

Louisiana Citizens Property Insurance Corporation Board Meeting

Thursday, July 10, 2025 1:00 PM

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

I. Call To Order	Speaker (s): Chairman Temple
II. Pledge of Allegiance	Speaker (s): Chairman Temple
III. Roll Call	Speaker (s): Harper
IV. Chairman's Report	Speaker (s): Chairman Temple
V. Minutes	Speaker (s): Chairman Temple
VI. CEO Report	Speaker (s): Newberry
VI.A. Proposed Commercial Rate Filing (Voteable)	Speaker (s): Newberry
VI.B. May Financials and Management Report	Speaker (s): Sciortino
VI.C. 2024 Audit Report(s)	
VI.C.1. Statutory Audit	Speaker (s): Sciortino
VI.C.2. GASB Audit	Speaker (s): Sciortino
VI.D. 2005 Deficit Re-certification (Voteable)	Speaker (s): Sciortino
VI.E. Complaints	Speaker (s): Harper
VII. Executive Session	Speaker (s): Chairman Temple
VII.A. Litigation Update	Speaker (s): Harper
VIII. Adjournment	Speaker (s): Chairman Temple

Louisiana Citizens Property Insurance
Corporation Board Meeting
Thursday, May 8, 2025 1:00 PM Central

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

Ben Albright: Present (arrived following the vote on minutes)
Eric Berger: Present
Daryl Burckel: Present
Brian Chambley: Present
William Chauvin: Present
Rep. Gabe Firment: Absent
Renee' Free: Present
Jody Guillot: Present
Robert Page: Present
Kevin Reinke: Present
Bill Starr: Present (arrived following the vote on minutes)
Sen. Kirk Talbot: Absent
*David Caldwell: Present
Steven Werner: Present
Sam Wilkinson: Absent

Present: 12, Absent: 3.

*David Caldwell is sitting in as the Commissioner's appointed designee for this meeting.

I. Call To Order

Chairman Caldwell called the meeting to order at 1:00 pm.

II. Pledge of Allegiance

III. Roll Call

Ms. Harper called roll; a quorum was present.

IV. Chairman's Report

V. Minutes

Approval of Minutes of the prior meeting held on April 3, 2025. This motion, made by Brian Chambley and seconded by Robert Page, Carried.

Ben Albright: Absent, Rep. Gabe Firment: Absent, Bill Starr: Absent, Sen. Kirk Talbot: Absent, Sam Wilkinson: Absent,

Eric Berger: Yea, Daryl Burckel: Yea, Brian Chambley: Yea, William Chauvin: Yea, Renee' Free: Yea, Jody Guillot: Yea, Robert Page: Yea, Kevin Reinke: Yea, David Caldwell: Yea, Steven Werner: Yea

Yea: 10, Nay: 0, Absent: 5

VI. CEO Report

VI.A. Overview

VI.A.1. Reinsurance Update

Mr. Newberry gave the Board an update on the Reinsurance plans for 2025-2026. He also outlined LCPIC's hurricane preparedness plans for this hurricane season.

VI.A.2. 2024 Actuarial Opinion

Mr. Newberry introduced the 2024 Actuarial Opinion included in the materials provided for the Board meeting and review by Board members.

VI.B. Financials and Management Report

VI.B.1. March 2025 Financials and Management Report

Mr. Sciortino gave the Board a summary of the March 2025 financials and an overview of the information found in the management report. Then he moved on to summarize the First Quarter 2025 financials.

VI.B.2. First Quarter 2025 Financials (Voteable)

To approve the First Quarter 2025 Financials as presented by LCPIC Management and to approve their timely filing with the Louisiana Department of Insurance. This motion, made by Ben Albright and seconded by Daryl Burckel, Carried.

Rep. Gabe Firment: Absent, Sen. Kirk Talbot: Absent, Sam Wilkinson: Absent,

Ben Albright: Yea, Eric Berger: Yea, Daryl Burckel: Yea, Brian Chambley: Yea, William Chauvin: Yea, Renee' Free: Yea, Jody Guillot: Yea, Robert Page: Yea, Kevin Reinke: Yea, Bill Starr: Yea, David Caldwell: Yea, Steven Werner: Yea

Yea: 12, Nay: 0, Absent: 3

VI.C. 2024 Audit Update

Mr. Sciortino reported that, per the auditors, the 2024 audit is going well and expected to be completed on time.

VI.D. Complaints

Ms. Harper reported that there had been six(6) complaints in March and April 2025. She also presented additional information with the purpose of putting the complaint data into perspective.

VI.E. Executive Session

With the CEO report concluded, Chairman Designee Caldwell noted that there was no need to go on into Executive Session. He asked if anyone from the public first wished to address the Board. With no speakers from the public, Chairman Designee Caldwell stated there were no more items on the agenda.

VII. Adjournment

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

Approval of Adjourning the meeting at 1:39 pm. This motion, made by Robert Page and seconded by Renee' Free, Carried.

Rep. Gabe Firment: Absent, Sen. Kirk Talbot: Absent, Sam Wilkinson: Absent,

Ben Albright: Yea, Eric Berger: Yea, Daryl Burckel: Yea, Brian Chambley: Yea, William Chauvin: Yea, Renee' Free: Yea, Jody Guillot: Yea, Robert Page: Yea, Kevin Reinke: Yea, Bill Starr: Yea, Commissioner Tim Temple: Yea, Steven Werner: Yea
Yea: 12, Nay: 0, Absent: 3



COMMERCIAL RATE REVIEW

July 10th, 2025 Board of Directors Meeting

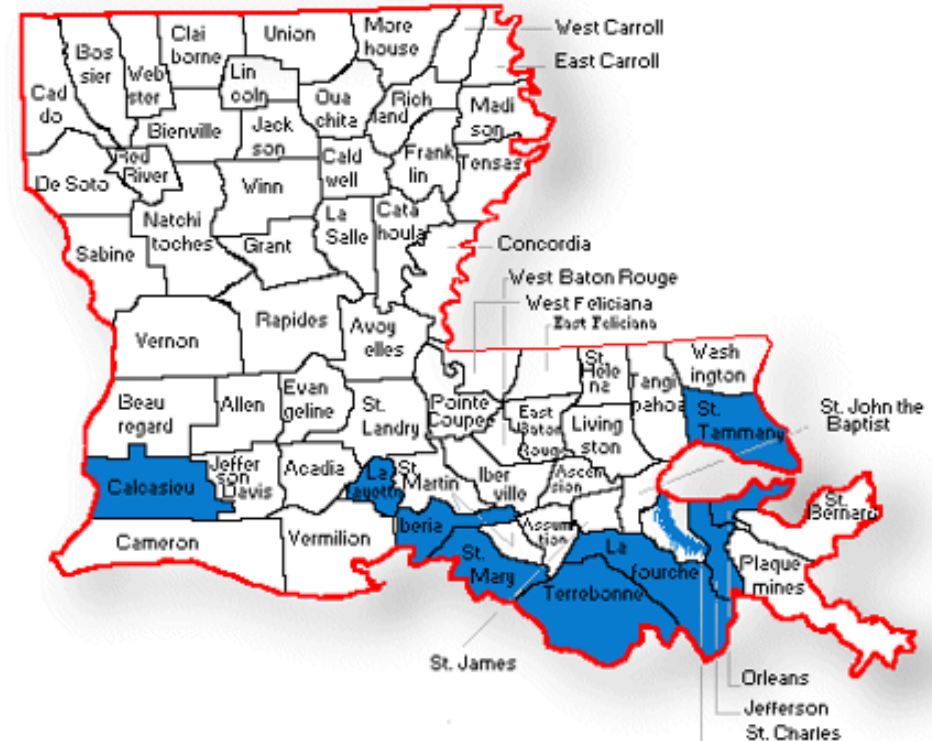
Current Book of Commercial Policies

5/31/25 Total Policies: 7,221

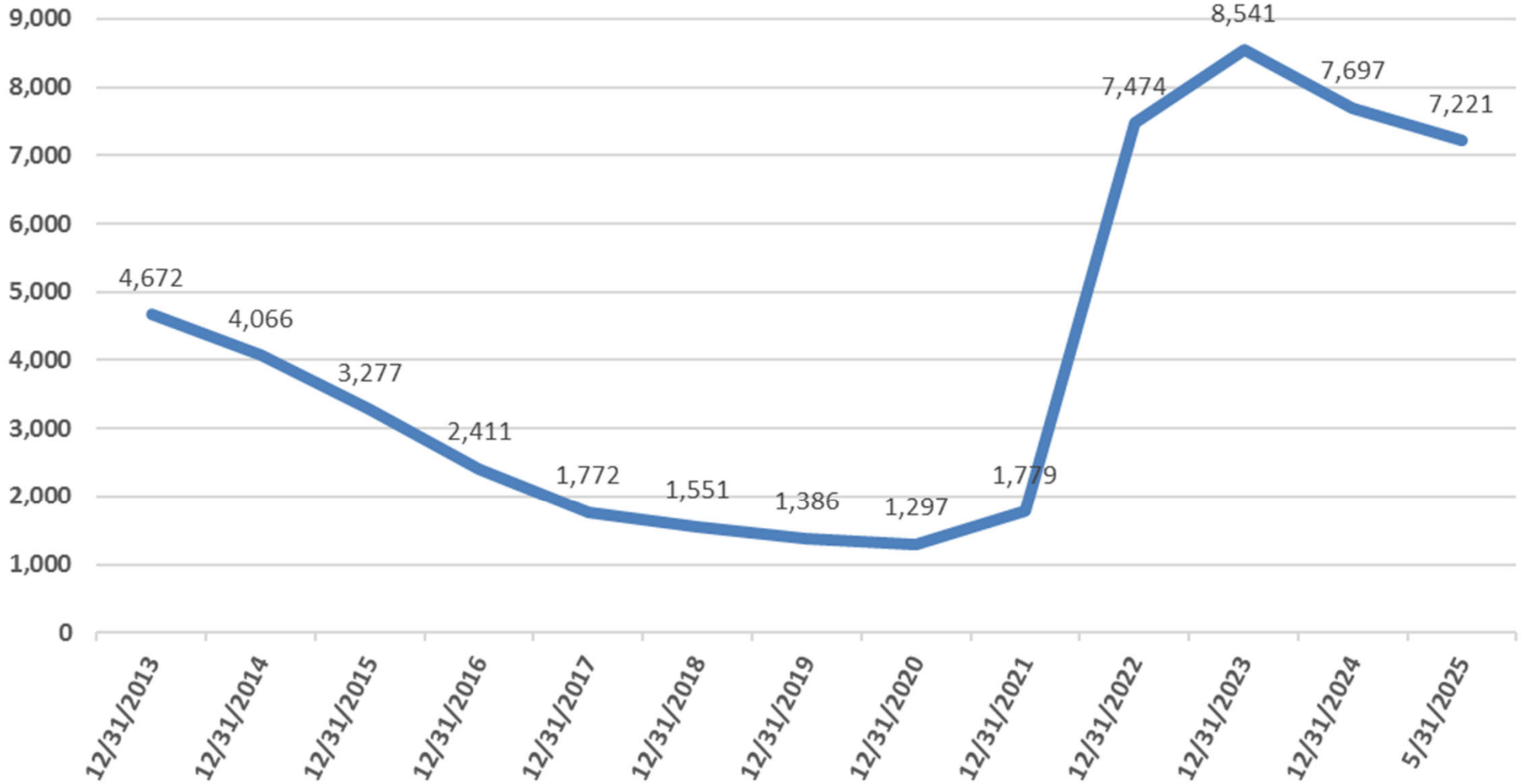
Total Insured Value: \$7.9 Billion

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

<u>Parish</u>	<u>Inforce Premium</u>	<u>Policies</u>
Jefferson	\$24.1 million	1,638
Orleans	\$22.8 million	1,604
Terrebonne	\$11.2 million	778
Lafourche	\$5.0 million	435
St. Tammany	\$4.3 million	303
St. Mary	\$4.1 million	393
Calcasieu	\$4.1 million	164
Iberia	\$2.7 million	257
Lafayette	\$2.5 million	178
Plaquemines	\$2.5 million	185



Commercial Inforce Policies Over Time



Growth by Policy Type

Policy Type	12/31/21 Inforce Policies	5/31/25 Inforce Policies
Commercial	698	1,821
Commercial Builders Risk / Renovations	29	12
Commercial Builders Risk Renovations Wind & Hail	3	4
Commercial Wind & Hail	1,039	5,384
Total	1,779	7,221

Average Coverage Value per Policy

12/31/21 Coverage Value	5/31/25 Coverage Value
\$637 K	\$1.1 MM

Recent Commercial Rate Changes

Effective Date	Overall Rate Change
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%
11/1/23	+2.3%
11/1/24	+8.5%
1/1/25	-9.1% *

* Impact from Act 757 of 2024 which pauses +10% statutory 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 2025 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 11/1/25

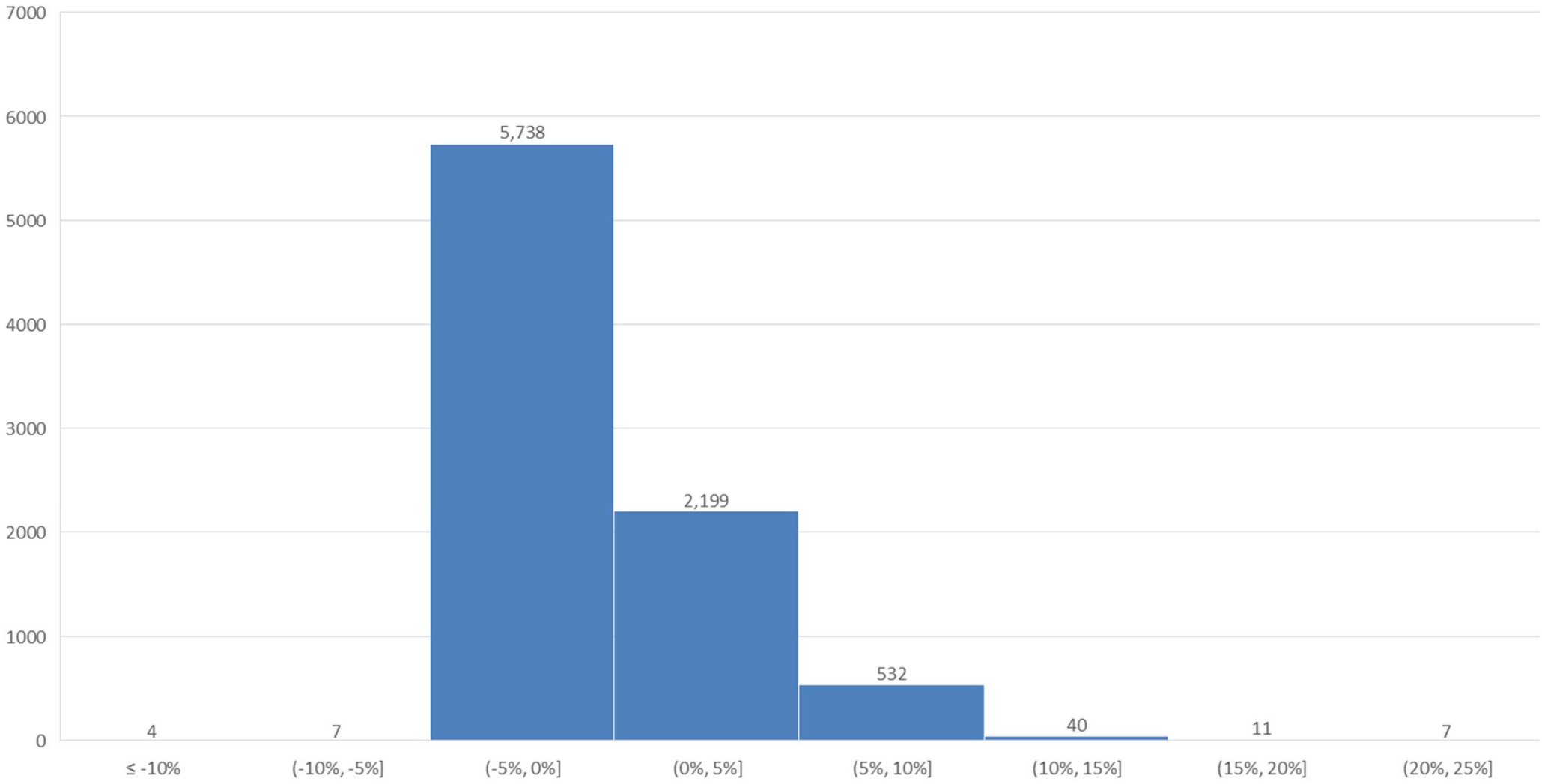
Changes in Citizens the cost of reinsurance is the primary driver of a proposed overall rate change of 4.5%

Plan	Rate Change Indication	5-31-25 Inforce Policies	5-31-25 Average Premium per Policy
FAIR	4.7%	6,944	\$13,500
Coastal	1.1%	277	\$19,450

Adopting Most Recent ISO Loss Costs

- Proposing that LCPIC move to using the most recently approved ISO loss costs
- These loss costs vary by the type of business for Group I premium (covering primarily fire, lightning, vandalism claims) and a policy's location / construction quality for Group II premium (covering primarily Wind/Hail claims)
- While the overall impact will be revenue neutral, individual policies will see changes
- The following chart groups LCPIC's Commercial book by expected rate change

Number of Policies by % Change Bucket



Adoption of latest ISO Loss Costs would decrease the rate for the majority of LCPIC Commercial policies



Commercial Rate Review

Proposed Schedule to Implement

- **July 10th - 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 LCPIIC 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 changes approved by DOI
 - Vote to implement only if rates changed materially (+/- 0.5%) since July board meeting
- **November 1st - Proposed rate change effective**

Appendix

**Louisiana Citizens Property Insurance Corporation
Indicated Commercial Rate Changes**

(1)	2024 Direct Onlevel Earned Premium (2)	Actuarial Indications (3)	R.S. 22:2303 Adjustment (4)	R.S. 22:2303 Indications (5)
FAIR Plan	\$ 122,655,115	4.7%	1.00	4.7%
Coastal Plan	\$ <u>5,872,215</u>	<u>1.1%</u>	1.00	<u>1.1%</u>
Statewide Total	\$ 128,527,330	4.5%		4.5%

(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. 1.00 being used temporarily per Act 757 of the 2024 Regular Session.

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

Louisiana Citizens Property Insurance Corporation
2024 Earned Premium Distribution

Plan / Parish	2024 Earned Premium (1)
FAIR Plan	
Acadia	525,185
Allen	206,480
Ascension	1,066,625
Assumption	276,611
Avoyelles	57,471
Beauregard	260,505
Bienville	-
Bossier	88,100
Caddo	516,383
Calcasieu	6,316,285
Caldwell	-
Cameron	240,962
Catahoula	4,642
Claiborne	7,722
Concordia	68,398
DeSoto	3,331
East Baton Rouge	2,841,628
East Carroll	-
East Feliciana	34,212
Evangeline	124,246
Franklin	489
Grant	-
Iberia	3,186,635
Iberville	239,334
Jackson	-
Jefferson	30,216,783
Jefferson Davis	769,959
Lafayette	3,483,567
Lafourche	3,857,514
La Salle	3,290
Lincoln	2,498
Livingston	573,986
Madison	41,232
Morehouse	4,601
Natchitoches	3,621
Orleans	31,000,283
Ouachita	99,527
Plaquemines	2,346,450
Pointe Coupee	72,170
Rapides	192,957
Red River	3,948
Richland	3,677
Sabine	3,377
Saint Bernard	2,382,905
Saint Charles	2,545,278
Saint Helena	20,890
Saint James	471,677
Saint John the Baptist	1,476,632
Saint Landry	637,789
Saint Martin	430,953
Saint Mary	4,451,238
Saint Tammany	6,485,019
Tangipahoa	1,582,182
Tensas	1,777
Terrebonne	11,632,429
Union	21,697
Vermilion	1,469,910
Vernon	57,934
Washington	106,343
Webster	21,917
West Baton Rouge	220,336
West Carroll	-
West Feliciana	10,159
Winn	-
Total	122,771,748

2024 Earned Premium Distribution

<u>Plan / Parish</u>	<u>2024 Earned Premium (1)</u>
<u>Coastal Plan</u>	
Cameron	319,630
Iberia	-
Jefferson	928,886
Lafourche	2,936,055
Orleans	65,970
Plaquemines	862,293
Saint Bernard	71,868
Saint Mary	31,038
Terrebonne	1,359,433
Vermilion	13,349
Total	6,588,524
TOTAL (FAIR + Coastal)	129,360,272

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)
2020	\$6,985,907	\$57,617	0.82%	NA
2021	10,211,574	80,981	0.79%	NA
2022	83,139,908	2,053,976	2.47%	NA
2023	145,011,192	1,305,396	0.90%	NA
2024	128,185,953	3,083,541	2.41%	NA
Total	\$373,534,534	\$6,581,511	1.76%	XXX

(6) Weighted Experience Non-Cat Loss & ALAE Ratio	1.76%
(7) Expected Non-Cat Loss & ALAE Ratio	1.60%
(8) Credibility	75.91%
(9) Credibility Weighted Non-Cat Loss Ratio	1.72%
(10) Expected Catastrophe Loss & ALAE	26.84%
(11) Variable portion of ULAE as % of Expected Catastrophe Loss & ALAE	0.00%
(12) Expected Catastrophe Loss, ALAE, and Variable ULAE	26.84%
(13) Wtd Non-CAT & Expected CAT Loss, ALAE, and Variable ULAE Ratio	28.56%
(14) Fixed Expense Ratio	3.50%
(15) Reinsurance Expense Loading	62.21%
(16) Variable Expenses	12.50%
(17) Investment Income	2.50%
(18) Credibility Weighted Indicated Rate Level Change	4.70%
(19) Dollar Change	\$6,024,740

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 23
- (18) $=(13)+(14)+(15))/(1.0-(16)+(17))-1.0$
- (19) $=(18)*2024 (2)$

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)
2020	\$3,320,470	1.8609	\$6,179,206	1.1306	\$6,985,907
2021	\$4,900,622	1.8541	\$9,086,063	1.1239	10,211,574
2022	\$43,948,900	1.7990	\$79,061,920	1.0516	83,139,908
2023	\$109,097,226	1.2707	\$138,634,616	1.0460	145,011,192
2024	\$122,771,748	0.9991	\$122,655,115	1.0451	128,185,953
Total	\$284,038,967	XXX	\$355,616,920	XXX	\$373,534,534

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 12/31/2024	Loss Development Factor	Current Cost Factor	Trended and Developed Total Incurred Losses Excluding CAT
(1)	(2)	(3)	(4)	(5)
2020	\$45,125	1.0030	1.2730	\$57,617
2021	\$66,483	1.0050	1.2120	80,981
2022	\$1,764,220	1.0080	1.1550	2,053,976
2023	\$1,163,454	1.0200	1.1000	1,305,396
2024	\$2,636,634	1.1170	1.0470	3,083,541
Total	\$5,675,917	XXX	XXX	\$6,581,511

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)
2020	\$1,572,257	\$37,736	2.40%	NA
2021	1,982,484	977	0.05%	NA
2022	5,522,212	1	0.00%	NA
2023	6,788,875	85	0.00%	NA
2024	6,137,008	35,213	0.57%	NA
Total	\$22,002,836	\$74,012	0.34%	XXX

(6) Weighted Experience Loss and Allocated Loss Adjustment Expense Ratio	0.34%
(7) Expected Non-Cat Loss Ratio	1.20%
(8) Credibility	17.28%
(9) Credibility Weighted Non-Cat Loss Ratio	1.05%
(10) Expected Catastrophe Loss & ALAE	24.66%
(11) Variable portion of ULAE as % of Expected Catastrophe Loss & ALAE	0.00%
(12) Expected Catastrophe Loss, ALAE, and Variable ULAE	24.66%
(13) Wtd Non-CAT & Expected CAT Loss, ALAE, and Variable ULAE Ratio	25.71%
(14) Fixed Expense Ratio	3.50%
(15) Reinsurance Expense Loading	61.74%
(16) Variable Expenses	12.50%
(17) Investment Income	2.50%
(18) Credibility Weighted Indicated Rate Level Change	1.10%
(19) Dollar Change	\$67,507

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 23
- (18) =(13)+(14)+(15)/(1.0-(16)+(17))-1.0
- (19) =(18)*2024 (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)
2020	\$726,919	1.9131	\$1,390,700	1.1306	\$1,572,257
2021	\$967,209	1.8238	\$1,763,976	1.1239	1,982,484
2022	\$3,299,313	1.5916	\$5,251,349	1.0516	5,522,212
2023	\$5,975,549	1.0862	\$6,490,348	1.0460	6,788,875
2024	\$6,588,524	0.8913	\$5,872,215	1.0451	6,137,008
Total	\$17,557,513	XXX	\$20,768,588	XXX	\$22,002,836

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 12/31/2024	Loss Development Factor	Current Cost Factor	Trended and Developed Total Incurred Losses Excluding CAT
(1)	(2)	(3)	(4)	(5)
2020	\$29,555	1.0030	1.2730	\$37,736
2021	\$802	1.0050	1.2120	977
2022	\$1	1.0080	1.1550	1
2023	\$76	1.0200	1.1000	85
2024	\$30,109	1.1170	1.0470	35,213
Total	\$60,542	XXX	XXX	\$74,012

Notes:

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

FAIR Plan Earned Premium

(1)	(2)					(7)					(12)					(18)	(19)	
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)			(17)
Parish	Actual Earned Premium					Earned Premium at Current Rate Levels					Rate Change History							
	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	2/1/2019	2/1/2020	2/1/2021	2/1/2022	11/1/2022	11/1/2023	11/1/2024	1/1/2025
Acadia Parish	18,931	59,302	358,112	625,582	525,185	35,229	109,950	644,226	794,955	524,686	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Allen Parish	-	-	75,081	138,134	206,480	-	-	135,067	175,533	206,284	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Ascension Parish	17,775	20,585	580,525	1,007,726	1,066,625	33,079	38,166	1,044,336	1,280,561	1,065,612	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Assumption Parish	4,190	3,558	114,827	209,675	276,611	7,797	6,596	206,568	266,444	276,348	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Avoylettes Parish	-	1,215	4,515	25,820	57,471	-	2,252	8,122	32,811	57,417	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Beauregard Parish	-	3,846	56,248	76,918	260,505	-	7,131	101,187	97,743	260,257	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Bienville Parish	-	-	-	-	-	-	-	-	-	-	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Bossier Parish	32	11,314	72,896	77,020	88,100	59	20,977	131,135	97,872	88,017	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Caddo Parish	-	1,510	172,430	288,945	516,383	-	2,800	310,193	367,175	515,893	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Calcasieu Parish	153,729	619,075	2,401,010	5,726,443	6,316,285	286,081	1,147,804	4,319,299	7,276,842	6,310,284	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Caldwell Parish	-	-	-	-	-	-	-	-	-	-	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Cameron Parish	34,335	69,775	142,176	224,209	240,962	63,895	129,367	255,768	284,913	240,733	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Catahoula Parish	-	2,789	11,866	9,480	4,642	-	5,171	21,346	12,047	4,638	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Claiborne Parish	-	-	-	3,617	7,722	-	-	-	4,596	7,715	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Concordia Parish	-	424	-	24,356	68,398	-	-	30,950	68,333	-	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
DeSoto Parish	1	424	3,439	6,700	3,331	2	787	6,186	8,514	3,327	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
East Baton Rouge Parish	22,022	44,981	900,403	2,435,951	2,841,628	40,981	83,398	1,619,781	3,095,469	2,838,929	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
East Carroll Parish	-	-	-	-	-	-	-	-	-	-	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
East Feliciana Parish	-	3,288	14,935	48,106	34,212	-	6,096	26,868	61,130	34,180	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Evangeliste Parish	1,870	1,892	50,304	76,845	124,246	3,479	3,509	90,495	97,650	124,128	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Franklin Parish	-	50	778	566	489	-	92	1,399	719	488	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Grant Parish	-	-	-	-	-	-	-	-	-	-	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Iberia Parish	142,369	143,968	1,003,125	2,663,680	3,186,635	264,940	266,936	1,804,574	3,384,855	3,183,607	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Iberville Parish	12,290	20,904	25,898	129,670	239,334	22,870	38,758	46,590	164,778	239,107	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Jefferson Parish	807,072	1,124,593	10,859,639	27,454,708	30,216,783	1,501,915	2,085,066	19,535,960	34,887,899	30,188,077	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Jefferson Davis Parish	8,390	203,869	459,935	654,869	769,959	15,613	37,986	827,400	832,171	769,227	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Lafayette Parish	57,923	114,599	975,790	3,001,478	3,483,567	107,791	212,474	1,755,398	3,814,110	3,480,257	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
LaFourche Parish	188,553	206,596	1,442,962	3,503,345	3,857,514	350,886	383,042	2,595,818	4,451,853	3,853,849	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
LaSalle Parish	2,412	3,066	3,971	1,993	3,290	4,488	5,684	7,143	3,286	-	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Lincoln Parish	-	-	-	70	2,498	-	-	-	89	2,495	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Livingston Parish	1,510	11,413	114,010	351,218	573,986	2,811	21,160	205,099	446,308	573,441	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Madison Parish	7,064	5,424	20,727	40,066	41,232	13,146	10,056	37,287	50,914	41,193	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Morehouse Parish	-	-	-	23	4,601	-	-	-	29	4,597	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Natchitoches Parish	-	-	442	1,482	3,621	-	-	796	1,883	3,618	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Orleans Parish	607,258	775,971	10,387,632	28,199,612	31,000,283	1,130,073	1,438,699	18,686,842	35,834,481	30,970,833	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Ouachita Parish	-	-	4,329	33,834	99,527	-	-	7,787	42,994	99,433	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Plaquemines Parish	99,662	116,884	660,109	1,681,285	2,346,450	185,465	216,711	1,187,504	2,136,483	2,344,220	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Pointe Coupee Parish	2,696	3,021	16,465	34,993	72,170	5,017	5,601	29,620	44,467	72,102	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Rapides Parish	15,527	16,958	15,953	84,649	192,957	28,895	31,441	28,699	107,567	192,774	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Red River Parish	-	-	1,963	4,436	3,948	-	-	3,532	5,637	3,945	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Richland Parish	-	-	3,254	6,671	3,677	-	-	5,854	8,477	3,673	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Sabine Parish	-	-	324	558	3,377	-	-	583	709	3,374	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Saint Bernard Parish	108,827	117,798	758,261	2,058,146	2,382,905	202,520	218,405	1,364,074	2,615,377	2,380,641	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Saint Charles Parish	21,381	20,993	1,019,128	2,495,929	2,545,278	39,789	38,923	1,833,362	3,171,686	2,542,860	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Saint Helena Parish	16	-	9,006	17,603	20,890	29	-	16,201	22,369	20,870	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Saint John Parish	24,803	24,933	376,561	336,848	471,677	46,156	46,228	677,415	428,048	471,229	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Saint James Parish	13,294	51,637	694,645	1,134,836	1,476,632	24,740	95,738	1,249,632	1,442,086	1,475,229	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Saint Landry Parish	-	8,670	217,647	674,701	637,789	-	16,075	391,536	857,373	637,183	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Saint Martin Parish	9,939	22,325	144,658	321,153	430,953	18,496	41,392	260,233	408,103	430,543	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Saint Mary Parish	348,391	374,211	1,631,587	3,570,716	4,451,238	648,336	693,810	2,935,145	4,537,465	4,447,009	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Saint Tammany Parish	97,129	107,833	2,190,476	6,055,777	6,485,019	180,752	199,928	3,940,558	7,695,341	6,478,859	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Tangipahoa Parish	17,819	27,799	508,503	1,443,214	1,582,182	33,160	51,541	914,772	1,833,955	1,580,679	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Tensas Parish	735	566	3,245	9,528	-	1,368	1,050	5,838	12,108	1,775	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Terrebonne Parish	344,550	415,433	4,859,133	10,666,618	11,632,429	641,188	770,239	8,741,342	13,554,538	11,621,378	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Union Parish	-	-	491	-	21,697	-	-	883	-	21,676	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Vermilion Parish	122,606	130,310	409,313	1,064,592	1,469,910	228,164	241,603	736,234	1,352,834	1,468,513	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Vernon Parish	-	-	1,616	62,188	57,934	-	-	2,907	79,025	57,879	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Washington Parish	5,371	5,298	40,663	108,296	106,343	9,996	9,823	72,072	137,616	106,242	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Webster Parish	-	1,642	3,437	11,751	21,917	-	3,044	6,182	14,932	21,897	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
West Baton Rouge Parish	-	-	121,921	203,761	220,336	-	-	219,330	258,927	220,127	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
West Carroll Parish	-	-	-	-	-	-	-	-	-	-	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
West Feliciana Parish	-	304	3,136	6,832	10,159	-	564	5,642	8,682	10,149	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
Winn Parish	-	-	-	-	-	-	-	-	-	-	-9.14%	0.87%	-0.23%	6.48%	71.05%	2.96%	8.90%	-9.09%
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(1)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Parish	Cumulative Rate Change History								Trended Earned Premium at Current Rate Levels				
	2/1/2019	2/1/2020	2/1/2021	2/1/2022	11/1/2022	11/1/2023	11/1/2024	1/1/2025	2020	2021	2022	2023	2024
Acadia Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	39,828	123,570	677,455	831,519	548,345
Allen Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	142,034	183,607	215,586
Ascension Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	37,397	42,894	1,098,203	1,339,461	1,113,663
Assumption Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	8,815	7,413	217,223	278,699	288,809
Avoynes Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	2,531	8,541	34,320	60,006
Beauregard Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	8,014	106,406	102,239	271,993
Bienville Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	-	-	-
Bossier Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	67	23,575	137,899	102,374	91,986
Caddo Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	3,147	326,193	384,063	539,156
Calcasieu Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	323,429	1,289,985	4,542,087	7,611,544	6,594,831
Caldwell Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	-	-	-
Cameron Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	72,237	145,392	268,960	298,018	251,588
Catahoula Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	5,812	22,447	12,601	4,847
Claiborne Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	-	4,807	8,063
Concordia Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	-	32,374	71,414
DeSoto Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	2	884	6,505	8,906	3,477
East Baton Rouge Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	46,331	93,729	1,703,329	3,237,847	2,966,944
East Carroll Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	-	-	-
East Feliciana Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	6,851	28,254	63,942	35,721
Evangeline Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	3,933	3,944	95,163	102,141	129,725
Franklin Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	103	1,471	752	510
Grant Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	-	-	-
Iberia Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	299,528	299,991	1,897,653	3,540,543	3,327,164
Iberville Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	25,856	43,559	48,993	172,357	249,889
Jackson Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	-	-	-
Jefferson Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	1,697,991	2,343,348	20,543,618	36,492,587	31,549,336
Jefferson Davis Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	17,651	424,808	870,077	870,447	803,913
Lafayette Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	121,863	238,794	1,845,941	3,989,542	3,637,191
LaFourche Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	396,694	430,490	2,729,709	4,656,618	4,027,629
LaSalle Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	5,074	6,388	7,511	2,650	3,434
Lincoln Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	-	93	2,608
Livingston Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	3,178	23,781	215,678	466,836	599,299
Madison Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	14,862	11,302	39,210	53,256	43,050
Morehouse Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	-	30	4,804
Natchitoches Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	837	1,970	3,781
Orleans Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	1,277,605	1,616,914	19,650,703	37,482,708	32,367,388
Ouachita Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	8,189	44,972	103,917
Plaquemines Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	209,678	243,555	1,248,755	2,234,752	2,449,927
Pointe Coupee Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	5,672	6,295	31,148	46,512	75,353
Rapides Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	32,667	35,336	30,179	112,515	201,467
Red River Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	3,714	5,896	4,123
Richland Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	6,156	8,867	3,839
Sabine Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	613	742	3,526
Saint Bernard Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	228,959	245,459	1,434,432	2,735,673	2,487,990
Saint Charles Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	44,983	43,744	1,927,926	3,317,569	2,657,524
Saint Helena Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	33	-	17,037	23,398	21,811
Saint James Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	52,182	51,954	712,356	447,736	492,478
Saint John Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	27,970	107,597	1,314,088	1,508,416	1,541,751
Saint Landry Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	18,066	411,731	896,808	665,915
Saint Martin Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	20,911	46,519	273,656	426,874	449,957
Saint Mary Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	732,977	779,754	3,086,539	4,746,168	4,647,536
Saint Tammany Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	204,349	224,694	4,143,811	8,049,292	6,771,008
Tangipahoa Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	37,489	57,926	961,956	1,918,309	1,651,956
Tensas Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	1,547	1,180	6,139	12,665	1,855
Terrebonne Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	724,896	865,650	9,192,218	14,177,986	12,145,416
Union Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	929	-	22,653
Vermilion Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	257,951	271,531	774,314	1,415,048	1,534,732
Vernon Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	3,057	82,560	60,489
Washington Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	11,301	11,040	75,789	143,946	111,033
Webster Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	3,421	6,501	15,619	22,884
West Baton Rouge Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	230,643	270,836	230,053
West Carroll Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	-	-	-
West Feliciana Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	634	5,933	9,081	10,607
Winn Parish	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	-	-	-
NULL	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	-	-	-
Unknown	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	-	-	-	-	-
Total	1.698	1.868	1.852	1.857	1.744	1.019	0.990	0.909	6,985,906	10,211,574	83,139,909	145,011,191	128,185,950

(33) Trend Factors 1.131 1.124 1.052 1.046 1.045

Coastal Plan Earned Premium

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
	Actual Earned Premium					Earned Premium at Current Rate Levels					Rate Change History							
	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	2/1/2019	2/1/2020	2/1/2021	2/1/2022	11/1/2022	11/1/2023	11/1/2024	
Acadia Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Allen Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Ascension Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Assumption Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Avoyelles Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Beauregard Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Bienville Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Bossier Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Caddo Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Calcasieu Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Caldwell Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Cameron Parish	29,199	50,358	138,809	295,281	319,630	55,862	91,842	220,936	320,720	284,880	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Catahoula Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Claiborne Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Concordia Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
DeSoto Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
East Baton Rouge Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
East Carroll Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
East Feliciana Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Evangeline Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Franklin Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Grant Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Iberia Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Iberville Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Jackson Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Jefferson Parish	151,897	203,228	394,710	554,831	928,886	290,601	370,644	628,240	602,630	827,897	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Jefferson Davis Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Lafayette Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
LaFourche Parish	277,511	350,559	1,714,381	2,962,732	2,936,055	530,918	639,343	2,728,693	3,217,974	2,616,845	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
LaSalle Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Lincoln Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Livingston Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Madison Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Morehouse Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Natchitoches Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Orleans Parish	3,746	4,406	53,552	64,072	65,970	7,167	8,035	85,235	69,592	58,798	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Ouachita Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Plaquemines Parish	205,035	286,988	419,113	743,882	862,293	392,261	523,403	667,081	807,968	768,544	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Pointe Coupee Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Rapides Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Red River Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Richland Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Sabine Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Saint Bernard Parish	5,851	1,555	41,334	93,325	71,868	11,194	2,835	65,790	101,365	64,055	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Saint Charles Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Saint Helena Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Saint James Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Saint John Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Saint Landry Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Saint Martin Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Saint Mary Parish	2,780	2,965	21,698	41,730	31,038	5,319	5,407	34,535	45,325	27,663	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Saint Tammany Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Tangipahoa Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Tensas Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Terrebonne Parish	50,899	67,150	510,940	1,207,507	1,359,433	97,378	122,467	813,238	1,311,534	1,211,635	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Union Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Vermilion Parish	-	-	4,776	12,190	13,349	-	-	7,601	13,240	11,898	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Vernon Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Washington Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Webster Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
West Baton Rouge Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
West Carroll Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
West Feliciana Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Winn Parish	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
NULL	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Unknown	-	-	-	-	-	-	-	-	-	-	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	
Total	726,919	967,209	3,299,313	5,975,549	6,588,524	1,390,700	1,763,976	5,251,349	6,490,348	5,872,215	-3.42%	-2.98%	17.70%	8.46%	79.30%	-6.83%	0.43%	

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

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

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

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

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

(37) See Exhibit 13

(1)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	
	1/1/2025	2/1/2019	2/1/2020	2/1/2021	2/1/2022	11/1/2022	11/1/2023	11/1/2024	1/1/2025	2020	2021	2022	2023	2024	
		Cumulative Rate Change History								Trended Earned Premium at Current Rate Levels					
Acadia Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Allen Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Ascension Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Assumption Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Avoyelles Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Beauregard Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Bienville Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Bossier Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Caddo Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Calcasieu Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Caldwell Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Cameron Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	63,155	103,219	232,332	335,472	297,726	
Catahoula Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Claiborne Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Concordia Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
DeSoto Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
East Baton Rouge Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
East Carroll Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
East Feliciana Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Evangeline Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Franklin Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Grant Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Iberia Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Iberville Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Jackson Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Jefferson Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	328,539	416,557	660,644	630,348	865,229	
Jefferson Davis Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
LaFayette Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
LaFourche Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	600,230	718,540	2,869,438	3,365,986	2,734,845	
LaSalle Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Lincoln Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Livingston Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Madison Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Morehouse Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Natchitoches Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Orleans Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	8,103	9,030	89,631	72,793	61,449	
Ouachita Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Plaquemines Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	443,471	588,238	701,489	845,131	803,200	
Pointe Coupee Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Rapides Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Red River Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Richland Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Sabine Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Saint Bernard Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	12,655	3,186	69,183	106,027	66,943	
Saint Charles Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Saint Helena Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Saint James Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Saint John Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Saint Landry Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Saint Martin Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Saint Mary Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	6,013	6,077	36,316	47,410	28,910	
Saint Tammany Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Tangipahoa Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Tensas Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Terrebonne Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	110,091	137,637	855,185	1,371,859	1,266,271	
Union Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Vermillion Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	7,993	13,849	12,435	
Vernon Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Washington Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Webster Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
West Baton Rouge Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
West Carroll Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
West Feliciana Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Winn Parish	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
NULL	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Unknown	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	-	-	-	-	-	
Total	-9.09%	1.824	1.889	1.947	1.654	1.525	0.851	0.913	0.909	1,572,257	1,982,484	5,522,211	6,788,875	6,137,008	
		(33)	Trend Factors								1.131	1.124	1.052	1.046	1.045

FAIR Plan Incurred Losses and ALAE

(1)	(2) Incurred Losses and ALAE					(7) Trended Ultimate Losses and ALAE					(12) 2020-2024 Claim Count
	(3)		(4)	(5)	(6)	(8)		(9)	(10)	(11)	
	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	
Acadia Parish	-	-	-	-	-	-	-	-	-	-	-
Allen Parish	-	-	-	7,169	-	-	-	-	8,044	-	1
Ascension Parish	-	29,108	52,420	-	-	-	35,455	61,030	-	-	4
Assumption Parish	-	-	1	-	-	-	-	1	-	-	1
Avoyelles Parish	-	-	-	-	-	-	-	-	-	-	-
Beauregard Parish	-	-	-	-	-	-	-	-	-	-	-
Bienville Parish	-	-	-	-	-	-	-	-	-	-	-
Bossier Parish	-	-	-	-	-	-	-	-	-	-	-
Caddo Parish	-	-	1	55,375	-	-	-	1	62,131	-	2
Calcasieu Parish	15,476	-	29,353	-	-	19,760	-	34,174	-	-	3
Caldwell Parish	-	-	-	-	-	-	-	-	-	-	-
Cameron Parish	-	-	-	-	-	-	-	-	-	-	-
Catahoula Parish	-	-	-	-	-	-	-	-	-	-	-
Claiborne Parish	-	-	-	-	-	-	-	-	-	-	-
Concordia Parish	-	-	-	-	-	-	-	-	-	-	-
DeSoto Parish	-	-	-	-	-	-	-	-	-	-	-
East Baton Rouge Parish	-	241	48,714	9,701	20,045	-	293	56,714	10,884	23,442	8
East Carroll Parish	-	-	-	-	-	-	-	-	-	-	-
East Feliciana Parish	-	-	-	1	-	-	-	-	1	-	2
Evangeline Parish	-	-	1	-	-	-	-	1	-	-	1
Franklin Parish	-	-	-	-	-	-	-	-	-	-	-
Grant Parish	-	-	-	-	-	-	-	-	-	-	-
Iberia Parish	-	-	7,916	89,659	3,504	-	-	9,216	100,598	4,098	11
Iberville Parish	9,667	269	-	-	-	12,343	327	-	-	-	3
Jackson Parish	-	-	-	-	-	-	-	-	-	-	-
Jefferson Parish	2,135	451	253,157	142,656	98,373	2,726	549	294,736	160,060	115,047	38
Jefferson Davis Parish	-	-	-	1	56,867	-	-	-	1	66,506	2
Lafayette Parish	-	1	1	120,521	-	-	1	1	135,225	-	4
Lafourche Parish	5,595	-	-	518	251	7,144	-	-	581	293	6
LaSalle Parish	-	-	-	-	-	-	-	-	-	-	-
Lincoln Parish	-	-	-	-	-	-	-	-	-	-	-
Livingston Parish	-	-	-	-	-	-	-	-	-	-	-
Madison Parish	-	-	-	-	267	-	-	-	-	313	1
Morehouse Parish	-	-	-	-	-	-	-	-	-	-	-
Natchitoches Parish	-	-	-	-	-	-	-	-	-	-	-
Orleans Parish	1,657	2,367	613,817	205,776	1,231,878	2,116	2,883	714,630	230,881	1,440,680	72
Ouachita Parish	-	-	-	-	-	-	-	-	-	-	-
Plaquemines Parish	-	-	-	-	-	-	-	-	-	-	-
Pointe Coupee Parish	-	-	-	-	-	-	-	-	-	-	-
Rapides Parish	-	-	-	-	-	-	-	-	-	-	-
Red River Parish	-	-	-	-	-	-	-	-	-	-	-
Richland Parish	-	-	-	-	-	-	-	-	-	-	-
Sabine Parish	-	-	-	-	-	-	-	-	-	-	-
Saint Bernard Parish	-	-	-	-	-	-	-	-	-	-	-
Saint Charles Parish	-	-	-	14,014	31,606	-	-	-	15,724	36,964	4
Saint Helena Parish	-	-	-	-	-	-	-	-	-	-	-
Saint James Parish	-	-	-	-	-	-	-	-	-	-	-
Saint John Parish	-	-	631,157	-	298,333	-	-	734,818	-	348,900	5
Saint Landry Parish	-	-	334	-	-	-	-	389	-	-	1
Saint Martin Parish	-	-	-	-	-	-	-	-	-	-	-
Saint Mary Parish	10,595	13,029	18,664	437,250	17,970	13,528	15,871	21,730	490,594	21,016	24
Saint Tammany Parish	-	2,441	301	16,326	174,289	-	2,973	350	18,318	203,830	19
Tangipahoa Parish	-	292	-	3,431	16,823	-	355	-	3,849	19,675	5
Tensas Parish	-	-	-	-	-	-	-	-	-	-	-
Terrebonne Parish	-	-	107,776	10,242	660,437	-	-	125,477	11,491	772,381	11
Union Parish	-	-	-	-	-	-	-	-	-	-	-
Vermilion Parish	-	-	580	50,813	25,991	-	-	676	57,012	30,396	7
Vernon Parish	-	-	-	-	-	-	-	-	-	-	-
Washington Parish	-	18,286	28	1	-	-	22,274	33	1	-	3
Webster Parish	-	-	-	-	-	-	-	-	-	-	-
West Baton Rouge Parish	-	-	-	-	-	-	-	-	-	-	-
West Carroll Parish	-	-	-	-	-	-	-	-	-	-	-
West Feliciana Parish	-	-	-	-	-	-	-	-	-	-	-
Winn Parish	-	-	-	-	-	-	-	-	-	-	-
Null	-	-	-	-	-	-	-	-	-	-	-
Total	45,125	66,483	1,764,220	1,163,454	2,636,634	57,617	80,981	2,053,977	1,305,395	3,083,541	238
			(13)	Loss Development Factors		1.0030	1.0050	1.0080	1.0200	1.1170	
			(14)	Trend Factors		1.2730	1.2120	1.1550	1.1000	1.0470	

(2) - (6) Source: LCPIIC Data

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

(12) Source: LCPIIC 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					2020-2024 Claim Count
	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	
Cameron Parish	-	-	-	76	-	-	-	-	85	-	1
Iberia Parish	-	-	-	-	-	-	-	-	-	-	-
Jefferson Parish	254	-	-	-	-	325	-	-	-	-	1
Lafourche Parish	29,301	-	1	-	-	37,411	-	1	-	-	2
Orleans Parish	-	-	-	-	-	-	-	-	-	-	-
Plaquemines Parish	-	802	-	-	30,109	-	977	-	-	35,213	2
Saint Bernard Parish	-	-	-	-	-	-	-	-	-	-	-
Saint Mary Parish	-	-	-	-	-	-	-	-	-	-	-
Terbonne Parish	-	-	-	-	-	-	-	-	-	-	-
Vermilion Parish	-	-	-	-	-	-	-	-	-	-	-
Totals	29,555	802	1	76	30,109	37,736	977	1	85	35,213	6
		(13)	Loss Development Factors			1.0030	1.0050	1.0080	1.0200	1.1170	
		(14)	Trend Factors			1.2730	1.2120	1.1550	1.1000	1.0470	

(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>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Acadia Parish	1.8609	1.8541	1.7990	1.2707	0.9990
Allen Parish	1.0000	1.0000	1.7989	1.2707	0.9991
Ascension Parish	1.8609	1.8541	1.7990	1.2707	0.9991
Assumption Parish	1.8610	1.8540	1.7989	1.2707	0.9990
Avoyelles Parish	1.0000	1.8541	1.7990	1.2707	0.9991
Beauregard Parish	1.0000	1.8540	1.7989	1.2707	0.9990
Bienville Parish	1.0000	1.0000	1.0000	1.0000	1.0000
Bossier Parish	1.8507	1.8541	1.7989	1.2707	0.9991
Caddo Parish	1.0000	1.8544	1.7989	1.2707	0.9991
Calcasieu Parish	1.8609	1.8541	1.7990	1.2707	0.9990
Caldwell Parish	1.0000	1.0000	1.0000	1.0000	1.0000
Cameron Parish	1.8609	1.8541	1.7990	1.2707	0.9991
Catahoula Parish	1.0000	1.8541	1.7989	1.2708	0.9991
Claiborne Parish	1.0000	1.0000	1.0000	1.2708	0.9991
Concordia Parish	1.0000	1.0000	1.0000	1.2707	0.9990
DeSoto Parish	1.7241	1.8550	1.7990	1.2707	0.9989
East Baton Rouge Parish	1.8609	1.8541	1.7990	1.2707	0.9991
East Carroll Parish	1.0000	1.0000	1.0000	1.0000	1.0000
East Feliciana Parish	1.0000	1.8540	1.7990	1.2707	0.9991
Evangeline Parish	1.8608	1.8543	1.7989	1.2707	0.9991
Franklin Parish	1.0000	1.8452	1.7993	1.2700	0.9983
Grant Parish	1.0000	1.0000	1.0000	1.0000	1.0000
Iberia Parish	1.8609	1.8541	1.7990	1.2707	0.9990
Iberville Parish	1.8609	1.8541	1.7990	1.2707	0.9991
Jackson Parish	1.0000	1.0000	1.0000	1.0000	1.0000
Jefferson Parish	1.8609	1.8541	1.7990	1.2707	0.9991
Jefferson Davis Parish	1.8609	1.8541	1.7990	1.2707	0.9990
Lafayette Parish	1.8609	1.8541	1.7990	1.2707	0.9990
Lafourche Parish	1.8609	1.8541	1.7990	1.2707	0.9990
LaSalle Parish	1.8609	1.8542	1.7990	1.2709	0.9989
Lincoln Parish	1.0000	1.0000	1.0000	1.2683	0.9989
Livingston Parish	1.8612	1.8541	1.7990	1.2707	0.9991
Madison Parish	1.8609	1.8541	1.7989	1.2708	0.9991
Morehouse Parish	1.0000	1.0000	1.0000	1.2680	0.9991
Natchitoches Parish	1.0000	1.0000	1.7994	1.2705	0.9991
Orleans Parish	1.8609	1.8541	1.7990	1.2707	0.9991
Ouachita Parish	1.0000	1.0000	1.7988	1.2707	0.9991
Plaquemines Parish	1.8609	1.8541	1.7990	1.2707	0.9990
Pointe Coupee Parish	1.8610	1.8539	1.7989	1.2707	0.9991
Rapides Parish	1.8609	1.8541	1.7990	1.2707	0.9991

FAIR Plan Premium On-Level Factors

<u>Parish</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Red River Parish	1.0000	1.0000	1.7991	1.2707	0.9992
Richland Parish	1.0000	1.0000	1.7989	1.2707	0.9990
Sabine Parish	1.0000	1.0000	1.8005	1.2702	0.9990
Saint Bernard Parish	1.8609	1.8541	1.7990	1.2707	0.9990
Saint Charles Parish	1.8610	1.8541	1.7990	1.2707	0.9991
Saint Helena Parish	1.8566	1.0000	1.7989	1.2707	0.9991
Saint James Parish	1.8609	1.8541	1.7990	1.2707	0.9991
Saint John Parish	1.8609	1.8541	1.7990	1.2707	0.9991
Saint Landry Parish	1.0000	1.8541	1.7990	1.2707	0.9991
Saint Martin Parish	1.8610	1.8541	1.7990	1.2707	0.9990
Saint Mary Parish	1.8609	1.8541	1.7990	1.2707	0.9990
Saint Tammany Parish	1.8609	1.8541	1.7990	1.2707	0.9991
Tangipahoa Parish	1.8609	1.8541	1.7990	1.2707	0.9990
Tensas Parish	1.8615	1.8544	1.7989	1.2708	0.9988
Terrebonne Parish	1.8609	1.8541	1.7990	1.2707	0.9990
Union Parish	1.0000	1.0000	1.7984	1.0000	0.9990
Vermilion Parish	1.8609	1.8541	1.7990	1.2707	0.9990
Vernon Parish	1.0000	1.0000	1.7987	1.2707	0.9991
Washington Parish	1.8610	1.8541	1.7990	1.2707	0.9990
Webster Parish	1.0000	1.8538	1.7988	1.2707	0.9991
West Baton Rouge Parish	1.0000	1.0000	1.7990	1.2707	0.9991
West Carroll Parish	1.0000	1.0000	1.0000	1.0000	1.0000
West Feliciana Parish	1.0000	1.8534	1.7990	1.2707	0.9991
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	1.8609	1.8541	1.7990	1.2707	0.9991

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

Coastal Plan Premium On-Level Factors

<u>Coastal Parishes</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Cameron Parish	1.9131	1.8238	1.5917	1.0862	0.8913
Iberia Parish	1.0000	1.0000	1.0000	1.0000	1.0000
Jefferson Parish	1.9131	1.8238	1.5916	1.0862	0.8913
Lafourche Parish	1.9131	1.8238	1.5916	1.0862	0.8913
Orleans Parish	1.9131	1.8237	1.5916	1.0862	0.8913
Plaquemines Parish	1.9131	1.8238	1.5916	1.0862	0.8913
Saint Bernard Parish	1.9131	1.8237	1.5917	1.0862	0.8913
Saint Mary Parish	1.9132	1.8236	1.5916	1.0862	0.8913
Terrebonne Parish	1.9131	1.8238	1.5916	1.0862	0.8913
Vermilion Parish	1.0000	1.0000	1.5916	1.0861	0.8913
Total	1.9131	1.8238	1.5916	1.0862	0.8913

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, 2024

Gross Reported Loss Development Factors

Loss & DCCE	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	10,563,032	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	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	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	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	22,133,044	22,167,875	22,145,135
2009	17,303,707	18,094,891	18,081,992	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	18,083,230	18,083,144	
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	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	16,622,457	16,622,457	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	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	13,637,960	13,637,677	13,637,677					
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	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	12,494,426	12,494,426	12,494,426	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	11,825,099	11,825,099									
2017	12,309,189	13,511,221	13,618,847	13,863,221	13,921,614	14,196,944	14,042,201	13,992,758										
2018	5,912,537	6,485,946	6,634,014	6,612,615	6,531,617	6,510,438	6,536,653											
2019	8,389,355	8,968,122	8,957,034	8,934,831	8,911,071	8,916,319												
2020	7,490,545	7,725,648	7,848,487	7,680,762	7,660,279													
2021	6,286,582	7,051,450	6,987,175	6,887,446														
2022	12,990,088	14,988,581	15,042,668															
2023	25,162,423	26,725,741																
2024	36,046,731																	

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	0.995	0.995	1.004	1.000	1.002	0.999	
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	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	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	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	1.000	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	1.000	1.000	1.000	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	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2015	1.054	1.022	1.004	1.001	1.001	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2016	1.060	1.020	1.019	0.996	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2017	1.098	1.008	1.018	1.004	1.020	0.989	0.996	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2018	1.097	1.023	0.997	0.988	0.997	1.004											
2019	1.069	0.999	0.998	0.997	1.001												
2020	1.031	1.016	0.979	0.997													
2021	1.122	0.991	0.986														
2022	1.154	1.004															
2023	1.062																

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	0.964	1.022	1.003	1.005	1.003	1.001	1.003	1.000	1.000	1.000	0.999	0.994	1.001	1.000	1.000	1.000	
Wtd - Ex 2005	1.097	1.015	1.005	1.000	1.003	0.999	1.000	1.002	1.000	1.000	0.999	0.999	1.001	1.000	1.000	1.000	
Wtd - Last 3 Years	1.097	1.004	0.988	0.995	1.009	0.996	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	
All Years	1.069	1.016	1.002	1.001	1.003	1.000	1.001	1.001	1.000	1.000	0.999	0.997	1.001	1.000	1.000	1.000	
Last 3 Years	1.113	1.003	0.987	0.994	1.006	0.998	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	
All Years x Hi/Lo	1.080	1.014	1.003	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.000	0.999	1.000	1.000	1.000	1.000	
All Years x 2005	1.100	1.013	1.003	0.999	1.003	0.999	0.999	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	1.100	1.015	1.006	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	1.095	1.012	1.003	1.002	1.002	1.001	1.000	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	1.131	1.028	1.013	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	1.117	1.020	1.008	1.005	1.003	1.001	1.000	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)
2012	100.0	59	98	99	
2013	101.8	63	97	98	1.8%
2014	108.0	66	95	97	6.1%
2015	95.6	69	94	96	-11.5%
2016	84.6	74	93	94	-11.5%
2017	86.6	77	92	92	2.4%
2018	85.1	81	90	91	-1.7%
2019	85.4	86	89	89	0.4%
2020	82.7	91	88	87	-3.2%
2021	102.8	97	87	86	24.3%
	Annual Trend Rate:	6.6%	-1.1%	-1.1%	0.8%

(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)

(5) = Annual Rate of Change in (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	0	11	134	
2010	372	0	14	134	242.2%
2011	290	0	17	134	-22.1%
2012	148	0	21	134	-48.8%
2013	122	1	26	134	-18.1%
2014	73	2	32	136	-39.9%
2015	106	3	40	136	44.7%
2016	101	5	50	136	-4.5%
2017	79	8	62	136	-21.4%
2018	140	15	76	136	76.5%
2019	77	27	94	136	-44.9%
2020	60	47	117	136	-22.3%
2021	63	84	144	136	4.7%
2022	290	148	178	136	361.9%
2023	161	262	219	136	-44.3%
2024	514	464	270	137	218.7%
Annual Trend Rate:		77.1%	23.3%	0.7%	45.5%

(1) Rolling 12-month paid pure premium figures for LCPIC Commercial policies
(2) - (4) = Linear Regression fits on 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



Six Year Trend from May 2019 to May 2025: 48%
 Three Year Trend from May 2022 to May 2025: 10%

Implied Average Annual Trend from May 2019 to May 2025: 6.7%
 Implied Average Annual Trend from May 2022 to May 2025: 3.2%

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	6.6%	-1.1%	-1.1%
(2) LCPIC	77.1%	23.3%	0.7%

(3a) Industry labor & materials six year implied annual trend : 6.7%
 (3b) Industry labor & materials three year implied annual trend : 3.2%

	Prior Selected	Selected Loss Trend
(4) Up-To-Date Selection:	5.0%	5.0%
(5) Projected Period Selection:	3.0%	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)
7/1/2020	7/1/2024	11/1/2026	4.00	2.33	1.273
7/1/2021	7/1/2024	11/1/2026	3.00	2.33	1.212
7/1/2022	7/1/2024	11/1/2026	2.00	2.33	1.155
7/1/2023	7/1/2024	11/1/2026	1.00	2.33	1.100
7/1/2024	7/1/2024	11/1/2026	0.00	2.33	1.047

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 7/1/24</u>	<u>Selected 2% Annual Coverage Increase from 7/1/24 to 11/1/26</u>	<u>Total Estimated Coverage Increase to 11/1/26</u>	<u>Premium Trend Factor</u>
(1)	(2)	(3)	(4)	(5)	(6)
7/1/2020	0.65%	9.3%	4.7%	14.5%	1.131
7/1/2021	7.60%	8.6%	4.7%	13.8%	1.124
7/1/2022	0.59%	1.0%	4.7%	5.7%	1.052
7/1/2023	0.10%	0.4%	4.7%	5.1%	1.046
7/1/2024	0.27%	0.3%	4.7%	5.0%	1.045

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 11/1/25 rate change with 11/1/26 average accident date)

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

(6) = 1 + .90 x Column (5). (Rerating current inforce policies shows that 1% more coverage results in .90% more premium.)

