

LAIP
ANNUAL MEETING

Held at The Department of Insurance
1702 North 3rd Street
First Floor Conference Room
September 14, 2017
Beginning at 9:07 a.m.

REPORTED BY:
BETTY D. GLISSMAN, CCR

1 MS. GARDNER:
 2 Okay. All right. I'm going to call
 3 to order the 2017 annual meeting of the
 4 Louisiana Automobile Insurance Plan. It's
 5 Thursday, September 14, 2017, at 9:07 a.m. I'm
 6 Denise Gardner, Chairperson, presiding over the
 7 meeting.
 8 First agenda item -- well, I guess we
 9 need to recognize what members are here. And
 10 we have Rana Reinholtz representing Louisiana
 11 Farm Bureau. We have Aaron Angel by phone
 12 representing State Farm. And we have Caren
 13 Kerman on the phone representing Progressive.
 14 Okay. And I'm assuming that State
 15 Farm and Farm Bureau may hold some proxies.
 16 MS. SHERIFF:
 17 Actually, yes, Caren has not yet been
 18 elected.
 19 MS. GARDNER:
 20 Okay.
 21 MS. SHERIFF:
 22 But, yes, we have proxies.
 23 MS. GARDNER:
 24 Okay. First agenda item is the
 25 antitrust preamble. I guess I'll read it to

1 APPEARANCES:
 2
 3 CHAIRPERSON:
 4 Ms. S. Denise Gardner
 5
 6 BOARD MEMBERS:
 7 Mr. Aaron Angel (State Farm Auto Insurance)
 8 (Present by telephone)
 9 Mr. Noel Bunol, IV (President of
 10 the Senate Designee)
 11
 12 Mr. Bobby Dupre (LAFAC)
 13
 14 Ms. Rana Reinholtz (Louisiana Farm Bureau)
 15
 16 Mr. Christopher Howell (Department of
 17 Insurance Appointee)
 18 Ms. Caren Kerman (Progressive)
 19 (Present by telephone)
 20
 21 ALSO PRESENT:
 22 Ms. Suzy Sheriff (AIPSO)
 23 Mr. Robert Myers - General Counsel
 24
 25 AIPSO REPRESENTATIVES PRESENT BY PHONE:
 26 Mr. Timothy Messier
 27 Mr. Colin O'Rourke
 28 Ms. Jennifer DeOliveira
 29 Mr. Robert Powers
 30 Ms. Kimberly Cochran
 31 Ms. Sherri Palermo
 32 Ms. Tom Assad

1 y'all since y'all love to hear my voice, huh?
 2 Antitrust Preamble
 3 We are here to discuss and act on
 4 matters relating to the business of the
 5 Louisiana Automobile Insurance Plan and not to
 6 discuss or pursue the business interests of our
 7 individual companies. We should proceed with
 8 caution and alertness towards the requirements
 9 and prohibitions of federal and state antitrust
 10 laws. We should not engage in discussion -
 11 either at this meeting or in private
 12 conversations - of our individual company's
 13 plans or contemplated activities. We should
 14 concern ourselves only with the business of the
 15 Louisiana Automobile Insurance Plan as set
 16 forth in the agenda for this meeting. Only
 17 residual market matters may be discussed at
 18 residual market meetings and each company's
 19 voluntary market plans cannot be discussed.
 20 We may not discuss the circumstances,
 21 conditions, or actions under which our
 22 individual companies will withdraw from
 23 particular lines of coverage in this state, or
 24 will withdraw as servicing carriers for the
 25 Plan. We may not discuss or agree to refuse to

1 supply servicing carrier services to the Plan
2 or agree to withdraw other services, products,
3 or lines of business. We also may not discuss
4 or agree to refuse to do business with
5 individual or classes of insurers, producers,
6 brokers, or insureds, unless clearly authorized
7 and actively supervised by the state.

8 And we'll also put an official copy
9 of copy of this into the record.

10 Any questions on the antitrust
11 preamble?

12 (No response.)

