

# Louisiana Citizens Property Insurance Company

Exposure as of February 28, 2010

## Agenda Slide

- Section 1 Modeled Loss Estimates – RMS
- Section 2 Modeled Loss Estimates – AIR
- Section 3 Modeled Loss Estimates – RMS vs. AIR
  
- Appendix A Modeled Exposure Totals
- Appendix B Assumptions
- Appendix C Modeling Firm Disclaimers

## Section 1: Modeled Loss Estimates – RMS

- ▶ Results by Line of Business – 2/28/2010
- ▶ Exposure Change – 2/28/2010 vs. 9/30/2009
- ▶ Exposure & Model Change – 9/30/2009 vs. 1/31/2009
- ▶ Year over Year Change – 2/28/2010 vs. 1/31/2010

# Overview – Results by Line of Business

## RMS RiskLink v9.0: Exposure as of 2/28/2010

Gross Losses, In Millions

Probability of Non-Exceed	Avg Return Time (Years)	Commercial	Personal	All Lines
99.90%	1,000	435	2,526	2,958
99.80%	500	328	1,826	2,148
99.60%	250	237	1,294	1,523
99.00%	100	156	845	998
98.00%	50	102	572	674
96.00%	25	56	330	385
Insurance in Force		2,983	23,691	26,675
Total Insured Value		2,983	23,691	26,675
Premium		19	194	213
Risks (ones)		9,518	126,011	135,529
<b>Average Annual Loss</b>		8	51	60
<b>Standard Deviation</b>		35	205	239
PML:Premium - 100 yr		8.4:1	4.3:1	4.7:1
PML:Premium - 250 yr		12.8:1	6.7:1	7.2:1
Loss Ratio (%)		44.8%	26.5%	28.1%
Loss Cost (%)		0.279%	0.217%	0.224%

RMS

# Impact of Exposure Change

## RMS RiskLink v9.0: Exposure as of 2/28/2010 and 9/30/2009

Gross Losses, In Millions

Probability of Non-Exceed	Avg Return Time (Years)	RiskLink v9.0 2/28/2010	RiskLink v9.0 9/30/2009	Difference	Exposure Change
99.90%	1,000	2,958	3,119	(161)	(5.1%)
99.80%	500	2,148	2,259	(111)	(4.9%)
99.60%	250	1,523	1,605	(82)	(5.1%)
99.00%	100	998	1,051	(53)	(5.0%)
98.00%	50	674	710	(36)	(5.1%)
96.00%	25	385	407	(22)	(5.3%)
Insurance in Force		26,675	28,894	(2,220)	(7.7%)
Total Insured Value		26,675	28,894	(2,220)	(7.7%)
Premium		213	233	(20)	(8.6%)
Risks (ones)		135,529	148,706	(13,177)	(8.9%)
<b>Average Annual Loss</b>		60	63	(3)	(5.1%)
<b>Standard Deviation</b>		239	253		
PML:Premium - 100 yr		4.7:1	4.5:1		
PML:Premium - 250 yr		7.2:1	6.9:1		
Loss Ratio (%)		28.1%	27.1%		
Loss Cost (%)		0.224%	0.218%		



Losses have not decreased as fast as IIF due to a number of factors.

- Of the 121,500 locations which were in both data sets, all but 14,000 reported different limits this time.
- About 5k locations reported a different value for square footage.
- Roof material was reported for this data set but was not reported in September. Modeling roof material impacts personal lines only and causes losses to increase 0.7%.

# Impact of Exposure and Model Change

## RMS RiskLink v9.0 and v8.0: Exposure as of 9/30/2009 and 1/31/2009

Gross Losses, In Millions

Probability of Non-Exceed	Avg Return Time (Years)	RiskLink v9.0 9/30/2009	RiskLink v9.0 1/31/2009	RiskLink v8.0 1/31/2009	Exposure Change	Model Change
99.90%	1,000	3,119	3,478	3,649	(10.3%)	(4.7%)
99.80%	500	2,259	2,541	2,688	(11.1%)	(5.5%)
99.60%	250	1,605	1,818	1,922	(11.7%)	(5.4%)
99.00%	100	1,051	1,191	1,260	(11.8%)	(5.4%)
98.00%	50	710	803	866	(11.6%)	(7.3%)
96.00%	25	407	458	509	(11.1%)	(10.1%)
Insurance in Force		28,894	27,509	27,509	5.0%	-
Total Insured Value		28,894	33,299	33,299	(13.2%)	-
Premium		233	226	226	3.1%	-
Risks (ones)		148,706	147,697	147,697	0.7%	-
<b>Average Annual Loss</b>		63	70	78	(10.0%)	(10.2%)
<b>Standard Deviation</b>		253	282	299		
PML:Premium - 100 yr		4.5:1	5.3:1	5.6:1		
PML:Premium - 250 yr		6.9:1	8.1:1	8.5:1		
Loss Ratio (%)		27.1%	31.0%	34.5%		
Loss Cost (%)		0.218%	0.254%	0.283%		

RMS

### Model Changes:

- Decrease in loss driven by RMS decreases in near-term hurricane frequency.
- Observed change similar to RMS predictions and observed change in other portfolios.

