

Citizens Property Insurance Corporation

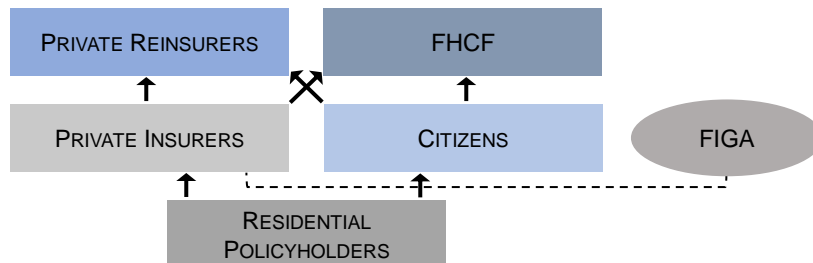
Tim Cerio
President/CEO & Executive Director



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Residential Property Insurance Market

- **Florida Office of Insurance Regulation (OIR)** – State regulatory agency that provides oversight of insurance industry and ongoing monitoring of the financial solvency of insurers.
- **Citizens Property Insurance Corporation (Citizens)** – Statutorily created insurer of last resort, absorbing policies not able to be placed in the private market, with proven depopulation mechanisms in place to shift policies back to private insurers over time.
- **Florida Hurricane Catastrophe Fund (FHCF)** – State entity that provides stable, predictable, and reliable source of reinsurance for a portion of Florida residential property insurers' hurricane losses.
- **Florida Insurance Guaranty Association (FIGA)** – Statutorily created to handle the liabilities of insolvent insurance companies, ensuring orderly and timely payment of outstanding claims.



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Overview of Citizens

Citizens is a legislatively-created government entity, established in 2002, that provides residential and commercial property casualty coverage for Florida property owners, as specified in Section 627.351(6) of the Florida Statutes.

Citizens operates pursuant to a Plan of Operation, reviewed and approved by the Financial Services Commission and is also subject to regulation by the Florida Office of Insurance Regulation.

A nine-member Board of Governors supervises Corporation.

1. The Governor appoints three members to the Board.
2. Two members are appointed to the Board by the Chief Financial Officer of the State of Florida, the President of the Florida Senate, and the Speaker of the Florida House of Representatives.
3. Board of Governors Chairman appointed by the Chief Financial Officer of the State of Florida.

Citizens is self-funded and if a deficit occurs, it has the ability to assess its policyholders as well as private-market property policyholders.



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Eligibility

Under Florida law, Citizens may write a new insurance policy only for property that meets one of the following eligibility criteria:

- Coverage is not available from a Florida-authorized insurance company.
- Premiums for coverage from Florida-authorized insurance companies are more than 20% higher than the premiums for comparable coverage from Citizens.

In 2013, the legislature created a Property Insurance Clearinghouse to help identify private-market insurance options for consumers who believe Citizens might be their only choice for property insurance and to ensure that only customers who are eligible obtain coverage from Citizens.

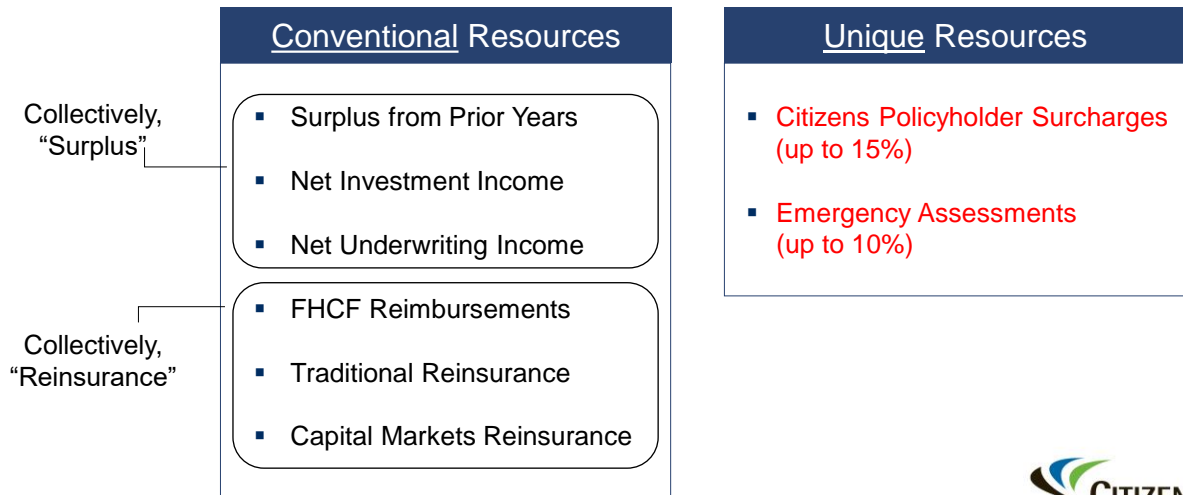
Citizens' Depopulation Program, authorized by Florida law, matches Citizens' policyholders with insurance companies interested in removing their policies from Citizens and providing private-market coverage for their policies. All companies assuming policies from Citizens have been approved by the Florida Office of Insurance Regulation.