13 MS. GARDNER:

14 If not, we will move on to Agenda
15 Item #2, which is approval of the minutes of
16 the September 22, 2016, meeting under Exhibit
17 #2 in your agenda. I'll give you --

18 And, once again, let me remind
19 everybody here, because we have other member
20 companies Board Governing Committee members
21 here. Only member companies can vote and make
22 motions at the annual membership meeting. So
23 that's limited to State Farm, Farm Bureau, and
24 Progressive. So I'll give those three
25 individuals a minute to peruse the minutes from

1 MS. SHERIFF:

2 Thank you. I will just very briefly
3 go over this. This is the same format we had
4 before. So we've got the CAIP members
5 participation report for all carriers combined,
6 the plan population for calendar years 2012
7 through 2016, the audited financial statements
8 for both the AIP and the CAIP. And I will make
9 note, as in years past, the CAIP audited
10 financial statements, the auditors do not
11 express an opinion, because they do not audit
12 the underwriting. That is done out of AIPSO.
13 So because they don't have access to those
14 records, they are unable to express an opinion.
15 And we have added the filings that were
16 approved by the Department of Insurance, and
17 then a list of representatives.

18 One other thing to just make note of,
19 and we will talk about this in the regular
20 meeting, we do still have some surplus cash as
21 of December 2016. However, at this point, we
22 are not recommending foregoing the assessment
23 this year, because that does not show 2017
24 expenses.

25 Are there any questions about any of

1 the prior meeting and I will entertain a motion
2 to approve unless there are some recommended
3 changes. I hear silence.

4 Do I have a motion?

5 MS. KERMAN:

6 I make a motion to approve.

7 MS. GARDNER:

8 All right. I have a motion by Caren.

9 MS. REINHOLTZ:

10 Second.

11 MS. GARDNER:

12 And a second by Rana to approve.

13 Any discussion on the motion?

14 (No response.)

15 MS. GARDNER:

16 All those in favor, say, "Aye."

17 (All "Aye" responses.)

18 MS. GARDNER:

19 Any opposed?

20 (No response.)

21 MS. GARDNER:

22 All right. Agenda Item #3 is annual
23 report of operations, which is under Exhibit
24 #3. I will tender the mic to Suzy Sheriff, our
25 manager.

1 the reports?

2 MR. DUPRE:

3 How many policies -- private
4 passenger policies did we write in Louisiana
5 last year and up to this point, this year?

6 MS. SHERIFF:

7 Last year, we had 22 CAIP policies,
8 three private passengers. This year through
9 July, we had nine private passenger, 21 CAIP.
10 However, I was just provided the August numbers
11 as well. So we received three more private
12 passenger in August. So we have a total of 12
13 compared to zero. So we are seeing quite an
14 increase, not so much in CAIP. Although, we
15 have seen -- and we are at 22 for the year,
16 which is what we had last year.

17 MR. DUPRE:

18 Companies are doing a good job.

19 MS. SHERIFF:

20 Companies continue to do a good job.

21 MS. GARDNER:

22 Any other questions for Suzy on the
23 annual report of operations?

24 (No response.)

25 MS. GARDNER:

1 Do we need to do anything with that
 2 one?
 3 MS. SHERIFF:
 4 We do need to approve it because of
 5 the audit in there, yes.
 6 MS. GARDNER:
 7 Okay. At this time, I will entertain
 8 a motion to approve the annual report of
 9 operations.
 10 MS. REINHOLTZ:
 11 I'll make a motion.
 12 MS. GARDNER:
 13 I have a motion by Rana.
 14 Do I have a second?
 15 MR. ANGEL:
 16 Second.
 17 MS. GARDNER:
 18 I have a second by Aaron.
 19 Any discussion on the motion?
 20 (No response.)
 21 MS. GARDNER:
 22 All those in favor, say, "Aye."
 23 (All "Aye" responses.)
 24 MS. GARDNER:
 25 Any opposed?

1 is vacant and we have no nominees. So moving
 2 on to the Property Casualty Insurers
 3 Association of America, which is the Louisiana
 4 Farm Bureau -- is it casualty or mutual that --
 5 MS. REINHOLTZ:
 6 Probably mutual.
 7 MS. GARDNER:
 8 Mutual company. So at this time,
 9 I'll entertain a motion to elect Louisiana Farm
 10 Bureau Insurance Company to the Property
 11 Casualty Insurers Association position on the
 12 Board.
 13 Aaron or Caren, I need a motion,
 14 please.
 15 MR. ANGEL:
 16 Motion.
 17 MS. GARDNER:
 18 Thank you, Aaron.
 19 MS. KERMAN:
 20 Second.
 21 MS. GARDNER:
 22 I have a second by Caren.
 23 Any discussion on the motion?
 24 (No response.)
 25 MS. GARDNER:

1 (No response.)
 2 MS. GARDNER:
 3 All right. Agenda Item #4 is
 4 election of Governing Committee
 5 representatives. We have five appointed
 6 members and four elected. The five that will
 7 serve for the upcoming year are myself as
 8 designee of the Commissioner of Insurance. We
 9 have Christopher Howell that's been appointed
 10 by Commissioner Donelon to represent the
 11 Commissioner of Insurance. We have Mr. Bobby
 12 Dupre that has been appointed to represent the
 13 Louisiana Association of Fire and Casualty
 14 Insurance Companies. Mr. Noel Bunol that's
 15 representing the president of the senate. And
 16 Representative Major Thibaut, who is
 17 representing the speaker of the house.
 18 At this time, we will elect the four
 19 elected members starting with the American
 20 Insurance Association.
 21 MS. SHERIFF:
 22 That position is vacant and we have
 23 no appointees.
 24 MS. GARDNER:
 25 Okay. Moving along, the AIA position

1 All those in favor, say, "Aye."
 2 (All "Aye" responses.)
 3 MS. GARDNER:
 4 Any opposed?
 5 (No response.)
 6 MS. GARDNER:
 7 All right. We'll move along to the
 8 Non-Affiliated Insurance Companies position.
 9 State Farm has been nominated for that
 10 position. I'll entertain a motion at this time
 11 to elect State Farm.
 12 MS. REINHOLTZ:
 13 Motion.
 14 MS. GARDNER:
 15 I have a motion by Rana.
 16 MS. KERMAN:
 17 I'll second that.
 18 MS. GARDNER:
 19 I have a second by Caren.
 20 Any discussion on the motion?
 21 (No response.)
 22 MS. GARDNER:
 23 All those in favor, say, "Aye."
 24 (All "Aye" responses.)
 25 MS. GARDNER:

1 Any opposed?
 2 (No response.)
 3 MS. GARDNER:
 4 And, lastly, the at-large position.
 5 MS. SHERIFF:
 6 We had one company express an
 7 interest, we have been provided with the
 8 paperwork, and that is Progressive.
 9 MS. GARDNER:
 10 So we have -- Progressive has been
 11 nominated for the at-large position. At this
 12 time, I'll entertain a motion to elect
 13 Progressive.
 14 MS. REINHOLTZ:
 15 Motion.
 16 MS. GARDNER:
 17 I have a motion by Rana.
 18 MR. ANGEL:
 19 Second.
 20 MS. GARDNER:
 21 Second by Aaron.
 22 Any discussion on the motion?
 23 (No response.)
 24 MS. GARDNER:
 25 All those in favor, say, "Aye."

1 (All "Aye" responses.)
 2 MS. GARDNER:
 3 Any opposed?
 4 (No response.)
 5 MS. GARDNER:
 6 All right. That closes the
 7 elections.
 8 MS. KERMAN:
 9 I'm going to -- may I abstain from
 10 that vote?
 11 MS. GARDNER:
 12 Yes, ma'am, you may.
 13 MS. KERMAN:
 14 Okay. I abstain. Thank you.
 15 MS. GARDNER:
 16 All right. So going into next year,
 17 we have eight --
 18 (Fire drill.)
 19 (Recess taken.)
 20 MS. GARDNER:
 21 All right. We're back. So we had
 22 just finished the election of the Board
 23 members, which brings us to Agenda Item #6,
 24 which is any other business?
 25 (No response.)

1 MS. GARDNER:
 2 If not, I'll entertain a motion to
 3 adjourn.
 4 MS. REINHOLTZ:
 5 Motion.
 6 MS. GARDNER:
 7 Rana has made a motion.
 8 Do I have a second?
 9 MS. KERMAN:
 10 Second.
 11 MS. GARDNER:
 12 All right. Caren seconds.
 13 Any discussion on the motion?
 14 (No response.)
 15 MS. GARDNER:
 16 Any opposed?
 17 (No response.)
 18 MS. GARDNER:
 19 All right. Thank you. That
 20 concludes our annual meeting.
 21
 22
 23
 24
 25

1 REPORTER'S CERTIFICATE
 2
 3 I, BETTY D. GLISSMAN, Certified Court
 4 Reporter, Certificate No. 86150, in and for the
 5 State of Louisiana, do hereby certify that the
 6 Louisiana Automobile Insurance Plan 2017 Annual
 7 Meeting held on Thursday, September 13, 2017,
 8 was reported by me in the stenotype reporting
 9 method, was prepared and transcribed by me or
 10 under my personal direction and supervision,
 11 and is a true and correct transcript to the
 12 best of my ability and understanding.
 13
 14 September 25, 2017, Baton Rouge,
 15 Louisiana.
 16
 17
 18
 19
 20
 21
 22
 23 BETTY D. GLISSMAN, CCR
 24 CERTIFIED COURT REPORTER
 25