### Exposure Changes:

- Loss reduction driven by decrease in Total Insured Value since the previous analysis.
- Decrease in TIV due to a change in ITV assumption.
- Data was assumed 80% ITV at 1/31, changed to 100% ITV at 9/30 due to LA Citizens ITV initiatives.

# Year on Year Change – By Line of Business

## RMS RiskLink v9.0 and v8.0: Exposure as of 2/28/2010 and 1/31/2009

Gross Losses, In Millions

Probability of Non-Exceed	Avg Return Time (Years)	Commercial Lines			Personal Lines			All Lines		
		v9.0 2/28/2010	v8.0 1/31/2009	Change	v9.0 2/28/2010	v8.0 1/31/2009	Change	v9.0 2/28/2010	v8.0 1/31/2009	Change
99.90%	1,000	435	546	(20.3%)	2,526	3,111	(18.8%)	2,958	3,649	(18.9%)
99.80%	500	328	416	(21.1%)	1,826	2,278	(19.8%)	2,148	2,688	(20.1%)
99.60%	250	237	303	(21.8%)	1,294	1,626	(20.4%)	1,523	1,922	(20.7%)
99.00%	100	156	202	(23.1%)	845	1,061	(20.4%)	998	1,260	(20.8%)
98.00%	50	102	138	(26.0%)	572	729	(21.6%)	674	866	(22.2%)
96.00%	25	56	79	(29.3%)	330	431	(23.5%)	385	509	(24.4%)
Insurance in Force		2,983	3,131	(4.7%)	23,691	24,378	(2.8%)	26,675	27,509	(3.0%)
Total Insured Value		2,983	3,828	(22.1%)	23,691	29,470	(19.6%)	26,675	33,298	(19.9%)
Premium		19	24	(21.0%)	194	202	(3.9%)	213	226	(5.7%)
Risks (ones)		9,518	10,331	(7.9%)	126,011	137,366	(8.3%)	135,529	147,697	(8.2%)
<b>Average Annual Loss</b>		8	12	(28.7%)	51	66	(22.3%)	60	78	(23.3%)
<b>Standard Deviation</b>		35			205			239	299	
PML:Premium - 100 yr		8.4:1	8.6:1		4.3:1	5.2:1		4.7:1	5.6:1	
PML:Premium - 250 yr		12.8:1	12.9:1		6.7:1	8:1		7.2:1	8.5:1	
Loss Ratio (%)		44.8%	49.6%		26.5%	32.8%		28.1%	34.5%	
Loss Cost (%)		0.279%	0.373%		0.217%	0.272%		0.224%	0.283%	

RMS

## Section 2: Modeled Loss Estimates – AIR

- ▶ Results by Line of Business – 2/28/2010
- ▶ Exposure Change – 2/28/2010 vs. 9/30/2009
- ▶ Exposure & Model Change – 9/30/2009 vs. 1/31/2009
- ▶ Year over Year Change – 2/28/2010 vs. 1/31/2010



# Overview – Results by Line of Business

## AIR CLASIC/2 v11.5: Exposure as of 2/28/2010

Gross Losses, In Millions

Probability of Non-Exceed	Avg Return Time (Years)	Commercial	Personal	All Lines
99.90%	1,000	310	2,206	2,493
99.80%	500	214	1,545	1,770
99.60%	250	162	1,216	1,379
99.00%	100	96	696	781
98.00%	50	57	403	458
96.00%	25	30	224	252
Insurance in Force		2,983	23,691	26,675
Total Insured Value		2,983	23,691	26,675
Premium		19	194	213
Risks (ones)		9,518	126,011	135,529
<b>Average Annual Loss</b>		5	38	43
<b>Standard Deviation</b>		23	166	189
PML:Premium - 100 yr		5.2:1	3.6:1	3.7:1
PML:Premium - 250 yr		8.7:1	6.3:1	6.5:1
Loss Ratio (%)		27.1%	19.6%	20.3%
Loss Cost (%)		0.169%	0.161%	0.162%