Louisiana Citizens Property Insurance Corporation
Credibility by Plan

(1) Plan	(2) Earned House Years 2020-2024	(3) Credibility
FAIR Plan	23,050	0.7591
Coastal Plan	1,194	0.1728

(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	1.6%	0.9900	0.993	1.6%
Coastal Plan	1.1%	0.9130	0.993	1.2%

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

(2) 11/1/2024 and 1/1/2025 approved rate changes

(3) = $(1 + \text{Loss Trend}) / (1 + \text{Prem. Trend}) = 1.020 / 1.027 = 0.993$

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

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION

EXPENSE LOADING

Expense Component (as % of Premium)	FAIR			
	2024 Rate Indications		2025 Rate Indications	
	Allied Lines		Allied Lines	
	Variable	Fixed	Variable	Fixed
Commissions	9.90%	0.00%	9.60%	0.00%
General & Other Acq	2.00%	2.00%	1.50%	1.50%
Taxes, L, & F	1.00%	0.00%	1.40%	0.00%
ULAE (in-house)	0.00%	2.00%	0.00%	2.00%
TOTAL	12.90%	4.00%	12.50%	3.50%
ULAE (as % of Loss & ALAE)	0.00%		0.00%	

Expense Component (as % of Premium)	Coastal			
	2024 Rate Indications		2025 Rate Indications	
	Allied Lines		Allied Lines	
	Variable	Fixed	Variable	Fixed
Commissions	9.90%	0.00%	9.60%	0.00%
General & Other Acq	2.00%	2.00%	1.50%	1.50%
Taxes, L, & F	1.00%	0.00%	1.40%	0.00%
ULAE (in-house)	0.00%	2.00%	0.00%	2.00%
TOTAL	12.90%	4.00%	12.50%	3.50%
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 2025 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) Adjusted Average Annual Loss (AAL)	\$ 24,755,031
(2) Location Premium	\$ 101,037,398
(3) AAL to Location Premium	24.50%
(4) Allocated Loss Adjustment Expense (ALAE) Factor	1.0750
(5) CAT Loss & ALAE as % of Premium	26.34%
(6) Loss & Prem Trend Factor	1.0031
(7) On Level Factor	0.9843
(8) Expected CAT Loss & ALAE Ratio	26.84%
	COASTAL PLAN
(1) Adjusted Average Annual Loss (AAL)	\$ 1,162,714
(2) Location Premium	\$ 5,416,460
(3) AAL to Location Premium	21.47%
(4) Allocated Loss Adjustment Expense (ALAE) Factor	1.0750
(5) CAT Loss & ALAE as % of Premium	23.08%
(6) Loss & Prem Trend Factor	1.0031
(7) On Level Factor	0.9387
(8) Expected CAT Loss & ALAE Ratio	24.66%

Notes:

- (1) From Exhibit 22
- (2) Premium on 3/31/25 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 (3/31/25) and average accident date of exposure
period (11/1/26). 2% growth in TIV assumed with resulting 1.8% growth in premium.
See Exhibit 13 for assumptions on TIV and premium growth.
- (7) Based on rate changes effective 11/1/2024 and 1/1/2025 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	\$ 60,870,000
(2) Hurr Average Annual Loss (AAL) - FAIR Plan	\$ 22,445,672
(3) AAL - all products	\$ 23,581,639
(4) Allocated Net Cost of Reinsurance	\$ 57,937,790
(4B) Allocated Retained Risk Load	\$ 3,929,867
(5) Location Premium	\$ 101,037,398
(6) On-Level Factor	0.9843
(7) On-Level Premium	\$ 99,452,223
(8) Net Cost of Reinsurance Load	62.21%

	COASTAL PLAN
(1) Net Cost of Reinsurance	\$ 60,870,000
(2) Hurr Average Annual Loss (AAL) - Coastal Plan	\$ 1,135,967
(3) AAL - all products	\$ 23,581,639
(4) Allocated Net Cost of Reinsurance	\$ 2,932,210
(4B) Allocated Retained Risk Load	\$ 206,835
(5) Location Premium	\$ 5,416,460
(6) On-Level Factor	0.9387
(7) On-Level Premium	\$ 5,084,299
(8) Net Cost of Reinsurance Load	61.74%

Notes:

- (1) = Exhibit 19, Column (11)
- (2) Modeled Hurricane loss using a blend of RMS Risklink v23 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 3/31/25 policies provided to reinsurance broker for modeling purposes
- (6) Based on rate changes effective 11/1/2024 and 1/1/2025 and actual policies in modeling data.
- (7) = (5) * (6)
- (8) = (4) / (7)

Louisiana Citizens Property Insurance Corporation Net Reinsurance Costs

Layer	Limit	Retention	Placed	Total Cost Including	Commercial	Personal	Allocated Commercial	Expected	Commercial Net	
				RPP / Reinstatement	Modeled Hurr Recoveries	Modeled Hurr Recoveries	Total Cost Including RPP / Reinstatement	Revenue Sharing	Reinsurance Costs	
				(1)	(2)	(3)	(4)	(5)	(6)	
Layer 1	100,000,000	xs	200,000,000	80.0%	32,415,731	1,585,927	4,354,754	8,653,720	769,446	6,298,347
Layer 2	190,000,000	xs	300,000,000	90.2%	63,276,917	2,431,989	6,560,142	17,113,717	1,521,666	13,160,061
Layer 3	310,000,000	xs	490,000,000	51.6%	32,559,750	1,472,581	3,871,806	8,971,442	797,696	6,701,166
Bayou 24 B	310,000,000	xs	490,000,000	24.2%	13,974,917	675,104	1,773,625	3,852,823	342,574	2,835,145
Bayou 23 B	310,000,000	xs	490,000,000	24.2%	14,993,280	675,102	1,773,621	4,133,581	367,537	3,090,942
Layer 4	250,000,000	xs	800,000,000	52.0%	16,257,640	825,152	2,141,530	4,521,893	402,064	3,294,677
Bayou 23 A	250,000,000	xs	800,000,000	48.0%	15,893,609	750,110	1,944,431	4,424,485	393,403	3,280,972
Bayou 25	280,000,000	xs	1,050,000,000	100.0%	21,327,840	1,304,536	3,370,032	5,951,980	529,220	4,118,224
Layer 6	445,000,000	xs	1,330,000,000	55.1%	21,674,160	663,279	1,710,138	6,057,098	538,567	4,855,252
Bayou 24 A	445,000,000	xs	1,330,000,000	44.9%	17,816,000	820,218	2,117,619	4,974,070	442,270	3,711,582
Layer 7	175,000,000	xs	1,775,000,000	100.0%	13,680,697	459,232	1,194,333	3,799,438	337,827	3,002,378
Second Event	100,000,000	xs	100M xs 100M AAD	21.7%	10,860,000	64,150	180,139	2,851,839	253,571	2,534,117
Top & Drop	50,000,000	xs	1,950,000,000	28.0%	14,000,000	171,855	461,160	3,800,815	337,950	3,291,010
L1 2nd Event	100,000,000	xs	200M xs 100M AAD	15.0%	3,000,000	15,601	43,970	785,684	69,859	700,224
All Layers Combined					291,730,542	11,914,838	31,497,300	79,892,586	7,103,650	60,874,097
								(7) Selected Net Cost of Reinsurance:		60,870,000

(1) Per LCPIC's current reinsurance contracts effective June 1, 2025 (CAT Bonds premium & fees put on an annual basis)

(2) and (3) Hurricane loss recoveries based on 50/50 blend of RMS RiskLink v23 and Verisk Touchstone v10 models.

(4) = (1) x [(2) / ((2) + (3))]

(5) = (8) x 8.9% (Based on the brokerage revenue sharing agreed to). Does not apply to the Cat Bonds.

(6) = (4) - (2) - (5)

Louisiana Citizens Property Insurance Corporation
2025 Retained Risk Load

<u>Layer</u>	<u>Layer Bottom</u> <u>(millions)</u>	<u>Layer Top</u> <u>(millions)</u>	<u>Limit</u> <u>(millions)</u>	<u>Modeled</u> <u>AAL</u>	<u>Risk Transfer and</u> <u>Reinsurance Premiums</u>	<u>Placement</u>	<u>@ 100%</u>			<u>Reinsurers</u> <u>Expenses</u>	<u>Reinsurers</u> <u>Profit</u>
							<u>Reinsurance Premiums</u>	<u>ROL</u>	<u>LOL</u>		
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1A	0	100	100	20,251,102		0.0%	50,000,000	50.0%	20.3%	23.0%	7.0%
1B	100	200	100	10,120,634		0.0%	44,000,000	44.0%	10.1%	23.0%	7.0%
2	200	300	100	5,940,681	32,415,731	80.0%	40,519,664	40.5%	5.9%	23.0%	7.0%
3	300	490	190	8,992,131	63,276,917	90.2%	70,128,469	36.9%	4.7%	23.0%	7.0%
4	490	800	310	10,241,838	61,527,947	100.0%	61,527,947	19.8%	3.3%	23.0%	7.0%
5	800	1,050	250	5,661,223	32,151,249	100.0%	32,151,249	12.9%	2.3%	23.0%	7.0%
6	1,050	1,330	280	4,674,569	21,327,840	100.0%	21,327,840	7.6%	1.7%	23.0%	7.0%
7	1,330	1,775	445	5,311,254	39,490,160	100.0%	39,490,160	8.9%	1.2%	23.0%	7.0%
8	1,775	1,950	175	1,653,566	13,680,697	100.0%	13,680,697	7.8%	0.9%	23.0%	7.0%
9	1,950	2,200	250			0.0%	12,500,000	5.0%	0.7%	23.0%	7.0%

<u>Layer</u>	<u>Layer Bottom</u> <u>(millions)</u>	<u>Layer Top</u> <u>(millions)</u>	<u>Margin Ratio</u>	<u>Margin</u> <u>On Line</u>	<u>\$</u> <u>Margin</u>	<u>Fixed</u> <u>Cost</u>	<u>Profit</u>	<u>Total</u> <u>\$</u> <u>Risk Load</u>	<u>Indicated</u> <u>Retained</u> <u>\$</u> <u>Risk Load</u>	<u>Selected</u> <u>Retained</u> <u>\$</u> <u>Risk Load</u>
1A	0	100	247%	29.7%	29,748,898	11,500,000	3,500,000	14,748,898	14,748,898	0
1B	100	200	435%	33.9%	33,879,366	10,120,000	3,080,000	20,679,366	20,679,366	0
2	200	300	682%	34.6%	34,578,983	9,319,523	2,836,376	22,423,084	4,484,617	4,500,000
3	300	490	780%	32.2%	61,136,338	16,129,548	4,908,993	40,097,797	3,917,555	4,000,000
4	490	800	601%	16.5%	51,286,108	14,151,428	4,306,956	32,827,724	0	0
5	800	1,050	568%	10.6%	26,490,027	7,394,787	2,250,587	16,844,652	0	0
6	1,050	1,330	456%	5.9%	16,653,272	4,905,403	1,492,949	10,254,920	0	0
7	1,330	1,775	744%	7.7%	34,178,905	9,082,737	2,764,311	22,331,858	0	0
8	1,775	1,950	827%	6.9%	12,027,131	3,146,560	957,649	7,922,922	0	0
9	1,950	2,200	714%	4.3%	10,750,000	2,875,000	875,000	7,000,000	7,000,000	7,000,000

Selected Retained Risk Load: 15,500,000

Notes:

- (2) Hurricane AAL generated by the 50/50 blend of RMS RiskLink v23 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 8 = (3) / (4)
- (5) Layer 1 = (6) x (1) x 1,000,000
- (6) Layers 2 through 8 = (5) / [(1) x 1,000,000]
- (6) Layers 1 & 9 = Estimated based on current purchased layers and historical industry quotes.
- (7) = (2) / [(1) x 1,000,000].
- (8) Based on recent reinsurance industrywide results
- (9) Based on recent reinsurance industrywide results
- (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)]
- (17) Selected based on (16), excluding risk load for lowest deductible layer

	(1) Modeled Hurricane <u>Losses</u>	(2) Selected <u>Risk Load</u>	(3) Allocated <u>Risk Load</u>	
Commercial	23,581,639		4,136,702	
Personal	<u>64,777,497</u>		<u>11,363,298</u>	
Total	88,359,136	15,500,000	15,500,000	
	(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	22,445,672	95.2%	95.0%	3,929,866.77
Commercial Coastal Plan	<u>1,135,967</u>	4.8%	5.0%	<u>206,835.09</u>
Total	23,581,639			4,136,701.86

(1), (4) are hurricane losses generated by a 50/50 blend of RMS RiskLink v23 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
Ratio of Catastrophe ALAE to Loss

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	20,774,776	3,354,434	16.1%
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	9,695,184	487,060	5.0%
2021	72,848,383	2,711,812	3.7%
2022	4,849,520	111,750	2.3%
2023	58,497	14,680	25.1%
2024	-	-	0.0%
All Years			7.0%
2004-2019			10.5%
2004-2021			7.1%
2010-2021			6.9%
Prior Selected			8.00%
Selected			7.50%

Note:

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

Louisiana Citizens Property Insurance Corporation

Severe Convective Storm

Actual vs Modeled Loss

All Policies

Policies Inforce <u>As of</u>	Modeled <u>Loss</u>	Actual <u>Loss</u>	Actual vs. <u>Modeled</u>
3/31/2016	2,650,124	3,792,508	1,142,384
3/31/2017	2,036,650	1,321,867	(714,783)
3/31/2018	1,617,419	290,635	(1,326,784)
3/31/2019	1,501,418	1,834,424	333,006
3/31/2020	1,424,794	1,525,345	100,551
3/31/2021	1,444,719	2,331,917	887,198
3/31/2022	2,311,682	3,926,482	1,614,800
3/31/2023	12,723,282	5,922,391	(6,800,891)
3/31/2024	12,622,779	22,987,425	<u>10,364,646</u>
Total	38,332,868	43,932,995	5,600,127

Percentage Difference - Actual vs Modeled:	14.6%
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Selected Adjustment to Modeled Loss: 14.5%

FAIR Plan Gross Hurr Modeled Commercial AAL	22,445,672
FAIR Plan Gross SCS Modeled Commercial AAL	2,016,908
SCS Actual vs Modeled Adjustment Factor	1.145
FAIR Plan Gross SCS Adjusted Commercial AAL	2,309,360
Total FAIR Plan Adjusted Modeled Commercial AAL	24,755,031
Coastal Plan Gross Hurr Modeled Commercial AAL	1,135,967
Coastal Plan Gross SCS Modeled Commercial AAL	23,359
SCS Actual vs Modeled Adjustment Factor	1.145
Coastal Plan Gross SCS Adjusted Commercial AAL	26,746
Total Coastal Plan Adjusted Modeled Commercial AAL	1,162,714

Exhibit 23**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)
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%
2023	524,271,006	9,440,742	1.80%
2024	584,741,249	19,544,147	3.34%
Total	1,461,207,022	32,603,733	2.23%

Selected Investment Income as a Percentage of Earned Premium:

2.50%

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)
2024	393,788,823	435,976,138	36,549,747	5,754,830	8,678,741	50,983,317	37,188,080	-	-
2023	454,676,881	367,005,920	45,348,352	10,554,943	4,213,700	60,116,995	43,760,820	-	7.5%
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	8,680,491	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	2,439,575,101	2,242,273,489	1,828,617,832	208,696,570	113,227,384	2,150,541,787	236,079,244	-	5.6%
2025 Budget	396,838,000	413,869,000	35,486,000	6,851,000	11,141,000	53,478,000	38,181,000	-	26.3%

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
2024	16,957,000	4,584,000	59,722,000	-	2,937,000	303,606,000	14,734,000	318,340,000	14,020,000
2023	11,922,716	4,793,010	53,903,806	-	3,024,387	334,113,401	14,398,173	348,511,574	8,898,329
2022	13,384,120	5,795,424	62,940,364	-	3,557,640	247,506,201	6,526,385	254,032,586	9,826,480
2021	8,747,201	2,389,196	38,718,822	-	5,488,429	(27,279,695)	1,160,850	(26,118,845)	3,258,772
2020	5,167,625	235,164	11,191,334	-	658,096	(435,824,184)	326,679	(435,497,505)	4,509,529
2019	5,780,156	76,953	10,405,748	-	513,968	(67,129,611)	998,085	(66,131,526)	5,266,188
2018	5,946,163	211,973	10,840,690	-	482,946	23,340,994	2,154,926	25,495,920	5,463,217
2017	5,589,704	317,097	10,910,530	-	678,518	33,757,496	1,813,645	35,571,141	4,911,186
2016	5,458,225	318,252	10,877,895	-	760,176	45,760,594	840,266	46,600,860	4,698,049
2015	6,169,879	430,085	13,565,533	-	1,629,331	73,510,883	204,960	73,715,843	4,540,548
2014	6,464,410	512,145	16,014,630	-	1,465,151	61,363,098	54,394	61,417,492	4,999,259
2013	6,667,510	577,888	17,284,651	-	3,319,598	44,313,770	49,090	44,362,860	3,347,912
2012	7,308,076	768,029	18,178,052	-	(3,614,987)	50,650,527	73,022	50,723,549	10,923,063
2011	6,342,719	699,348	17,060,731	-	8,610,452	(29,725,404)	155,358	(29,570,046)	(2,267,733)
2010	5,813,750	674,551	15,585,781	-	(9,581,880)	27,970,798	180,269	28,151,067	15,395,630
2009	6,819,487	542,370	16,283,088	-	1,578,449	47,951,764	162,177	48,113,941	5,241,038
2008	5,886,758	621,385	15,653,672	-	780,619	44,286,587	144,798	44,431,385	5,106,139
2007	7,324,772	550,503	18,633,518	-	650,187	(78,165,935)	1,235,889	(76,930,046)	6,674,585
2006	6,660,721	1,051,798	16,856,783	-	8,799,207	45,950,624	2,671,254	48,621,878	(2,138,486)
2005	3,340,920	1,579,176	9,000,063	-	3,011,964	(51,482,982)	2,462,602	(49,020,380)	328,956
2004	4,424,829	45,716	6,998,094	-	(1,942,339)	(668,524,872)	992,264	(667,532,608)	6,367,168
TOTAL	152,176,741	26,774,063	450,625,785	-	32,806,912	25,950,054	51,339,086	77,289,140	119,369,829
2025 Budget	16,957,000	4,584,000	59,722,000	-	2,937,000	303,606,000	14,734,000	318,340,000	14,020,000

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)
2024	8.38%	1.32%	1.99%	11.69%	9.44%	0.00%	3.56%
2023	12.36%	2.88%	1.15%	16.38%	9.62%	0.00%	1.96%
2022	73.99%	18.84%	3.39%	96.22%	9.94%	0.00%	3.54%
2021	890.95%	75.11%	6.85%	972.91%	10.00%	0.00%	5.63%
2020	194.81%	20.92%	8.20%	223.93%	9.99%	0.00%	9.90%
2019	20.76%	3.88%	5.61%	30.25%	9.99%	0.00%	11.24%
2018	8.21%	2.24%	4.47%	14.92%	9.92%	0.00%	10.83%
2017	10.20%	2.30%	0.60%	13.09%	9.13%	0.00%	8.79%
2016	-3.11%	0.99%	3.57%	1.45%	9.25%	0.00%	6.24%
2015	18.64%	2.81%	3.64%	25.10%	9.38%	0.00%	4.71%
2014	40.27%	2.24%	3.33%	45.84%	9.52%	0.00%	4.74%
2013	23.38%	3.77%	3.61%	30.76%	9.49%	0.00%	3.15%
2012	99.23%	16.65%	5.82%	121.70%	9.72%	0.00%	10.60%
2011	33.99%	4.19%	5.15%	43.33%	9.61%	0.00%	-2.40%
2010	22.75%	5.33%	4.14%	32.22%	9.68%	0.00%	16.71%
2009	26.69%	-0.52%	14.08%	40.25%	9.85%	0.00%	5.65%
2008	136.30%	13.60%	7.51%	157.41%	10.00%	0.00%	4.75%
2007	7.26%	-0.22%	6.81%	13.85%	10.01%	0.00%	7.31%
2006	300.54%	-115.92%	64.06%	248.69%	10.00%	0.00%	-5.24%
2005	2103.17%	354.49%	28.52%	2486.17%	10.00%	0.00%	1.30%
2004	30.30%	4.76%	2.96%	38.02%	10.00%	0.00%	24.63%
5yr avg (1)					9.80%		4.92%
5yr wtd (1)					9.67%		3.30%
8yr avg (1)					9.75%		6.93%
8yr wtd (1)					9.67%		4.06%
2025 Budget	8.57%	1.66%	2.69%	12.92%	9.62%	0.00%	3.53%
Prior selected expense ratio					9.90%		4.00%
Selected Expense ratio					9.60%		3.00%
Fixed Expense ratio (2)					0.00%		1.50%
Selected Variable Expense ratio (3)					9.60%		1.50%

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)	
2024	4.31%	1.16%	15.17%	0.00%	0.75%	69.64%	3.38%	73.02%	15.75%
2023	2.62%	1.05%	11.86%	0.00%	0.67%	91.04%	3.92%	94.96%	23.28%
2022	4.82%	2.09%	22.69%	0.00%	1.28%	157.38%	4.15%	161.53%	25.46%
2021	15.11%	4.13%	66.88%	0.00%	9.48%	-55.99%	2.38%	-53.61%	8.43%
2020	11.35%	0.52%	24.57%	0.00%	1.45%	-943.65%	0.71%	-942.94%	10.74%
2019	12.33%	0.16%	22.21%	0.00%	1.10%	-138.94%	2.07%	-136.88%	18.68%
2018	11.79%	0.42%	21.49%	0.00%	0.96%	45.14%	4.17%	49.31%	27.26%
2017	10.00%	0.57%	19.52%	0.00%	1.21%	52.50%	2.82%	55.32%	22.53%
2016	7.25%	0.42%	14.45%	0.00%	1.01%	52.78%	0.97%	53.75%	-31.92%
2015	6.40%	0.45%	14.08%	0.00%	1.69%	72.53%	0.20%	72.74%	15.10%
2014	6.13%	0.49%	15.18%	0.00%	1.39%	57.02%	0.05%	57.07%	5.56%
2013	6.26%	0.54%	16.24%	0.00%	3.12%	42.36%	0.05%	42.40%	16.10%
2012	7.09%	0.75%	17.64%	0.00%	-3.51%	51.66%	0.07%	51.73%	16.78%
2011	6.70%	0.74%	18.02%	0.00%	9.10%	-31.70%	0.17%	-31.54%	12.31%
2010	6.31%	0.73%	16.91%	0.00%	-10.40%	30.26%	0.20%	30.45%	23.42%
2009	7.35%	0.58%	17.54%	0.00%	1.70%	48.43%	0.16%	48.59%	-1.94%
2008	5.47%	0.58%	14.55%	0.00%	0.73%	42.24%	0.14%	42.38%	9.98%
2007	8.02%	0.60%	20.40%	0.00%	0.71%	-124.69%	1.97%	-122.72%	-3.07%
2006	16.33%	2.58%	41.32%	0.00%	21.57%	150.18%	8.73%	158.91%	-38.57%
2005	13.22%	6.25%	35.60%	0.00%	11.91%	-186.25%	8.91%	-177.34%	16.85%
2004	17.12%	0.18%	27.07%	0.00%	-7.51%	-4960.03%	7.36%	-4952.67%	15.71%
3yr avg (1)		1.44%					3.82%		
3yr wtd (1)		1.35%					3.79%		
8yr avg (1)		1.26%					2.95%		
8yr wtd (1)		1.33%					3.54%		
2025 Budget	4.27%	1.16%	15.05%	0.00%	0.74%	73.36%	3.56%	76.92%	19.31%
Prior selected expense ratio		1.00%							
Selected Expense ratio		1.40%							
Fixed Expense ratio (2)		0.00%							
Selected Variable Expense ratio (3)		1.40%							

(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

2025 Estimated	Expected ULAE -		Ratio	Prior Selected	Current Selected
	Inhouse	Premium			
	8,149,700	413,869,000	1.97%	2.00%	2.00%

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
Rounded (000's)

	2024		2025									
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
TOTAL BEGINNING CASH & INVESTMENTS	692,878	717,177	676,873	698,935	679,703	688,003	Estimate 717,632	Estimate 725,912	Estimate 784,855	Estimate 820,666	Estimate 777,663	Estimate 809,229
+ Receipts	42,965	36,283	35,251	46,074	38,656	43,673	68,900	80,500	51,400	38,100	33,000	35,500
TOTAL RECEIPTS	42,965	36,283	35,251	46,074	38,656	43,673	68,900	80,500	51,400	38,100	33,000	35,500
- Rita/Katrina Claims												
- 2005 Class Action												
- Isaac Claims												
- Laura/Delta/Zeta Claims	167	64	0		(90)	0	60	80	60	60	50	150
- Ida Claims	1,678	379	372	299	1,074	108	300	380	300	270	250	480
- Francine Claims	837	1,036	481	516	641	186	250	200	180	140	50	40
- Other Claims	2,275	2,893	4,100	2,818	4,305	3,647	3,800	3,400	2,600	2,000	2,000	2,000
- Reinsurance Recoveries	(88)	(4,108)	(33)	(7)	(4,305)	0	0	(1,200)	(60)	(50)	(400)	(750)
- Cat LAE Expense	982	443	458	311	255	136	350	300	300	250	300	250
- Non Cat LAE Expense	293	267	297	323	380	268	280	240	220	260	220	240
- Commissions	3,770	4,138	3,489	3,394	4,394	3,724	4,367	6,890	8,050	5,140	3,810	3,300
- Reinsurance/Cat Bonds Expense	7,466	39,968	3,814	57,994	21,739	3,734	54,390	6,749	6,982	69,720	6,749	7,215
- Emergency Assessments		1,674			1,166						578	
- Depopulation	(55)	29,360	763		(323)	3,935	945	2,644	(63)	(31)		
- Transfer to(from) Trustee/Invest	100,000										100,000	
- Other	1,627	1,173	1,362	1,373	1,891	1,817	1,600	5,000	1,400	1,600	3,000	1,500
TOTAL EXPENSES	118,951	77,286	15,103	67,021	31,127	17,555	66,343	24,683	19,969	79,359	116,607	14,425
ENDING OPERATING CASH	270,773	229,769	249,917	228,970	236,499	262,617	265,174	320,992	352,423	311,164	227,557	248,632
INVESTED CASH/CASH EQUIVALENTS	278,610	279,532	282,807	275,303	269,597	271,231	257,277	259,785	264,922	263,230	377,172	303,492
TOTAL LCPIC OPERATING CASH	549,383	509,301	532,724	504,273	506,096	533,848	522,452	580,777	617,345	574,393	604,729	552,123
INVESTMENTS	167,794	167,571	166,211	175,430	181,907	183,784	203,460	204,078	203,321	203,270	204,500	205,505
TOTAL CASH & INVESTMENTS	717,177	676,873	698,935	679,703	688,003	717,632	725,912	784,855	820,666	777,663	809,229	757,628

Louisiana Citizens Property Insurance Corporation
Combined Statutory Income Statement
For the Month Ending May 31, 2025
Rounded (000's)

	2025 Budget Month	2025 Actual Month	Variance to Budget	2024 Actual Month	2025 Budget Year To Date	2025 Actual Year To Date	Variance to Budget	2024 Actual Year to Date
Direct Premiums Written	\$48,023	\$44,169	(\$3,853)	\$51,348	\$188,601	\$173,078	(\$15,523)	\$192,232
Direct Premiums Written - Depopulation	(978)	(241)	737	(1,006)	(21,887)	(3,695)	18,192	(13,183)
Ceded Premiums Written	(22,511)	(23,109)	(597)	(27,756)	(112,050)	(112,276)	(226)	(118,335)
Ceded Premiums Written - Facultative	0	250	250	(199)	(391)	6	397	(1,182)
Net Premiums Written	24,533	21,069	(3,464)	22,387	54,273	57,112	2,839	59,532
Change In Unearned Premium Reserve	1,806	2,411	605	2,639	53,467	60,618	7,152	74,580
Change In Unearned Premium Reserve - Depopulation	(2,300)	(4,601)	(2,301)	(3,786)	5,980	(20,192)	(26,172)	(5,546)
Net Premiums Earned	24,040	18,879	(5,161)	21,240	113,720	97,538	(16,181)	128,566
<i>Less Underwriting deductions:</i>								
Direct Losses Incurred	6,759	3,987	(2,773)	6,221	26,896	14,764	(12,132)	38,473
Direct Losses Incurred - Class Action	0	0	0	0	0	0	0	0
Direct Allocated Loss Adjustment Expenses Incurred	1,072	319	(753)	163	4,316	2,329	(1,987)	6,636
Direct Unallocated LAE (Home Office Expenses)	1,149	851	(299)	1,197	4,919	4,236	(683)	4,910
Ceded Losses and LAE	(83)	(9)	74	(8)	(417)	417	834	430
Net Losses and LAE Incurred	8,897	5,147	(3,750)	7,572	35,715	21,746	(13,969)	50,449
Commissions Incurred	4,802	4,417	(385)	5,135	18,860	17,308	(1,552)	19,223
Commissions Incurred - Depopulation	(156)	(39)	118	(161)	(3,502)	(591)	2,911	(2,109)
Underwriting Expenses Incurred (Home Office Expenses)	2,103	1,731	(371)	2,072	9,051	7,796	(1,255)	8,493
Total Other Underwriting Expenses Incurred	6,748	6,109	(639)	7,046	24,410	24,513	103	25,607
Net Underwriting Gain (Loss)	8,395	7,623	(771)	6,621	53,596	51,280	(2,316)	52,510
Other Income:								
Interest Earned	1,667	1,724	58	1,594	8,333	8,289	(44)	6,326
Other Income	335	308	(27)	339	1,340	1,379	39	1,540
Total Other Income	2,002	2,033	31	1,933	9,674	9,668	(5)	7,866
Net Operating Income	10,397	9,656	(741)	8,554	63,269	60,948	(2,321)	60,376
<i>Bond Income/Expense:</i>								
Emergency Assessment Income	(336)	(302)	34	(252)	(1,678)	(1,437)	241	(1,111)
Debt Service Expense	(164)	(224)	(60)	(305)	(822)	(1,108)	(286)	(1,500)
Earnings on Bond Assets	500	526	26	557	2,500	2,545	45	2,612
Net Bond Income/Expense	0	0	0	0	0	0	0	0
Net Income	10,397	9,656	(741)	8,554	63,269	60,948	(2,321)	60,376

