949,711	1,717,857	1,627,002	2,247,333	19,907,424	
Jefferson Davis Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	15,167	14,275	16,913	407,403	843,132	
Lafayette Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	128,928	118,553	116,768	229,009	1,788,776	
Lafourche Parish	1.508	1.474	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	460,800	416,595	380,110	412,852	2,645,176	
LaSalle Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	595	5,018	4,862	6,126	7,278	
Lincoln Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	-	
Livingston Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	17,686	17,624	3,045	22,806	208,999	
Madison Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	10,460	13,038	14,241	10,838	37,996	
Morehouse Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	-	
Natchitoches Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	811	
Orleans Parish	1.508	1.474	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	1,534,416	1,296,508	1,224,191	1,550,663	19,042,160	
Ouachita Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	424	-	-	-	7,936	
Plaquemines Parish	1.508	1.474	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	321,585	218,664	200,912	233,576	1,210,084	
Pointe Coupee Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	5,888	5,616	5,435	6,037	30,183	
Rapides Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	6,841	8,222	31,301	33,888	29,344	
Red River Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	3,599	
Richland Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	5,965	
Sabine Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	593	
Saint Bernard Parish	1.508	1.474	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	336,917	278,231	219,386	235,402	1,390,011	
Saint Charles Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	53,849	47,329	43,103	41,952	1,868,222	
Saint Helena Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	178	161	32	-	16,509	
Saint James Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	59,448	58,746	50,000	49,825	690,296	
Saint John Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	31,311	29,120	26,801	103,188	1,273,393	
Saint Landry Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	17,326	398,980	
Saint Martin Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	20,282	18,143	20,036	44,612	265,181	
Saint Mary Parish	1.508	1.474	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	744,824	664,150	702,332	747,805	2,990,955	
Saint Tammany Parish	1.508	1.474	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	278,087	224,167	195,806	215,487	4,015,485	
Tangipahoa Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	27,903	27,793	35,922	55,551	932,166	
Tensas Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	1,451	1,426	1,482	1,132	5,949	
Terrebonne Parish	1.508	1.474	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	951,468	777,558	694,590	830,181	8,907,553	
Union Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	901	
Vermilion Parish	1.508	1.474	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	307,937	300,815	247,166	260,405	750,334	
Vernon Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	2,962	
Washington Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	13,574	12,086	10,828	10,587	73,442	
Webster Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	5,362	-	-	3,282	6,300	
West Baton Rouge Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	223,500	
West Carroll Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	-	
West Feliciana Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	609	5,749	
Winn Parish	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	-	
NULL	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	-	
Unknown	1.371	1.340	1.340	1.470	1.572	1.665	1.833	1.817	1.821	1.711	-	-	-	-	-	
Total	0.876	0.857	0.784	0.859	0.919	0.974	1.072	1.062	1.065	1.711	8,251,339	7,134,898	6,693,841	9,793,164	80,565,227	

(37) Trend Factors 1.106855347 1.104876992 1.104147942 1.098612559 1.03869452

Coastal Plan Earned Premium

(1)	(2) Actual Earned Premium					(7) Earned Premium at Current Rate Levels					(12) Rate Change History									
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022	2/1/2015	8/15/2015	2/1/2016	2/1/2017	2/1/2018	2/1/2019	2/1/2020	2/1/2021	2/1/2022	
Acadia Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Allen Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Ascension Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Assumption Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Avoyelles Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Beauregard Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Bienville Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Bossier Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Caddo Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Calcasieu Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	10.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Caldwell Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Cameron Parish	29,124	30,864	29,199	50,358	138,809	61,822	67,175	65,672	107,970	259,732	-17.50%	10.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Catahoula Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Claiborne Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Concordia Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
DeSoto Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
East Baton Rouge Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
East Carroll Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
East Feliciana Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Evangeline Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Franklin Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Grant Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Iberia Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	10.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Iberville Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Jackson Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Jefferson Parish	100,467	90,533	151,897	203,228	394,710	213,262	197,046	341,630	435,732	738,560	-17.50%	10.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Jefferson Davis Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Lafayette Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Lafourche Parish	369,750	324,957	277,511	350,559	1,714,381	784,870	707,268	624,146	751,616	3,207,857	-17.50%	10.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
LaSalle Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Lincoln Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Livingston Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Madison Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Morehouse Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Natchitoches Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Orleans Parish	4,050	3,865	3,746	4,406	53,552	8,597	8,411	8,426	9,447	100,203	-17.50%	10.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Ouachita Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Plaquemines Parish	238,109	205,504	205,035	286,988	419,113	505,434	447,279	461,142	615,317	784,222	-17.50%	10.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Pointe Coupee Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Rapides Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Red River Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Richland Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Sabine Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Saint Bernard Parish	6,215	6,019	5,851	1,555	41,334	13,193	13,100	13,160	3,333	77,343	-17.50%	10.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Saint Charles Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Saint Helena Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Saint James Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Saint John Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Saint Landry Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Saint Martin Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Saint Mary Parish	2,952	2,858	2,780	2,965	21,698	6,267	6,221	6,253	6,357	40,600	-17.50%	10.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Saint Tammany Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	10.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Tangipahoa Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Tensas Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Terrebonne Parish	161,666	55,428	50,899	67,150	510,940	343,170	120,639	114,477	143,973	956,044	-17.50%	10.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Union Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Vermilion Parish	-	-	-	-	4,776	-	-	-	-	8,936	-17.50%	10.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Vernon Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Washington Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Webster Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
West Baton Rouge Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
West Carroll Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
West Feliciana Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Winn Parish	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
NULL	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Unknown	-	-	-	-	-	-	-	-	-	-	-17.50%	0.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	
Total	912,333	720,027	726,919	967,209	3,299,313	1,936,615	1,567,139	1,634,906	2,073,745	6,173,497	-17.50%	10.00%	-7.93%	-0.23%	-1.77%	-3.42%	-2.98%	17.70%	8.46%	

(2) - (6) - Actual Earned Premium.

(22)-(31) - Cumulative product of (12)-(21)

(7) - (11) - Calculated as (2)-(6) multiplied by the appropriate on-level factors from Exhibit 9

(32)-(36) - Calculated as (7)-(11) multiplied by the appropriate trend factor in (37)

(12)-(21) - Source: Company Records

(37) See Exhibit 13

(1)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)		
	11/1/2022	Cumulative Rate Change History			2/1/2017	2/1/2018	2/1/2019	2/1/2020	2/1/2021	2/1/2022	11/1/2022	Trended Earned Premium at Current Rate Levels						
		2/1/2015	8/15/2015	2/1/2016								2018	2019	2020	2021	2022		
Acadia Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Allen Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Ascension Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Assumption Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Avoyelles Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Beauregard Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Bienville Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Bossier Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Caddo Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Calcasieu Parish	79.30%	1.756	2.129	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Caldwell Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Cameron Parish	79.30%	1.756	2.129	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	68,428	74,220	72,512	118,617	269,782		
Catahoula Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Claiborne Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Concordia Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
DeSoto Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
East Baton Rouge Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
East Carroll Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
East Feliciana Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Evangeline Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Franklin Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Grant Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Iberia Parish	79.30%	1.756	2.129	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Iberville Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Jackson Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Jackson Parish	79.30%	1.756	2.129	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	236,050	217,712	377,210	478,701	767,138		
Jefferson Davis Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Lafayette Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Lafourche Parish	79.30%	1.756	2.129	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	868,738	781,444	689,150	825,735	3,331,983		
LaSalle Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Lincoln Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Livingston Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Madison Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Morehouse Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Natchitoches Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Orleans Parish	79.30%	1.756	2.129	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	9,516	9,293	9,304	10,379	104,080		
Ouachita Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Plaquemines Parish	79.30%	1.756	2.129	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	559,442	494,188	509,169	675,995	814,567		
Pointe Coupee Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Rapides Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Red River Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Richland Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Sabine Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Saint Bernard Parish	79.30%	1.756	2.129	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	14,603	14,474	14,531	3,662	80,336		
Saint Charles Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Saint Helena Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Saint James Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Saint John Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Saint Landry Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Saint Martin Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Saint Mary Parish	79.30%	1.756	2.129	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	6,937	6,873	6,904	6,984	42,171		
Saint Tammany Parish	79.30%	1.756	2.129	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Tangipahoa Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Tensas Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Terrebonne Parish	79.30%	1.756	2.129	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	379,840	133,291	126,400	158,171	993,038		
Union Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Vermilion Parish	79.30%	1.756	2.129	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	9,282		
Vernon Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Washington Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Webster Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
West Baton Rouge Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
West Carroll Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
West Feliciana Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Winn Parish	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
NULL	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Unknown	79.30%	1.597	1.935	1.935	2.102	2.107	2.145	2.221	2.289	1.945	1.793	-	-	-	-	-		
Total	79.30%	0.980	1.187	1.079	1.172	1.175	1.196	1.239	1.277	1.085	1.793	2,143,554	1,731,495	1,805,180	2,278,244	6,412,377		
												(37)	Trend Factors	1.10685535	1.104876992	1.104147942	1.098612559	1.03869452

FAIR Plan Incurred Losses and ALAE

(1)	(2) Incurred Losses and ALAE					(7) Trended Ultimate Losses and ALAE					(12) 2018-2022 Claim Count
	(3) 2018	(3) 2019	(4) 2020	(5) 2021	(6) 2022	(8) 2018	(8) 2019	(9) 2020	(10) 2021	(11) 2022	
	Acadia Parish	-	-	-	-	-	-	-	-	-	
Allen Parish	-	-	-	-	-	-	-	-	-	-	-
Ascension Parish	-	-	-	29,616	28,129	-	-	-	34,160	33,377	3
Assumption Parish	-	-	-	-	15,158	-	-	-	-	17,986	2
Avoyelles Parish	-	-	-	-	-	-	-	-	-	-	-
Beauregard Parish	-	-	-	-	-	-	-	-	-	-	-
Bienville Parish	-	-	-	-	-	-	-	-	-	-	-
Bossier Parish	-	-	-	-	-	-	-	-	-	-	-
Caddo Parish	-	-	-	-	-	-	-	-	-	-	1
Calcasieu Parish	-	-	15,476	-	24,293	-	-	18,486	-	28,825	5
Caldwell Parish	-	-	-	-	-	-	-	-	-	-	-
Cameron Parish	-	-	-	-	-	-	-	-	-	-	-
Catahoula Parish	-	-	-	-	-	-	-	-	-	-	-
Claiborne Parish	-	-	-	-	-	-	-	-	-	-	-
Concordia Parish	-	-	-	-	-	-	-	-	-	-	-
DeSoto Parish	-	-	-	-	-	-	-	-	-	-	-
East Baton Rouge Parish	-	-	-	241	94,597	-	-	-	277	112,247	5
East Carroll Parish	-	-	-	-	-	-	-	-	-	-	-
East Feliciana Parish	-	-	-	-	-	-	-	-	-	-	-
Evangeline Parish	-	-	-	-	-	-	-	-	-	-	-
Franklin Parish	-	-	-	-	-	-	-	-	-	-	-
Grant Parish	-	-	-	-	-	-	-	-	-	-	-
Iberia Parish	-	14,052	-	-	446,020	-	17,504	-	-	529,243	5
Iberville Parish	-	-	9,667	269	-	-	-	11,547	310	-	3
Jackson Parish	-	-	-	-	-	-	-	-	-	-	-
Jefferson Parish	503	-	2,135	451	282,805	656	-	2,550	520	335,573	28
Jefferson Davis Parish	-	-	-	-	-	-	-	-	-	-	-
Lafayette Parish	2,881	51	-	1	1	3,758	64	-	1	1	5
LaFourche Parish	-	-	5,596	-	-	-	-	6,684	-	-	3
LaSalle Parish	-	-	-	-	-	-	-	-	-	-	-
Lincoln Parish	-	-	-	-	-	-	-	-	-	-	-
Livingston Parish	-	-	-	-	-	-	-	-	-	-	-
Madison Parish	4,906	295	-	-	-	6,398	367	-	-	-	2
Morehouse Parish	-	-	-	-	-	-	-	-	-	-	-
Natchitoches Parish	-	-	-	-	-	-	-	-	-	-	-
Orleans Parish	4,371	-	1,657	2,367	50,768	5,701	-	1,979	2,730	60,240	20
Ouachita Parish	-	-	-	-	-	-	-	-	-	-	1
Plaquemines Parish	128	77,156	-	-	-	167	96,109	-	-	-	2
Pointe Coupee Parish	-	-	-	-	-	-	-	-	-	-	-
Rapides Parish	1	-	-	-	-	1	-	-	-	-	1
Red River Parish	-	-	-	-	-	-	-	-	-	-	-
Richland Parish	-	-	-	-	-	-	-	-	-	-	-
Sabine Parish	-	-	-	-	-	-	-	-	-	-	-
Saint Bernard Parish	-	-	-	-	7,055	-	-	-	-	8,371	1
Saint Charles Parish	-	-	-	-	-	-	-	-	-	-	-
Saint Helena Parish	-	-	-	-	-	-	-	-	-	-	-
Saint James Parish	-	-	-	-	-	-	-	-	-	-	-
Saint John Parish	-	-	-	-	544,809	-	-	-	-	646,465	1
Saint Landry Parish	-	-	-	-	334	-	-	-	-	396	1
Saint Martin Parish	-	-	-	-	330	-	-	-	-	391	1
Saint Mary Parish	166,365	1,483	10,595	13,029	12,238	216,973	1,848	12,656	15,028	14,521	8
Saint Tammany Parish	419	-	-	2,441	111,860	547	-	-	2,815	132,732	4
Tangipahoa Parish	-	-	-	292	-	-	-	-	337	-	2
Tensas Parish	-	-	-	-	-	-	-	-	-	-	-
Terrebonne Parish	-	268	-	-	-	-	334	-	-	-	1
Union Parish	-	-	-	-	-	-	-	-	-	-	-
Vermilion Parish	3,688	17,194	-	-	280	4,810	21,418	-	-	332	5
Vernon Parish	-	-	-	-	-	-	-	-	-	-	-
Washington Parish	-	-	-	18,286	-	-	-	-	21,092	-	1
Webster Parish	20,939	-	-	-	-	27,308	-	-	-	-	1
West Baton Rouge Parish	-	-	-	-	-	-	-	-	-	-	-
West Carroll Parish	-	-	-	-	-	-	-	-	-	-	-
West Feliciana Parish	-	-	-	-	-	-	-	-	-	-	-
Winn Parish	-	-	-	-	-	-	-	-	-	-	-
Null	-	-	-	-	-	-	-	-	-	-	-
Total	204,201	110,499	45,126	66,992	1,618,674	266,319	137,644	53,902	77,270	1,920,700	112

(13) Loss Development Factors 1.0040 1.0070 1.0140 1.0280 1.1100
 (14) Trend Factors 1.2990 1.2370 1.1780 1.1220 1.0690

(2) - (6) Source: LC PIC Data
 (7) - (11) Based upon (2) through (6) adjusted by the appropriate LDF in (13) and the appropriate trend in (14)
 (12) Source: LC PIC Data
 (13) See Exhibit 11
 (14) See Exhibit 12

Coastal Plan Incurred Losses and ALAE

(1)	(2) - (6)					(7) - (11)					(12)	
	Incurred Losses and ALAE					Trended Ultimate Losses and ALAE					2018-2022 Claim Count	
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022		
Cameron Parish	-	-	-	-	-	-	-	-	-	-	-	
Iberia Parish	-	-	-	-	-	-	-	-	-	-	-	
Jefferson Parish	-	-	254	-	-	-	-	304	-	-	1	
Lafourche Parish	51	-	29,301	-	-	66	-	34,999	-	-	3	
Orleans Parish	-	-	-	-	-	-	-	-	-	-	-	
Plaquemines Parish	2,754	16	-	802	-	3,591	19	-	925	-	3	
Saint Bernard Parish	-	-	-	-	-	-	-	-	-	-	-	
Saint Mary Parish	-	-	-	-	-	-	-	-	-	-	-	
Terbonne Parish	30,898	3,417	-	-	-	40,297	4,256	-	-	-	3	
Vermilion Parish	-	-	-	-	-	-	-	-	-	-	-	
Totals	33,703	3,432	29,555	802	-	43,954	4,275	35,303	925	-	10	
		(13)	Loss Development Factors				1.0040	1.0070	1.0140	1.0280	1.1100	
		(14)	Trend Factors				1.2990	1.2370	1.1780	1.1220	1.0690	

(2) - (6) Source: LCPIC Data

(7) - (11) Based upon (2) through (6) adjusted by the appropriate LDF in (13) and the appropriate trend in (14)

(12) Source: LCPIC Data

(13) See Exhibit 11

(14) See Exhibit 12

FAIR Plan Premium On-Level Factors

<u>Parish</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Acadia Parish	1.6108	1.7355	1.8258	1.8190	1.7649
Allen Parish	1.0000	1.0000	1.0000	1.0000	1.7649
Ascension Parish	1.6108	1.7355	1.8258	1.8190	1.7649
Assumption Parish	1.6107	1.7354	1.8259	1.8189	1.7649
Avoyelles Parish	1.0000	1.0000	1.0000	1.8187	1.7649
Beauregard Parish	1.0000	1.0000	1.0000	1.8189	1.7649
Bienville Parish	1.0000	1.0000	1.0000	1.0000	1.0000
Bossier Parish	1.0000	1.0000	1.8193	1.8190	1.7649
Caddo Parish	1.0000	1.0000	1.0000	1.8193	1.7649
Calcasieu Parish	1.6108	1.7355	1.8258	1.8190	1.7649
Caldwell Parish	1.0000	1.0000	1.0000	1.0000	1.0000
Cameron Parish	1.6108	1.7355	1.8258	1.8190	1.7649
Catahoula Parish	1.0000	1.0000	1.0000	1.8190	1.7649
Claiborne Parish	1.0000	1.0000	1.0000	1.0000	1.0000
Concordia Parish	1.0000	1.0000	1.0000	1.0000	1.0000
DeSoto Parish	1.0000	1.0000	1.7241	1.8196	1.7650
East Baton Rouge Parish	1.6108	1.7355	1.8258	1.8190	1.7649
East Carroll Parish	1.0000	1.0000	1.0000	1.0000	1.0000
East Feliciana Parish	1.0000	1.0000	1.0000	1.8190	1.7649
Evangeline Parish	1.6106	1.7356	1.8255	1.8189	1.7649
Franklin Parish	1.0000	1.0000	1.0000	1.8251	1.7646
Grant Parish	1.0000	1.0000	1.0000	1.0000	1.0000
Iberia Parish	1.6108	1.7355	1.8258	1.8190	1.7649
Iberville Parish	1.6108	1.7355	1.8258	1.8190	1.7649
Jackson Parish	1.0000	1.0000	1.0000	1.0000	1.0000
Jefferson Parish	1.6108	1.7355	1.8258	1.8190	1.7649
Jefferson Davis Parish	1.6108	1.7355	1.8257	1.8190	1.7649
Lafayette Parish	1.6108	1.7355	1.8258	1.8190	1.7649
Lafourche Parish	1.6108	1.7355	1.8258	1.8190	1.7649
LaSalle Parish	1.6121	1.7356	1.8257	1.8189	1.7648
Lincoln Parish	1.0000	1.0000	1.0000	1.0000	1.0000
Livingston Parish	1.6108	1.7355	1.8261	1.8190	1.7649
Madison Parish	1.6107	1.7355	1.8258	1.8189	1.7649
Morehouse Parish	1.0000	1.0000	1.0000	1.0000	1.0000
Natchitoches Parish	1.0000	1.0000	1.0000	1.0000	1.7655
Orleans Parish	1.6108	1.7355	1.8258	1.8190	1.7649
Ouachita Parish	1.6109	1.0000	1.0000	1.0000	1.7649
Plaquemines Parish	1.6108	1.7355	1.8258	1.8190	1.7649
Pointe Coupee Parish	1.6107	1.7356	1.8257	1.8188	1.7649
Rapides Parish	1.6107	1.7356	1.8258	1.8190	1.7649

FAIR Plan Premium On-Level Factors

<u>Parish</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Red River Parish	1.0000	1.0000	1.0000	1.0000	1.7650
Richland Parish	1.0000	1.0000	1.0000	1.0000	1.7648
Sabine Parish	1.0000	1.0000	1.0000	1.0000	1.7634
Saint Bernard Parish	1.6108	1.7355	1.8258	1.8190	1.7649
Saint Charles Parish	1.6108	1.7355	1.8258	1.8190	1.7649
Saint Helena Parish	1.6100	1.7303	1.8566	1.0000	1.7649
Saint James Parish	1.6108	1.7355	1.8258	1.8190	1.7649
Saint John Parish	1.6108	1.7355	1.8258	1.8190	1.7649
Saint Landry Parish	1.0000	1.0000	1.0000	1.8190	1.7649
Saint Martin Parish	1.6108	1.7355	1.8257	1.8190	1.7649
Saint Mary Parish	1.6108	1.7355	1.8258	1.8190	1.7649
Saint Tammany Parish	1.6108	1.7355	1.8258	1.8190	1.7649
Tangipahoa Parish	1.6108	1.7355	1.8258	1.8190	1.7649
Tensas Parish	1.6107	1.7354	1.8261	1.8191	1.7647
Terrebonne Parish	1.6108	1.7355	1.8258	1.8190	1.7649
Union Parish	1.0000	1.0000	1.0000	1.0000	1.7658
Vermilion Parish	1.6108	1.7355	1.8258	1.8190	1.7649
Vernon Parish	1.0000	1.0000	1.0000	1.0000	1.7646
Washington Parish	1.6107	1.7355	1.8258	1.8190	1.7649
Webster Parish	1.6109	1.0000	1.0000	1.8191	1.7648
West Baton Rouge Parish	1.0000	1.0000	1.0000	1.0000	1.7649
West Carroll Parish	1.0000	1.0000	1.0000	1.0000	1.0000
West Feliciana Parish	1.0000	1.0000	1.0000	1.8206	1.7649
Winn Parish	1.0000	1.0000	1.0000	1.0000	1.0000
NULL	1.0000	1.0000	1.0000	1.0000	1.0000
Unknown	1.0000	1.0000	1.0000	1.0000	1.0000
Total	1.6108	1.7355	1.8258	1.8190	1.7649

The on-level factors are determined by the parallelogram method.

Coastal Plan Premium On-Level Factors

<u>Coastal Parishes</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Cameron Parish	2.1227	2.1765	2.2491	2.1440	1.8711
Iberia Parish	1.0000	1.0000	1.0000	1.0000	1.0000
Jefferson Parish	2.1227	2.1765	2.2491	2.1441	1.8711
Lafourche Parish	2.1227	2.1765	2.2491	2.1441	1.8711
Orleans Parish	2.1226	2.1764	2.2491	2.1442	1.8711
Plaquemines Parish	2.1227	2.1765	2.2491	2.1441	1.8711
Saint Bernard Parish	2.1227	2.1765	2.2491	2.1440	1.8712
Saint Mary Parish	2.1227	2.1766	2.2491	2.1440	1.8712
Terrebonne Parish	2.1227	2.1765	2.2491	2.1441	1.8711
Vermilion Parish	1.0000	1.0000	1.0000	1.0000	1.8711
Total	2.1227	2.1765	2.2491	2.1441	1.8711

The on-level factors are determined by the parallelogram method.

Louisiana Citizens Property Insurance Corporation
 Special Property
 Gross Basis
 Non-CAT Only
 Evaluation As Of December 31, 2022

Gross Reported Loss Development Factors

Loss & DCEE	AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204
2004		9,092,790	10,665,851	10,633,649	10,548,402	10,527,339	10,573,631	10,571,881	10,563,032	10,563,032	10,563,032	10,563,032	10,563,032	10,563,032	10,562,973	10,562,973	10,562,973	10,562,973
2005		66,353,892	31,302,626	33,661,669	33,239,617	34,481,906	34,613,496	34,969,944	35,779,205	35,382,517	35,378,535	35,380,714	35,380,610	34,444,130	34,444,130	34,444,130	34,444,130	34,444,129
2006		12,699,757	18,466,305	18,794,556	19,006,143	19,114,396	19,349,755	19,394,093	19,401,219	19,503,067	19,507,171	19,481,499	19,481,562	19,481,562	19,481,562	19,481,562	19,481,259	19,481,259
2007		17,992,125	18,676,643	18,736,188	18,778,045	18,829,301	18,852,512	18,867,361	18,877,406	19,147,076	19,146,948	19,146,798	19,146,798	19,146,798	19,146,798	19,146,798	19,146,798	19,146,798
2008		17,837,031	20,183,363	21,835,187	22,168,392	22,398,298	22,444,296	22,256,818	22,260,958	22,272,971	22,262,654	22,263,459	22,150,044	22,045,044	22,133,044	22,133,044		
2009		17,303,707	18,094,891	18,081,692	18,115,210	18,108,299	18,118,758	18,131,767	18,088,900	18,074,596	18,074,596	18,074,596	18,074,596	18,074,596	18,074,596	18,082,101		
2010		15,907,231	17,595,821	18,042,669	18,006,075	17,977,803	17,981,901	17,979,988	17,979,988	17,979,988	17,979,988	17,979,988	17,979,988	17,979,988	17,979,988			
2011		15,275,403	16,011,346	16,136,735	16,409,778	16,435,541	16,543,846	16,592,971	16,624,802	16,622,834	16,622,727	16,622,507	16,622,457					
2012		12,894,805	13,900,309	13,903,425	13,996,566	13,997,799	13,845,579	13,874,477	13,828,139	13,828,366	13,828,366	13,828,366						
2013		13,123,423	13,668,261	13,800,546	13,823,688	13,629,630	13,644,514	13,638,212	13,637,812	13,637,960	13,637,960							
2014		11,986,663	12,466,627	12,582,372	12,669,563	12,622,109	12,668,148	12,631,008	12,631,008	12,631,008								
2015		11,548,907	12,171,052	12,436,883	12,483,023	12,495,024	12,501,303	12,501,303	12,494,426									
2016		10,772,348	11,418,039	11,642,276	11,867,434	11,817,554	11,822,156	11,824,416										
2017		12,309,189	13,511,221	13,618,847	13,863,221	13,921,614	14,196,944											
2018		5,912,537	6,485,946	6,634,014	6,612,615	6,531,617												
2019		8,389,355	8,968,122	8,957,034	8,934,831													
2020		7,490,545	7,725,648	7,848,487														
2021		6,286,582	7,051,450															
2022		16,988,979																

Report-to-Report Development Factors

AY	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to 156	156 to 168	168 to 180	180 to 192	192 to 204	Tail
2004	1.173	0.997	0.992	0.998	1.004	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2005	0.472	1.075	0.987	1.037	1.004	1.010	1.023	0.989	1.000	1.000	1.000	0.974	1.000	1.000	1.000	1.000	
2006	1.454	1.018	1.011	1.006	1.012	1.002	1.000	1.005	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	
2007	1.038	1.003	1.002	1.003	1.001	1.001	1.001	1.014	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2008	1.132	1.082	1.015	1.010	1.002	0.992	1.000	1.001	1.000	1.000	1.000	0.995	0.995	1.004	1.000		
2009	1.046	0.999	1.002	1.000	1.001	1.001	0.998	0.999	1.000	1.000	1.000	1.000	1.000	1.000			
2010	1.106	1.025	0.998	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000				
2011	1.048	1.008	1.017	1.002	1.007	1.003	1.002	1.000	1.000	1.000	1.000	1.000					
2012	1.078	1.000	1.007	1.000	0.989	1.002	0.997	1.000	1.000	1.000	1.000						
2013	1.042	1.010	1.002	0.986	1.001	1.000	1.000	1.000	1.000								
2014	1.040	1.009	1.007	0.996	1.004	0.997	1.000	1.000									
2015	1.054	1.022	1.004	1.001	1.001	1.000	0.999										
2016	1.060	1.020	1.004	0.996	1.000	1.000											
2017	1.098	1.008	1.018	1.004	1.020												
2018	1.097	1.023	0.997	0.988													
2019	1.069	0.999	0.998														
2020	1.031	1.016															
2021	1.122																

Averages	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to 156	156 to 168	168 to 180	180 to 192	192 to 204	Tail
Wtd - All Years	0.946	1.024	1.004	1.005	1.003	1.001	1.004	1.000	1.000	1.000	0.999	0.993	1.001	1.000	1.000	1.000	
Wtd - Ex 2005	1.098	1.017	1.007	1.000	1.003	1.000	1.000	1.002	1.000	1.000	0.999	0.999	1.001	1.000	1.000	1.000	
Wtd - Last 3 Years	1.071	1.011	1.007	0.998	1.007	0.999	1.000	1.000	1.000	1.000	1.000	0.998	1.002	1.000	1.000	1.000	
All Years	1.064	1.018	1.005	1.002	1.003	1.001	1.002	1.001	1.000	1.000	0.999	0.996	1.001	1.000	1.000	1.000	
Last 3 Years	1.074	1.012	1.004	0.996	1.007	0.999	1.000	1.000	1.000	1.000	1.000	0.998	1.001	1.000	1.000	1.000	
All Years x Hi/Lo	1.077	1.016	1.005	1.000	1.003	1.000	1.000	1.001	1.000	1.000	1.000	0.999	1.000	1.000	1.000	1.000	
All Years x 2005	1.099	1.015	1.006	0.999	1.003	1.000	1.000	1.002	1.000	1.000	0.999	0.999	1.001	1.000	1.000	1.000	

Selected	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to 156	156 to 168	168 to 180	180 to 192	192 to 204	Tail
Prior	1.075	1.017	1.012	1.003	1.002	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Current	1.080	1.014	1.007	1.003	1.002	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Report-to-Ultimate Development Factors

Selected	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to 156	156 to 168	168 to 180	180 to 192	192 to 204	Tail
Prior	1.114	1.036	1.019	1.007	1.004	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Current	1.110	1.028	1.014	1.007	1.004	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Notes

All figures adjusted to exclude Depop losses and all catastrophe losses.

Louisiana Citizens Property Insurance Corporation
Non-Catastrophe Loss Trend
Industry Commercial Property

Calendar Year Ending <u>6/30/XX</u>	Industry Commercial <u>Price Index</u>	<u>4 Point</u> <u>Fitted PP</u>	<u>8 Point</u> <u>Fitted PP</u>	<u>All Point</u> <u>Fitted PP</u>	<u>Annual</u> <u>Change</u>
	(1)	(2)	(3)	(4)	(5)
2010	96.8	92	96	96	
2011	97.7	94	98	98	0.9%
2012	99.3	97	99	99	1.6%
2013	101.3	98	101	101	2.0%
2014	103.2	101	104	104	1.9%
2015	106.1	104	106	106	2.8%
2016	107.1	107	108	108	0.9%
2017	108.3	109	110	110	1.1%
2018	112.0	112	112	112	3.4%
2019	115.0	114	114	113	2.7%
	Annual Trend Rate:	1.8%	1.8%	0.9%	1.9%

(1) Industry price trend (materials and labor with a base of 2012) from 2021 Commercial Property filing by the Property Insurance Association of Louisiana.

(2) - (4) = Linear Regression fits on the natural logarithm of (1)

Louisiana Citizens Property Insurance Corporation
Non-Catastrophe Loss Trend Analysis
LCPIC Commercial Property

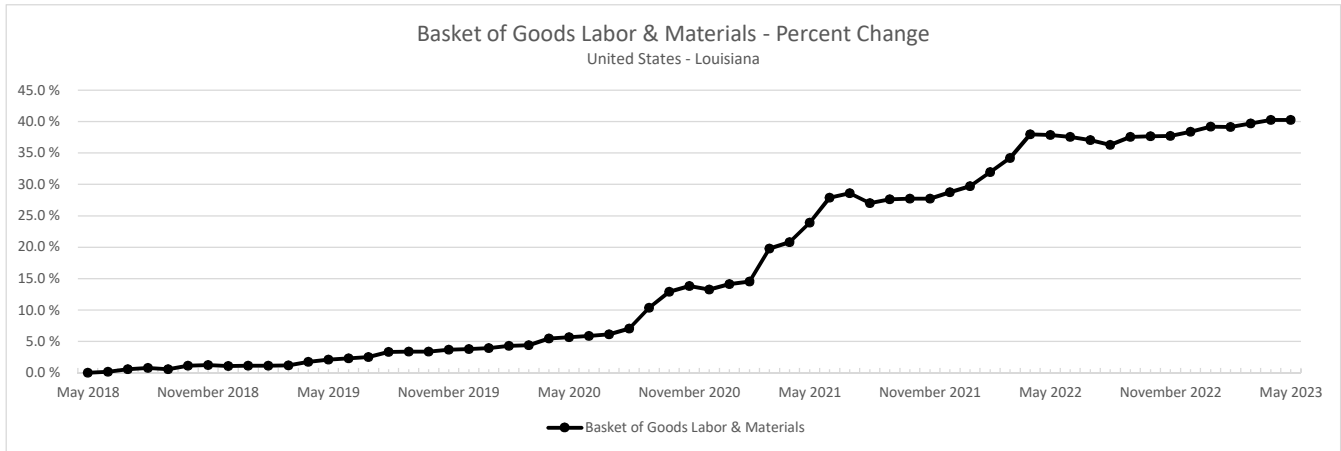
Calendar Year	Pure Premium (1)	4 Point Fitted PP (2)	8 Point Fitted PP (3)	All Point Fitted PP (4)	Annual Change (5)
2009	109	1	69	141	
2010	151	1	72	136	38.6%
2011	290	2	75	132	92.4%
2012	148	3	77	128	-48.8%
2013	122	5	81	124	-18.1%
2014	73	7	84	119	-39.9%
2015	106	10	87	116	44.7%
2016	101	16	91	112	-4.5%
2017	79	24	95	109	-21.4%
2018	140	35	98	105	76.5%
2019	77	52	101	101	-44.9%
2020	60	78	106	98	-22.3%
2021	63	117	110	96	4.7%
2022	290	174	114	93	361.9%
Annual Trend Rate:		48.7%	3.6%	-3.1%	32.2%

(1) Rolling 12-month paid pure premium figures for LCPIC Commercial policies

(2) - (4) = Linear Regression fits on the natural logarithm of (1)

(5) = Annual Rate of Change in (1)

Louisiana Citizens Property Insurance Corporation
Non-Catastrophe Loss Trend Indications
Industry Labor & Materials Five Year Trend



Five Year Trend from May 2018 to May 2023:

40%

Implied Average Annual Trend from May 2018 to May 2023:

7.0%

Source: Xactware Solutions, Inc. (Verisk)

Louisiana Citizens Property Insurance Corporation
Commercial Property
Indicated and Selected Non-Catastrophe Loss Trend

	Fitted Loss Trends		
	<u>4-Point</u>	<u>8-Point</u>	<u>All-Point</u>
(1) Industry	1.8%	1.8%	0.9%
(2) LCPIC	48.7%	3.6%	-3.1%

(3) Industry labor & materials implied annual trend : 7.0%

	Prior Selected	Selected Loss Trend
(4) Up-To-Date Selection:	4.0%	5.0%
(5) Projected Period Selection:	1.0%	2.0%

<u>Mid Point of AY</u>	<u>Up-to-Date Period End</u>	<u>Projection Period End</u>	<u>Up-to-Date Trend Length</u>	<u>Projection Trend Length</u>	<u>Current Cost Factor</u>
(6)	(7)	(8)	(9)	(10)	(11)
7/1/2018	3/31/2023	10/1/2024	4.75	1.50	1.299
7/1/2019	3/31/2023	10/1/2024	3.75	1.50	1.237
7/1/2020	3/31/2023	10/1/2024	2.75	1.50	1.178
7/1/2021	3/31/2023	10/1/2024	1.75	1.50	1.122
7/1/2022	3/31/2023	10/1/2024	0.75	1.50	1.069

Notes:

(1) Figures are from Exhibit 12, Page 1 of 4

(2) Figures are from Exhibit 12, Page 2 of 4

(3) From Exhibit 12, Page 3 of 4

(4) and (5) are based on (1), (2), (3), and actuarial judgment

(9) = # of Years between (6) and (7)

(10) = # of Years between (7) and (8)

(11) = (1+ Up-To-Date Selection) ^ (9) x (1 + Projected Period Selection) ^ (10)

Premium Trends

<u>Mid Point of AY</u>	<u>Estimated One Year Coverage Increase</u>	<u>Cumulative Coverage Increase to 3/31/23</u>	<u>Selected 3% Annual Coverage Increase from 7/1/23 to 10/1/24</u>	<u>Total Estimated Coverage Increase to 10/1/24</u>	<u>Premium Trend Factor</u>
(1)	(2)	(3)	(4)	(5)	(6)
7/1/2018	0.23%	9.3%	4.5%	14.2%	1.107
7/1/2019	0.09%	9.0%	4.5%	14.0%	1.105
7/1/2020	0.65%	8.9%	4.5%	13.9%	1.104
7/1/2021	7.60%	8.2%	4.5%	13.1%	1.099
7/1/2022	0.59%	0.6%	4.5%	5.2%	1.039

Notes:

(1) is the midpoint of each accident year.

(2) is based on actual average LCPIC Commercial coverage amounts changes.

(3) is the cumulative change of Column (2).

(4) is a selected annual coverage increase of 3%. (Assuming a 10/1/23 rate change with 10/1/24 average accident date)

(5) = [1 + Column (3)] x [1 + Column (4)] - 1.

(6) = 1 + .75 x Column (5). (Rerating current inforce policies shows that 1% more coverage results in .75% more premium.)

Louisiana Citizens Property Insurance Corporation
Credibility by Plan

(1) Plan	(2) Earned House Years 2018-2022	(3) Credibility
FAIR Plan	12,102	0.5500
Coastal Plan	1,001	0.1582

(2) Source: LCPIC Data

(3) Based on full credibility criterion of 40,000 earned house years;
partial credibility = $(\text{EHY's}/40,000)^{.5}$

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION

Expected Non-Cat Loss Ratio Calculation

	(1) Non-Cat <u>Loss Ratio</u>	(2) Rate <u>Changes</u>	(3) Loss & <u>Prem. Trend</u>	(4) Adj. Loss <u>Ratio</u>
FAIR Plan	3.1%	1.7110	0.998	1.8%
Coastal Plan	2.4%	1.7930	0.998	1.3%

(1) The credibility weighted Non-Cat loss ratio from last year's approved rate filing

(2) 11/1/2022 approved rate change

(3) = $(1 + \text{Loss Trend}) / (1 + \text{Prem. Trend}) = 1.020 / 1.023 = 0.998$

(4) = $(1) / (2) * (3)$

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION

EXPENSE LOADING

Expense Component (as % of Premium)	FAIR			
	2022 Rate Indications		2023 Rate Indications	
	Allied Lines		Allied Lines	
	Variable	Fixed	Variable	Fixed
Commissions	10.00%	0.00%	10.00%	0.00%
General & Other Acq	3.25%	3.25%	2.50%	2.50%
Taxes, L, & F	0.50%	0.00%	0.50%	0.00%
ULAE (in-house)	0.00%	4.00%	0.00%	3.50%
TOTAL	13.75%	7.25%	13.00%	6.00%
ULAE (as % of Loss & ALAE)	0.00%		0.00%	

Expense Component (as % of Premium)	Coastal			
	2022 Rate Indications		2023 Rate Indications	
	Allied Lines		Allied Lines	
	Variable	Fixed	Variable	Fixed
Commissions	10.00%	0.00%	10.00%	0.00%
General & Other Acq	3.25%	3.25%	2.50%	2.50%
Taxes, L, & F	0.50%	0.00%	0.50%	0.00%
ULAE (in-house)	0.00%	4.00%	0.00%	3.50%
TOTAL	13.75%	7.25%	13.00%	6.00%
ULAE (as % of Loss & ALAE)	0.00%		0.00%	

Source: Exhibit F

Note: Service providers underwriting fees are included in general expenses and the claims fees are included in the variable portion of ULAE

Note: Exhibit F shows historical expenses and our 2023 budgeted expenses.

Note: The Tax Exempt Surcharge (TES) is not included and not loaded in the rates. The TES is calculated separately and added to premium just like the LCPIC assessment.

Note: Policy Fees are included in net income from Exhibit F. They are included here as a reduction of General & Other Acquisition.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION

Expected Cat Loss & ALAE Expense Ratios

	FAIR PLAN
(1) Average Annual Loss (AAL)	\$ 22,338,300
(2) Location Premium	\$ 92,940,049
(3) AAL to Location Premium	24.04%
(4) Allocated Loss Adjustment Expense (ALAE) Factor	1.0950
(5) CAT Loss & ALAE as % of Premium	26.32%
(6) Loss & Prem Trend Factor	1.0117
(7) On Level Factor	1.4204
(8) Expected CAT Loss & ALAE Ratio	18.75%
	COASTAL PLAN
(1) Average Annual Loss (AAL)	\$ 1,006,302
(2) Location Premium	\$ 6,148,937
(3) AAL to Location Premium	16.37%
(4) Allocated Loss Adjustment Expense (ALAE) Factor	1.0950
(5) CAT Loss & ALAE as % of Premium	17.92%
(6) Loss & Prem Trend Factor	1.0117
(7) On Level Factor	1.3472
(8) Expected CAT Loss & ALAE Ratio	13.46%

Notes:

- (1) Modeled PCS Event losses (Source: RMS RiskLink v21 and AIR Touchstone v9 models)
- (2) Premium on 3/31/22 policies provided to reinsurance broker for modeling purposes
- (3) = (1) / (2)
- (4) See Exhibit 21
- (5) = (3) x (4)
- (6) Accounts for gap between trended TIV and trended premium growth.
between modeling date (3/31/23) and average accident date of exposure
period (11/1/24). 3% growth in TIV assumed with resulting 2.25% growth in premium.
See Exhibit 13 for assumptions on TIV and premium growth.
- (7) Based on rate changes effective 11/1/2022 and actual policies in modeling data.
- (8) = (5) x (6) / (7)

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
Net Cost of Reinsurance and Risk Load Expense Ratios

	FAIR PLAN
(1) Net Cost of Reinsurance	\$ 59,900,000
(2) Average Annual Loss (AAL) - FAIR Plan	\$ 21,289,256
(3) AAL - all products	\$ 22,266,743
(4) Allocated Net Cost of Reinsurance	\$ 57,270,452
(4B) Allocated Retained Risk Load	\$ 16,803,734
(5) Location Premium	\$ 92,940,049
(6) On-Level Factor	1.4204
(7) On-Level Premium	\$ 132,013,825
(8) Net Cost of Reinsurance Load	56.11%

	COASTAL PLAN
(1) Net Cost of Reinsurance	\$ 59,900,000
(2) Average Annual Loss (AAL) - Coastal Plan	\$ 977,487
(3) AAL - all products	\$ 22,266,743
(4) Allocated Net Cost of Reinsurance	\$ 2,629,548
(4B) Allocated Retained Risk Load	\$ 1,867,082
(5) Location Premium	\$ 6,148,937
(6) On-Level Factor	1.3472
(7) On-Level Premium	\$ 8,283,921
(8) Net Cost of Reinsurance Load	54.28%

Notes:

- (1) = Exhibit 19, Column (11)
(2) Modeled Hurricane loss using a blend of RMS Risklink v21 Long Term and Verisk Touchstone v10 Long Term.
(3) Sum of (2) for FAIR and Coastal Plans.
(4) = [(2) / (3)] * (1)
(4B) = Exhibit 20, Page 2, column (7).
(5) Premium on 3/31/23 policies provided to reinsurance broker for modeling purposes
(6) Based on rate changes effective 11/1/2022 and actual policies in modeling data.
(7) = (5) * (6)
(8) = (4) / (7)

Louisiana Citizens Property Insurance Corporation Net Reinsurance Costs

(1) Projected September 30, 2023 Total Insured Value Used for Reinsurance Firm Order Terms (in billions): 44.2
 (2) March 31, 2023 Total Insured Value Used for Catastrophe Modeling (in billions): 46.2
 (3) Ratio of March 31, 2023 to Projected September 30, 2023 Total Insured Value: 1.044
 (3B) Selected Adjustment to Reinsurance Costs based on Contract Terms with Respect to TIV Changes: 1.000

Layer	Limit	Retention	Placed	Total Cost Including RPP / Reinstatement using projected 9/30/23 TIV (4)	Total Cost Including RPP / Reinstatement using 3/31/23 TIV (5)	Commercial Modeled Hurr Recoveries (6)	Personal Modeled Hurr Recoveries (7)	Allocated Commercial Total Cost Including RPP / Reinstatement (8)	Expected Revenue Sharing (9)	Commercial Net Reinsurance Costs (10)	
Layer 1	100,000,000	xs	200,000,000	39.9%	16,407,202	16,407,202	730,532	2,362,180	3,875,558	336,333	2,808,692
Layer 1 - Ren	100,000,000	xs	200,000,000	10.0%	4,806,328	4,806,328	183,091	592,025	1,135,306	98,526	853,690
Layer 2	200,000,000	xs	300,000,000	20.0%	12,074,631	12,074,631	525,995	1,679,018	2,880,343	249,965	2,104,382
Layer 2 - Ren	200,000,000	xs	300,000,000	10.0%	6,816,271	6,816,271	262,669	838,461	1,625,987	141,108	1,222,210
Layer 2 - Berkshire	200,000,000	xs	300,000,000	45.0%	60,784,131	60,784,131	1,181,354	3,770,978	14,499,749	1,258,335	12,060,060
Layer 2 - Arch	200,000,000	xs	300,000,000	10.0%	7,340,600	7,340,600	262,669	838,461	1,751,063	151,963	1,336,431
CWIL 1	500,000,000	xs	300,000,000	15.0%	17,531,066	17,531,066	787,845	2,492,874	4,209,981	365,356	3,056,780
Layer 3	300,000,000	xs	500,000,000	26.3%	15,492,056	15,492,056	691,278	2,168,011	3,745,446	325,042	2,729,127
Layer 3 - Ren / Quantedge	300,000,000	xs	500,000,000	10.7%	7,269,285	7,269,285	280,134	878,567	1,757,463	152,518	1,324,811
Layer 3 - Ariel / Fidels	300,000,000	xs	500,000,000	12.0%	9,290,217	9,290,217	315,052	988,079	2,246,055	194,920	1,736,082
Layer 3 - Dual	300,000,000	xs	500,000,000	0.5%	371,609	371,609	13,127	41,170	89,842	7,797	68,918
Layer 3 - Arch / Ascot	300,000,000	xs	500,000,000	10.5%	8,454,097	8,454,097	275,671	864,570	2,043,910	177,377	1,590,862
Bayou B*	300,000,000	xs	500,000,000	25.0%	15,357,668	15,357,668	640,595	2,007,631	3,714,956	0	3,074,361
Layer 4	250,000,000	xs	800,000,000	10.0%	3,516,140	3,516,140	155,956	481,668	860,012	74,635	629,421
Bayou A*	250,000,000	xs	800,000,000	48.0%	16,472,270	16,472,270	735,486	2,270,579	4,030,226	0	3,294,740
Catahoula II B	250,000,000	xs	800,000,000	22.0%	7,744,712	7,744,712	337,098	1,040,682	1,894,878	0	1,557,780
CWIL 2	530,000,000	xs	800,000,000	20.0%	13,840,943	13,840,943	581,917	1,792,051	3,392,752	294,434	2,516,401
Catahoula II A	280,000,000	xs	1,050,000,000	42.9%	13,309,552	13,309,552	570,061	1,747,935	3,273,197	0	2,703,136
Layer 5	280,000,000	xs	1,050,000,000	37.1%	12,700,171	12,700,171	501,425	1,539,007	3,120,998	270,850	2,348,723
Layer 6	420,000,000	xs	1,330,000,000	58.0%	25,907,917	25,907,917	858,965	2,625,337	6,386,930	554,278	4,973,686
CWIL 3	420,000,000	xs	1,330,000,000	35.0%	14,145,127	14,145,127	518,341	1,584,255	3,487,117	302,623	2,666,153
Second Event on Initial Retained Layer	100,000,000	xs	\$100M AAD		7,312,500	7,312,500	33,011	111,135	1,674,634	145,330	1,496,293
Second Event - StoneRidge	100,000,000	xs	\$100M AAD		8,400,000	8,400,000	33,857	113,985	1,923,682	166,943	1,722,881
Shared Second Event Aeolus	100,000,000				6,673,800	6,673,800	114,630	354,910	1,629,293	141,395	1,373,267
Layer 1 - Second Event - Aeolus	100,000,000	xs	\$200M xs \$200M AAD		3,200,000	3,200,000	13,715	45,719	738,438	64,084	660,639
All Layers Combined					315,218,294	315,218,294	10,604,474	33,229,289	75,987,814	5,473,815	59,909,525

(11) Selected Net Cost of Reinsurance: 59,900,000

(1) and (2) Per exposure information and assumptions provided by Guy Carpenter
 (3) = (2) / (1)
 (4) Per LCPIC's current reinsurance contracts effective June 1, 2023 (CAT Bonds premium & fees put on an annual basis)
 (5) = (3B) x (4) [To have reinsurance costs and modeled recoveries on equivalent basis]
 (6) and (7) Hurricane loss recoveries based on 50/50 blend of RMS RiskLink v21 and Verisk Touchstone v10 models.
 (8) = (5) x [(6) / ((6) + (7))]
 (9) = (8) x 8.7% (Based on the brokerage revenue sharing agreed to). Does not apply to the Cat Bonds.
 (10) = (8) - (6) - (9)

Louisiana Citizens Property Insurance Corporation
2023 Retained Risk Load

Layer	Layer Bottom (millions)	Layer Top (millions)	Limit (millions) (1)	Modeled AAL (2)	Risk Transfer and Reinsurance Premiums (3)	Placement (4)	@ 100%			Reinsurers Expenses (8)	Reinsurers Profit (9)
							Risk Transfer and Reinsurance Premiums (5)	ROL (6)	LOL (7)		
1	0	200	200	30,144,328		0.0%	96,000,000	48.0%	15.1%	24.0%	1.5%
2	200	300	100	3,867,827	21,213,530	49.9%	42,512,085	42.5%	3.9%	24.0%	1.5%
3	300	500	200	9,359,605	87,015,634	100.0%	87,015,634	43.5%	4.7%	24.0%	1.5%
4	500	800	300	12,444,605	73,765,997	100.0%	73,765,997	24.6%	4.1%	24.0%	1.5%
5	800	1,050	250	7,395,437	41,574,065	100.0%	41,574,065	16.6%	3.0%	24.0%	1.5%
6	1,050	1,330	280	4,358,429	26,009,724	100.0%	26,009,724	9.3%	1.6%	24.0%	1.5%
7	1,330	1,750	420	5,586,898	40,053,044	100.0%	40,053,044	9.5%	1.3%	24.0%	1.5%
8	1,750	2,450	700	7,700,000		0.0%	42,000,000	6.0%	1.1%	24.0%	1.5%

Layer	Layer Bottom (millions)	Layer Top (millions)	Margin Ratio (10)	Margin On Line (11)	\$ Margin (12)	Fixed Cost (13)	Profit (14)	Total \$ Risk Load (15)	Retained \$ Risk Load (16)
								Risk Load	Risk Load
1	0	200	318%	32.9%	65,855,672	23,040,000	1,440,000	41,375,672	41,375,672
2	200	300	1099%	38.6%	38,644,258	10,202,900	637,681	27,803,676	13,929,642
3	300	500	930%	38.8%	77,656,029	20,883,752	1,305,235	55,467,042	0
4	500	800	593%	20.4%	61,321,392	17,703,839	1,106,490	42,511,063	0
5	800	1,050	562%	13.7%	34,178,627	9,977,775	623,611	23,577,241	0
6	1,050	1,330	597%	7.7%	21,651,295	6,242,334	390,146	15,018,815	0
7	1,330	1,750	717%	8.2%	34,466,147	9,612,731	600,796	24,252,620	0
8	1,750	2,450	545%	4.9%	34,300,000	10,080,000	630,000	23,590,000	23,590,000
Retained Risk Load:									78,895,314

Notes:

2,450 top end is estimated based on 1/150 year event per 50/50 blend of RMS RiskLink v21 and Verisk Touchstone v10 models

(2) Hurricane AAL generated by the 50/50 blend of RMS RiskLink v21 and Verisk Touchstone v10 models. Losses have been adjusted to include estimated ALAE.