# Impact of Exposure Change

## AIR CLASIC/2 v11.5 : Exposure as of 2/28/2010 and 9/30/2009

Gross Losses, In Millions

Probability of Non-Exceed	Avg Return Time (Years)	CLASIC/2 v11.5 2/28/2010	CLASIC/2 v11.5 9/30/2009	Difference	Exposure Change
99.90%	1,000	2,493	2,653	(159)	(6.0%)
99.80%	500	1,770	1,861	(91)	(4.9%)
99.60%	250	1,379	1,452	(73)	(5.0%)
99.00%	100	781	833	(52)	(6.2%)
98.00%	50	458	486	(28)	(5.8%)
96.00%	25	252	267	(15)	(5.8%)
Insurance in Force		26,675	28,894	(2,220)	(7.7%)
Total Insured Value		26,675	28,894	(2,220)	(7.7%)
Premium		213	233	(20)	(8.6%)
Risks (ones)		135,529	148,706	(13,177)	(8.9%)
<b>Average Annual Loss</b>		43	46	(3)	(5.5%)
<b>Standard Deviation</b>		189	199		
PML:Premium - 100 yr		3.7:1	3.6:1		
PML:Premium - 250 yr		6.5:1	6.2:1		
Loss Ratio (%)		20.3%	19.6%		
Loss Cost (%)		0.162%	0.158%		



# Impact of Exposure and Model Change

AIR CLASIC/2 v11.5 and v10.0 : Exposure as of 9/30/2009 and 1/31/2009

Gross Losses, In Millions

Probability of Non-Exceed	Avg Return Time (Years)	CLASIC/2 v11.5 9/30/2009	CLASIC/2 v11.5 1/31/2009	CLASIC/2 v10.0 1/31/2009	Exposure Change	Model Change
99.90%	1,000	2,653	3,072	3,070	(13.6%)	0.1%
99.80%	500	1,861	2,159	2,162	(13.8%)	(0.1%)
99.60%	250	1,452	1,710	1,704	(15.1%)	0.4%
99.00%	100	833	978	973	(14.8%)	0.6%
98.00%	50	486	566	559	(14.1%)	1.2%
96.00%	25	267	299	299	(10.5%)	0.0%
Insurance in Force		28,894	27,509	27,509	5.0%	-
Total Insured Value		28,894	33,299	33,298	(13.2%)	0.0%
Premium		233	226	226	3.1%	-
Risks (ones)		148,706	147,697	147,697	0.7%	-
<b>Average Annual Loss</b>		46	51	50	(9.7%)	0.3%
<b>Standard Deviation</b>		199	228	227		
PML:Premium - 100 yr		3.6:1	4.3:1	4.3:1		
PML:Premium - 250 yr		6.2:1	7.6:1	7.5:1		
Loss Ratio (%)		19.6%	22.4%	22.3%		
Loss Cost (%)		0.158%	0.184%	0.183%		



# Year on Year Change – By Line of Business

**AIR CLASIC/2 v11.5 and v10.0: Exposure as of 2/28/2010 and 1/31/2009**

Gross Losses, In Millions

Probability of Non-Exceed	Avg Return Time (Years)	Commercial Lines			Personal Lines			All Lines		
		v11.5 2/28/2010	v10.0 1/31/2009	Change	v11.5 2/28/2010	v10.0 1/31/2009	Change	v11.5 2/28/2010	v10.0 1/31/2009	Change
99.90%	1,000	310	395	(21.4%)	2,206	2,683	(17.8%)	2,493	3,070	(18.8%)
99.80%	500	214	276	(22.7%)	1,545	1,879	(17.8%)	1,770	2,162	(18.1%)
99.60%	250	162	207	(21.9%)	1,216	1,487	(18.2%)	1,379	1,704	(19.1%)
99.00%	100	96	120	(20.2%)	696	856	(18.8%)	781	973	(19.7%)
98.00%	50	57	70	(18.9%)	403	487	(17.1%)	458	559	(18.1%)
96.00%	25	30	37	(18.6%)	224	260	(13.8%)	252	299	(15.7%)
Insurance in Force		2,983	3,131	(4.7%)	23,691	24,378	(2.8%)	26,675	27,509	(3.0%)
Total Insured Value		2,983	3,828	(22.1%)	23,691	29,470	(19.6%)	26,675	33,298	(19.9%)
Premium		19	24	(21.0%)	194	202	(3.9%)	213	226	(5.7%)
Risks (ones)		9,518	10,331	(7.9%)	126,011	137,366	(8.3%)	135,529	147,697	(8.2%)
<b>Average Annual Loss</b>		5	6	(17.7%)	38	44	(14.0%)	43	50	(14.4%)
<b>Standard Deviation</b>		23	29		166	199		189	227	
PML:Premium - 100 yr		5.2:1	5.1:1		3.6:1	4.2:1		3.7:1	4.3:1	
PML:Premium - 250 yr		8.7:1	8.8:1		6.3:1	7.4:1		6.5:1	7.5:1	
Loss Ratio (%)		27.1%	26.0%		19.6%	21.9%		20.3%	22.3%	
Loss Cost (%)		0.169%	0.195%		0.161%	0.182%		0.162%	0.183%	