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Financial Resources



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Assessments

Citizens Policyholder Surcharge

Up to 15% surcharge at new business or renewal for all Citizens' policyholders.

Emergency Assessment

- Charged if a deficit remains after the Policyholder Surcharge is applied.
- Levied up to greater of 10% on assessable statewide premium collected on new business or at renewal.
- All property insurance lines are included except workers compensation, medical malpractice, federal flood and federal crop lines.
- Collected as many years as possible until the deficit is eliminated.
- 2005 (Hurricanes Dennis, Katrina, Rita and Wilma) was the only Emergency Assessment of \$1.4B.

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Strategic Imperatives

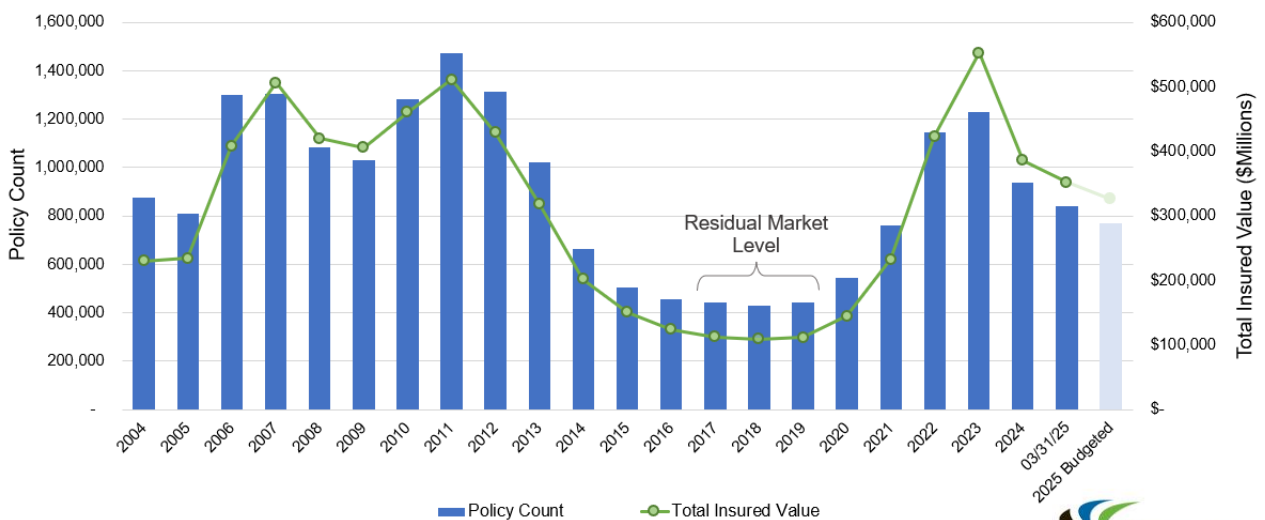
- 1. Depopulation** – Promote depopulation and optimize access to private-market coverage for Citizens’ applicants and policyholders.
- 2. Customer Experience** – Understand and enhance the customer experience by soliciting feedback, gauging satisfaction, and optimizing service capabilities and touchpoints.
- 3. Prevent Emergency Assessments** – Reduce or eliminate the risk of emergency assessments for Citizens’ policyholders and all potentially impacted Florida policyholders.



