

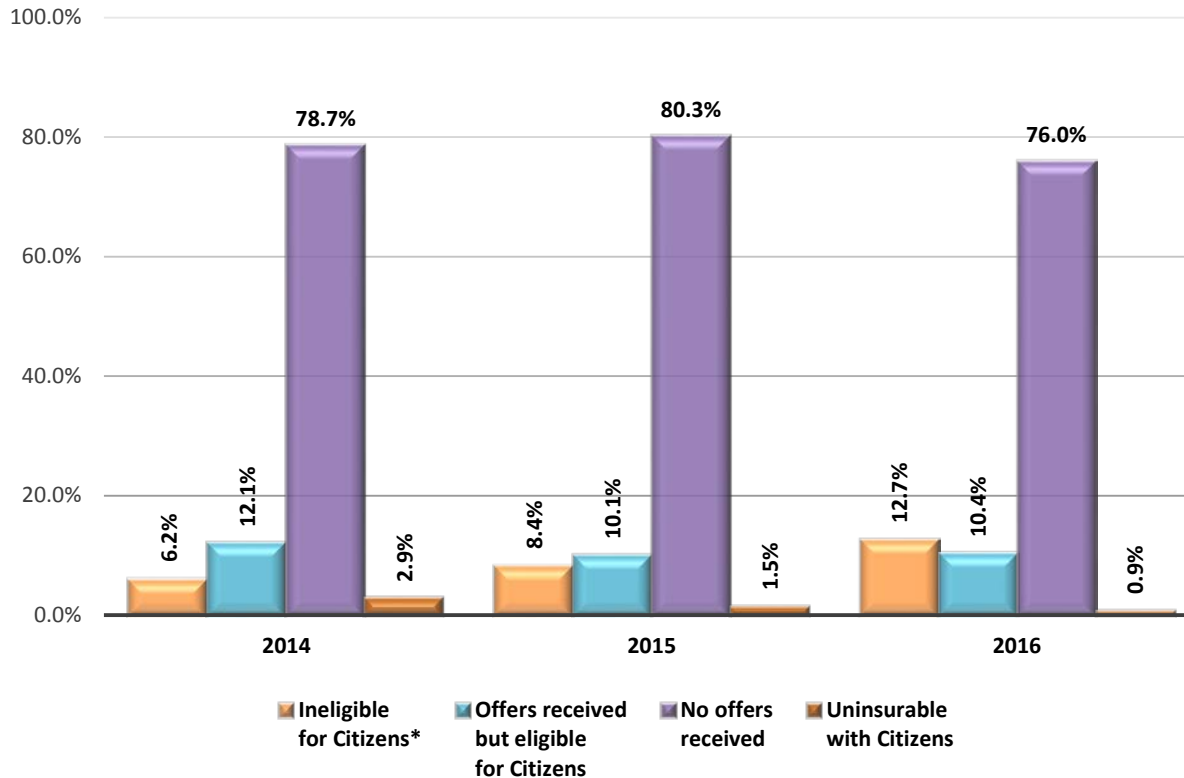
Citizens Property Insurance Clearinghouse Update

Board of Governors

March 16, 2016

Clearinghouse New Business Update

New Business Results – HO-3



Total Risk Averted (All Lines)

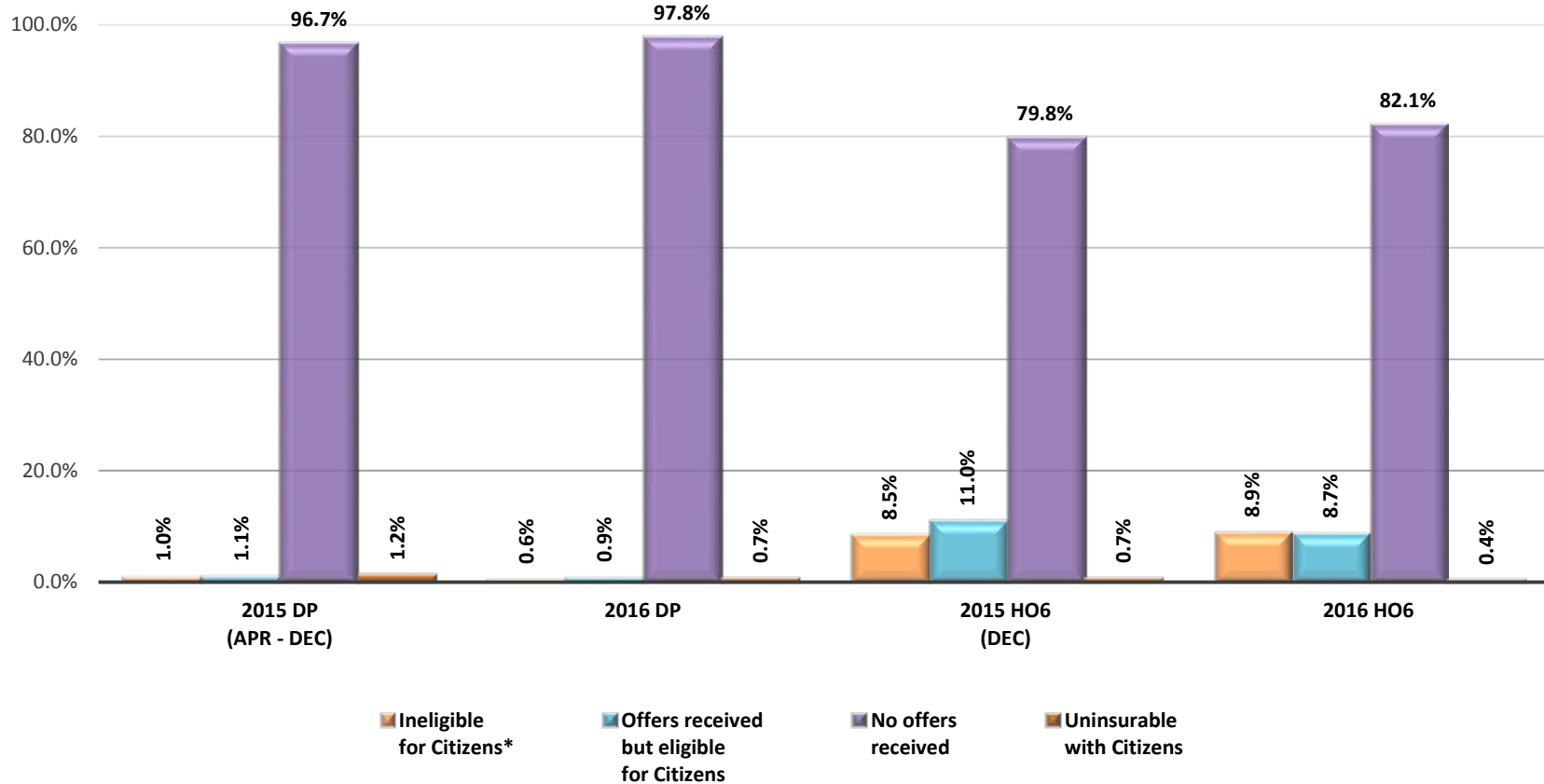
- Amount of Coverage A averted:
 - 2014 – \$2.3B
 - 2015 – \$3.7B
 - 2016 - \$690M