## **Section 3: Modeled Loss Estimates – RMS vs. AIR**

- ▶ Model Comparison by Line of Business – 2/28/2010

# Model Comparison – By Line of Business

## RMS RiskLink v9.0 and AIR CLASIC/2 v11.5: Exposure as of 2/28/2010

Gross Losses, In Millions

Probability of Non-Exceed	Avg Return Time (Years)	Commercial Lines			Personal Lines			All Lines		
		RiskLink v9.0	CLASIC/2 v11.5	Difference	RiskLink v9.0	CLASIC/2 v11.5	Difference	RiskLink v9.0	CLASIC/2 v11.5	Difference
99.90%	1,000	435	310	40.2%	2,526	2,206	14.5%	2,958	2,493	18.6%
99.80%	500	328	214	53.3%	1,826	1,545	18.2%	2,148	1,770	21.3%
99.60%	250	237	162	46.8%	1,294	1,216	6.4%	1,523	1,379	10.5%
99.00%	100	156	96	62.0%	845	696	21.5%	998	781	27.7%
98.00%	50	102	57	79.6%	572	403	41.8%	674	458	47.1%
96.00%	25	56	30	83.6%	330	224	47.3%	385	252	52.9%
Insurance in Force		2,983	2,983	-	23,691	23,691	-	26,675	26,675	-
Total Insured Value		2,983	2,983	-	23,691	23,691	-	26,675	26,675	-
Premium		19	19	-	194	194	-	213	213	-
Risks (ones)		9,518	9,518	-	126,011	126,011	-	135,529	135,529	-
<b>Average Annual Loss</b>		8	5	65.3%	51	38	35.1%	60	43	38.6%
<b>Standard Deviation</b>		35	23		205	166		239	189	
PML:Premium - 100 yr		8.4:1	5.2:1		4.3:1	3.6:1		4.7:1	3.7:1	
PML:Premium - 250 yr		12.8:1	8.7:1		6.7:1	6.3:1		7.2:1	6.5:1	
Loss Ratio (%)		44.8%	27.1%		26.5%	19.6%		28.1%	20.3%	
Loss Cost (%)		0.279%	0.169%		0.217%	0.161%		0.224%	0.162%	

RMS

AIR WORLDWIDE

# Appendix A: Modeled Exposure Totals

# Exposure Comparison by Line of Business

Lines of Business	Limit			Deductible			Risk Count		
	Feb-10	Jan-09	% Change	Feb-10	Jan-09	% Change	Feb-10	Jan-09	% Change
Commercial	501,013,203	536,392,869	(6.6%)	14,682,594	15,811,898	(7.1%)	2,430	2,668	(8.9%)
Commercial Builders	10,643,553	16,932,393	(37.1%)	428,949	738,068	(41.9%)	22	56	(60.7%)
Commercial Wind & Hail Only	2,471,832,404	2,577,666,293	(4.1%)	65,870,110	68,482,715	(3.8%)	7,066	7,607	(7.1%)
DWG 1 - Builders Risk	169,862,635	287,425,951	(40.9%)	4,351,116	7,336,216	(40.7%)	963	1,787	(46.1%)
DWG 1 - Condo	44,680,097	37,163,604	20.2%	1,053,453	829,020	27.1%	510	439	16.2%
DWG 1 - Condo Wind & Hail Only	45,730,090	49,459,458	(7.5%)	1,083,435	1,129,554	(4.1%)	367	387	(5.2%)
DWG 1 - Mobile Home	340,757,811	387,932,404	(12.2%)	9,043,803	10,343,653	(12.6%)	7,871	8,932	(11.9%)
DWG 1 - Residence	1,951,300,430	1,943,967,602	0.4%	51,845,363	50,981,499	1.7%	22,537	23,537	(4.2%)
DWG 1 - Residence Wind & Hail Only	4,775,374,711	5,442,971,945	(12.3%)	107,598,760	121,628,598	(11.5%)	21,934	24,200	(9.4%)
DWG 2	1,174,439,230	1,137,163,849	3.3%	20,757,231	20,244,847	2.5%	7,582	8,839	(14.2%)
DWG 3	4,266,312,056	3,626,104,438	17.7%	75,916,237	64,688,657	17.4%	22,894	21,267	7.7%
DWG 3 - Residence Wind & Hail Only	764,543,633	0	0.0%	14,413,621	0	0.0%	2,864	0	0.0%
HO 2	2,610,958,287	3,084,746,547	(15.4%)	31,243,178	36,501,738	(14.4%)	12,366	17,038	(27.4%)
HO 3	7,349,709,639	8,156,401,805	(9.9%)	86,081,018	94,133,636	(8.6%)	22,695	26,882	(15.6%)
HO 4	75,824,151	103,388,903	(26.7%)	1,260,287	1,746,489	(27.8%)	2,127	2,765	(23.1%)
HO 6	113,211,346	113,570,913	(0.3%)	815,013	810,860	0.5%	1,210	1,194	1.3%
HO 8	8,376,520	8,136,252	3.0%	98,312	97,285	1.1%	91	99	(8.1%)
<b>Total</b>	<b>26,674,569,796</b>	<b>27,509,425,226</b>	<b>(3.0%)</b>	<b>486,542,480</b>	<b>495,504,733</b>	<b>(1.8%)</b>	<b>135,529</b>	<b>147,697</b>	<b>(8.2%)</b>