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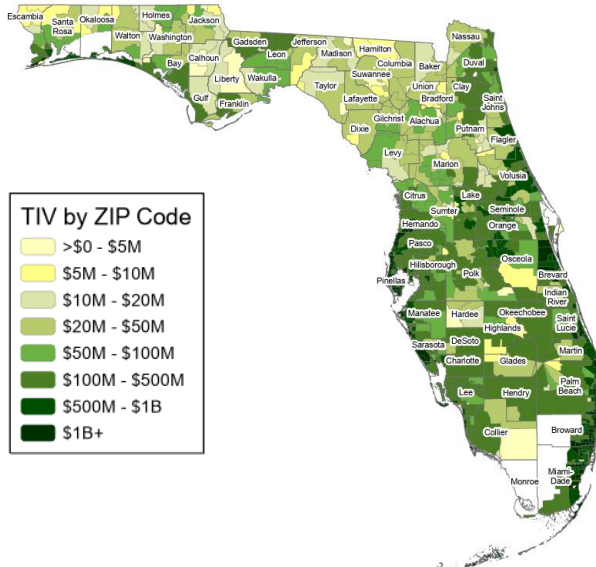
Policy Count and Total Insured Value



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Total Insured Value (TIV) Top 15 Counties



Top 15 Counties as of 03/31/25

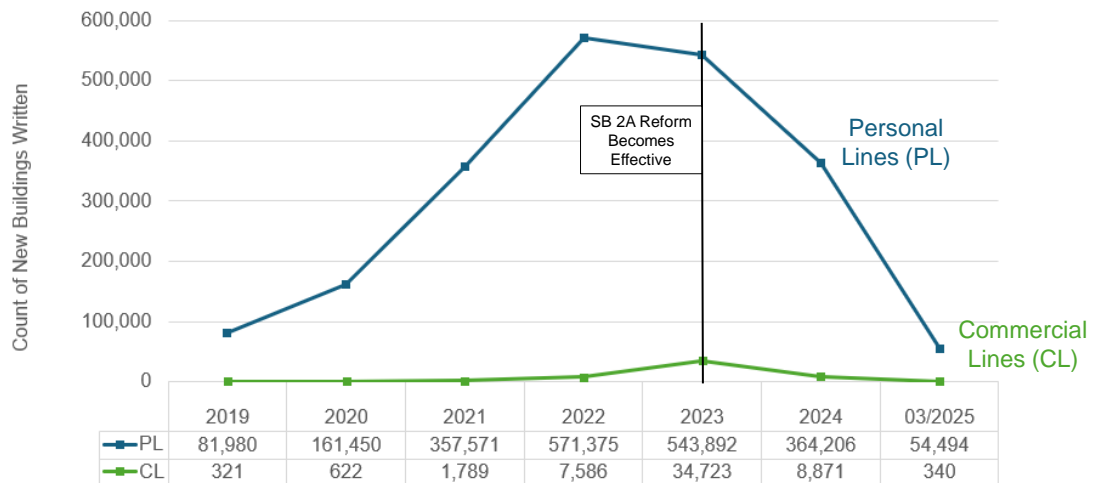
County	Building Count	TIV (in Millions)
Miami-Dade	153,554	\$56,503
Pinellas	92,719	\$40,419
Broward	104,541	\$34,919
Palm Beach	80,732	\$33,539
Brevard	41,787	\$17,797
Hillsborough	38,619	\$14,501
Sarasota	26,562	\$14,010
Monroe	18,562	\$10,304
Pasco	29,181	\$9,987
Volusia	22,247	\$9,545
Lee	22,958	\$8,948
Orange	24,296	\$8,921
Hernando	16,866	\$6,299
Collier	7,479	\$6,101
Saint Lucie	15,192	\$6,016



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Policies Return to Private Market – New Business



Notes:

1. Personal lines includes policies from insolvent carriers.
2. Includes policies with wind coverage; 3.0% of new policies exclude wind coverage over the past year.