(3) Placed reinsurance and cat bond premiums for placed amounts

(4) = Placement %

(5) Layers 2 through 7 = (3) / (4)

(5) Layers 1 and 8 = (6) x (1) x 1,000,000

(6) Layers 2 through 7 = (5) / [(1) x 1,000,000]

(6) Layers 1 and 8 = Estimated based on purchased layers and historical industry quotes.

(7) = (2) / [(1) x 1,000,000]. Layer 8 estimated based on Layers 1 through 7.

(8) Based on 2020 Q1 through 2022 Q4 results compiled by Reinsurance Association of America

(9) Based on 2020 Q1 through 2022 Q4 results compiled by Reinsurance Association of America

(10) = (6) / (7)

(11) = (6) - (7)

(12) = (11) x (1) x 1,000,000

(13) = (5) x (8)

(14) = (5) x (9)

(15) = (12) - (13) - (14)

(16) = (15) x [1 - (4)]

	(1) Modeled Hurricane <u>Losses</u>	(2) Selected <u>Risk Load</u>	(3) Allocated <u>Risk Load</u>	
Commercial	22,266,743		18,670,816	
Personal	<u>71,823,505</u>		<u>60,224,498</u>	
Total	94,090,248	78,895,314	78,895,314	
	(4) Commercial Modeled Hurricane <u>Losses</u>	(5) Commercial Modeled Hurricane <u>Loss Percentage</u>	(6) FAIR / Coastal Selected Allocation <u>Percentage</u>	(7) Commercial FAIR / Coastal <u>Risk Load</u>
Commercial FAIR Plan	21,289,256	95.6%	90.0%	16,803,734.26
Commercial Coastal Plan	<u>977,487</u>	4.4%	10.0%	<u>1,867,081.58</u>
Total	22,266,743			18,670,815.84

(1), (4) are hurricane losses generated by a 50/50 blend of RMS RiskLink v21 and Verisk Touchstone v10 models.

(2) is the total of column (16) from Exhibit 20, Page 1.

(3) = (2) * (1) / total of (1)

(5) = (4) / total of (4)

(6) selected judgmentally based on (5) giving consideration to difference in variability of loss experience for FAIR and Coastal plans due to average distance to coast.

(7) = (6) x [(3) for Commercial]

Louisiana Citizens Property Insurance Corporation Catastrophe ALAE/Loss Estimate

Accident Year	Catastrophe Reported Loss (1)	Catastrophe Reported ALAE* (2)	ALAE/Loss Ratio (3) = (2) / (1)
2004	77,193	8,621	11.2%
2005	3,780,499	374,162	9.9%
2006	-	-	0.0%
2007	-	-	0.0%
2008	49,118,101	3,609,720	7.3%
2009	22,114	6,073	27.5%
2010	-	-	0.0%
2011	3,548,646	738,767	20.8%
2012	20,782,276	3,247,092	15.6%
2013	1,801,840	243,309	13.5%
2014	-	-	0.0%
2015	-	-	0.0%
2016	-	1,716	0.0%
2017	680,192	32,877	4.8%
2018	-	-	0.0%
2019	395,896	38,678	9.8%
2020	9,609,592	486,323	5.1%
2021	68,281,583	1,843,725	2.7%
2022	3,428,729	75,704	2.2%
All Years			6.6%
2004-2019			10.3%
2010-2019			15.8%
Prior			9.50%
Selected			9.50%

Note:

* There's an immaterial amount of ALAE that are not included in this amount (e.g. certain service provider fees)

Exhibit 22**Louisiana Citizens Property Insurance Corporation****Investment Income****All Lines of Business**

Calendar Year Ending December 31,	Earned Premium	Investment Income	Investment Income as a Percentage of Earned Premium
(1)	(2)	(3)	(4)
2018	\$69,294,220	\$2,698,074	3.89%
2019	63,772,779	3,097,493	4.86%
2020	60,321,750	1,422,787	2.36%
2021	63,200,731	452,778	0.72%
2022	228,672,286	1,743,279	0.76%
Total	\$485,261,766	\$9,414,411	1.94%

Selected Investment Income as a Percentage of Earned Premium: 1.5%

Notes:

Source: Exhibit F, All Lines

(4) = (3) / (2)

HISTORICAL EXPENSES

Allied Lines

CALENDAR YEAR	WRITTEN PREMIUMS	EARNED PREMIUMS	LOSS INCURRED	ALAE INCURRED	ULAE INCURRED	TOTAL LOSS & LAE INCURRED	COMMISSION & BROKERAGE INCURRED	OTHER ACQUISITION COSTS	ULAE/(ALAE+LOSS)
2022	277,421,020	157,265,151	116,364,690	29,621,689	5,328,074	151,314,453	27,582,425	-	3.6%
2021	57,895,740	48,721,129	434,079,606	36,593,142	3,339,327	474,012,075	5,788,545	-	0.7%
2020	45,540,049	46,184,928	89,974,836	9,663,016	3,784,907	103,422,759	4,548,639	-	3.8%
2019	46,860,788	48,314,045	10,031,265	1,874,141	2,709,901	14,615,307	4,682,554	-	22.8%
2018	50,441,863	51,703,327	4,244,035	1,157,075	2,312,709	7,713,819	5,003,729	-	42.8%
2017	55,881,083	64,297,435	6,555,125	1,477,099	386,898	8,419,122	5,101,418	-	4.8%
2016	75,296,582	86,703,614	(2,697,972)	861,267	3,093,234	1,256,529	6,965,569	-	-168.4%
2015	96,338,774	101,345,680	18,892,607	2,852,327	3,688,169	25,433,103	9,038,075	-	17.0%
2014	105,464,034	107,609,369	43,333,175	2,408,953	3,588,418	49,330,546	10,039,253	-	7.8%
2013	106,441,112	104,622,703	24,464,830	3,939,150	3,775,157	32,179,137	10,101,947	-	13.3%
2012	103,050,686	98,054,748	97,299,950	16,324,744	5,705,179	119,329,873	10,018,664	-	5.0%
2011	94,652,899	93,766,174	31,875,167	3,925,421	4,827,127	40,627,715	9,097,480	-	13.5%
2010	92,150,557	92,440,387	21,033,388	4,925,263	3,825,333	29,783,984	8,921,231	-	14.7%
2009	92,829,758	99,019,291	26,428,307	(513,411)	13,944,755	39,859,651	9,145,529	-	53.8%
2008	107,552,437	104,837,054	142,889,278	14,255,950	7,874,430	165,019,658	10,758,243	-	5.0%
2007	91,361,586	62,688,691	4,553,862	(139,946)	4,266,575	6,880,491	9,144,264	-	96.7%
2006	40,798,805	30,597,555	91,958,887	(35,467,589)	19,601,140	76,092,438	4,079,967	-	34.7%
2005	25,278,990	27,641,915	581,355,331	97,987,008	7,884,015	687,226,354	2,527,549	-	1.2%
2004	25,852,634	13,478,235	4,083,366	641,498	399,596	5,124,460	2,585,263	-	8.5%
TOTAL	\$ 1,591,109,397	\$ 1,439,291,431	\$ 1,746,719,733	\$ 192,386,797	\$ 100,334,944	\$ 2,039,441,474	\$ 155,130,344	\$ -	5.2%
2023 Budget	416,217,000	330,847,000	52,352,000	8,699,000	14,095,000	75,146,000	41,609,000	-	23.1%

CALENDAR YEAR	GENERAL EXPENSES	TAX, FEES, & LICENSE INCURRED	TOTAL UNDERWRITING EXPENSES INCURRED	DIVIDENDS PAID TO POLICY-HOLDERS	OTHER NET INCOME	UNDERWRITING GAIN OR LOSS	INVESTMENT INCOME (LOSS)	NET INCOME (LOSS)	OTHER ACQUISITION COSTS + GENERAL EXPENSES- OTHER NET INCOME
2022	8,747,201	2,389,196	38,718,822	-	5,488,429	(27,279,695)	1,160,850	(26,118,845)	\$ 3,258,772
2021	5,167,625	235,164	11,191,334	-	658,096	(435,824,184)	326,679	(435,497,505)	\$ 4,509,529
2020	5,780,156	76,953	10,405,748	-	513,968	(67,129,611)	998,085	(66,131,526)	5,266,188
2019	5,946,163	211,973	10,840,690	-	482,946	23,340,994	2,154,926	25,495,920	5,463,217
2018	5,589,704	317,097	10,910,530	-	678,518	33,757,496	1,813,645	35,571,141	4,911,186
2017	5,458,225	318,252	10,877,895	-	760,176	45,760,594	840,266	46,600,860	4,698,049
2016	6,169,879	430,085	13,565,533	-	1,629,331	73,510,883	204,960	73,715,843	4,540,548
2015	6,464,410	512,145	16,014,630	-	1,465,151	61,363,098	54,394	61,417,492	4,999,259
2014	6,667,510	577,888	17,284,651	-	3,319,598	44,313,770	49,090	44,362,860	3,347,912
2013	7,308,076	768,029	18,178,052	-	(3,614,987)	50,650,527	73,022	50,723,549	10,923,063
2012	6,342,719	699,348	17,060,731	-	8,610,452	(29,725,404)	155,358	(29,570,046)	(2,267,733)
2011	5,813,750	674,551	15,585,781	-	(9,581,880)	27,970,798	180,269	28,151,067	15,395,630
2010	6,819,487	542,370	16,283,088	-	1,578,449	47,951,764	162,177	48,113,941	5,241,038
2009	5,886,758	621,385	15,653,672	-	780,619	44,286,587	144,798	44,431,385	5,106,139
2008	7,324,772	550,503	18,633,518	-	650,187	(78,165,935)	1,235,889	(76,930,046)	6,674,585
2007	6,660,721	1,051,798	16,856,783	-	8,799,207	45,950,624	2,671,254	48,621,878	(2,138,486)
2006	3,340,920	1,579,176	9,000,063	-	3,011,964	(51,482,982)	2,462,602	(49,020,380)	328,956
2005	4,424,829	45,716	6,998,094	-	(1,942,339)	(668,524,872)	992,264	(667,532,608)	6,367,168
2004	2,613,023	255,941	5,454,227	-	596,671	3,496,219	28,255	3,524,474	2,016,352
TOTAL	\$ 112,525,928	\$ 11,857,570	\$ 279,513,842	\$ -	\$ 23,884,556	\$ (855,779,329)	\$ 15,708,783	\$ (840,070,546)	\$ 88,641,372
2023 Budget	13,103,538	3,977,462	58,690,000	-	8,613,000	205,624,000	2,930,000	208,554,000	\$ 4,490,538

HISTORICAL EXPENSES

Allied Lines

CALENDAR YEAR	LOSS INCURRED	ALAE INCURRED	ULAE INCURRED	TOTAL LOSS & LAE INCURRED	COMMISSION & BROKERAGE INCURRED	OTHER ACQUISITION COSTS	OTHER ACQUISITION COSTS + GENERAL EXPENSES- OTHER NET INCOME
	(EP)	(EP)	(EP)	(EP)	(WP)	(WP)	(WP)
2022	73.99%	18.84%	3.39%	96.22%	9.94%	0.00%	1.17%
2021	890.95%	75.11%	6.85%	972.91%	10.00%	0.00%	7.79%
2020	194.81%	20.92%	8.20%	223.93%	9.99%	0.00%	11.56%
2019	20.76%	3.88%	5.61%	30.25%	9.99%	0.00%	11.66%
2018	8.21%	2.24%	4.47%	14.92%	9.92%	0.00%	9.74%
2017	10.20%	2.30%	0.60%	13.09%	9.13%	0.00%	8.41%
2016	-3.11%	0.99%	3.57%	1.45%	9.25%	0.00%	6.03%
2015	18.64%	2.81%	3.64%	25.10%	9.38%	0.00%	5.19%
2014	40.27%	2.24%	3.33%	45.84%	9.52%	0.00%	3.17%
2013	23.38%	3.77%	3.61%	30.76%	9.49%	0.00%	10.26%
2012	99.23%	16.65%	5.82%	121.70%	9.72%	0.00%	-2.20%
2011	33.99%	4.19%	5.15%	43.33%	9.61%	0.00%	16.27%
2010	22.75%	5.33%	4.14%	32.22%	9.68%	0.00%	5.69%
2009	26.69%	-0.52%	14.08%	40.25%	9.85%	0.00%	5.50%
2008	136.30%	13.60%	7.51%	157.41%	10.00%	0.00%	6.21%
2007	7.26%	-0.22%	6.81%	13.85%	10.01%	0.00%	-2.34%
2006	300.54%	-115.92%	64.06%	248.69%	10.00%	0.00%	0.81%
2005	2103.17%	354.49%	28.52%	2486.17%	10.00%	0.00%	25.19%
2004	30.30%	4.76%	2.96%	38.02%	10.00%	0.00%	7.80%
3yr avg (1)					9.98%		6.84%
3yr wtd (1)					9.96%		3.42%
8yr avg (1)					9.70%		7.69%
8yr wtd (1)					9.74%		5.33%
2023 Budget	15.82%	2.63%	4.26%	22.71%	10.00%	0.00%	1.08%
Selected Expense ratio					10.00%		5.00%
Fixed Expense ratio (2)					0.00%		2.50%
Selected Variable Expense ratio (3)					10.00%		2.50%

CALENDAR YEAR	GENERAL EXPENSES	TAX, FEES, & LICENSE INCURRED (1)	TOTAL UNDERWRITING EXPENSES INCURRED	DIVIDENDS PAID TO POLICY-HOLDERS	OTHER NET INCOME	UNDERWRITING GAIN OR LOSS	INVESTMENT INCOME (LOSS)	NET INCOME (LOSS)	ALAE/LOSS INCURRED
	(WP)	(WP)	(WP)	(WP)	(WP)	(EP)	(EP)	(EP)	
2022	3.15%	0.86%	13.96%	0.00%	1.98%	-17.35%	0.74%	-16.61%	25.46%
2021	8.93%	0.41%	19.33%	0.00%	1.14%	-894.53%	0.67%	-893.86%	8.43%
2020	12.69%	0.17%	22.85%	0.00%	1.13%	-145.35%	2.16%	-143.19%	10.74%
2019	12.69%	0.45%	23.13%	0.00%	1.03%	48.31%	4.46%	52.77%	18.68%
2018	11.08%	0.63%	21.63%	0.00%	1.35%	65.29%	3.51%	68.80%	27.26%
2017	9.77%	0.57%	19.47%	0.00%	1.36%	71.17%	1.31%	72.48%	22.53%
2016	8.19%	0.57%	18.02%	0.00%	2.16%	84.78%	0.24%	85.02%	-31.92%
2015	6.71%	0.53%	16.62%	0.00%	1.52%	60.55%	0.05%	60.60%	15.10%
2014	6.32%	0.55%	16.39%	0.00%	3.15%	41.18%	0.05%	41.23%	5.56%
2013	6.87%	0.72%	17.08%	0.00%	-3.40%	48.41%	0.07%	48.48%	16.10%
2012	6.15%	0.68%	16.56%	0.00%	8.36%	-30.32%	0.16%	-30.16%	16.78%
2011	6.14%	0.71%	16.47%	0.00%	-10.12%	29.83%	0.19%	30.02%	12.31%
2010	7.40%	0.59%	17.67%	0.00%	1.71%	51.87%	0.18%	52.05%	23.42%
2009	6.34%	0.67%	16.86%	0.00%	0.84%	44.73%	0.15%	44.87%	-1.94%
2008	6.81%	0.51%	17.33%	0.00%	0.60%	-74.56%	1.18%	-73.38%	9.98%
2007	7.29%	1.15%	18.45%	0.00%	9.63%	73.30%	4.26%	77.56%	-3.07%
2006	8.19%	3.87%	22.06%	0.00%	7.38%	-168.26%	8.05%	-160.21%	-38.57%
2005	17.50%	0.18%	27.68%	0.00%	-7.68%	-2418.52%	3.59%	-2414.93%	16.85%
2004	10.11%	0.99%	21.10%	0.00%	2.31%	25.94%	0.21%	26.15%	15.71%
3yr avg (1)		0.48%					1.19%		
3yr wtd (1)		0.71%					0.90%		
8yr avg (1)		0.52%					1.64%		
8yr wtd (1)		0.64%					1.17%		
2023 Budget	3.15%	0.96%	14.10%	0.00%	2.07%	62.15%	0.89%	63.04%	16.62%
Selected Expense ratio		0.50%							
Fixed Expense ratio (2)		0.00%							
Selected Variable Expense ratio (3)		0.50%							

- (1) Different averages
- (2) 50% of selected for Other Acq + General
- (3) = Selected - (2)

Variable Portion of ULAE as a Percentage of Catastrophe Loss+ALAE

Prior Selected	Current Selected
0.00%	0.00%

Fixed Portion of ULAE as a Percentage of Premium

	Expected ULAE -Inhouse	Premium	Ratio	Prior Selected	Current Selected
2022 Estimated	10,976,270	330,847,000	3.32%	4.00%	3.50%

Note: LCPIC's reinsurance contract covers additional ULAE incurred as a result of a severe storm/ hurricane. Thus 0% is being selected for the Variable Portion of ULAE as a Percentage of Catastrophe Loss+ALAE

LCPIC Operating Cash Summary - Forecast

Rounded (000's)

	2023											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
						Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
TOTAL BEGINNING CASH & INVESTMENTS	351,298	333,428	382,269	392,876	420,503	449,862	480,591	617,011	580,007	540,069	556,404	574,680
+ Receipts	31,537	28,260	47,546	45,532	62,429	111,070	160,600	73,500	66,800	50,800	35,300	33,200
TOTAL RECEIPTS	31,537	28,260	47,546	45,532	62,429	111,070	160,600	63,500	56,800	36,800	28,300	29,700
- Rita/Katrina Claims												
- 2005 Class Action												
- Isaac Claims	20	10			25		75				75	
- Laura/Delta/Zeta Claims	1,056	552	387	536	4,295	900	800	800	700	700	500	400
- Ida Claims	5,317	4,705	5,354	3,419	4,423	4,000	4,000	3,000	5,000	4,000	3,500	3,000
- Other Claims	5,518	3,198	3,985	2,368	3,354	3,750	3,750	3,750	3,750	3,750	3,750	3,750
- Reinsurance Recoveries	(1,390)	(38,078)	(5,966)	(2,771)	(4,533)	(5,790)	(5,250)	(5,225)	(4,060)	(6,130)	(5,050)	(4,375)
- Cat LAE Expense	872	1,148	1,235	1,148	1,435	850	850	850	830	750	700	660
- Non Cat LAE Expense	301	200	269	119	193	250	250	250	250	250	250	250
- Commissions	3,741	3,072	2,699	4,345	4,290	4,230	9,810	16,060	6,350	5,680	3,680	2,830
- Reinsurance/Cat Bonds Expense	27,343	1,833	29,327	1,706	12,740	71,518	4,246	78,091	84,494	4,249	4,088	4,193
- Emergency Assessments	2,127			2,202			3,633			5,899		
- Depopulation	3,032	183	92		5,850	1,459						
- Transfer to(from) Trustee/Invest												
- Other	1,563	4,321	1,258	2,492	1,499	3,065	3,844	1,541	1,480	3,658	1,531	1,504
TOTAL EXPENSES	49,500	(18,856)	38,640	15,564	33,571	84,232	26,008	99,117	98,794	22,806	13,024	12,212
ENDING OPERATING CASH	204,081	251,197	260,103	290,071	318,929	345,767	480,359	444,742	402,748	416,742	432,018	449,506
INVESTED CASH/CASH EQUIVALENTS	46,103	46,459	45,100	42,698	43,374	49,233	28,542	26,956	24,101	23,732	27,232	27,482
TOTAL LCPIC OPERATING CASH	250,184	297,656	305,203	332,769	362,303	395,000	508,901	471,698	426,849	440,474	459,250	476,988
INVESTMENTS	83,244	84,613	87,673	87,734	87,559	85,591	108,110	108,309	113,220	115,930	115,430	116,830
TOTAL CASH & INVESTMENTS	333,428	382,269	392,876	420,503	449,862	480,591	617,011	580,007	540,069	556,404	574,680	593,818

Louisiana Citizens Property Insurance Corporation
Combined Statutory Income Statement
For the Month Ending May 31, 2023
Rounded (000's)

	2023 Budget Month	2023 Actual Month	Variance to Budget	2022 Actual Month	2023 Budget Year To Date	2023 Actual Year To Date	Variance to Budget	2022 Actual Year to Date
Direct Premiums Written	\$46,000	\$51,651	\$5,651	\$27,657	\$148,000	\$196,682	\$48,682	\$92,442
Direct Premiums Written - Depopulation	0	(1,708)	(1,708)	0	(9,200)	(9,350)	(150)	0
Ceded Premiums Written	(17,828)	(12,919)	4,908	(2,136)	(90,009)	(85,945)	4,064	(11,229)
Ceded Premiums Written - Facultative	0	(370)	(370)	(96)	0	(1,741)	(1,741)	(794)
Net Premiums Written	28,172	36,653	8,481	25,425	48,791	99,645	50,855	80,419
Change In Unearned Premium Reserve	(9,900)	(8,500)	1,400	(16,711)	22,200	(5,925)	(28,125)	(50,633)
Change In Unearned Premium Reserve - Depopulation	(1,800)	(352)	1,448	0	4,000	3,648	(352)	(2)
Net Premiums Earned	16,472	27,801	11,329	8,714	74,991	97,369	22,378	29,785
<i>Less Underwriting deductions:</i>								
Direct Losses Incurred	7,000	2,228	(4,772)	(166)	28,700	13,550	(15,150)	3,228
Direct Losses Incurred - Class Action	0	0	0	0	0	0	0	0
Direct Allocated Loss Adjustment Expenses Incurred	1,100	432	(668)	(951)	4,600	(285)	(4,885)	(3,361)
Direct Unallocated LAE (Home Office Expenses)	1,156	1,142	(14)	1,790	5,646	5,576	(71)	9,971
Ceded Losses and LAE	(3,000)	(20)	2,980	562	(11,700)	315	12,015	(290)
Net Losses and LAE Incurred	6,256	3,782	(2,474)	1,236	27,246	19,156	(8,091)	9,548
Commissions Incurred	4,600	5,165	565	2,766	14,800	19,668	4,868	9,244
Commissions Incurred - Depopulation	0	(273)	(273)	0	(1,472)	(1,496)	(24)	0
Underwriting Expenses Incurred (Home Office Expenses)	1,746	2,015	268	1,030	8,316	8,874	558	4,261
Total Other Underwriting Expenses Incurred	6,346	6,906	560	3,795	21,644	27,046	5,402	13,505
Net Underwriting Gain (Loss)	3,870	17,113	13,243	3,683	26,100	51,167	25,067	6,732
Other Income:								
Interest Earned	370	519	149	63	1,810	2,155	345	206
Other Income	900	426	(474)	470	2,940	1,884	(1,056)	1,928
Total Other Income	1,270	945	(325)	533	4,750	4,039	(711)	2,134
Net Operating Income	5,140	18,058	12,918	4,216	30,850	55,206	24,356	8,866
<i>Bond Income/Expense:</i>								
Emergency Assessment Income	167	12	(154)	390	834	358	(475)	1,933
Debt Service Expense	(345)	(410)	(65)	(391)	(1,725)	(2,040)	(315)	(1,936)
Earnings on Bond Assets	178	398	219	1	891	1,681	790	3
Net Bond Income/Expense	0	0	0	(0)	0	0	0	(0)
Net Income	5,140	18,058	12,918	4,216	30,850	55,206	24,356	8,866

Louisiana Citizens Property Insurance Corporation
Combined Statutory Change In Surplus
For the Month Ending May 31, 2023
Rounded (000's)

	2023 Year To Date	2022 Year End	2021 Year End
Surplus, Previous Year	\$77,089	\$134,628	\$161,938
Net Income	55,206	(33,665)	(28,337)
Change In Nonadmitted Assets	18,355	(32,347)	(767)
Change In Provision For Reinsurance	0	1,464	(105)
Tax Exempt Surcharge, Current Year	5,587	7,010	1,898
<i>Surplus, Current Year</i>	<i>156,238</i>	<i>77,089</i>	<i>134,628</i>

*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 May 31, 2023
Rounded (000's)

	Current Year	Prior YTD	Prior Year-End
Assets			
Trustee Cash	\$126,907	\$99,468	\$85,300
Operating Cash	318,929	55,994	222,044
Invested Operating Cash and Cash Equivalents	43,374	39,861	45,929
Restricted Cash for Escheatment	5,523	6,608	4,736
Operating Investments - Bonds	87,559	88,275	83,325
Premiums Receivable	67,751	29,995	58,427
Reinsurance Recoverable	24,291	42,817	18,963
Electronic Data Processing Equipment	426	395	463
Long-Term Emergency Assessment Receivable	229,945	285,020	229,945
Current Emergency Assessment Receivable	4,850	10,075	16,000
Reinsurance Premium Refund Receivable	5,633	0	3,733
Reinsurance Premiums Advanced	0	0	0
Investments Due & Accrued	1,166	1,164	1,474
All Other Assets	111	111	111
Total Assets	916,463	659,781	770,448
Loss and Loss Adjustment Reserves	43,449	7,686	46,561
Loss and Loss Adjustment Reserves - Class Action	3,738	3,738	3,738
LCPIC Bonds	229,667	290,186	227,633
Advanced Assessments Collected	53,688	20,503	56,435
Restricted Assessments for Debt Service Reserves	67,690	72,411	36,859
Unearned Premiums	240,208	92,601	237,931
Advance Premiums	20,008	3,700	3,936
Unearned Tax Exempt Surcharge	7,414	2,778	7,236
Commissions Payable	11,508	5,597	9,971
Accounts Payable	977	559	1,188
Operating Expenses Payable	9,796	5,203	9,693
Depopulation Premiums Payable	1,459	0	3,032
Securities Payable	234	0	0
Reinsurance Premiums Payable	64,210	1,244	44,009
Provision for Reinsurance	194	1,657	194
Escheatment Payable	5,523	6,608	4,736
All Other Liabilities	463	3	208
Total Liabilities	760,225	514,475	693,359
Contributed Surplus - Emergency Assessments	978,205	978,205	978,205
Unassigned Surplus	(821,967)	(832,899)	(901,116)
Total Surplus	156,238	145,306	77,089
Total Liabilities, Surplus & Other Funds	916,463	659,781	770,448

Louisiana Citizens Property Insurance Corporation
Statement of Cash Flows
For the Month Ending May 31, 2023
Rounded (000's)

	Current Month	Year to Date 2022	Year to Date 2021
Operating Cash - Beginning of Period	338,352	272,709	141,909
<u>Cash from Operating Activities</u>			
Net Income	18,058	55,206	8,866
Adjustments to Net Income for Non-Cash Items:			
Furniture & Equipment Depreciation	6	27	17
EDP Depreciation	22	100	30
Net changes in operating assets and liabilities:			
Premiums Receivable	(3,203)	(9,453)	(17,366)
Reinsurance Receivable	(1,614)	16,859	(39,985)
Prepaid Expenses	(5,510)	(3,889)	733
Losses & Loss Adjustment Expenses	(332)	(3,112)	1,649
Unearned Premiums	8,852	2,276	50,635
Advance Premiums	12,038	16,073	1,858
Commissions Payable	876	1,537	2,945
Accounts Payable	(3,814)	(211)	365
Reinsurance Premiums Payable	7,001	20,201	1,354
Reinsurance Premiums Refund Receivable	(1,244)	(1,900)	(42)
Funds Held By Company Under Reinsurance Treaty	-	-	(36,970)
Take-out Premium Payable	(4,391)	(1,573)	-
Escheatment Payable	(60)	787	4,827
Accrued Expenses	973	104	1,137
Other Liabilities	(35)	255	(6)
Tax Exempt Surcharge	1,547	5,765	2,774
Net cash provided by operating activities	<u>29,170</u>	<u>99,051</u>	<u>(17,179)</u>
<u>Cash from Investing Activities</u>			
Purchase of Furniture & Equipment	0	(180)	0
Purchase of EDP Equipment	(63)	(63)	(405)
Payable for Securities	234	234	0
Operating Investments - Bonds	175	(4,234)	(21,705)
Accrued Interest	(43)	308	(157)
Net cash provided by investing activities	<u>303</u>	<u>(3,935)</u>	<u>(22,267)</u>
<u>Cash From Financing Activities</u>			
	<u>0</u>	<u>0</u>	<u>0</u>
Operating Cash - End of Period	<u>367,825</u>	<u>367,825</u>	<u>102,462</u>
Trustee Cash - Beginning of Period	112,692	85,300	64,369
<u>Cash From Financing Activities</u>			
Emergency Assessments Receivable	3,852	11,489	4,348
Bonds Payable	10,364	30,118	30,750
Net cash provided by financing activities	<u>14,216</u>	<u>41,608</u>	<u>35,098</u>
Trustee Cash - End of Period	<u>126,907</u>	<u>126,907</u>	<u>99,468</u>
Total Ending Cash	<u>\$494,733</u>	<u>\$494,733</u>	<u>\$201,930</u>

Louisiana Citizens Property Insurance Corporation

Corporate Operating Expense Statement - Budget

Fiscal Year 2023

	May			YTD			Primary Dept Driving Change	Budget Total
	Budget	Actual	Variance	Budget	Actual	Variance		
Direct Costs								
Salaries and Wages	590,682	572,984	(17,698)	2,734,162	2,657,014	(77,148)	Claims & Underwriting	7,112,451
Benefits, Taxes, Contributions and Workers Comp	259,759	251,900	(7,859)	1,222,331	1,188,922	(33,408)	Claims & Underwriting	3,523,573
Total Employee Salaries and Wages	850,441	824,883	(25,557)	3,956,493	3,845,937	(110,556)		10,636,024
Recruiting & Advertising	170	165	(5)	1,700	1,684	(16)		6,200
Communication - Mobile Phones & Air Cards	3,182	3,110	(72)	19,380	15,336	(4,044)		51,243
Office and Equipment Repairs and Maintenance	26,942	26,917	(25)	104,487	99,154	(5,333)		292,593
Travel and Lodging	2,209	5,226	3,017	25,794	30,635	4,841	Executive	65,195
Furniture and Fixtures- Purchases < \$5,000	-	-	-	-	-	-		2,280
EDP Equipment (computers, printers, peripherals) - Purchases <\$5,000	22,256	22,247	(9)	39,719	39,660	(59)		100,934
Computer Software - Purchases <\$1,000,000	2,910	2,908	(2)	15,048	15,005	(43)		109,540
Software Maintenance	40,549	40,556	7	186,053	259,802	73,749	UW	795,575
Mele Printing	207,647	207,645	(2)	569,368	569,340	(28)		1,073,140
Lexis Nexis	22,650	22,636	(14)	53,190	53,161	(29)		96,350
Printing, Stationary, and Office Supplies	1,778	1,771	(7)	12,566	12,973	408	UW	36,612
Outside Services - CAT Readiness, D&O Employment Practices Deductible, Consulting	44,687	44,618	(68)	89,011	105,821	16,810	IT	379,554
External Management Fees	380,000	372,943	(7,058)	2,306,700	2,275,004	(31,696)		9,000,000
Other - Prof Fees, Dues, Subs, Training, Seminars, Miscellaneous	1,012	1,003	(9)	2,698	3,273	575	IT	31,928
Total Direct Costs	1,606,433	1,576,628	(29,806)	7,382,206	7,326,785	(55,422)		22,677,168
Indirect Costs								
Rents, Leases, and Utilities	46,644	46,621	(23)	233,084	232,732	(352)		554,763
Rent and Storage - Eatell/Iron Mountain	35,558	35,530	(28)	172,654	172,553	(101)		410,527
Communication - Internet & Phone	25,664	17,359	(8,305)	102,693	85,155	(17,537)		309,095
Depreciated Expense - Furniture & Fixtures	3,741	5,641	1,901	18,703	26,958	8,255	Executive	44,887
Depreciated Expense - EDP Equipment & Software	22,108	22,103	(4)	100,188	100,036	(152)		337,890
External Legal Expenses	9,005	9,000	(5)	41,181	41,133	(48)		95,548
Audit Fees	5,917	5,917	-	29,583	29,583	-		71,000
Actuarial Fees	12,333	12,333	-	61,667	61,667	-		148,000
Surveys and Underwriting Reports - Inspection & CLUE Reports	33,106	323,925	290,819	811,134	1,371,837	560,702	UW	896,946
Taxes, Licensing, and other fees - Insurance Department	374,053	374,052	(1)	1,938,408	1,930,993	(7,415)		5,743,202
Boards, Bureaus and Assoc - LDI Insurance Rating & Fraud Assessment	499,963	499,956	(8)	1,876,462	1,876,310	(152)		6,412,455
PIPISO Fees, ISO Fees, Xactware	21,643	21,634	(9)	102,184	101,926	(258)		249,030
Liability Insurance - LCPIIC, Directors, Officers	24,949	24,944	(5)	119,052	119,025	(27)		300,501
Bank Service Charges	174,899	174,899	(1)	949,414	949,307	(106)		2,025,191
Postage & Courier Services	5,721	5,721	(1)	22,247	22,157	(91)		33,434
Other Miscellaneous	347	344	(3)	1,648	1,626	(22)		4,114
Total Indirect Costs	1,295,651	1,579,978	284,328	6,580,301	7,122,998	542,697		17,636,583
Home Office Expenses - P&L	2,902,084	3,156,606	254,522	13,962,507	14,449,782	487,275		40,313,751
Bank Service Charges - Unallocated	10,000	9,788	(212)	50,000	48,375	(1,625)		120,000
Total Operating Expenses - Direct & Indirect	2,912,084	3,166,394	254,310	14,012,507	14,498,157	485,650		40,433,751
Capital Purchases								
Furniture and Fixtures- Purchases > \$5,000	-	-	-	-	179,930	179,930	IT	
EDP Equipment (computers, printers, peripherals) - Purchases >\$5,000	50,000	62,883	12,883	50,000	62,883	12,883	IT	
Computer Software - Purchases >\$1,000,000	-	-	-	-	-	-		
Total Capital Purchases	50,000	62,883	12,883	50,000	242,813	192,813		

Louisiana Citizens Property Insurance Corporation

Underwriting Operating Statement - Budget

Fiscal Year 2023

	May			YTD			Primary Driver of Change
	Budget	Actual	Variance	Budget	Actual	Variance	
Direct Costs							
Salaries and Wages	149,849	143,413	(6,436)	706,444	674,004	(32,440)	Down 1 FTE
Benefits, Taxes, Contributions and Workers Comp	73,596	70,441	(3,155)	353,412	337,183	(16,229)	Down 1 FTE
Total Employee Salaries and Wages	223,445	213,854	(9,591)	1,059,856	1,011,187	(48,669)	
Recruiting & Advertising	-	-	-	-	-	-	
Communication - Mobile Phones & Air Cards	240	240	-	1,200	1,200	-	
Office and Equipment Repairs and Maintenance	-	-	-	-	-	-	
Travel and Lodging	-	-	-	780	773	(7)	
Furniture and Fixtures- Purchases < \$5,000	-	-	-	-	-	-	
EDP Equipment (computers, printers, peripherals) - Purchases <\$5,000	(0)	-	0	(0)	-	0	
Computer Software - Purchases <\$1,000,000	-	-	-	-	-	-	
Software Maintenance	6,863	6,858	(6)	50,774	124,718	73,944	Excess Block of Valuations (E2Value)
Mele Printing	-	-	-	-	-	-	
Lexis Nexis	-	-	-	-	-	-	
Printing, Stationary, and Office Supplies	527	525	(2)	1,413	2,343	930	JD Power Additional Licenses
Outside Services - CAT Readiness, D&O Employment Practices Deductible, Consulting	-	-	-	-	-	-	
External Management Fees	-	-	-	-	-	-	
Other - Prof Fees, Dues, Subs, Training, Seminars, Miscellaneous	65	58	(8)	235	220	(16)	
Total Direct Costs	231,141	221,535	(9,606)	1,114,258	1,140,442	26,183	
Indirect Costs							
Rents, Leases, and Utilities	15,457	15,447	(10)	75,015	74,967	(48)	
Rent and Storage - Eatel/Iron Mountain	-	-	-	-	-	-	
Communication - Internet & Phone	7,334	5,658	(1,676)	31,420	27,827	(3,593)	
Depreciated Expense - Furniture & Fixtures	-	-	-	-	-	-	
Depreciated Expense - EDP Equipment & Software	-	-	-	-	-	-	
External Legal Expenses	-	-	-	-	-	-	
Audit Fees	-	-	-	-	-	-	
Actuarial Fees	-	-	-	-	-	-	
Surveys and Underwriting Reports - Inspection & CLUE Reports	33,106	323,925	290,819	811,134	1,371,837	560,702	Continued Inspections from the 2022 growth
Taxes, Licensing, and other fees - Insurance Department	-	-	-	-	-	-	
Boards, Bureaus and Assoc - LDI Insurance Rating & Fraud Assessment	-	-	-	-	-	-	
PIPISO Fees, ISO Fees, Xactware	5,393	5,384	(9)	21,611	21,546	(65)	
Liability Insurance - LCPIIC, Directors, Officers	-	-	-	-	-	-	
Bank Service Charges	-	-	-	-	-	-	
Postage & Courier Services	-	-	-	-	-	-	
Other Miscellaneous	-	-	-	-	-	-	
Total Indirect Costs	61,290	350,414	289,124	939,180	1,496,177	556,997	
Home Office Expenses - P&L	292,431	571,949	279,518	2,053,439	2,636,619	583,180	
Bank Service Charges - Unallocated	-	-	-	-	-	-	
Total Operating Expenses - Direct & Indirect	292,431	571,949	279,518	2,053,439	2,636,619	583,180	
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

Customer Service Operating Statement - Budget

Fiscal Year 2023

	May			YTD			Primary Driver of Change
	Budget	Actual	Variance	Budget	Actual	Variance	
Direct Costs							
Salaries and Wages	17,395	17,395	(0)	85,689	85,679	(10)	
Benefits, Taxes, Contributions and Workers Comp	5,379	5,379	(0)	27,389	27,385	(4)	
Total Employee Salaries and Wages	22,774	22,774	(1)	113,078	113,064	(14)	
Recruiting & Advertising	-	-	-	-	-	-	
Communication - Mobile Phones & Air Cards	80	80	-	400	400	-	
Office and Equipment Repairs and Maintenance	-	-	-	-	-	-	
Travel and Lodging	-	-	-	-	-	-	
Furniture and Fixtures- Purchases < \$5,000	-	-	-	-	-	-	
EDP Equipment (computers, printers, peripherals) - Purchases <\$5,000	-	-	-	-	-	-	
Computer Software - Purchases <\$1,000,000	-	-	-	-	-	-	
Software Maintenance	-	-	-	-	-	-	
Mele Printing	-	-	-	-	-	-	
Lexis Nexis	-	-	-	-	-	-	
Printing, Stationary, and Office Supplies	-	-	-	290	-	(290)	
Outside Services - CAT Readiness, D&O Employment Practices Deductible, Consulting	7,750	7,739	(11)	20,300	20,071	(229)	
External Management Fees	-	-	-	-	-	-	
Other - Prof Fees, Dues, Subs, Training, Seminars, Miscellaneous	-	-	-	-	-	-	
Total Direct Costs	30,604	30,593		134,068	133,535	(533)	
Indirect Costs							
Rents, Leases, and Utilities	2,015	2,011	(4)	10,022	9,811	(212)	
Rent and Storage - Eatel/Iron Mountain	-	-	-	-	-	-	
Communication - Internet & Phone	978	738	(240)	4,138	3,630	(508)	
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	-	-	-	-	-	-	
PIPSO Fees, ISO Fees, Xactware	-	-	-	-	-	-	
Liability Insurance - LCPIIC, Directors, Officers	-	-	-	-	-	-	
Bank Service Charges	-	-	-	-	-	-	
Postage & Courier Services	-	-	-	-	-	-	
Other Miscellaneous	-	-	-	-	-	-	
Total Indirect Costs	2,993	2,749	(243)	14,160	13,440	(720)	
Home Office Expenses - P&L	33,597	33,342	(255)	148,228	146,976	(1,252)	
Bank Service Charges - Unallocated	-	-	-	-	-	-	
Total Operating Expenses - Direct & Indirect	33,597	33,342	(255)	148,228	146,976	(1,252)	
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 2023