# Exposure Comparison by Parish

Parish	Limit			Deductible			Risk Count		
	Feb-10	Jan-09	% Change	Feb-10	Jan-09	% Change	Feb-10	Jan-09	% Change
Orleans	7,886,346,550	7,219,545,078	9.2%	123,215,743	114,847,147	7.3%	30,661	30,188	1.6%
Jefferson	5,452,168,150	6,068,239,047	(10.2%)	99,202,289	104,566,765	(5.1%)	25,121	27,934	(10.1%)
Saint Tammany	2,042,083,097	2,388,334,098	(14.5%)	36,789,519	43,468,910	(15.4%)	8,221	9,750	(15.7%)
Terrebonne	2,012,842,886	1,962,690,883	2.6%	41,061,578	40,199,733	2.1%	10,823	11,202	(3.4%)
Lafourche	1,374,557,338	1,330,041,248	3.3%	36,829,301	35,673,656	3.2%	8,381	8,718	(3.9%)
Saint Mary	865,257,187	787,806,837	9.8%	16,236,358	14,193,593	14.4%	4,806	4,753	1.1%
Lafayette	725,628,395	821,204,203	(11.6%)	13,747,354	15,298,804	(10.1%)	4,850	5,541	(12.5%)
Vermilion	676,862,611	767,789,203	(11.8%)	12,981,650	13,308,299	(2.5%)	4,597	5,235	(12.2%)
Iberia	684,064,957	750,235,599	(8.8%)	13,482,424	14,197,500	(5.0%)	4,579	5,096	(10.1%)
Saint Bernard	623,140,122	703,041,353	(11.4%)	11,409,883	12,455,108	(8.4%)	3,173	3,734	(15.0%)
East Baton Rouge	741,312,383	658,397,286	12.6%	13,183,868	11,788,770	11.8%	3,944	4,045	(2.5%)
Calcasieu	591,991,519	628,125,992	(5.8%)	10,574,800	11,365,451	(7.0%)	4,412	4,924	(10.4%)
Saint Charles	334,801,985	446,026,935	(24.9%)	6,317,053	8,208,122	(23.0%)	1,572	2,054	(23.5%)
Saint John	311,877,305	372,637,233	(16.3%)	4,798,218	5,567,252	(13.8%)	1,474	1,855	(20.5%)
Plaquemines	300,570,011	336,319,378	(10.6%)	8,611,536	9,332,603	(7.7%)	1,664	1,868	(10.9%)
Saint Martin	199,697,177	222,225,116	(10.1%)	3,542,590	3,897,268	(9.1%)	1,598	1,862	(14.2%)
Ascension	154,188,520	170,847,887	(9.8%)	2,901,649	3,295,771	(12.0%)	872	997	(12.5%)
Assumption	121,535,656	153,706,672	(20.9%)	2,035,630	2,422,657	(16.0%)	939	1,213	(22.6%)
Tangipahoa	118,695,747	145,006,035	(18.1%)	2,137,668	2,585,302	(17.3%)	751	973	(22.8%)
Caddo	112,410,215	140,548,089	(20.0%)	1,582,856	1,926,596	(17.8%)	881	1,251	(29.6%)
Cameron	135,102,982	121,638,316	11.1%	4,279,839	3,989,594	7.3%	822	799	2.9%
Acadia	130,779,972	131,901,419	(0.9%)	2,505,288	2,300,173	8.9%	1,048	1,111	(5.7%)
Washington	73,831,744	108,728,891	(32.1%)	1,143,114	1,736,341	(34.2%)	633	1,066	(40.6%)
Rapides	102,832,392	108,083,152	(4.9%)	1,726,849	1,837,804	(6.0%)	1,194	1,466	(18.6%)
Livingston	91,348,649	99,903,643	(8.6%)	1,646,317	1,843,125	(10.7%)	543	618	(12.1%)
Saint James	83,832,312	97,892,735	(14.4%)	1,798,931	1,976,567	(9.0%)	475	596	(20.3%)
Ouachita	77,232,660	82,608,946	(6.5%)	1,204,241	1,310,776	(8.1%)	763	909	(16.1%)
Saint Landry	81,263,292	77,441,689	4.9%	1,587,380	1,482,424	7.1%	721	784	(8.0%)
Jefferson Davis	74,385,453	76,634,720	(2.9%)	1,356,438	1,301,477	4.2%	631	674	(6.4%)
Iberville	60,427,898	56,563,107	6.8%	1,060,861	1,001,981	5.9%	479	509	(5.9%)
Lincoln	32,410,984	36,164,042	(10.4%)	620,461	679,570	(8.7%)	310	404	(23.3%)
Natchitoches	35,367,048	33,234,156	6.4%	617,931	589,391	4.8%	433	501	(13.6%)
Pointe Coupee	26,904,782	26,102,377	3.1%	495,310	474,564	4.4%	230	268	(14.2%)
West Baton Rouge	23,560,720	25,651,984	(8.2%)	419,687	444,012	(5.5%)	159	190	(16.3%)
Concordia	19,886,307	22,045,789	(9.8%)	345,646	380,153	(9.1%)	233	297	(21.5%)
Morehouse	20,992,249	22,607,837	(7.1%)	367,035	402,024	(8.7%)	254	333	(23.7%)