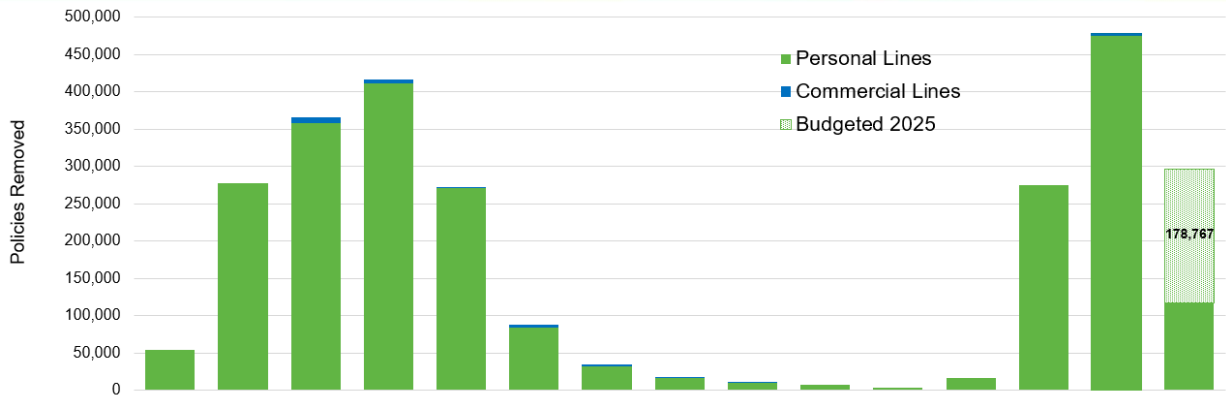


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Policies Return to Private Market

Historical and Projected Depopulation



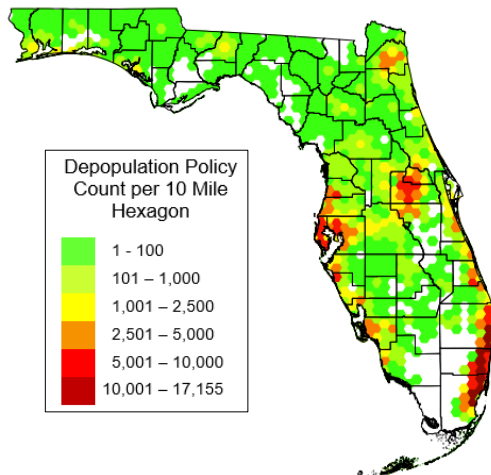
Removed	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	03/2025
Policy Count	53,577	277,002	365,767	416,623	272,785	88,000	34,008	17,905	10,084	7,463	2,814	16,408	275,324	477,821	117,257
Exposure (in millions)	\$14,474	\$75,927	\$112,265	\$117,530	\$64,830	\$23,363	\$7,435	\$4,308	\$2,181	\$2,497	\$1,027	\$7,174	\$113,375	\$214,527	\$46,878

Note: Depopulation does not reflect opt outs after the date of assumption.



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Depopulation Activity



Depopulation Policy Activity in 2024 and 2025			
Assumption Date	# OIR Approved	Choice Letters Mailed	# Assumed
2024	1,307,949	711,090	475,697
2024 (CL)	5,800	3,129	2,124
1/21/2025 (CL)	3,800	320	170
2/18/2025	342,918	143,814	102,083
3/18/2025 (CL)	250	56	24
3/25/2025	160,440	47,334	14,980
4/15/2025	238,462	49,812	TBD
5/20/2025 (CL)	100	TBD	TBD
Total	2,059,719	955,555	595,078

Notes:

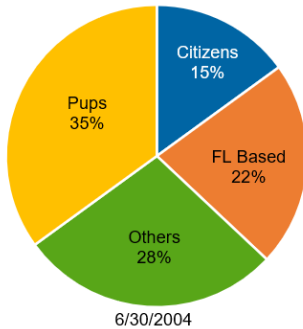
- 1) Policyholder Choice Letters Mailed indicates the number of depopulation letters mailed, one per policy. Multiple offers may be contained in a single mailing.
- 2) Number assumed refers to policies assumed on date of assumption.
- 3) The hexagon map shows all personal lines and commercial lines (CL) policies assumed through December 2024.