Louisiana Citizens Property Insurance Corporation
Combined Statutory Change In Surplus
For the Month Ending May 31, 2025
Rounded (000's)

	2025 Year To Date	2024 Year End	2023 Year End
Surplus, Previous Year	\$386,338	\$194,598	\$77,089
Net Income	60,948	175,766	90,923
Change In Nonadmitted Assets	(12,943)	(2,718)	10,221
Change In Provision For Reinsurance	0	(4)	106
Tax Exempt Surcharge, Current Year	7,005	18,694	16,259
<i>Surplus, Current Year</i>	<i>441,348</i>	<i>386,338</i>	<i>194,598</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, 2025
Rounded (000's)

	Current Year	Prior YTD	Prior Year-End
Assets			
Trustee Cash	\$171,822	\$153,454	\$142,431
Operating Cash	262,617	261,583	270,773
Invested Operating Cash and Cash Equivalents	271,231	198,843	278,610
Restricted Cash for Escheatment	7,811	6,130	6,737
Operating Investments - Bonds	183,784	139,944	167,794
Premiums Receivable	62,210	72,924	74,340
Reinsurance Recoverable	2,098	8,914	5,207
Electronic Data Processing Equipment	68	1,043	114
Long-Term Emergency Assessment Receivable	113,000	166,530	113,000
Current Emergency Assessment Receivable	6,281	15,315	17,058
Reinsurance Premiums Advanced	168	0	33
Investments Due & Accrued	2,626	1,888	2,607
All Other Assets	111	111	125
Total Assets	1,083,827	1,026,679	1,078,829
Loss and Loss Adjustment Reserves	74,581	104,439	79,744
Loss and Loss Adjustment Reserves - Class Action	3,738	3,738	3,738
LCPIC Bonds	117,006	173,984	115,901
Advanced Assessments Collected	101,286	92,126	116,385
Restricted Assessments for Debt Service Reserves	72,330	70,232	41,458
Unearned Premiums	224,829	262,686	265,255
Advance Premiums	11,012	16,514	3,894
Unearned Tax Exempt Surcharge	7,174	8,307	8,993
Commissions Payable	9,895	11,447	11,726
Accounts Payable	656	601	341
Operating Expenses Payable	9,311	10,295	7,145
Depopulation Premiums Payable	196	891	29,360
Securities Payable	2,287	654	0
Reinsurance Premiums Payable	0	465	0
Provision for Reinsurance	91	87	91
Escheatment Payable	7,811	6,130	6,737
All Other Liabilities	276	665	1,725
Total Liabilities	642,479	763,262	692,492
Contributed Surplus - Emergency Assessments	978,205	978,205	978,205
Unassigned Surplus	(536,857)	(714,788)	(591,867)
Total Surplus	441,348	263,417	386,338
Total Liabilities, Surplus & Other Funds	1,083,827	1,026,679	1,078,829

Louisiana Citizens Property Insurance Corporation
Statement of Cash Flows
For the Month Ending May 31, 2025
Rounded (000's)

	Current Month	Year to Date 2025	Year to Date 2024
Operating Cash - Beginning of Period	\$513,602	\$556,120	\$471,515
<u>Cash from Operating Activities</u>			
Net Income	9,656	60,948	60,376
Adjustments to Net Income for Non-Cash Items:			
Furniture & Equipment Depreciation	2	12	12
EDP Depreciation	27	137	141
Net changes in operating assets and liabilities:			
Premiums Receivable	(4,630)	10,404	7,998
Reinsurance Receivable	(198)	4,996	4,607
Prepaid Expenses	15,944	(14,977)	(8,832)
Other Assets	0	49	(0)
Losses & Loss Adjustment Expenses	(107)	(5,163)	13,869
Unearned Premiums	2,190	(40,426)	(69,034)
Advance Premiums	2,402	7,118	12,706
Commissions Payable	693	(1,831)	(1,682)
Accounts Payable	374	315	(224)
Reinsurance Premiums Payable	(245)	(135)	271
Reinsurance Premiums Refund Receivable	3,219	(0)	(0)
Take-out Premium Payable	(3,733)	(29,164)	(556)
Escheatment Payable	305	1,074	100
Accrued Expenses	592	2,166	(3,414)
Other Liabilities	4	(1,449)	(314)
Tax Exempt Surcharge	1,325	5,187	5,768
Net cash provided by operating activities	27,821	(738)	21,790
<u>Cash from Investing Activities</u>			
Purchase of EDP Equipment	0	0	(698)
Payable for Securities	2,287	2,287	654
Operating Investments - Bonds	(1,878)	(15,990)	(26,747)
Accrued Interest	(173)	(19)	42
Net cash provided by investing activities	236	(13,722)	(26,749)
<u>Cash From Financing Activities</u>			
	0	0	0
Operating Cash - End of Period	541,659	541,659	466,556
Trustee Cash - Beginning of Period	165,861	142,431	112,953
<u>Cash From Financing Activities</u>			
Emergency Assessments Receivable	5,491	12,513	5,652
Bonds Payable	470	16,879	34,848
Net cash provided by financing activities	5,961	29,391	40,500
Trustee Cash - End of Period	171,822	171,822	153,454
Total Ending Cash	\$713,482	\$713,482	\$620,010

Louisiana Citizens Property Insurance Corporation

Corporate Operating Expense Statement - Budget

Fiscal Year 2025

	May			YTD			Primary Dept Driving Change	Budget Total
	Budget	Actual	Variance	Budget	Actual	Variance		
Direct Costs								
Salaries and Wages	635,785	616,742	(19,042)	3,109,480	3,043,895	(65,586)	Underwriting, Accounting & Customer Service	8,064,347
Benefits, Taxes, Contributions and Workers Comp	290,571	280,266	(10,305)	1,488,207	1,453,915	(34,292)		4,168,787
Total Employee Salaries and Wages	926,356	897,008	(29,348)	4,597,688	4,497,810	(99,878)		12,233,134
Recruiting & Advertising	-	-	-	36	36	(0)		33,300
Communication - Mobile Phones & Air Cards	3,277	3,174	(102)	16,416	15,762	(654)	IT	39,353
Office and Equipment Repairs and Maintenance	15,351	15,343	(8)	81,911	81,622	(289)	HR & Support Ops & IT	287,186
Travel and Lodging	2,728	1,334	(1,394)	36,569	13,763	(22,806)	Claims	95,000
Furniture and Fixtures- Purchases < \$5,000	292	39	(253)	1,880	3,475	1,594	Underwriting & Customer Service	15,922
EDP Equipment (computers, printers, peripherals) - Purchases <\$5,000	1	-	(1)	9,608	9,608	0		75,000
Computer Software - Purchases <\$1,000,000	146,873	145,508	(1,365)	816,234	784,765	(31,469)	Underwriting	2,313,744
Mele Printing	144,438	141,086	(3,352)	528,848	525,499	(3,349)	IT	1,361,000
Lexis Nexis	16,753	13,897	(2,856)	63,575	51,748	(11,827)	IT	150,000
Printing, Stationary, and Office Supplies	3,191	1,017	(2,175)	16,457	5,188	(11,269)	Accounting, IT, HR & Support Ops	38,797
Outside Services - CAT Readiness, D&O Employment Practices Deductible, Consulting	41,040	47,261	6,221	214,811	255,202	40,391	IT & Customer Service	1,151,845
Outside Services – One Inc – Claims Pay	5,187	2,000	(3,187)	17,240	10,000	(7,240)	Claims	60,589
External Management Fees	248,128	20,327	(227,801)	780,225	187,110	(593,115)	Claims	2,667,842
Other - Prof Fees, Dues, Subs, Training, Seminars, Miscellaneous	2,579	2,269	(310)	5,510	2,771	(2,738)	Executive	16,395
Total Direct Costs	1,556,195	1,290,264	(265,931)	7,187,007	6,444,358	(742,649)		20,539,107
Indirect Costs								
Rents, Leases, and Utilities	45,992	41,550	(4,443)	229,444	205,248	(24,196)	All Departments	495,788
Rent and Storage - Eatel/Iron Mountain	45,400	44,793	(607)	227,000	220,263	(6,737)	HR & Support Ops & IT	544,800
Communication - Internet & Phone	22,569	20,405	(2,164)	112,844	101,986	(10,858)	All Departments	270,825
Depreciated Expense - Furniture & Fixtures	2,493	2,493	(0)	12,466	12,466	0		36,918
Depreciated Expense - EDP Equipment & Software	27,456	27,456	(0)	137,278	137,278	(0)		366,041
External Legal Expenses	12,500	7,477	(5,023)	62,500	32,769	(29,731)	Executive & Claims	150,000
Audit Fees	8,200	8,200	-	41,000	41,000	-		98,400
Actuarial Fees	25,000	25,000	-	125,000	125,000	-		300,000
Surveys and Underwriting Reports - Inspection & CLUE Reports	169,139	101,715	(67,424)	656,028	422,806	(233,222)	Underwriting	1,840,000
Taxes, Licensing, and other fees - Insurance Department	537,605	264,134	(273,471)	1,942,915	1,138,074	(804,841)	Accounting	6,032,634
Boards, Bureaus and Assoc - LDI Insurance Rating & Fraud Assessment	488,243	439,861	(48,381)	1,764,520	1,697,207	(67,313)	Accounting	5,478,727
PIP/ISO Fees, ISO Fees, Xactware	51,011	48,760	(2,250)	252,962	243,240	(9,722)	Claims & Underwriting	655,135
Liability Insurance - LCPI/C, Directors, Officers	25,848	25,848	(0)	125,743	125,743	(0)		306,676
Bank Service Charges (Credit Card)	229,261	226,562	(2,699)	1,066,969	1,055,866	(11,103)	Accounting	3,300,000
Postage & Courier Services	4,521	6,979	2,458	24,854	27,476	2,622	HR & Support Ops	56,500
Other Miscellaneous	391	212	(179)	1,954	1,229	(724)	Executive	4,689
Total Indirect Costs	1,695,627	1,291,446	(404,181)	6,783,476	5,587,650	(1,195,826)		19,937,132
Home Office Expenses - P&L	3,251,822	2,581,710	(670,112)	13,970,483	12,032,008	(1,938,475)		40,476,239
Bank Service Charges - Unallocated	14,583	17,674	3,091	72,917	86,562	13,645		175,000
Total Operating Expenses - Direct & Indirect	3,266,406	2,599,384	(667,021)	14,043,400	12,118,570	(1,924,830)		40,651,239
Capital Purchases								
Furniture and Fixtures- Purchases > \$5,000	-	-	-	-	-	-		90,000
EDP Equipment (computers, printers, peripherals) - Purchases >\$5,000	-	-	-	-	-	-		160,000
Computer Software - Purchases >\$1,000,000	-	-	-	-	-	-		-
Total Capital Purchases	-	-	-	-	-	-		-



May 2025 Management Reports

July 10, 2025 Board Meeting

Overview

Corporate Overview

May 31, 2025

Underwriting Overview

Premium Written & Policies Issued

Premium Written (000s)	May-25	2025 YTD	May-24	2024 YTD
Direct Written Premium*	\$44,169	\$173,078	\$51,348	\$192,232
Takeout Written Premium	241	3,695	1,006	13,183
Net Written Premium Before Reinsurance	<u>\$43,928</u>	<u>\$169,383</u>	<u>\$50,342</u>	<u>\$179,049</u>
Earned Premium (000s)				
Direct Earned Premium	\$46,580	\$233,696	\$53,987	\$266,812
Takeout Earned Premium	4,842	23,888	4,792	18,729
Net Earned Premium Before Reinsurance	<u>\$41,738</u>	<u>\$209,809</u>	<u>\$49,195</u>	<u>\$248,083</u>
Counts				
Direct Policies Issued	13,599	55,591	14,145	55,881
Policies Takeout Initial	-	-	-	-
Policies Takeout Renewal	-	-	-	-
Net Policies Issued	<u>13,599</u>	<u>55,591</u>	<u>14,145</u>	<u>55,881</u>

Inforce Policies & Coverage Details

Count*	May-25	May-24
Direct Inforce Policies	130,866	142,934
Takeout Inforce Policies	11,307	13,199
Net Inforce Count	119,559	129,735
EPIC Inforce Policies (Multi to Single Policies)*	-	-
Total Net Inforce Policies	<u>119,559</u>	<u>129,735</u>
TIV (000s)*		
Direct TIV (Cov A-D)	\$45,645,368	\$49,333,810
Direct Cov E, F, Mold, BI	\$3,144,696	\$4,081,750
Total Direct Cov A-D, E, F, Mold, BI	\$48,790,064	\$53,415,560
Takeout TIV (Cov A-D)	\$3,704,721	\$3,865,307
Takeout Cov E, F, Mold, BI	\$362,913	\$655,830
Total Takeout Cov A-D, E, F, Mold, BI	\$4,067,634	\$4,521,137
Net TIV (Cov A-D)	\$41,940,646	\$45,468,503
Net Cov E, F, Mold, BI	\$2,781,783	\$3,425,920
Total Net Cov A-D, E, F, Mold, BI	<u>\$44,722,430</u>	<u>\$48,894,423</u>

Underwriting Overview

Net Inforce by Policy Type

<u>Commercial Lines</u>	<u>Net Inforce</u>			
	Count	Premium (000s)	TIV Cov A-D (000s)	E, F, Mold, BI (000s)
Builders Risk	12	\$417	\$19,393	\$0
Commercial	1,821	23,527	1,117,527	36,698
Wind & Hail Only	5,388	75,218	6,796,200	325,991
Total Commercial	7,221	\$99,163	\$7,933,120	\$362,688
<u>Personal Lines</u>				
Builders Risk	346	\$1,573	\$101,999	\$0
Condo	960	1,109	78,854	-
Homeowners	10,661	85,712	9,617,949	2,419,095
Mobile Home	9,827	19,244	631,177	-
Residence	57,944	164,972	13,726,536	-
Wind & Hail Only	32,600	123,472	9,851,011	-
Total Personal	112,338	\$396,082	\$34,007,526	\$2,419,095
Grand Total	119,559	\$495,244	\$41,940,646	\$2,781,783

Written Premium Analysis - Month

<u>Term Type (\$000s)</u>	<u>May-25</u>		<u>May-24</u>	
	Written Premium	Counts	Written Premium	Counts
New Business	\$10,652	3,839	\$15,823	4,473
Renewals	33,518	9,760	35,525	9,672
Total Direct Premium Written	\$44,169	13,599	\$51,348	14,145
<u>New Business Written From (\$000s)</u>				
Cajun Underwriters	564	187	861	224
Allstate	340	129	302	85
State Farm	299	117	206	69
Sagesure	335	88	176	54
Others	9,114	3,318	14,278	4,041
Renewal	10,652	3,839	15,823	4,473
Total Renewals*	33,518	9,760	35,525	9,672
Total Direct Premium Written	44,169	13,599	51,348	14,145

Written Premium Analysis - Year-to-Date

<u>Term Type (\$000s)</u>	<u>2025 YTD</u>		<u>2024 YTD</u>	
	Written Premium	Counts	Written Premium	Counts
New Business	\$41,884	15,845	\$64,662	19,237
Renewals	131,194	39,746	127,570	36,644
Total Direct Premium Written	\$173,078	55,591	\$192,232	55,881
<u>New Business Written From (\$000s)</u>				
Cajun Underwriters	\$1,967	648	\$3,593	973
Allstate	1,126	478	1,044	324
State Farm	867	406	893	345
Sagesure	1,195	368	745	229
Others	36,728	13,945	58,388	17,366
Renewal	41,884	15,845	64,662	19,237
Total Renewals*	131,194	39,746	127,570	36,644
Total Direct Premium Written	\$173,078	55,591	\$192,232	55,881

Underwriting Overview

Net Premium Written & Earned by Policy Type

Policy Type	Net Premium Written			Net Premium Earned		
	2025 YTD	2024 YTD	Variance	2025 YTD	2024 YTD	Variance
Commercial	9,182	12,201	(3,020)	10,302	13,756	(3,453)
Commercial Builders Risk	-	(2)	2	29	53	(24)
Commercial Builders Risk Renovations	(188)	148	(336)	203	351	(148)
Commercial Builders Risk Renovations Wind & Hail Only	6	(30)	36	21	(5)	26
Commercial Builders Risk Wind & Hail Only	-	-	-	-	-	-
Commercial Wind & Hail Only*	<u>28,305</u>	<u>39,551</u>	<u>(11,246)</u>	<u>33,545</u>	<u>41,200</u>	<u>(7,655)</u>
Total Commercial	37,304	51,868	(14,564)	44,100	55,355	(11,254)
DWG-1 Builders Risk	124	148	(24)	160	211	(52)
DWG-1 Builders Risk Renovation	392	688	(296)	549	858	(309)
DWG-1 Builders Risk Renovations Wind & Hail Only	-	-	-	-	-	-
DWG-1 Builders Risk Wind & Hail Only	(3)	20	(23)	16	15	2
DWG-1 Condo	294	271	23	468	497	(30)
DWG-1 Condo Wind & Hail Only	103	101	2	131	172	(41)
DWG-1 Mobile Home	7,989	7,918	71	7,802	6,233	1,569
DWG-1 Mobile Home Wind & Hail Only	2,081	2,066	15	2,027	2,003	24
DWG-1 Residence	29,927	30,745	(818)	34,695	34,868	(174)
DWG-1 Residence Wind & Hail Only	15,287	15,208	79	16,847	16,409	437
DWG-2 Residence	4,706	4,665	41	5,638	6,950	(1,312)
DWG-3 Residence	20,059	18,854	1,205	28,808	39,764	(10,956)
DWG-3 Residence Wind & Hail Only	<u>24,956</u>	<u>25,519</u>	<u>(563)</u>	<u>32,533</u>	<u>38,437</u>	<u>(5,905)</u>
Total Dwelling	105,915	106,204	(289)	129,673	146,417	(16,745)
HO-2 Broad Form*	3,187	2,225	962	4,122	4,817	(695)
HO-3 Special Form	22,723	18,194	4,529	31,417	40,133	(8,716)
HO-4 Contents Broad Form	53	47	5	46	53	(7)
HO-6 Unit Owners Form	179	148	31	200	248	(48)
HO-8 Modified Coverage Form	26	13	12	20	29	(9)
HO-R Homeowner Renovation	<u>(3)</u>	<u>349</u>	<u>(353)</u>	<u>230</u>	<u>1,029</u>	<u>(799)</u>
Total Homeowners	26,164	20,977	5,186	36,036	46,310	(10,275)
Net Premium Written & Earned Before Reinsurance	169,383	179,049	(9,666)	209,809	248,083	(38,274)
Ceded Reinsurance				112,270	119,517	(7,247)
Net Premium Earned as of 5/31				97,539	128,566	(31,027)

Premium Payment Collections Overview - May 2025

Checks	Month				Year-to-Date			
	May-25		May-24		2025 YTD		2024 YTD	
Payment Method	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected
Mail	503	1,714,460	365	1,438,226	1,776	5,443,788	2,548	6,546,874
Walk-In	56	503,129	131	829,899	266	1,455,237	398	2,147,579
6370 Lockbox - Manual	4,477	17,629,976	5,063	21,135,536	20,010	76,892,673	21,015	85,062,171
3344 Lockbox - Upload	<u>2,407</u>	<u>3,484,294</u>	<u>3,137</u>	<u>6,722,854</u>	<u>13,068</u>	<u>19,662,314</u>	<u>14,882</u>	<u>28,822,999</u>
Total Checks	7,443	\$23,331,859	8,696	\$30,126,514	35,120	\$103,454,011	38,843	\$122,579,623

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	3,281	4,016,160	3,237	4,064,131	16,314	19,311,115	15,923	19,141,989
	EPIC	<u>6,301</u>	<u>6,968,144</u>	<u>6,736</u>	<u>8,680,010</u>	<u>29,137</u>	<u>32,133,389</u>	<u>30,322</u>	<u>37,076,946</u>
Total Credit Cards		9,582	\$10,984,304	9,973	\$12,744,141	45,451	\$51,444,505	46,245	\$56,218,935

Electronic Funds Transfer (Checking or Saving)	Payment Method	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected
	Online	2,866	3,410,147	2,827	3,707,928	16,257	21,909,779	13,867	16,656,562
	EPIC	<u>5,263</u>	<u>10,472,243</u>	<u>5,951</u>	<u>13,512,953</u>	<u>23,218</u>	<u>42,984,902</u>	<u>26,851</u>	<u>59,503,274</u>
Total EFTs		8,129	\$13,882,390	8,778	\$17,220,881	39,475	\$64,894,682	40,718	\$76,159,836

Payment Method	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected	Count	Amount Collected
Mail	503	1,714,460	365	1,438,226	1,776	5,443,788	2,548	6,546,874
Walk-In	56	503,129	131	829,899	266	1,455,237	398	2,147,579
Online	6,147	7,426,307	6,064	7,772,060	32,571	41,220,895	29,790	35,798,551
6370 Lockbox - Manual	4,477	17,629,976	5,063	21,135,536	20,010	76,892,673	21,015	85,062,171
3344 Lockbox - Upload	2,407	3,484,294	3,137	6,722,854	13,068	19,662,314	14,882	28,822,999
EPIC	<u>11,564</u>	<u>17,440,386</u>	<u>12,687</u>	<u>22,192,962</u>	<u>52,355</u>	<u>75,118,292</u>	<u>57,173</u>	<u>96,580,220</u>
Total Payments Collected	25,154	\$48,198,552	27,447	\$60,091,536	120,046	\$219,793,197	125,806	\$254,958,394

*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 5/31/2025	
		Policies Assumed	Premium Assumed
03/1/2008 Round 1	26,359		
12/1/2008 Round 2	13,133		
04/1/2009 Round 3	3,366		
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	3,337	\$4,085
04/1/2023 Round 17	6,578	4,843	\$17,010
10/1/2023 Round 18	7,755	5,751	\$19,789
04/1/2024 Round 19	8,415	6,489	\$17,166
12/1/2024 Round 20	13,481	10,375	\$34,851
04/1/2025 Round 21	2,922	2,597	\$5,998
Grand Total	172,025	106,164	199,206

Depopulation Summary Rounds 17, 18 & 19

	Round 21 ITD		Round 20 ITD		Round 19 ITD	
	Policy Count	Unearned Premium	Policy Count	Unearned Premium	Policy Count	Unearned Premium
Policies Selected	2,961		13,644		8,655	
Policies Cancelled as of Assumption	(39)		(163)		(240)	
Policies Initially Assumed	<u>2,922</u>	<u>5,640</u>	<u>13,481</u>	<u>34,388</u>	<u>8,415</u>	<u>13,524</u>
Activity on Assumed Policies:						
Optouts (Remaining with LCPIC)	(217)	(465)	(1,968)	(6,172)	(916)	(1,628)
Reinstated Policies	11	35	176	487	80	307
Policies Canceled	(77)	(120)	(852)	(2,001)	(724)	(1,415)
Policies Not Renewed	(2)	0	(27)	0	(12)	0
Renewals Not Included in Initial Assumption	0	0	2	6	0	0
Policies Expired by LCPIC-Renewing by Depop Company	0	0	(2,450)	0	(5,704)	0
Renewals Not Taken (Expired without Payment)	(41)	0	(440)	0	(354)	0
Renewals Issued on Behalf of Depop Company*	0	902	0	8,155	0	6,445
Payment for Endorsement Activity	0	(3)	0	(38)	0	(67)
Renewals Issued - Prior Term Canceled	1	10	3	25	0	0
Adjustments made for Report Errors	0	0	0	0	0	0
Total Activity - May 2025	<u>(325)</u>	<u>358</u>	<u>(5,556)</u>	<u>\$462</u>	<u>(7,630)</u>	<u>\$3,642</u>
Inforce with LCPIC	2,597		7,925		785	
Renewals Offered by Depop Companies	<u>0</u>		<u>2,450</u>		<u>5,704</u>	
Depopulated Policies	<u>2,597</u>	<u>\$5,998</u>	<u>10,375</u>	<u>\$34,851</u>	<u>6,489</u>	<u>\$17,166</u>
*Renewals Offered and Expired						
Initial Assumption - Renewals Offered	292		4,898		7,722	
Renewals Offered After Assumption - Not Included in Initial Assumption	0		2		1	
Renewals Not Offered	<u>0</u>		<u>0</u>		<u>0</u>	
Number of Renewals Processed by LCPIC	292		4,900		7,723	
Number of Policies Expired by LCPIC - Renewing by Depop Company	<u>0</u>		<u>(2,450)</u>		<u>(5,704)</u>	
Total Number of Policies Renewed by LCPIC	292		2,450		2,019	
Number of Expired Policies Without Payment	(41)		(440)		(354)	
Number of Policies Non-Renewed	(2)		(27)		(12)	
Number of Policies Canceled	(6)		(41)		(63)	
Optouts	(20)		(141)		(113)	
Renewals Issued-Prior Term Canceled	<u>1</u>		<u>3</u>		<u>0</u>	
Renewals Accepted On Behalf of Depop Company	<u>224</u>		<u>1,804</u>		<u>1,477</u>	

Claim Overview

Inception-to-Date Loss, Expense, & Claim Count - As of 3/31/25 (Updated Quarterly)

	Loss Year	ITD Claims	ITD Loss & LAE (000s)*
Hurricanes:			
Hurricane Katrina	2005	66,139	\$1,686,495
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	\$129,354
Hurricane Harvey	2017	121	\$225
Hurricane Nate	2017	12	\$17
Hurricane Barry	2019	618	\$2,149
Hurricane Laura	2020	2,725	\$103,156
Hurricane Sally	2020	6	\$10
Hurricane Delta	2020	2,139	\$23,967
Hurricane Zeta	2020	2,647	\$21,715
Hurricane Ida	2021	14,297	\$576,225
Hurricane Beryl	2024	17	\$109
Hurricane Francine	2024	2,837	\$28,994
Total Hurricanes		179,751	3,109,679
PCS Events:			
39-Wind & Thunderstorm Event	2011	125	\$506
41-Wind & Thunderstorm Event	2011	3,050	\$30,230
46-Wind & Thunderstorm Event	2011	263	\$2,286
61-Tropical Storm Lee	2011	792	\$4,010
92-Hail Storm	2013	2,869	\$23,698
94-Wind & Thunderstorm Event	2013	60	\$284
1644-Wind & Thunderstorm Event	2016	687	\$623
1714-Wind & Hail Event	2017	208	\$4,894
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	\$373
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	164	\$737
2125 - Wind & Hail Event	2021	33	\$221
2126 - Wind & Hail Event	2021	86	\$656
2131 - Wind & Hail Event	2021	42	\$393
2132 - Wind & Hail Event	2021	57	\$211
TS Claudette	2021	9	\$26
TS Nicholas	2021	14	\$307
2220 - Wind and Thunderstorm Event	2022	59	\$1,736
2221 - Wind & Hail Event	2022	58	\$715
2223 - Wind & Hail Event	2022	4	\$28
2225 - Wind & Hail Event	2022	17	\$171
2272 - Wind & Hail Event	2022	329	\$12,758
2316 - Wind & Hail Event	2023	86	\$768
2348 - Wind & Hail Event	2023	24	\$128
2349 - Wind & Hail Event	2023	285	\$3,910
2411 - Wind & Hail Event	2024	217	\$2,954
2417 - Wind & Thunderstorm Event	2024	60	\$230
2420 - Wind & Thunderstorm Event	2024	65	\$886
2431 - Wind & Hail Event	2024	779	\$17,699
2440 - Wind & Hail Event	2024	285	\$4,825
2441 - Wind & Hail Event	2024	205	\$1,960
2447 - Wind & Hail Event	2024	64	\$1,252
2516 - Snow Event	2025	146	\$618
2522 - Wind & Hail Event	2025	55	\$548
2524 - Wind & Hail Event	2025	34	\$320
Total PCS Events		12,366	126,130
Other Outsourced Claims:			
2015 Day Claims Outsourced to Worley	2015	666	\$3,100
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	\$135
Outsourced Day Claims (2010-2013)	2010-2013	13,323	\$114,252
Total Other Outsourced Claims		14,209	118,259
In-house Day Claims (2014 Forward)	2014-2025	18,486	\$210,059
Total Claims		224,812	3,564,126

Claim Overview

Loss & Expense Reserves & Open Claim Counts as of May 31, 2025

Catastrophe Name	Loss Year	Open Claim Count				Reserves (000s)	
		Litigated	Non-Litigated	May-25 Total	May-24 Total	May-25	May-24
Hurricanes:							
Hurricane Katrina*	2005	1	-	1	1	\$305	\$105
Hurricane Isaac	2012	4	-	4	4	\$980	\$980
Hurricane Barry	2018	-	-	-	-	-	-
Hurricane Laura	2020	16	-	16	33	\$296	\$1,190
Hurricane Sally	2020	-	-	-	-	-	-
Hurricane Delta	2020	7	-	7	22	\$155	\$692
Hurricane Zeta	2020	10	1	11	23	\$265	\$707
Hurricane Ida	2021	203	1	204	556	\$6,727	\$17,311
Hurricane Beryl	2024	-	-	-	-	\$14	-
Hurricane Francine	2024	5	74	79	-	\$2,284	-
Total Hurricanes		246	76	322	639	\$11,025	\$20,984
PCS Events:							
92-Hail Storm	2013	-	-	-	-	-	-
1714-Wind & Hail Event	2017	1	-	1	1	\$7	\$57
1821-Wind & Thunderstorm Event	2018	-	-	-	-	-	-
1923-Wind & Thunderstorm Event	2019	-	-	-	-	-	-
1927-Wind & Thunderstorm Event	2019	-	-	-	-	-	-
2020 - Wind and Thunderstorm Event	2020	-	-	-	-	-	-
2021 - Wind and Thunderstorm Event	2020	1	-	1	1	\$19	\$36
2022 - Wind and Thunderstorm Event	2020	-	-	-	-	-	-
2023 - Wind and Thunderstorm Event	2020	-	-	-	-	-	-
2024 - Wind and Thunderstorm Event	2020	-	-	-	-	-	-
2027 - Wind and Thunderstorm Event	2020	-	-	-	-	-	-
Tropical Storm Cristobal	2020	-	-	-	-	-	-
2117 - Winter Storm	2021	-	-	-	-	-	-
2125 -Wind & Hail Event	2021	-	-	-	-	-	-
2126 - Wind & Hail Event	2021	-	-	-	-	-	-
2131 - Wind & Hail Event	2021	-	-	-	-	-	-
2132 - Wind & Hail Event	2021	1	-	1	1	\$1	\$3
Tropical Storm Claudette	2021	-	-	-	-	-	-
Tropical Storm Nicholas	2021	-	-	-	-	-	-
2220 - Wind and Thunderstorm Event	2022	1	-	1	2	\$147	\$40
2221 - Wind & Hail Event	2022	1	-	1	1	\$44	\$30
2223 - Wind & Hail Event	2022	-	-	-	-	-	-
2225 - Wind & Hail Event	2022	-	-	-	-	-	-
2272 - Wind & Hail Event	2022	5	-	5	9	\$154	\$188
2299 - Wind & Hail Event	2022	-	-	-	-	-	-
2316 - Wind & Hail Event	2023	2	-	2	1	\$66	\$0
2348 - Wind & Hail Event	2023	-	1	1	-	\$5	\$9
2349 - Wind & Hail Event	2023	-	-	-	5	\$1	\$259
2411 - Wind & Hail Event	2024	1	3	4	15	\$52	\$384
2417 - Wind and Thunderstorm Event	2024	-	-	-	1	-	\$8
2420 - Wind and Thunderstorm Event	2024	-	1	1	12	\$7	\$99
2431 - Wind & Hail Event	2024	2	15	17	125	\$927	\$2,682
2440 - Wind & Hail Event	2024	2	2	4	78	\$261	\$1,742
2441 - Wind & Hail Event	2024	-	3	3	41	\$102	\$714
2447 - Wind & Hail Event	2024	-	1	1	-	\$6	-
2516 - Snow Event	2025	-	5	5	-	\$89	-
2522 - Wind & Hail Event	2025	-	9	9	-	\$133	-
2524 - Wind & Hail Event	2025	-	4	4	-	\$116	-
2528 - Wind & Hail Event	2025	-	7	7	-	\$49	-
Other	N/A	-	-	-	-	-	-
Total PCS Events		17	51	68	293	\$2,184	\$6,251
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	-	-	-	-	-	-
Total Other Outsourced Claims		-	-	-	-	-	-
Inhouse/Day Claims		59	271	330	354	10,720	8,231
Total Claims		322	398	720	1,286	\$23,930	\$35,467
IBNR						\$115,869	\$153,258
Total Reserve & IBNR						\$139,799	\$188,726

*Counts do not include EPIC commercial claims.