# Exposure Comparison by Parish Cont.

Parish	Limit			Deductible			Risk Count		
	Feb-10	Jan-09	% Change	Feb-10	Jan-09	% Change	Feb-10	Jan-09	% Change
Bossier	15,927,982	21,548,697	(26.1%)	221,923	283,280	(21.7%)	123	171	(28.1%)
Avoyelles	19,474,781	20,145,554	(3.3%)	335,853	341,718	(1.7%)	283	344	(17.7%)
Webster	16,224,425	20,365,140	(20.3%)	228,169	276,160	(17.4%)	138	192	(28.1%)
Madison	18,855,454	18,559,360	1.6%	341,021	328,895	3.7%	189	216	(12.5%)
Evangeline	15,410,805	15,948,239	(3.4%)	263,077	242,849	8.3%	233	216	7.9%
Richland	15,081,004	17,390,958	(13.3%)	260,161	295,205	(11.9%)	168	202	(16.8%)
Grant	13,897,520	15,970,706	(13.0%)	246,120	279,175	(11.8%)	204	246	(17.1%)
Claiborne	10,637,320	13,742,202	(22.6%)	184,904	235,175	(21.4%)	140	216	(35.2%)
Catahoula	14,551,374	15,179,323	(4.1%)	264,008	278,711	(5.3%)	180	223	(19.3%)
Beauregard	10,939,287	15,205,521	(28.1%)	204,453	274,465	(25.5%)	181	224	(19.2%)
Allen	14,312,088	13,310,972	7.5%	281,332	254,950	10.3%	187	181	3.3%
Sabine	13,594,716	13,540,129	0.4%	246,339	246,423	(0.0%)	212	244	(13.1%)
East Feliciana	9,958,377	11,738,139	(15.2%)	159,423	182,059	(12.4%)	72	87	(17.2%)
Vernon	10,823,612	10,961,606	(1.3%)	201,556	203,714	(1.1%)	140	172	(18.6%)
Winn	9,679,549	12,658,515	(23.5%)	167,400	200,517	(16.5%)	111	147	(24.5%)
Franklin	6,130,332	7,983,436	(23.2%)	101,681	139,530	(27.1%)	82	124	(33.9%)
La Salle	5,302,264	5,586,344	(5.1%)	94,599	96,097	(1.6%)	62	71	(12.7%)
Tensas	7,453,303	8,080,504	(7.8%)	134,933	154,209	(12.5%)	81	93	(12.9%)
Union	7,143,024	8,206,920	(13.0%)	116,598	132,558	(12.0%)	94	121	(22.3%)
Jackson	4,263,021	5,356,847	(20.4%)	66,048	81,706	(19.2%)	47	64	(26.6%)
West Carroll	3,798,362	6,423,529	(40.9%)	62,081	103,060	(39.8%)	34	60	(43.3%)
Bienville	5,727,302	5,654,639	1.3%	98,146	94,239	4.1%	68	78	(12.8%)
Red River	4,678,840	4,810,035	(2.7%)	82,721	80,446	2.8%	39	47	(17.0%)
West Feliciana	4,498,032	4,826,830	(6.8%)	80,574	87,301	(7.7%)	38	48	(20.8%)
East Carroll	4,964,246	3,838,725	29.3%	96,088	70,422	36.4%	79	70	12.9%
Saint Helena	6,258,402	6,356,414	(1.5%)	99,320	99,618	(0.3%)	44	53	(17.0%)
De Soto	1,777,196	3,591,674	(50.5%)	30,528	52,818	(42.2%)	22	40	(45.0%)
Caldwell	1,866,750	2,473,293	(24.5%)	33,456	40,150	(16.7%)	25	29	(13.8%)
Kossuth	360,293	0	0.0%	7,206	0	0.0%	1	0	0.0%
Kerr	291,000	0	0.0%	5,820	0	0.0%	1	0	0.0%
Harris	250,000	0	0.0%	5,000	0	0.0%	1	0	0.0%
Union	229,880	0	0.0%	4,281	0	0.0%	2	0	0.0%
Owsley	18,000	0	0.0%	360	0	0.0%	1	0	0.0%
<b>Total</b>	<b>26,674,569,796</b>	<b>27,509,425,226</b>	<b>(3.0%)</b>	<b>486,542,480</b>	<b>495,504,733</b>	<b>(1.8%)</b>	<b>135,529</b>	<b>147,697</b>	<b>(8.2%)</b>