	May			YTD			Primary Driver of Change
	Budget	Actual	Variance	Budget	Actual	Variance	
Direct Costs							
Salaries and Wages	86,780	86,681	(99)	409,187	408,724	(463)	
Benefits, Taxes, Contributions and Workers Comp	42,713	42,663	(49)	203,971	203,739	(232)	
Total Employee Salaries and Wages	129,493	129,344	(149)	613,158	612,463	(695)	
Recruiting & Advertising	-	-	-	-	-	-	
Communication - Mobile Phones & Air Cards	957	950	(7)	8,367	4,825	(3,543)	
Office and Equipment Repairs and Maintenance	16,945	16,931	(14)	87,001	81,717	(5,284)	
Travel and Lodging	330	330	0	1,505	1,489	(16)	
Furniture and Fixtures- Purchases < \$5,000	-	-	-	-	-	-	
EDP Equipment (computers, printers, peripherals) - Purchases <\$5,000	22,256	22,247	(10)	39,619	39,575	(44)	
Computer Software - Purchases <\$1,000,000	2,910	2,908	(2)	14,623	14,605	(18)	
Software Maintenance	20,575	20,570	(5)	69,880	69,760	(120)	
Mele Printing	207,647	207,645	(2)	569,368	569,340	(28)	
Lexis Nexis	22,650	22,636	(14)	53,190	53,161	(29)	
Printing, Stationary, and Office Supplies	-	-	-	1,286	1,180	(107)	
Outside Services - CAT Readiness, D&O Employment Practices Deductible, Consulting	857	857	(0)	4,853	22,043	17,190	EPIC Commercial Project - Not Budgeted
External Management Fees	-	-	-	-	-	-	
Other - Prof Fees, Dues, Subs, Training, Seminars, Miscellaneous	-	-	-	-	599	599	Staff Training - Not Budgeted
Total Direct Costs	424,621	424,419		1,462,850	1,470,757	7,907	
Indirect Costs							
Rents, Leases, and Utilities	6,703	6,704	0	34,753	34,740	(14)	
Rent and Storage - Eatel/Iron Mountair	29,678	29,665	(13)	145,154	145,114	(40)	
Communication - Internet & Phone	4,675	2,743	(1,932)	17,578	13,565	(4,014)	
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 Departmen	-	-	-	-	-	-	
Boards, Bureaus and Assoc - LDI Insurance Rating & Fraud Assessmen	-	-	-	-	-	-	
PIPSO Fees, ISO Fees, Xactware	-	-	-	-	-	-	
Liability Insurance - LCPIC, Directors, Officers	-	-	-	-	-	-	
Bank Service Charges	-	-	-	-	-	-	
Postage & Courier Services	-	-	-	-	-	-	
Other Miscellaneous	-	-	-	-	-	-	
Total Indirect Costs	41,056	39,112	(1,944)	197,486	193,418	(4,067)	
Home Office Expenses - P&L	465,677	463,530	(2,147)	1,660,336	1,664,175	3,839	
Bank Service Charges - Unallocated	-	-	-	-	-	-	
Total Operating Expenses - Direct & Indirect	465,677	463,530	(2,147)	1,660,336	1,664,175	3,839	
Capital Purchases							
Furniture and Fixtures- Purchases > \$5,000	-	-	-	-	179,930	179,930	Phone Upgrade
EDP Equipment (computers, printers, peripherals) - Purchases >\$5,000	50,000	62,883	12,883	50,000	62,883	12,883	Server Support & Upgrade
Computer Software - Purchases >\$1,000,000	-	-	-	-	-	-	
Total Capital Purchases	50,000	62,883	12,883	50,000	242,813	192,813	

Louisiana Citizens Property Insurance Corporation
Human Resources/Operations Support Operating Statement - Budget
Fiscal Year 2023

	May			YTD			Primary Driver of Change
	Budget	Actual	Variance	Budget	Actual	Variance	
Direct Costs							
Salaries and Wages	21,052	21,016	(36)	93,190	93,066	(124)	
Benefits, Taxes, Contributions and Workers Comp	13,250	13,223	(27)	58,250	58,166	(85)	
Total Employee Salaries and Wages	34,302	34,239	(63)	151,440	151,232	(208)	
Recruiting & Advertising	170	165	(5)	1,700	1,684	(16)	
Communication - Mobile Phones & Air Cards	80	80	-	400	400	-	
Office and Equipment Repairs and Maintenance	9,997	9,986	(11)	17,486	17,437	(50)	
Travel and Lodging	0	-	(0)	130	76	(54)	
Furniture and Fixtures- Purchases < \$5,000	-	-	-	-	-	-	
EDP Equipment (computers, printers, peripherals) - Purchases <\$5,000	-	-	-	50	44	(6)	
Computer Software - Purchases <\$1,000,000	-	-	-	-	-	-	
Software Maintenance	-	-	-	700	630	(70)	
Mele Printing	-	-	-	-	-	-	
Lexis Nexis	-	-	-	-	-	-	
Printing, Stationary, and Office Supplies	861	859	(1)	2,565	2,541	(24)	
Outside Services - CAT Readiness, D&O Employment Practices Deductible, Consulting	11,080	11,075	(5)	35,703	35,666	(37)	
External Management Fees	-	-	-	-	-	-	
Other - Prof Fees, Dues, Subs, Training, Seminars, Miscellaneous	-	-	-	510	510	(0)	
Total Direct Costs	56,490	56,403	(86)	210,684	210,218		
Indirect Costs							
Rents, Leases, and Utilities	2,358	2,353	(5)	12,435	12,394	(41)	
Rent and Storage - Eatel/Iron Mountain	5,880	5,865	(15)	27,500	27,439	(61)	
Communication - Internet & Phone	1,459	818	(641)	5,193	3,730	(1,464)	
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	-	-	-	-	-	-	
PIPSO Fees, ISO Fees, Xactware	-	-	-	-	-	-	
Liability Insurance - LCPIC, Directors, Officers	-	-	-	-	-	-	
Bank Service Charges	-	-	-	-	-	-	
Postage & Courier Services	5,721	5,721	(1)	22,247	22,157	(91)	
Other Miscellaneous	284	281	(3)	652	643	(9)	
Total Indirect Costs	15,702	15,037	(664)	68,027	66,362	(1,665)	
Home Office Expenses - P&L	72,192	71,441	(751)	278,711	276,580	(2,131)	
Bank Service Charges - Unallocated	-	-	-	-	-	-	
Total Operating Expenses - Direct & Indirect	72,192	71,441	(751)	278,711	276,580	(2,131)	
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	-	-	-	-	-	-	



May 2023 Management Reports

July 18, 2023 Board Meeting

Overview

Corporate Overview

May 31, 2023

Underwriting Overview

Premium Written & Policies Issued

Premium Written (000s)	May-23	2023 YTD	May-22	2022 YTD
Direct Written Premium*	\$51,651	\$196,682	\$27,657	\$92,442
Takeout Written Premium	1,708	9,350	0	0
Net Written Premium Before Reinsurance	<u>\$49,942</u>	<u>\$187,331</u>	<u>\$27,657</u>	<u>\$92,442</u>
Earned Premium (000s)				
Direct Earned Premium	\$43,151	\$190,757	\$10,946	\$41,809
Takeout Earned Premium	2,060	5,702	0	2
Net Earned Premium Before Reinsurance	<u>\$41,090</u>	<u>\$185,055</u>	<u>\$10,946</u>	<u>\$41,807</u>
Counts				
Direct Policies Issued	13,909	53,954	10,421	37,399
Policies Takeout Initial	-	-	-	-
Policies Takeout Renewal	-	-	-	-
Net Policies Issued	<u>13,909</u>	<u>53,954</u>	<u>10,421</u>	<u>37,399</u>

Inforce Policies & Coverage Details

Count*	May-23	May-22
Direct Inforce Policies	144,760	58,770
Takeout Inforce Policies	8,468	0
LPMS Net Inforce Policies	0	0
EPIC Net Inforce Policies	136,292	58,770
Total Net Inforce Policies	<u>136,292</u>	<u>58,770</u>
TIV (000s)*		
Direct TIV (Cov A-D)	\$48,378,626	\$15,093,931
Direct Cov E, F, Mold, BI	\$5,525,782	\$745,951
Total Direct Cov A-D, E, F, Mold, BI	\$53,904,408	\$15,839,882
Takeout TIV (Cov A-D)	\$2,107,617	\$0
Takeout Cov E, F, Mold, BI	\$369,284	\$0
Total Takeout Cov A-D, E, F, Mold, BI	\$2,476,901	\$0
Net TIV (Cov A-D)	\$46,271,009	\$15,093,931
Net Cov E, F, Mold, BI	\$5,156,498	\$745,951
Total Net Cov A-D, E, F, Mold, BI	<u>\$51,427,507</u>	<u>\$15,839,882</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	56	\$2,384	\$74,424	\$0
Commercial	2,298	32,287	1,707,071	67,480
Wind & Hail Only	5,853	78,375	8,275,780	440,630
Total Commercial	8,207	\$113,047	\$10,057,276	\$508,110
Personal Lines				
Builders Risk	1,297	\$4,470	\$312,238	\$0
Condo	899	1,069	78,059	-
Homeowners	21,498	112,605	12,135,939	4,648,388
Mobile Home	7,300	11,997	412,596	-
Residence	61,227	155,057	13,086,083	-
Wind & Hail Only	35,864	102,580	10,188,817	-
Total Personal	128,085	\$387,778	\$36,213,734	\$4,648,388
Grand Total	136,292	\$500,825	\$46,271,009	\$5,156,498

Written Premium Analysis - Month

Term Type (\$000s)	May-23		May-22	
	Written Premium	Counts	Written Premium	Counts
New Business	\$22,029	5,689	\$22,086	6,758
Renewals	29,621	8,220	5,571	3,663
Total Direct Premium Written	\$51,651	13,909	\$27,657	10,421
New Business Written From (\$000s)				
UPC	602	195	47	19
Ocean Harbor	760	249	616	276
Gulf States	304	112	74	27
Allstate	274	90	250	109
Others	20,089	5,043	21,100	6,327
Renewal	22,029	5,689	22,086	6,758
Total Renewals*	29,621	8,220	5,571	3,663
Total Direct Premium Written	51,651	13,909	27,657	10,421

Written Premium Analysis - Year-to-Date

Term Type (\$000s)	2023 YTD		2022 YTD	
	Written Premium	Counts	Written Premium	Counts
New Business	\$98,167	24,502	\$69,572	22,344
Renewals	98,515	29,452	22,869	15,055
Total Direct Premium Written	\$196,682	53,954	\$92,442	37,399
New Business Written From (\$000s)				
UPC	\$21,059	4,492	\$313	106
Ocean Harbor	2,502	850	993	504
Gulf States	1,436	476	154	71
Allstate	831	314	861	426
Others	72,339	18,370	67,252	21,237
Renewal	98,167	24,502	69,572	22,344
Total Renewals*	98,515	29,452	22,869	15,055
Total Direct Premium Written	\$196,682	53,954	\$92,442	37,399

Underwriting Overview

Net Premium Written & Earned by Policy Type

Policy Type	Net Premium Written			Net Premium Earned		
	2023 YTD	2022 YTD	Variance	2023 YTD	2022 YTD	Variance
Commercial	14,671	11,462	3,210	12,524	4,088	8,436
Commercial Builders Risk	335	88	247	180	36	145
Commercial Builders Risk Renovations	308	1,447	(1,138)	871	417	454
Commercial Builders Risk Renovations Wind & Hail Only	(194)	57	(251)	(20)	94	(114)
Commercial Builders Risk Wind & Hail Only	-	-	-	-	-	-
Commercial Wind & Hail Only*	<u>42,481</u>	<u>16,158</u>	<u>26,323</u>	<u>26,156</u>	<u>4,383</u>	<u>21,773</u>
Total Commercial	57,602	29,212	28,390	39,712	9,018	30,694
DWelling						
DWG-1 Builders Risk	302	423	(121)	312	206	106
DWG-1 Builders Risk Renovation	966	1,401	(435)	1,536	602	934
DWG-1 Builders Risk Renovations Wind & Hail Only	-	-	-	-	-	-
DWG-1 Builders Risk Wind & Hail Only	46	40	6	44	19	25
DWG-1 Condo	363	205	158	400	175	225
DWG-1 Condo Wind & Hail Only	138	74	65	114	64	50
DWG-1 Mobile Home	5,941	3,514	2,427	4,350	1,919	2,432
DWG-1 Mobile Home Wind & Hail Only	2,037	802	1,235	1,209	374	835
DWG-1 Residence	26,219	13,163	13,056	20,975	8,608	12,366
DWG-1 Residence Wind & Hail Only	13,330	5,767	7,562	9,043	3,218	5,824
DWG-2 Residence	4,970	1,303	3,667	3,798	961	2,837
DWG-3 Residence	22,715	11,856	10,859	33,048	6,655	26,394
DWG-3 Residence Wind & Hail Only	<u>27,081</u>	<u>16,362</u>	<u>10,718</u>	<u>27,209</u>	<u>6,483</u>	<u>20,726</u>
Total Dwelling	104,107	54,910	49,197	102,039	29,285	72,755
Homeowners						
HO-2 Broad Form*	2,664	818	1,846	3,856	735	3,120
HO-3 Special Form	21,363	5,980	15,383	36,287	2,446	33,841
HO-4 Contents Broad Form	53	40	13	50	32	18
HO-6 Unit Owners Form	180	151	29	244	101	143
HO-8 Modified Coverage Form	21	11	10	21	14	8
HO-R Homeowner Renovation	<u>1,342</u>	<u>1,322</u>	<u>20</u>	<u>2,845</u>	<u>176</u>	<u>2,670</u>
Total Homeowners	25,623	8,321	17,302	43,304	3,505	39,799
Net Premium Written & Earned Before Reinsurance	187,331	92,442	94,890	185,055	41,807	143,248
Ceded Reinsurance				87,686	12,023	75,663
Net Premium Earned as of 5/31				97,369	29,784	67,585

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Premium Payment Collections Overview - May 2023

Checks	Month				Year-to-Date			
	May-23		May-22		2023 YTD		2022 YTD	
Payment Method	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected
Mail	1,042	4,026,564	410	1,062,108	3,530	11,130,118	2,013	5,177,159
Walk-In	99	1,210,119	38	111,521	350	2,995,033	120	430,692
6370 Lockbox - Manual	5,445	25,022,097	2,400	5,530,432	19,948	80,188,274	6,499	14,167,868
2444 Lockbox - Upload	<u>3,351</u>	<u>6,399,436</u>	<u>1,785</u>	<u>1,882,397</u>	<u>14,131</u>	<u>21,805,529</u>	<u>10,561</u>	<u>12,319,938</u>
Total Checks	9,937	\$36,658,216	4,633	\$8,586,458	37,959	\$116,118,954	19,193	\$32,095,656

Credit Cards

Payment Method	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected
Mail	0	0	0	0	0	0	0	0
Online	2,645	2,962,705	1,098	755,414	12,457	11,799,647	5,115	3,323,723
EPIC	<u>7,658</u>	<u>8,495,160</u>	<u>5,438</u>	<u>4,958,308</u>	<u>32,526</u>	<u>34,171,104</u>	<u>19,635</u>	<u>16,641,926</u>
Total Credit Cards	10,303	\$11,457,865	6,536	\$5,713,722	44,983	\$45,970,751	24,750	\$19,965,650

Electronic Funds Transfer (Checking or Saving)

Payment Method	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected
Online	2,357	2,640,463	1,073	732,279	11,097	10,500,125	4,572	2,911,235
EPIC	<u>6,559</u>	<u>16,629,230</u>	<u>5,145</u>	<u>9,881,681</u>	<u>27,686</u>	<u>62,632,903</u>	<u>18,187</u>	<u>32,962,413</u>
Total EFTs	8,916	\$19,269,693	6,218	\$10,613,960	38,783	\$73,133,028	22,759	\$35,873,648

Payment Method

	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected
Mail	1,042	4,026,564	410	1,062,108	3,530	11,130,118	2,013	5,177,159
Walk-In	99	1,210,119	38	111,521	350	2,995,033	120	430,692
Online	5,002	5,603,168	2,171	1,487,693	23,554	22,299,772	9,687	6,234,959
6370 Lockbox - Manual	5,445	25,022,097	2,400	5,530,432	19,948	80,188,274	6,499	14,167,868
2444 Lockbox - Upload	3,351	6,399,436	1,785	1,882,397	14,131	21,805,529	10,561	12,319,938
EPIC	<u>14,217</u>	<u>25,124,390</u>	<u>10,583</u>	<u>14,839,989</u>	<u>60,212</u>	<u>96,804,007</u>	<u>37,822</u>	<u>49,604,339</u>
Total Payments Collected	29,156	\$67,385,774	17,387	\$24,914,139	121,725	\$235,222,733	66,702	\$87,934,954

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

Depopulation Efforts Overview

Takeout Activity by Round Inception-to-Date

Assumption	Initial Assumption	As of 5/31/2023	
		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
12/1/2022 Round 16	3,786	3,364	\$4,101
04/1/2023 Round 17	6,578	5,938	\$9,085
Grand Total	139,436	82,074	113,494

Depopulation Summary Rounds 13 & 14

	Round 17 ITD		Round 16 ITD	
	Policy Count	Unearned Premium	Policy Count	Unearned Premium
Policies Selected	6,726		3,817	
Policies Cancelled as of Assumption	(148)		(31)	
Policies Initially Assumed	6,578	6,456	3,786	3,804
Activity on Assumed Policies:				
Optouts (Remaining with LCPIC)	(294)	(339)	(232)	(232)
Reinstated Policies	6	33	15	16
Policies Canceled	(149)	(197)	(152)	(135)
Policies Not Renewed	(4)	0	(2)	0
Renewals Not Included in Initial Assumption	0	0	7	3
Policies Expired by LCPIC-Renewing by Depop Company	0	0	(834)	0
Renewals Not Taken (Expired without Payment)	(199)	0	(58)	0
Renewals Issued on Behalf of Depop Company*	0	3,167	0	672
Payment for Endorsement Activity	0	(35)	0	(27)
Renewals Issued - Prior Term Canceled	0	0	0	0
Adjustments made for Report Errors	0	0	0	0
Total Activity - May 2023	(640)	\$2,629	(1,256)	\$298
Inforce with LCPIC	5,938		2,530	
Renewals Offered by Depop Companies	0		834	
Depopulated Policies	5,938	\$9,085	3,364	\$4,101
*Renewals Offered and Expired				
Initial Assumption - Renewals Offered	1,024		1,175	
Renewals Offered After Assumption - Not Included in Initial Assumption	0		7	
Renewals Not Offered	0		0	
Number of Renewals Processed by LCPIC	1,024		1,182	
Number of Policies Expired by LCPIC - Renewing by Depop Company	0		(834)	
Total Number of Policies Renewed by LCPIC	1,024		348	
Number of Expired Policies Without Payment	(199)		(60)	
Number of Policies Non-Renewed	(4)		(2)	
Number of Policies Canceled	(9)		(6)	
Optouts	(31)		(14)	
Renewals Issued-Prior Term Canceled	0		0	
Renewals Accepted On Behalf of Depop Company	781		266	

Claim Overview

Inception-to-Date Loss, Expense, & Claim Count - As of 3/31/23 (Updated Quarterly)

	Loss Year	ITD Claims	ITD Loss & LAE (000s)*
Hurricanes:			
Hurricane Katrina	2005	66,141	\$1,685,995
Hurricane Rita	2005	14,810	\$191,368
Hurricane Gustav	2008	52,161	\$331,976
Hurricane Ike	2008	3,402	\$13,921
Hurricane Isaac	2012	17,820	\$129,515
Hurricane Harvey	2017	121	\$225
Hurricane Nate	2017	12	\$17
Hurricane Barry	2019	618	\$2,149
Hurricane Laura	2020	2,724	\$103,225
Hurricane Sally	2020	5	\$10
Hurricane Delta	2020	2,138	\$26,394
Hurricane Zeta	2020	2,647	\$22,346
Hurricane Ida	2021	14,251	\$554,481
Total Hurricanes		176,850	3,061,621
PCS Events:			
39-Wind & Thunderstorm Event	2011	125	\$506
41-Wind & Thunderstorm Event	2011	3,050	\$30,243
46-Wind & Thunderstorm Event	2011	263	\$2,303
61-Tropical Storm Lee	2011	792	\$4,016
92-Hail Storm	2013	2,869	\$23,701
94-Wind & Thunderstorm Event	2013	60	\$284
1644-Wind & Thunderstorm Event	2016	687	\$623
1714-Wind & Hail Event	2017	208	\$4,927
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	\$161
1922 - Wind & Thunderstorm Event	2019	59	\$226
1923 - Wind & Thunderstorm Event	2019	37	\$122
1924 - Wind & Thunderstorm Event	2019	25	\$74
1925 - Wind & Thunderstorm Event	2019	15	\$63
1927 - Wind & Thunderstorm Event	2019	145	\$1,132
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	\$388
2022 - Wind and Thunderstorm Event	2020	32	\$136
2023 - Wind and Thunderstorm Event	2020	26	\$228
2024 - Wind and Thunderstorm Event	2020	67	\$405
2027 - Wind and Thunderstorm Event	2020	6	\$25
2029 - Wind and Thunderstorm Event	2020	8	\$67
Tropical Storm Cristobal	2020	34	\$161
2117 - Winter Storm	2021	163	\$848
2125 - Wind & Hail Event	2021	33	\$239
2126 - Wind & Hail Event	2021	86	\$708
2131 - Wind & Hail Event	2021	42	\$487
2132 - Wind & Hail Event	2021	57	\$209
TS Claudette	2021	9	\$67
TS Nicholas	2021	14	\$312
2220 - Wind and Thunderstorm Event	2022	59	\$1,547
2221 - Wind & Hail Event	2022	58	\$715
2223 - Wind & Hail Event	2022	4	\$28
2225 - Wind & Hail Event	2022	17	\$174
2272 - Wind & Hail Event	2022	317	\$20,871
2316 - Wind & Hail Event	2023	72	\$535
Total PCS Events		10,120	98,898
Other Outsourced Claims:			
2015 Day Claims Outsourced to Worley	2015	666	\$3,102
2016 Day Claims Outsourced to Worley	2016	59	\$387
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	\$137
Outsourced Day Claims (2010-2013)	2010-2013	13,322	\$114,199
Total Other Outsourced Claims		14,208	118,210
In-house Day Claims (2014 Forward)	2014-2023	13,498	\$128,572
Total Claims		214,676	3,407,301

Claim Overview

Loss & Expense Reserves & Open Claim Counts as of May 31, 2023

Catastrophe Name	Loss Year	Open Claim Count				Reserves (000s)	
		Litigated	Non-Litigated	May-23 Total	May-22 Total	May-23	May-22
Hurricanes:							
Hurricane Katrina*	2005	1	-	1	2	\$105	\$85
Hurricane Isaac	2012	6	-	6	7	\$1,050	\$603
Hurricane Barry	2018	-	-	-	1	-	\$10
Hurricane Laura	2020	84	4	88	179	\$1,934	\$5,552
Hurricane Sally	2020	-	-	-	-	-	-
Hurricane Delta	2020	52	-	52	113	\$946	\$2,281
Hurricane Zeta	2020	33	4	37	41	\$867	\$2,062
Hurricane Ida	2021	348	561	909	1,676	\$32,242	\$54,148
Total Hurricanes		524	569	1,093	2,019	\$37,143	\$64,741
PCS Events:							
92-Hail Storm	2013	-	-	-	1	-	-
1714-Wind & Hail Event	2017	1	-	1	1	\$65	\$55
1821-Wind & Thunderstorm Event	2018	-	-	-	-	-	-
1923-Wind & Thunderstorm Event	2019	-	-	-	-	-	-
1927-Wind & Thunderstorm Event	2019	-	-	-	-	-	\$5
2020 - Wind and Thunderstorm Event	2020	-	-	-	-	-	-
2021 - Wind and Thunderstorm Event	2020	1	-	1	1	\$39	\$30
2022 - Wind and Thunderstorm Event	2020	-	-	-	-	-	\$7
2023 - Wind and Thunderstorm Event	2020	-	-	-	-	-	\$1
2024 - Wind and Thunderstorm Event	2020	-	-	-	-	-	\$1
2027 - Wind and Thunderstorm Event	2020	-	-	-	-	-	-
Tropical Storm Cristobal	2020	-	-	-	-	-	\$5
2117 - Winter Storm	2021	-	-	-	-	\$90	\$91
2125 - Wind & Hail Event	2021	-	-	-	-	\$18	\$18
2126 - Wind & Hail Event	2021	-	-	-	1	\$31	\$44
2131 - Wind & Hail Event	2021	1	-	1	1	\$56	\$47
2132 - Wind & Hail Event	2021	1	-	1	2	\$28	\$38
Tropical Storm Claudette	2021	-	1	1	-	\$44	\$1
Tropical Storm Nicholas	2021	-	-	-	2	\$0	\$39
2220 - Wind and Thunderstorm Event	2022	-	3	3	10	\$89	\$183
2221 - Wind & Hail Event	2022	-	2	2	6	\$28	\$51
2223 - Wind & Hail Event	2022	-	-	-	2	\$0	\$11
2225 - Wind & Hail Event	2022	-	-	-	5	\$5	\$23
2272 - Wind & Hail Event	2022	-	29	29	-	\$1,486	-
2299 - Wind & Hail Event	2022	-	-	-	-	-	-
2316 - Wind & Hail Event	2023	-	14	14	-	\$154	-
Other	N/A	-	-	-	-	-	-
Total PCS Events		4	49	53	32	\$2,133	\$650
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	-	-	-	-	-	\$15
Total Other Outsourced Claims		-	-	-	-	-	\$15
Inhouse/Day Claims		34	294	328	149	6,219	2,542
Total Claims		562	912	1,474	2,200	\$45,495	\$67,949
IBNR						\$138,039	\$71,984
Total Reserve & IBNR						\$183,534	\$139,933

*Counts do not include EPIC commercial claims.

Claim Overview

Claim Level Statistics - All Claims

	<u>Month</u>		<u>Year-to-Date</u>	
	May-23	May-22	2023 YTD	2022 YTD
New Reported Claims	278	115	1,133	639
Claims Reopened	216	708	1,066	4,025
Closed Claims, as of 5/31	401	720	2,095	3,380
Closed with Pay	307	658	1,678	3,411
Closed without Pay	113	122	574	519
Avg Severity of Closed Claims	29,037	28,283	34,035	27,939
Avg Days to Close	250	251	283	196
Avg Days Open	124	118	148	0
Open Large Losses (>\$25K)	0	0	N/A	N/A

Claim Level Statistics - Hurricanes

New Reported Claims	2	27	20	224
Claims Reopened	122	668	667	3,881
Closed Claims, as of 5/31	139	597	881	2,971
Closed with Pay	138	576	895	3,145
Closed without Pay	5	74	73	351
Avg Severity of Closed Claims	48,112	31,229	60,273	30,086
Avg Days to Close	605	272	576	206
Avg Days Open	285	127	295	0
Open Large Losses (>\$25K)	0	0	N/A	N/A

Claim Level Statistics - PCS Events

New Reported Claims	9	11	149	119
Claims Reopened	21	18	142	60
Closed Claims, as of 5/31	19	30	274	120
Closed with Pay	19	30	235	107
Closed without Pay	2	4	61	24
Avg Severity of Closed Claims	23,625	18,740	17,745	14,067
Avg Days to Close	117	62	66	86
Avg Days Open	80	33	36	0
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	0
Closed Claims, as of 5/31	0	0	0	1
Closed with Pay	0	0	0	1
Closed without Pay	0	0	0	0
Avg Severity of Closed Claims	0	0	0	4,530
Avg Days to Close	0	0	0	650
Avg Days Open	0	0	0	305
Open Large Losses (>\$25K)	0	0	N/A	N/A

Claim Level Statistics - Inhouse/Day Claims

New Reported Claims	267	77	964	296
Claims Reopened	73	22	257	84
Closed Claims, as of 5/31	243	93	940	288
Closed with Pay	150	52	548	158
Closed without Pay	106	44	440	144
Avg Severity of Closed Claims	18,549	12,450	14,192	11,654
Avg Days to Close	57	173	71	139
Avg Days Open	35	91	42	0
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>	
	May-23	May-22	May-23	May-22
Claim Management Fees				
Alacrity Solutions - Admin Fees	-	-	-	-
BSA - Admin Fees	-	-	-	-
Creative Adjusting- Admin Fees	324,450	-	-	1,200,600
Eberl - Admin Fees	-	-	-	-
MD Claims LLC - Admin Fees	48,493	-	-	94,500
Maverick Claims - Admin Fees	-	-	-	-
IAS Services Group LLC - Admin Fees	-	-	-	-
One Call - Call Center	-	-	-	-
Total Claim Management Fees	\$372,943	\$ -	\$ -	\$1,295,100
Adjusting, Engineering, & Reinspection Expenses				
Elite Claims Service	44,296	32,473	-	-
ONE CALL CLAIMS LLC	18,334	-	-	-
LEGION CLAIMS SOLUTIONS LLC	22,452	14,639	-	6,324
MD Claims LLC	2,005	6,253	-	16,152
SWA Claims Management Services LLC	16,637	-	-	-
Forensic Investigations Group (Engineering)	8,534	9,402	-	-
River Road Partners LLC	6,000	-	-	-
BSA Claims Service	6,125	4,750	-	40,900
Edward C Bergeron Jr DBA Eddie Bergeron	2,000	-	-	-
Mark F Harter DBA Harter Insurance Services LLC	23,800	-	-	-
Jill S Smith S&S Claims Professionals LLC	24,000	-	-	-
TEAM ONE ADJUSTING SERVICES LLC	6,382	9,778	-	45,425
US Forensic (Engineering)	7,893	1,351	-	7,472
Arc Claims Solutions	-	6,000	-	-
Grey Consulting Group	-	4,000	-	-
All Other	89,121	7,480	-	20,598
Total Adjusting, Engineering, & Reinspection Exps	\$277,579	\$96,126	\$ -	\$136,871
Total LAE Expenses	\$650,522	\$96,126	\$ -	\$1,431,971
LCPIC Claims Payroll & Benefits*	184,308	31,521	-	70,633
Total Expenses	\$834,829	\$127,647	\$ -	\$1,502,604

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

Total Expenses	834,829	127,647	-	1,502,604
Ending Open Claims (1474) Ending Closed Claims (401)	1,875	901	-	2,019
Total Direct Labor Cost Per Claim Handled	\$445	\$142	\$ -	\$744

Average LAE Expenses - Closed Claims Method

Total LAE Expenses Paid on Closed Claims	132,783	68,068	-	51,894
Allocated LCPIC Claims Payroll & Benefits**	39,417	6,507	-	18,681
Allocated Expenses - Call Center**	-	-	-	-
Total Expenses - Closed Claims	\$172,200	\$74,575	\$ -	\$70,575
Closed Claims	401	186	-	534
Total Direct Labor Cost Per Closed Claim	\$429	\$401	\$ -	\$132

*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>	
	2023	2022	2023	2022
Claim Management Fees				
Alacrity Solutions - Admin Fees	-	-	-	-
BSA - Admin Fees	-	-	-	-
Creative Adjusting- Admin Fees	832,400	-	936,900	6,474,600
Eberl - Admin Fees	-	-	-	13,380
MD Claims LLC - Admin Fees	157,168	-	322,875	914,600
Maverick Claims - Admin Fees	-	-	25,662	-
IAS Services Group LLC - Admin Fees	-	-	-	423,100
One Call - Call Center	-	-	-	-
Total Claim Management Fees	\$989,568	\$-	\$1,285,437	\$7,825,680
Adjusting, Engineering, & Reinspection Expenses				
Elite Claims Service	273,334	133,591	8,998	-
ONE CALL CLAIMS LLC	97,891	-	450	-
LEGION CLAIMS SOLUTIONS LLC	94,748	40,282	14,427	43,176
MD Claims LLC	82,586	76,832	48,521	209,896
SWA Claims Management Services LLC	82,392	-	-	-
Forensic Investigations Group (Engineering)	73,882	35,838	-	-
River Road Partners LLC	70,000	-	14,000	-
BSA Claims Service	66,858	12,025	25,297	96,862
Edward C Bergeron Jr DBA Eddie Bergeron	62,000	-	34,000	-
Mark F Harter DBA Harter Insurance Services LLC	55,125	-	6,125	-
Jill S Smith S&S Claims Professionals LLC	42,000	-	2,000	-
TEAM ONE ADJUSTING SERVICES LLC	38,202	36,285	12,290	196,154
US Forensic (Engineering)	21,433	30,753	2,896	45,915
Arc Claims Solutions	10,000	36,800	-	-
Grey Consulting Group	-	43,200	-	-
All Other	277,884	69,539	46,020	174,700
Total Adjusting, Engineering, & Reinspection Exps	\$1,348,334	\$515,144	\$215,023	\$766,702
Total LAE Expenses	\$2,337,902	\$515,144	\$1,500,460	\$8,592,382
LCPIC Claims Payroll & Benefits*	593,782	120,694	232,220	325,429
Total Expenses	\$2,931,684	\$635,838	\$1,732,680	\$8,917,812

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

Total Expenses	2,931,684	635,838	1,732,680	8,917,812
Ending Open Claims (1474) Ending Closed Claims (2095)	3,569	1,416	-	4,164
Total Direct Labor Cost Per Claim Handled	\$821	\$449	\$-	\$2,142

Average LAE Expenses - Closed Claims Method

Total LAE Expenses Paid on Closed Claims	905,992	304,887	127,996	513,624
Allocated LCPIC Claims Payroll & Benefits**	161,720	24,788	41,401	106,062
Allocated Expenses - Call Center**	-	-	-	-
Total Expenses - Closed Claims	\$1,067,712	\$329,675	\$169,397	\$619,686
Closed Claims	2,095	701	-	2,679
Total Direct Labor Cost Per Closed Claim	\$510	\$470	\$-	\$231

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>	
	May-23	May-22	2023	2022
LCPIC Underwriting Payroll & Benefits*	213,854	127,580	1,011,187	626,201
LCPIC Customer Service Payroll & Benefits*	22,774	18,020	113,064	81,803
Temporary Labor - Customer Service	-	-	-	-
Total Payroll & Benefits	\$236,627	\$145,601	\$1,124,251	\$708,004
Total Expenses	\$236,627	\$145,601	\$1,124,251	\$708,004

Average Underwriting Expenses - Policies Issued Method

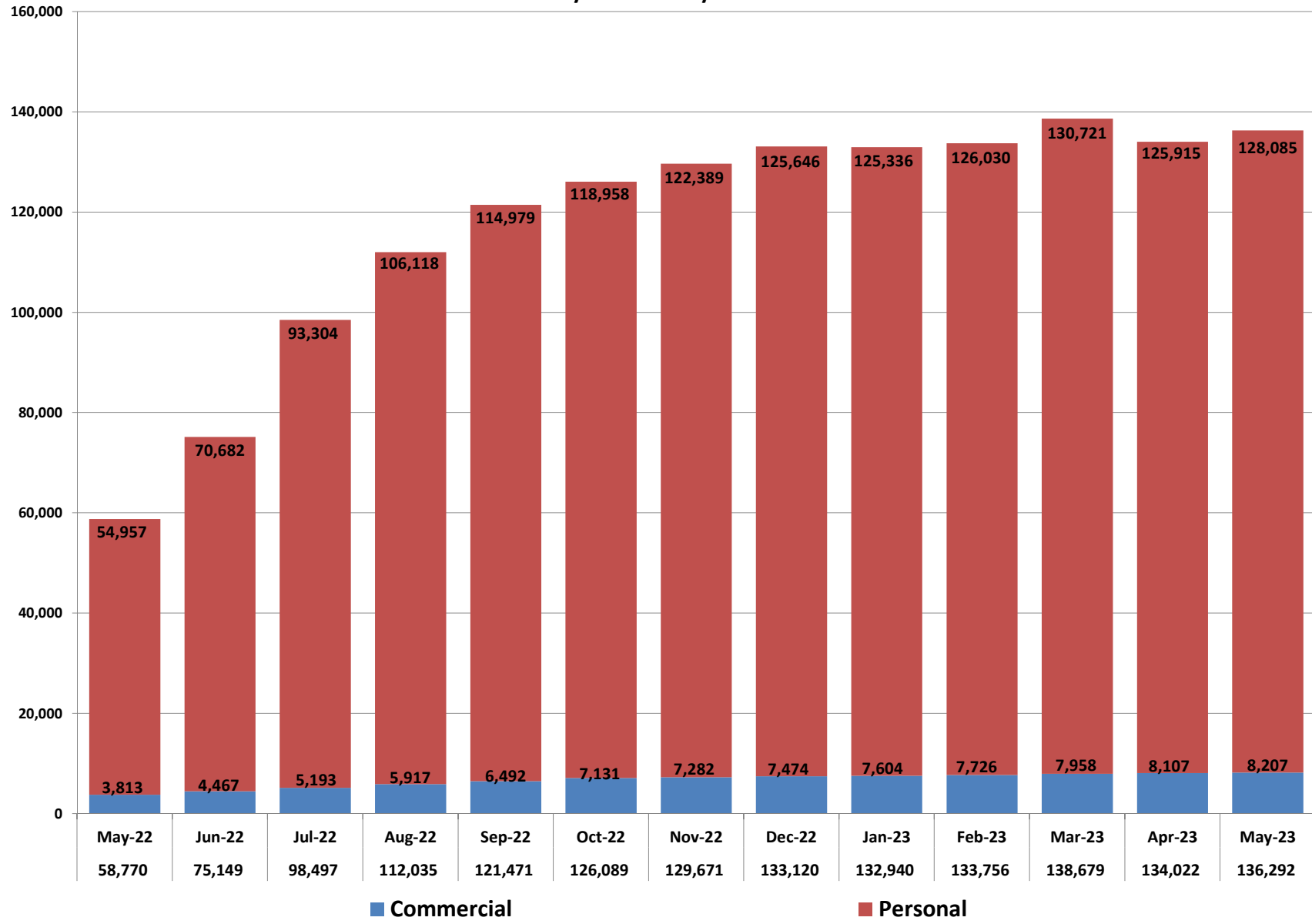
Total Expenses	\$236,627	\$145,601	\$1,124,251	\$708,004
New Policies Issued	5,689	6,758	24,502	22,344
Renewal Policies issued	<u>8,220</u>	<u>3,663</u>	<u>29,452</u>	<u>15,055</u>
Total Policies Issued*	13,909	10,421	53,954	37,399
Average Cost Per Policy Issued	\$17.01	\$13.97	\$20.84	\$18.93

Average Underwriting Expenses - Average Inforce Method

Total Expenses	\$236,627	\$145,601	\$1,124,251	\$708,004
Average Inforce Policies	<u>143,911</u>	<u>56,046</u>	<u>140,032</u>	<u>48,482</u>
Average Cost Per Policy Inforce	\$1.64	\$2.60	\$8.03	\$14.60

LCPIC Policy Inforce Count by Month - Net of Depop

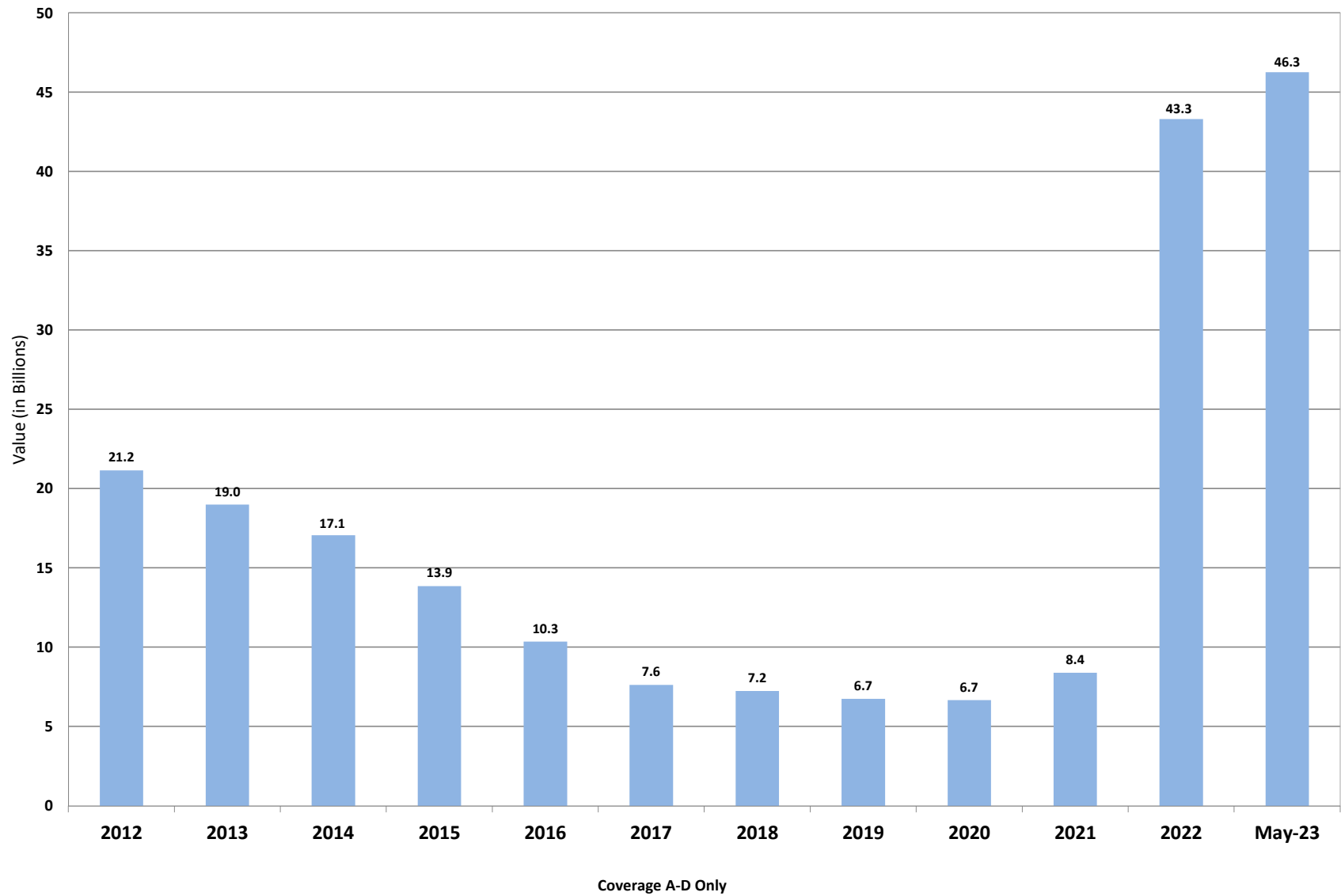
May 2022 to May 2023



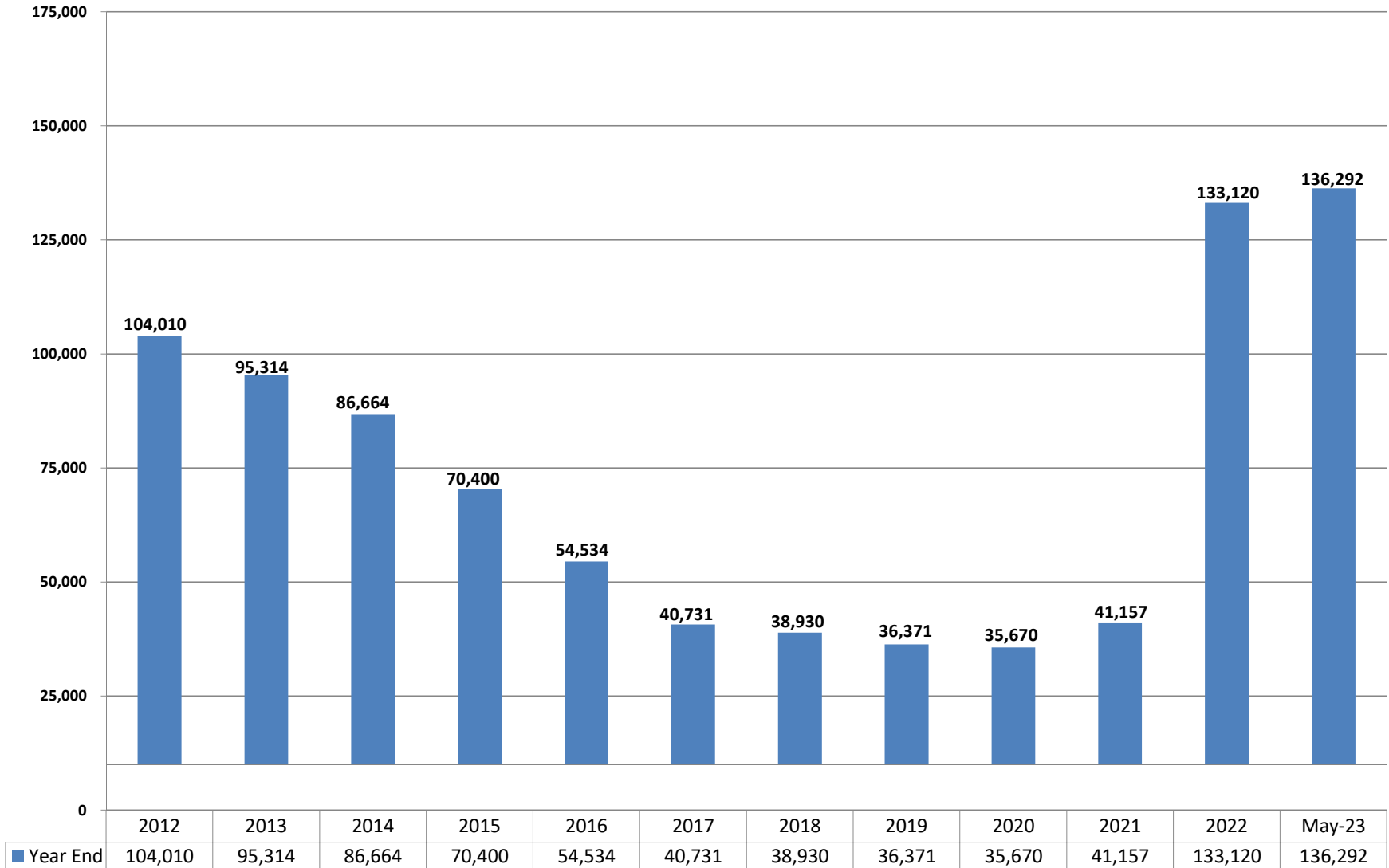
Inforce Policies by Business Type - Before and After Takeout

	Direct		Takeout		Net	
	Inforce Count	Inforce TIV (Cov A-D)	Inforce Count	Inforce TIV (Cov A-D)	Inforce Count	Inforce TIV (Cov A-D)
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
2022						
Commercial	7,474	8,561,010,734	0	0	7,474	8,561,010,734
Dwelling/Fire	106,924	23,841,758,550	3,326	531,178,970	103,598	23,310,579,580
Homeowners	22,394	11,576,418,915	346	137,274,580	22,048	11,439,144,335
Total	136,792	43,979,188,199	3,672	668,453,550	133,120	43,310,734,649
As of May 31, 2023						
Commercial	8,207	10,057,275,659	0	0	8,207	10,057,275,659
Dwelling/Fire	113,171	25,480,848,390	6,584	1,403,054,005	106,587	24,077,794,385
Homeowners	23,382	12,840,501,919	1,884	704,562,720	21,498	12,135,939,199
Total	144,760	48,378,625,968	8,468	2,107,616,725	136,292	46,271,009,243

Total Insured Value - After Takeout



Inforce Policy Count - After Takeout



Takeout Activity by Company Inception-to-Date

Round 16 Assumption 12/1/2022

Company	Initial Assumption	Opt Outs	<u>As of 5/31/2023</u>		Policies Assumed	Premium Assumed
			Canceled/Reinstated Policies	Expired Policies		
Safepoint	3,621	(207)	(133)	(49)	3,232	\$3,972
Cajun Underwriters	165	(22)	(5)	(6)	132	\$129
Grand Total	3,786	(229)	(138)	(55)	3,364	4,101

Round 17 Assumption 4/1/2023

Company	Initial Assumption	Opt Outs	<u>As of 5/31/2023</u>		Policies Assumed	Premium Assumed
			Canceled/Reinstated Policies	Expired Policies		
Safepoint	6,035	(264)	(133)	(193)	5,445	\$8,364
Cajun Underwriters	181	(17)	(4)	(6)	154	\$212
Ocean Harbor	362	(13)	(6)	(4)	339	\$510
Grand Total	6,578	(294)	(143)	(203)	5,938	9,085

LOUISIANA CITIZENS
PROPERTY INSURANCE CORPORATION

FINANCIAL REPORT
(STATUTORY BASIS)

DECEMBER 31, 2022 AND 2021

LOUISIANA CITIZENS
PROPERTY INSURANCE CORPORATION

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INDEPENDENT AUDITOR'S REPORT

May 16, 2023

To the Board of Directors of
Louisiana Citizens Property Insurance Corporation
Metairie, Louisiana

Opinion

We have audited the accompanying statutory financial statements of Louisiana Citizens Property Insurance Corporation (the "Company"), which comprise the statutory statements of admitted assets, liabilities, and surplus as of December 31, 2022 and 2021, and the related statutory statements of income, changes in surplus, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the admitted assets, liabilities, and surplus of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended, in accordance with the financial reporting practices prescribed and permitted by the Louisiana Department of Insurance as described in Note 1.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Basis of Accounting

As described in Note 1 to the financial statements, the financial statements were prepared by the Company in conformity with the financial reporting practices prescribed or permitted by the Louisiana Department of Insurance, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the reporting requirements of Louisiana. As a result the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices prescribed or permitted by the Louisiana Department of Insurance. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

In preparing the statutory financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the statutory financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the statutory financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the statutory financial statements. The information has been subjected to the auditing procedures applied in the audit of the statutory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the statutory financial statements or to the statutory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the statutory financial statements as a whole.