Claim Overview

Claim Level Statistics - All Claims

	<u>Month</u>		<u>Year-to-Date</u>	
	May-25	May-24	2025 YTD	2024 YTD
New Reported Claims	298	626	1,314	2,395
Claims Reopened	183	320	792	879
Closed Claims, as of 5/31	455	736	1,990	2,533
Closed with Pay	306	534	790	1,670
Closed without Pay	177	184	191	966
Avg Severity of Closed Claims	20,486	26,244	24,138	21,503
Avg Days to Close	151	127	205	140
Avg Days Open	85	78	123	84
Open Large Losses (>\$25K)	0	0	N/A	N/A

Claim Level Statistics - Hurricanes

New Reported Claims	7	2	62	9
Claims Reopened	47	23	294	97
Closed Claims, as of 5/31	71	61	549	251
Closed with Pay	57	57	440	237
Closed without Pay	17	6	74	28
Avg Severity of Closed Claims	41,844	106,177	40,974	78,909
Avg Days to Close	552	939	508	897
Avg Days Open	312	581	319	540
Open Large Losses (>\$25K)	0	0	N/A	N/A

Claim Level Statistics - PCS Events

New Reported Claims	19	340	332	1,231
Claims Reopened	47	192	172	340
Closed Claims, as of 5/31	83	455	409	1,001
Closed with Pay	70	317	99	723
Closed without Pay	20	112	13	318
Avg Severity of Closed Claims	17,206	12,229	12,249	11,362
Avg Days to Close	90	34	94	38
Avg Days Open	49	21	48	21
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	0
Closed with Pay	0	0	0	0
Closed without Pay	0	0	0	0
Avg Severity of Closed Claims	0	0	0	0
Avg Days to Close	0	0	0	0
Avg Days Open	0	0	0	0
Open Large Losses (>\$25K)	0	0	N/A	N/A

Claim Level Statistics - Inhouse/Day Claims

New Reported Claims	272	284	920	1,155
Claims Reopened	89	105	326	442
Closed Claims, as of 5/31	301	220	1,032	1,281
Closed with Pay	179	160	251	710
Closed without Pay	140	66	104	620
Avg Severity of Closed Claims	16,353	29,919	19,893	17,731
Avg Days to Close	73	93	87	72
Avg Days Open	41	58	49	44
Open Large Losses (>\$25K)	0	0	N/A	N/A

*Figures do not include EPIC commercial claims

Monthly Claims Loss Adjustment Expense Overview

	LCPIC Mangement In-house		Management Outsourced	
	May-25	May-24	May-25	May-24
Claim Management Fees				
Creative Adjusting- Admin Fees	-	68,250	-	-
Eberl - Admin Fees	-	-	-	-
MD Claims LLC - Admin Fees	-	-	-	-
Maverick Claims - Admin Fees	-	-	17,652	151,949
IAS Services Group LLC - Admin Fees	-	-	-	-
Mid-America - Admin Fees	-	-	2,800	79,450
Pacesetter - Admin Fees	-	-	2,700	-
SWA - Admin Fees	-	-	-	47,050
One Call - Call Center	-	-	-	-
Total Claim Management Fees	\$ -	\$68,250	\$23,152	\$278,449
Adjusting, Engineering, & Reinspection Expenses				
Elite Claims Service	54,343	88,224	-	-
Mid-America Catastrophe Service LLC	60,387	20,887	618	179,175
Pacesetter Claims Services Inc	31,601	34,005	-	14,451
US Forensic (Engineering)	17,565	-	-	1,974
LEGION CLAIMS SOLUTIONS LLC	28,008	2,975	-	475
SWA Claims Management Services LLC	34,097	23,733	-	107,583
NEW ENGLAND FIRE CAUSE & ORIGIN INC	2,764	3,738	-	-
Keystone Experts and Engineers LLC	-	-	-	-
Forensic Investigations Group (Engineering)	-	12,666	-	-
Joffrion Services LLC DBA Coastal Fire Investigati	7,830	-	-	-
Sift Fire Investigations LLC	5,641	-	-	-
PRONET GROUP, INC	-	-	3,968	-
STRIKE CHECK LLC	530	2,750	-	-
HVAC Investigators	745	2,085	-	-
Jill S Smith S&S Claims Professionals LLC	-	4,000	2,000	-
All Other	7,900	3,555	4,000	356
Total Adjusting, Engineering, & Reinspection Exps	\$251,410	\$198,618	\$10,586	\$304,014
Total LAE Expenses	\$251,410	\$266,868	\$33,738	\$582,463
LCPIC Claims Payroll & Benefits*	186,892	113,281	9,704	60,905
Total Expenses	\$438,302	\$380,148	\$43,442	\$643,368

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

Total Expenses	438,302	380,148	43,442	643,368
Ending Open Claims (720) Ending Closed Claims (455)	1,117	1,315	58	707
Total Direct Labor Cost Per Claim Handled	\$392	\$289	\$749	\$910

Average LAE Expenses - Closed Claims Method

Total LAE Expenses Paid on Closed Claims	203,724	114,508	8,918	287,813
Allocated LCPIC Claims Payroll & Benefits**	71,778	27,308	4,350	36,095
Allocated Expenses - Call Center**	-	-	-	-
Total Expenses - Closed Claims	\$275,503	\$141,816	\$13,268	\$323,908
Closed Claims	429	317	26	419
Total Direct Labor Cost Per Closed Claim	\$642	\$447	\$510	\$773

*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>	
	2025	2024	2025	2024
Claim Management Fees				
Creative Adjusting- Admin Fees	-	552,250	-	-
Eberl - Admin Fees	-	-	-	-
MD Claims LLC - Admin Fees	-	-	-	-
Maverick Claims - Admin Fees	-	-	137,060	235,704
IAS Services Group LLC - Admin Fees	-	-	-	-
Mid-America - Admin Fees	-	-	28,925	105,075
Pacesetter - Admin Fees	-	-	19,900	-
SWA - Admin Fees	-	-	14,100	67,800
One Call - Call Center	-	-	-	-
Total Claim Management Fees	\$ -	\$552,250	\$199,985	\$408,579
Adjusting, Engineering, & Reinspection Expenses				
Elite Claims Service	277,882	535,623	968	42,154
Mid-America Catastrophe Service LLC	261,129	121,062	11,551	357,674
Pacesetter Claims Services Inc	145,801	63,363	6,659	21,501
US Forensic (Engineering)	142,143	28,930	64,658	1,974
LEGION CLAIMS SOLUTIONS LLC	126,610	75,877	-	10,050
SWA Claims Management Services LLC	80,582	97,221	7,272	259,202
NEW ENGLAND FIRE CAUSE & ORIGIN INC	38,557	18,616	-	-
Keystone Experts and Engineers LLC	29,762	21,820	5,995	-
Forensic Investigations Group (Engineering)	29,216	51,936	-	-
Joffrion Services LLC DBA Coastal Fire Investigati	19,472	-	-	-
Sift Fire Investigations LLC	13,096	-	-	-
PRONET GROUP, INC	10,892	-	8,658	-
STRIKE CHECK LLC	9,880	8,360	-	-
HVAC Investigators	5,885	7,970	3,370	-
Jill S Smith S&S Claims Professionals LLC	-	18,000	6,000	-
All Other	54,051	43,457	18,928	4,324
Total Adjusting, Engineering, & Reinspection Exp	\$1,244,959	\$1,092,235	\$134,058	\$696,879
Total LAE Expenses	\$1,244,959	\$1,644,485	\$334,042	\$1,105,458
LCPIC Claims Payroll & Benefits*	896,449	741,217	89,582	156,092
Total Expenses	\$2,141,407	\$2,385,702	\$423,624	\$1,261,550

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

Total Expenses	2,141,407	2,385,702	423,624	1,261,550
Ending Open Claims (720) Ending Closed Claims (1990)	2,409	2,674	301	1,145
Total Direct Labor Cost Per Claim Handled	\$889	\$892	\$1,407	\$1,102

Average LAE Expenses - Closed Claims Method

Total LAE Expenses Paid on Closed Claims	985,034	858,550	119,318	743,711
Allocated LCPIC Claims Payroll & Benefits**	309,610	197,528	50,831	96,328
Allocated Expenses - Call Center**	-	-	-	-
Total Expenses - Closed Claims	\$1,294,644	\$1,056,077	\$170,149	\$840,039
Closed Claims	1,721	1,676	269	857
Total Direct Labor Cost Per Closed Claim	\$752	\$630	\$633	\$980

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-25	May-24	2025	2024
LCPIC Underwriting Payroll & Benefits*	234,510	217,185	1,157,593	1,062,248
LCPIC Customer Service Payroll & Benefits*	29,237	33,817	147,498	136,116
Temporary Labor - Customer Service	-	-	-	-
Total Payroll & Benefits	\$263,746	\$251,002	\$1,305,091	\$1,198,365
Total Expenses	\$263,746	\$251,002	\$1,305,091	\$1,198,365

Average Underwriting Expenses - Policies Issued Method

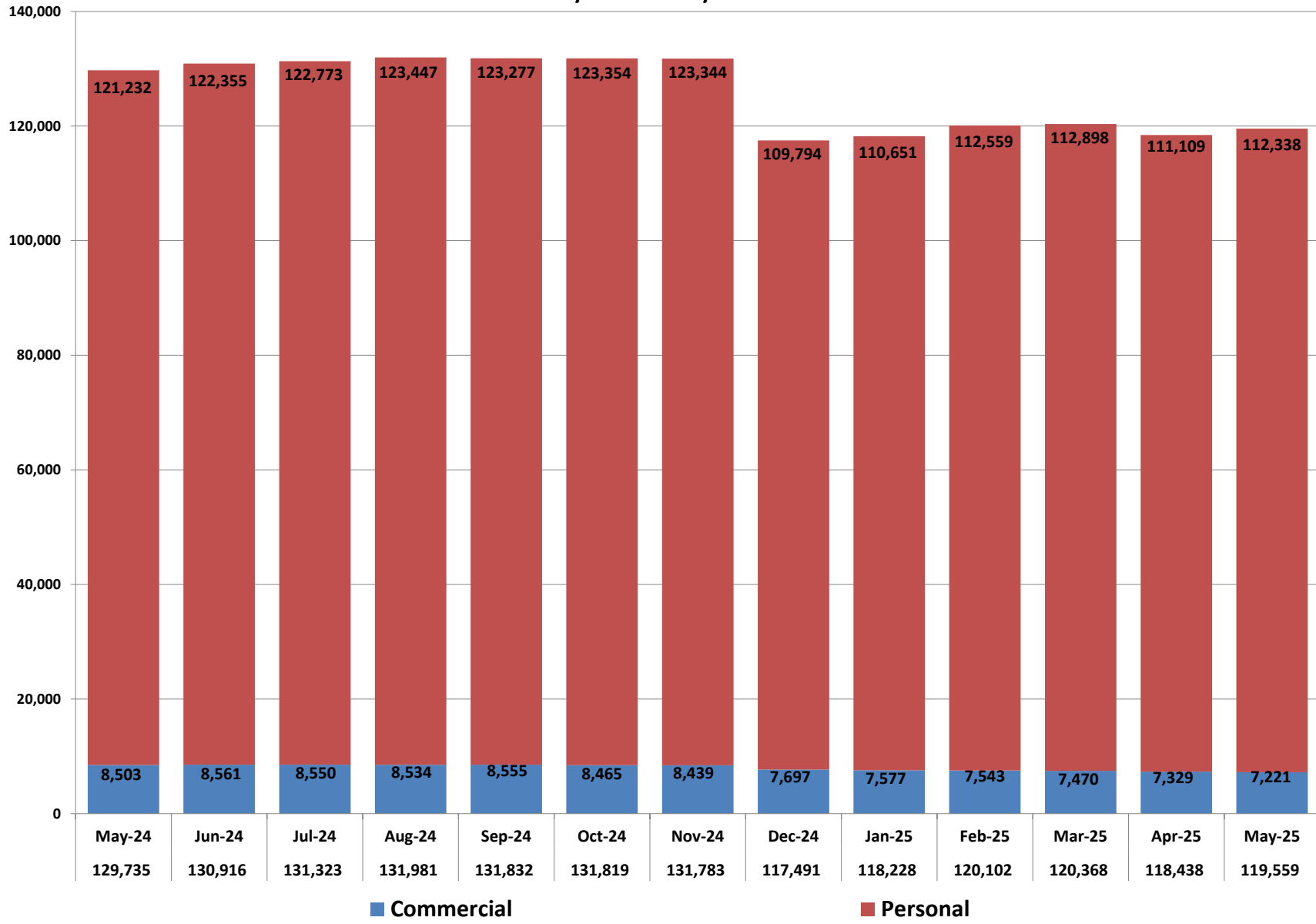
Total Expenses	\$263,746	\$251,002	\$1,305,091	\$1,198,365
New Policies Issued	3,839	4,473	15,845	19,237
Renewal Policies issued	<u>9,760</u>	<u>9,672</u>	<u>39,992</u>	<u>36,644</u>
Total Policies Issued*	13,599	14,145	55,837	55,881
Average Cost Per Policy Issued	\$19.39	\$17.74	\$23.37	\$21.44

Average Underwriting Expenses - Average Inforce Method

Total Expenses	\$263,746	\$251,002	\$1,305,091	\$1,198,365
Average Inforce Policies	<u>130,963</u>	<u>142,607</u>	<u>131,665</u>	<u>142,466</u>
Average Cost Per Policy Inforce	\$2.01	\$1.76	\$9.91	\$8.41

LCPIC Policy Inforce Count by Month - Net of Depop

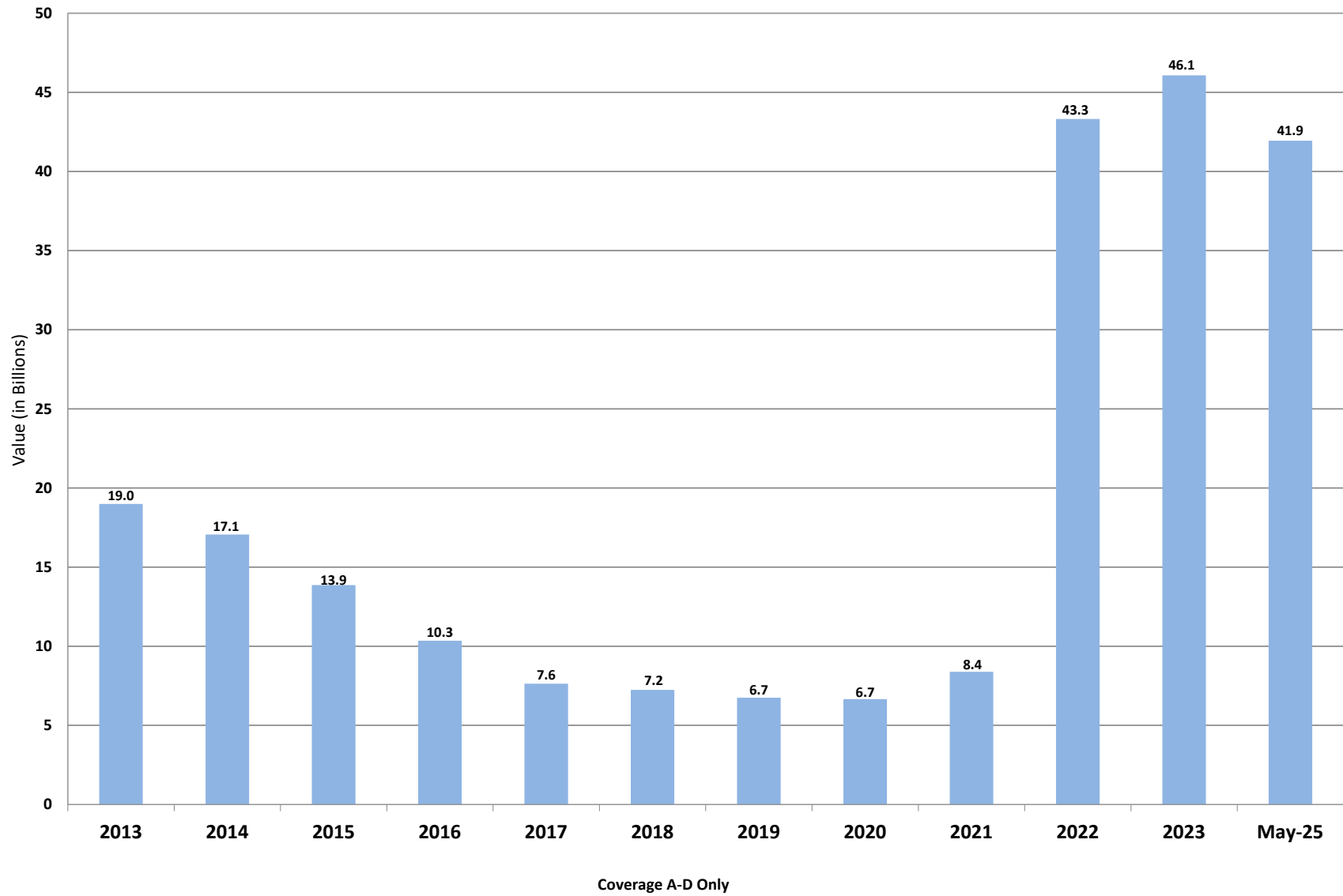
May 2024 to May 2025



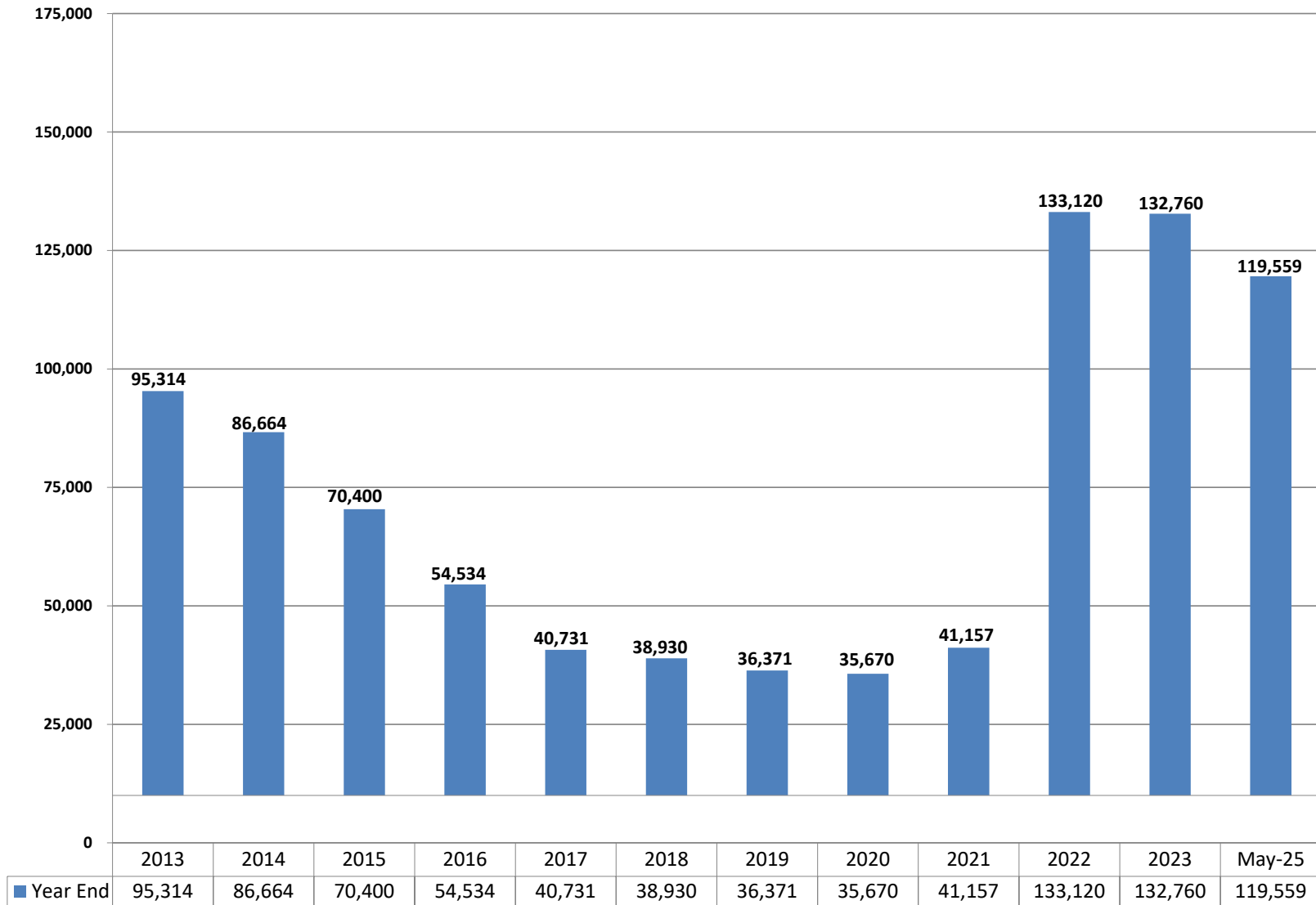
Inforce Policies by Business Type - Before and After Takeout

	Direct		Takeout		Net	
	Inforce Count	Inforce TIV (Cov A-D)	Inforce Count	Inforce TIV (Cov A-D)	Inforce Count	Inforce TIV (Cov A-D)
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
2023						
Commercial	8,541	10,721,652,318	0	0	8,541	10,721,652,318
Dwelling/Fire	116,228	26,760,245,133	7,300	1,785,715,050	108,928	24,974,530,083
Homeowners	17,450	11,357,400,168	2,159	981,099,070	15,291	10,376,301,098
Total	142,219	48,839,297,619	9,459	2,766,814,120	132,760	46,072,483,499
2024						
Commercial	8,299	9,621,962,070	602	609,851,189	7,697	9,012,110,881
Dwelling/Fire	111,026	26,301,989,144	11,826	2,840,495,515	99,200	23,461,493,629
Homeowners	12,749	10,602,755,833	2,155	1,361,892,095	10,594	9,240,863,738
Total	132,074	46,526,707,047	14,583	4,812,238,799	117,491	41,714,468,248
As of May 31, 2025						
Commercial	7,601	8,264,895,459	380	331,775,264	7,221	7,933,120,195
Dwelling/Fire	110,918	26,674,721,813	9,241	2,285,145,095	101,677	24,389,576,718
Homeowners	12,347	10,705,750,234	1,686	1,087,800,885	10,661	9,617,949,349
Total	130,866	45,645,367,506	11,307	3,704,721,244	119,559	41,940,646,262

Total Insured Value - After Takeout



Inforce Policy Count - After Takeout



Takeout Activity by Company Inception-to-Date

Round 19 Assumption 4/1/2024

Company	Initial Assumption	Opt Outs	<u>As of 5/31/2025</u>		Policies Assumed	Premium Assumed
			Canceled/Reinstated Policies	Expired Policies		
Safepoint	7,671	(837)	(582)	(325)	5,927	\$15,400
Ocean Harbor	744	(79)	(62)	(41)	562	\$1,766
Grand Total	<u>8,415</u>	<u>(916)</u>	<u>(644)</u>	<u>(366)</u>	<u>6,489</u>	<u>17,166</u>

Round 20 Assumption 12/1/2024

Company	Initial Assumption	Opt Outs	<u>As of 5/31/2025</u>		Policies Assumed	Premium Assumed
			Canceled/Reinstated Policies	Expired Policies		
Cajun Underwriters	12,096	(1,795)	(596)	(421)	9,284	\$31,049
Ocean Harbor	1,385	(172)	(80)	(41)	1,092	\$3,802
Grand Total	<u>13,481</u>	<u>(1,967)</u>	<u>(676)</u>	<u>(462)</u>	<u>10,376</u>	<u>34,851</u>

Round 21 Assumption 4/1/2025

Company	Initial Assumption	Opt Outs	<u>As of 5/31/2025</u>		Policies Assumed	Premium Assumed
			Canceled/Reinstated Policies	Expired Policies		
Cajun Underwriters	2,922	(217)	(66)	(42)	2,597	\$5,998
Grand Total	<u>2,922</u>	<u>(217)</u>	<u>(66)</u>	<u>(42)</u>	<u>2,597</u>	<u>5,998</u>

LOUISIANA CITIZENS
PROPERTY INSURANCE CORPORATION

FINANCIAL REPORT
(STATUTORY BASIS)

DECEMBER 31, 2024 AND 2023

LOUISIANA CITIZENS
PROPERTY INSURANCE CORPORATION

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DECEMBER 31, 2024 AND 2023

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May 13, 2025

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, 2024 and 2023, 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, 2024 and 2023, 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. 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, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ADMITTED ASSETS</u>		
Cash and invested assets:		
Cash, cash equivalents, and short-term investments	\$ 698,550,795	\$ 584,468,123
Bonds	167,794,398	113,196,922
Total cash and invested assets	866,345,193	697,665,045
Interest and dividends receivable	2,606,670	1,929,406
Premium receivable and agent's balances, net	74,339,559	81,725,683
Reinsurance receivable, net	5,240,444	4,427,497
Admitted electronic data processing equipment and software, at cost less accumulated depre- ciation of approximately \$19,415,030 and \$18,873,988 at December 31, 2024 and 2023, respectively	114,115	486,385
Emergency assessments receivable - 2005 deficit	113,000,000	166,530,000
Emergency assessments receivable - companies	17,058,249	20,000,000
Other receivables	125,187	110,542
TOTAL ADMITTED ASSETS	\$ 1,078,829,417	\$ 972,874,558

Continued

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
 STATUTORY STATEMENTS OF ADMITTED ASSETS, LIABILITIES, AND SURPLUS
DECEMBER 31, 2024 AND 2023

<u>LIABILITIES AND SURPLUS</u>	<u>2024</u>	<u>2023</u>
Liabilities:		
Loss reserves	\$ 70,310,939	\$ 80,949,065
Loss adjustment expense reserves	13,171,306	13,358,228
Commissions payable to agents	11,725,749	13,129,284
Unearned premiums	269,149,070	335,528,696
Other expenses (excluding taxes, licenses, and fees)	7,144,846	8,270,935
Taxes, licenses, and fees accrued	-	5,438,495
Provision for reinsurance	90,721	87,088
Accounts payable and other accrued expenses	38,157,192	9,268,184
Amounts retained or withheld from others	5,416	13,405
Ceded reinsurance premiums payable, net of ceding commissions	-	194,667
Unearned tax exempt surcharge	8,992,676	10,544,414
Interest payable	432,611	584,056
Bonds payable	115,468,370	171,908,361
Liability for funds restricted for debt service	157,842,852	129,001,482
	<hr/>	<hr/>
Total liabilities	692,491,748	778,276,360
	<hr/>	<hr/>
Surplus:		
Unassigned surplus	386,337,669	194,598,198
	<hr/>	<hr/>
Total accumulated surplus	386,337,669	194,598,198
	<hr/>	<hr/>
TOTAL LIABILITIES AND SURPLUS	<u>\$ 1,078,829,417</u>	<u>\$ 972,874,558</u>

See notes to statutory financial statements.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
STATUTORY STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
REVENUES:		
Premiums earned	\$ 305,699,501	\$ 260,616,120
LOSSES AND UNDERWRITING EXPENSES:		
Losses incurred	65,600,112	83,356,956
Loss adjustment expenses incurred	17,402,750	14,922,572
Other underwriting expenses	70,371,918	85,563,298
Total losses and underwriting expenses	153,374,780	183,842,826
NET UNDERWRITING GAIN	152,324,721	76,773,294
Investment income	25,426,642	13,582,271
Interest expense	(3,038,568)	(4,122,604)
Emergency assessment loss	(3,012,491)	(146,672)
Application and other miscellaneous fees	2,905,522	4,135,586
Finances and service charges not included in premiums	1,216,124	800,268
Net loss from agents or premium balances charged off	(55,517)	(99,475)
NET INCOME	\$ 175,766,433	\$ 90,922,668

See notes to statutory financial statements.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
 STATUTORY STATEMENTS OF CHANGES IN SURPLUS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
SURPLUS, BEGINNING OF YEAR	\$ 194,598,198	\$ 77,089,434
Net income	175,766,433	90,922,668
Change in nonadmitted assets	(2,717,513)	10,220,574
Change in provision for reinsurance	(3,633)	106,451
Tax exempt surcharge	17,142,446	19,567,677
Other gains and losses in surplus	<u>1,551,738</u>	<u>(3,308,606)</u>
SURPLUS, END OF YEAR	<u>\$ 386,337,669</u>	<u>\$ 194,598,198</u>

See notes to statutory financial statements.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
STATUTORY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES:		
Premiums collected, net of reinsurance	\$ 237,745,379	\$ 283,107,462
Commissions and expenses paid	(95,929,709)	(89,475,488)
Net investment income	23,404,177	10,941,761
Other revenues received	1,053,638	4,689,707
Losses and loss adjustment expenses paid	(69,695,772)	(9,997,832)
Net cash provided by operating activities	<u>96,577,713</u>	<u>199,265,610</u>
INVESTING ACTIVITIES:		
Proceeds from investments sold or matured	39,860,000	19,695,000
Cost of investments acquired	(96,150,844)	(51,504,505)
Net cash (used) by investing activities	<u>(56,290,844)</u>	<u>(31,809,505)</u>
FINANCING ACTIVITIES:		
Payments on borrowed funds	(56,591,436)	(55,140,571)
Other cash provided	130,387,239	114,144,213
Net cash provided by financing activities	<u>73,795,803</u>	<u>59,003,642</u>
Net change in cash, cash equivalents, and short-term investments	114,082,672	226,459,747
Cash, cash equivalents, and short-term investments, beginning of year	<u>584,468,123</u>	<u>358,008,376</u>
CASH, CASH EQUIVALENTS, AND SHORT-TERM INVESTMENTS, END OF YEAR	<u><u>\$ 698,550,795</u></u>	<u><u>\$ 584,468,123</u></u>

See notes to statutory financial statements.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2024 AND 2023

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 and cash equivalents 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.
- Subscription-based information technology arrangement (SBITA) payments are expensed when incurred. However, under GAAP, SBITA accounting is based on the principle that SBITAs are financings of the right to use an underlying subscription asset. The Company is required to recognize a right-to-use subscription asset and a corresponding subscription liability.