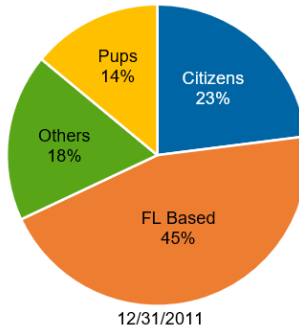
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Florida's Residential Property Insurance Market

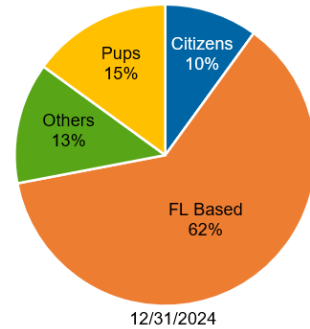
Before 04/05 Storms



Citizens' Peak



Latest Data



Pups: FL only subsidiaries of major national writers

FL Based: FL domiciled companies where the majority only write in FL

Others: Predominately national writers

Notes:

1) Includes admitted insurers only

2) Based on insured value for policies with wind coverage

3) Percentages may not add up to 100% due to rounding

4) Source: Quarterly and Supplemental Reporting System Reports. FL Office of Insurance Regulation

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Recovery of FL's Property Insurance Market

The Office of Insurance Regulation announced they continue to see overall market stabilization following the historic legislative reforms of 2022 and 2023

Rate Filings: Since January 2024, the OIR received nearly 100 residential filing requests for rate decreases or 0% increases. 19 companies have filed for a rate decrease and 37 companies have requested no change or 0% increase.

New Entrants: 13 property and casualty insurers approved to enter Florida which includes the latest, Patriot Select.

National carriers continue to expand their business in Florida's market despite reducing company operations elsewhere.

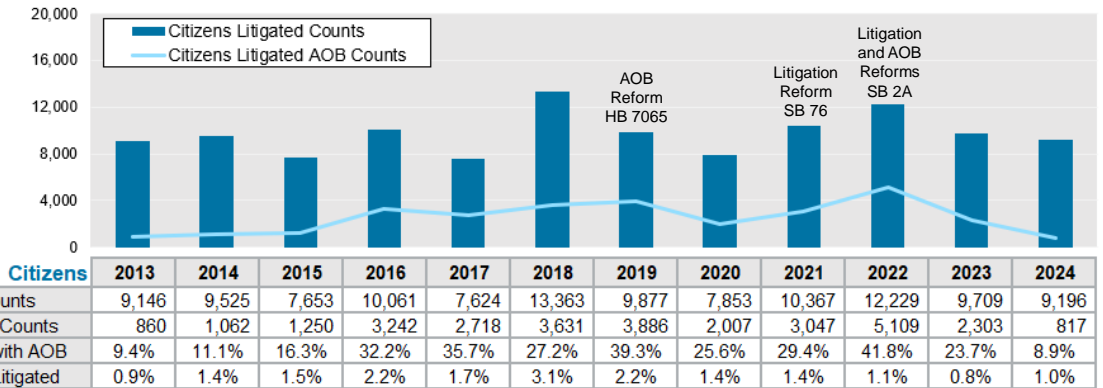
Citizens' new business is slowing down.

Increased depopulation activity including commercial business.

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Litigation and Assignment of Benefit (AOB) Citizens' Data



Between 2022 and 2024, approximately 1/3 of new lawsuits are related to catastrophes.

Non-catastrophe claims lawsuits remain flat through 2024 Q4 (as a percentage of total claims reported).