Restriction on Use

This report is intended solely for the information and use of the Board of Directors and management of the Company and the Louisiana Department of Insurance, is not intended to be, and should not be used by anyone other than these specified parties.

Duplantier, Sharpner, Hogan and Gruber, LLP

New Orleans, Louisiana

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
STATUTORY STATEMENTS OF ADMITTED ASSETS, LIABILITIES, AND SURPLUS
DECEMBER 31, 2022 AND 2021

<u>ADMITTED ASSETS</u>	<u>2022</u>	<u>2021</u>
Cash and invested assets:		
Cash, cash equivalents, and short-term investments	\$ 358,008,376	\$ 206,278,246
Bonds	83,324,863	66,569,899
Total cash and invested assets	441,333,239	272,848,145
Interest and dividends receivable	1,474,055	1,006,614
Premium receivable and agent's balances, net	58,427,167	12,051,798
Reinsurance receivable, net	22,695,639	3,092,462
Admitted electronic data processing equipment and software, at cost less accumulated depre- ciation of approximately \$18,531,907 and \$18,287,650 at December 31, 2022 and 2021, respectively	462,890	19,868
Emergency assessments receivable - 2005 deficit	229,944,547	285,019,547
Emergency assessments receivable - companies	16,000,000	15,000,000
Other receivables	110,542	110,542
TOTAL ADMITTED ASSETS	\$ 770,448,079	\$ 589,148,976

Continued

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
 STATUTORY STATEMENTS OF ADMITTED ASSETS, LIABILITIES, AND SURPLUS
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>LIABILITIES AND SURPLUS</u>		
Liabilities:		
Loss reserves	\$ 40,776,218	\$ 7,095,263
Loss adjustment expense reserves	9,523,015	2,679,710
Commissions payable to agents	9,970,950	2,651,894
Unearned premiums	241,867,216	43,808,571
Taxes, licenses, and fees accrued	9,692,594	4,065,957
Provision for reinsurance	193,539	1,657,067
Accounts payable and other accrued expenses	9,145,868	1,976,847
Amounts retained or withheld from others	17,997	36,976,790
Ceded reinsurance premiums payable, net of ceding commissions	44,008,695	-
Unearned tax exempt surcharge	7,235,808	1,259,048
Interest payable	796,473	1,025,952
Bonds payable	226,836,516	287,238,151
Liability for funds restricted for debt service	93,293,756	64,086,120
	<u>693,358,645</u>	<u>454,521,370</u>
Total liabilities		
Surplus:		
Unassigned surplus	77,089,434	134,627,606
	<u>77,089,434</u>	<u>134,627,606</u>
Total accumulated surplus		
	<u>77,089,434</u>	<u>134,627,606</u>
TOTAL LIABILITIES AND SURPLUS		
	<u>\$ 770,448,079</u>	<u>\$ 589,148,976</u>

See notes to statutory financial statements.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
 STATUTORY STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
REVENUES:		
Premiums earned	<u>\$ 82,954,980</u>	<u>\$ 35,381,945</u>
LOSSES AND UNDERWRITING EXPENSES:		
Losses incurred	52,391,700	44,525,740
Loss adjustment expenses incurred	15,166,034	5,816,415
Other underwriting expenses	<u>59,096,958</u>	<u>14,663,988</u>
Total losses and underwriting expenses	<u>126,654,692</u>	<u>65,006,143</u>
NET UNDERWRITING LOSS	(43,699,712)	(29,624,198)
Investment income	2,310,971	443,649
Interest expense	(5,378,435)	(6,537,168)
Emergency assessment income	4,701,222	6,546,297
Application and other miscellaneous fees	7,928,310	885,312
Finances and service charges not included in premiums	549,126	244,266
Net loss from agents or premium balances charged off	<u>(76,350)</u>	<u>(294,960)</u>
NET LOSS	<u>\$ (33,664,868)</u>	<u>\$ (28,336,802)</u>

See notes to statutory financial statements.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
 STATUTORY STATEMENTS OF CHANGES IN SURPLUS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
SURPLUS, BEGINNING OF YEAR	\$ 134,627,606	\$ 161,938,390
Net (loss)	(33,664,868)	(28,336,802)
Change in nonadmitted assets	(32,346,931)	(766,964)
Change in provision for reinsurance	1,463,528	(105,455)
Tax exempt surcharge	12,986,862	2,276,251
Other gains and losses in surplus	<u>(5,976,763)</u>	<u>(377,814)</u>
SURPLUS, END OF YEAR	<u>\$ 77,089,434</u>	<u>\$ 134,627,606</u>

See notes to statutory financial statements.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
STATUTORY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES:		
Premiums collected, net of reinsurance	\$ 270,534,842	\$ 42,662,132
Commissions and expenses paid	(54,473,992)	(19,987,493)
Net investment loss	(989,183)	(3,225,128)
Other revenues received	13,102,308	7,380,915
Losses and loss adjustment expenses paid	<u>(62,509,273)</u>	<u>(34,756,988)</u>
Net cash provided (used) by operating activities	<u>165,664,702</u>	<u>(7,926,562)</u>
INVESTING ACTIVITIES:		
Proceeds from investments sold or matured	43,224,595	28,565,000
Cost of investments acquired	<u>(62,525,283)</u>	<u>(20,450,214)</u>
Net cash provided (used) by investing activities	<u>(19,300,688)</u>	<u>8,114,786</u>
FINANCING ACTIVITIES:		
Payments on borrowed funds	(60,631,115)	(58,541,257)
Other cash provided	<u>65,997,231</u>	<u>107,945,902</u>
Net cash provided by financing activities	<u>5,366,116</u>	<u>49,404,645</u>
 Net change in cash, cash equivalents, and short-term investments	 151,730,130	 49,592,869
 Cash, cash equivalents, and short-term investments, beginning of year	 <u>206,278,246</u>	 <u>156,685,377</u>
 CASH, CASH EQUIVALENTS, AND SHORT-TERM INVESTMENTS, END OF YEAR	 <u><u>\$ 358,008,376</u></u>	 <u><u>\$ 206,278,246</u></u>

See notes to statutory financial statements.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Louisiana Citizens Property Insurance Corporation was created in accordance with provisions of Louisiana Revised Statute (LRS) 22:2293 and began operations on January 1, 2004. The Company operates solely in Louisiana. The Company's principal business activity is to operate insurance plans which provide 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. The Company operates residual market insurance programs designated as the Coastal Plan and the Fair Access to Insurance Requirements Plan (FAIR Plan). The Coastal Plan is for property insurance written on locations between the Gulf of Mexico and the Intracoastal Waterway and the FAIR Plan is for property insurance written on locations above the Intracoastal Waterway.

Louisiana Citizens Property Insurance Corporation (the "Company") is a component unit of the State of Louisiana.

The Company is governed by a Board of Directors consisting of fifteen members, who serve without compensation. The Board consists of the Commissioner of the Department of Insurance, the State Treasurer, the chairman of the House Committee on Insurance, the chairman of the Senate Committee on Insurance or their designees, six representatives appointed by the Governor, three members appointed by the Commissioner of the Louisiana Department of Insurance, and two members appointed by the Governor.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation and Accounting:

The accompanying financial statements have been prepared in conformity with accounting practices prescribed or permitted by the Louisiana Department of Insurance. The State of Louisiana generally requires that insurance companies domiciled in the State of Louisiana prepare their statutory basis financial statements in accordance with the National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures Manual. Such practices vary from accounting principles generally accepted in the United States of America (GAAP). The more significant variances from GAAP are as follows:

- Commissions and other costs of acquiring insurance are expensed when incurred rather than capitalized and amortized over the terms of the related policies as required by GAAP.
- Certain assets designated as "nonadmitted" are excluded from the balance sheet and are charged directly to unassigned surplus.
- Reserves for losses and loss adjustment expenses are reported net, rather than gross, of certain reinsurance recoverables.
- Gains and losses on the defeasance of debt are reported in the period the debt was extinguished rather than being amortized over the shorter of the remaining life of the old bonds or the life of the new bonds.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Presentation and Accounting: (Continued)

- The statement of cash flows is presented in the required statutory format. This format differs from the format specified by GAAP which requires a reconciliation of net income to net cash flow from operating activities and supplemental schedules of noncash financing and investing activities.
- Cash, cash equivalents, and short-term investments in the statement of cash flows represent cash balances and investments with initial maturities of one year or less. Under GAAP, the corresponding caption of cash and cash equivalents includes cash balances and investments with initial maturities of three months or less. Also, under GAAP, short-term investments are disclosed separately from cash and include investments with remaining maturities of one year or less.
- Lease payments in the statements of lessees are expensed when incurred, and lease receipts in the statements of lessors are recognized as revenue when earned. However, under GAAP, lease accounting is based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The aggregate effect on the accompanying statutory financial statements of the variations from GAAP is outlined in Note 14 to the financial statements.

Estimates:

The financial statements are prepared in conformity with accounting practices prescribed or permitted by the Louisiana Department of Insurance, which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Statement of Cash Flows:

For the purpose of reporting cash flows, cash includes cash, cash equivalents, and short-term investments. Cash equivalents and short-term investments include all liquid investments with a maturity of one year or less when purchased.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Bond Investments:

Bonds, which consist solely of debt securities, are recorded as admitted asset values as prescribed by NAIC valuation procedures, and are rated in accordance with current NAIC guidelines. Debt securities are stated at amortized cost using the interest method. Bonds with a maturity of one year or less are recorded as cash and short-term investments within the Statutory Statements of Admitted Assets, Liabilities, and Surplus. Bonds with a maturity of greater than one year when purchased are recorded as bond investments.

Money Market Mutual Fund Investments:

Money market mutual funds consist of investments in traditional money market funds and investments in exempt money market funds. Investments in money market mutual funds are classified as cash equivalents. Money market mutual fund investments are stated at fair value.

EDP Equipment and Operating System Software:

Electronic Data Processing (EDP) equipment and software purchased or developed for internal use with an original cost of over \$1,000,000 is capitalized and depreciated using the straight-line method over the software's useful life of three years for operating software and five years for non-operating software.

Depopulation:

The Company may undertake a depopulation effort on some or all of its in-force policies annually with the approval of the governing board of the corporation per amended and reenacted Louisiana Revised Statute R.S. 22:2314(B)(1). The Company accounts for premiums of depopulated policies as a reduction of direct premiums written. Losses and other costs associated with depopulated policies are assumed by the acquiring entity and thus are removed from the Company's financial statements.

Loss Reserves and Loss Adjustment Expense Reserves:

The liabilities for losses and loss adjustment expenses include an amount determined from loss reports and individual cases and an amount, based on historical data, for losses incurred but not reported. Such liabilities are based on estimates and, while management believes that the amount is adequate, the ultimate liability may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed, and any adjustments are reflected in current earnings.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Premiums:

Premiums are recorded as earned on a daily pro rata basis over the policy period. The portion of premiums not earned as of the end of the fiscal year are recorded as unearned premiums.

Premiums receivable includes amounts due from policyholders for billed premiums. Billings are calculated using the annual premiums for each policy and are paid either through an installment plan offered by the Company or in their entirety at the inception of the policy.

Market Risk:

The Company underwrites residential and commercial property insurance policies in the State of Louisiana through the Coastal Plan and the FAIR Plan. Therefore, adverse economic changes or certain changes in the insurance laws of the State of Louisiana could have a significant impact on the Company's future financial position and results of operations.

The Coastal Plan is for property insurance written on locations between the Gulf of Mexico and the Intracoastal Waterway. The FAIR Plan is for property insurance above the Intracoastal Waterway. Therefore, severe storm activity in any of these areas or throughout the State of Louisiana could have a significant impact on the Company's future financial position and results of operations.

Assessments:

In the event that the Governing Board of the Company determines that a deficit exists in either the Coastal Plan or the FAIR Plan, the Company may levy a regular assessment for each affected Plan in order to remedy any deficit. All insurers who become authorized and then engage in writing property insurance within the State of Louisiana shall participate in regular assessment of the Coastal and FAIR Plans in the proportion that the net direct premium of such participant written in the state during the preceding calendar year bears to the aggregate net direct premiums written in the state by all insurers during the preceding calendar year as certified to the Governing Board by the Louisiana Department of Insurance.

When the deficit incurred in a particular calendar year is not greater than ten percent of the aggregate statewide direct written premium for the subject lines of business for the prior calendar year, the entire deficit will be recovered through regular assessments. When the deficit incurred exceeds ten percent, the regular assessment may not exceed the greater of ten percent of the calendar year deficit or ten percent of the aggregate statewide direct written premium for the subject lines of business for the prior calendar year. Any remaining deficit shall be recovered through an emergency assessment.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Assessments: (Continued)

Upon determination by the Governing Board of the Company that a deficit exceeds the amount allowed to be recovered through regular assessment, the Governing Board shall levy an emergency assessment for as many years as necessary to cover all deficits. The amount of emergency assessment levied in a particular year shall be a uniform percentage of that year's direct written premium for the subject lines of business. The total amount of emergency assessment levied in any calendar year will not exceed the greater of: (a) ten percent of the amount needed to cover the original deficit plus interest, fees, commissions, required reserves, and other costs associated with the financing of the original deficit; or (b) ten percent of the aggregate statewide direct written premiums for subject lines of business and for all plan accounts of the Company for the prior year, plus interest, fees, commissions, required reserves, and other costs associated with financing the original deficit. To the extent the aggregate amount of the emergency assessment will not exceed the greater of (a) or (b) above, the Governing Board shall impose an emergency assessment in the amount required by any applicable loan agreement, trust indenture, or other financing agreement.

All persons who procure a policy of insurance of one or more subject lines of business from an insurer who becomes authorized and then engages in writing property insurance within the State of Louisiana are subject to emergency assessment by the Company.

Liability for Funds Restricted For Debt Service and Related Accounting Changes:

The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices. In 2009, with agreement from the Louisiana Department of Insurance ("the Department"), the Company received permission from the Department to reclassify, as a liability, the excess emergency assessments collected that were greater than the debt service costs since the inception of the bond debt in 2006 with the cumulative excess amount being \$93,293,756 and \$64,086,120 at December 31, 2022 and 2021, respectively. The Company will record emergency assessment collections and costs through net income only in amounts sufficient to offset interest costs and amortization of bond issuance costs.

Reinsurance and Reinsurance Recoverables:

All catastrophe reinsurance premiums are recorded as premiums ceded and are amortized over the life of the hurricane season for which the payments apply. Reinsurance recoverables on unpaid losses are recorded as a reduction of losses incurred and loss adjustment expenses incurred. Reinsurance recoverable on paid losses is recorded as an asset in the accompanying statutory statements of admitted assets, liabilities, and surplus. Premiums ceded include catastrophe reinsurance purchased.

Income Taxes:

The Company is exempt from federal income tax pursuant to Private Letter Ruling 160165-03 from the Internal Revenue Service. Obligations issued by the Company constitute obligations of the State of Louisiana within the meaning of section 103(c)(1) of the Internal Revenue Code.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Financial Instruments:

The carrying value of cash and cash equivalents, premiums receivable, other admitted assets, and other liabilities approximates fair value given their short-term nature.

Unlike private insurers that are subject to liquidation in the event of insolvency, the Company is able (and statutorily required) to levy assessments in the event of a deficit in any or all of its accounts.

2. CASH AND INVESTED ASSETS:

Cash, Cash Equivalents, and Short-Term Investments:

Cash, cash equivalents, and short-term investments as of December 31, 2022 and 2021 in the amount of \$358,008,376 and \$206,278,246, respectively, consisted of cash held in financial institutions, money market mutual funds, and bond investments with remaining maturities of one year or less at the time of acquisition. Money market mutual funds are reported at fair market value and short-term bond investments are reported at amortized cost. Cash, cash equivalents, and short-term investments as of December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Cash, Cash Equivalents, and Short-Term Investments:		
Cash	\$ 226,779,708	\$ 130,393,883
Money Market Funds	124,992,809	73,670,607
Short-Term Bonds	6,235,859	2,213,756
Total Cash, Cash Equivalents, and Short-Term Investments	\$ 358,008,376	\$ 206,278,246

Bond Investments:

Bond investments as of December 31, 2022 and 2021 in the amount of \$83,324,863 and \$66,569,899, respectively, consisted of bonds with remaining maturities of one year or greater at the time of acquisition. Bond investments are reported at amortized cost.

3. ELECTRONIC DATA PROCESSING EQUIPMENT AND SOFTWARE:

Electronic Data Processing (EDP) equipment and software with an original cost of \$18,994,797 and \$18,307,518 at December 31, 2022 and 2021, respectively, is being depreciated using the straight-line method over the asset's useful life of three years for operating software and five years for non-operating software, in accordance with NAIC statutory requirements. Depreciation expense for admitted EDP equipment and operating system software totaled \$244,257 and \$57,292 for the years ended December 31, 2022 and 2021, respectively.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

4. LIABILITIES FOR LOSS AND LOSS ADJUSTMENT EXPENSES:

Activity in the liabilities for loss and loss adjustment expenses, net of reinsurance recoverables on unpaid losses, are summarized as follows for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Balance at January 1,	\$ <u>9,774,973</u>	\$ <u>11,174,395</u>
Incurred related to:		
Current year	55,027,560	50,121,908
Prior years	<u>12,530,174</u>	<u>220,249</u>
Total incurred	<u>67,557,734</u>	<u>50,342,157</u>
Paid related to:		
Current year	21,948,033	46,694,489
Prior years	<u>5,085,441</u>	<u>5,047,090</u>
Total paid	<u>27,033,474</u>	<u>51,741,579</u>
Balance at December 31,	\$ <u><u>50,299,233</u></u>	\$ <u><u>9,774,973</u></u>

For both catastrophic and non-catastrophic claims, the loss adjusting function is performed by the Company through its employees and through contracted independent adjusting firms. The Company compensates the independent adjusting firms, depending upon the type or nature of the claims, either on a per-day rate or on a graduated fee schedule based on the gross claim amount, consistent with industry standard methods of compensation.

The Company is involved in a number of class action lawsuits and other legal proceedings arising out of various aspects of its business which have been reserved for above. See Note 15 for a description of these class action claims.

5. AGENT COMMISSIONS:

The Company's policies are written by various insurance agents licensed in the State of Louisiana. These agents are compensated at commission rates established by the Board and calculated as a percentage of direct written premiums, net of certain surcharges and assessments. Agent commissions are reported in the statutory statements of income as other underwriting expenses. Agent commissions incurred were \$42,233,518 and \$7,584,862 during the years ended December 31, 2022 and 2021, respectively. Agent commissions payable were \$9,970,950 and \$2,651,894 for the years ended December 31, 2022 and 2021, respectively.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

6. UNASSIGNED SURPLUS:

Changes in balances of surplus from the prior year are, in part, due to collections made by the Company during the normal course of collecting policy component charges. The policy component charge affecting surplus funds is the tax-exempt surcharge.

The unassigned surplus as of December 31, 2022 and 2021 was \$77,089,434 and \$134,627,606, respectively.

7. LIABILITY FOR FUNDS RESTRICTED FOR DEBT SERVICE:

In 2005, the Company suffered losses of \$1.8 billion as a result of Hurricanes Katrina and Rita. In 2006, the Company issued \$978.2 million of bonds to pay for these losses. Under R.S. 22:2307, the Company may assess, in any one year, up to 10% of the total property premiums assessable statewide to pay the debt service on the bonds. The total statewide assessable premiums are approximately \$2.6 billion.

Emergency assessments were as follows:	2022	2021
2007 3.60% assessment rate	\$ 78,012,088	\$ 78,012,088
2008 5.00% assessment rate	99,751,686	99,751,686
2009 5.00% assessment rate	116,753,866	116,753,866
2010 4.30% assessment rate	103,046,094	103,046,094
2011 4.00% assessment rate	101,027,353	101,027,353
2012 3.90% assessment rate	92,242,635	92,242,635
2013 3.74% assessment rate	95,503,384	95,503,384
2014 3.54% assessment rate	94,979,546	94,979,546
2015 3.42% assessment rate	91,158,917	91,158,917
2016 2.93% assessment rate	77,527,977	77,527,977
2017 2.52% assessment rate	63,336,149	63,336,149
2018 2.57% assessment rate	65,959,470	65,959,470
2019 2.65% assessment rate	70,269,691	70,269,691
2020 2.60% assessment rate	71,352,147	71,352,147
2021 2.49% assessment rate	76,657,333	76,657,333
2022 2.40% assessment rate	88,983,859	-
Total assessments	1,386,562,195	1,297,578,336
Plus: cumulative bond earnings	36,115,634	35,419,697
Less: cumulative debt service	(1,329,384,073)	(1,268,911,913)
Liability for funds restricted for debt service	\$ 93,293,756	\$ 64,086,120

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

8. REINSURANCE AGREEMENTS:

The Company purchases private reinsurance through Guy Carpenter & Company, LLC, as licensed reinsurance intermediaries. The participating reinsurance companies will reimburse the Company, through the intermediary, a specified percentage of losses incurred if a prescribed retention is reached.

The Company purchases reinsurance based on levels of loss. The Company is liable for the first amount of ultimate net loss, shown in the table below as "Company's Retention", arising out of each loss occurrence. The reinsurer is then liable, as respects each excess layer, for the amount by which such ultimate net loss exceeds the Company's applicable retention for that layer. However, the liability of the reinsurer under any excess layer of reinsurance coverage provided does not exceed either of the following: (1) the amount shown below as "Reinsurer's Per Occurrence Limit" for that excess layer as respect to loss or losses arising out of any one loss occurrence or (2) the amount shown as "Reinsurer's Term Limit" for that excess layer. Each excess layer of reinsurance coverage provided during the years ended December 31, 2022 and 2021 as follows:

December 31, 2022 (in thousands):

	January 1, 2022 to May 31, 2022						
	<u>First Excess</u>	<u>Second Excess</u>	<u>Third Excess</u>	<u>Fourth Excess</u>	<u>Fifth Excess</u>	<u>Sliver Excess</u>	<u>Seventh Excess</u>
Company's Retention	\$ 35,000	\$ 65,000	\$ 145,000	\$ 245,000	\$ 245,000	\$ 245,000	\$ 245,000
Reinsurer's Per Occurrence Limit	\$ 30,000	\$ 80,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 5,000	\$ 15,000
Reinsurer's Term Limit	\$ 60,000	\$ 160,000	\$ 200,000	\$ 100,000	\$ 100,000	\$ 5,000	\$ 30,000
Annual Minimum Premium	\$ 4,425	\$ 6,400	\$ 5,000	\$ 3,550	\$ 3,200	\$ 150	\$ 375

	June 1, 2022 to December 31, 2022						
	<u>First Excess</u>	<u>Second Excess</u>	<u>Third Excess</u>	<u>Fourth Excess</u>	<u>Fifth Excess</u>	<u>Seventh Excess</u>	<u>Eighth Excess</u>
Company's Retention	\$ 50,000	\$ 70,000	\$ 150,000	\$ 300,000	\$ 300,000	\$ 795,000	\$ 1,050,000
Reinsurer's Per Occurrence Limit	\$ 20,000	\$ 80,000	\$ 150,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 100,000
Reinsurer's Term Limit	\$ 40,000	\$ 160,000	\$ 300,000	\$ 450,000	\$ 450,000	\$ 510,000	\$ 200,000
Annual Minimum Premium	\$ 7,600	\$ 21,600	\$ 27,000	\$ 22,500	\$ 18,000	\$ 16,575	\$ 5,500

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

8. REINSURANCE AGREEMENTS: (Continued)

December 31, 2021 (in thousands):

	January 1, 2021 to May 31, 2021							
	First Excess	Second Excess	Third Excess	Fourth Excess	Sixth Excess			
Company's Retention	\$ 35,000	\$ 65,000	\$ 160,000	\$ 260,000	\$ 260,000			
Reinsurer's Per Occurrence Limit	\$ 30,000	\$ 95,000	\$ 100,000	\$ 100,000	\$ 50,000			
Reinsurer's Term Limit	\$ 90,000	\$ 190,000	\$ 200,000	\$ 100,000	\$ 100,000			
Annual Minimum Premium	\$ 3,930	\$ 6,680	\$ 4,353	\$ 1,361	\$ 1,575			
	June 1, 2021 to December 31, 2021							
	First Excess	Second Excess	Third Excess	Fourth Excess	Fifth Excess	Sliver Excess	Seventh Excess	
Company's Retention	\$ 35,000	\$ 65,000	\$ 145,000	\$ 245,000	\$ 245,000	\$ 245,000	\$ 245,000	
Reinsurer's Per Occurrence Limit	\$ 30,000	\$ 80,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 5,000	\$ 15,000	
Reinsurer's Term Limit	\$ 60,000	\$ 160,000	\$ 200,000	\$ 100,000	\$ 100,000	\$ 5,000	\$ 30,000	
Annual Minimum Premium	\$ 4,425	\$ 6,400	\$ 5,000	\$ 3,550	\$ 3,200	\$ 150	\$ 375	

The premiums can also potentially be adjusted if the total insurable value is greater than 10% or less than 5% of the estimated total insurable value used to calculate the contract premium. In the event that all or any portion of the reinsurance under the excess layer above is exhausted by loss, the amount exhausted will be reinstated immediately upon payment of a reinstatement premium. For the year ended December 31, 2022, the Company has entered into a Reinstatement Premium Protection (RPP) contract related to the first, second, and third layers which guarantees payment of the reinstatement premium. For the year ended December 31, 2021, the Company entered into a Reinstatement Premium Protection (RPP) contract related to the second and third layers which guarantees payment of the reinstatement premium.

During the year ended December 31, 2022, the Company also purchased facultative reinsurance through Guy Carpenter & Company. Facultative reinsurance is coverage purchased by the Company to cover a single risk or policy. The Company obtained this reinsurance to cover high value policies against the risk of loss. The reinsurance covers the full length of the policy.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
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8. REINSURANCE AGREEMENTS: (Continued)

During the year ended December 31, 2022, the Company also purchased County Weighted Industry Loss reinsurance based on levels of loss. The Company is liable for the first amount of ultimate net loss, shown in the table below as "Company's Retention", arising out of each loss occurrence. The reinsurer is then liable, as respects each excess layer, for the amount by which such ultimate net loss exceeds the Company's applicable retention for that layer. However, the liability of the reinsurer under any excess layer of reinsurance coverage provided does not exceed either of the following: (1) the amount shown below as "Reinsurer's Per Occurrence Limit" for that excess layer as respect to loss or losses arising out of any one loss occurrence or (2) the amount shown as "Reinsurer's Term Limit" for that excess layer. Each excess layer of reinsurance coverage provided during the years ended December 31, 2022 as follows:

	January 1, 2022 to December 31, 2022				
	Fourth County Weighted Industry Loss ¹	Fourth County Weighted Industry Loss ²	Fourth/Fifth County Weighted Industry Loss ²	Seventh County Weighted Industry Loss ¹	Sixth/Seventh/Eighth County Weighted Industry Loss ²
Company's					
Retention	\$ 225,000	\$ 300,000	\$ 300,000	\$ 255,000	\$ 750,000
Reinsurer's Per					
Occurrence Limit	\$ 300,000	\$ 225,000	\$ 450,000	\$ 795,000	\$ 400,000
Reinsurer's					
Term Limit	\$ 225,000	\$ 450,000	\$ 900,000	\$ 255,000	\$ 800,000
Annual Minimum					
Premium	\$ 56,835	\$ 29,993	\$ 40,500	\$ 64,413	\$ 22,680

¹ D.E. Shaw Group

² Nephila Capital

As of December 31, 2022, the Company had additional coverage through five catastrophe bonds. In 2022, the Company purchased a \$120 million, Class A three-year catastrophe bond that provides coverage for 53% of up to \$525 million in losses in excess of \$300 million covered by retention and traditional reinsurance. The Company also purchased a \$55 million, Class B three-year catastrophe bond that provides coverage for 24% of up to \$525 million in losses in excess of \$300 million covered by retention and traditional reinsurance.

In 2021, the Company purchased a \$75 million, Class A three-year catastrophe bond that provides coverage for 75% of up to \$345 million in losses in excess of \$245 million covered by retention and traditional reinsurance. The Company also purchased a \$50 million, Class B three-year that provides coverage for 100% of up to \$120 million in losses in excess of \$70 million covered by traditional reinsurance.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

8. REINSURANCE AGREEMENTS: (Continued)

In 2020, the Company purchased additional coverage through a \$60 million, three-year catastrophe bond that provides coverage for 60% of up to \$360 million in losses in excess of \$260 million covered by retention and traditional reinsurance.

In 2018, the Company purchased additional coverage through a \$100 million, three-year catastrophe bond that provides coverage for 100% of up to \$400 million in losses in excess of \$300 million covered by retention and traditional reinsurance. The 2018 catastrophe bonds were retired during the year ended December 31, 2021.

The effect of reinsurance on premiums written and earned during the years ended December 31, 2022 and 2021 were as follows:

	<u>2022 Premiums</u>		<u>2021 Premiums</u>	
	<u>Written</u>	<u>Earned</u>	<u>Written</u>	<u>Earned</u>
Direct	\$ 424,637,015	\$ 228,672,287	\$ 75,859,017	\$ 63,200,730
Ceded	<u>(145,717,307)</u>	<u>(145,717,307)</u>	<u>(27,818,785)</u>	<u>(27,818,785)</u>
Net premiums	<u>\$ 278,919,708</u>	<u>\$ 82,954,980</u>	<u>\$ 48,040,232</u>	<u>\$ 35,381,945</u>

Amounts recoverable from reinsurers on unpaid losses and loss adjustment expenses are estimated based on the allocation of estimated unpaid losses and loss adjustment expenses among coverage lines. Actual amount recoverable will depend on the ultimate settlement of losses and loss adjustment expenses. Reinsurance contracts do not relieve the Company from its obligation to policyholders. The Company remains liable to its policyholders for the portion reinsured to the extent that any reinsurer does not meet the obligations assumed under their reinsurance agreements.

The provision for reinsurance at December 31, 2022 and 2021 was \$193,539 and \$1,657,067, respectively

9. LINE OF CREDIT:

The Company maintains a line of credit providing for a maximum borrowing of \$125,000,000 at December 31, 2022 and \$50,000,000 at December 31, 2021. Interest on this note is payable monthly at a variable rate based on the 30-day Secured Overnight Financing Rate (SOFR) plus 2.0% for the year ended December 31, 2022. Interest on this note was payable monthly at a variable rate based on the 30-day London Interbank Offered Rate (LIBOR) plus 2.0% for the year ended December 31, 2021. SOFR at December 31, 2022 was 4.06%. LIBOR at December 31, 2021 was 0.10%. The line of credit is secured by all premiums and accounts receivable and revenue from all sources, exclusive of emergency assessments resulting from the 2005 catastrophes levied pursuant to LA R.S. 22:2307E. The line matures June 1, 2023. There was no balance outstanding on the line of credit at December 31, 2022 and 2021.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

10. BONDS PAYABLE:

Series 2015R:

In 2015, the Company issued \$333,295,000 of assessment revenue refunding bonds in order to advance refund \$415,290,000 principal amount of the Assessment Revenue Bonds Series 2006B and to pay the cost of issuance of the Series 2015R bonds. The bonds were issued in denominations of \$5,000 or any integral multiple thereof. The 2015R bonds bear interest of 5.00% per annum, payable semiannually on June 1st and December 1st of each year, commencing December 1, 2015. The bond maturity dates range from June 1, 2016 to June 1, 2022. Bond principal payments of \$55,075,000 and \$51,480,000 were made during the years ended December 31, 2022 and 2021, respectively. The bonds were paid in full during the year ended December 31, 2022. The outstanding balance due on these bonds as of December 31, 2021 was \$55,075,000.

Series 2016AB:

In 2016, the Company issued \$217,510,000 of assessment revenue refunding bonds in order to advance refund \$213,195,000 principal amount of the Assessment Revenue Bonds Series 2006C1 through 2006C3, \$49,785,000 principal amount of the Assessment Revenue Bond Series 2012R, and to pay the cost of issuance of the Series 2016AB bonds, which consisted of 2016A bonds of \$160,810,000 and 2016B bonds of \$56,700,000. The bonds were issued in denominations of \$5,000 or any integral multiple thereof. The 2016A bonds bear interest of 5.00% per annum, payable semiannually on June 1 and December 1 of each year, commencing December 1, 2016. The 2016A bond maturity dates range from June 1, 2023 to June 1, 2026. The 2016B bonds bear interest of 2.64% and 2.74% per annum, payable semiannually on June 1 and December 1 of each year, commencing December 1, 2016. The 2016B bond maturity dates range from June 1, 2024 to June 1, 2025. No principal payments were made during the years ended December 31, 2022 and 2021. The outstanding balance due on these bonds as of December 31, 2022 and 2021 was \$217,510,000.

A schedule of debt service requirements, including bond premiums as of December 31, 2022 was as follows:

<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>
2023	\$ 50,980,000	\$ 8,283,175	\$ 3,948,155
2024	53,530,000	6,100,004	2,909,991
2025	55,345,000	4,037,042	1,880,779
2026	57,655,000	1,441,375	587,591
	<u>\$ 217,510,000</u>	<u>\$ 19,861,596</u>	<u>\$ 9,326,516</u>

Net unamortized premium at December 31, 2022 and 2021 was \$9,326,516 and \$14,653,151, respectively

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
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10. BONDS PAYABLE: (Continued)

The total interest expense on the bonds for the years ended December 31, 2022 and 2021 was \$5,378,435 and \$6,537,168, respectively, including annual amortized premiums of \$5,326,635 and \$6,846,757, respectively, which was recorded as interest expense in the accompanying Statutory Statements of Income.

11. RETIREMENT PLANS:

Defined Benefit Plan:

The Company sponsors a non-contributory defined benefit pension plan covering all employees that were hired prior to April 1, 2008, through a service agreement with Property Insurance Association of Louisiana (PIAL) in which retirement expenses were previously reimbursed to PIAL.

The table below sets forth the changes in projected benefit obligations, changes in plan assets, and components of the net periodic benefit costs for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Change in projected benefit obligation:		
Beginning projected benefit obligation, January 1,	\$ 2,462,115	\$ 2,558,034
Interest cost	72,647	69,322
Actuarial (gain) loss	(593,883)	(57,556)
Benefit payments	(116,696)	(107,685)
Ending projected benefit obligation, December 31,	<u>\$ 1,824,183</u>	<u>\$ 2,462,115</u>

	<u>2022</u>	<u>2021</u>
Change in plan assets:		
Fair value of plan assets, January 1,	\$ 2,584,357	\$ 2,491,290
Employer contributions	-	45,928
Benefit payments	(116,696)	(107,685)
Actual return on plan assets	(544,370)	154,824
Fair value of plan assets, December 31,	<u>1,923,291</u>	<u>2,584,357</u>
Funded status	<u>\$ 99,108</u>	<u>\$ 122,242</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

11. RETIREMENT PLANS: (Continued)

Assumptions used to determine projected benefit obligations and pension costs at December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Discount rate	3.00%	2.75%
Long-term rate of return on assets	4.50%	4.50%
Compensation increase rate	N/A	N/A

Net periodic benefit cost for the years ended December 31, 2022 and 2021 included the following components:

	<u>2022</u>	<u>2021</u>
Interest cost	\$ 72,647	\$ 69,322
Expected return on plan assets	(113,899)	(110,709)
Amortization net prior service cost	1,445	1,445
Amortization net loss	7,006	11,163
Ending net periodic benefit cost, December 31,	<u>\$ (32,801)</u>	<u>\$ (28,779)</u>

Changes in amounts recognized in accumulated surplus for the years ended December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Unrecognized balances, January 1,	\$ 476,702	\$ 590,981
Net prior service credit recognized	(1,445)	(1,445)
Net gain recognized	(7,006)	(11,163)
Actuarial loss occurring	64,386	(101,671)
Ending unrecognized balances, December 31,	<u>\$ 532,637</u>	<u>\$ 476,702</u>

The fair value of assets as of December 31, 2022 was determined in a manner similar to the allocation method used for the funding policy of the PPIO, except that any contributions receivable for the plan year, but not yet paid by December 31, 2021 were excluded. The asset allocation method, in general, projects the assets from the prior year using the actual return on the PPIO fund for the years ended December 31, 2022 and 2021 and adjusting for actual payments and contributions.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

11. RETIREMENT PLANS: (Continued)

Future benefit payments expected to be paid in each of the next five years and in the aggregate for the following five years:

Years ending December 31,		
2023	\$	115,940
2024		120,854
2025		124,402
2026		129,220
2027		132,641
2028-2032		666,441
Total	\$	1,289,498

Payables to the Pension Plan:

As of December 31, 2022 and 2021, the Company had no outstanding payables to the defined benefit plan.

Defined Contribution Plans:

Effective September 1, 2008, the Company froze its defined benefit pension plan and replaced it with a defined contribution plan. The Company contributes 11% of each employee's wages to the defined contribution plan. Contributions are expensed each month and the Company carried no assets or liabilities for the defined contribution plan on its statement of admitted assets, liabilities, and surplus. The Company's contributions to the plan were \$648,697 and \$462,328 during the years ended December 31, 2022 and 2021, respectively.

In addition, the Company sponsors a contributory 401k plan covering eligible employees for which the Company matches 75% of employee contributions up to a maximum of 6% of eligible compensation. The Company's contributions to the 401k plan during the years ended December 31, 2022 and 2021 totaled \$201,971 and \$184,482, respectively.

12. OTHER POSTEMPLOYMENT BENEFITS:

Plan Description:

The Company provides postemployment medical and life insurance for qualified employees hired prior to January 1, 2010. Employees may qualify for participation in the plan by a) attaining age 55 and completing 14 years and one hour of service or b) attaining age 60; completing at least five years of service, two of which occur after October 28, 2010, being employed with the Company at the time of retirement, and retire in good status.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
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12. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

Contribution Rates:

Plan members contribute 25% of medical premiums, including Medicare supplement, dental and vision coverage, and 100% of supplemental life insurance. Plan members are not required to contribute for basic life insurance.

Funding Policy:

The Company's plan is administered by the Company. The table below sets forth the changes in accumulated postemployment benefit obligation (APBO) for eligible participants, changes in plan assets, and components of the net periodic benefit costs for fiscal years ended December 31:

	<u>2022</u>	<u>2021</u>
Change in benefit obligation:		
Beginning APBO, January 1,	\$ 4,314,196	\$ 4,811,100
Service cost	76,361	111,299
Interest cost	127,887	130,696
Plan participants' contributions	32,841	37,642
Actuarial gain/(loss)	(1,464,511)	(626,058)
Benefit payments	<u>(129,394)</u>	<u>(150,483)</u>
Ending APBO, December 31,	<u>\$ 2,957,380</u>	<u>\$ 4,314,196</u>
	<u>2022</u>	<u>2021</u>
Change in plan assets:		
Fair value of plan assets, January 1,	\$ -	\$ -
Employer contributions	96,553	112,841
Plan participants' contributions	32,841	37,642
Benefit payments	<u>(129,394)</u>	<u>(150,483)</u>
Fair value of plan assets, December 31,	<u>-</u>	<u>-</u>
Funded status	<u>\$ (2,957,380)</u>	<u>\$ (4,314,196)</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

12. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

Funding Policy: (Continued)

Net periodic benefit cost for the years ended December 31, 2022 and 2021 included the following components:

	<u>2022</u>	<u>2021</u>
Service cost	\$ 76,361	\$ 111,299
Interest cost	127,887	130,696
Net prior service cost amortization	(22,709)	(22,709)
Amortization net loss	97,760	182,158
Ending net periodic benefit cost, December 31,	<u>\$ 279,299</u>	<u>\$ 401,444</u>

Assumptions used to determine projected benefit costs at December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Discount rate	3.00%	2.75%
Long-term rate of return on assets	N/A	N/A
Rate of compensation increase	3.00%	3.00%
Assumed health care cost trend during first year	7.00%	7.00%
Ultimate health care cost trend rate	5.00%	5.00%
Year ultimate health care cost trend reached	2028	2027

The discount rate was chosen by the plan sponsor based on market information on the measurement date.

Changes in amounts recognized in accumulated surplus for the years ended December 31, 2022 and 2021 are included in the table below:

	<u>2022</u>	<u>2021</u>
Change in unrecognized balances		
Unrecognized balances, January 1,	\$ 987,934	\$ 1,773,441
Net prior service cost recognized	22,709	22,709
Net gain recognized	(97,760)	(182,158)
Actuarial loss/(gain) occurring	(1,464,511)	(626,058)
Ending unrecognized balances, December 31,	<u>\$ (551,628)</u>	<u>\$ 987,934</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

12. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

Funded Status and Funding Progress:

The plan has no assets and has a funded ratio of zero.

Future benefit payments expected to be paid in each of the next five years and in the aggregate for the following five years:

Years ending December 31,	
2023	\$ 89,225
2024	110,413
2025	121,622
2026	135,218
2027	151,200
2028-2032	955,958
Total	<u>\$ 1,563,636</u>

13. LEASES:

The Company is obligated under a non-cancelable operating lease for office space that will expire in September 2023. The future minimum payments as of December 31, 2022 were as follows:

Year ending December 31,	
2023	<u>381,647</u>
Total	<u>\$ 381,647</u>

Rental expense for the years ended December 31, 2022 and 2021 was \$540,796 and \$519,515, respectively.

14. RECONCILIATION OF GAAP AND STATUTORY BASIS OF ACCOUNTING (UNAUDITED):

Accounting principles generally accepted in the United States of America (GAAP basis) differ in certain respects from the accounting practices prescribed or permitted by insurance regulatory authorities (statutory basis).

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
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14. RECONCILIATION OF GAAP AND STATUTORY BASIS OF ACCOUNTING
(UNAUDITED): (Continued)

A reconciliation between the change in net position and the deficiency in net position as reported under GAAP basis and statutory basis for the years ended December 31, 2022 and 2021 was as follows:

	<u>2022</u>	(restated) <u>2021</u>
Change in net position - GAAP basis	\$ 26,250,108	\$ 41,484,115
Adjustments to:		
Pension plan expense	1,238,233	680,349
Other	28,176,603	(314,372)
Amortization expense - right of use asset	327,606	327,606
Rent expense	(504,928)	(499,681)
Interest expense	864,700	1,714,034
Investment increase (decrease) fair value	1,275,549	280,617
Excess emergency assessments	(84,282,637)	(70,111,036)
Tax exempt surcharge	(7,010,102)	(1,898,434)
Net income (loss) - statutory basis	<u>\$ (33,664,868)</u>	<u>\$ (28,336,802)</u>

	<u>2022</u>	(restated) <u>2021</u>
Total deficiency in net position - GAAP basis	\$ (54,161,991)	\$ (80,412,099)
Adjustments to:		
Non-admitted assets	(35,585,020)	(3,238,089)
Right of use assets	(245,705)	(573,310)
Net Pension Asset	675,729	(359,793)
Lease liability	368,883	822,922
Other accrued liabilities	(198,701)	(401,410)
Restricted assessments	(36,859,100)	(38,716,561)
Allowance for doubtful accounts	28,627,808	451,207
Investment (decrease) fair value	1,151,179	(124,370)
Emergency assessments receivable	173,509,891	259,649,988
Deferred outflows - advanced refunding	-	(813,812)
Provision for reinsurance receivable	(193,539)	(1,657,067)
Accumulated surplus - statutory basis	<u>\$ 77,089,434</u>	<u>\$ 134,627,606</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

15. COMMITMENTS AND CONTINGENCIES:

The Company is involved in certain litigation and disputes incidental to its operations. In the opinion of management, after consultation with legal counsel, there are substantial defenses to such litigation and disputes and any ultimate liability, in excess of reserves resulting there from, will not have a material adverse effect on the Company's financial condition or results of operations.

The Company is also involved in other potentially significant litigation described below; any of which could have a material adverse effect on the financial condition or results of operations. These matters raise difficult and complicated factual and legal issues and are subject to many uncertainties and complexities, including the underlying facts of each matter; novel legal issues; variations between jurisdictions in which matters are being litigated, heard, or investigated; differences in applicable laws and judicial interpretations; the length of time before many of these matters might be resolved by settlement, through litigation or otherwise; and the current legal environment faced by large corporations and insurance companies.

The outcome of these matters may be affected by decisions, verdicts, settlements, and the timing of such in other individual and class action lawsuits that involve the Company, other insurers, or other entities and by other legal, governmental, and regulatory actions that involve the Company, other insurers, or other entities. The outcome may also be affected by future state legislation, the timing, or substance of which cannot be predicted.