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, 2024 AND 2023

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 Funds:

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 funds 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 Company 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, 2024 AND 2023

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, 2024 AND 2023

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, the Company received permission from the Louisiana Department of Insurance 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 \$157,842,852 and \$129,001,482 at December 31, 2024 and 2023, respectively. The Company records 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, 2024 AND 2023

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, 2024 and 2023 in the amount of \$698,550,795 and \$584,468,123, 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, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Cash, Cash Equivalents, and Short-Term Investments:		
Cash	\$ 277,510,358	\$ 350,668,319
Cash Equivalents	3,136,929	750,667
Money Market Funds	400,061,384	230,738,470
Short-Term Bonds	17,842,124	2,310,667
Total Cash, Cash Equivalents, and Short-Term Investments	\$ 698,550,795	\$ 584,468,123

Bond Investments:

Bond investments as of December 31, 2024 and 2023 in the amount of \$167,794,398 and \$113,196,922, 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 \$19,529,145 and \$19,360,373 at December 31, 2024 and 2023, 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 EDP equipment and operating system software totaled \$558,559 and \$342,081 for the years ended December 31, 2024 and 2023, respectively.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Balance at January 1,	\$ <u>94,307,293</u>	\$ <u>50,299,233</u>
Incurred related to:		
Current year	114,932,580	56,718,628
Prior years	<u>(31,929,718)</u>	<u>41,560,900</u>
Total incurred	<u>83,002,862</u>	<u>98,279,528</u>
Paid related to:		
Current year	78,579,877	39,540,021
Prior years	<u>15,248,033</u>	<u>14,731,447</u>
Total paid	<u>93,827,910</u>	<u>54,271,468</u>
Balance at December 31,	\$ <u><u>83,482,245</u></u>	\$ <u><u>94,307,293</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 class action lawsuit and a number of 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 \$48,661,637 and \$59,489,967 during the years ended December 31, 2024 and 2023, respectively. Agent commissions payable were \$11,725,749 and \$13,129,284 for the years ended December 31, 2024 and 2023, respectively.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2024 and 2023 was \$386,337,669 and \$194,598,198, 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 \$4.5 billion.

Emergency assessments were as follows:	2024	2023
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	88,983,859
2023 2.10% assessment rate	86,541,054	86,541,054
2024 1.70% assessment rate	79,358,879	-
Total assessments	1,552,462,128	1,473,103,249
Plus: cumulative bond earnings	46,453,419	40,393,635
Less: cumulative debt service	(1,441,072,695)	(1,384,495,402)
Liability for funds restricted for debt service	\$ 157,842,852	\$ 129,001,482

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2024 and 2023 was as follows:

December 31, 2024 (in thousands):

	January 1, 2024 to May 31, 2024					
	<u>First Excess</u>	<u>Second Excess</u>	<u>Third Excess</u>	<u>Fourth Excess</u>	<u>Fifth Excess</u>	<u>Sixth Excess</u>
Company's Retention	\$ 200,000	\$ 300,000	\$ 500,000	\$ 800,000	\$ 1,050,000	\$ 1,330,000
Reinsurer's Per Occurrence Limit	\$ 100,000	\$ 200,000	\$ 300,000	\$ 250,000	\$ 280,000	\$ 420,000
Reinsurer's Term Limit	\$ 200,000	\$ 400,000	\$ 600,000	\$ 500,000	\$ 560,000	\$ 840,000
Annual Minimum Premium	\$ 38,500	\$ 57,500	\$ 57,000	\$ 34,375	\$ 33,600	\$ 44,100

	June 1, 2024 to December 31, 2024					
	<u>First Excess</u>	<u>Second Excess</u>	<u>Third Excess</u>	<u>Fourth Excess</u>	<u>Fifth Excess</u>	<u>Sixth Excess</u>
Company's Retention	\$ 200,000	\$ 300,000	\$ 500,000	\$ 800,000	\$ 1,050,000	\$ 1,330,000
Reinsurer's Per Occurrence Limit	\$ 100,000	\$ 200,000	\$ 300,000	\$ 250,000	\$ 280,000	\$ 670,000
Reinsurer's Term Limit	\$ 200,000	\$ 400,000	\$ 600,000	\$ 500,000	\$ 560,000	\$ 1,340,000
Annual Minimum Premium	\$ 42,000	\$ 66,000	\$ 66,000	\$ 35,000	\$ 33,600	\$ 67,000

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

8. REINSURANCE AGREEMENTS: (Continued)

December 31, 2023 (in thousands):

	January 1, 2023 to May 31, 2023						
	<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	\$ 255,000	\$ 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

	June 1, 2023 to December 31, 2023					
	<u>First Excess</u>	<u>Second Excess</u>	<u>Third Excess</u>	<u>Fourth Excess</u>	<u>Fifth Excess</u>	<u>Sixth Excess</u>
Company's Retention	\$ 200,000	\$ 300,000	\$ 500,000	\$ 800,000	\$ 1,050,000	\$ 1,330,000
Reinsurer's Per Occurrence Limit	\$ 100,000	\$ 200,000	\$ 300,000	\$ 250,000	\$ 280,000	\$ 420,000
Reinsurer's Term Limit	\$ 200,000	\$ 400,000	\$ 600,000	\$ 500,000	\$ 560,000	\$ 840,000
Annual Minimum Premium	\$ 38,500	\$ 57,500	\$ 57,000	\$ 34,375	\$ 33,600	\$ 44,100

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.

During the years ended December 31, 2024 and 2023, the Company 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
DECEMBER 31, 2024 AND 2023

8. REINSURANCE AGREEMENTS: (Continued)

During the years ended December 31, 2024 and 2023, 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, 2024 and 2023 was as follows:

December 31, 2024 (in thousands):

	January 1, 2024 to December 31, 2024		
	Second/Third County Weighted Industry Loss	Fourth/Fifth County Weighted Industry Loss	Sixth County Weighted Industry Loss
Company's			
Retention	\$ 300,000	\$ 800,000	\$ 1,330,000
Reinsurer's Per			
Occurrence Limit	\$ 500,000	\$ 530,000	\$ 670,000
Reinsurer's			
Term Limit	\$ 1,000,000	\$ 1,060,000	\$ 1,340,000
Annual Minimum			
Premium	\$ 111,250	\$ 55,650	\$ 53,600

December 31, 2023 (in thousands):

	January 1, 2023 to December 31, 2023		
	Second/Third County Weighted Industry Loss	Fourth/Fifth County Weighted Industry Loss	Sixth County Weighted Industry Loss
Company's			
Retention	\$ 300,000	\$ 800,000	\$ 1,330,000
Reinsurer's Per			
Occurrence Limit	\$ 500,000	\$ 530,000	\$ 420,000
Reinsurer's			
Term Limit	\$ 1,000,000	\$ 1,060,000	\$ 840,000
Annual Minimum			
Premium	\$ 112,500	\$ 67,840	\$ 39,900

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

8. REINSURANCE AGREEMENTS: (Continued)

As of December 31, 2024, the Company had additional coverage through six catastrophe bonds. In 2024, the Company purchased a \$200 million, Class A three-year catastrophe bond that provides coverage for 29.85% of up to \$2 billion in losses in excess of \$1.33 billion covered by retention and traditional reinsurance. The Company also purchased a \$75 million, Class B three-year catastrophe bond that provides coverage for 25% of up to \$800 million in losses in excess of \$500 million covered by retention and traditional reinsurance.

In 2023, the Company purchased a \$120 million, Class A three-year catastrophe bond that provides coverage for 48% of up to \$1.05 billion in losses in excess of \$800 million covered by retention and traditional reinsurance. The Company also purchased a \$75 million, Class B three-year catastrophe bond that provides coverage for 25% of up to \$800 million in losses in excess of \$500 million covered by retention and traditional reinsurance.

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. The 2021 catastrophe bonds were retired during the year ended December 31, 2024.

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. The 2020 catastrophe bonds were retired during the year ended December 31, 2023.

The effect of reinsurance on premiums written and earned during the years ended December 31, 2024 and 2023 was as follows:

	<u>2024 Premiums</u>		<u>2023 Premiums</u>	
	<u>Written</u>	<u>Earned</u>	<u>Written</u>	<u>Earned</u>
Direct	\$ 518,276,701	\$ 584,741,249	\$ 618,059,736	\$ 524,271,006
Ceded	<u>(279,041,748)</u>	<u>(279,041,748)</u>	<u>(263,654,886)</u>	<u>(263,654,886)</u>
Net premiums	<u>\$ 239,234,953</u>	<u>\$ 305,699,501</u>	<u>\$ 354,404,850</u>	<u>\$ 260,616,120</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

8. REINSURANCE AGREEMENTS: (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.

The provision for reinsurance at December 31, 2024 and 2023 was \$90,721 and \$87,088, respectively

9. LINE OF CREDIT:

The Company maintains a line of credit providing for a maximum borrowing of \$125,000,000 at December 31, 2024 and December 31, 2023. 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 years ended December 31, 2024 and December 31, 2023. SOFR at December 31, 2024 and December 31, 2023 was 4.53% and 5.34%, respectively. 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, 2025. There was no balance outstanding on the line of credit at December 31, 2024 and 2023.

10. BONDS PAYABLE:

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. Bond principal payments of \$53,530,000 and \$50,980,000 were made during the years ended December 31, 2024 and 2023, respectively. The outstanding balance due on these bonds as of December 31, 2024 and 2023 was \$113,000,000 and \$166,530,000, respectively.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

10. BONDS PAYABLE: (Continued)

Series 2016AB: (Continued)

A schedule of debt service requirements, including bond premiums as of December 31, 2024 was as follows:

<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>	<u>Total</u>
2025	\$ 55,345,000	\$ 4,037,042	\$ 1,880,779	\$ 61,262,821
2026	57,655,000	1,441,375	587,591	59,683,966
	<u>\$ 113,000,000</u>	<u>\$ 5,478,417</u>	<u>\$ 2,468,370</u>	<u>\$ 120,946,787</u>

Net unamortized premium at December 31, 2024 and 2023 was \$2,468,370 and \$5,378,361, respectively.

The total interest expense on the bonds for the years ended December 31, 2024 and 2023 was \$3,038,568 and \$4,122,604, respectively, including annual amortized premiums of \$2,909,991 and \$3,948,155, 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>2024</u>	<u>2023</u>
Change in projected benefit obligation:		
Beginning projected benefit obligation, January 1,	\$ 1,842,297	\$ 1,824,183
Interest cost	95,488	97,032
Actuarial (gain) loss	(48,806)	40,734
Benefit payments	<u>(152,760)</u>	<u>(119,652)</u>
Ending projected benefit obligation, December 31,	<u>\$ 1,736,219</u>	<u>\$ 1,842,297</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

11. RETIREMENT PLANS: (Continued)

	<u>2024</u>	<u>2023</u>
Change in plan assets:		
Fair value of plan assets, January 1,	\$ 2,003,354	\$ 1,923,291
Employer contributions	42,126	-
Benefit payments	(152,760)	(119,652)
Actual return on plan assets	30,345	199,715
Fair value of plan assets, December 31,	<u>1,923,065</u>	<u>2,003,354</u>
Funded status	<u>\$ 186,846</u>	<u>\$ 161,057</u>

Assumptions used to determine projected benefit obligations and pension costs at December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Discount rate	5.25%	5.50%
Long-term rate of return on assets	6.00%	5.25%
Compensation increase rate	N/A	N/A

Net periodic benefit cost for the years ended December 31, 2024 and 2023 included the following components:

	<u>2024</u>	<u>2023</u>
Interest cost	\$ 95,488	\$ 97,032
Expected return on plan assets	(118,176)	(97,221)
Amortization net prior service cost	1,445	1,445
Amortization net loss	9,970	12,146
Ending net periodic benefit cost, December 31,	<u>\$ (11,273)</u>	<u>\$ 13,402</u>

Changes in amounts recognized in accumulated surplus for the years ended December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Unrecognized balances, January 1,	\$ 457,286	\$ 532,637
Net prior service credit recognized	(1,445)	(1,445)
Net gain recognized	(9,970)	(12,146)
Actuarial (gain) loss occurring	39,025	(61,760)
Ending unrecognized balances, December 31,	<u>\$ 484,896</u>	<u>\$ 457,286</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

11. RETIREMENT PLANS: (Continued)

The fair value of assets as of December 31, 2024 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, 2023 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, 2024 and 2023 and adjusting for actual payments and contributions.

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

Year ending December 31,		
2025	\$	128,456
2026		131,211
2027		133,327
2028		134,851
2029		135,644
2030-2034		673,829
Total	\$	<u>1,337,318</u>

Payables to the Pension Plan:

As of December 31, 2024 and 2023, 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 \$803,246 and \$671,408 during the years ended December 31, 2024 and 2023, 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, 2024 and 2023 totaled \$257,492 and \$244,214, respectively.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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.

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>2024</u>	<u>2023</u>
Change in benefit obligation:		
Beginning APBO, January 1,	\$ 2,779,456	\$ 2,957,380
Service cost	32,621	37,293
Interest cost	143,844	160,202
Plan participants' contributions	19,833	30,750
Actuarial (gain)/loss	(331,939)	(298,179)
Benefit payments	<u>(75,978)</u>	<u>(107,990)</u>
Ending APBO, December 31,	<u>\$ 2,567,837</u>	<u>\$ 2,779,456</u>

	<u>2024</u>	<u>2023</u>
Change in plan assets:		
Fair value of plan assets, January 1,	\$ -	\$ -
Employer contributions	56,145	77,240
Plan participants' contributions	19,833	30,750
Benefit payments	<u>(75,978)</u>	<u>(107,990)</u>
Fair value of plan assets, December 31,	<u>-</u>	<u>-</u>
Funded status	<u>\$ (2,567,837)</u>	<u>\$ (2,779,456)</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

12. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

Funding Policy: (Continued)

Net periodic benefit cost for the years ended December 31, 2024 and 2023 included the following components:

	<u>2024</u>	<u>2023</u>
Service cost	\$ 32,621	\$ 37,293
Interest cost	143,844	160,202
Net prior service cost amortization	(22,709)	(22,709)
Amortization net loss	(43,123)	(2,555)
Ending net periodic benefit cost, December 31,	<u>\$ 110,633</u>	<u>\$ 172,231</u>

Assumptions used to determine projected benefit costs at December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Discount rate	5.25%	5.50%
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	2030	2029

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, 2024 and 2023 are included in the table below:

	<u>2024</u>	<u>2023</u>
Change in unrecognized balances		
Unrecognized balances, January 1,	\$ (824,543)	\$ (551,628)
Net prior service cost recognized	22,709	22,709
Net (gain)/loss recognized	43,123	2,555
Actuarial loss/(gain) occurring	(331,939)	(298,179)
Ending unrecognized balances, December 31,	<u>\$ (1,090,650)</u>	<u>\$ (824,543)</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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:

Year ending December 31,	
2025	\$ 72,652
2026	89,700
2027	106,661
2028	124,450
2029	145,062
2030-2034	864,474
Total	<u>\$ 1,402,999</u>

13. LEASES:

The Company is obligated under a non-cancelable operating lease for office space that began on October 1, 2023 and will expire in March 2034. The future minimum payments as of December 31, 2024 were as follows:

Year ending December 31,	
2025	\$ 412,770
2026	459,995
2027	469,195
2028	478,579
2029	488,150
Thereafter	2,182,107
Total	<u>\$ 4,490,796</u>

Rental expense for the years ended December 31, 2024 and 2023 was \$416,605 and \$504,577, respectively.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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

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, 2024 and 2023 was as follows:

	<u>2024</u>	<u>2023</u>
Change in net position - GAAP basis	\$ 283,880,414	\$ 226,015,849
Adjustments to:		
Pension plan expense	(142,194)	(10,378)
Other	(7,121,573)	(18,676,482)
Amortization expense - right of use asset	264,000	263,202
Amortization expense - right of use asset SBITA	515,613	185,600
Rent expense	(367,220)	(381,647)
Software maintenace expense	(681,451)	(352,534)
Interest expense	474,031	236,687
Investment increase (decrease) in fair value	10,367	(976,284)
Excess emergency assessments	(82,371,370)	(99,122,273)
Tax exempt surcharge	(18,694,184)	(16,259,072)
Net income - statutory basis	<u>\$ 175,766,433</u>	<u>\$ 90,922,668</u>
	<u>2024</u>	<u>2023</u>
Total increase (deficiency) in net position - GAAP basis	\$ 455,734,272	\$ 171,853,858
Adjustments to:		
Non-admitted assets	(28,081,960)	(25,364,446)
Right of use assets	(2,498,174)	(2,706,000)
Right of use assets SBITA	(1,881,999)	(2,397,612)
Net pension asset	522,912	677,918
Lease liability	2,879,030	2,894,737
SBITA liability	1,741,232	2,232,884
SBITA accrued interest	39,372	50,479
Other accrued liabilities	(198,456)	(211,269)
Restricted assessments	(41,457,532)	(39,245,910)
Allowance for doubtful accounts	2,829,752	9,951,325
Investment increase in fair value	185,261	174,894
Emergency assessments receivable	(3,385,320)	76,774,428
Provision for reinsurance receivable	(90,721)	(87,088)
Accumulated surplus - statutory basis	<u>\$ 386,337,669</u>	<u>\$ 194,598,198</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2024 AND 2023

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, 2024 and 2023, the Company did not make any payments towards Oubre settlements. The Company has paid \$145.5 million towards the final settlement as of December 31, 2024. At December 31, 2024 and 2023, 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 472 first-party suits, the majority of which are related to first party suits related to 2021 Hurricane Ida and 2020 Hurricanes Laura, Delta and Zeta. 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, 2024 and 2023, 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, 2024 AND 2023

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 \$38,027,279 and \$22,101,996 for the years ended December 31, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2023, the Company's emergency assessment receivable for the 2005 deficit was \$113,000,000 and \$166,530,000, respectively.

During the years ended December 31, 2024 and 2023, the Company has \$17,058,249 and \$20,000,000, 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, 2024 AND 2023

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 13, 2025. During this period, the Company had one material recognizable subsequent event that required recognition in the disclosures to the December 31, 2024 financial statements.

As of December 31, 2024, the Company has collected sufficient assessments to cover all remaining debt service obligations through June 2026. On January 9, 2025, the Board of Directors voted to discontinue the approved 1.36% assessment rate for 2025, effective April 1, 2025.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
SUPPLEMENTARY INFORMATION
SUPPLEMENTAL INVESTMENT RISK INTERROGATORIES
DECEMBER 31, 2024

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 \$1,078,829,417

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	\$ 43,657,352	4.0%
Louisiana Local Government Environmental Facilities and Community Development Authority	Bonds	26,081,572	2.4%
City of New Orleans, Louisiana	Bonds	17,558,701	1.6%
East Baton Rouge Louisiana Sewerage Commission	Bonds	9,104,468	0.8%
Louisiana Public Facilities Authority	Bonds	8,038,040	0.7%
City of Lafayette, Louisiana	Bonds	7,862,607	0.7%
Parish-wide School District of Ascension Parish, Louisiana	Bonds	5,789,922	0.5%
St. Tammany Parish Wide School District No 12 Louisiana	Bonds	3,813,579	0.4%
Louisiana Housing Corporation	Bonds	3,731,380	0.3%
Bossier Parish Schools	Bonds	3,293,365	0.3%

3. Amounts and percentages of total admitted assets held in bonds. Total bonds consist of \$167,794,398 of bonds, \$17,842,124 in short-term bonds, and \$3,136,929 in cash equivalents, consisting of bonds maturing in three months or less from the purchase date, 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	\$ 188,773,451	17.50%

FINANCIAL REPORT
LOUISIANA CITIZENS
PROPERTY INSURANCE CORPORATION
DECEMBER 31, 2024 AND 2023

LOUISIANA CITIZENS
PROPERTY INSURANCE CORPORATION

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June 24, 2025

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

Report on the Audit of the Financial Statements

Opinions

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, 2024 and 2023, 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, 2024 and 2023, and the respective 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 Opinions

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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Members
American Institute of
Certified Public Accountants
Society of LA CPAs

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. 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 basic financial statements. The 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 24, 2025 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, Sharpness, Hogan and Baker, LLP

New Orleans, Louisiana

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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, 2024 and 2023. 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, 2024 were:

- The Company renewed its reinsurance program in May 2024 with storm coverage of \$2,090 million and retention of \$200 million that includes a traditional reinsurance program, two cat bonds, and a parametric limit for a decrease in cost of approximately \$9.7 million for the June 1, 2024 through May 31, 2025 program period as compared to June 1, 2023 through May 31, 2024 program period. The 2024 – 2025 program period provides for a 1 in 100 year storm coverage compared to a 1 in 106 year storm coverage for the 2023 – 2024 program.
- The Company completed a nineteenth round of depopulation effective April 1, 2024 transferring 8,415 policies and approximately \$2,400 million of exposure to the private insurance market. The Company also completed a twentieth round of depopulation effective December 1, 2024 transferring 13,481 policies and approximately \$4,491 million of exposure to the private insurance market.
- On January 9, 2025, the Board of Directors of the Company voted to terminate the 1.36% assessment on all residential and commercial property insurance policies in Louisiana, effective April 1, 2025. This assessment, originally established to fund the repayment of bonds issued for debt resulting from claims related to Hurricanes Katrina and Rita, was previously scheduled to expire in June 2026. Although the assessment will end in April 2025, the Company will continue to make semi-annual debt service payments and annual principal payments through June 2026. As of December 31, 2024, the Company has collected sufficient assessments to cover all remaining debt service and principal obligations.

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, 2024 AND 2023

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>2024</u>	<u>2023</u>	<u>2022</u>
Current assets	\$ 874,345,810	\$ 735,569,388	\$ 477,668,408
Capital assets	1,191,473	720,591	521,080
Right of use asset - lease	2,498,174	2,706,000	245,704
Right of use asset - SBITA	1,882,000	2,397,612	-
Other non-current assets	115,338,862	85,415,592	68,063,215
Total assets	<u>995,256,319</u>	<u>826,809,183</u>	<u>546,498,407</u>
Deferred outflows of resources	<u>309,507</u>	<u>482,623</u>	<u>839,447</u>
Current liabilities	467,816,845	525,457,144	420,572,154
Non-current liabilities	71,389,665	128,697,475	179,469,377
Total liabilities	<u>539,206,510</u>	<u>654,154,619</u>	<u>600,041,531</u>
Deferred inflows of resources	<u>845,700</u>	<u>1,283,329</u>	<u>1,458,314</u>
Net position:			
Net investment in capital assets	912,013	646,103	521,080
Restricted for debt service	287,826,600	258,985,230	210,842,957
Unrestricted	166,775,003	(87,777,475)	(265,526,028)
Total Net Position (Deficit)	<u>\$ 455,513,616</u>	<u>\$ 171,853,858</u>	<u>\$ (54,161,991)</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Financial Analysis of the Entity: (Continued)

Assets

2024

Total assets increased by \$168.4 million in 2024 compared to 2023 due to the reasons described below.

Current assets, consisting primarily of cash, cash equivalents, investments, and receivables, increased by \$138.8 million in 2024. The increase in current assets was primarily due to continued growth and rate changes in 2024. In addition, restricted investments held by bond trustee increased by \$29.5 million primarily due to emergency assessment collections exceeding bond service costs. 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 and cash equivalents was a decrease of \$7.4 million in premiums receivable due to the policies depopulated during 2024.

Other non-current assets, consisting primarily of the restricted cash related to escheatment and noncurrent investments, increased by \$29.9 million in 2024. Other non-current assets increased primarily due to noncurrent investments purchased from cash provided from the increase in new policies written.

2023

Total assets increased by \$280.3 million in 2023 compared to 2022 due to the reasons described below.

Current assets, consisting primarily of cash, cash equivalents, investments, and receivables, increased by \$257.9 million in 2023. The increase in current assets was primarily due to an increase from continued growth and rate changes in 2023. In addition, an increase in premium receivables of \$23.3 million resulting from new policies written. Restricted investments held by bond trustee of \$27.7 million increased primarily due to emergency assessment collections exceeding bond service costs. 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 \$14.5 million in reinsurance recoverables on paid loss and loss adjustment expenses due to Hurricane Ida claim activity in the prior year.

Other non-current assets, consisting primarily of the restricted cash related to escheatment and noncurrent investments, increased by \$17.4 million in 2023. Other non-current assets increased primarily due noncurrent investments purchased from cash provided from the increase in new policies written.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Financial Analysis of the Entity: (Continued)

Deferred Outflows of Resources

2024

Total deferred outflows of resources decreased by \$173 thousand in 2024 compared to 2023 primarily due to the changes in estimates related to other post-employment benefits and net pension liabilities.

2023

Total deferred outflows of resources decreased by \$357 thousand in 2023 compared to 2022 primarily due to the changes in estimates related to other post-employment benefits and net pension liabilities.

Liabilities

2024

Total liabilities decreased by \$114.9 million in 2024 compared to 2023 primarily due to the reasons described below.

The combined current and noncurrent bonds payable decreased by \$56.4 million in 2024 compared to 2023 primarily due to a \$53.5 million in scheduled bond principal payments made in 2024, and amortization of bond premiums of \$2.9 million in 2024.

Unearned premiums decreased by \$66.4 million in 2024 compared to 2023 primarily as a result of less in-force policies written by the Company during 2024.

Claims reserves and claims adjustment expense reserves decreased by \$10.4 million in 2024 compared to 2023. The decrease is primarily due to a decrease in the projected ultimate loss for Hurricane Ida in 2024 as a result of the year-end actuarial analysis.

Takeout premium payable increased by \$27.9 million in 2024 compared to 2023 primarily due to the takeout premiums owed to the assuming insurers on the policies depopulated in Round 20 of depopulation in December 2024. In 2023, the latest round of depopulation took place in October 2023, so there were no significant payables owed to assuming insurers at year end.

2023

Total liabilities increased by \$54.1 million in 2023 compared to 2022 primarily due to the reasons described below.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Financial Analysis of the Entity: (Continued)

Liabilities (Continued)

The combined current and noncurrent bonds payable decreased by \$54.9 million in 2023 compared to 2022 primarily due to a \$51.0 million in scheduled bond principal payments made in 2023, and amortization of bond premiums of \$3.9 million in 2023.