# Appendix B: Assumptions

# Louisiana Citizens Property Insurance Company

Exposure as of 02/28/2010

## Data Assumptions

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### Exclusions

- Risks flagged as Wind Excluded will not be modeled (545 locations).
- Risks reporting \$0 location limit will not be modeled (482 locations).

### Policy Structure

- Multi-location data as of February 28, 2010 was provided. 125,952 policies with 136,657 locations were reported. After exclusions 135,542 locations will modeled for hurricane when validated by the model.
- Builders' Risk, Commercial, DWG-1, DWG-2, DWG-3, HO-2, HO-3, HO-4, HO-6, and HO-8 lines of business were provided.

Reported Definition	Risks
Commercial	9,518
Dwelling	87,534
HO 2, 3, 8	35,153
HO 4, 6	3,337
<b>Total</b>	<b>135,542</b>

- For personal lines, location limit will be set to the sum of the reported Coverage A (Building), Coverage B (Other Structures), Coverage C (Contents), and Coverage D (Loss of Use) limits.
- For commercial lines, location limit will be set to the sum of Coverage A (Building), Coverage B (Business Personal Property), and Coverage D (Stock). For modeling, the contents limit will be set to the sum of 'Coverage B' and 'Coverage D'. Commercial policies do not cover Business Interruption.

**Policy Structure (Continued)**

- Policy limits will be set to the sum of location limits within a policy.
- All coverages will be assumed 100% insured to value.
- Wind deductibles are reported as 2% or 5%. The minimum Coastal wind deductible is 5% and the minimum FAIR plan wind deductible is 2%.
- Where no wind deductible was reported, a 2% deductible will be assumed for FAIR Plan policies and 5% for Coastal.
- Coastal & Fair Plan policies are identified by a leading 'C' or 'F' respectively in the policy number. 7,940 policies were reported as Coastal Plan policies. 118,012 policies were reported as FAIR plan members. Coastal plans may only exist in the following ten parishes: Cameron, Iberia, Jefferson, Lafourche, Orleans, Plaquemines, Saint Bernard, Saint Mary, Terrebonne, Vermilion.
- Wind deductibles will apply to the site level and be calculated by coverage limit based on policy form:

<b>Reported Definition</b>	<b>Coverage Limit</b>
Commercial	Building & Contents
Dwelling	Building & Contents
HO 2, 3, 4	Building
HO 6, 8	Contents

### Primary Risk Characteristics

- Year of construction was provided. Locations with reported year of construction earlier than 1753 or later than 2010 will be modeled as unknown.
- Square Footage was provided and will be modeled as provided. Locations reporting square footage less than 400 or greater than 10,000 will be modeled as unknown.
- Number of stories was reported and will be modeled as provided. Risks having a construction type of 'frame' or 'masonry veneer' and reporting a number of stories greater than four will be modeled as unknown.
- Construction class was reported and will be mapped for modeling as shown:

<b>Reported Construction</b>	<b>RMS</b>	<b>RMS Description</b>	<b>AIR</b>	<b>Risk Count</b>
Frame	1	Wood	101	73,064
Masonry	1	Wood with Brick Veneer Cladding	103	48,932
Masonry Veneer	1	Wood with Brick Veneer Cladding	103	151
Masonry Non-Combustible	2	Masonry	111	522
Heavy Timber Joisted Masonry	2	Masonry	119	1
Joisted Masonry	2	Masonry	119	1,312
Mixed Construction	3	Reinforced Concrete	131	1
Fire Resistive	3A	Cast-in-Place Reinforced Concrete	131	91
Modified Fire Resistive	3A	Cast-in-Place Reinforced Concrete	131	67
Non-Combustible	4B	Light metal	152	3,487
Superior Masonry Non-combustible	4C	Steel with Wood or Light Metal Roof	115	4
Superior Non-combustible	4C	Steel with Wood or Light Metal Roof	153	36
Mobile Home	5	Mobile Home	191	7,874
<b>Total</b>				<b>135,542</b>

\*7,874 locations with mobile home policy form will be modeled as mobile home construction class rather than modeling the reported construction.