In lawsuits, plaintiffs seek a variety of remedies. In some cases, the monetary damages sought include punitive or treble damages. Often specific information about the relief sought, such as the amount of damages is not available. When specific monetary demands are made, they are often set just below a state court jurisdictional limit in order to seek the maximum amount available regardless of the specifics of the case.

For the reasons previously specified, it is often not possible to make meaningful estimates of the amount or range of loss that could result from the known and unknown matters described. The Company reviews these matters on an ongoing basis and follows appropriate accounting guidance when making accrual and disclosure decisions. When assessing "reasonably possible" and "probable" outcomes, the Company bases its decisions on its assessment of the ultimate outcome following all appeals. Additionally, in instances where a judgment, assessment or fine has been rendered against the Company, there is a presumption that criteria in reaching a "reasonably possible" and "probable" outcome have been met. In such instances, the amount of liability recorded by the Company will include the anticipated settlement amount, legal costs, insurance recoveries and other related amounts and take into account factors such as the nature of the litigation, progress of the case, opinions of legal counsel, and management's intended response to the litigation, claim, or assessment.

Due to the complexity and scope of the matters disclosed below and the many uncertainties that exist, the ultimate outcome of these matters cannot be reasonably predicted. In the event of an unfavorable outcome in any one or more of these matters, the ultimate liability may be in excess of amounts currently reserved.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

15. COMMITMENTS AND CONTINGENCIES: (Continued)

A summary of potentially significant litigation is as follows:

Oubre v. Louisiana Citizens Property Insurance Corporation. The plaintiffs in this suit allege that the Company failed to timely initiate loss adjustment as required by Louisiana statutory law exposing the Company to penalties up to a mandatory limit of \$5,000 per claim. On July 23, 2012, the Company settled the majority of this class action suit with a payment of \$104.7 million to the plaintiff counsel for distribution to the current class members. The Company entered into a settlement with the class for the remaining Oubre claims. For the years ended December 31, 2022 and 2021, the Company paid \$-0- and \$4,270,500 respectively, towards Oubre settlements. The Company has paid \$145.5 million towards the final settlement as of December 31, 2022. At December 31, 2022 and 2021, the Company had a reserve of \$3.7 million for this case for resolution of the remaining claims which the Company believes is adequate. The reserve is included in loss and loss adjustment reserves on the accompanying Statutory Statements of Admitted Assets, Liabilities, and Surplus.

Various other lawsuits against the Company have arisen in the course of the Company's business, including approximately 516 first-party suits, the majority of which are related to first party suits related to 2021 Hurricane Ida and 2020 Hurricanes Laura and Delta. The Company believes it has established appropriate reserves for all lawsuits, in addition to class action claims described above. The Company has no assets that it considers to be impaired.

In addition to claims under the insurance policies it issues, the Company is potentially exposed to various risks of loss, including those related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As of December 31, 2022 and 2021, the Company had insurance protection in place from various commercial insurance carriers covering various exposures, including workers' compensation, property loss, employee liability, general liability, directors' and officers' liability, business auto, and cyber insurance. Management continuously revisits the limits of coverage and believes that current coverage is adequate. There were no significant reductions in insurance coverage from the previous year.

16. DEPOPULATION:

The Louisiana State Legislature created the Company to operate insurance plans as a residual market for residential and commercial property. The legislature further intended that the Company work toward the ultimate depopulation of these residual market plans also known as the Coastal Plan and the FAIR plan. To encourage the ultimate depopulation of these residual market plans, the Louisiana Citizens Property Insurance Corporation Policy Take-Out Program was created.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

16. DEPOPULATION: (Continued)

Under the take-out plan guidelines, not less than once per calendar year, the Company, with the approval of the governing board of the corporation, may offer some or all its in-force policies for removal to the voluntary market. The Company shall include in any offers for depopulation policies that, based on geographic and risk characteristics, serve to reduce the exposure of the corporation. Each insurer admitted to write homeowners insurance or insurance insuring one or two family owner occupied premises for fire and allied lines or insurance which covers commercial structures in the State of Louisiana may apply to the Company to become a take-out company. Insurers will be approved to participate in the depopulation of the Company based on statutory guidelines set forth in accordance with LRS 22:2314(C).

Policies may be removed from the Company at policy renewal or as part of a bulk assumption. In an assumption, the take-out company is responsible for losses occurring from the assumption date through the expiration of the Company's policy period.

Unearned premiums remitted to take-out companies pursuant to assumption agreements is reflected as a reduction in "Premiums earned" in the Statutory Statements of Income and totaled \$575,765 and \$81,719 for the years ended December 31, 2022 and 2021, respectively.

The Company provides administration services with respect to the assumed policies. All agreements provide for the take-out company to adjust losses. The take-out company pays a ceding commission to the Company to compensate for policy acquisition costs, which includes servicing company fees and agent commissions. While the Company is not liable to cover claims after the assumption, the Company continues to service policies for items such as policyholder endorsements or cancellation refunds. Should the Company process and provide a refund to policyholders, such amount is subsequently collected from the take-out company. At December 31, 2022 and 2021, there were no assumed premiums due from certain take-out companies.

17. EMERGENCY ASSESSMENT RECEIVABLE:

In 2006, the Company recorded \$978,205,000 long-term emergency assessment receivables for the issuance of the Assessment Revenue Bonds Series 2006. The receivable was recorded in relation to the 2005 plan year deficit. This represents the amounts to be collected from all policyholders ultimately to repay the 2005 deficit bonds outstanding. As of December 31, 2022 and 2021, the Company's emergency assessment receivable for the 2005 deficit was \$229,944,547 and \$285,019,547, respectively.

During the years ended December 31, 2022 and 2021, the Company recorded \$16,000,000 and \$15,000,000, respectively, in emergency assessment receivable – companies. This receivable is the estimated emergency assessment from participating insurance companies, which is paid to the Bond Trustee for bond repayment.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

17. EMERGENCY ASSESSMENT RECEIVABLE: (Continued)

As the money is collected from the insurance companies and individual policyholders, the emergency assessment receivable is reduced along with the reduction to bonds payable.

18. SUBSEQUENT EVENTS:

The Company has evaluated subsequent events through the date these financial statements were available to be issued, May 16, 2023. During this period, the Company did not have any material recognizable subsequent events that required recognition in the disclosures to the December 31, 2022 financial statements.

The Company's lease with the Galleria expires in September 2023. Management is currently in discussions with the Galleria to sign a new lease agreement; however, the new lease has not been signed as of the date these financial statement were available to be issued.

19. RECLASSIFICATIONS:

Certain amounts in 2021 GAAP financial statements have been restated to conform with Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. This resulted in 2021 changes to note 14 reconciliation of GAAP and statutory basis of accounting. Net income – statutory basis and accumulated surplus remained unchanged for the year ended December 31, 2021.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
SUPPLEMENTARY INFORMATION
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES
DECEMBER 31, 2022

The following is a summary of certain statutory financial data included in the supplemental investment risk interrogatories.

1. Total admitted assets as reported on the Statutory Statements of Admitted Assets, Liabilities, and Surplus \$770,448,079

2. By investment category, the ten largest exposures to a single issuer/borrower/investment, excluding (i) U.S. government, U.S. government agency securities, and those U.S. government money market funds listed in the Appendix to the *SVO Purposes and Procedures Manual*, as exempt, (ii) property occupied by the Company, and (iii) policy loans.

Issuer	Description of Exposure	Amount	% of Total Admitted Assets
State of Louisiana	Bonds	\$ 28,679,072	3.7%
Louisiana Local Government Environmental Facilities and Community Development Authority	Bonds	9,178,582	1.2%
East Baton Rouge Louisiana Sewerage Commission	Bonds	4,893,981	0.6%
St. Tammany Parish Wide School District No 12 Louisiana	Bonds	3,854,768	0.5%
City of New Orleans	Bonds	2,985,149	0.4%
Board of Supervisors of Louisiana State University and Agricultural and Mechanical College	Bonds	2,407,366	0.3%
Saint John Baptist Parish Louisiana	Bonds	1,963,311	0.3%
City of Baton Rouge/Parish of East Baton Rouge	Bonds	1,857,144	0.2%
Jefferson Parish Louisiana Consolidated Waterworks District No. 2	Bonds	1,855,951	0.2%
Iberia Parishwide School District	Bonds	1,839,236	0.2%

3. Amounts and percentages of total admitted assets held in bonds. Total bonds consist of \$83,324,863 of bonds and \$6,235,859 in short-term bonds reported as cash, cash equivalents, and short-term investments on the Statutory Statement of Admitted Assets, Liabilities, and Surplus.

Exposure	Amount	% of Total Admitted Assets
Bonds	\$ 89,560,722	11.62%

FINANCIAL REPORT
LOUISIANA CITIZENS
PROPERTY INSURANCE CORPORATION
DECEMBER 31, 2022 AND 2021

LOUISIANA CITIZENS
PROPERTY INSURANCE CORPORATION

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June 28, 2023

To the Board of Directors of
Louisiana Citizens Property Insurance Corporation
Metairie, Louisiana

Opinion

We have audited the accompanying financial statements of the business-type activities and the major fund of the Louisiana Citizens Property Insurance Corporation (the "Company"), a component unit of the State of Louisiana, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Company's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the major fund of the Louisiana Citizens Property Insurance Corporation as of December 31, 2022 and 2021, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Louisiana Citizens Property Insurance Corporation and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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American Institute of
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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Louisiana Citizens Property Insurance Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Citizens Property Insurance Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Louisiana Citizens Property Insurance Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management, and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Louisiana Citizens Property Insurance Corporation's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purpose of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 28, 2023 on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Company's internal control over financial reporting and compliance.

Duplantier, Chapman, Hogan and Parker, LLP

New Orleans, Louisiana

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

The Management's Discussion and Analysis of the Louisiana Citizens Property Insurance Corporation's (the Company) financial performance presents a narrative overview and analysis of the Company's activities for the years ended December 31, 2022 and 2021. This discussion and analysis focuses on current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. We encourage readers to consider the information presented here in conjunction with the additional information contained in the Company's financial statements.

Financial Highlights:

The financial highlights for the Louisiana Citizens Property Insurance Corporation for the fiscal year ended December 31, 2022 were:

- The number of policies issued increased significantly in 2023, 154,507 policies were issued compared to 47,093 in 2021. The increase comes as a consequence of severe hurricane losses incurred to Louisiana's property insurers have become insolvent, and at least twelve companies have submitted withdrawal notices to the Louisiana Department of Insurance, forcing tens of thousands of property owners to obtain insurance from the Company.
- The Company renewed its reinsurance program in May 2022 with storm coverage of \$1,182.3 million and retention of \$51.6 million that includes a traditional reinsurance program, two cat bonds, and a parametric limit for an increase in cost of approximately \$191.3 million for the June 1, 2022 through May 31, 2023 program period as compared to June 1, 2021 through May 31, 2022 program period. The 2022 – 2023 program period provides for a 1 in 66 year storm coverage compared to a 1 in 302 year storm coverage for the 2021 – 2022 program.
- The Company completed a sixteenth round of depopulation effective December 1, 2022 transferring 3,672 policies and approximately \$721.9 million of exposure to the private insurance market.
- In 2022, the Company's losses and loss adjustment expenses incurred resulted primarily from 2022 non-cat losses and one 2022 wind and hail loss occurrence. Also contributing to the losses and loss adjustment expenses incurred was an increase in incurred but not reported (IBNR) claim reserves related to Hurricane Ida.

Overview of the Financial Statements:

This discussion and analysis is intended to serve as an introduction to the Louisiana Citizens Property Insurance Corporation's basic financial statements. The Company's financial statements comprise three components: 1) Management's Discussion and Analysis, 2) the Basic Financial Statements (including the notes to the financial statements), and 3) Required Supplementary Information. This report also contains other supplementary information in addition to the basic financial statements themselves.

Basic Financial Statements

The basic financial statements present information for the Company as a whole in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Fund Net Position, and the Statements of Cash Flows.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Overview of the Financial Statements: (Continued)

The Statement of Net Position presents information on all of the Company's assets and deferred outflows of resources and liabilities and deferred inflows of resources with the difference between them presented as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Company is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Position presents information showing how the Company's net position changed during the most recent fiscal year. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows presents information showing how the Company's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities as required by GASB 34.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis of the Entity:

The following is a summary of the Statements of Net Position:

Condensed Statements of Net Position

	<u>2022</u>	(Restated) <u>2021</u>	(Restated) <u>2020</u>
Current assets	\$ 477,668,408	\$ 283,069,350	\$ 221,485,292
Capital assets	521,080	119,942	208,200
Right of use asset	245,704	573,310	900,916
Other non-current assets	68,063,215	24,149,664	50,816,518
Total assets	<u>546,498,407</u>	<u>307,912,266</u>	<u>273,410,926</u>
Deferred outflows of resources	<u>839,447</u>	<u>1,546,202</u>	<u>3,425,468</u>
Current liabilities	420,572,154	156,124,007	104,335,449
Non-current liabilities	179,469,377	232,965,505	293,977,124
Total liabilities	<u>600,041,531</u>	<u>389,089,512</u>	<u>398,312,573</u>
Deferred inflows of resources	<u>1,458,314</u>	<u>781,055</u>	<u>420,035</u>
Net position:			
Net investment in capital assets	521,080	119,942	208,200
Restricted for debt service	210,842,957	182,449,132	165,445,719
Unrestricted	(265,526,028)	(262,981,173)	(287,550,133)
Total Net Position (Deficit)	<u>\$ (54,161,991)</u>	<u>\$ (80,412,099)</u>	<u>\$ (121,896,214)</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Financial Analysis of the Entity: (Continued)

Assets

2022

Total assets increased by \$238.6 million in 2022 compared to 2021 due to the reasons described below.

Current assets, consisting primarily of cash, cash equivalents, investments, and receivables, increased by \$194.6 million in 2022. The increase in current assets was primarily due to an increase from new policies written in 2022. In addition, an increase in premium receivables of \$46.4 million resulting from new policies written, restricted investments held by bond trustee of \$20.9 million increased primarily due to emergency assessment collections exceeding bond service costs, and an increase in reinsurance recoverables on paid loss and loss adjustment expenses of \$15.9 million primarily due to Hurricane Ida claim activity. The emergency assessment rate is arrived by comparing the annual bond service costs to prior year statewide premiums written. The emergency assessment collections are then attained by applying the assessment rate to current year insurer premiums written which inherently varies higher or lower than the prior year statewide premiums written used to determine the emergency assessment rate. Offsetting the increase in cash was a decrease of \$21.5 million in current investments due to a reduction in reinvestment of bond proceeds back into current investments.

Other non-current assets, consisting primarily of the restricted cash related to escheatment and noncurrent investments, increased by \$44.0 million in 2022. Other non-current assets increased primarily due noncurrent investments purchased from cash provided from the increase in new policies written.

2021

Total assets increased by \$34.5 million in 2021 compared to 2020 due to the reasons described below.

Current assets, consisting primarily of cash, cash equivalents, investments, and receivables, increased by \$61.6 million in 2021. The increase in current assets was primarily due to \$74.2 million in reinsurance recoveries collected in advance in excess of net loss and loss adjustment expense payments due to Hurricane Ida. In addition, an increase in premium receivables of \$5.0 million primarily due to an increase in policies issued during the fourth quarter, and an increase in restricted investments held by bond trustee of \$9.9 million primarily due to emergency assessment collections exceeding bond service costs. Offsetting the increase in cash was an increase of \$10.3 million in claims management expenses, a decrease of \$8 million in cash transferred from cash equivalents, and a \$4.8 million increase in annual reinsurance expenses.

Other non-current assets, consisting primarily of the restricted cash related to escheatment and noncurrent investments, decreased by \$26.7 million in 2021. Other non-current assets decreased primarily due to the Company temporarily suspending reinvestment of bond proceeds to partially offset claims paid due to Hurricane Ida.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Financial Analysis of the Entity: (Continued)

Deferred Outflows of Resources

2022

Total deferred outflows of resources decreased by \$707 thousand in 2022 compared to 2021 primarily due to the continued amortization of the advanced refunding of the Company's Assessment Revenue Bonds, Series 2012R in 2022.

2021

Total deferred outflows of resources decreased by \$1.9 million in 2021 compared to 2020 primarily due to the continued amortization of the advanced refunding of the Company's Assessment Revenue Bonds, Series 2012R in 2021.

Liabilities

2022

Total liabilities increased by \$210.9 million in 2022 compared to 2021 primarily due to the reasons described below.

The combined current and noncurrent bonds payable decreased by \$60.4 million in 2022 compared to 2021 primarily due to a \$55.1 million in scheduled bond principal payments made in 2022, and amortization of bond premiums of \$5.3 million in 2022.

Unearned premiums increased by \$198.1 million in 2022 compared to 2021 primarily as a result of more inforce policies written by the Company during 2022.

Claims reserves and claims adjustment expense reserves increased by \$41.8 million in 2022 compared to 2021 primarily due to \$17.0 million case and IBNR reserves for 2022 non-catastrophe losses, \$16.9 million case and IBNR reserves for a 2022 wind and hail event, and \$9.5 million increase in IBNR reserves for Hurricane Ida.

Other current liabilities increased by \$10.4 million in 2022 compared to 2021 primarily as a result of an increase in reinsurance premiums payable.

2021

Total liabilities decreased by \$9.2 million in 2021 compared to 2020 primarily due to the reasons described below.

The combined current and noncurrent bonds payable decreased by \$58.3 million in 2021 compared to 2020 primarily due to a \$51.5 million in scheduled bond principal payments made in 2021, and amortization of bond premiums of \$6.8 million in 2021.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Financial Analysis of the Entity: (Continued)

Liabilities (Continued)

Unearned premiums increased by \$13.3 million in 2021 compared to 2020 primarily as a result of more inforce policies written by the Company during 2021.

Claims reserves decreased by \$1.2 million in 2021 compared to 2020 primarily as a result of settlement payment for the Oubre Class Action lawsuit and typical claims payments made during the course of 2021.

Other current liabilities increased by \$36.2 million in 2021 compared to 2020 primarily as a result of \$36.7 million in funds from reinsurers received in advance of claim payments for Hurricane Ida.

Net Position

2022

The decrease in net deficit of \$26.3 million in 2022 compared to 2021 was primarily due to a net operating loss of \$64.6 million and a net non-operating income of \$90.9 million.

2021

The decrease in net deficit of \$41.5 million in 2021 compared to 2020 was primarily due to a net operating loss of \$29.1 million and a net non-operating income of \$70.6 million.

The following is a summary of the Statements of Revenues, Expenses and Changes in Fund Net Position:

Condensed Statements of Revenues, Expenses and Changes in Fund Net Position

	<u>2022</u>	(Restated) <u>2021</u>	(Restated) <u>2020</u>
Operating revenue:			
Net premiums revenue	\$ 82,561,928	\$ 35,401,358	\$ 36,149,270
Other operating income	8,477,436	1,129,578	673,906
Total operating revenues	<u>91,039,364</u>	<u>36,530,936</u>	<u>36,823,176</u>
Operating expenses:			
Claims and underwriting expenses	155,077,934	65,196,672	61,731,304
Depreciation and amortization	607,091	429,977	610,875
Total operating expenses	<u>155,685,025</u>	<u>65,626,649</u>	<u>62,342,179</u>
Operating income (loss)	<u>(64,645,661)</u>	<u>(29,095,713)</u>	<u>(25,519,003)</u>
Non-operating revenues (expenses):			
Interest expense	(6,261,860)	(8,267,429)	(9,399,783)
Other revenue	<u>97,157,629</u>	<u>78,847,257</u>	<u>75,302,759</u>
Total non-operating revenues (expenses)	90,895,769	70,579,828	65,902,976
Change in net position	26,250,108	41,484,115	40,383,973
Net position (deficit) at beginning of year	<u>(80,412,099)</u>	<u>(121,896,214)</u>	<u>(161,896,807)</u>
Net effect of change in accounting principle	-	-	(383,380)
Net position (deficit) at end of year	<u>\$ (54,161,991)</u>	<u>\$ (80,412,099)</u>	<u>\$ (121,896,214)</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Financial Analysis of the Entity: (Continued)

Net Position (Continued)

2022

Change in net position decreased \$15.2 million in 2022 compared to 2021 due to the reasons described below.

Net premium revenue was \$47.2 million higher in 2022 compared to 2021. The increase was a result of the increase in unearned premiums as described on Page 7 of the Liabilities section for 2022.

The claims and underwriting expense was \$89.9 million higher in 2022 compared to 2021. The increase in claims and underwriting expenses was primarily due to \$34.4 million claims expenses related to 2022 non-catastrophe claim activity, \$20.6 million claims expenses related to a 2022 wind and hail loss occurrence, and \$34.6 million related to agents' commission that correspond to the increase in policies written during the year.

Interest expense decreased by \$2 million in 2022 compared to 2021. The decrease in 2022 was primarily attributable to a decrease in interest expense due to a reduction in the amortization of deferral outflows from advanced refunding.

Other revenue increased by \$18.3 million in 2022 compared to 2021. The increase in 2022 was primarily attributable to an increase in Emergency Assessment Income of \$12.3 million in addition to an increase in tax exempt surcharge of \$5.1 million.

2021

Change in net position increased \$1.1 million in 2021 compared to 2020 due to the reasons described below.

Net premium revenue was \$748 thousand lower in 2021 compared to 2020. The decrease was a result of the increase in unearned premiums as described on Page 7 of the Liabilities section for 2021.

The claims and underwriting expense was \$3.5 million higher in 2021 compared to 2020. The increase in claims and underwriting expenses was primarily due to \$2.5 million claims expenses related to the Oubre Class Action Suit and \$1.7 million related to agents' commission that correspond to the increase in policies written during the year.

Interest expense decreased by \$1.1 million in 2021 compared to 2020. The decrease in 2021 was primarily attributable to a decrease in interest expense due to a reduction in the amortization of deferral outflows from advanced refunding.

Other revenue increased by \$3.5 million in 2021 compared to 2020. The increase in 2021 was primarily attributable to an increase in Emergency Assessment Income of \$5.3 million as a result of a decrease in investment income of \$1.8 million.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Financial Analysis of the Entity: (Continued)

Cash Flow and Liquidity:

Cash Flow

Sources of cash include cash receipts from customers, principally, premiums collected, emergency assessments and amounts received from restricted investments. Primary uses of cash include cash payments for services provided, cash payments to employees, and principal and interest paid on debt.

The other cash flow from non-capital financing activities is primarily assessment collections less debt service costs on long-term debt obligations from restricted cash.

Liquidity

All liquid funds held by the Company are kept in commercial bank accounts that are FDIC insured or 100% collateralized.

In addition to policy holder premiums, the Company has a much broader range of resources available to pay losses and repay debt obligations than does a typical insurer. Presently, the Company can institute a regular assessment up to approximately \$275 million on the state insurance industry derived from 10% of their written premium for deficits each year, and an emergency assessment up to approximately \$281 million derived from 10% of the premium written on property policyholders of the State of Louisiana for each calendar year of a storm to pay debt incurred in previous years. Emergency assessments levied in any calendar year can remain in place each year until any borrowings from that year have been repaid.

In 2022, the Company secured an amendment to increase the 2021 line of credit with Regions Bank from \$50.0 million to \$125.0 million. The line of credit with Regions Bank matures in June 2023.

In 2021, the Company secured a \$50.0 million line of credit with Regions Bank that matures in June 2023. The line of credit provides additional liquidity to the corporation.

In 2019, the Company secured a \$50.0 million line of credit with Regions Bank that matures in June 2021. The line of credit provides additional liquidity to the corporation.

In 2010, the Company instituted lockbox processing to reduce cash flow interruption in the event of a temporary closure of its office for a catastrophic event.

In 2005, the Company did not have sufficient funds to pay 80,000 claims resulting from Hurricanes Katrina and Rita. In 2006, the Company issued \$678.2 million of assessment revenue bonds and \$300.0 million in auction rate securities. After multiple refinancings, the Company has approximately \$217.5 million of fixed rate assessment revenue bonds outstanding as of December 31, 2022. The debt service of these bonds is paid through emergency assessments on property insurance policies written in the State of Louisiana. The emergency assessments are remitted quarterly to the bond trustee, and the assessment revenue bonds will be fully paid in 2026.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Financial Analysis of the Entity: (Continued)

Cash Flow and Liquidity: (Continued)

Pending Litigation

As of December 31, 2022 there were 516 open litigation matters against LCPIC. The majority of these lawsuits are first-party suits related to 2021 Hurricane Ida and 2020 Hurricanes Laura and Delta. Excluding the Oubre class action suit described below, unpaid loss and loss adjustment expenses in the amount \$15.7 million are included in the claims reserve and claims adjustment expense reserves on the balance sheet. The balance of the litigated matters are first party losses, third-party bodily injury claims, subrogation or claims where the issue of coverage is in dispute.

Oubre v. Louisiana Citizens Property Insurance Corporation. The plaintiffs in this suit allege that LCPIC failed to timely initiate loss adjustment as required by Louisiana statutory law exposing LCPIC to penalties up to a mandatory limit of \$5,000. On July 23, 2012, LCPIC settled the first phase of this class action suit with a payment of \$104.7 million to the plaintiff counsel for distribution to the class members. LCPIC entered into a settlement with the class for the remaining Oubre claims. LCPIC has paid \$145.5 million towards the final settlement as of December 31, 2022 and has a reserve of \$3.7 million for the remaining settlement (included in unpaid losses on the balance sheet). LCPIC will continually review the reserve to ensure that it meets the anticipated settlement costs.

Future Plans

LCPIC had \$1,182.3 million in total reinsurance and cat bonds in place for the 2022 storm season, which provided 1 in 66 year storm coverage. The cat bonds include two three-year catastrophe bonds for \$50 million and \$175 million. In addition to the reinsurance program and cat bonds, LCPIC has reinstatement premium protection and second event catastrophe coverage. The amount of reinsurance purchased by LCPIC is determined by many factors, which include losses projected by catastrophe models, insured values of the company, reinsurance market prices, and availability of cash. The reinsurance coverage, excluding cat bonds, described above expires on May 31, 2023. LCPIC is in the process of negotiating a new reinsurance program for the 2023 storm season and it is anticipated to provide a minimum of 1 in 100 year storm coverage.

Contacting Louisiana Citizens Property Insurance Corporation's Management:

This financial report is designed to provide the citizens and taxpayers of Louisiana, customers, and creditors with a general overview of the Company's finances. If you have questions about this report or need additional financial information, contact Larry L. Hayward at (504) 832-3230 or lhawyard@lacityzens.com.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
STATEMENTS OF NET POSITION
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	(Restated) <u>2021</u>
ASSETS:		
Current assets:		
Cash	\$ 222,044,114	\$ 128,610,733
Cash equivalents	39,693,078	9,303,829
Bond investments	25,192,462	46,649,481
Restricted cash equivalents	85,299,731	64,369,348
Premium receivables and agent's balances, net	58,427,167	12,051,798
Reinsurance recoverables	18,962,757	3,024,130
Emergency assessments receivable	16,000,000	15,000,000
Prepaid reinsurance premiums	6,256,044	2,125,188
Net pension asset	42,246	530,700
Other current assets	5,750,809	1,404,143
Total current assets	477,668,408	283,069,350
Noncurrent assets:		
Restricted cash for escheatment	4,735,593	1,780,578
Bond investments	63,217,080	22,258,544
Capital assets	521,080	119,942
Right of use asset	245,704	573,310
Other noncurrent assets	110,542	110,542
Total noncurrent assets	68,829,999	24,842,916
Total assets	546,498,407	307,912,266
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows - pension and OPEB	839,447	732,390
Deferred outflows - advanced refunding	-	813,812
Total deferred outflows of resources	\$ 839,447	\$ 1,546,202

See accompanying notes to the financial statements.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
 STATEMENTS OF NET POSITION (Continued)
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	(Restated) <u>2021</u>
LIABILITIES AND NET POSITION:		
Current liabilities:		
Claims reserves	\$ 40,776,218	\$ 7,095,263
Claims adjustment expense reserves	8,548,998	433,045
Unearned premiums	241,867,216	43,808,571
Bonds payable	54,928,155	60,401,635
Unearned tax exempt surcharge	7,235,808	1,259,048
Commissions payable to agents	9,970,950	2,651,894
Taxes, licenses, and fees due	8,830,197	2,125,905
Accrued bond interest	796,473	1,025,952
Lease liability	368,883	454,039
Other current liabilities	47,249,256	36,868,655
Total current liabilities	420,572,154	156,124,007
Noncurrent liabilities:		
Bonds payable, net of unamortized premium	171,908,361	226,836,516
Escheatment payable	4,735,593	1,780,578
Lease liability	-	368,883
Other postemployment benefits	2,825,423	3,979,528
Total noncurrent liabilities	179,469,377	232,965,505
Total liabilities	600,041,531	389,089,512
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows - pensions and OPEB	1,458,314	781,055
Total deferred inflows of resources	1,458,314	781,055
NET POSITION:		
Net investment in capital assets	521,080	119,942
Restricted for debt service	210,842,957	182,449,132
Unrestricted (deficit)	(265,526,028)	(262,981,173)
Total net position (deficit)	\$ (54,161,991)	\$ (80,412,099)

See accompanying notes to the financial statements.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	(Restated) <u>2021</u>
OPERATING REVENUES:		
Premiums earned	\$ 228,279,235	\$ 63,220,143
Premiums ceded	(145,717,307)	(27,818,785)
Net premiums revenue	<u>82,561,928</u>	<u>35,401,358</u>
Finance and service charges	8,081,365	1,096,350
Other operating income	396,071	33,228
Total operating revenues	<u>91,039,364</u>	<u>36,530,936</u>
OPERATING EXPENSES:		
Claims and claim adjustment expenses	95,472,628	50,344,306
Commissions and brokerage	42,233,518	7,584,862
Salary and related items	3,316,399	2,905,157
Board, bureaus and associations	4,134,753	691,239
Taxes, licenses and fees	3,474,183	308,129
Equipment, depreciation, and repairs and maintenance	1,230,606	502,557
Amortization - right of use assets	327,606	327,606
General office	2,799,840	1,479,832
Employee benefits	1,140,013	1,101,560
Other underwriting expenses	1,555,479	381,401
Total operating expenses	<u>155,685,025</u>	<u>65,626,649</u>
Operating loss	<u>(64,645,661)</u>	<u>(29,095,713)</u>
NONOPERATING REVENUES (EXPENSES):		
Interest expense	(6,210,972)	(8,181,017)
Interest expense - lease liability	(50,888)	(86,412)
Investment income	1,163,668	291,490
Emergency assessment income	88,983,859	76,657,333
Tax exempt surcharge	7,010,102	1,898,434
Total nonoperating revenues	<u>90,895,769</u>	<u>70,579,828</u>
CHANGE IN NET POSITION	26,250,108	41,484,115
Net position (deficit), beginning of year - restated	<u>(80,412,099)</u>	<u>(121,896,214)</u>
NET POSITION (DEFICIT), END OF YEAR	<u>\$ (54,161,991)</u>	<u>\$ (80,412,099)</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	(Restated) <u>2021</u>
OPERATING ACTIVITIES:		
Premiums collected	\$ 262,105,104	\$ 43,764,411
Finance and service charges collected	8,081,365	1,096,350
Other receipts (charges)	3,351,085	334,026
Claims recovered (paid)	(90,369,173)	(34,756,988)
Claim adjustments recovered (paid)	(8,244,898)	(6,051,935)
Underwriting expense paid	(42,167,060)	21,826,582
Net cash provided by operating activities	<u>132,756,423</u>	<u>26,212,446</u>
NONCAPITAL FINANCING ACTIVITIES:		
Emergency assessments received	87,983,859	75,157,333
Tax exempt surcharge received	12,986,862	2,276,251
Amounts remitted to bond trustee, net	(55,075,000)	(51,480,000)
Interest paid on capital debt	(10,953,275)	(13,614,650)
Net cash provided by noncapital financing activities	<u>34,942,446</u>	<u>12,338,934</u>
CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of capital assets	(687,280)	(14,113)
Payments on right of use asset	(504,928)	(499,682)
Net cash used by capital and related financing activities	<u>(1,192,208)</u>	<u>(513,795)</u>
INVESTING ACTIVITIES:		
Purchase of investments	(88,019,456)	(69,370,686)
Investment income received	312,798	885,565
Proceeds from sale of investments	68,908,025	88,513,919
Net cash provided (used) by investing activities	<u>(18,798,633)</u>	<u>20,028,798</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	147,708,028	58,066,383
Cash and cash equivalents, beginning of year	<u>204,064,488</u>	<u>145,998,105</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 351,772,516</u>	<u>\$ 204,064,488</u>

See accompanying notes to the financial statements.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	(Restated) <u>2021</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating loss	\$ (64,645,661)	\$ (29,095,713)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense - capital assets	279,485	102,371
Amortization expense - right of use asset	327,606	327,606
Changes in assets and liabilities:		
Decrease (increase) in:		
Premiums receivable and agents' balances	(46,375,369)	(4,965,890)
Reinsurance recoverables	(15,938,627)	10,934,802
Prepaid reinsurance premiums	(4,130,856)	(981,871)
Deferred outflows	(107,057)	251,643
Other current assets	(3,390,769)	(75,173)
Increase (decrease) in:		
Claims and claim adjustment expense reserves	40,524,260	(1,399,422)
Unearned premiums	198,058,644	13,328,943
Accrued taxes, licenses and fees due	7,976,939	498,280
Commissions payable to agents	7,319,056	875,782
Deferred inflows	677,259	361,020
Escheatment payable	2,955,015	300,798
Other postemployment benefits	(1,154,105)	(456,742)
Other current liabilities	10,380,603	36,206,012
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 132,756,423	\$ 26,212,446

See accompanying notes to the financial statements.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NATURE OF THE BUSINESS:

Louisiana Citizens Property Insurance Corporation (the “Company”) is a component unit of the State of Louisiana. The Company’s principal business activity is to operate insurance plans which provide property insurance for residential and commercial property, solely for applicants who are in good faith entitled, but are unable to procure insurance through the voluntary market. Louisiana Citizens Property Insurance Corporation was created in accordance with provisions of Louisiana Revised Statutes (LRS) 22:2291 - 22:2371 and began operations on January 1, 2004. The Company operates solely in Louisiana. The Company operates residual market insurance programs designated as the Coastal Plan and the Fair Access to Insurance Requirements Plan (FAIR Plan). The Coastal Plan is for property insurance written on locations between the Gulf of Mexico and the Intracoastal Waterway and the FAIR Plan is property insurance above the Intracoastal Waterway.

The Company is governed by a Board of Directors consisting of fifteen members, who serve without compensation. The Board consists of the Commissioner of the Department of Insurance, the State Treasurer, the chairman of the House Committee on Insurance, the chairman of the Senate Committee on insurance or their designees, six representatives appointed by the Governor, two members appointed by the Commissioner of the Louisiana Department of Insurance, and three members appointed by the Governor.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity:

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board’s (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. Application of these criteria determines potential component units for which the primary government is financially accountable and the organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government’s financial statements to be misleading or incomplete. Based on the application of these criteria, the Company is a component unit of the State of Louisiana and its financial activity is reported in the state’s Comprehensive Annual Financial Report by discrete presentation.

The financial statements presented herein relate solely to the financial position and results of operations of the Company and are not intended to present the financial position of the State of Louisiana or the results of its operations or its cash flow.

Basis of Accounting:

The accounting policies and practices of the Company conform to accounting principles generally accepted in the United States applicable to a proprietary fund of a governmental entity. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Company applies all applicable GASB pronouncements as they become effective.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Accounting: (Continued)

The financial statements of proprietary funds are prepared using the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred. All assets and liabilities associated with the operations of the Company are included in the statements of net position. The statements of cash flows provides information about how the Company finances and meets the cash flow needs of its activities. Proprietary funds also distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this criteria are reported as non-operating revenues and expenses.

GASB Statement No. 34 established standards for financial reporting for all state and local governmental entities, which includes a statement of net position, a statement of revenues, expenses, and changes in fund net position, and a statement of cash flows. It requires net position to be classified and reported in three components: net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net investment in capital assets - this component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets as adjusted for deferred inflows and outflows associated with the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather that portion of the debt is included in the same net position component as the unspent proceeds. As of December 31, 2022 and 2021, the Company did not have any outstanding debt that was attributable to capital assets.

Restricted net position - this component of net position includes assets subject to external constraints imposed by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - this component of net position consists of net position that did not meet the definition of "restricted" or "net investment in capital assets".

Cash and Cash Equivalents:

Cash and cash equivalents include all unrestricted, liquid investments with an original maturity of three months or less when purchased. Cash equivalents are stated at fair value.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Investments:

Investments are recorded at fair value. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specified identification method.

Policy Acquisition Costs:

Costs associated with the production of new renewing policies and servicing existing insurance policies, such as net agent commissions, servicing company fees and other taxes and fees are expensed as incurred.

Depopulation:

The Company is required to undertake a depopulation effort annually per Louisiana State Statute LRS 22:2314. The Company accounts for premiums of depopulated policies as a reduction of direct premiums written. Losses and other costs associated with depopulated policies are removed from the financial statements.

Capital Assets:

The Company's capital assets include items such as furniture, office equipment and electronic data processing equipment (EDP). The Company has a capitalization policy whereby thresholds are applied to determine if the asset should be capitalized or expensed. All movable property, not including computer software, over \$5,000 is capitalized based upon a variable useful life depending on the descriptive category for which that property meets. Office furniture and fixtures are capitalized and depreciated over a 10-year life. Computers and peripheral equipment such as hard drives, printer, monitor, keyboards, and such are capitalized and depreciated over a three-year life. Office machinery and equipment other than computers are capitalized and depreciated over a six-year life. All computer software purchased or developed for internal use over \$1,000,000 is capitalized and amortized over three years for operating software, and over five years for non-operating software. The straight-line depreciation method is used for depreciation of capital assets, and the assets are assumed to have no salvage value. A full year of depreciation will be taken in the year the asset is placed into service and a full year of depreciation will be taken in the year of disposal also. All depreciation expense is allocated between loss adjustment expenses and underwriting expenses.

Long-Term Obligations:

Long-term debt and other long-term obligations are reported as liabilities in the statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Long-Term Obligations: (Continued)

Noncurrent liabilities include estimated amounts for other postemployment benefits that will not be paid within the next fiscal year.

Information relating to the Company's other postemployment benefits obligation, deferred inflows and deferred outflows of resources, and other postemployment benefits expense, was calculated by the Company's actuary, Willis Tower Watson.

Claims and Claim Adjustment Expense Reserves:

The liabilities for claims and claim adjustment expenses include an amount determined from loss reports and individual cases and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on estimates and, while management believes that the amount is adequate, the ultimate liability may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in current earnings.

Deferred Outflows/Inflows of Resources:

Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until then. The Company records deferred outflows of resources related to pensions, other postemployment benefits and advanced refundings of debt.

Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Company records deferred inflows of resources related to pensions and other postemployment benefits.

Premiums:

Premiums are recorded as earned on a daily pro rata basis over the policy period. The portion of premiums not earned at the end of the period is recorded as unearned premiums.

Premiums receivable includes amounts due from policyholders for billed premiums. Billings are calculated using the estimated annual premiums for each policy and are paid either through an installment plan offered by the Company or in their entirety at the inception of the policy.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Assessments:

In the event that the Governing Board of the Company determines that a deficit exists in either the Coastal Plan or the FAIR Plan, the Company may levy a regular assessment for each affected Plan in order to remedy any deficit. All insurers who become authorized and then engage in writing property insurance within Louisiana shall participate in regular assessment of the Coastal and FAIR Plans in the proportion that the net direct premium of such participant written in the state during the preceding calendar year bears to the aggregate net direct premiums written in the state by all insurers during the preceding calendar year as certified to the Governing Board by the Louisiana Department of Insurance.

When the deficit incurred in a particular calendar year is not greater than ten percent of the aggregate state wide direct written premium for the subject lines of business for the prior calendar year, the entire deficit will be recovered through regular assessments. When the deficit incurred exceeds ten percent, the regular assessment may not exceed the greater of ten percent of the calendar year deficit, or ten percent of the aggregate statewide direct written premium for the subject lines of business for the prior calendar year. Any remaining deficit shall be recovered through an emergency assessment.

All persons who procure a policy of insurance of one or more subject lines of business from an insurer who becomes authorized and then engages in writing property insurance with Louisiana from the FAIR or Coastal plans are subject to emergency assessment by the Company.

Upon determination by the Governing Board of the Company that a deficit exceeds the amount allowed to be recovered through regular assessment, the Governing Board shall levy an emergency assessment for as many years as necessary to cover all deficits. The amount of emergency assessment levied in a particular year shall be a uniform percentage of that year's direct written premium for the subject lines of business. The total amount of emergency assessment levied in any calendar year will not exceed the greater of: (a) ten percent of the amount needed to cover the original deficit plus interest, fees, commissions, required reserves, and other costs associated with the financing of the original deficit, or (b) ten percent of the aggregate state wide direct written premium for the subject lines of business and for all plan accounts of the Company for the prior year, plus interest, fees, commissions, required reserves, and other costs associated with the financing of the original deficit. To the extent the aggregate amount of the emergency assessment will not exceed the greater of (a) or (b), the Governing Board shall impose an emergency assessment in the amount required by any applicable loan agreement, trust indenture, or other financing agreement.

Reinsurance:

Premiums ceded under reinsurance agreements are recorded as a reduction of earned premiums. Reinsurance recoverables on paid or unpaid losses are recorded as receivables. All catastrophe reinsurance payments are recorded as premiums ceded and are amortized over the life of the contract period for which the payments apply. Premiums ceded included catastrophe reinsurances purchases.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Bond Issuance Costs:

Bond issuance costs are incurred in connection with acquiring bonds payable and are expensed as incurred.

Income Taxes:

The Company constitutes an integral part of the State of Louisiana and its income is exempt from federal income tax pursuant to Private Letter Ruling 160165-03 from the Internal Revenue Service. Obligations issued by the Company constitute obligations of the State of Louisiana within the meaning of Section 103(c)(1) of the Internal Revenue Code.

Pensions:

For purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the net position, and changes in net position of the defined benefit pension plan in which the Company participates, has been determined on the same basis as it was reported by the respective defined benefit pension plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates:

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Market Risk:

The Company underwrites residential and commercial property insurance policies in the State of Louisiana through Coastal Plan and FAIR Plan. Therefore, adverse economic changes or certain changes in the insurance laws of the State of Louisiana could have a significant impact on the Company's future financial position and results of operations.

The Coastal Plan is for property insurance written on locations between the Gulf of Mexico and the Intracoastal Waterway. The FAIR Plan is property insurance above the Intracoastal Waterway. Therefore, severe storm activity in any of these areas or throughout the State of Louisiana could have a significant impact on the Company's future financial position and results of operations.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Market Risk: (Continued)

Unlike private insurers that are subject to liquidation in the event of insolvency, the Company is able (and statutorily required) to levy assessments in the event of a deficit in any or all of its accounts.

New Accounting Pronouncement:

During the year ended December 31, 2022, the following statement was implemented: Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes the requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS:

Cash:

Cash is stated at cost, which approximates market value. State statute authorizes the Company to invest in U.S. bonds, treasury notes, or certificates. The Company may also invest in direct repurchase agreements of any federal bank. The collateral for the agreement can only include securities as described above.

The Company's cash, including cash restricted for escheatment, consisted of the following:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
<u>December 31, 2022</u>		
Demand Deposits	\$ 226,779,707	\$ 241,346,665
	<u>\$ 226,779,707</u>	<u>\$ 241,346,665</u>
<u>December 31, 2021</u>		
Demand Deposits	\$ 130,391,311	\$ 173,128,694
	<u>\$ 130,391,311</u>	<u>\$ 173,128,694</u>

Included in cash at December 31, 2022 and 2021 is unclaimed property, consisting of outstanding checks totaling \$4,735,593 and \$1,780,578, respectively, which is restricted for escheatment to the appropriate states.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS: (Continued)

Custodial Credit Risk - Deposits:

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Company will not be able to recover deposits or collateral securities that are in possession of an outside party. The Company does not have a formal policy for custodial credit risk. Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

As of December 31, 2022 and 2021, none of the Company's cash was exposed to custodial credit risk. These deposits were either secured by the pledge of securities owned by the fiscal agent bank or covered by the FDIC Insurance.

Investments and Cash Equivalents:

The Company's investment objectives and guidelines are created to enable the Company to invest funds prudently for the benefit of the Company to provide reasonable risk characteristics while emphasizing safety of principal first, liquidity second and yield third. The consideration of sufficient short-term funds in order to continue operations is paramount and during certain times sufficient liquidity should be maintained in order to meet peak demands which may be adjusted due to reinsurance coverage and other circumstances.

The Company is authorized to invest retained funds pursuant to the limitations set forth in Title 22 for insurers. As of December 31, 2022 and 2021, the Company had investments and cash equivalents totaling \$213,402,351 and \$142,581,202, respectively.

The Company categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value measurements are categorized as follows:

Level 1 – investments that have readily available quoted prices in active markets where significant transparency exists in the executed/quoted price.

Level 2 – investments that have quoted prices with data inputs which are observable either directly or indirectly, but do not represent quoted prices from an active market.

Level 3 – investments for which prices are based on significant unobservable inputs.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS: (Continued)

Investments and Cash Equivalents: (Continued)

The following methods and assumptions were used to estimate fair value of each class of financial instruments:

Bond investments consist of investments in short-term state and local government bonds. Bond investments were measured using observable inputs; however, the market for these bond investments was not active.

Cash equivalents consist of investments in both traditional and government money market funds. Money market mutual fund investments were measured based on quoted prices for identical assets in active markets.

Custodial Credit Risk - Investments:

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The Company does not presently have a formal policy for custodial credit risk. Investments are exposed to custodial risk if the securities are uninsured and unregistered with securities held by a financial institution or agent, and in the Company's name. Investments were not exposed to custodial credit risk as of December 31, 2022 and 2021.

Interest Rate Risk:

Interest rate risk is defined as the risk a government may face should interest rate variances adversely affect the fair value of investments. The fair value of fixed-maturity investments fluctuates in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair value of those instruments. The fair value of interest sensitive instruments may also be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments and other general market conditions. The Company does not presently have a formal policy that addresses interest rate risk.

The fair values of securities at December 31, 2022 and 2021, by contractual maturity, are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or repay obligations with or without call or prepayment penalties.

