



LOUISIANA DEPARTMENT OF INSURANCE
JAMES J. DONELON
COMMISSIONER

DIRECTIVE 222

TO: ALL PROPERTY AND CASUALTY PRODUCERS AND PROPERTY AND CASUALTY INSURERS

FROM: JAMES J. DONELON, COMMISSIONER OF INSURANCE

RE: CITIZENS TAKE-OUT PROGRAM

DATE: SEPTEMBER 7, 2023

The Louisiana Department of Insurance (LDI) hereby issues Directive 222 to advise all property and casualty producers (producers) of the ongoing round of depopulation from Louisiana Citizens Property Insurance Corporation (Citizens), and to direct those producers who have policyholders eligible for the Citizens policy take-out program to advise those policyholders of their eligibility prior to rejection of the take-out offer, in compliance with the producer's obligations under La. R.S. 22:1554 and La. R.S. 22:41, entitled the "Policyholder's Bill of Rights."

In the previous round of the Citizens policy take-out program, which had an assumption date of April 1, 2023, approximately 21,000 policies were approved by Citizens for take-out but, unfortunately, only 5,000 of those offers were authorized for removal by the producers of record for those policies. In accordance with legislative mandate and intent, Citizens functions exclusively as a residual market mechanism solely for property owners in good faith entitled but unable to procure insurance from the voluntary market. Getting policyholders out of Citizens is vital to our state's economic recovery, and it has come to my attention that the majority of the 19,000 requests in the ongoing round of depopulation have not been accepted by producers.

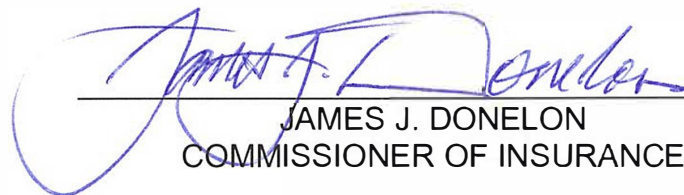
The current round of depopulation began May 1, 2023, with a final date for producer authorization of September 22, 2023. Over 19,600 policies have been identified as candidates for the Citizens policy take-out program with a significantly more affordable insurer. In an effort to increase policyholder awareness of the opportunity to take advantage of the more affordable rates and to further depopulate Citizens, I sent a notice to all policyholders whose policy has been identified for take-out advising them of this opportunity. In addition, I am now hereby directing any producer who holds a policy subject to the Citizens policy take-out program to advise the policyholder of the opportunity to benefit from the program prior to rejecting the take-out offer in accordance with their obligations under La. R.S. 22:1554 and La. R.S. 22:41. While there may be legitimate reasons to reject a particular policy take-out offer from Citizens, the policyholder has the absolute right to make an informed decision on the offer, and the issuance of Directive 222 further ensures that the policyholder is afforded every opportunity to

evaluate the offer prior to rejecting the take-out and remaining with Citizens at a significantly higher rate.

If there are any questions or concerns regarding Directive 222, please contact the Deputy Commissioner for the Office of Licensing at (225) 342-0814 or electronically at public@ldi.la.gov.

Please be governed accordingly.

Baton Rouge, Louisiana, this 7th day of September 2023.



JAMES J. DONELON
COMMISSIONER OF INSURANCE