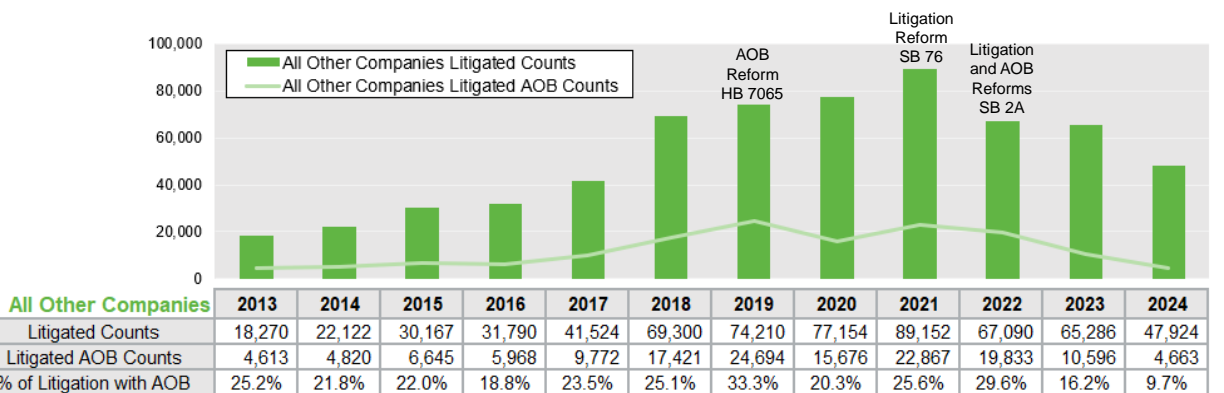
Notes:

- 1) Source: "Service of Process Reports" (LSOP Reports), Florida Department of Financial Services, December 31, 2013 to December 31, 2024
- 2) Citizens Percent of Policies Litigated is Citizens Litigated Counts divided by yearend policy counts

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Litigation and Assignment of Benefit (AOB) Industry Data

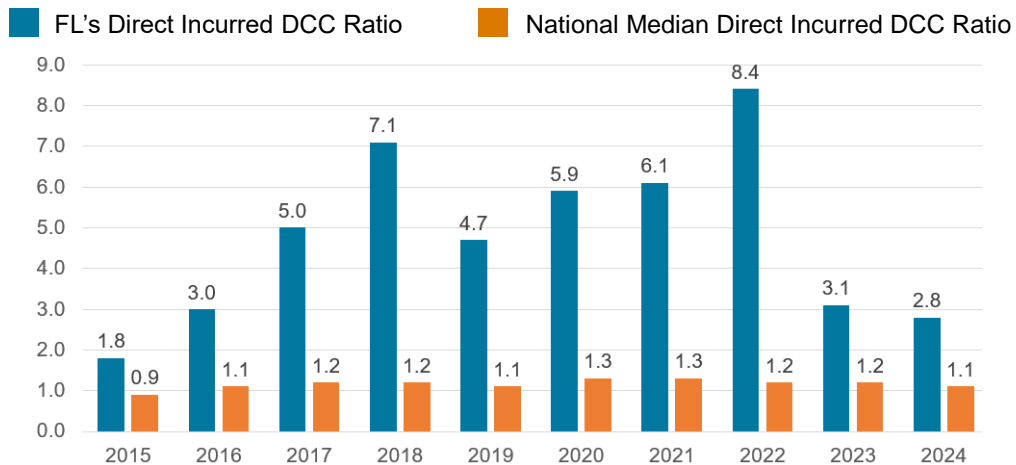


Source: "Service of Process Reports" (LSOP Reports), Florida Department of Financial Services, December 31, 2013 to December 31, 2024

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FL's Defense Cost Containment (DCC) Decline



Notes:

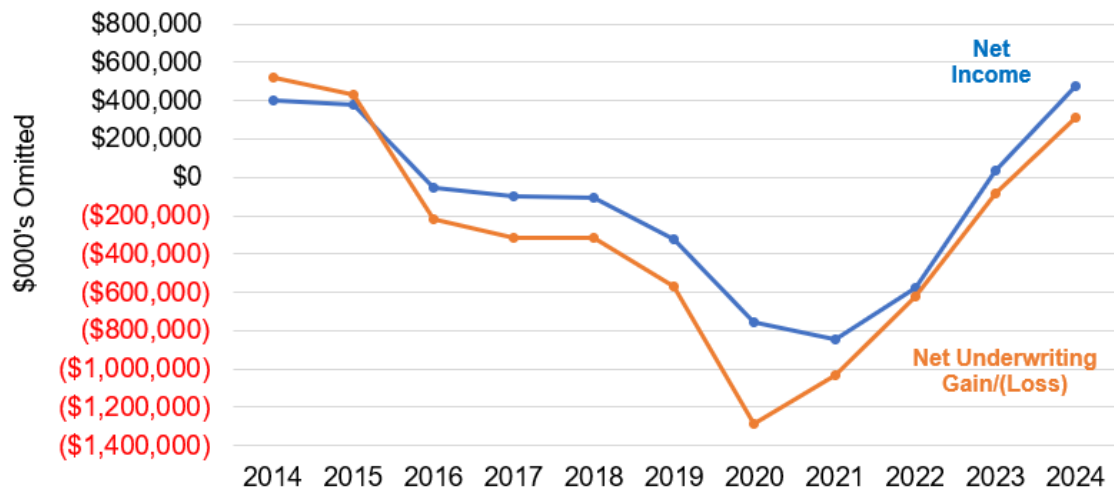
- 1) Source: Jacobs, Tom, and Noor Ul Ain Adeel. "Florida Insurers Show Signs of Recovery." *Capitaliq.Spglobal.Com*, 8 Apr. 2025, www.capitaliq.spglobal.com/apisv3/spg-webplatform-core/news/article?id=88142392.
- 2) Data from annual NAIC Exhibit of Premium and Losses filings using fire, allied lines and homeowner lines of business.
- 3) Ratio = DCC / Premiums Earned