Unearned premiums increased by \$93.7 million in 2023 compared to 2022 primarily as a result of policy growth and rate changes during 2023.

Claims reserves and claims adjustment expense reserves increased by \$44.0 million in 2023 compared to 2022. The increase is primarily due to \$17.2 million case reserves and IBNR reserves for 2023 non-catastrophe losses, and a \$54.6 million increase in IBNR reserves for Hurricane Ida. The increase is offset by a decrease of \$26.7 million for all 2022 claims and \$1.2 million for all other claims.

Other current liabilities decreased by \$44.6 million in 2023 compared to 2022 primarily due to the ceded premiums booked in 2022 in anticipation of the adjusted contractual premium owed under the Company's core reinsurance program. The ceded reinsurance premium under the core program is amortized and paid on a provisional basis during the contract term based upon the total insured value (TIV) at the beginning of the contract period, which is June 1, 2023. The adjusted contractual premium payable is calculated using the TIV at the end of the contract period which is May 31, 2024. Due to the significant increase in policies issued during the 2022 contract period, a greater adjusted contractual premium was calculated and paid compared to 2023.

Net Position

2024

The increase in net position of \$283.7 million in 2024 compared to 2023 was primarily due to a net operating income of \$163.5 million and a net non-operating income of \$120.1 million.

2023

The increase in net position of \$226.0 million in 2023 compared to 2022 was primarily due to a net operating income of \$100.5 million and a net non-operating income of \$125.6 million.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Financial Analysis of the Entity: (Continued)

Net Position (Continued)

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>2024</u>	<u>2023</u>	<u>2022</u>
Operating revenue:			
Net premiums revenue	\$ 305,443,644	\$ 260,542,110	\$ 82,561,928
Finance charges and other operating income	4,121,646	4,935,854	8,477,436
Total operating revenues	<u>309,565,290</u>	<u>265,477,964</u>	<u>91,039,364</u>
Operating expenses:			
Claims and underwriting expenses	144,662,743	164,175,702	155,077,934
Depreciation and amortization	1,368,090	848,097	607,091
Total operating expenses	<u>146,030,833</u>	<u>165,023,799</u>	<u>155,685,025</u>
Operating income (loss)	<u>163,534,457</u>	<u>100,454,165</u>	<u>(64,645,661)</u>
Non-operating revenues (expenses):			
Interest expense	(3,521,324)	(4,368,017)	(6,261,860)
Other revenue	123,646,627	129,929,701	97,157,629
Total non-operating revenues	<u>120,125,303</u>	<u>125,561,684</u>	<u>90,895,769</u>
Change in net position	283,659,760	226,015,849	26,250,108
Net position (deficit) at beginning of year	171,853,858	(54,161,991)	(80,412,099)
Net position (deficit) at end of year	<u>\$ 455,513,618</u>	<u>\$ 171,853,858</u>	<u>\$ (54,161,991)</u>

2024

Change in net position increased \$57.6 million in 2024 compared to 2023 due to the reasons described below.

Net premium revenue was \$44.9 million higher in 2024 compared to 2023. The increase was a result of the unearned premiums in 2023 becoming earned in 2024 and less premium written in 2024.

The claims and underwriting expense was \$19.3 million lower in 2024 compared to 2023. The decrease in claims and underwriting expenses was primarily due to the decrease in the projected ultimate loss of Hurricane Ida in the December 2024 actuarial analysis.

Interest expense decreased by \$847 thousand in 2024 compared to 2023. The decrease in 2024 was primarily attributable to a decrease in interest expense due to a reduction in the amortization of deferred outflows from advanced refunding.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Financial Analysis of the Entity: (Continued)

Net Position (Continued)

Other revenue decreased by \$6.3 million in 2024 compared to 2023. The decrease in 2024 was primarily attributable to a decrease in Emergency Assessment Income of \$19.6 million, an increase in tax exempt surcharge of \$2.4 million, and an increase in investment income of \$10.9 million.

2023

Change in net position increased \$226 million in 2023 compared to 2022 due to the reasons described below.

Net premium revenue was \$178 million higher in 2023 compared to 2022. The increase was a result of the increase in unearned premiums as described on Page 8 of the Liabilities section for 2023.

The claims and underwriting expense was \$9.1 million higher in 2023 compared to 2022. Claims expenses were \$28.8 million greater in 2023 as compared to 2022 primarily due to an increase of \$45.6 million from Hurricane Ida and an increase of \$56.7 million from 2023 accident year claims. Offsetting these increases was a decrease of \$70.8 million from 2022 accident year claims. Underwriting expenses increased primarily due to \$17.3 million related to agents' commissions and \$9.5 million related to premium taxes resulting from the increase in premiums written in 2023. Offsetting the increase in claims and underwriting expenses was a \$46.5 million decrease in the allowance for doubtful reinsurance recoverable balances in 2023 as compared to 2022.

Interest expense decreased by \$1.9 million in 2023 compared to 2022. The decrease in 2023 was primarily attributable to a decrease in interest expense due to a reduction in the amortization of deferred outflows from advanced refunding.

Other revenue increased by \$32.8 million in 2023 compared to 2022. The increase in 2023 was primarily attributable to an increase in Emergency Assessment Income of \$10 million, an increase in tax exempt surcharge of \$9.2 million, and an increase in investment income of \$13.5 million.

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.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Financial Analysis of the Entity: (Continued)

Cash Flow and Liquidity: (Continued)

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 \$384 million on the state insurance industry derived from 10% of their written premium for deficits each year, and an emergency assessment up to approximately \$446 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 2023, the Company secured a \$125.0 million line of credit with Regions Bank that matures in June 2025. 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 \$113 million of fixed rate assessment revenue bonds outstanding as of December 31, 2024. 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.

Pending Litigation

As of December 31, 2024 there were 472 open litigation matters against LCPIC. The majority of these lawsuits are first-party suits related to 2021 Hurricane Ida and 2020 Hurricanes Laura, Delta and Zeta. Excluding the Oubre class action suit described below, unpaid loss and loss adjustment expenses in the amount \$15.5 million are included in the claims reserve and claims adjustment expense reserves on the statement of net position. 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.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Financial Analysis of the Entity: (Continued)

Pending Litigation (Continued)

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, 2024 and has a reserve of \$3.7 million for the remaining settlement (included in unpaid losses on the statement of net position). LCPIC will continually review the reserve to ensure that it meets the anticipated settlement costs.

Future Plans

LCPIC had \$1,877.5 million in total reinsurance and cat bonds in place for the 2024 storm season, which provided 1 in 100 year storm coverage. The cat bonds include two three-year catastrophe bonds for \$350 million and \$295 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, 2025. LCPIC is in the process of negotiating a new reinsurance program for the 2025 storm season and it is anticipated to provide a minimum of 1 in 122 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 Adam Bourgeois at (504) 832-3214 or abourgeois@lacitizens.com.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
STATEMENTS OF NET POSITION
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS:		
Current assets:		
Cash	\$ 270,773,306	\$ 344,638,234
Cash equivalents	260,767,787	118,536,045
Bond investments	77,022,907	36,057,488
Restricted cash equivalents	142,430,865	112,953,333
Premium receivables and agent's balances, net	74,339,559	81,725,683
Reinsurance recoverables	5,206,945	4,427,497
Emergency assessments receivable	17,058,249	20,000,000
Prepaid reinsurance premiums	22,604,101	14,071,986
Net pension asset	200,127	283,845
Other current assets	3,941,964	2,875,277
Total current assets	874,345,810	735,569,388
Noncurrent assets:		
Restricted cash for escheatment	6,737,052	6,030,085
Bond investments	108,428,014	79,274,965
Capital assets	1,191,473	720,591
Right of use asset - lease	2,498,174	2,706,000
Right of use asset - SBITA	1,882,000	2,397,612
Other noncurrent assets	173,796	110,542
Total noncurrent assets	120,910,509	91,239,795
Total assets	995,256,319	826,809,183
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows - pension and OPEB	309,507	482,623
Total deferred outflows of resources	\$ 309,507	\$ 482,623

See accompanying notes to the financial statements.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
STATEMENTS OF NET POSITION (Continued)
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
LIABILITIES:		
Current liabilities:		
Claims reserves	\$ 70,310,939	\$ 80,949,065
Claims adjustment expense reserves	12,358,062	12,104,263
Unearned premiums	269,149,070	335,528,695
Bonds payable, net of unamortized premium	57,225,779	56,439,991
Unearned tax exempt surcharge	8,992,675	10,544,413
Commissions payable to agents	11,725,749	13,129,284
Taxes, licenses, and fees due	5,863,990	12,941,888
Accrued bond interest	432,611	584,056
Lease liability	133,759	71,881
SBITA liability	533,734	491,652
SBITA accrued interest	39,372	50,479
Takeout premium payable	29,359,777	1,447,572
Other current liabilities	1,691,328	1,173,905
Total current liabilities	467,816,845	525,457,144
Noncurrent liabilities:		
Bonds payable, net of unamortized premium	58,242,591	115,468,370
Escheatment payable	6,737,052	6,030,085
Lease liability	2,745,271	2,822,856
SBITA liability	1,207,498	1,741,232
Other postemployment benefits	2,457,253	2,634,932
Total noncurrent liabilities	71,389,665	128,697,475
Total liabilities	539,206,510	654,154,619
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows - pensions and OPEB	845,700	1,283,329
Total deferred inflows of resources	845,700	1,283,329
NET POSITION:		
Net investment in capital assets	912,013	646,103
Restricted for debt service	287,826,600	258,985,230
Unrestricted (deficit)	166,775,003	(87,777,475)
Total net position	\$ 455,513,616	\$ 171,853,858

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, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES:		
Premiums earned	\$ 584,485,392	\$ 524,196,996
Premiums ceded	<u>(279,041,748)</u>	<u>(263,654,886)</u>
Net premiums revenue	305,443,644	260,542,110
Finance and service charges	4,074,871	4,893,115
Other operating income	<u>46,775</u>	<u>42,739</u>
Total operating revenues	<u>309,565,290</u>	<u>265,477,964</u>
OPERATING EXPENSES:		
Claims and claim adjustment expenses	74,893,336	79,084,296
Commissions and brokerage	48,661,637	59,489,967
Salary and related items	4,101,946	3,731,783
Board, bureaus and associations	3,890,075	5,220,558
Taxes, licenses and fees	6,308,246	7,878,498
Equipment, depreciation, and repairs and maintenance	1,032,419	834,476
Amortization - right of use leased assets	264,000	263,202
Amortization - right of use SBITA assets	515,613	185,600
General office	3,598,463	3,619,408
Employee benefits	1,298,121	1,231,318
Other underwriting expenses	<u>1,466,979</u>	<u>3,484,693</u>
Total operating expenses	<u>146,030,835</u>	<u>165,023,799</u>
Operating income	<u>163,534,455</u>	<u>100,454,165</u>
NONOPERATING REVENUES (EXPENSES):		
Interest expense	(3,047,293)	(4,131,329)
Interest expense - lease liability	(295,339)	(184,003)
Interest expense - SBITA liability	(178,692)	(52,685)
Investment income	25,593,564	14,695,028
Emergency assessment income	79,358,879	98,975,601
Tax exempt surcharge	<u>18,694,184</u>	<u>16,259,072</u>
Total nonoperating revenues	<u>120,125,303</u>	<u>125,561,684</u>
CHANGE IN NET POSITION	283,659,758	226,015,849
Net position (deficit), beginning of year	<u>171,853,858</u>	<u>(54,161,991)</u>
NET POSITION, END OF YEAR	<u>\$ 455,513,616</u>	<u>\$ 171,853,858</u>

See accompanying notes to the financial statements.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Premiums collected	\$ 239,128,228	\$ 312,254,057
Finance and service charges collected	4,074,871	4,893,115
Other receipts	753,742	1,337,231
Claims recovered (paid)	(62,373,859)	8,653,186
Claim adjustments recovered (paid)	(17,581,673)	(10,991,947)
Underwriting expense paid	(57,944,145)	(127,015,619)
Net cash provided by operating activities	<u>106,057,164</u>	<u>189,130,023</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Emergency assessments received	82,300,630	94,975,601
Tax exempt surcharge received	17,142,446	19,567,677
Amounts remitted to bond trustee, net	(53,530,000)	(50,980,000)
Interest paid on capital debt	(6,593,867)	(8,478,108)
Net cash provided by noncapital financing activities	<u>39,319,209</u>	<u>55,085,170</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of capital assets	(1,059,359)	(598,806)
Principal payments on right of use leased asset	(71,881)	(197,644)
Principal payments on right of use SBITA asset	(491,652)	(350,329)
Net cash used by capital and related financing activities	<u>(1,622,892)</u>	<u>(1,146,779)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(184,807,766)	(114,932,830)
Investment income received	24,273,145	13,840,055
Proceeds from sale of investments	115,332,453	88,409,542
Net cash used by investing activities	<u>(45,202,168)</u>	<u>(12,683,233)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	98,551,313	230,385,181
Cash and cash equivalents, beginning of year	<u>582,157,697</u>	<u>351,772,516</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 680,709,010</u>	<u>\$ 582,157,697</u>
Reconciliation of cash and cash equivalents to the Statements of Net Position:		
Cash - current	\$ 270,773,306	\$ 344,638,234
Cash equivalents - current	260,767,787	118,536,045
Restricted cash equivalents - current	142,430,865	112,953,333
Restricted cash for escheatment - noncurrent	6,737,052	6,030,085
	<u>\$ 680,709,010</u>	<u>\$ 582,157,697</u>

See accompanying notes to the financial statements.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
 STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 163,534,455	\$ 100,454,165
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense - capital assets	588,477	399,295
Amortization - right of use leased assets	264,000	263,202
Amortization - right of use SBITA assets	515,613	185,600
Changes in assets and liabilities:		
Decrease (increase) in:		
Premiums receivable and agents' balances	7,386,124	(23,298,516)
Reinsurance recoverables	(779,448)	14,535,260
Prepaid reinsurance premiums	(8,532,115)	(7,815,942)
Deferred outflows	173,116	356,824
Other current assets	(368,958)	3,089,283
Increase (decrease) in:		
Claims and claim adjustment expense reserves	(10,825,048)	44,008,057
Unearned premiums	(66,379,626)	93,661,480
Accrued taxes, licenses and fees due	(6,637,179)	3,831,744
Commissions payable to agents	(1,403,535)	3,158,334
Deferred inflows	(437,629)	(174,985)
Escheatment payable	706,968	1,294,492
Other postemployment benefits	(177,679)	(190,491)
Takeout premium payable	27,912,205	(1,584,807)
Other current liabilities	517,423	(43,042,972)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 106,057,164</u>	<u>\$ 189,130,023</u>
Noncash capital and related financing activities during the year for:		
Modification of right of use leased asset	\$ -	\$ 2,723,498
Acquisition of right of use SBITA asset	-	2,397,612
Total noncash capital and related financing activities	<u>\$ -</u>	<u>\$ 5,121,110</u>

See accompanying notes to the financial statements.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2024 AND 2023

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, right of use assets, net accumulated amortization, 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.

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 financial institution deposits and 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, 2024 AND 2023

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 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.

Leases:

The Company accounts for leases and leasing transactions in accordance with GASB Statement No. 87, *Leases*. This Statement outlines a single model for lease accounting based on the foundational principal that leases are financings of the right to use of an underlying asset. Other than short term leases, under this Statement, 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 deferred inflow of resources, thereby enhancing the relevance and consistency of information

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Leases: (Continued)

about governments' leasing activities. The Company determines if an agreement is a lease or contains a lease at inception. The lease term for accounting purposes may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise. Right-to-use assets and the corresponding lease liabilities are recorded at the commencement date based on the present value of lease payments over the expected lease term.

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.

Noncurrent liabilities include estimated amounts for other postemployment benefits, leases, and subscription-based information technology arrangements 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 Reserves 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 and other postemployment benefits.

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.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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 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.

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

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Assessments: (Continued)

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.

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.

Pension:

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pension 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.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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.

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.

Takeout Premium Payable:

As a part of the depopulation process, the Company owes a takeout premium to the insurance companies assuming the policies. The premium is based on the total unearned premium at the time of assumption less a ceding commission percentage and retention percentage. The takeout premium is due and payable at the time of assumption.

New Accounting Pronouncements:

During the year ended December 31, 2023, the following statement was implemented: Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 provides guidance on the accounting and financial reporting for a subscription-based information technology arrangements (SBITAs) for governments. It establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability. The implementation of this standard did not require any restatement of prior periods or cumulative effect adjustment recorded in the year of adoption.

During the year ended December 31, 2024, the following statement was implemented as of January 1, 2024: GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 101 provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. It establishes a consistent approach for all types of leave, eliminating potential comparability issues between governments with different leave policies. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

New Accounting Pronouncements: (Continued)

likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The implementation of this standard did not require any restatement of prior periods or cumulative effect adjustment recorded in the year of adoption.

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:

	Carrying Amount	Bank Balance
<u>December 31, 2024</u>		
Demand Deposits	\$ 277,510,358	\$ 288,152,175
	\$ 277,510,358	\$ 288,152,175
<u>December 31, 2023</u>		
Demand Deposits	\$ 350,668,319	\$ 360,707,010
	\$ 350,668,319	\$ 360,707,010

Included in cash at December 31, 2024 and 2023 is unclaimed property, consisting of outstanding checks totaling \$6,737,052 and \$6,030,085, respectively, which is restricted for escheatment to the appropriate states.

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, 2024 and 2023, 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.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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

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, 2024 and 2023, the Company had investments and cash equivalents totaling \$588,649,573 and \$346,821,831, 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, 2024 AND 2023

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

Investments and Cash Equivalents: (Continued)

The Company has the following recurring fair value measurements as of December 31, 2024 and 2023:

	<u>December 31, 2024</u>	<u>Fair Value Measurement Using:</u>		
		<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments by Fair Value Level:				
Unrestricted investments and cash equivalents:				
Bond investments	\$ 185,450,921	\$ -	\$ 185,450,921	\$ -
Cash equivalents	<u>260,767,787</u>	<u>260,767,787</u>	<u>-</u>	<u>-</u>
Total Unrestricted	<u>\$ 446,218,708</u>	<u>\$ 260,767,787</u>	<u>\$ 185,450,921</u>	<u>\$ -</u>
Restricted cash equivalents	<u>\$ 142,430,865</u>	<u>\$ 142,430,865</u>	<u>\$ -</u>	<u>\$ -</u>
Total Investments and Cash Equivalents	<u>\$ 588,649,573</u>	<u>\$ 403,198,652</u>	<u>\$ 185,450,921</u>	<u>\$ -</u>

	<u>December 31, 2023</u>	<u>Fair Value Measurement Using:</u>		
		<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments by Fair Value Level:				
Unrestricted investments and cash equivalents:				
Bond investments	\$ 115,332,453	\$ -	\$ 115,332,453	\$ -
Cash equivalents	<u>118,536,045</u>	<u>118,536,045</u>	<u>-</u>	<u>-</u>
Total Unrestricted	<u>\$ 233,868,498</u>	<u>\$ 118,536,045</u>	<u>\$ 115,332,453</u>	<u>\$ -</u>
Restricted cash equivalents	<u>\$ 112,953,333</u>	<u>\$ 112,953,333</u>	<u>\$ -</u>	<u>\$ -</u>
Total Investments and Cash Equivalents	<u>\$ 346,821,831</u>	<u>\$ 231,489,378</u>	<u>\$ 115,332,453</u>	<u>\$ -</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2024 and 2023.

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 investments and cash equivalents at December 31, 2024 and 2023, 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.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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

Interest Rate Risk: (Continued)

<u>2024</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	\$ 185,450,921	\$ 77,022,907	\$ 108,428,014	\$ -	\$ -
Cash equivalents	<u>260,767,787</u>	<u>260,767,787</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 446,218,708</u>	<u>\$ 337,790,694</u>	<u>\$ 108,428,014</u>	<u>\$ -</u>	<u>\$ -</u>
Restricted Cash Equivalents	<u>\$ 142,430,865</u>	<u>\$ 142,430,865</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>2023</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	\$ 115,332,453	\$ 36,057,488	\$ 79,239,925	\$ 35,040	\$ -
Cash equivalents	<u>118,536,045</u>	<u>118,536,045</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 233,868,498</u>	<u>\$ 154,593,533</u>	<u>\$ 79,239,925</u>	<u>\$ 35,040</u>	<u>\$ -</u>
Restricted Cash Equivalents	<u>\$ 112,953,333</u>	<u>\$ 112,953,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Restricted cash equivalents in the amount of \$142,430,865 and \$112,953,333 as of December 31, 2024 and 2023, 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.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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

Credit Risk: (Continued)

As of December 31, 2024, the Company had the following exposure to credit risk:

	Total	Government Money Market Fund	Trust Cash Sweep Money Market Funds	Bond Investments
A1	\$ 15,414,512	\$ -	\$ -	\$ 15,414,512
A2	18,522,311	100,000	-	18,422,311
A3	993,011	-	-	993,011
Aa2	41,110,342	1,400,112	-	39,710,230
Aa3	16,359,213	1,386,856	-	14,972,357
Aaa	404,493,375	257,630,519	142,430,865	4,431,991
Baa2	1,429,660	-	-	1,429,660
N/A	90,055,162	250,300	-	89,804,862
W/R	271,987	-	-	271,987
Total	<u>\$ 588,649,573</u>	<u>\$ 260,767,787</u>	<u>\$ 142,430,865</u>	<u>\$ 185,450,921</u>

As of December 31, 2023, the Company had the following exposure to credit risk:

	Total	Government Money Market Fund	Trust Cash Sweep Money Market Funds	Bond Investments
A1	\$ 8,989,882	\$ -	\$ -	\$ 8,989,882
A2	15,835,591	-	-	15,835,591
A3	722,257	-	-	722,257
Aa2	20,602,087	500,255	-	20,101,832
Aa3	16,726,147	-	-	16,726,147
Aaa	232,228,538	117,785,136	112,953,333	1,490,069
N/A	51,474,073	250,654	-	51,223,419
W/R	243,256	-	-	243,256
Total	<u>\$ 346,821,831</u>	<u>\$ 118,536,045</u>	<u>\$ 112,953,333</u>	<u>\$ 115,332,453</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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

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 and are excluded from the 5% restriction:

<u>Issuer</u>	<u>2024</u>	<u>2023</u>
FIMM Government Portfolio Class I	\$ 257,630,519	\$ 117,785,136
FIMM Treasury Portfolio Class III	142,430,865	112,953,333

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, 2024 and 2023.

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 2024 and 2023.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

3. ASSESSMENTS RECEIVABLE: (Continued)

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, 2024 and 2023 were 1.70% and 2.10% 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, 2024 and 2023 amounted to \$79,358,879 and \$98,975,601, respectively, of which approximately \$17,058,249 and \$20,000,000 remained outstanding as of December 31, 2024 and 2023, respectively.

4. CAPITAL ASSETS:

Depreciation expense for capital assets for the years ended December 31, 2024 and 2023 was \$588,477 and \$399,295, respectively, and was allocated to loss adjustment expenses and underwriting expenses.

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

<u>2024</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Depreciable capital assets:				
Electronic data processing equipment	\$ 19,360,373	\$ 1,059,359	\$ (17,517)	\$ 20,402,215
Office equipment	<u>1,404,824</u>	<u>-</u>	<u>-</u>	<u>1,404,824</u>
Total depreciable assets	20,765,197	1,059,359	(17,517)	21,807,039
Less accumulated depreciation				
Electronic data processing equipment	(18,873,988)	(558,559)	17,517	(19,415,030)
Office equipment	<u>(1,170,618)</u>	<u>(29,918)</u>	<u>-</u>	<u>(1,200,536)</u>
Total accumulated depreciation	<u>(20,044,606)</u>	<u>(588,477)</u>	<u>-</u>	<u>(20,615,566)</u>
Capital assets, net	<u>\$ 720,591</u>	<u>\$ 470,882</u>	<u>\$ (17,517)</u>	<u>\$ 1,191,473</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

4. CAPITAL ASSETS: (Continued)

<u>2023</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Depreciable capital assets:				
Electronic data processing equipment	\$ 18,994,797	\$ 365,576	\$ -	\$ 19,360,373
Office equipment	1,171,594	233,230	-	1,404,824
Total depreciable assets	20,166,391	598,806	-	20,765,197
Less accumulated depreciation:				
Electronic data processing equipment	(18,531,907)	(342,081)	-	(18,873,988)
Office equipment	(1,113,404)	(57,214)	-	(1,170,618)
Total accumulated depreciation	(19,645,311)	(399,295)	-	(20,044,606)
Capital assets, net	<u>\$ 521,080</u>	<u>\$ 199,511</u>	<u>\$ -</u>	<u>\$ 720,591</u>

5. LINE OF CREDIT:

The Company maintains a line of credit providing for a maximum borrowing of \$125,000,000 at December 31, 2024 and December 31, 2023. 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, 2024 and December 31, 2023. SOFR at December 31, 2024 and December 31, 2023 was 4.53% and 5.34%, respectively. 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. The line matures June 1, 2025. There was no balance outstanding on the line of credit at December 31, 2024 and 2023.

6. RESTRICTED ASSETS:

Restricted assets in the Company at December 31, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Cash for escheatment	\$ 6,737,052	\$ 6,030,085
Cash equivalents with bond trustee	142,430,865	112,953,333
Total	<u>\$ 149,167,917</u>	<u>\$ 118,983,418</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, 2024 AND 2023

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, 2024 and 2023 were \$150,405,605 and \$198,482,611, respectively. The reinsurance recoverables on unpaid claims for the years ended December 31, 2024 and 2023 were \$66,923,360 and \$104,175,318, 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, 2024 and 2023 were \$83,482,245 and \$94,307,293, respectively.

Included in the net balances above were liabilities of \$813,244 and \$1,253,965, 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 class action lawsuit and a number of other legal proceedings arising out of various aspects of its business which have been reserved for above. See Note 16 for a description of the class action claim and other legal proceedings.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

8. LONG-TERM LIABILITIES:

BONDS PAYABLE

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. Bond principal payments of \$53,530,000 and \$50,980,000 were made during the years ended December 31, 2024 and 2023, respectively. The outstanding balance due on these bonds as of December 31, 2024 and 2023 was \$113,000,000 and \$166,530,000, respectively.

The Emergency Assessment Revenue Bond Series 2016AB are considered to be direct placements. The Company's 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, 2024 was as follows:

<u>Maturity</u>	<u>Series 2016AB</u>	
	<u>Principal</u>	<u>Interest</u>
2025	55,345,000	4,037,042
2026	57,655,000	1,441,375
	113,000,000	\$ 5,478,417
Plus Bond Premium	2,468,370	
Total Net Debt		
Service Requirement	\$ 115,468,370	

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

8. LONG-TERM LIABILITIES: (Continued)

BONDS PAYABLE (Continued)

Net unamortized premium at December 31, 2024 and 2023 was \$2,468,370 and \$5,378,361, respectively. The total interest expense on the fixed rate bonds for the years ended December 31, 2024 and 2023 was \$3,047,293 and \$4,131,329, respectively, including annual amortized net premium of \$2,909,991 and \$3,948,155, 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, 2024 and 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments/ Expenditures</u>	<u>Ending Balance</u>	<u>Due within one year</u>
<u>December 31, 2024</u>					
Series 2016AB Bonds	\$ 166,530,000	\$ -	\$ (53,530,000)	\$ 113,000,000	\$ 55,345,000
Bond premium	5,378,361	-	(2,909,991)	2,468,370	1,880,779
Lease liability	2,894,737	56,174	(71,881)	2,879,030	133,759
SBITA liability	2,232,884	-	(491,652)	1,741,232	533,734
OPEB liability	2,634,932	-	(177,679)	2,457,253	-
Total	<u>\$ 179,670,914</u>	<u>\$ 56,174</u>	<u>\$ (57,181,203)</u>	<u>\$ 122,545,885</u>	<u>\$ 57,893,272</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, 2023</u>					
Series 2016AB Bonds	\$ 217,510,000	\$ -	\$ (50,980,000)	\$ 166,530,000	\$ 53,530,000
Bond premium	9,326,516	-	(3,948,155)	5,378,361	2,909,991
Lease liability	368,883	2,723,498	(197,644)	2,894,737	71,881
SBITA liability	-	2,583,213	(350,329)	2,232,884	491,652
OPEB liability	2,825,423	-	(190,491)	2,634,932	-
Total	<u>\$ 230,030,822</u>	<u>\$ 5,306,711</u>	<u>\$ (55,666,619)</u>	<u>\$ 179,670,914</u>	<u>\$ 57,003,524</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 \$48,661,637 and \$59,489,967 during the years ended December 31, 2024 and 2023, respectively. Agent commissions payable were \$11,725,749 and \$13,129,284 for the years ended December 31, 2024 and 2023, respectively.