	2022	Investment Maturities				
		Total	Less than 1 year	1-5 years	5-10 years	Greater than 10 years
Unrestricted investments and cash equivalents:						
Bond investments	\$ 88,409,542	\$ 25,192,462	\$ 63,217,080	\$ -	\$ -	
Cash equivalents	39,693,078	39,693,078	-	-	-	
Total	<u>\$ 128,102,620</u>	<u>\$ 64,885,540</u>	<u>\$ 63,217,080</u>	<u>\$ -</u>	<u>\$ -</u>	
Restricted Cash Equivalents	<u>\$ 85,299,731</u>	<u>\$ 85,299,731</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS: (Continued)

Interest Rate Risk: (Continued)

<u>2021</u>	<u>Total</u>	<u>Investment Maturities</u>			
		<u>Less than 1 year</u>	<u>1-5 years</u>	<u>5-10 years</u>	<u>Greater than 10 years</u>
Unrestricted investments and cash equivalents:					
Bond investments	\$ 68,908,025	\$ 46,649,481	\$ 22,258,544	\$ -	\$ -
Cash equivalents	9,303,829	9,303,829	-	-	-
Total	<u>\$ 78,211,854</u>	<u>\$ 55,953,310</u>	<u>\$ 22,258,544</u>	<u>\$ -</u>	<u>\$ -</u>
Restricted Cash Equivalents	<u>\$ 64,369,348</u>	<u>\$ 64,369,348</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Restricted cash equivalents in the amount of \$85,299,731 and \$64,369,348 as of December 31, 2022 and 2021, respectively, were held by a bond trustee for the repayment of the Company's emergency assessment revenue bonds issued to cover the 2005 Plan Year Deficit resulting from Hurricanes Rita and Katrina.

Credit Risk:

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The Company may be invested in direct United States Treasury Obligations, United States Government Agency Obligations, direct security repurchase and reverse repurchase agreements, time certificates of deposit, investment grade commercial paper, investment grade corporate notes and bonds, investment grade municipal bonds and money market funds consisting solely of securities otherwise eligible for investment.

As of December 31, 2022, the Company had the following exposure to credit risk:

	<u>Total</u>	<u>Government Money Market Fund</u>	<u>Trust Cash Sweep Money Market Funds</u>	<u>Bond Investments</u>
A1	\$ 4,267,095	\$ -	\$ -	\$ 4,267,095
A2	2,909,127	-	-	2,909,127
A3	671,097	-	-	671,097
Aa2	17,156,403	-	-	17,156,403
Aa3	17,643,209	-	-	17,643,209
Aaa	125,246,118	39,693,078	85,299,731	253,309
N/A	44,441,234	-	-	44,441,234
W/R	1,068,068	-	-	1,068,068
Total	<u>\$ 213,402,351</u>	<u>\$ 39,693,078</u>	<u>\$ 85,299,731</u>	<u>\$ 88,409,542</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS: (Continued)

Credit Risk: (Continued)

As of December 31, 2021, the Company had the following exposure to credit risk:

	Total	Government Money Market Fund	Trust Cash Sweep Money Market Funds	Bond Investments
A1	\$ 4,225,820	\$ -	\$ -	\$ 4,225,820
A2	5,467,080	-	-	5,467,080
A3	154,076	-	-	154,076
Aa1	81,485	-	-	81,485
Aa2	2,384,943	-	-	2,384,943
Aa3	14,652,231	-	-	14,652,231
Aaa	73,673,177	9,303,829	64,369,348	-
Baa1	41,160,979	-	-	41,160,979
N/A	781,411	-	-	781,411
Total	<u>\$ 142,581,202</u>	<u>\$ 9,303,829</u>	<u>\$ 64,369,348</u>	<u>\$ 68,908,025</u>

Concentration of Credit Risk:

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Company, shall not, except in the case of investments in or loans upon the security of general obligations of the government of the United States or of any state or territory of the United States, or the District of Columbia, have a single security that compromises more than 5 percent of the fair value of the Company's portfolio.

The Company had the following cash equivalents, which are obligations of the Federal government which are excluded from the 5% restriction:

<u>Issuer</u>	<u>2022</u>	<u>2021</u>
FIMM Government Portfolio Class I	\$ 39,693,078	\$ 9,303,829
FIMM Treasury Portfolio Class III	85,299,731	64,369,348

Foreign Currency Risk:

Foreign currency risk is defined as the risk that changes in exchange rates will adversely affect the fair value of an investment. The Company does not presently have a formal policy that addresses foreign currency risk. The Company's exposure to foreign currency risk is limited to investments in global or pooled non-U.S. equity mutual funds. The Company had no investments in global or pooled non-U.S. equity mutual funds at December 31, 2022 and 2021.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

3. ASSESSMENTS RECEIVABLE:

Louisiana Revised Statute 22:2299-2300 provides that any insurer who engages in writing property insurance with the State shall become an assessable insurer in the Coastal Plan and FAIR Plan. In the event that the governing board of the Company determines that a deficit exists in either the Coastal Plan or the FAIR Plan, the Company may levy regular assessments against assessable insurers for each affected plan to help offset such deficit. Furthermore, assessable insurers are permitted to recoup all regular assessments from their policyholders by applying a surcharge to all policies. Any amounts recouped by the insurers in excess of amounts assessed are required to be forwarded to the Company. The Company did not execute a regular assessment in 2022 and 2021.

Upon a determination by the governing board that a deficit in a plan exceeds the amount that will be recovered through regular assessments, the governing board is authorized to levy, after verification by the Department of Insurance, emergency assessments for as many years as necessary to cover the deficit. The board determined that the 2005 plan year deficit exceeded the amounts levied under the 2005 regular assessment and has levied an emergency assessment beginning in 2007. Assessment rates for the years ended December 31, 2022 and 2021 were 2.40% and 2.49% of written premiums, respectively. The assessments are collected by the insurers and remitted to the Company's bond trustee quarterly. The total of emergency assessments levied for the years ended December 31, 2022 and 2021 amounted to \$88,983,859 and \$76,657,333, respectively, of which approximately \$16,000,000 and \$15,000,000 remained outstanding as of December 31, 2022 and 2021, respectively.

4. CAPITAL ASSETS:

Depreciation expense for capital assets for the years ended December 31, 2022 and 2021 was \$279,485 and \$102,371, respectively, and was allocated to loss adjustment expenses and underwriting expenses.

A summary of changes in capital assets and accumulated depreciation follows:

<u>2022</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Depreciable capital assets				
Electronic data processing equipment	\$ 18,307,517	\$ 687,280	\$ -	\$ 18,994,797
Office equipment	1,178,251	-	(6,657)	1,171,594
Total depreciable assets	<u>19,485,768</u>	<u>687,280</u>	<u>(6,657)</u>	<u>20,166,391</u>
Less accumulated depreciation				
Electronic data processing equipment	(18,287,650)	(244,257)	-	(18,531,907)
Office equipment	<u>(1,078,176)</u>	<u>(35,228)</u>	<u>-</u>	<u>(1,113,404)</u>
Total accumulated depreciation	<u>(19,365,826)</u>	<u>(279,485)</u>	<u>-</u>	<u>(19,645,311)</u>
Capital assets, net	<u>\$ 119,942</u>	<u>\$ 407,795</u>	<u>\$ (6,657)</u>	<u>\$ 521,080</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

4. CAPITAL ASSETS: (Continued)

<u>2021</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Depreciable capital assets:				
Electronic data processing equipment	\$ 18,293,404	\$ 14,113	\$ -	\$ 18,307,517
Office equipment	1,178,251	-	-	1,178,251
Total depreciable assets	19,471,655	14,113	-	19,485,768
Less accumulated depreciation:				
Electronic data processing equipment	(18,230,358)	(57,292)	-	(18,287,650)
Office equipment	(1,033,097)	(45,079)	-	(1,078,176)
Total accumulated depreciation	(19,263,455)	(102,371)	-	(19,365,826)
Capital assets, net	<u>\$ 208,200</u>	<u>\$ (88,258)</u>	<u>\$ -</u>	<u>\$ 119,942</u>

5. LINE OF CREDIT:

The Company maintains a line of credit providing for a maximum borrowing of \$125,000,000 at December 31, 2022 and \$50,000,000 at December 31, 2021. Interest on this line is payable monthly at a variable rate based on the 30-day Secured Overnight Financing Rate (SOFR) plus 2.0% for the year ended December 31, 2022. Interest on this line was payable monthly at a variable rate based on the 30-day London Interbank Offered Rate (LIBOR) plus 2.0% for the year ended December 31, 2021. SOFR at December 31, 2022 was 4.06%. LIBOR at December 31, 2021 was 0.10%. The line of credit is secured by all premiums and accounts receivable and revenue from all sources, exclusive of emergency assessment levied pursuant to LA R.S. 22:2307E. There was no balance outstanding on the line of credit at December 31, 2022 and 2021.

6. RESTRICTED ASSETS:

Restricted assets in the Company at December 31, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Cash for escheatment	\$ 4,735,593	\$ 1,780,578
Cash and cash equivalents with bond trustee	85,299,731	64,369,348
Total	<u>\$ 90,035,324</u>	<u>\$ 66,149,926</u>

The cash for escheatment is held by the Company until escheated. Cash equivalents with bond trustee includes money market funds held by a bond trustee for the repayment of the Company's emergency assessment revenue bond issued to cover the 2005 plan year deficit resulting from Hurricanes Katrina and Rita.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

7. LIABILITIES FOR CLAIMS RESERVES AND CLAIM ADJUSTMENT EXPENSES:

The liabilities for claims reserves and claim adjustment expense reserves for the years ended December 31, 2022 and 2021 were \$224,762,096 and \$196,934,958, respectively. The reinsurance recoverables on unpaid claims for the years ended December 31, 2022 and 2021 were \$174,462,863 and \$187,159,985, respectively. The total liabilities for claims reserves and claim adjustment expense reserves, net of reinsurance recoverables on unpaid claims, for the years ended December 31, 2022 and 2021 were \$50,299,233 and \$9,774,973, respectively.

Included in the net balances above were liabilities of \$974,017 and \$2,246,665, which were included in other line items on the Statements of Net Position.

Unpaid claims and claim adjustment expenses are stated as the Company's estimate of the ultimate cost, excluding reinsurance, of settling all incurred but unpaid claims. Unpaid claims and claim adjustment expenses are not discounted and no estimate for salvage and subrogation is applied as a reduction to the unpaid losses. The estimate for unpaid claims and claim adjustment expenses is closely monitored and adjusted for changes in economic, social, judicial and legislative conditions, as well as historical trends. The Company uses various development modeling techniques to assist in the evaluation of its reserves under the direction of its chief actuary.

Management believes that the loss reserves are adequate, but establishing reserves is a judgmental and inherently uncertain process. It is, therefore, possible that as conditions and experience develops, reserve adjustments may be required in the future.

For both catastrophic and non-catastrophic claims, the loss adjusting function is performed by Company employees and contracted independent adjusting firms. The Company compensates the independent adjusting firms, depending upon the type or nature of the claims, either on per-day rate or on a graduated fee schedule based on the gross claim amount, consistent with industry standard methods of compensation.

The Company is involved in a number of class action lawsuits and other legal proceedings arising out of various aspects of its business which have been reserved for above. See Note 15 for a description of these class action claims.

8. LONG-TERM LIABILITIES:

BONDS PAYABLE

Series 2015R:

In July 2015, the Company issued \$333,295,000 of emergency assessment revenue refunding bonds in order to advance refund \$415,290,000 of the Assessment Revenue Bonds Series 2006B and to pay the cost of issuance of the Series 2015R bonds. The bonds were issued in denominations of \$5,000 or any integral multiple thereof. The 2015R bonds bear interest of 5.00% per annum, payable semiannually on June 1st and December 1st of each year, commencing December 1, 2015. The bond maturity dates range from June 1, 2016 to June 1, 2022. Bond

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

8. LONG-TERM LIABILITIES: (Continued)

BONDS PAYABLE (Continued)

principal payments of \$55,075,000 and \$51,480,000 were made during the years ended December 31, 2022 and 2021, respectively. The bonds were paid in full during the year ended December 31, 2022. The outstanding balance due on these bonds as of December 31, 2021 was \$55,075,000.

Series 2016AB:

In 2016, the Company issued \$217,510,000 of assessment revenue refunding bonds in order to advance refund \$213,195,000 principal amount of the Assessment Revenue Bonds Series 2006C1 through 2006C3, \$49,785,000 principal amount of the Assessment Revenue Bond Series 2012R, and to pay the cost of issuance of the Series 2016AB bonds, which consisted of 2016A bonds of \$160,810,000 and 2016B bonds of \$56,700,000. The bonds were issued in denominations of \$5,000 or any integral multiple thereof. The 2016A bonds bear interest of 5.00% per annum, payable semiannually on June 1 and December 1 of each year, commencing December 1, 2016. The 2016A bond maturity dates range from June 1, 2023 to June 1, 2026. The 2016B bonds bear interest of 2.64% and 2.74% per annum, payable semiannually on June 1 and December 1 of each year, commencing December 1, 2016. The 2016B bond maturity dates range from June 1, 2024 to June 1, 2025. No principal payments were made during the years ended December 31, 2022 and 2021. The outstanding balance due on these bonds as of December 31, 2022 and 2021 was \$217,510,000.

The Emergency Assessment Revenue Bond Series 2015R and Series 2016AB are considered to be direct placements. The Company's assessment revenue refunding bonds are secured by pledge revenues, which consists solely of the 2005 Emergency Assessments and are not secured by any other revenues or assets of the Company. In the event of default, the Company will levy the 2005 Emergency Assessment for each year in the maximum amount permitted under the Citizens Act. If the default continues, the refunding bonds are subject to acceleration, but no assurance is given that pledged revenues or other assets of the Company would be available to pay principal of and interest on the refunding bonds in full upon acceleration.

A schedule of debt service requirements, including bond premiums, as of December 31, 2022 was as follows:

<u>Maturity</u>	<u>Series 2016AB</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 50,980,000	\$ 8,283,175
2024	53,530,000	6,100,004
2025	55,345,000	4,037,042
2026	57,655,000	1,441,375
	<u>217,510,000</u>	<u>\$ 19,861,596</u>
Plus Bond Premium	<u>9,326,516</u>	
Total Net Debt		
Service Requirement	<u>\$ 226,836,516</u>	

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

8. LONG-TERM LIABILITIES: (Continued)

BONDS PAYABLE (Continued)

Net unamortized premium at December 31, 2022 and 2021 was \$9,326,516 and \$14,653,151, respectively. The total interest expense on the fixed rate bonds for the years ended December 31, 2022 and 2021 was \$6,210,972 and \$8,181,017, respectively, including annual amortized net premium of \$5,326,635 and \$6,846,757, and is included in “Interest Expense” in the accompanying Statements of Revenues, Expenses and Changes in Fund Net Position.

The following is a summary of long-term debt transactions of the Company for the years ended December 31, 2022 and 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments/ Expenditures</u>	<u>Ending Balance</u>	<u>Due within one year</u>
<u>December 31, 2022</u>					
Series 2015R Bonds	\$ 55,075,000	\$ -	\$ (55,075,000)	\$ -	\$ -
Series 2016AB Bonds	217,510,000	-	-	217,510,000	50,980,000
Bond premium	14,653,151	-	(5,326,635)	9,326,516	3,948,155
OPEB Liability	3,979,528	-	(1,154,105)	2,825,423	-
Total Long Term Obligation	<u>\$ 291,217,679</u>	<u>\$ -</u>	<u>\$ (61,555,740)</u>	<u>\$ 229,661,939</u>	<u>\$ 54,928,155</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments/ Expenditures</u>	<u>Ending Balance</u>	<u>Due within one year</u>
<u>December 31, 2021</u>					
Series 2015R Bonds	\$ 106,555,000	\$ -	\$ (51,480,000)	\$ 55,075,000	\$ 55,075,000
Series 2016AB Bonds	217,510,000	-	-	217,510,000	-
Bond premium	21,499,908	-	(6,846,757)	14,653,151	5,326,635
OPEB Liability	4,436,270	285,828	(742,570)	3,979,528	-
Total Long Term Obligation	<u>\$ 350,001,178</u>	<u>\$ 285,828</u>	<u>\$ (59,069,327)</u>	<u>\$ 291,217,679</u>	<u>\$ 60,401,635</u>

9. AGENT COMMISSIONS:

The Company policies are written by various insurance agents licensed in the State of Louisiana. These agreements provide for commissions to be paid to the agents at rates established by the Board and calculated as a percentage of direct written premiums, net of certain surcharges and assessments. Agent commissions were \$42,233,518 and \$7,584,862 during the years ended December 31, 2022 and 2021, respectively. Agent commissions payable were \$9,970,950 and \$2,651,894 for the years ended December 31, 2022 and 2021, respectively.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

10. REINSURANCE:

The Company purchases private reinsurance through Guy Carpenter & Company, LLC, as licensed reinsurance intermediaries. The participating reinsurance companies will reimburse the Company, through the intermediary, a specified percentage of losses incurred if a prescribed retention is reached.

The Company purchases reinsurance based on levels of loss. The Company is liable for the first amount of ultimate net loss, shown in the table below as “Company Retention,” arising out of each loss occurrence. The reinsurer is then liable, as respects each excess layer, for the amount by which such ultimate net loss exceeds the Company’s applicable retention for that layer. However, the liability of the reinsurer under any excess layer of reinsurance coverage provided does not exceed either of the following: (1) the amount shown below as “Reinsurer Per Occurrence Limit” for that excess layer as respects loss or losses arising out of any one loss occurrence, or (2) the amount shown as “Reinsurer’s Term Limit” for that excess layer. Each excess layer of reinsurance coverage provided is as follows:

Reinsurance in place for the year ended December 31, 2022 was as follows:

	<u>January 1, 2022 to May 31, 2022</u> (in thousands)						
	First Excess	Second Excess	Third Excess	Fourth Excess	Fifth Excess	Sliver Excess	Seventh Excess
Company's retention	\$ 35,000	\$ 65,000	\$ 145,000	\$ 245,000	\$ 245,000	\$ 245,000	\$ 245,000
Reinsurer's per occurrence limit	\$ 30,000	\$ 80,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 5,000	\$ 15,000
Reinsurer's term limit	\$ 60,000	\$ 160,000	\$ 200,000	\$ 100,000	\$ 100,000	\$ 5,000	\$ 30,000
Annual minimum premium	\$ 4,425	\$ 6,400	\$ 5,000	\$ 3,550	\$ 3,200	\$ 150	\$ 375

	<u>June 1, 2022 to December 31, 2022</u> (in thousands)						
	First Excess	Second Excess	Third Excess	Fourth Excess	Fifth Excess	Seventh Excess	Eighth Excess
Company's retention	\$ 50,000	\$ 70,000	\$ 150,000	\$ 300,000	\$ 300,000	\$ 795,000	\$ 1,050,000
Reinsurer's per occurrence limit	\$ 20,000	\$ 80,000	\$ 150,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 100,000
Reinsurer's term limit	\$ 40,000	\$ 160,000	\$ 300,000	\$ 450,000	\$ 450,000	\$ 510,000	\$ 200,000
Annual minimum premium	\$ 7,600	\$ 21,600	\$ 27,000	\$ 22,500	\$ 18,000	\$ 16,575	\$ 5,500

Reinsurance in place for the year ended December 31, 2021 was as follows:

	<u>January 1, 2021 to May 31, 2021</u> (in thousands)				
	First Excess	Second Excess	Third Excess	Fourth Excess	Sixth Excess
Company's retention	\$ 35,000	\$ 65,000	\$ 160,000	\$ 260,000	\$ 260,000
Reinsurer's per occurrence limit	\$ 30,000	\$ 95,000	\$ 100,000	\$ 100,000	\$ 50,000
Reinsurer's term limit	\$ 90,000	\$ 190,000	\$ 200,000	\$ 100,000	\$ 100,000
Annual minimum premium	\$ 3,930	\$ 6,680	\$ 4,353	\$ 1,361	\$ 1,575

	<u>June 1, 2021 to December 31, 2021</u> (in thousands)						
	First Excess	Second Excess	Third Excess	Fourth Excess	Fifth Excess	Sliver Excess	Seventh Excess
Company's retention	\$ 35,000	\$ 65,000	\$ 145,000	\$ 245,000	\$ 245,000	\$ 245,000	\$ 245,000
Reinsurer's per occurrence limit	\$ 30,000	\$ 80,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 5,000	\$ 15,000
Reinsurer's term limit	\$ 60,000	\$ 160,000	\$ 200,000	\$ 100,000	\$ 100,000	\$ 5,000	\$ 30,000
Annual minimum premium	\$ 4,425	\$ 6,400	\$ 5,000	\$ 3,550	\$ 3,200	\$ 150	\$ 375

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

10. REINSURANCE: (Continued)

The premiums can also potentially be adjusted if the total insurable value is greater than 10% or less than 5% of the estimated total insurable value used to calculate the contract premium.

In the event that all or any portion of the reinsurance under the excess layer above is exhausted by loss, the amount exhausted will be reinstated immediately upon payment of a reinsurance premium. The Company has entered into a Reinsurance Premium Protection (RPP) contract, which guarantees payment of the reinstatement premium. For the year ended December 31, 2022, the Company has entered a Reinstatement Premium Protection (RPP) contract related to the first, second, and third layers which guarantees payment of the reinstatement premium. For the year ended December 31, 2021, the Company entered into a Reinstatement Premium Protection (RPP) contract related to the second and third layers which guarantees payment of the reinstatement premium.

During the year ended December 31, 2022, the Company also purchased facultative reinsurance through Guy Carpenter & Company. Facultative reinsurance is coverage purchased by the Company to cover a single risk or policy. The Company obtained this reinsurance to cover high value policies against the risk of loss. The reinsurance covers the full length of the policy.

During the year ended December 31, 2022, the Company also purchased County Weighted Industry Loss reinsurance based on levels of loss. The Company is liable for the first amount of ultimate net loss, shown in the table below as “Company Retention,” arising out of each loss occurrence. The reinsurer is then liable, as respects each excess layer, for the amount by which such ultimate net loss exceeds the Company’s applicable retention for that layer. However, the liability of the reinsurer under any excess layer of reinsurance coverage provided does not exceed either of the following: (1) the amount shown below as “Reinsurer Per Occurrence Limit” for that excess layer as respects loss or losses arising out of any one loss occurrence, or (2) the amount shown as “Reinsurer’s Term Limit” for that excess layer. Each excess layer of reinsurance coverage provided is as follows:

	January 1, 2022 to December 31, 2022				
	Fourth County Weighted Industry Loss ¹	Fourth County Weighted Industry Loss ²	Fourth/Fifth County Weighted Industry Loss ²	Seventh County Weighted Industry Loss ¹	Sixth/Seventh/Eighth County Weighted Industry Loss ²
Company's					
Retention	\$ 225,000	\$ 300,000	\$ 300,000	\$ 255,000	\$ 750,000
Reinsurer's Per					
Occurrence Limit	\$ 300,000	\$ 225,000	\$ 450,000	\$ 795,000	\$ 400,000
Reinsurer's					
Term Limit	\$ 225,000	\$ 450,000	\$ 900,000	\$ 255,000	\$ 800,000
Annual Minimum					
Premium	\$ 56,835	\$ 29,993	\$ 40,500	\$ 64,413	\$ 22,680

¹ D.E. Shaw Group

² Nephila Capital

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

10. REINSURANCE: (Continued)

As of December 31, 2022, the Company had additional coverage through five catastrophe bonds. In 2022, the Company purchased additional coverage through a \$120 million, Class A three-year catastrophe bond that provides coverage for 53% of up to \$525 million in losses in excess of \$300 million covered by retention and traditional reinsurance. The Company also purchased a \$55 million, Class B three-year catastrophe bond that provides coverage for 24% of up to \$525 million in losses in excess of \$300 million covered by retention and traditional reinsurance.

In 2021, the Company purchased additional coverage through a \$75 million, Class A three-year catastrophe bond that provides coverage for 75% of up to \$345 million in losses in excess of \$245 million covered by retention and traditional reinsurance. The Company also purchased additional coverage through a \$50 million, Class B three-year catastrophe bond that provides coverage for 100% of up to \$120 million in losses in excess of \$70 million covered by retention and traditional reinsurance.

In 2020, the Company purchased additional coverage through a \$60 million, three-year catastrophe bond that provides coverage for 60% of up to \$360 million in losses in excess of \$260 million covered by retention and traditional reinsurance.

In 2018, the Company purchased additional coverage through a \$100 million, three-year catastrophe bond that provides coverage for 100% of up to \$400 million in losses in excess of \$300 million covered by retention and traditional reinsurance. The 2018 catastrophe bonds were retired during the year ended December 31, 2021.

The effect of reinsurance on premiums written and earned during the years ended December 31, 2022 and 2021 were as follows:

Year ended December 31, 2022

	<u>Premiums</u>	
	<u>Written</u>	<u>Earned</u>
Direct	\$ 424,637,015	\$ 228,279,235
Ceded	<u>(145,717,307)</u>	<u>(145,717,307)</u>
Net premiums	<u>\$ 278,919,708</u>	<u>\$ 82,561,928</u>

Year ended December 31, 2021

	<u>Premiums</u>	
	<u>Written</u>	<u>Earned</u>
Direct	\$ 75,859,017	\$ 63,220,143
Ceded	<u>(27,818,785)</u>	<u>(27,818,785)</u>
Net premiums	<u>\$ 48,040,232</u>	<u>\$ 35,401,358</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

10. REINSURANCE: (Continued)

Amounts recoverable from reinsurers on unpaid losses and loss adjustment expenses are estimated based on the allocation of estimated unpaid losses and loss adjustment expenses among coverage lines. Actual amount recoverable will depend on the ultimate settlement of losses and loss adjustment expenses. Reinsurance contracts do not relieve the Company from its obligation to policyholders. The Company remains liable to its policyholders for the portion reinsured to the extent that any reinsurer does not meet the obligations assumed under their reinsurance agreements.

At December 31, 2022 and 2021, the Company had reinsurance receivables on unpaid claims of \$174,462,863 and \$187,159,985 and reinsurance recoverables on paid losses of \$18,962,757 and \$3,024,130, respectively. The reinsurance receivable on unpaid claims is netted with the loss reserve liability on the Statements of Net Position.

11. RETIREMENT PLANS:

Prior to September 1, 2008, the Company sponsored a non-contributory agent multiple-employer defined benefit pension plan covering all employees that were hired prior to April 1, 2008, through a services agreement with Property Insurance Association of Louisiana (PIAL) to participate in the Pension Plan for Insurance Organization (PPIO).

Benefits Provided:

PPIO provides retirement and survivor's benefits to all qualified employees of the Company. The following is a brief description of the plan and its benefits. Participants should refer to the detailed plan description for more complete information.

Normal Retirement Benefit:

Normal retirement benefit is the annual benefit that is payable as a life annuity beginning on individual's normal retirement date. Normal retirement benefit is equal to the following:

- 1.15% of average annual compensation up to covered compensation multiplied by years of credited service (maximum 35 years); plus
- 1.55% of average annual compensation in excess of covered compensation multiplied by years of credited service (maximum 35 years); plus
- 0.5% of average annual compensation multiplied by years of credited service from 35 to 45 years.

Under a life annuity, participant will receive monthly payments for the rest of his/her life. No benefits will be paid after the death.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

11. RETIREMENT PLANS: (Continued)

Benefits Provided: (Continued)

Minimum Retirement Benefit

Normal retirement benefit cannot be less than the benefit the participant would have received on any earlier retirement date or the benefit accrued as of December 31, 1988. Also, if the participant has completed at least 15 years of vesting service, normal retirement benefit will not be less than \$1,200 per year. If the participant has completed less than 15 years of vesting service, the \$1,200 will be reduced by \$80 for each year of vesting service that is less than 15 years.

Adjustment of Pension Benefit Payment Before or After Normal Retirement Date

Following the termination of employment, the participant may decide when to begin pension benefit payments. The amount of the pension benefit that a member may receive as a life annuity may vary if he/she receives pension benefit payments on a date other than normal retirement date. Generally, the following rules apply:

- If participant has completed at least 15 years of vesting service, the life annuity he/she could begin to receive on normal retirement date will be unreduced if individual begins to receive pension benefit payments as of the first day of any month between the first day of the month after attaining age 62 and before normal retirement date.
- If participant has completed at least 15 years of vesting service, the life annuity he/she could begin to receive on normal retirement date will be reduced, but by less than a full actuarial reduction, if individual begins to receive pension benefit payments as of the first day of any month between the first day of the month after attaining age 55 and before the first day of the month after attaining age 62.
- If participant has completed at least 5 years of vesting service but less than 15 years of vesting service, the life annuity he/she could begin to receive on normal retirement date will be actuarially reduced if individual begins to receive pension benefit payments as of the first day of any month between the first day of the month after attaining age 55 and before normal retirement date.
- If participant begins pension benefit payments after the normal retirement date, the life annuity, he/she could begin to receive on normal retirement date (or upon termination of employment if later) will be actuarially increased until the benefit commencement date.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
 NOTES TO FINANCIAL STATEMENTS
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11. RETIREMENT PLANS: (Continued)

Benefits Provided: (Continued)

Early Retirement Benefit

If participant terminates employment and begins to receive a pension benefit as a life annuity before normal retirement date, the life annuity may be reduced because it commences early. The reduction for early commencement is described below.

Age 55 with at Least 5, but Less Than 15 Years of Vesting Service

Individual may begin receiving pension benefit before normal retirement date if he/she is age 55 or older and has completed at least 5, but less than 15, years of vesting service. Pension benefit will be actuarially reduced based on member's age when commenced benefit to reflect the longer period over which pension benefit will be paid.

The following factors are used to determine the amount of benefit participant would receive as a life annuity on an earlier retirement date. Normal retirement benefit would be multiplied by the factors below (which are adjusted for partial years) to determine reduced pension amount payable as a life annuity:

Age at early retirement:	Early retirement reduction factor for normal retirement benefit
64	0.909
63	0.828
62	0.756
61	0.693
60	0.636
59	0.586
58	0.540
57	0.499
56	0.462
55	0.428

Age 55 with at Least 15 Years of Vesting Service

The participant may begin receiving pension benefit before normal retirement date if he/she is age 55 or older and has completed at least 15 years of vesting service. Pension benefit will have less of an early retirement reduction than if the participant had completed fewer than 15 years of vesting service.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

11. RETIREMENT PLANS: (Continued)

Benefits Provided: (Continued)

If the participant terminates employment with at least 15 years of vesting service and elects to commence pension benefit on or after reaching age 62 but before reaching age 65, pension benefit payable as a life annuity will be equal to the amount payable as a life annuity beginning on normal retirement date.

If the participant terminates employment with at least 15 years of vesting service and elects to commence pension benefit on or after reaching age 55 but prior to age 62, pension benefit payable as a life annuity will be equal to the amount of a normal retirement benefit, but reduced to take into account younger age and the longer period over which benefit payments will be received.

The following factors are used to determine the amount of benefit participant would receive as a life annuity beginning on an earlier retirement date. Normal retirement benefit would be multiplied by the factors below (which are adjusted for partial years) to determine reduced pension amount payable as a life annuity:

Age at early retirement:	Early retirement reduction factor for normal retirement benefit
61	0.97
60	0.94
59	0.89
58	0.84
57	0.79
56	0.74
55	0.69

Special Social Security Supplement

In addition to the pension benefits described above, if the participant begins receiving benefits before age 62, completed at least 15 years of vesting service, and elects to receive retirement benefits as a life annuity, the individual will receive, from benefit commencement date to the first day of the month on or after 62nd birthday (or date of death if earlier), the amount described as follows, reduced by the applicable early retirement reduction factor above: 0.4% of average annual compensation up to covered compensation multiplied by years of credited service, up to a maximum of 35 years. This amount is then adjusted by the early retirement reduction factor of 0.89. The participant would receive an additional amount equal to \$575 per month until age 62.

If the member elects to receive a pension benefit in a form of payment other than a life annuity, the special social security supplement will be adjusted to reflect that other form of payment.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

11. RETIREMENT PLANS: (Continued)

Benefits Provided: (Continued)

Once the member has attained age 62, the special social security supplement will cease. If the participant elects to receive pension benefits as a life annuity, the special social security supplement will cease at date of death if he/she would die before reaching age 62. The special social security supplement is intended to provide bridge payments until the participant is eligible to begin receiving social security retirement benefits. This supplement will cease at age 62, regardless of whether or not the member has applied for social security benefits.

Small Benefit and Younger Than Age 55

If the participant terminates employment after becoming vested and the value of pension benefits when he/she terminates employment exceeds \$5,000, the participant may begin to receive pension benefits as of the first day of any month following termination of employment provided that the value of pension benefits does not exceed \$20,000 as of that time. Individual may elect to receive pension benefits in a lump sum or in another form of payment. If the participant elects to receive pension benefits beginning before age 55, pension benefits will be actuarially reduced based on age when a member commences benefit to reflect the longer period over which pension benefits will be paid.

Pension Guarantees

Pension benefits under this plan are insured by the PBGC, a Federal insurance agency. If the plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits. The PBGC guarantee generally covers:

- Normal and early retirement benefits;
- Disability benefits if a participant becomes disabled before the plan terminates;
- Certain benefits for survivors.

Employees Covered by the Benefit Terms

As of December 31, 2022 and 2021, the following employees were covered by the Plan:

	<u>2022</u>	<u>2021</u>
Active employees	21	21
Inactive employees or beneficiaries currently receiving benefits	16	16
Inactive employees entitled to but not yet receiving benefits	5	6
Total	42	43

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

11. RETIREMENT PLANS: (Continued)

Contributions:

Contributions to pay for plan benefits are paid by the participating employers to a trust administered by the Principal Trust Company (the Trust), or its successors or assigns. When participants retire, the necessary amount will be allocated from the available funds under the Trust to provide pension benefits. Both the participant and employer contribute toward social security taxes throughout the participant's career; however, the cost of the plan is paid entirely by participating employers. Participants are not required to contribute to the plan.

Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

As of December 31, 2022 and 2021, the Company reported an asset of \$42,246 and \$530,700, respectively, for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2022 and 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that dates.

For the years ended December 31, 2022 and 2021, the Company recognized pension expense of \$488,455 and pension benefit of \$94,718, respectively. As of December 31, 2022 and 2021, the Company reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>2022</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 40,948	\$ 467
Change of assumptions	36,616	119,692
Net difference between projected and actual earnings on pension plan investments	361,469	-
Total	<u>\$ 439,033</u>	<u>\$ 120,159</u>
<u>2021</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 49,481	\$ 9,760
Change of assumptions	88,491	2,516
Net difference between projected and actual earnings on pension plan investments	-	197,584
Total	<u>\$ 137,972</u>	<u>\$ 209,860</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
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DECEMBER 31, 2022 AND 2021

11. RETIREMENT PLANS: (Continued)

Pension Asset, Pension Expense, and Deferred Outflows of Resources
 and Deferred Inflows of Resources Related to Pensions: (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(benefit) as follows:

Year ending:	Amount
2023	\$ 35,475
2024	64,501
2025	91,255
2026	127,643
Total	<u>\$ 318,874</u>

Actuarial Assumptions:

The total pension liability in the December 31, 2022 and 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>2022</u>	<u>2021</u>
Discount Rate	5.25%	4.50%
Investment Rate of Return	5.25%	4.50%
Inflation	3.00%	3.00%
Salary Increase	N/A	N/A
Mortality Rates	Pri-2012: separate employee, retiree and contingent annuitant with MP-2021 mortality improvement scale applied on a generational basis	Pri-2012: separate employee, retiree and contingent annuitant with MP-2021 mortality improvement scale applied on a generational basis

Discount Rate:

The discount rate used to measure the total pension liability for the years ended December 31, 2022 and 2021 was 5.25% and 4.50%, respectively. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

11. RETIREMENT PLANS: (Continued)

Changes in Plan's Net Pension Asset:

Changes in the Plan's net pension asset for the years ended December 31, 2022 and 2021 were as follows:

	Increase (Decrease)		
	Total Pension <u>Liability</u>	Plan Fiduciary <u>Net Position</u>	Net Pension <u>Asset</u>
Balance, December 31, 2021	\$ 2,053,657	\$ 2,584,357	\$ 530,700
Change for the year:			
Service cost	-	-	-
Interest cost	89,788	-	(89,788)
Difference between expected and actual experience	17,870	-	(17,870)
Changes of assumptions	(163,574)	-	163,574
Net investment income	-	(524,982)	(524,982)
Contributions - employer	-	-	-
Benefit payments	(116,696)	(116,696)	-
Administrative expenses	-	(19,388)	(19,388)
Net changes	<u>(172,612)</u>	<u>(661,066)</u>	<u>(488,454)</u>
Balance, December 31, 2022	<u>\$ 1,881,045</u>	<u>\$ 1,923,291</u>	<u>\$ 42,246</u>

	Increase (Decrease)		
	Total Pension <u>Liability</u>	Plan Fiduciary <u>Net Position</u>	Net Pension <u>Asset</u>
Balance, December 31, 2020	\$ 2,055,308	\$ 2,491,290	\$ 435,982
Change for the year:			
Service cost	-	-	-
Interest cost	90,066	-	(90,066)
Difference between expected and actual experience	10,181	-	(10,181)
Changes of assumptions	5,787	-	(5,787)
Net investment income	-	163,725	163,725
Contributions - employer	-	45,928	45,928
Benefit payments	(107,685)	(107,685)	-
Administrative expenses	-	(8,901)	(8,901)
Net changes	<u>(1,651)</u>	<u>93,067</u>	<u>94,718</u>
Balance, December 31, 2021	<u>\$ 2,053,657</u>	<u>\$ 2,584,357</u>	<u>\$ 530,700</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

11. RETIREMENT PLANS: (Continued)

Sensitivity of the Company's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate:

The following presents the Company's proportionate share of the net pension liability or net pension asset using the discount rate for the years ended December 31, 2022 and 2021 of 5.25% and 4.50%, respectively, as well as what the employer's proportionate share of the net pension liability or net pension asset would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate at the years ended December 31, 2022 and 2021:

<u>2022</u>	1.0% Decrease <u>4.25%</u>	Current Discount Rate <u>5.25%</u>	1.0% Increase <u>6.25%</u>
Company's proportionate share of the net pension (liability) asset	<u>\$ (175,647)</u>	<u>\$ 42,246</u>	<u>\$ 224,201</u>
<u>2021</u>	1.0% Decrease <u>3.50%</u>	Current Discount Rate <u>4.50%</u>	1.0% Increase <u>5.50%</u>
Company's proportionate share of the net pension asset	<u>\$ 271,001</u>	<u>\$ 530,700</u>	<u>\$ 745,191</u>

Payables to the Pension Plan:

As of December 31, 2022 and 2021, the Company had no outstanding payables to the defined benefit plan.

Defined Contribution Plans:

As of September 1, 2008, the Company froze its defined benefit pension plan and in its place established a defined contribution plan. The Company contributes 11% of each employee's wages to the defined contribution plan. Contributions are expensed each month, and the Company carried no assets or liabilities for the defined contribution plan on its statement of net position. The Company's contribution to the plan was approximately \$648,697 and \$462,328 during the years ended December 31, 2022 and 2021, respectively.

In addition, the Company sponsors a contributory 401k savings plan covering eligible employees for which the Company matches 75% of employee contributions up to a maximum of 6% of eligible compensation. The Company's matching contributions to the plan totaled approximately \$201,971 and \$184,482 for the years ended December 31, 2022 and 2021, respectively. Both defined contribution plans are 401k saving plans and are administered by Prudential Financial, Inc.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

12. COMPENSATED ABSENCES:

Employees earn and accrue vacation and sick leave at various rates, depending on their years of service. The maximum amount of sick leave that may be accrued by each employee at any given time is 20 days. The maximum vacation carryover at the end of the year is five days.

Upon termination, employees are compensated for any unused vacation leave at the employee's hourly rate of pay at the time of termination. The liability for unused vacation leave at December 31, 2022 and 2021 was approximately \$142,260 and \$101,060, respectively.

13. LEASES:

The Company has adopted the guidelines of the Louisiana Office of Statewide Reporting and Accounting Policy for the GASB 87 reporting of leases. Leases with a total contract value (the gross (undiscounted) aggregate value of fixed and fixed-in-substance cash flows remaining over the term of the contract, including reasonably certain renewal periods) of \$100,000 are evaluated for lease reporting under GASB 87. Leases with a total contract value under \$100,000 are recorded in the same manner as a short-term lease with rent payments reported as expense or revenue in the statement of revenues, expenses, and changes in fund net position as those payments are due based on the terms of the lease.

The Company leases office space under a non-cancelable lease with the Galleria, which will expire in September 2023. The office space was leased for a term of 120 months, effective October 1, 2013. Lease payments are due monthly, with the monthly payments increasing on an annual basis over the life of the lease. Interest due by the Company for late payments shall be at the lessor's discount rate of 4% plus the annual prime rate as published from time to time in the Wall Street Journal, with the highest rate being used if a range of rates is published.

The Galleria office lease is summarized as follows:

<u>Description</u>	<u>Date</u>	<u>Payment Terms</u>	<u>Payment Amount</u>	<u>Interest Rate</u>	<u>Lease Liability Total</u>	<u>Lease Liability 12/31/2022</u>
Galleria lease	10/1/2013	120 months	Variable	8.23%	\$3,276,058	\$ 368,883

As of December 31, 2022 and 2021, a right to use asset, net of amortization, of \$245,704 and \$573,310, respectively, and a lease liability of \$368,883 and \$822,922, respectively, are recorded in the Company's Statements of Net Position.

Annual requirements to amortize the short-term obligation and related interest on the Galleria office lease are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
<u>December 31,</u> 2023	\$368,883	\$12,764
	<u>\$368,883</u>	<u>\$12,764</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

14. UNAUDITED RECONCILIATION BETWEEN GAAP AND STATUTORY NET INCOME:

Accounting principles generally accepted in the United States of America (GAAP basis) differ in certain respects from the accounting practices prescribed or permitted by insurance regulatory authorities (statutory basis). A reconciliation between the change in net position and the deficiency in net position as reported under GAAP basis and statutory basis for the years ended December 31, 2022 and 2021 follows:

	<u>2022</u>	(restated) <u>2021</u>
Change in net position - GAAP basis	\$ 26,250,108	\$ 41,484,115
Adjustments to:		
Pension plan expense	1,238,233	680,349
Other	28,176,603	(314,372)
Amortization expense - right of use asset	327,606	327,606
Rent expense	(504,928)	(499,681)
Interest expense	864,700	1,714,034
Investment change in fair value	1,275,549	280,617
Excess emergency assessments	(84,282,637)	(70,111,036)
Tax exempt surcharge	(7,010,102)	(1,898,434)
Net income (loss) - statutory basis	<u>\$ (33,664,868)</u>	<u>\$ (28,336,802)</u>

	<u>2022</u>	(restated) <u>2021</u>
Total deficiency in net position - GAAP basis	\$ (54,161,991)	\$ (80,412,099)
Adjustments to:		
Non-admitted assets	(35,585,020)	(3,238,089)
Right of use assets	(245,705)	(573,310)
Net pension asset	675,729	(359,793)
Lease liability	368,883	822,922
Deferred outflows - advanced refunding	-	(813,812)
Other accrued liabilities	(198,701)	(401,410)
Investment change in fair value	1,151,179	(124,370)
Excess emergency assessments	(36,859,100)	(38,716,561)
Allowance for doubtful accounts	28,627,808	451,207
Emergency assessments receivable	173,509,891	259,649,988
Provision for reinsurance receivable	(193,539)	(1,657,067)
Accumulated surplus - statutory basis	<u>\$ 77,089,434</u>	<u>\$ 134,627,606</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

15. COMMITMENTS AND CONTINGENCIES:

The Company is involved in certain litigation and disputes incidental to its operations. In the opinion of management, after consultation with legal counsel, there are substantial defenses to such litigation and disputes and any ultimate liability, in excess of reserves resulting there from, will not have a material adverse effect on the Company's financial condition or results of operations.

The Company is also involved in other potentially significant litigation described below; any of which could have a material adverse effect on the financial condition or results of operations. These matters raise difficult and complicated factual and legal issues and are subject to many uncertainties and complexities, including the underlying facts of each matter; novel legal issues; variations between jurisdictions in which matters are being litigated, heard, or investigated; differences in applicable laws and judicial interpretations; the length of time before many of these matters might be resolved by settlement through litigation or otherwise; and the current legal environment faced by large corporations and insurance companies.

The outcome of these matters may be affected by decisions, verdicts, settlements and the timing of such other individual and class action lawsuits that involve the Company, other insurers, or other entities and by other legal, governmental, and regulatory actions that involve the Company, other insurers, or other entities. The outcome may also be affected by future state legislation, the timing or substance of which cannot be predicted.

In lawsuits, plaintiffs seek a variety of remedies. In some cases, the monetary damages sought to include punitive or treble damages. Often specific information about the relief sought, such as the amount of damages is not available. When specific monetary demands are made, they are often set just below a state court jurisdictional limit in order to seek the maximum amount available regardless of the specifics of the case.

For the reasons previously specified, it is often not possible to make meaningful estimates of the amount or range of loss that could result from the known and unknown matters described. The Company reviews these matters on an ongoing basis and follows appropriate accounting guidance when making accrual and disclosure decisions. When assessing "reasonably possible" and "probable" outcomes, the Company bases its decisions on its assessment of the ultimate outcome following all appeals. Additionally, in instances where a judgment, assessment or fine has been rendered against the Company, there is a presumption that criteria in reaching a "reasonably possible" and "probable" outcome have been met. In such instances, the amount of liability recorded by the Company will include the anticipated settlement amount, legal costs, insurance recoveries and other related amounts and take into account factors such as the nature of the litigation, progress of the case, opinions of legal counsel, and management's intended response to the litigation, claim or assessment.

Due to the complexity and scope of the matters disclosed below and the many uncertainties that exist, the ultimate outcome of these matters cannot be reasonably predicted. In the event of an unfavorable outcome in any one or more of these matters, the ultimate liability may be in excess of the amounts currently reserved.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

15. COMMITMENTS AND CONTINGENCIES: (Continued)

A summary of potentially significant litigation follows:

Oubre v. Louisiana Citizens Property Insurance Corporation. The plaintiffs in this suit allege that the Company failed to timely initiate loss adjustment as required by Louisiana statutory law exposing the Company to penalties up to a mandatory limit of \$5,000 per claim. On July 23, 2012, the Company settled the majority of this class action suit with a payment of \$104.7 million to the plaintiff counsel for distribution to the current class members. The Company entered into a settlement with the class for the remaining Oubre claims. At December 31, 2022 and 2021, the Company had a reserve of \$3.7 million for this case for resolution of the remaining claims, which the Company believes, is adequate. The reserve is included in claims and claims adjustment reserves on the accompanying Statements of Net Position.