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Financials for Selected FL Property Insurers



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Citizens Puts Policyholders First

Employee, Agent, and Policyholder Outreach

- Preparation emails sent to employees, agents, and policyholders.
- Targeted text messaging sent to policyholders in identified counties.

Legislative Outreach

- Emails to district legislative offices in the projected path of the storm.

Multimedia

- Sponsored radio messaging on the Florida Public Radio Emergency Network changed to storm preparation reminders and Citizens' contact information.
- Continuous social media and website content updates identifying storm-specific resources and info.

Catastrophe Response Center Activity

- 16 total centers opened
- 2,315 employees in the field
- 3,541 policyholders assisted
- 2,366 First Notice of Loss (claims) filings
- 1,419 Additional Living Expense checks paid totaling \$5M

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Flood Coverage Requirement (Senate Bill 2-A)

For risks in areas designated by the National Flood Insurance Program (NFIP) as special flood hazard areas, flood insurance is required for all new policies with an effective date on or after 4/1/2023, and renewal policies on or after 7/1/2023.

For risks outside of the special flood hazard areas, flood coverage is required effective:

- 1/1/2024 for properties valued at \$600,000 or more,
- 1/1/2025 for properties valued at \$500,000 or more,
- 1/1/2026 for properties valued at \$400,000 or more, and
- 1/1/2027 for all properties regardless of value

"Valued" means Coverage A for dwellings and Coverage C for tenant contents risks

Flood coverage must be secured from the NFIP or a private insurance carrier at the following limits:

- Dwellings: Equal to or greater than Citizens' separate Coverage A and C limits
- Tenant contents: Equal to or greater than Citizens' Coverage C limit

If the above limits are not available from the NFIP, Citizens will accept the maximum coverage amount for which the insured is eligible. Maximum NFIP limits are Regular Program (i.e., final phase of a community's participation): \$250,000 Coverage A, \$100,000 Coverage C; Emergency Program (i.e., initial phase of a community's participation): \$35,000 Coverage A, \$10,000 Coverage C.

Policies with windstorm or hail coverage excluded are not required to purchase flood coverage.

The requirement for condo unit owner policies was removed in the 2023 legislative session.

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2024 Hurricane Claims

Data as of 4/30/2025	Hurricane Debby	Hurricane Helene	Hurricane Milton	TOTAL
Claims Received	3,115	15,444	63,529	82,088
Claims Closed	2,909	14,663	57,350	74,922
Closed with Payment	974	4,895	32,417	38,286
Closed without Payment	1,935	9,768	24,933	36,636
Closed (Below Deductible)	260	2,854	9,208	12,322
Closed (No Coverage)	952	1,848	5,176	7,976
Closed (Claim Withdrawn)	240	947	3,667	4,854
Closed (No Coverage – Flood Loss)	189	2,919	925	4,033
Closed (Invalidated Claim)	131	548	2,478	3,157
Closed (Miscellaneous Reason)	153	596	3,233	3,982
Closed (No Policy Inforce)		2	18	20
Closed (Duplicate Claim)	8	50	216	274
Closed (Assumed Policy)	2	4	12	18



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Thank You



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