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.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

10. REINSURANCE: (Continued)

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 was as follows:

Reinsurance in place for the year ended December 31, 2024 was as follows:

	<u>January 1, 2024 to May 31, 2024</u> (in thousands)					
	<u>First Excess</u>	<u>Second Excess</u>	<u>Third Excess</u>	<u>Fourth Excess</u>	<u>Fifth Excess</u>	<u>Sixth Excess</u>
Company's retention	\$ 200,000	\$ 300,000	\$ 500,000	\$ 800,000	\$ 1,050,000	\$ 1,330,000
Reinsurer's per occurrence limit	\$ 100,000	\$ 200,000	\$ 300,000	\$ 250,000	\$ 280,000	\$ 420,000
Reinsurer's term limit	\$ 200,000	\$ 400,000	\$ 600,000	\$ 500,000	\$ 560,000	\$ 840,000
Annual minimum premium	\$ 38,500	\$ 57,500	\$ 57,000	\$ 34,375	\$ 33,600	\$ 44,100

	<u>June 1, 2024 to December 31, 2024</u> (in thousands)					
	<u>First Excess</u>	<u>Second Excess</u>	<u>Third Excess</u>	<u>Fourth Excess</u>	<u>Fifth Excess</u>	<u>Sixth Excess</u>
Company's retention	\$ 200,000	\$ 300,000	\$ 500,000	\$ 800,000	\$ 1,050,000	\$ 1,330,000
Reinsurer's per occurrence limit	\$ 100,000	\$ 200,000	\$ 300,000	\$ 250,000	\$ 280,000	\$ 670,000
Reinsurer's term limit	\$ 200,000	\$ 400,000	\$ 600,000	\$ 500,000	\$ 560,000	\$ 1,340,000
Annual minimum premium	\$ 42,000	\$ 66,000	\$ 66,000	\$ 35,000	\$ 33,600	\$ 67,000

Reinsurance in place for the year ended December 31, 2023 was as follows:

	<u>January 1, 2023 to May 31, 2023</u> (in thousands)						
	<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	\$ 255,000	\$ 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

	<u>June 1, 2023 to December 31, 2023</u> (in thousands)					
	<u>First Excess</u>	<u>Second Excess</u>	<u>Third Excess</u>	<u>Fourth Excess</u>	<u>Fifth Excess</u>	<u>Sixth Excess</u>
Company's retention	\$ 200,000	\$ 300,000	\$ 500,000	\$ 800,000	\$ 1,050,000	\$ 1,330,000
Reinsurer's per occurrence limit	\$ 100,000	\$ 200,000	\$ 300,000	\$ 250,000	\$ 280,000	\$ 420,000
Reinsurer's term limit	\$ 200,000	\$ 400,000	\$ 600,000	\$ 500,000	\$ 560,000	\$ 840,000
Annual minimum premium	\$ 38,500	\$ 57,500	\$ 57,000	\$ 34,375	\$ 33,600	\$ 44,100

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
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DECEMBER 31, 2024 AND 2023

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.

During the years ended December 31, 2024 and 2023, 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 years ended December 31, 2024 and 2023, 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 during the years ended December 31, 2024 and 2023 was as follows:

	Second/Third County Weighted Industry Loss	Fourth/Fifth County Weighted Industry Loss	Sixth County Weighted Industry Loss
Company's Retention	\$ 300,000	\$ 800,000	\$ 1,330,000
Reinsurer's Per Occurrence Limit	\$ 500,000	\$ 530,000	\$ 670,000
Reinsurer's Term Limit	\$ 1,000,000	\$ 1,060,000	\$ 1,340,000
Annual Minimum Premium	\$ 111,250	\$ 55,650	\$ 53,600

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

10. REINSURANCE: (Continued)

	Second/Third County Weighted Industry Loss	Fourth/Fifth County Weighted Industry Loss	Sixth County Weighted Industry Loss
Company's			
Retention	\$ 300,000	\$ 800,000	\$ 1,330,000
Reinsurer's Per			
Occurrence Limit	\$ 500,000	\$ 530,000	\$ 420,000
Reinsurer's			
Term Limit	\$ 1,000,000	\$ 1,060,000	\$ 840,000
Annual Minimum			
Premium	\$ 112,500	\$ 67,840	\$ 39,900

As of December 31, 2024, the Company had additional coverage through six catastrophe bonds. In 2024, the Company purchased additional coverage through a \$200 million, Class A three-year catastrophe bond that provides coverage for 29.85% of up to \$2 billion in losses in excess of \$1.33 billion covered by retention and traditional reinsurance. The Company also purchased a \$75 million, Class B three-year catastrophe bond that provides coverage for 25% of up to \$800 million in losses in excess of \$500 million covered by retention and traditional reinsurance.

In 2023, the Company purchased additional coverage through a \$120 million, Class A three-year catastrophe bond that provides coverage for 48% of up to \$1.05 billion in losses in excess of \$800 million covered by retention and traditional reinsurance. The Company also purchased a \$75 million, Class B three-year catastrophe bond that provides coverage for 25% of up to \$800 million in losses in excess of \$500 million covered by retention and traditional reinsurance.

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. The 2021 catastrophe bonds were retired during the year ended December 31, 2024.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

10. REINSURANCE: (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. The 2020 catastrophe bonds were retired during the year ended December 31, 2023.

The effect of reinsurance on premiums written and earned during the years ended December 31, 2024 and 2023 were as follows:

Year ended December 31, 2024

	<u>Premiums</u>	
	<u>Written</u>	<u>Earned</u>
Direct	\$ 518,276,701	\$ 584,485,392
Ceded	<u>(279,041,748)</u>	<u>(279,041,748)</u>
Net premiums	<u>\$ 239,234,953</u>	<u>\$ 305,443,644</u>

Year ended December 31, 2023

	<u>Premiums</u>	
	<u>Written</u>	<u>Earned</u>
Direct	\$ 618,059,736	\$ 524,196,996
Ceded	<u>(263,654,886)</u>	<u>(263,654,886)</u>
Net premiums	<u>\$ 354,404,850</u>	<u>\$ 260,542,110</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.

At December 31, 2024 and 2023, the Company had reinsurance receivables on unpaid claims of \$66,923,360 and \$104,175,318 and reinsurance recoverables on paid losses of \$5,206,945 and \$4,427,497, 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).

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
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DECEMBER 31, 2024 AND 2023

11. RETIREMENT PLANS: (Continued)

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.

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.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

11. RETIREMENT PLANS: (Continued)

Benefits Provided: (Continued)

- 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.

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

Individuals may begin receiving pension benefits 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 benefits 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 a 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:

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

11. RETIREMENT PLANS: (Continued)

Benefits Provided: (Continued)

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 benefits 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.

If the participant terminates employment with at least 15 years of vesting service and elects to commence pension benefits 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 benefits 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 a reduced pension amount payable as a life annuity:

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

11. RETIREMENT PLANS: (Continued)

Benefits Provided: (Continued)

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.

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.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

11. RETIREMENT PLANS: (Continued)

Benefits Provided: (Continued)

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, 2024 and 2023, the following employees were covered by the Plan:

	<u>2024</u>	<u>2023</u>
Active employees	17	21
Inactive employees or beneficiaries currently receiving benefits	19	16
Inactive employees entitled to but not yet receiving benefits	<u>6</u>	<u>5</u>
Total	<u>42</u>	<u>42</u>

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, 2024 and 2023, the Company reported an asset of \$200,127 and \$283,845, respectively, for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2024 and 2023, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of those dates.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

11. RETIREMENT PLANS: (Continued)

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

For the years ended December 31, 2024 and 2023, the Company recognized pension expense of \$83,718 and pension benefit of \$241,599, respectively. As of December 31, 2024 and 2023, the Company reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>2024</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 43,527	\$ 1,768
Change of assumptions	-	90,289
Net difference between projected and actual earnings on pension plan investments	225,953	-
Total	<u>\$ 269,480</u>	<u>\$ 92,057</u>
<u>2023</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,292	\$ 2,874
Change of assumptions	7,679	171,586
Net difference between projected and actual earnings on pension plan investments	236,192	-
Total	<u>\$ 261,163</u>	<u>\$ 174,460</u>

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
2025	\$ 59,301
2026	110,967
2027	(5,978)
2028	13,133
2029	-
Total	<u>\$ 177,423</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

11. RETIREMENT PLANS: (Continued)

Actuarial Assumptions:

The total pension liability in the December 31, 2024 and 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>2024</u>	<u>2023</u>
Discount Rate	6.00%	6.00%
Investment Rate of Return	6.00%	5.25%
Inflation	3.00%	3.50%
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, 2024 and 2023 was 6.00%. 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.

Changes in Plan's Net Pension Asset:

Changes in the Plan's net pension asset for the years ended December 31, 2024 and 2023 were as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Asset</u>
Balance, December 31, 2023	\$ 1,719,509	\$ 2,003,354	\$ 283,845
Change for the year:			
Service cost	-	-	-
Interest cost	98,587	-	(98,587)
Difference between expected and actual experience	57,602	-	(57,602)
Changes of assumptions	-	-	-
Employer contributions	-	42,126	42,126
Net investment income	-	50,610	50,610
Benefit payments	(152,760)	(152,760)	-
Administrative expenses	-	(20,265)	(20,265)
Net changes	<u>3,429</u>	<u>(80,289)</u>	<u>(83,718)</u>
Balance, December 31, 2024	<u>\$ 1,722,938</u>	<u>\$ 1,923,065</u>	<u>\$ 200,127</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

11. RETIREMENT PLANS: (Continued)

Changes in Plan's Net Pension Asset: (Continued)

	Increase (Decrease)		
	Total Pension <u>Liability</u>	Plan Fiduciary <u>Net Position</u>	Net Pension <u>Asset</u>
Balance, December 31, 2022	\$ 1,881,045	\$ 1,923,291	\$ 42,246
Change for the year:			
Service cost	-	-	-
Interest cost	95,614	-	(95,614)
Difference between expected and actual experience	(3,980)	-	3,980
Changes of assumptions	(133,518)	-	133,518
Net investment income	-	219,064	219,064
Benefit payments	(119,652)	(119,652)	-
Administrative expenses	-	(19,349)	(19,349)
Net changes	<u>(161,536)</u>	<u>80,063</u>	<u>241,599</u>
Balance, December 31, 2023	<u>\$ 1,719,509</u>	<u>\$ 2,003,354</u>	<u>\$ 283,845</u>

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, 2024 and 2023 of 6.00%, 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, 2024 and 2023:

	1.0% Decrease <u>5.00%</u>	Current Discount Rate <u>6.00%</u>	1.0% Increase <u>7.00%</u>
<u>2024</u>			
Company's proportionate share of the net pension (liability) asset	<u>\$ 24,846</u>	<u>\$ 200,127</u>	<u>\$ 348,822</u>
<u>2023</u>			
Company's proportionate share of the net pension (liability) asset	<u>\$ 101,822</u>	<u>\$ 283,845</u>	<u>\$ 437,687</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

11. RETIREMENT PLANS: (Continued)

Payables to the Pension Plan:

As of December 31, 2024 and 2023, 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 net position. The Company's contribution to the plan was approximately \$803,246 and \$671,408 during the years ended December 31, 2024 and 2023, 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 \$257,492 and \$244,214 for the years ended December 31, 2024 and 2023, respectively. Both defined contribution plans are 401k saving plans and are administered by Prudential Financial, Inc.

12. COMPENSATED ABSENCES:

Employees earn and accrue vacation leave at various rates, depending on their years of service. Employees are given 8 days of sick leave on December 1 each year. Additionally, on December 1, the Company will pay employees for up to a maximum of 5 unused sick days from the previous year. Unused sick leave does not carryover at the end of the year. The maximum vacation carryover at the end of the year is five days.

Upon termination, employees are compensated for any unused vacation and sick leave at the employee's hourly rate of pay at the time of termination. The liability for unused vacation leave and sick leave at December 31, 2024 and 2023 was approximately \$408,536 and \$154,034, 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.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

13. LEASES: (Continued)

The Company leased office space under a non-cancelable lease with the Galleria, which expired in September 2023. This office space was leased for a term of 120 months, effective October 1, 2013. The lease was subsequently extended from November 1, 2023 until March 2034, a total of 125 additional months. 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 lease liability was remeasured during the year ended December 31, 2023 to account for the modification in the lease term and interest rate.

The lease liability was remeasured during the year ended December 31, 2024 to account for the modification in the interest rate.

The amended Galleria office lease, including the original lease and subsequent modifications, is summarized as follows:

<u>Description</u>	<u>Start Date</u>	<u>Payment Terms</u>	<u>Payment Amount</u>	<u>Interest Rate</u>	<u>Lease Liability Total</u>	<u>Lease Liability 12/31/2024</u>
Galleria lease	10/1/2013	245 months	Variable	9.95%	\$6,055,730	\$2,879,030

As of December 31, 2024 and 2023, a right of use asset, net of amortization, of \$2,498,174 and \$2,706,000, respectively, and a lease liability of \$2,879,030 and \$2,894,737, respectively, are recorded in the Company's Statements of Net Position.

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 133,759	\$ 279,011	\$ 412,770
2026	195,650	264,345	459,995
2027	225,650	243,544	469,194
2028	258,968	219,611	478,579
2029	295,951	192,200	488,151
Thereafter	1,769,052	413,055	2,182,107
	<u>\$2,879,030</u>	<u>\$1,611,766</u>	<u>\$ 4,490,796</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

14. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs):

The Company has adopted the guidelines of the Louisiana Office of Statewide Reporting and Accounting Policy for the GASB 96 reporting of SBITAs. SBITAs 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 SBITA reporting under GASB 96. SBITAs with a total contract value under \$100,000 are recorded in the same manner as a short-term SBITA with SBITA 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 SBITA.

The Company entered into a SBITA with Guidewire Software, Inc., for the use of certain subscription services for InsuranceNow Cloud US. The term of the agreement is five years commencing on September 30, 2023 and ending on September 30, 2028. Subscription payments are due annually. The first minimum annual payment due in accordance with the agreement is \$327,776 and each of the four subsequent payments due are \$655,551, with no interest rate explicit in the lease. The interest rate for this SBITA is the Company's incremental borrowing rate at the time of commencement of 8.50%. As of December 31, 2024 and 2023, a right to use asset, net of amortization, of \$1,815,071 and \$2,310,090, respectively, a SBITA liability of \$1,674,292 and \$2,147,321, respectively, and SBITA accrued interest of \$35,579 and \$45,630, respectively, was recorded in the Company's Statements of Net Position.

The Company entered into a SBITA with Sapiens Americas Corporation, for the use of their FinancialPro, CheckPro, and F9 Report Writer accounting software. The term of the agreement is five years, with F9 Report Writer services commencing on January 1, 2023 and ending on December 31, 2027, and FinancialPro and CheckPro services commencing on April 1, 2023 and ending on March 31, 2028. Subscription payments are due annually, with the minimum annual payments due in accordance with the agreement increasing on an annual basis. The interest rate for this SBITA is the Company's incremental borrowing rate at the time of commencement of 8.50%. As of December 31, 2024 and 2023, a right to use asset, net of amortization of \$66,929 and \$87,522, respectively, a SBITA liability of \$66,940 and \$85,563, respectively, and SBITA accrued interest of \$3,793 and \$4,849, respectively, was recorded in the Company's Statements of Net Position.

Annual requirements to amortize the SBITA obligations and related interest on the SBITAs are as follows:

Year Ending	Principal	Interest	Total
December 31,			
2025	\$ 533,734	\$ 135,915	\$ 669,649
2026	579,398	89,475	668,873
2027	628,100	39,111	667,211
	<u>\$1,741,232</u>	<u>\$ 264,501</u>	<u>\$ 2,005,733</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
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15. 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, 2024 and 2023 follows:

	<u>2024</u>	<u>2023</u>
Change in net position - GAAP basis	\$ 283,659,758	\$ 226,015,849
Adjustments to:		
Pension plan expense	(142,194)	(10,378)
Other	(6,900,917)	(18,676,482)
Amortization expense - right of use leased assets	264,000	263,202
Amortization expense - right of use SBITA assets	515,613	185,600
Rent expense	(367,220)	(381,647)
Software maintenance expense	(681,451)	(352,534)
Interest expense	474,031	236,687
Investment change in fair value	10,367	(976,284)
Excess emergency assessments	(82,371,370)	(99,122,273)
Tax exempt surcharge	(18,694,184)	(16,259,072)
Net income - statutory basis	<u>\$ 175,766,433</u>	<u>\$ 90,922,668</u>
	<u>2024</u>	<u>2023</u>
Net position - GAAP basis	\$ 455,513,616	\$ 171,853,858
Adjustments to:		
Non-admitted assets	(28,081,960)	(25,364,446)
Right of use asset - lease	(2,498,174)	(2,706,000)
Right of use asset - SBITA	(1,881,999)	(2,397,612)
Net pension asset	522,912	677,918
Lease liability	2,879,030	2,894,737
SBITA liability	1,741,232	2,232,884
SBITA accrued interest	39,372	50,479
Other accrued liabilities	22,200	(211,269)
Restricted assessments	(41,457,532)	(39,245,910)
Allowance for doubtful accounts	2,829,752	9,951,325
Investment change in fair value	185,261	174,894
Emergency assessments receivable	(3,385,320)	76,774,428
Provision for reinsurance receivable	(90,721)	(87,088)
Accumulated surplus - statutory basis	<u>\$ 386,337,669</u>	<u>\$ 194,598,198</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

16. 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, 2024 AND 2023

16. 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, 2024 and 2023, 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, 2024, there were 472 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, Delta, and Zeta. 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, 2024 and 2023, 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.

17. 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, 2024 AND 2023

17. 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 \$38,027,279 and \$22,101,995 for the years ended December 31, 2024 and 2023, 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, 2024 and 2023, there were no assumed premiums due from certain take-out companies.

18. RESTRICTED NET POSITION:

The Statement of Net Position includes \$287,826,600 and \$258,985,230 of funds restricted by enabling legislation for the repayment of Special Assessment Revenue Bonds as of December 31, 2024 and 2023, respectively. The amounts equal the excess of unspent emergency assessment collected to satisfy the debt service requirements for the year.

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, 2024 AND 2023

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, 2024 and 2023, the Company paid \$56,145 and \$77,240, respectively, for retiree insurance premiums.

Employees Covered by Benefit Terms:

At December 31, 2024 and 2023, the following employees were covered by the benefit terms:

	<u>2024</u>	<u>2023</u>
Active employees	22	24
Inactive employees or beneficiaries currently receiving benefits	27	25
Inactive employees entitled to but not yet receiving benefits	-	-
Total	<u>49</u>	<u>49</u>

Actuarial Methods and Assumptions:

The total OPEB liability in the December 31, 2024 and 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	<u>2024</u>	<u>2023</u>
Actuarial Cost Method	Entry Age	Entry Age
Discount Rate	5.75%	5.25%
Salary Increase Rate	3.00%	3.00%
Healthcare Cost Trend Rate	7.00%	7.00%
Year of Ultimate Trend Loss	2031	2030
Mortality Assumptions	Pri-2012/MP2021	Pri-2012/MP2021

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2024 and 2023 were as follows:

	<u>Total OPEB Liability</u>
Balance at December 31, 2023	\$ 2,634,932
Changes for the year:	
Service cost	53,312
Interest cost	139,659
Differences between expected and actual experience	(233,607)
Changes of assumptions	(80,898)
Benefit payments	(56,145)
Net changes	<u>(177,679)</u>
Balance at December 31, 2024	<u>\$ 2,457,253</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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

Changes in the Total OPEB Liability: (Continued)

	<u>Total OPEB Liability</u>
Balance at December 31, 2022	\$ 2,825,423
Changes for the year:	
Service cost	51,738
Interest cost	156,120
Differences between expected and actual experience	(383,999)
Changes of assumptions	62,890
Benefit payments	<u>(77,240)</u>
Net changes	<u>(190,491)</u>
Balance at December 31, 2023	<u><u>\$ 2,634,932</u></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, 2024 and 2023 of 5.75% and 5.25%, 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, 2024 and 2023:

<u>2024</u>	1.0% Decrease <u>4.75%</u>	Current Discount <u>5.75%</u>	1.0% Increase <u>6.75%</u>
Total OPEB Liability	<u>\$ 2,804,299</u>	<u>\$ 2,457,253</u>	<u>\$ 2,171,406</u>
 <u>2023</u>	 1.0% Decrease <u>4.25%</u>	 Current Discount <u>5.25%</u>	 1.0% Increase <u>6.25%</u>
Total OPEB Liability	<u>\$ 3,021,814</u>	<u>\$ 2,634,932</u>	<u>\$ 2,317,872</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2024 and 2023 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, 2024 and 2023:

<u>2024</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>\$ 2,170,822</u>	<u>\$ 2,457,253</u>	<u>\$ 2,808,122</u>
 <u>2023</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>\$ 2,316,810</u>	<u>\$ 2,634,932</u>	<u>\$ 3,026,946</u>

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

As of December 31, 2024 and 2023, the Company reported total OPEB liability of \$2,457,253 and \$2,634,932, respectively. The total OPEB liability was measured as of December 31, 2024 and 2023, and was determined by an actuarial valuation of that date.

For the year ended December 31, 2024 and 2023, the Company recognized OPEB income of \$287,974 and \$163,583, respectively.

As of December 31, 2024 and 2023, the Company reported deferred outflows of resources and deferred inflows of resources to OPEB from the following sources:

<u>2024</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,075	\$ 333,484
Change of assumptions	27,952	420,159
Total	<u>\$ 40,027</u>	<u>\$ 753,643</u>

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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

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

<u>2023</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 54,260	\$ 277,333
Change of assumptions	167,200	831,536
Total	<u>\$ 221,460</u>	<u>\$1,108,869</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:	
2025	\$ (543,556)
2026	(148,823)
2027	<u>(21,237)</u>
Total	<u>\$ (713,616)</u>

Payables to the OPEB Plan:

As of December 31, 2024 and 2023, the Company had no outstanding payables to the OPEB plan.

20. DISAGGREGATION OF RECEIVABLE BALANCES:

Receivable balances at December 31, 2024 and 2023 were as follows:

<u>Description</u>	<u>2024</u>	<u>2023</u>
Premiums receivable	\$ 5,201,538	\$ 4,348,240
Premiums deferred	70,080,805	78,119,886
Allowance for doubtful accounts	<u>(942,784)</u>	<u>(742,443)</u>
Total premium receivables, net	<u>\$ 74,339,559</u>	<u>\$ 81,725,683</u>
 Emergency assessment receivable	 <u>\$ 17,058,249</u>	 <u>\$ 20,000,000</u>
 Reinsurance recoverables on paid losses	 \$ 7,093,913	 \$ 13,636,379
Allowance for doubtful accounts	<u>(1,886,968)</u>	<u>(9,208,882)</u>
Total reinsurance recoverables on paid losses, net	<u>\$ 5,206,945</u>	<u>\$ 4,427,497</u>

REQUIRED SUPPLEMENTARY INFORMATION

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN NET PENSION ASSET AND RELATED RATIOS
FOR THE TEN YEARS ENDED DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,518
Interest	98,587	95,614	89,788	90,066	94,584	95,307	97,458	97,099	98,542	88,164
Difference between expected and actual experience	57,602	(3,980)	17,870	10,181	60,606	24,723	(52,455)	(14,459)	(1,330)	155,128
Change of assumptions	-	(133,518)	(163,574)	5,787	57,104	132,883	(4,249)	(10,143)	89,909	19,877
Benefit payments, including refunds	(152,760)	(119,652)	(116,696)	(107,685)	(97,341)	(90,830)	(68,903)	(63,010)	(65,094)	(76,800)
Net change in total pension liability	3,429	(161,536)	(172,612)	(1,651)	114,953	162,083	(28,149)	9,487	122,027	225,887
Total pension liability - beginning	<u>1,719,509</u>	<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>
Total pension liability - ending	<u>\$ 1,722,938</u>	<u>\$ 1,719,509</u>	<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>
Plan fiduciary net position:										
Net investment income (loss)	\$ 50,610	\$ 219,064	\$ (524,982)	\$ 163,725	\$ 279,992	\$ 413,597	\$ (129,494)	\$ 267,353	\$ 134,212	\$ (52,967)
Contributions - employer	42,126	-	-	45,928	6,107	23,873	29,923	10,821	-	-
Benefit payments, including refunds	(152,760)	(119,652)	(116,696)	(107,685)	(97,341)	(90,830)	(68,903)	(63,010)	(65,094)	(76,800)
Administrative expense	(20,265)	(19,349)	(19,388)	(8,901)	(8,220)	(10,658)	(9,558)	(10,948)	(12,277)	(9,638)
Net change in plan fiduciary net position	(80,289)	80,063	(661,066)	93,067	180,538	335,982	(178,032)	204,216	56,841	(139,405)
Plan fiduciary net position - beginning	<u>2,003,354</u>	<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>
Plan fiduciary net position - ending	<u>\$ 1,923,065</u>	<u>\$ 2,003,354</u>	<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>
Net pension asset - ending	<u>\$ 200,127</u>	<u>\$ 283,845</u>	<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>
Plan fiduciary net position as a % of total pension liability	111.62%	116.51%	102.25%	125.84%	121.21%	119.09%	111.05%	119.17%	108.44%	112.95%
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	N/A

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE
OPEB LIABILITY AND RELATED RATIOS
FOR THE SEVEN YEARS ENDED DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:							
Service cost	\$ 53,312	\$ 51,738	\$ 98,109	\$ 123,686	\$ 96,203	\$ 78,979	\$ 90,909
Interest cost	139,659	156,120	120,388	123,330	139,104	149,963	125,688
Differences between expected and actual experience	(233,607)	(383,999)	30,371	38,812	33,516	127,419	220,101
Changes of assumptions	(80,898)	62,890	(1,273,579)	(592,087)	361,184	403,418	(313,203)
Benefit payments	(56,145)	(77,240)	(129,394)	(150,483)	(143,874)	(126,357)	(135,115)
Net change in total OPEB liability	(177,679)	(190,491)	(1,154,105)	(456,742)	486,133	633,422	(11,620)
Total OPEB liability - beginning:	<u>2,634,932</u>	<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>	<u>3,328,335</u>
Total OPEB liability - ending:	<u>\$ 2,457,253</u>	<u>\$ 2,634,932</u>	<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	\$ 2,871,095	\$ 2,897,495	\$ 2,753,332	\$ 2,737,460	\$ 2,737,121	\$ 2,806,790	\$ 2,890,594
Total OPEB liability as a % of covered-employee payroll	85.59%	90.94%	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, 2024

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 2024 reflect a decrease in the inflation used in calculations from 3.50% to 3.00%. Also, the assumed rate of return used in calculations was increased from 5.25% to 6.00%.

Amounts reported for 2023 reflect an increase to the discount rate used to measure total pension liability from 5.25% to 6.00%. Also, the inflation used in calculations was increased from 3.00% to 3.50%.

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%.

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024

1. PENSION: (Continued)

Changes in Assumptions: (Continued)

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%.

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 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 5.25% as of December 31, 2023 to 5.75% as of December 31, 2024.

The discount rate changed from 5.50% as of December 31, 2022 to 5.25% as of December 31, 2023.

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, 2024

<u>Board Members</u>	<u>Per Diem</u>	<u>Expense Reimbursement</u>	<u>Total Compensation</u>
Ben Albright	\$ -	\$ -	\$ -
Brian E. Chambley	-	-	-
Daryl V. Burckel	-	-	-
Eric Berger	-	-	-
Joseph "Jody" Guillot	-	-	-
Kevin Reinke	-	-	-
Kirk Talbot	-	-	-
Michael "Gabe" Firment	-	-	-
Renee Free	-	-	-
Robert Page	-	-	-
Samuel Wilkinson	-	-	-
Steven Werner	-	-	-
Tim Temple	-	-	-
William P. Chauvin	-	-	-
William Starr	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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Hrapmann
Hogan &
Maher, LLP

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Felix J. Hrapmann, Jr., CPA
(1919-1990)
William R. Hogan, Jr., CPA
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James Maher, Jr., CPA
(1921-1999)

Lindsay J. Calub, CPA, LLC
Michelle H. Cunningham, CPA
Grady C. Lloyd, III, CPA
Robynn P. Beck, CPA
J. Patrick Butler, III, CPA
Wesley D. Wade, CPA

Heather M. Jovanovich, CPA
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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 24, 2025

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, 2024, 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 24, 2025.

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.

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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 or significant deficiencies may exist that were not 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 statements. 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, Sharpner, Hogan and Gruber, LLP

New Orleans, Louisiana

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
SUMMARY SCHEDULE OF FINDINGS
DECEMBER 31, 2024

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, 2024 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 STATEMENT AUDIT:

NONE

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
DECEMBER 31, 2024

STATUS OF PRIOR YEAR AUDIT FINDINGS:

NONE

Re-Certification of 2005 Deficit

- In 2006 LCPIIC 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, 2025 the 2005 deficit amount was \$1.361 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
 - \$113.0 Million principal balance as of May 31, 2025
 - Scheduled to be paid by 2026

Louisiana Citizens Property Insurance Corporation
Calculation of Deficit As of May 31, 2025

	Original 12/31/2005	Updated As Of 5/31/2024	Updated As Of 5/31/2025	Change May 2024-2025	Change 2005-2024
Premiums Earned	106,343,091	106,343,091	106,343,091		
Losses and Loss Expenses Incurred	(1,241,036,055)	(1,878,330,000)	(1,878,814,000)	(484,000)	(637,777,945)
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)	(1,413,060,111)	(1,413,544,111)	(484,000)	(523,360,945)
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)	(1,360,675,776)	(1,361,159,776)	(484,000)	(407,508,916)

* Negative amounts = deficit

Positive amounts = reduction of deficit

2005 Hurricane Class Action Summary/Cash

Oubre Class Action Amounts Paid

Claims

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)	234,519,519

Other

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	15,644,478

Total Oubre Paid **250,163,997**

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 **(115,274,890)**

Grand Total Class Action Payment from LCPIC Cash **151,788,120**

May and June 2025 Complaints

Complaint ID #	Date Complaint Received from DOI	Claims or Policy Issue?	Complaint Description	Date response Submitted
969916	6/30/2025	Policy	insured alleged that his policy was canceled without a proper inspection being conducted.	(due 7/14/2025)
970135	6/27/2025	Claims	Insured alleges that he didn't receive enough from his claim for repairs to his home and is requesting additional funds along with the check being made payable to him and not his lender as done previously.	(due 7/14/2025)
972745	6/27/2025	Policy	Insured received a notice of non-renewal for his trailer.	(due 7/14/2025)
968828	6/6/2025	Policy	Insured received a notice of non-renewal.	6/22/2025
967524	5/19/2025	Claims	Insured alleged delays in his claim.	6/11/2025
966963	5/15/2025	Claims	Insured alleged that LCPIC has denied her request for a second appraisal.	5/29/2025
967229	5/14/2025	Policy	Complaint filed by the insured's agent who states it is unfair for the insured to pay their increased premium due to PIAL listing their properties in the wrong zones in error.	5/29/2025
967140	5/13/2025	Claims	Insured alleged that LCPIC owes him an additional \$41,000 on a claim that had prescribed	6/2/2025

**May and June 2024- 11 complaints
YTD 2025- 25 complaints**

**May: New Reports: 306; Closed: 407 (96 of 306 received in May were closed in May)
June: New Reports: 222; Closed: 477 (96 of 222 received in May were closed in May)**