As of December 31, 2022, there were 516 open litigation matters against the Company. The majority of these lawsuits are related to first party suits related to 2021 Hurricane Ida and 2020 Hurricanes Laura and Delta. The Company believes it has established appropriate reserves for all lawsuits, in addition to class action claims described above. The Company has no assets that it considers to be impaired.

In addition to claims under the insurance policies it issues, the Company is potentially exposed to various risks of loss, including those related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As of the years ended December 31, 2022 and 2021, the Company had insurance protection in place from various commercial insurance carriers covering various exposures, including workers' compensation, property loss, employee liability, general liability, directors' and officers' liability, and business auto and cyber insurance. Management continuously revisits the limits of coverage and believes that current coverage is adequate. There were no significant reductions in insurance coverage from the previous year.

16. DEPOPULATION:

The Louisiana State Legislature created the Company to operate insurance plans as a residual market for residential and commercial property. The legislature further intended that the Company work toward the ultimate depopulation of these residual market plans also known as the Coastal Plan and FAIR Plan. To encourage the ultimate depopulation to these residual market plans, the Louisiana Citizens Property Insurance Corporation Policy Take-Out Program was created.

Under the take-out plan guidelines, not less than once per calendar year, the Company, with the approval of the governing board of the Company, may offer some or all its in-force policies for removal to the voluntary market. The Company shall include in any offers for depopulation policies that, based on geographic and risk characteristics, serve to reduce the exposure of the Company. Each insurer admitted to write homeowners insurance or insurance, insuring one or two-family owner occupied premises for fire and allied lines or insurance which

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

16. DEPOPULATION: (Continued)

covers commercial structures in the State of Louisiana may apply to the Company to become a take-out company. Insurers will be approved to participate in the depopulation of the Company based on statutory guidelines set forth in accordance with LRS 22:2314(C).

Policies may be removed from the Company at policy renewal or as part of a bulk assumption. In an assumption, the take-out company is responsible for losses occurring from the assumption date through the expiration of the Company's policy period.

Unearned premiums remitted to take-out companies pursuant to assumption agreements is reflected as a reduction in "premium earned" in the Statements of Revenues, Expenses, and Changes in Fund Net Position and totaled \$575,766 and \$81,719 for the years ended December 31, 2022 and 2021, respectively.

The Company provides administration services with respect to the assumed policies. All agreements provide for the take-out company to adjust losses. The take-out company pays a ceding commission to the Company to compensate the Company for policy acquisition costs, which includes servicing company fees and agent commissions. While the Company is not liable to cover claims after the assumption, the Company continues to service policies for items such as policyholder endorsements or cancellation refunds. Should the Company process and provide a refund to policyholders, such amount is subsequently collected from the take-out company. At December 31, 2022 and 2021, there were no assumed premiums due from certain take-out companies.

17. RESTRICTED NET POSITION:

The Statement of Net Position includes \$210,842,957 and \$182,449,132 of funds restricted by enabling legislation for the repayment of Special Assessment Revenue Bonds as of December 31, 2022 and 2021, respectively. The amounts equal the excess of unspent emergency assessment collected to satisfy the debt service requirements for the year.

18. DEFICIT NET POSITION:

The Company reported a deficiency in net position of \$(54,161,991) and \$(80,412,099) at December 31, 2022 and 2021, respectively, resulting primarily from losses on insured property caused by Hurricanes Katrina and Rita during 2005. The Company plans to eliminate the deficit through emergency assessments on affected insurance companies and policy holders.

19. OTHER POSTEMPLOYMENT BENEFITS (OPEB):

The Louisiana Citizens Property Insurance's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB Plan administered by the Company. The authority to establish and/or amend the obligation of the employer, employees and retirees' rests with the Company. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

19. OTHER POSTEMPLOYMENT BENEFITS (OPEB): (Continued)

Plan Description:

The Company provides postemployment medical and life insurance for qualified employees hired prior to January 1, 2010. Employees may qualify for participation in the plan by: a) attaining age 55 and completing 14 years and one hour of service or b) attaining age 60; completing at least 5 years of service, two of which occur after October 28, 2010, be employed with the Company at the time of retirement and retire in good status.

Contribution Rates:

Plan members contribute 25% of medical premiums, including Medicare supplement, dental and vision coverage, and 100% of supplemental life insurance. Plan members are not required to contribute for basic life insurance. For the years ended December 31, 2022 and 2021, the Company paid \$129,394 and \$150,483, respectively, for retiree insurance premiums.

Employees Covered by Benefit Terms:

At December 31, 2022 and 2021, the following employees were covered by the benefit terms:

	<u>2022</u>	<u>2021</u>
Active employees	26	26
Inactive employees or beneficiaries currently receiving benefits	17	17
Inactive employees entitled to but not yet receiving benefits	-	-
Total	43	43

Actuarial Methods and Assumptions:

The total OPEB liability in the December 31, 2022 and 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	<u>2022</u>	<u>2021</u>
Actuarial Cost Method	Entry Age	Entry Age
Discount Rate	5.50%	3.00%
Salary Increase Rate	3.00%	3.00%
Healthcare Cost Trend Rate	7.00%	7.00%
Year of Ultimate Trend Loss	2029	2028
Mortality Assumptions	Pri-2012/MP2021	RP-2012/MP2021

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

19. OTHER POSTEMPLOYMENT BENEFITS (OPEB): (Continued)

Actuarial Methods and Assumptions: (Continued)

The discount rates were chosen by the plan sponsor based on market information on the measurement date as required by U.S. GAAP.

Actuarial valuations involve estimates of the value of the reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for postemployment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years if service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Company and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Company and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between Board and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Changes in the Total OPEB Liability:

Changes in the Plan's OPEB liability for the years ended December 31, 2022 and 2021 were as follows:

	<u>Total OPEB Liability</u>
Balance at December 31, 2021	\$ 3,979,528
Changes for the year:	
Service cost	98,109
Interest cost	120,388
Differences between expected and actual experience	30,371
Changes of assumptions	(1,273,579)
Benefit payments	<u>(129,394)</u>
Net changes	<u>(1,154,105)</u>
Balance at December 31, 2022	<u>\$ 2,825,423</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

19. OTHER POSTEMPLOYMENT BENEFITS (OPEB): (Continued)

Changes in the Total OPEB Liability: (Continued)

	<u>Total OPEB Liability</u>
Balance at December 31, 2020	\$ 4,436,270
Changes for the year:	
Service cost	123,686
Interest cost	123,330
Differences between expected and actual experience	38,812
Changes of assumptions	(592,087)
Benefit payments	(150,483)
Net changes	<u>(456,742)</u>
Balance at December 31, 2021	<u>\$ 3,979,528</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:

The following presents the Company's total OPEB liability using the discount rate for the years ended December 31, 2022 and 2021 of 5.50% and 3.00%, respectively, as well as what the Company's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate at the years ended December 31, 2022 and 2021:

<u>2022</u>	1.0% Decrease <u>4.50%</u>	Current Discount <u>5.50%</u>	1.0% Increase <u>6.50%</u>
Total OPEB Liability	<u>\$ 3,229,125</u>	<u>\$ 2,825,423</u>	<u>\$ 2,493,470</u>
 <u>2021</u>	 1.0% Decrease <u>2.00%</u>	 Current Discount <u>3.00%</u>	 1.0% Increase <u>4.00%</u>
Total OPEB Liability	<u>\$ 4,664,034</u>	<u>\$ 3,979,528</u>	<u>\$ 3,430,030</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

19. OTHER POSTEMPLOYMENT BENEFITS (OPEB): (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:

The following presents the Company's total OPEB liability using the healthcare cost trend rate for the years ended December 31, 2022 and 2021 of 7.00%, as well as what the Company's OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rate at years ended December 31, 2022 and 2021:

<u>2022</u>	1.0% Decrease <u>6.00%</u>	Current Discount <u>7.00%</u>	1.0% Increase <u>8.00%</u>
Total OPEB Liability	<u>\$ 2,489,877</u>	<u>\$ 2,825,423</u>	<u>\$ 3,236,249</u>
<u>2021</u>	1.0% Decrease <u>6.00%</u>	Current Discount <u>7.00%</u>	1.0% Increase <u>8.00%</u>
Total OPEB Liability	<u>\$ 3,420,723</u>	<u>\$ 3,979,528</u>	<u>\$ 4,685,004</u>

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

As of December 31, 2022 and 2021, the Company reported total OPEB liability of \$2,825,423 and \$3,979,528, respectively. The total OPEB liability was measured as of December 31, 2022 and 2021, and was determined by an actuarial valuation of that date.

For the year ended December 31, 2022, the Company recognized OPEB income of \$63,747. For the year ended December 31, 2021, the Company recognized OPEB expense of \$283,544.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

19. OTHER POSTEMPLOYMENT BENEFITS (OPEB): (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: (Continued)

As of December 31, 2022 and 2021, the Company reported deferred outflows of resources and deferred inflows of resources to OPEB from the following sources:

<u>2022</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 135,623	\$ -
Change of assumptions	264,791	1,338,155
Total	<u>\$ 400,414</u>	<u>\$ 1,338,155</u>
<u>2021</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 186,615	\$ -
Change of assumptions	407,803	571,195
Total	<u>\$ 594,418</u>	<u>\$ 571,195</u>

Amounts reported as deferred outflows of resources and deferred (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending:	
2023	\$ (282,244)
2024	(296,443)
2025	(359,054)
Total	<u>\$ (937,741)</u>

Payables to the OPEB Plan:

As of December 31, 2022 and 2021, the Company had no outstanding payables to the OPEB plan.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

20. DISAGGREGATION OF RECEIVABLE BALANCES:

Receivable balances at December 31, 2022 and 2021 were as follows:

<u>Description</u>	<u>2022</u>	<u>2021</u>
Premiums receivable	\$ 5,927,005	\$ 719,526
Premiums deferred	53,268,070	11,783,479
Allowance for doubtful accounts	<u>(767,908)</u>	<u>(451,207)</u>
Total premium receivables, net	<u>\$ 58,427,167</u>	<u>\$ 12,051,798</u>
Emergency assessment receivable	<u>\$ 16,000,000</u>	<u>\$ 15,000,000</u>
Reinsurance recoverables on paid losses	\$ 46,822,657	\$ 3,024,130
Allowance for doubtful accounts	<u>(27,859,900)</u>	<u>-</u>
Total reinsurance recoverables on paid losses, net	<u>\$ 18,962,757</u>	<u>\$ 3,024,130</u>

21. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT:

During the year ended December 31, 2022, the Company implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the Company's 2022 financial statements and had an effect on the beginning net position of the Company's Statement of Net Position and Statement of Revenues, Expenses, and Changes in Fund Net Position. The Company recognized \$900,916 in net book value for an intangible right to use asset and a lease liability of \$1,236,192 for the office space leased in October 2013. The implementation of GASB Statement No. 87 had the following effect on net position as reported December 31, 2020:

	<u>Statement of Net Position</u>
Net position - December 31, 2020, originally stated	\$ (121,560,938)
Adjustments:	
Right of use asset, net	900,916
Lease liability	<u>(1,236,192)</u>
Net position - December 31, 2020, restated	<u>\$ (121,896,214)</u>

22. SUBSEQUENT EVENTS:

The Company has evaluated subsequent events through the date these financial statements were available to be issued, June 28, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN NET PENSION ASSET AND RELATED RATIOS
FOR THE NINE YEARS ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:									
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,518	\$ 40,198
Interest	89,788	90,066	94,584	95,307	97,458	97,099	98,542	88,164	79,982
Difference between expected and actual experience	17,870	10,181	60,606	24,723	(52,455)	(14,459)	(1,330)	155,128	33,868
Change of assumptions	(163,574)	5,787	57,104	132,883	(4,249)	(10,143)	89,909	19,877	79,179
Benefit payments, including refunds	(116,696)	(107,685)	(97,341)	(90,830)	(68,903)	(63,010)	(65,094)	(76,800)	(47,450)
Net change in total pension liability	(172,612)	(1,651)	114,953	162,083	(28,149)	9,487	122,027	225,887	185,777
Total pension liability - beginning	<u>2,053,657</u>	<u>2,055,308</u>	<u>1,940,355</u>	<u>1,778,272</u>	<u>1,806,421</u>	<u>1,796,934</u>	<u>1,674,907</u>	<u>1,449,020</u>	<u>1,263,243</u>
Total pension liability - ending	<u>\$ 1,881,045</u>	<u>\$ 2,053,657</u>	<u>\$ 2,055,308</u>	<u>\$ 1,940,355</u>	<u>\$ 1,778,272</u>	<u>\$ 1,806,421</u>	<u>\$ 1,796,934</u>	<u>\$ 1,674,907</u>	<u>\$ 1,449,020</u>
Plan fiduciary net position:									
Net investment income (loss)	\$ (524,982)	\$ 163,725	\$ 279,992	\$ 413,597	\$ (129,494)	\$ 267,353	\$ 134,212	\$ (52,967)	\$ 172,670
Contributions - employer	-	45,928	6,107	23,873	29,923	10,821	-	-	-
Benefit payments, including refunds	(116,696)	(107,685)	(97,341)	(90,830)	(68,903)	(63,010)	(65,094)	(76,800)	(47,450)
Administrative expense	(19,388)	(8,901)	(8,220)	(10,658)	(9,558)	(10,948)	(12,277)	(9,638)	(11,113)
Net change in plan fiduciary net position	(661,066)	93,067	180,538	335,982	(178,032)	204,216	56,841	(139,405)	114,107
Plan fiduciary net position - beginning	<u>2,584,357</u>	<u>2,491,290</u>	<u>2,310,752</u>	<u>1,974,770</u>	<u>2,152,802</u>	<u>1,948,586</u>	<u>1,891,745</u>	<u>2,031,150</u>	<u>1,917,043</u>
Plan fiduciary net position - ending	<u>\$ 1,923,291</u>	<u>\$ 2,584,357</u>	<u>\$ 2,491,290</u>	<u>\$ 2,310,752</u>	<u>\$ 1,974,770</u>	<u>\$ 2,152,802</u>	<u>\$ 1,948,586</u>	<u>\$ 1,891,745</u>	<u>\$ 2,031,150</u>
Net pension asset - ending	<u>\$ 42,246</u>	<u>\$ 530,700</u>	<u>\$ 435,982</u>	<u>\$ 370,397</u>	<u>\$ 196,498</u>	<u>\$ 346,381</u>	<u>\$ 151,652</u>	<u>\$ 216,838</u>	<u>\$ 582,130</u>
Plan fiduciary net position as a % of total pension liability	102.25%	125.84%	121.21%	119.09%	111.05%	119.17%	108.44%	112.95%	140.17%
Covered employee payroll	-	-	-	-	-	-	-	-	-
Net pension asset as % of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF CHANGES IN THE
 OPEB LIABILITY AND RELATED RATIOS
FOR THE FIVE YEARS ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:					
Service cost	\$ 98,109	\$ 123,686	\$ 96,203	\$ 78,979	\$ 90,909
Interest cost	120,388	123,330	139,104	149,963	125,688
Differences between expected and actual experience	30,371	38,812	33,516	127,419	220,101
Changes of assumptions	(1,273,579)	(592,087)	361,184	403,418	(313,203)
Benefit payments	(129,394)	(150,483)	(143,874)	(126,357)	(135,115)
Net change in total OPEB liability	(1,154,105)	(456,742)	486,133	633,422	(11,620)
Total OPEB liability - beginning:	<u>3,979,528</u>	<u>4,436,270</u>	<u>3,950,137</u>	<u>3,316,715</u>	<u>3,328,335</u>
Total OPEB liability - ending:	<u>\$ 2,825,423</u>	<u>\$ 3,979,528</u>	<u>\$ 4,436,270</u>	<u>\$ 3,950,137</u>	<u>\$ 3,316,715</u>
Covered-employee payroll	\$ 2,753,332	\$ 2,737,460	\$ 2,737,121	\$ 2,806,790	\$ 2,890,594
Total OPEB liability as a % of covered-employee payroll	102.62%	145.37%	162.08%	140.74%	114.74%

This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

1. PENSION:

Changes in Benefit Terms:

There were no changes of benefit terms for any of the years presented in the Schedule of Changes in Net Pension Asset and Related Ratios.

Changes in Assumptions:

Amounts reported for 2022 reflect an increase to the discount rate used to measure total pension liability from 4.50% to 5.25%. Also, the assumed investment rate of return used in calculations was increased from 4.50% to 5.25%.

Amounts reported for 2021 reflect a change to the use of the PRI-2012 mortality tables with the MP-2021 mortality improvement scale applied on a generational basis.

Amounts reported for 2020 reflect a change to the use of the PRI-2012 mortality tables with the MP-2020 mortality improvement scale applied on a generational basis. Also, the discount rate used to measure the total pension liability was reduced from 5.00% to 4.50%.

Amounts reported for 2019 reflect a change to the use of the PRI-2012 mortality tables with the MP-2019 mortality improvement scale applied on a generational basis. Also, the discount rate used to measure the total pension liability was reduced from 5.50% to 5.00%.

Amounts reported for 2018 reflect a change to the use of the RP-2014 mortality tables with the MP-2018 mortality improvement scale applied on a generational basis.

Amounts reported for 2017 reflect a change to the use of the RP-2014 mortality tables with the MP-2017 mortality improvement scale applied on a generational basis.

Amounts reported for 2016 reflect a change to the use of the RP-2014 mortality tables with the MP-2016 mortality improvement scale applied on a generational basis. Also, in 2016, the discount rate used to measure the total pension liability was reduced from 6.00% to 5.50%.

Amounts reported for 2015 reflect a change to the use of the RP-2014 mortality tables with MP-2015 mortality improvement scale applied on a generational basis. Also, in 2015, the discount rate used to measure the total pension liability was reduced from 6.25% to 6.00%.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

2. OTHER POSTEMPLOYMENT BENEFITS (OPEB):

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 19 to the financial statements.

There were no changes in benefit terms or assumptions for the years presented.

No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

Changes in Assumptions:

The discount rate changed from 3.00% as of December 31, 2021 to 5.50% as of December 31, 2022.

The discount rate changed from 2.75% as of December 31, 2020 to 3.00% as of December 31, 2021.

The discount rate changed from 3.50% as of December 31, 2019 to 2.75% as of December 31, 2020.

The discount rate changed from 4.50% as of December 31, 2018 to 3.5% as of December 31, 2019.

SUPPLEMENTARY INFORMATION

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD MEMBER COMPENSATION
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Board Members</u>	<u>Per Diem</u>	<u>Expense Reimbursement</u>	<u>Total Compensation</u>
A. Eugene Montgomery, III	\$ -	\$ -	\$ -
Brian E. Chambley	-	-	-
Craig C. LeBouef	-	-	-
Eric Berger	-	-	-
Gene Galligan	-	1,139	1,139
J. William Starr	-	257	257
Jeff Albright	-	-	-
Kevin Reinke	-	-	-
Kirk Talbot	-	-	-
Nick Lorusso	-	-	-
Shannon C. Johnson	-	-	-
Steven Werner	-	-	-
Tony Ligi	-	-	-
William P. Chauvin	-	-	-
	<u>\$ -</u>	<u>\$ 1,396</u>	<u>\$ 1,396</u>



Duplantier Hrapmann Hogan & Maher, LLP

A.J. Duplantier, Jr., CPA
(1919-1985)

Felix J. Hrapmann, Jr., CPA
(1919-1990)

William R. Hogan, Jr., CPA
(1920-1996)

James Maher, Jr., CPA
(1921-1999)

Lindsay J. Calub, CPA, LLC
Michelle H. Cunningham, CPA
Dennis W. Dillon, CPA
Grady C. Lloyd, III CPA

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA
Robynn P. Beck, CPA
John P. Butler, CPA
Jason C. Montegut, CPA
Wesley D. Wade, CPA
Gregory J. Binder, IT Director
Colleen A. Casey, CPA

Michael J. O'Rourke, CPA
William G. Stamm, CPA

New Orleans
1615 Poydras Street,
Suite 2100
New Orleans, LA 70112
Phone: (504) 586-8866
Fax: (504) 525-5888

Northshore
1290 Seventh Street
Slidell, LA 70458
Phone: (985) 641-1272
Fax: (985) 781-6497

Houma
247 Corporate Drive
Houma, LA 70360
Phone: (985) 868-2630
Fax: (985) 872-3833

Napoleonville
5047 Highway 1
P.O. Box 830
Napoleonville, LA 70390
Phone: (985) 369-6003
Fax: (985) 369-9941

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

June 28, 2023

To the Board of Directors of
Louisiana Citizens Property Insurance Corporation
Metairie, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Louisiana Citizens Property Insurance Corporation (the "Company"), a component unit of the State of Louisiana, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Company's basic financial statements, and have issued our report thereon dated June 28, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

www.dhhmcpa.com

Members
American Institute of
Certified Public Accountants
Society of LA CPAs

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Company's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Chapman, Hogan and Parker, LLP

New Orleans, Louisiana

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
SUMMARY OF SCHEDULE OF FINDINGS
DECEMBER 31, 2022

SUMMARY OF AUDITOR’S RESULTS:

1. The opinion issued on the financial statements of Louisiana Citizens Property Insurance Corporation for the year ended December 31, 2022 was unmodified.
2. There were no significant deficiencies or material weaknesses required to be disclosed by Government Auditing Standards.
3. There were no instances of noncompliance considered material to the financial statements, as defined by Government Auditing Standards.

FINDINGS – FINANCIAL STATEMENTS AUDIT:

NONE

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
SUMMARY OF SCHEDULE OF FINDINGS
DECEMBER 31, 2022

STATUS OF PRIOR YEAR AUDIT FINDINGS:

NONE

Re-Certification of 2005 Deficit

- In 2006 LCPIC issued bonds to offset the deficit caused by Hurricanes Katrina and Rita
- The bond covenants state that the 2005 deficit amount must be re-certified each year by August 1st
- The re-certification of the deficit confirms:
 - The bond issuance was necessary
 - The deficit continued to grow beyond the original 2005 amount
- As of May 31, 2023 the 2005 deficit amount was \$1.360 Billion compared to \$953.6 Million as of December 31, 2005
- The re-certification of the deficit has no impact on the outstanding debt balance of the bonds
 - \$217.5 Million principal balance as of May 31, 2023
 - Scheduled to be paid by 2026

Louisiana Citizens Property Insurance Corporation
Calculation of Deficit As of May 31, 2023

	<u>Original 12/31/2005</u>	<u>Updated As Of 5/31/2022</u>	<u>Updated As Of 5/31/2023</u>	<u>Change May 2022-2023</u>	<u>Change 2005-2023</u>
Premiums Earned	106,343,091	106,343,091	106,343,091		
Losses and Loss Expenses Incurred	(1,241,036,055)	(1,878,261,000)	(1,878,294,000)	(33,000)	(637,257,945)
Other Operating Expenses	(55,490,202)	(55,490,202)	(55,490,202)		
Reinsurance Recoveries	300,000,000	414,417,000	414,417,000	-	114,417,000
Negative Plan Year Operating Result	(890,183,166)	(1,412,991,111)	(1,413,024,111)	(33,000)	(522,840,945)
Reserve for Unearned Premium - Beginning	51,834,372	51,834,372	51,834,372		
Reserve for Losses - Beginning	8,362,407	8,362,407	8,362,407		
Reserve for LAE - Beginning	1,855,642	1,855,642	1,855,642		
Premiums Receivable - Beginning	(6,950,963)	(6,950,963)	(6,950,963)		
Cash on Hand - Beginning	(60,894,029)	54,958,000	54,958,000		115,852,029
Beginning Reserves	(5,792,571)	110,059,458	110,059,458		115,852,029
2004 Accumulated Profits	5,346,600	5,346,600	5,346,600		
Contributed Surplus	839,361	839,361	839,361		
Ending Reserves	393,390	116,245,419	116,245,419		115,852,029
Reasonably Anticipated Recurring Operating Costs					
General and Administrative Operating Budget	(31,942,301)	(31,942,301)	(31,942,301)		
Reinsurance	(31,918,783)	(31,918,783)	(31,918,783)		
Excess Reserves Over and Above Reasonable Anticipated Recurring Operating Costs	(63,467,694)	52,384,335	52,384,335	-	115,852,029
Plan Year Deficit *	(953,650,860)	(1,358,057,776)	(1,360,639,776)	(33,000)	(406,988,916)

* Negative amounts = deficit

Positive amounts = reduction of deficit

2005 Hurricane Class Action Summary/Cash

Oubre Class Action Amounts Paid	
<u>Claims</u>	
Initial Judgement 7/2012 (18,573 @ \$5,000)	92,865,000
Additional Claims 2014 (19,075 Claims @ \$4,500 ea)	85,837,500
Additional Claims 2015 (1,775 Claims @ \$4,500 ea)	7,987,500
Additional Claims 2016 (2,705 Claims @ \$4,500 ea)	12,172,500
Additional Claims 2018 (35 Claims @ \$4,500 ea)	157,500
Additional Claims 2018 (4,618 Claims @ \$4,574.82 ea)	21,126,519
Additional Claims 2019 (1,253 Claims @ \$4,500 ea)	5,638,500
Additional Claims 2020 (992 Claims @ \$4,500 ea)	4,464,000
Additional Claims 2021 (949 Claims @ \$4,500 ea)	4,270,500
Total Claims (49,975)	<u>234,519,519</u>
 <u>Other</u>	
Interest 7/2012	13,245,095
Sheriff's Fees 7/2012	5,921,451
Clerk of Court Fees 9/2012	17,932
Administration Fees 12/2012	250,000
Refund 12/2012	(4,215,000)
Class Representatives Fees 11/2013	75,000
Administration Fees 7/2015	100,000
Administration Fees 12/2016	200,000
Administration Fees 12/2020	50,000
Total Other	<u>15,644,478</u>
Total Oubre Paid	<u>250,163,997</u>
 Orrill Class Action Net Settlement	 16,899,013
 Assessments	
Reimbursement From Assessments 2012	(76,314,655)
Reimbursement From Assessments 2014	(18,567,842)
Reimbursement From Assessments 2016	(16,814,132)
Reimbursement From Assessments 2019	(3,578,261)
Total Funds From Assessments	<u>(115,274,890)</u>
 Grand Total Class Action Payment from LCPI Cash	 <u>151,788,120</u>

2024 Emergency Assessment Rate Calculation

2022 Assessable Written Premium = \$3.6 Billion

As provided by the Department of Insurance

2024 Debt Service Cost = \$ 60.6 Million

As provided by the Regions Bank bond trustee

Required 2024 Emergency Assessment rate = 1.70%

(2023 Emergency Assessment Rate = 2.10%)

Note 1: Rate will be effective 1/1/24

Note 2: Original 2006 Bonds = \$978 Million, as of 6/30/23 outstanding balance = \$167 Million

Note 3: Bonds are fully paid off in 2026

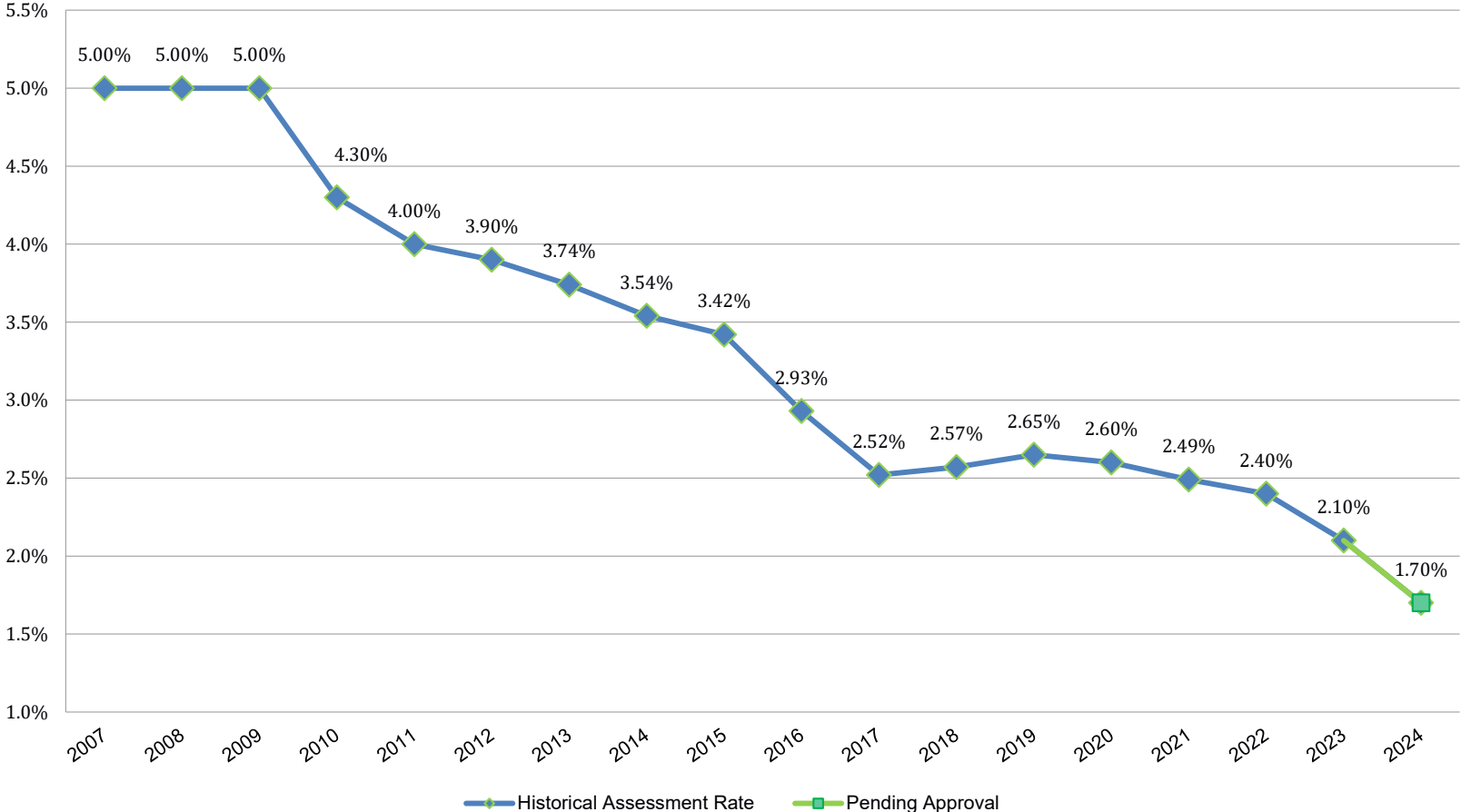
Note 4: Driver of the rate decrease is the increase of assessable premium (\$690 Million)

LCPIC Assessment Rate Overview

LCPIC Assessment Rate History

2007 – 2024

Assessment Rate (%)





LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

June 23, 2023

SENT VIA EMAIL AND CERTIFIED U.S. MAIL
RETURN RECEIPT REQUESTED
No.: 7018 1130 0001 3089 7759

Mr. Richard Newberry, CEO
Louisiana Citizens Property Insurance Corporation
One Galleria Blvd, Suite 720
Metairie, Louisiana 70001

Re: Verification of Louisiana Citizens Property Insurance Corporation's +1.7%
Emergency Assessment for Calendar Year 2024
RMS # 899634


Dear Mr. Newberry:

I have received your request to verify the arithmetic calculations underlying Louisiana Citizens Property Insurance Corporation (Citizens) proposed +1.7% Emergency Assessment for calendar year 2024. This submission and verification is required under LSA-R.S. 22:2307(E).

The request was submitted on June 2, 2023 (RMS #899634) and my staff verified the arithmetic calculation of the 2024 Emergency Assessment. Please present our verification of the +1.7% Emergency Assessment to the Citizens' board of directors at your earliest convenience and notify all assessable insurers in order to meet a January 1, 2024 date of implementation.

With best wishes and kindest personal regards, I remain

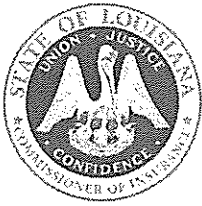
Very truly yours,



James J. Donelon
Commissioner of Insurance

JJD:NLT:mb
Attachment


cc: Joe Sciortino, Vice President of Accounting & Finance
Larry Hayward, Manager of Statutory Reporting
Nichole Torblaa, Chief Actuary
Nicholas Lorusso, Esq. Deputy Commissioner
Chuck Myers, Deputy Commissioner of P&C



LOUISIANA DEPARTMENT OF INSURANCE
JAMES J. DONELON
COMMISSIONER

MEMORANDUM

TO: Commissioner James J. Donelon

FROM: Nichole Torblaa 

CC: Nicholas Lorusso, Chuck Myers

DATE: June 23, 2023

RE: Verification of Citizens +1.7% Emergency Assessment for
Calendar Year 2024 (RMS #899634)

Commissioner:

As Chief Actuary for the Louisiana Department of Insurance (LDI), you requested that I verify the arithmetic calculations underlying Louisiana Citizens Property Insurance Corporation's (Citizens) proposed +1.7% Emergency Assessment for calendar year 2024. This is required by LSA-R.S. 22:2307(E).

My review included the data and documents submitted by Citizens on June 2, 2023 and supplemented with existing debt service documentation. Based on my review of the data contained in these documents, it is my opinion that the calculation of the +1.7% Emergency Assessment is arithmetically accurate (as rounded up to the nearest hundredth of a percent) and that it will be sufficient to cover bond debt service requirements for calendar year 2024.

I have attached a summary of my review.

Cc: Staff

**LDI Arithmetic Verification of Louisiana Citizens Property Insurance Corporation's 2024 Emergency Assessment Calculation
(LDI #899634)**

Details Underlying the 2024 Bond Year Scheduled Debt Service ^{1,2}

2023/2024 Bond Year Debt Service by Type	Series 2015 Bonds ³	Series C Bonds ⁴	Series 12-R Bonds ⁴	Series 2016A Bonds ⁴	Series 2016B Bonds ⁴	Trustee Fees ⁵	Totals
12/1/2023 Interest				\$ 2,745,750.00	\$ 758,587.50		\$ 3,504,337.50
6/1/2024 Interest				\$ 2,745,750.00	\$ 758,587.50		\$ 3,504,337.50
Interest Subtotal				\$ 5,491,500.00	\$ 1,517,175.00		\$ 7,008,675.00
6/1/2024 Principal				\$ 17,125,000.00	\$ 36,405,000.00		\$ 53,530,000.00
Trustee Fees						\$ 3,000.00	\$ 3,000.00
Annual Arb Report						\$ 5,000.00	\$ 5,000.00
Bond Year Totals				\$ 22,616,500.00	\$ 37,922,175.00	\$ 8,000.00	\$ 60,546,675.00

Notes:

- 1 Louisiana Citizens Property Insurance Corporation's Plan of Operation, December 2, 2003 states that the "assessment percentage applicable to each Assessable Insured is the ratio of the total amount being assessed by the Corporation to the aggregate statewide direct written premium for the Subject Lines of Business for the prior year." Citizens Board has limited discretion when deciding on the amount to be assessed, subject to the considerations in note 2 below. It is LDI's understanding that Citizens Board chose to base next year's Emergency Assessment upon the upcoming bond year's amounts due and the debt service requirements set forth in the bond issues identified in the above table.
- 2 LSA-R.S. 22:2307(E) states "The aggregate amount of emergency assessments levied for a plan ... may not exceed the greater of ten percent of the amount needed to cover the original deficit, plus interest, fees, commissions, required reserves, and other costs associated with financing of the original deficit, or ten percent of the aggregate statewide direct written premium ... plus interest, fees, commissions, required reserves, and other costs associated with financing of the original deficit." In the filing memorandum Citizens states that their Board selected an assessment that complies with all considerations required by LSA-R.S. 22:2307(E). Further, the LDI believes that the calculated emergency assessment is "in the amount required by any applicable loan agreement, trust indenture or other financing agreement" as set forth in the Plan of Operation (December 2, 2003, p. 20).
- 3 Closing Instructions for the Louisiana Citizens Property Insurance Corporation, Assessment Revenue Refunding Bonds, Series 2015, Morgan Stanley, July 23, 2015. Louisiana Citizens Property Insurance Corporation paid off, in full, Assessment Revenue Bonds, Series 2006B, on July 23, 2015 using proceeds from Assessment Revenue Refunding Bonds Series 2015 (\$333,295,000).
- 4 Louisiana Citizens Property Insurance Corporation paid off, in full on July 28, 2016, Supplement to Reoffering Circular Dated March 31, 2009 relating to \$300,000,000 Louisiana Citizens Property Insurance Corporation Assessment Revenue Bonds, Series 2006C-1, 2006C-2, 2006C-3 and Series 12-R using proceeds from \$160,810,000 Assessment Revenue Refunding Bonds, Series 2016A and \$56,700,000 Assessment Revenue Refunding Bonds, Series 2016B. NOTE: Series 12-R bonds replaced Series C-4 bonds on March 13, 2012.
- 5 Regions Bank Trustee Services letter dated June 2, 2023, titled "Louisiana Citizens Property Insurance Corporation Emergency Assessment Revenue Bonds Series 2016A&B". Trustee fees are: Series 2016AB (one fee for A/B combined) - \$3,000 annually.

2024 Emergency Assessment Calculation Verification

Estimated 2024 Scheduled Bond Debt Service 1	Louisiana Calendar Year 2022 Assessable Premium ²	Calculated 2024 Emergency Assessment (to five decimal places)	2024 Emergency Assessment Rounded Up (to two decimal places)
(A)	(B)	(C) = (A) / (B)	(D) = (C) ³
\$ 60,546,675	\$ 3,581,958,258	1.69032%	1.70%

Notes:

- 1 See 2024 Bond Year Scheduled Debt Service, row labeled "Bond Year Totals," column labeled "Totals" from above.
- 2 "Assessable Premium" is equal to the sum of assessable insurers (including partially assessable) plus Citizens written premiums for calendar year 2022. Written premium was pulled from NAIC Annual Statement State Page database on April 24, 2023.
- 3 To collect sufficient dollars to cover the entire emergency assessment in the assessment year and minimize the possibility of falling short in the year, Citizens began rounding up (at two decimal places) the calculated emergency assessment beginning with the 2013 emergency assessment.



June 2, 2023

Louisiana Citizens Property Insurance Corporation
Attn: Joe Sciortino
1 Galleria Boulevard, Suite 720
Metairie, LA 70001

**RE: Louisiana Citizens Property Insurance Corporation Emergency Assessment
Revenue Bonds Series 2016A&B**

Dear Mr. Sciortino:

Pursuant to Section 1114 (d) of the Amended and Restated Fair Plan Emergency Assessment Master Indenture of Trust dated April 1, 2006, attached is the Debt Service Requirement calculation for the Bond Year ending on June 1, 2024.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Pulley, II".

Gregory A. Pulley, II
Vice President

Corporate Trust
II City Plaza
400 Convention Street
Baton Rouge, Louisiana 70802
(225) 388.2680
Fax: (225) 388.2618

	Series 2016A	Series 2016B	Misc	TOTAL
12/1/23 Interest	\$2,745,750.00	\$758,587.50		\$3,504,337.50
6/1/24 Interest	\$2,745,750.00	\$758,587.50		\$3,504,337.50
6/1/24 Principal	\$17,125,000.00	\$36,405,000.00		\$53,530,000.00
Trustee Fees			\$3,000.00	\$3,000.00
Annual Arb Report			\$5,000.00	\$5,000.00
Year Total	\$22,616,500.00	\$37,922,175.00	\$8,000.00	\$60,546,675.00

*FEES

Series 2016AB - \$3,000 annually



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

May 30, 2023

SENT VIA EMAIL AND CERTIFIED U.S. MAIL
RETURN RECEIPT REQUESTED
No.: 7018 1130 0001 3089 7742

Mr. Richard Newberry
Chief Executive Officer
Louisiana Citizens Property Insurance Corporation
One Galleria Blvd, Suite 720
Metairie, Louisiana 70001

Re: Certification of Assessable Insurers' Net Direct Premium Written for Calendar Year 2022

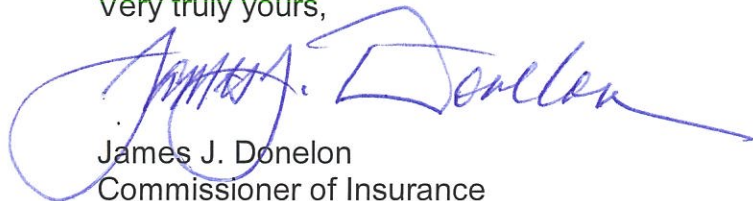
Dear Mr. Newberry:

Pursuant to provisions set forth in La. R.S. 22:2299(A), 22:2300(A), 22:2326(A), and 22:2340(A) attached is the calendar year 2022 certified list of insurance companies and their 2022 Net Direct Premium Written. The Net Direct Premium Written by each company, as well as the aggregate statewide Net Direct Premium Written, were derived from 2022 annual statements. I have also included LDI's comments regarding each company's assessability for your consideration.

The attached list shall be deemed certified as of May 30, 2023. An electronic version (MS Excel) of this list will be included with the email.