\*\*Construction types with cladding were reported. Locations with Masonry Veneer construction class will be modeled as wood frame with brick veneer cladding.

\*\*\*Locations reporting masonry construction will be modeled as wood frame with brick veneer cladding.

**Primary Risk Characteristics (Continued)**

- Occupancy Class for personal lines will be mapped using policy form as shown below:

<b>Policy Form</b>	<b>ATC</b>	<b>ATC Description</b>	<b>AIR</b>	<b>Risk Count</b>
HO 2, HO 3, HO 8, DWG 2, DWG 3, DWG 1 – Residence, DWG 1 - Builders Risk	1	Permanent Dwelling (single family housing)	302	113,936
DWG 1 - Mobile Home	1	Permanent Dwelling (single family housing)	302	7,874
HO 4	2	Permanent Dwelling (multi-family housing)	303	2,127
HO 6, DWG 1 - Condo	43	Multi-Family Dwelling - Condo Unit Owner	306	2,087
<b>Total</b>				<b>126,024</b>

- 'CSPCode' was reported and mapped to commercial ATC occupancy codes. The following table shows the top 5 commercial occupancies (refer to the control totals for a complete list):

<b>CSP Code</b>	<b>ATC</b>	<b>ATC Description</b>	<b>AIR</b>	<b>Risk Count</b>
702	8	Professional, Technical and Business Services	315	1,984
1213	5	Retail Trade	312	1,412
532	6	Wholesale Trade	313	1,080
311	7	Personal and Repair Services	314	943
900	2	Permanent Dwelling (multi family housing)	303	774
<b>Top 5 Subtotal</b>				<b>6,193</b>
<b>Total</b>				<b>9,518</b>

### Secondary Risk Characteristics

- Year of roof update was provided and will be used to calculate the Roof Age. Roof age will be modeled for 70,189 locations.
- Shutter type was reported for 378 locations and will be modeled as reported.
- Mobile home tie downs were not reported.
- Roof cover material was reported and will be modeled as follows:

<b>Reported Roof Material</b>	<b>RMS</b>	<b>RMS Description</b>	<b>AIR</b>	<b>Risk Count</b>
NULL	0	Unknown	0	18,123
Composition (fiberglass, asphalt, etc.)	5	Normal Shingle	1	104,032
Metal	2	Metal Sheathing	4	7,799
Other	0	Unknown	0	1,321
Poured	1	Concrete Fill	7	103
Slate	6	Concrete/Clay Tiles	5	1,006
Tile	6	Concrete/Clay Tiles	3	334
Wood Shake/Shingle	7	Wood Shingles	2	2,824
<b>Total</b>				<b>135,542</b>

### Modeling

- Coverages A, B, C, & D will be modeled.
- Street address detail was provided and will be modeled when validated by the model.
- The exposure data will be modeled for Hurricane using the Near-Term frequency with Loss Amplification, without Storm Surge

### Reinsurance

- No reinsurance will be applied to LCPIC modeling.



# Appendix C: Modeling Firm Disclaimers

## Limitations Regarding Use of Catastrophe Models

This report includes information that is output from catastrophe models of Applied Insurance Research, Inc. (AIR), EQECAT Inc. (EQE), Impact Forecasting, LLC (IF), and Risk Management Solutions, Inc. (RMS). The information from the models is provided by Aon Benfield under the terms of its license agreements with AIR, EQE, IF, and RMS.

The results in this report from AIR, EQE, IF, and RMS are the products of the exposures modeled, the financial assumptions made concerning insurance terms such as deductibles and limits, and the risk models that project the dollars of damage that may be caused by defined catastrophe perils. Aon Benfield recommends that the results from these models in this report not be relied upon in isolation when making decisions that may affect the underwriting appetite, rate adequacy or solvency of the company.

The AIR, EQE, IF, and RMS models are based on scientific data, mathematical and empirical models, and the experience of engineering, geological, meteorological and terrorism experts. Calibration of the models using actual loss experience is based on very sparse data, and material inaccuracies in these models are possible. The loss probabilities generated by the models are not predictive of future hurricanes, other windstorms, or earthquakes or other natural or man made catastrophes, but provide estimates of the magnitude of losses that may occur in the event of such catastrophes.

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