With best wishes and kindest personal regards, I remain

Very truly yours,



James J. Donelon
Commissioner of Insurance

JJD:NLT:mb
Attachment

cc: Paige Harper, General Counsel/Chief Administrative Officer (Citizens)
Jake Yeager, Actuarial Analyst (Citizens)
Marsha LeBlanc, Senior Staff Accountant (Citizens)
Nick Lorusso, Chief Deputy Commissioner (LDI)
Nichole Torblaa, Chief Actuary (LDI)
Chuck Myers, Deputy Commissioner Property & Casualty (LDI)

				CERTIFIED REPORT OF NET DIRECT PREMIUMS WRITTEN						Licensed in Louisiana?	LDI Comments
				Source: 2022 Annual Statement State Page Report Date : April 24, 2023							
Company Code	Company Name	Group Code	Group Name	CALENDAR YEAR 2022							
				FIRE (AS Line 1)	ALLIED LINES (AS Line 2.1)	HOMEOWNER (AS Line 4)	COMMERCIAL MULTIPERIL PROPERTY (AS Line 5.1)	Totals			
25143	State Farm Fire & Cas Co	176	STATE FARM GRP	\$0	\$0	\$662,935,369	\$61,222,493	\$624,157,862	L	Assessable; Authorized	
14427	Louisiana Farm Bureau Mut Ins Co			\$2,527,462	\$11,023,539	\$116,420,079	\$1,644,424	\$131,615,504	L	Assessable; Authorized	
13038	Progressive Prop Ins Co	155	PROGRESSIVE GRP	\$1,467,273	\$4,299,915	\$111,134,943	\$0	\$116,902,131	L	Assessable; Authorized	
17030	SureChoice Underwriters Recip Exch	5031	IRON FAMILY HOLDINGS GRP	\$0	\$0	\$102,155,999	\$68,298	\$102,224,297	L	Assessable; Authorized	
37907	Allstate Vehicle & Prop Ins Co	8	ALLSTATE INS GRP	\$0	\$0	\$101,905,412	\$0	\$101,905,412	L	Assessable; Authorized	
19232	Allstate Ins Co	8	ALLSTATE INS GRP	\$14,651	\$36,602	\$99,292,676	\$2,378,877	\$101,722,806	L	Assessable; Authorized	
11185	Foremost Ins Co Grand Rapids MI	69	FARMERS INS GRP	\$22,492,538	\$21,191,581	\$53,560,947	\$0	\$97,245,066	L	Assessable; Authorized	
19240	Allstate Ind Co	8	ALLSTATE INS GRP	\$0	\$0	\$74,411,849	\$2,005,671	\$76,417,520	L	Assessable; Authorized	
24740	Safeco Ins Co Of Amer	111	LIBERTY MUT GRP	\$0	\$0	\$74,434,093	\$787,788	\$75,221,881	L	Assessable; Authorized	
15341	Safepoint Ins Co	5028	SAFEPOINT HOLDINGS INC GRP	\$5,940,842	\$27,074,821	\$36,682,518	\$3,329,876	\$73,028,057	L	Assessable; Authorized	
15816	Allied Trust Ins Co			\$568,675	\$6,208,738	\$65,230,614	\$0	\$72,008,027	L	Assessable; Authorized	
44369	Imperial Fire & Cas Ins Co	8	ALLSTATE INS GRP	\$11,701,266	\$1,640,628	\$52,953,739	\$0	\$66,295,633	L	Assessable; Authorized	
25941	United Serv Automobile Assn	200	UNITED SERV AUTOMOBILE ASSN GRP	\$1,472,339	\$6,419,107	\$57,230,317	\$0	\$65,121,763	L	Assessable; Authorized	
21482	Factory Mut Ins Co	65	FM GLOBAL GRP	\$19,174,979	\$44,620,309	\$0	\$0	\$63,795,288	L	Assessable; Authorized	
23388	Shelter Mut Ins Co	123	SHELTER INS GRP	\$4,099,144	\$8,030,066	\$43,507,804	\$1,794,944	\$57,431,958	L	Assessable; Authorized	
16181	Centauri Natl Ins Co	4962	AU HOLDING CO GRP	\$1,407,382	\$4,144,412	\$48,928,927	\$0	\$54,480,721	L	Assessable; Authorized	
11071	Safeco Ins Co Of OR	111	LIBERTY MUT GRP	\$3,145,316	\$9,907,700	\$38,977,870	\$0	\$52,030,886	L	Assessable; Authorized	
11746	Liberty Personal Ins Co	111	LIBERTY MUT GRP	\$0	\$0	\$51,363,217	\$0	\$51,363,217	L	Assessable; Authorized	
18690	USAA Gen Ind Co	200	UNITED SERV AUTOMOBILE ASSN GRP	\$891,378	\$2,769,185	\$47,433,001	\$0	\$51,093,564	L	Assessable; Authorized	
25968	USAA Cas Ins Co	200	UNITED SERV AUTOMOBILE ASSN GRP	\$884,566	\$3,509,420	\$44,382,702	\$0	\$48,776,688	L	Assessable; Authorized	
16052	Gulf States Ins Co	4882	GULF STATES GRP	\$1,277,691	\$8,353,543	\$38,243,129	\$0	\$47,874,363	L	Assessable; Authorized	
42722	American Modern Prop & Cas Ins Co	361	MUNICH RE GRP	\$6,885,716	\$5,826,757	\$31,010,129	\$0	\$43,722,602	L	Assessable; Authorized	
42978	American Security Ins Co	19	ASSURANT INC GRP	\$12,039,632	\$29,281,484	\$209,586	\$0	\$41,530,702	L	Assessable; Authorized	
16535	Zurich Amer Ins Co	212	ZURICH INS GRP	\$8,819,644	\$23,120,894	\$2,281,488	\$2,299,522	\$36,521,548	L	Assessable; Authorized	
28401	American Natl Prop & Cas Co	408	BROOKFIELD ASSET MGMT REINS PARTNERS LTD GRP	\$613,425	\$3,546,844	\$27,416,528	\$3,816,434	\$35,393,231	L	Assessable; Authorized	
10111	American Bankers Ins Co Of FL	19	ASSURANT INC GRP	\$0	\$0	\$32,426,128	\$0	\$32,426,128	L	Assessable; Authorized	
12873	Privilege Underwriters Recip Exch	3098	TOKIO MARINE HOLDINGS INC GRP	\$0	\$0	\$31,410,921	\$0	\$31,410,921	L	Assessable; Authorized	
23248	Occidental Fire & Cas Co Of NC	225	IAT REINS CO GRP	\$298,801	\$323,700	\$28,882,020	\$0	\$29,504,521	L	Assessable; Authorized	
19445	National Union Fire Ins Co of Pittsb	12	AMERICAN INTL GRP	\$3,018,490	\$1,973	\$0	\$25,638,506	\$28,658,959	L	Assessable; Authorized	
23035	Liberty Mut Fire Ins Co	111	LIBERTY MUT GRP	\$2,508,284	\$801,883	\$23,686,093	\$449,709	\$27,445,969	L	Assessable; Authorized	
22667	ACE Amer Ins Co	626	CHUBB LTD GRP	\$3,575	\$397,417	\$0	\$27,005,846	\$27,406,838	L	Assessable; Authorized	
21253	Garrison Prop & Cas Ins Co	200	UNITED SERV AUTOMOBILE ASSN GRP	\$518,876	\$1,924,378	\$23,529,891	\$0	\$25,973,145	L	Assessable; Authorized	
33499	Doranco Reins Co			\$24,889,731	\$0	\$0	\$0	\$24,889,731	L	Assessable; Authorized	
36560	SafePort Ins Co	225	IAT REINS CO GRP	\$1,346,536	\$1,282,495	\$20,677,767	\$831,273	\$24,138,071	L	Assessable; Authorized	
12360	Ocean Harbor Cas Ins Co	4051	TOKIO HARBOR GRP	\$1,856,901	\$12,315,746	\$4,950,890	\$0	\$19,123,537	L	Assessable; Authorized	
17221	HomeSite Ins Co	473	AMERICAN FAMILY INS GRP	\$126,056	\$234,106	\$18,384,365	\$0	\$18,744,527	L	Assessable; Authorized	
20303	Great Northern Ins Co	626	CHUBB LTD GRP	\$0	\$0	\$16,111,350	\$2,020,366	\$18,131,716	L	Assessable; Authorized	
11027	Tower Hill Prime Ins Co	3484	TOWER HILL INS GRP	\$936,364	\$3,991,866	\$11,367,947	\$0	\$16,296,177	L	Assessable; Authorized	
26298	Farmers Prop & Cas Ins Co	69	FARMERS INS GRP	\$0	\$0	\$15,979,369	\$0	\$15,979,369	L	Assessable; Authorized	
24082	Ohio Security Ins Co	111	LIBERTY MUT GRP	\$190,039	\$683,946	\$0	\$14,285,120	\$15,159,105	L	Assessable; Authorized	
25674	Travelers Prop Cas Co Of Amer	3548	TRAVELERS GRP	\$4,816,917	\$1,929,370	\$0	\$8,377,751	\$15,124,038	L	Assessable; Authorized	
17321	Cajun Underwriters Recip Exch	5028	SAFEPOINT HOLDINGS INC GRP	\$377,970	\$1,871,995	\$12,086,725	\$0	\$14,336,690	L	Assessable; Authorized	
25151	State Farm Gen Ins Co	176	STATE FARM GRP	\$0	\$0	\$14,271,238	\$0	\$14,271,238	L	Assessable; Authorized	
42390	Amguard Ins Co	31	BERKSHIRE HATHAWAY GRP	-\$387,171	\$1,852,827	\$0	\$12,302,562	\$13,768,218	L	Assessable; Authorized	
35300	Allianz Global Risks US Ins Co	761	ALLIANZ INS GRP	\$12,588,363	\$1,167,921	\$0	\$0	\$13,756,284	L	Assessable; Authorized	
10014	Affiliated Fm Ins Co	65	FM GLOBAL GRP	\$4,060,363	\$9,693,226	\$0	\$0	\$13,753,589	L	Assessable; Authorized	
20281	Federal Ins Co	626	CHUBB LTD GRP	\$0	\$0	\$7,355,117	\$5,254,815	\$12,609,932	L	Assessable; Authorized	
18767	Church Mut Ins Co S I	4851	CHURCH MUT GRP	\$687	\$185,229	\$0	\$12,154,069	\$12,339,985	L	Assessable; Authorized	
15032	GuideOne Ins Co	303	GUIDEONE INS GRP	\$32,516	\$206,682	\$0	\$11,910,747	\$12,149,945	L	Assessable; Authorized	
29700	Swiss Re Corp Solutions Eile Ins Co	181	SWISS RE GRP	\$3,082,238	\$9,048,976	\$0	\$0	\$12,131,214	L	Assessable; Authorized	
22292	Hanover Ins Co	88	THE HANOVER INS GRP	\$99,405	\$422,508	\$9,746,860	\$1,803,643	\$12,072,416	L	Assessable; Authorized	
13041	Bankers Specialty Ins Co	689	BANKERS INS GRP	\$0	\$0	\$11,312,367	\$0	\$11,312,367	L	Assessable; Authorized	
10945	Tokio Marine Amer Ins Co	3098	TOKIO MARINE HOLDINGS INC GRP	\$6,159,242	\$4,991,725	\$0	\$106,340	\$11,257,307	L	Assessable; Authorized	
26247	American Guar & Liab Ins Co	212	ZURICH INS GRP	\$3,085,075	\$7,064,446	\$0	\$164,090	\$11,213,611	L	Assessable; Authorized	
19070	Standard Fire Ins Co	3548	TRAVELERS GRP	\$13,684	\$8,078	\$10,032,572	\$46,529	\$10,100,863	L	Assessable; Authorized	
11126	Sompo Amer Ins Co	3219	SOMPO GRP	\$7,864,580	\$2,011,137	\$0	\$16,024	\$9,891,741	L	Assessable; Authorized	
20443	Continental Cas Co	218	CNA INS GRP	\$1,023,611	\$3,877,867	\$0	\$4,654,369	\$9,555,847	L	Assessable; Authorized	
22837	AGCS Marine Ins Co	761	ALLIANZ INS GRP	\$0	\$0	\$0	\$8,869,576	\$8,869,576	L	Assessable; Authorized	
22683	Teachers Ins Co	300	HORACE MANN GRP	\$0	\$0	\$8,571,005	\$0	\$8,571,005	L	Assessable; Authorized	
20362	Mitsui Sumitomo Ins Co of Amer	4715	MS & AD INS GRP	\$4,956	\$5,094,044	\$0	\$3,327,985	\$8,426,985	L	Assessable; Authorized	
41343	HDI Global Ins Co	517	HANNOVER GRP	\$4,830,530	\$3,220,354	\$0	\$331	\$8,051,215	L	Assessable; Authorized	
33162	Bankers Ins Co	689	BANKERS INS GRP	\$0	\$0	\$0	\$7,752,142	\$7,752,142	L	Assessable; Authorized	
39942	American Natl Gen Ins Co	408	BROOKFIELD ASSET MGMT REINS PARTNERS LTD GRP	\$0	\$0	\$7,652,304	\$0	\$7,652,304	L	Assessable; Authorized	
36064	Hanover Amer Ins Co	88	THE HANOVER INS GRP	\$62,128	\$109,900	\$5,181,713	\$1,626,699	\$6,980,440	L	Assessable; Authorized	
29742	Integon Natl Ins Co	8	ALLSTATE INS GRP	\$0	\$0	\$0	\$6,706,052	\$6,706,052	L	Assessable; Authorized	
30104	Hartford Underwriters Ins Co	91	HARTFORD FIRE & CAS GRP	\$0	\$0	\$35,799	\$6,228,718	\$6,264,517	L	Assessable; Authorized	
16186	Vault Recip Exch	5000	VAULT HOLDINGS GRP	\$0	\$0	\$5,988,159	\$0	\$5,988,159	L	Assessable; Authorized	
23043	Liberty Mut Ins Co	111	LIBERTY MUT GRP	\$2,002,006	\$24,265	\$0	\$3,719,683	\$5,745,954	L	Assessable; Authorized	
13528	Brotherhood Mut Ins Co			\$569	\$3,505	\$0	\$5,741,860	\$5,745,934	L	Assessable; Authorized	
13935	Federated Mut Ins Co	7	FEDERATED MUT GRP	\$1,610,601	\$2,602,567	\$0	\$1,266,202	\$5,479,370	L	Assessable; Authorized	
24554	XL Ins Amer Inc	968	AXA INS GRP	\$4,009,161	\$1,324,545	\$0	-\$66	\$5,333,640	L	Assessable; Authorized	
14559	GuideOne Specialty Ins Co	303	GUIDEONE INS GRP	\$20,579	\$24,414	\$0	\$5,172,519	\$5,217,512	L	Assessable; Authorized	
25011	Wesco Ins Co	2538	AMTRUST FINANCIAL SERV GRP	\$17,778	\$38,758	\$0	\$4,859,366	\$4,915,902	L	Assessable; Authorized	
25186	EMC Prop & Cas Ins Co	62	EMC INS CO GRP	\$1,509,127	\$2,408,000	\$0	\$893,489	\$4,810,616	L	Assessable; Authorized	
37478	Hartford Ins Co Of The Midwest	91	HARTFORD FIRE & CAS GRP	\$34,997	\$51,321	\$4,682,481	\$0	\$4,768,799	L	Assessable; Authorized	
25682	Travelers Ind Co Of CT	3548	TRAVELERS GRP	\$258,703	\$521,097	\$0	\$3,978,698	\$4,758,498	L	Assessable; Authorized	
40924	Louisiana Farm Bureau Cas Ins Co	483	SOUTHERN FARM BUREAU CAS GRP	\$0	\$0	\$4,509,235	\$0	\$4,509,235	L	Assessable; Authorized	
26379	Accredited Surety & Cas Co Inc	4234	RANDALL & QUILTER INVESTMENT GRP	\$5,245	\$755	\$0	\$4,459,799	\$4,465,799	L	Assessable; Authorized	
19976	Amica Mut Ins Co	28	AMICA MUT GRP	\$35,761	\$39,122	\$4,118,322	\$0	\$4,193,205	L	Assessable; Authorized	
25615	Charter Oak Fire Ins Co	3548	TRAVELERS GRP	\$45,114	\$33,797	\$0	\$4,096,350	\$4,175,261	L	Assessable; Authorized	
25658	Travelers Ind Co	3548	TRAVELERS GRP	\$518,595	\$906,543	\$0	\$2,730,183	\$4,155,321	L	Assessable; Authorized	
20397	Vigilant Ins Co	626	CHUBB LTD GRP	\$0	\$0	\$4,113,872	\$41,035	\$4,154,907	L	Assessable; Authorized	
34690	Property & Cas Ins Co Of Hartford	91	HARTFORD FIRE & CAS GRP	\$0	\$0	\$4,126,032	\$0	\$4,126,032	L	Assessable; Authorized	
25623	Phoenix Ins Co	3548	TRAVELERS GRP	\$172,465	\$21,804	\$0	\$3,570,185	\$3,764,454	L	Assessable; Authorized	
14974	Pennsylvania Lumbermens Mut Ins	246	PENNSYLVANIA LUMBERMENS GRP	\$3,032,684	\$619,341	\$0	\$0	\$3,652,025	L	Assessable; Authorized	
19402	AIG Prop Cas Co	12	AMERICAN INTL GRP	\$0	\$0	\$3,632,719	\$0	\$3,632,719	L	Assessable; Authorized	
19682	Hartford Fire Ins Co	91	HARTFORD FIRE & CAS GRP	\$185,072	\$0	\$29,760	\$3,417,087	\$3,631,919	L	Assessable; Authorized	
26417	ACE Ins Co Of The Midwest	626	CHUBB LTD GRP	\$0	\$0	\$3,454,203	\$0	\$3,454,203	L	Assessable; Authorized	
29424	Hartford Cas Ins Co	91	HARTFORD FIRE & CAS GRP	\$0	\$0	\$2,838,941	\$50,509	\$3,379,450	L	Assessable; Authorized	
20427	American Cas Co Of Reading PA	218	CNA INS GRP	\$77,302	\$257,556	\$0	\$3,028,769	\$3,363,627	L	Assessable; Authorized	

				CERTIFIED REPORT OF NET DIRECT PREMIUMS WRITTEN					Licensed in Louisiana?	LDI Comments?
				Source: 2022 Annual Statement State Page Report Date : April 24, 2023						
Company Code	Company Name	Group Code	Group Name	CALENDAR YEAR 2022						
				FIRE (AS Line 1)	ALLIED LINES (AS Line 2.1)	HOMEOWNER (AS Line 4)	COMMERCIAL MULTIPERIL PROPERTY (AS Line 5.1)	Totals		
13021	United Fire & Cas Co	248	UNITED FIRE & CAS GRP	\$911,301	\$1,619,734	\$0	\$816,019	\$3,347,054	L	Assessable; Authorized
11800	Foremost Prop & Cas Ins Co	69	FARMERS INS GRP	\$0	\$0	\$3,292,880	\$0	\$3,292,880	L	Assessable; Authorized
37885	XL Specialty Ins Co	968	AXA INS GRP	\$3,728	\$3,281,670	\$0	-\$1,849	\$3,283,549	L	Assessable; Authorized
21415	Employers Mut Cas Co	62	EMC INS CO GRP	\$1,067,069	\$1,572,465	\$0	\$478,319	\$3,117,853	L	Assessable; Authorized
25666	Travelers Ind Co Of Amer	3548	TRAVELERS GRP	\$135,618	\$133,742	\$105,281	\$2,721,478	\$3,096,119	L	Assessable; Authorized
10072	Encompass Prop & Cas Co	8	ALLSTATE INS GRP	\$99,590	\$0	\$2,772,006	\$0	\$2,871,596	L	Assessable; Authorized
19496	United Fire & Ind Co	248	UNITED FIRE & CAS GRP	\$961,998	\$1,534,190	-\$900	\$358,797	\$2,854,085	L	Assessable; Authorized
10071	Encompass Ins Co Of Amer	8	ALLSTATE INS GRP	\$271,474	\$0	\$2,553,858	\$0	\$2,825,332	L	Assessable; Authorized
20508	Valley Forge Ins Co	218	CNA INS GRP	\$45,977	\$288,834	\$0	\$2,452,163	\$2,786,974	L	Assessable; Authorized
29459	Twin City Fire Ins Co	91	HARTFORD FIRE & CAS GRP	\$0	\$0	\$46,199	\$2,709,832	\$2,756,031	L	Assessable; Authorized
33898	Aegis Security Ins Co	313	AEGIS GRP	\$490,974	\$0	\$2,254,904	\$0	\$2,745,878	L	Assessable; Authorized
21458	Employers Ins Co of Wausau	111	LIBERTY MUT GRP	\$2,358,832	\$303,230	\$0	\$0	\$2,662,062	L	Assessable; Authorized
41459	Armed Forces Ins Exch			\$96,347	\$134,862	\$2,429,993	\$0	\$2,661,202	L	Assessable; Authorized
23469	American Modern Home Ins Co	361	MUNICH RE GRP	-\$5,039	-\$1,043	\$2,648,426	\$0	\$2,642,344	L	Assessable; Authorized
19615	American Reliable Ins Co	4761	EVERETT MUT GRP	\$0	\$628,763	\$11,790	\$1,709,139	\$2,349,692	L	Assessable; Authorized
22578	Horace Mann Ins Co	300	HORACE MANN GRP	\$79,032	\$156,904	\$2,019,539	\$0	\$2,255,475	L	Assessable; Authorized
10178	FCCI Ins Co	474	FCCI MUT INS GRP	\$359,685	\$159,980	\$0	\$1,562,706	\$2,082,371	L	Assessable; Authorized
16063	Unitrn Auto & Home Ins Co	215	KEMPER CORP GRP	\$27,875	\$18,045	\$2,032,082	\$0	\$2,078,002	L	Assessable; Authorized
21873	Firemans Fund Ins Co	761	ALLIANZ INS GRP	\$1,841,304	\$46,588	\$0	\$101,282	\$1,989,174	L	Assessable; Authorized
23752	Ascot Ins Co	4908	ASCOT INS US GRP	\$0	\$0	\$0	\$1,956,913	\$1,956,913	L	Assessable; Authorized
16691	Great Amer Ins Co	84	AMERICAN FINANCIAL GRP	\$52	\$862	\$0	\$1,918,027	\$1,918,971	L	Assessable; Authorized
11134	Rural Trust Ins Co			\$0	\$0	\$0	\$1,915,641	\$1,915,641	L	Assessable; Authorized
41998	American Southern Home Ins Co	361	MUNICH RE GRP	\$1,088,168	\$727,010	-\$2,531	\$22,773	\$1,835,420	L	Assessable; Authorized
26905	Century Natl Ins Co	8	ALLSTATE INS GRP	\$0	\$0	\$1,749,428	\$0	\$1,749,428	L	Assessable; Authorized
24449	Regent Ins Co	796	QBE INS GRP	\$793,015	\$869,649	\$0	\$45,907	\$1,708,571	L	Assessable; Authorized
44393	West Amer Ins Co	111	LIBERTY MUT GRP	\$54,762	\$158,724	\$0	\$1,491,990	\$1,705,476	L	Assessable; Authorized
28304	Federated Serv Ins Co	7	FEDERATED MUT GRP	\$538,855	\$1,129,243	\$0	\$0	\$1,668,098	L	Assessable; Authorized
98318	Starr Ind & Lieb Co	4670	STARR GRP	\$1,619,437	\$0	\$0	\$4,979	\$1,624,416	L	Assessable; Authorized
28886	Transguard Ins Co Of Amer Inc	225	IAT REINS CO GRP	\$497,521	\$573,829	\$0	\$542,641	\$1,613,991	L	Assessable; Authorized
28932	Markel Amer Ins Co	785	MARKEL CORP GRP	\$0	\$0	\$699,088	\$904,963	\$1,604,051	L	Assessable; Authorized
20494	Transportation Ins Co	218	CNA INS GRP	\$99,761	\$114,174	\$0	\$1,429,587	\$1,603,522	L	Assessable; Authorized
22306	Massachusetts Bay Ins Co	88	THE HANOVER INS GRP	\$99,446	\$173,005	\$0	\$1,315,305	\$1,587,756	L	Assessable; Authorized
24066	American Fire & Cas Co	111	LIBERTY MUT GRP	\$7,899	\$36,159	\$0	\$1,528,162	\$1,572,220	L	Assessable; Authorized
11150	Arch Ins Co	1279	ARCH INS GRP	\$38,551	\$3,392	\$0	\$1,522,019	\$1,563,962	L	Assessable; Authorized
22314	RSUI Ind Co	31	BERKSHIRE HATHAWAY GRP	\$450,754	\$1,069,682	\$0	\$0	\$1,520,436	L	Assessable; Authorized
21105	North River Ins Co	158	FAIRFAX FIN GRP	\$1,482,412	\$0	\$0	\$8,080	\$1,490,492	L	Assessable; Authorized
14982	Penn Millers Ins Co	626	CHUBB LTD GRP	\$1,135,965	\$347,000	\$0	\$0	\$1,482,965	L	Assessable; Authorized
35289	Continental Ins Co	218	CNA INS GRP	\$86,639	\$500,888	\$0	\$859,476	\$1,447,003	L	Assessable; Authorized
19879	Security Natl Ins Co	2538	AMTRUST FINANCIAL SERV GRP	\$15,838	\$36,299	\$0	\$1,303,222	\$1,355,359	L	Assessable; Authorized
16624	Allied World Specialty Ins Co	158	FAIRFAX FIN GRP	\$0	\$0	\$0	\$1,313,950	\$1,313,950	L	Assessable; Authorized
24376	Spinner Ins Co	5010	SH1 HOLDINGS GRP	\$0	\$0	\$1,289,312	\$0	\$1,289,312	L	Assessable; Authorized
40703	Unitrn Safeguard Ins Co	215	KEMPER CORP GRP	\$0	\$0	\$1,268,160	\$0	\$1,268,160	L	Assessable; Authorized
24074	Ohio Cas Ins Co	111	LIBERTY MUT GRP	\$73,050	\$183,575	\$0	\$994,757	\$1,251,382	L	Assessable; Authorized
35386	Fidelity & Guar Ins Co	3548	TRAVELERS GRP	\$29,470	\$73,220	\$0	\$1,114,824	\$1,217,514	L	Assessable; Authorized
10847	Cumis Ins Society Inc	306	CLUNA MUT GRP	\$0	\$0	\$0	\$1,208,501	\$1,208,501	L	Assessable; Authorized
24414	General Cas Co Of WI	796	QBE INS GRP	\$147,102	\$146,846	\$0	\$890,153	\$1,184,101	L	Assessable; Authorized
15130	Encompass Ind Co	8	ALLSTATE INS GRP	\$43,630	\$0	\$1,129,822	\$0	\$1,173,452	L	Assessable; Authorized
28223	Nationwide Agribusiness Ins Co	140	NATIONWIDE CORP GRP	\$518,304	\$16,387	\$0	\$593,093	\$1,127,784	L	Assessable; Authorized
11891	National Cas Co	140	NATIONWIDE CORP GRP	\$64,362	\$139,566	\$0	\$880,615	\$1,084,543	L	Assessable; Authorized
11000	Sentinel Ins Co Ltd	91	HARTFORD FIRE & CAS GRP	\$0	\$0	\$0	\$1,052,366	\$1,052,366	L	Assessable; Authorized
40649	Economy Premier Assur Co	69	FARMERS INS GRP	\$0	\$0	\$1,045,463	\$0	\$1,045,463	L	Assessable; Authorized
32506	Monroe Guar Ins Co	474	FCCI MUT INS GRP	\$33,094	\$46,650	\$0	\$951,846	\$1,031,590	L	Assessable; Authorized
39845	Westport Ins Corp	181	SWISS RE GRP	\$169,443	\$796,452	\$0	\$0	\$965,895	L	Assessable; Authorized
21652	Farmers Ins Exch	69	FARMERS INS GRP	\$0	\$0	\$954,538	\$0	\$954,538	L	Assessable; Authorized
23361	Shelter Gen Ins Co	123	SHELTER INS GRP	\$428,213	\$496,259	\$0	\$0	\$924,472	L	Assessable; Authorized
13714	Pharmacists Mut Ins Co	775	PHARMACISTS MUT GRP	\$0	\$0	\$311,829	\$603,029	\$914,858	L	Assessable; Authorized
16024	Federated Reserve Ins Co	7	FEDERATED MUT GRP	\$337,019	\$545,970	\$0	\$0	\$882,989	L	Assessable; Authorized
20141	National Trust Ins Co	474	FCCI MUT INS GRP	\$1,628	\$2,825	\$0	\$877,717	\$882,170	L	Assessable; Authorized
10815	Varian Fire Ins Co MD	88	THE HANOVER INS GRP	\$628,014	\$251,294	\$0	\$0	\$879,308	L	Assessable; Authorized
19380	American Home Assur Co	12	AMERICAN INTL GRP	\$853,269	\$217,829	\$0	\$7,327	\$878,425	L	Assessable; Authorized
10051	Lyndon Southern Ins Co	4718	TIPTRREE FIN GRP	-\$251	\$0	\$490,007	\$399,775	\$849,531	L	Assessable; Authorized
42552	Nova Cas Co	88	THE HANOVER INS GRP	\$0	-\$6	\$762,641	\$0	\$762,635	L	Assessable; Authorized
15954	AmTrust Ins Co	2538	AMTRUST FINANCIAL SERV GRP	\$1,730	\$1,904	\$0	\$757,850	\$761,484	L	Assessable; Authorized
14354	Jewelers Mut Ins Co S I	4889	JEWELERS MUT GRP	\$0	\$0	\$0	\$758,443	\$758,443	L	Assessable; Authorized
22276	Berkshire Hathaway Specialty Ins Co	31	BERKSHIRE HATHAWAY GRP	\$2,840	\$6,021	\$0	\$735,064	\$743,925	L	Assessable; Authorized
33600	LM Ins Corp	111	LIBERTY MUT GRP	\$0	\$0	\$737,505	\$0	\$737,505	L	Assessable; Authorized
20478	National Fire Ins Co Of Hartford	218	CNA INS GRP	\$12,206	\$48,218	\$0	\$663,844	\$724,268	L	Assessable; Authorized
37257	Praetorian Ins Co	796	QBE INS GRP	\$0	\$0	\$715,609	\$0	\$715,609	L	Assessable; Authorized
11118	Federated Rural Electric Ins Exch			\$250,668	\$424,018	\$0	\$0	\$674,686	L	Assessable; Authorized
21407	Emcaeo Ins Co	62	EMC INS CO GRP	\$227,826	\$273,332	\$0	\$87,672	\$588,830	L	Assessable; Authorized
22136	Great Amer Ins Co of NY	84	AMERICAN FINANCIAL GRP	\$0	\$0	\$0	\$572,779	\$572,779	L	Assessable; Authorized
10050	Progressive Security Ins Co	155	PROGRESSIVE GRP	\$0	\$0	\$527,515	\$0	\$527,515	L	Assessable; Authorized
20346	Pacific Ind Co	626	CHUBB LTD GRP	\$0	\$0	\$124,873	\$364,097	\$488,970	L	Assessable; Authorized
10641	Endurance Amer Ins Co	3219	SOMPO GRP	\$0	\$0	\$0	\$482,778	\$482,778	L	Assessable; Authorized
24198	Peerless Ins Co	111	LIBERTY MUT GRP	\$0	\$0	\$434,779	\$0	\$434,779	L	Assessable; Authorized
19062	Automobile Ins Co Of Hartford CT	3548	TRAVELERS GRP	\$157,603	\$93,988	\$171,820	\$0	\$423,411	L	Assessable; Authorized
27154	Atlantic Specialty Ins Co	4904	INTACT FINANCIAL GRP	\$21,528	\$38,322	\$0	\$358,107	\$414,957	L	Assessable; Authorized
13056	RLJ Ins Co	783	RLJ INS GRP	\$0	\$0	\$0	\$414,246	\$414,246	L	Assessable; Authorized
21180	Sentry Select Ins Co	169	SENTRY INS GRP	\$162,673	\$248,176	\$0	\$0	\$410,849	L	Assessable; Authorized
38970	Markel Ins Co	785	MARKEL CORP GRP	\$0	\$0	\$0	\$382,865	\$382,865	L	Assessable; Authorized
22730	Allied World Ins Co	158	FAIRFAX FIN GRP	\$0	\$0	\$0	\$374,627	\$374,627	L	Assessable; Authorized
26611	Blackboard Ins Co	12	AMERICAN INTL GRP	\$0	\$0	\$0	\$351,092	\$351,092	L	Assessable; Authorized
41394	Benchmark Ins Co	4886	BENCHMARK HOLDING GRP	\$0	\$0	\$0	\$344,979	\$344,979	L	Assessable; Authorized
32867	Universal Fire & Cas Ins Co	5020	UNIVERSAL SHIELD INS GRP	\$143,083	\$25,250	\$0	\$150,613	\$183,946	L	Assessable; Authorized
23809	Granite State Ins Co	12	AMERICAN INTL GRP	\$58,963	\$54,413	\$0	\$196,111	\$309,487	L	Assessable; Authorized
37273	AXIS Ins Co	3416	AXIS CAPITAL GRP	\$63,734	\$237,446	\$0	\$0	\$301,180	L	Assessable; Authorized
12831	State Natl Ins Co Inc	785	MARKEL CORP GRP	\$0	\$0	\$18,334	\$280,403	\$298,737	L	Assessable; Authorized
25180	Stillwater Ins Co	4869	WT HOLDINGS GRP	\$0	\$0	\$282,322	\$0	\$282,322	L	Assessable; Authorized
42376	Technology Ins Co Inc	2538	AMTRUST FINANCIAL SERV GRP	\$4,546	\$2,497	\$0	\$251,666	\$258,709	L	Assessable; Authorized
10200	Hiscox Ins Co Inc	4666	HISCOX INS GRP	\$163,969	\$0	\$0	\$87,024	\$250,993	L	Assessable; Authorized

				CERTIFIED REPORT OF NET DIRECT PREMIUMS WRITTEN					Licensed in Louisiana?	LDI Comments?
				Source: 2022 Annual Statement State Page Report Date : April 24, 2023						
Company Code	Company Name	Group Code	Group Name	CALENDAR YEAR 2022						
				FIRE (AS Line 1)	ALLIED LINES (AS Line 2.1)	HOMEOWNER (AS Line 4)	COMMERCIAL MULTIPERIL PROPERTY (AS Line 5.1)	Totals		
44768	Vantapro Specialty Ins Co	158	FAIRFAX FIN GRP	\$0	\$0	\$0	\$241,866	\$241,866	L	Assessable; Authorized
43460	Aspen Amer Ins Co	4734	APOLLO GLOBAL MGMT GRP	\$0	\$0	\$0	\$239,898	\$239,898	L	Assessable; Authorized
39217	QBE Ins Corp	796	QBE INS GRP	\$19,422	\$29,880	\$0	\$183,402	\$232,344	L	Assessable; Authorized
19720	American Alt Ins Corp	361	MUNICH RE GRP	\$1,927	\$31,298	\$0	\$190,297	\$223,522	L	Assessable; Authorized
23663	National Amer Ins Co	4935	CHANDLER INS GRP	\$103,462	\$118,067	\$0	\$0	\$221,529	L	Assessable; Authorized
23841	New Hampshire Ins Co	12	AMERICAN INTL GRP	\$6,962	\$7,600	\$0	\$204,389	\$218,951	L	Assessable; Authorized
16285	Next Ins US Co	361	MUNICH RE GRP	\$106,015	\$106,015	\$0	\$0	\$212,030	L	Assessable; Authorized
11206	Housing Enterprise Ins Co Inc	4359	HOUSING AUTHORITY PROP GRP	\$0	\$0	\$0	\$205,966	\$205,966	L	Assessable; Authorized
27138	Midvale Ind Co	473	AMERICAN FAMILY INS GRP	\$0	\$0	\$0	\$202,408	\$202,408	L	Assessable; Authorized
10120	Everest Natl Ins Co	1120	EVEREST REINS HOLDINGS GRP	\$4,010	-\$368,202	\$0	\$541,734	\$177,542	L	Assessable; Authorized
10391	Berkshire Hathaway Direct Ins Co	31	BERKSHIRE HATHAWAY GRP	\$62,539	\$111,252	\$0	\$0	\$173,791	L	Assessable; Authorized
22225	Trisura Ins Co	4969	TRISURA GRP	\$0	\$0	\$165,292	\$0	\$165,292	L	Assessable; Authorized
19488	Amerisure Ins Co	124	AMERISURE CO GRP	\$265	\$518	\$0	\$153,602	\$154,385	L	Assessable; Authorized
10069	Housing Authority Prop A Mut Co	4359	HOUSING AUTHORITY PROP GRP	\$0	\$0	\$0	\$144,882	\$144,882	L	Assessable; Authorized
16608	New York Marine & Gen Ins Co	256	COACTION GLOBAL INC GRP	\$52,440	\$18,099	\$0	\$72,430	\$142,969	L	Assessable; Authorized
10936	Seneca Ins Co Inc	158	FAIRFAX FIN GRP	\$36,232	\$36,753	\$0	\$68,496	\$141,481	L	Assessable; Authorized
10677	The Cincinnati Ins Co	244	CINCINNATI FIN GRP	\$17,383	\$30,316	\$0	\$92,967	\$140,666	L	Assessable; Authorized
31925	Falls Lake Natl Ins Co	3494	JAMES RIVER GRP	\$43,252	\$89,966	\$0	\$0	\$133,218	L	Assessable; Authorized
24767	St Paul Fire & Marine Ins Co	3548	TRAVELERS GRP	\$10,661	\$31,835	\$0	\$87,236	\$129,732	L	Assessable; Authorized
29580	Berkley Regional Ins Co	98	WR BERKLEY CORP GRP	\$47,786	\$45,379	\$0	\$28,074	\$121,219	L	Assessable; Authorized
15679	National Fire & Ind Exch			\$0	\$0	\$0	\$121,081	\$121,081	L	Assessable; Authorized
11452	Hartford Steam Boil Inspec & Ins Co	361	MUNICH RE GRP	\$0	\$0	\$0	\$106,426	\$106,426	L	Assessable; Authorized
21113	United States Fire Ins Co	158	FAIRFAX FIN GRP	\$4,448	\$16,618	\$0	\$83,775	\$104,841	L	Assessable; Authorized
25712	Esurance Ins Co	8	ALLSTATE INS GRP	\$0	\$0	\$100,312	\$0	\$100,312	L	Assessable; Authorized
20796	21st Century Premier Ins Co	69	FARMERS INS GRP	\$0	\$0	\$99,386	\$0	\$99,386	L	Assessable; Authorized
19429	Insurance Co Of The State Of PA	12	AMERICAN INTL GRP	\$52,550	\$0	\$0	\$42,747	\$95,297	L	Assessable; Authorized
39306	Fidelity & Deposit Co Of MD	212	ZURICH INS GRP	\$0	\$25,468	\$0	\$62,860	\$88,328	L	Assessable; Authorized
24775	St Paul Guardian Ins Co	3548	TRAVELERS GRP	\$0	\$0	\$0	\$81,692	\$81,692	L	Assessable; Authorized
38261	Hartford Ins Co Of The Southeast	91	HARTFORD FIRE & CAS GRP	\$0	\$0	\$38,600	\$42,986	\$81,586	L	Assessable; Authorized
38911	Berkley Natl Ins Co	98	WR BERKLEY CORP GRP	\$4,567	\$63,452	\$0	\$13,321	\$81,340	L	Assessable; Authorized
21423	Union Ins Co Of Providence	62	EMC INS CO GRP	\$42,493	\$34,731	\$0	\$0	\$77,224	L	Assessable; Authorized
42803	GuideOne Elite Ins Co	303	GUIDEONE INS GRP	\$0	\$0	\$0	\$71,108	\$71,108	L	Assessable; Authorized
43575	Indemnity Ins Co Of North Amer	626	CHUBB LTD GRP	\$0	\$0	\$0	\$70,890	\$70,890	L	Assessable; Authorized
10749	Intrepid Ins Co	98	WR BERKLEY CORP GRP	\$0	\$0	\$0	\$70,462	\$70,462	L	Assessable; Authorized
29831	Independent Mut Fire Ins Co			\$49,068	\$16,171	\$0	\$0	\$65,239	L	Assessable; Authorized
24732	General Ins Co Of Amer	111	LIBERTY MUT GRP	\$0	\$816	\$0	\$63,974	\$64,790	L	Assessable; Authorized
16203	CM Select Ins Co	4851	CHURCH MUT GRP	\$0	\$0	\$0	\$58,832	\$58,832	L	Assessable; Authorized
20095	BITCO Gen Ins Corp	150	OLD REPUBLIC GRP	\$839	\$1,245	\$0	\$43,593	\$45,677	L	Assessable; Authorized
25844	Union Ins Co	98	WR BERKLEY CORP GRP	\$7,556	\$13,070	\$0	\$19,175	\$39,801	L	Assessable; Authorized
32620	National Interstate Ins Co	84	AMERICAN FINANCIAL GRP	\$0	\$0	\$0	\$39,472	\$39,472	L	Assessable; Authorized
36927	Colony Specialty Ins Co	457	ARGO GRP US INC GRP	\$0	\$39,331	\$0	\$0	\$39,331	L	Assessable; Authorized
22748	Pacific Employers Ins Co	626	CHUBB LTD GRP	\$12,179	\$23,932	\$0	\$0	\$36,111	L	Assessable; Authorized
23396	Amerisure Mut Ins Co	124	AMERISURE CO GRP	\$0	\$0	\$0	\$33,970	\$33,970	L	Assessable; Authorized
35408	Imperium Ins Co	4381	SKYWARD SPECIALTY INS GRP INC GRP	\$14,687	\$17,771	\$0	\$0	\$32,458	L	Assessable; Authorized
31348	Crum & Forster Ind Co	158	FAIRFAX FIN GRP	\$102	\$597	\$0	\$31,463	\$32,162	L	Assessable; Authorized
27998	Travelers Home & Marine Ins Co	3548	TRAVELERS GRP	\$0	\$0	\$31,505	\$0	\$31,505	L	Assessable; Authorized
22772	Integon Ind Corp	8	ALLSTATE INS GRP	\$0	\$0	\$27,881	\$0	\$27,881	L	Assessable; Authorized
26344	Great Amer Assur Co	84	AMERICAN FINANCIAL GRP	\$0	\$0	\$0	\$25,275	\$25,275	L	Assessable; Authorized
28860	Clear Blue Ins Co	4850	CLEAR BLUE FINANCIAL GRP	\$23,507	\$0	\$0	\$0	\$23,507	L	Assessable; Authorized
18023	Star Ins Co	572	BCBS OF MI GRP	\$8,979	\$10,523	\$0	\$1,170	\$20,672	L	Assessable; Authorized
12262	Pennsylvania Manufacturers Assoc Ins	150	OLD REPUBLIC GRP	\$0	\$0	\$0	\$20,348	\$20,348	L	Assessable; Authorized
41840	Allmerica Fin Benefit Ins Co	88	THE HANOVER INS GRP	\$0	\$0	\$0	\$19,991	\$19,991	L	Assessable; Authorized
19801	Argonaut Ins Co	457	ARGO GRP US INC GRP	\$0	\$10,232	\$0	\$9,737	\$19,969	L	Assessable; Authorized
26662	Milford Cas Ins Co	2538	AMTRUST FINANCIAL SERV GRP	\$0	\$0	\$0	\$17,901	\$17,901	L	Assessable; Authorized
22322	Greenwich Ins Co	968	AXA INS GRP	\$3,753	\$9,438	\$0	-\$84	\$13,107	L	Assessable; Authorized
12866	T H E Ins Co	968	AXA INS GRP	\$4,753	\$6,910	\$0	\$0	\$11,663	L	Assessable; Authorized
23817	Illinois Natl Ins Co	12	AMERICAN INTL GRP	\$291	\$1,590	\$0	\$9,192	\$11,073	L	Assessable; Authorized
25321	Farmers Direct Prop & Cas Ins Co	69	FARMERS INS GRP	\$0	\$0	\$9,971	\$0	\$9,971	L	Assessable; Authorized
15580	Scottsdale Ind Co	140	NATIONWIDE CORP GRP	\$0	\$9,422	\$0	\$0	\$9,422	L	Assessable; Authorized
13978	Florists Mut Ins Co	169	SENTRY INS GRP	\$2,033	\$6,210	\$0	\$0	\$8,243	L	Assessable; Authorized
41483	Farmington Cas Co	3548	TRAVELERS GRP	\$0	\$0	\$0	\$7,757	\$7,757	L	Assessable; Authorized
10804	Continental Western Ins Co	98	WR BERKLEY CORP GRP	\$1,255	\$1,267	\$0	\$4,204	\$6,726	L	Assessable; Authorized
24988	Sentry Ins Co	169	SENTRY INS GRP	\$2,398	\$3,779	\$0	\$0	\$6,177	L	Assessable; Authorized
26832	Great Amer Alliance Ins Co	84	AMERICAN FINANCIAL GRP	\$0	\$0	\$0	\$6,164	\$6,164	L	Assessable; Authorized
10915	Unitrin Direct Prop & Cas Co	215	KEMPER CORP GRP	\$0	\$0	\$5,299	\$0	\$5,299	L	Assessable; Authorized
12254	Glencar Ins Co	517	HANNOVER GRP	\$0	\$0	\$0	\$4,532	\$4,532	L	Assessable; Authorized
24791	St Paul Mercury Ins Co	3548	TRAVELERS GRP	\$0	\$0	\$0	\$3,920	\$3,920	L	Assessable; Authorized
12573	Centauri Specialty Ins Co	4962	AU HOLDING CO GRP	\$75	\$3,328	\$0	\$0	\$3,403	L	Assessable; Authorized
22810	Chicago Ins Co	761	ALLIANZ INS GRP	\$0	\$0	\$0	\$3,314	\$3,314	L	Assessable; Authorized
10052	Chubb Natl Ins Co	626	CHUBB LTD GRP	\$0	\$0	\$3,000	\$0	\$3,000	L	Assessable; Authorized
20109	BITCO Natl Ins Co	150	OLD REPUBLIC GRP	\$0	\$0	\$0	\$2,444	\$2,444	L	Assessable; Authorized
12898	American Risk Ins Co Inc			\$0	\$0	\$2,155	\$0	\$2,155	L	Assessable; Authorized
32352	LM Prop & Cas Ins Co	111	LIBERTY MUT GRP	\$0	\$0	\$2,144	\$0	\$2,144	L	Assessable; Authorized
23434	Middlesex Ins Co	169	SENTRY INS GRP	\$335	\$1,032	\$0	\$0	\$1,367	L	Assessable; Authorized
40045	Starnet Ins Co	98	WR BERKLEY CORP GRP	\$0	\$0	\$0	\$1,324	\$1,324	L	Assessable; Authorized
36897	Manufacturers Alliance Ins Co	150	OLD REPUBLIC GRP	\$0	\$0	\$0	\$1,300	\$1,300	L	Assessable; Authorized
25976	Utica Mut Ins Co	201	UTICA GRP	\$0	\$0	\$0	\$1,113	\$1,113	L	Assessable; Authorized
42307	Navigator Ins Co	91	HARTFORD FIRE & CAS GRP	\$0	\$0	\$0	\$877	\$877	L	Assessable; Authorized
20702	ACE Fire Underwriters Ins Co	626	CHUBB LTD GRP	\$0	\$0	\$0	\$575	\$575	L	Assessable; Authorized
12777	Chubb Ind Ins Co	626	CHUBB LTD GRP	\$0	\$0	\$353	\$0	\$353	L	Assessable; Authorized
35181	Executive Risk Ind Inc	626	CHUBB LTD GRP	\$0	\$0	\$272	\$0	\$272	L	Assessable; Authorized
20370	AXIS Reins Co	3416	AXIS CAPITAL GRP	\$0	\$215	\$0	\$0	\$215	L	Assessable; Authorized
CZN-0	Louisiana Citizens Property Ins Corp			\$43,642,802	\$277,421,020	\$103,573,193	\$0	\$424,637,015	L	LCPIC
Grand Total				\$267,871,977	\$603,508,036	\$2,369,382,395	\$341,195,850	\$3,581,958,258		

General - This report of direct written premium by assessable line of business is generated in accordance with La. R.S. 22:2292, La. R.S. 22:2299, La. R.S. 22:2300, La. R.S. 22:2326(A), and La. R.S. 22:2340(A).

Report Date - 1 "Net Direct Written Premium" is annual statement, state page, "Direct Written Premium" less "Dividends Paid on Direct Business" in the calendar year. A letter of certification from the Commissioner of Insurance was sent to the Louisiana Citizens Property Insurance Corporation board.

This is the date data was pulled from annual statements (NAIC's ISITE database).

				CERTIFIED REPORT OF NET DIRECT PREMIUMS WRITTEN						Licensed in Louisiana? ²	LDI Comments ³
				Source: 2022 Annual Statement State Page Report Date ¹ : April 24, 2023							
Company Code	Company Name ⁴	Group Code	Group Name	CALENDAR YEAR 2022							
				FIRE (AS Line 1)	ALLIED LINES (AS Line 2:1)	HOMEOWNER (AS Line 4)	COMMERCIAL MULT-PERIL PROPERTY (AS Line 5:1)	Totals			
NOTES	Licensed in Louisiana? -	2	This designation is pulled from the company's annual statement, Schedule T, and verified against the LDI's Regulatory Management System. "L" means licensed or chartered or authorized (in some states licensed carrier and domiciled risk retention groups referred to as admitted). "R" means registered (non-domiciled risk retention groups). "D" means a Louisiana domestic surplus lines company. "E" means eligible (reporting entities eligible or approved to write surplus lines in the state; in some states referred to as non-admitted). "Q" means qualified (qualified or accredited reinsurer). "N" means none of the above apply and the company is presumed to be an "unauthorized" insurer for Citizens' reporting.								
	LDI Comments -	3	"Crop/Live Stock" or "Crop only" writings are not essential insurance and not assessable (LDI letter to Citizens dated July 5, 2007). "Industrial Fire" writings are not "net direct premium" for the purpose of assessment [La. R.S. 22:2292(10)] and such premiums are not assessable. "Revoked" or "Inactive" means the company's license was not active as of this data reporting, is assumed "unauthorized" for Citizens' reporting and, therefore, is not "Federal/Excess Flood" writings are not essential insurance and are not assessable [La. R.S. 22:2292(6) and (12)]. Surplus lines companies (i.e., companies with license designation "E" or "N") are not authorized to write essential insurance and not assessable [La. R.S. 22:2292(6) and (12)]. Companies with negative total writings remain in the listing in order to balance to written premium reported via annual statements. These companies are designated Consistent with previous reports, only companies that submitted a 2022 Annual Statement were included. Further information regarding Louisiana domiciled Companies with zero written premium in all assessable lines were removed from this tabulation; if kept, would have been designated "Not Assessable."								
	Company Name -	4									

Complaints - May and June 2023

Complaint Number	Claim Issue	Policy Issue	Date Filed	Date Due	Date Response Submitted
894455		X	5/1/2023	5/16/2023	5/10/2023
894956		X	5/4/2023	5/24/2023	5/23/2023
895173		X	5/8/2023	5/25/2023	5/23/2023
895345		X	5/10/2023	5/26/2023	5/25/2023
895784		X	5/19/2023	6/5/2023	6/5/2023
896232		X	5/22/2023	6/7/2023	6/6/2023
896296		X	5/23/2023	6/8/2023	6/8/2023
896347		X	5/23/2023	6/29/2023	6/21/2023
896270		X	5/24/2023	6/8/2023	6/6/2023
896664		X	5/30/2023	6/15/2023	6/13/2023
897088		X	6/6/2023	6/23/2023	6/22/2023
899555		X	6/7/2023	6/27/2023	6/21/2323
899565		X	6/9/2023	6/26/2023	6/14/2023
899684		X	6/9/2023	6/26/2023	6/14/2023
899639		X	6/9/2023	6/27/2023	6/21/2023
900186		X	6/19/2023	7/5/2023	6/22/2023
900635		X	6/30/2023	7/17/2023	