*Ineligible means a comparable offer of coverage was received through the Clearinghouse that had a premium that was no more than 115% of the Citizens premium.

Note: All 2016 data throughout the presentation is as of 2/25/16.

Clearinghouse New Business Update

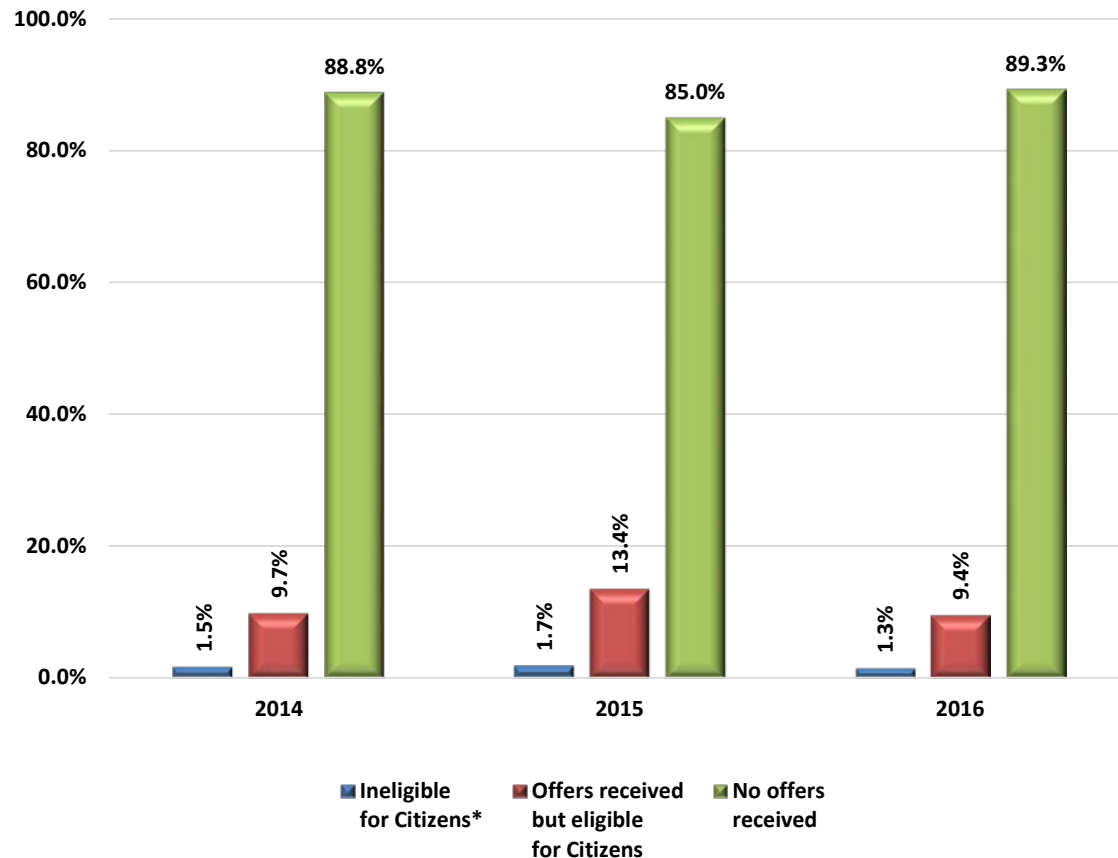
New Business Results – DP and HO-6



*Ineligible means a comparable offer of coverage was received through the Clearinghouse that had a premium that was no more than 115% of the Citizens premium.

Clearinghouse Renewal Update

Renewal Results – HO-3



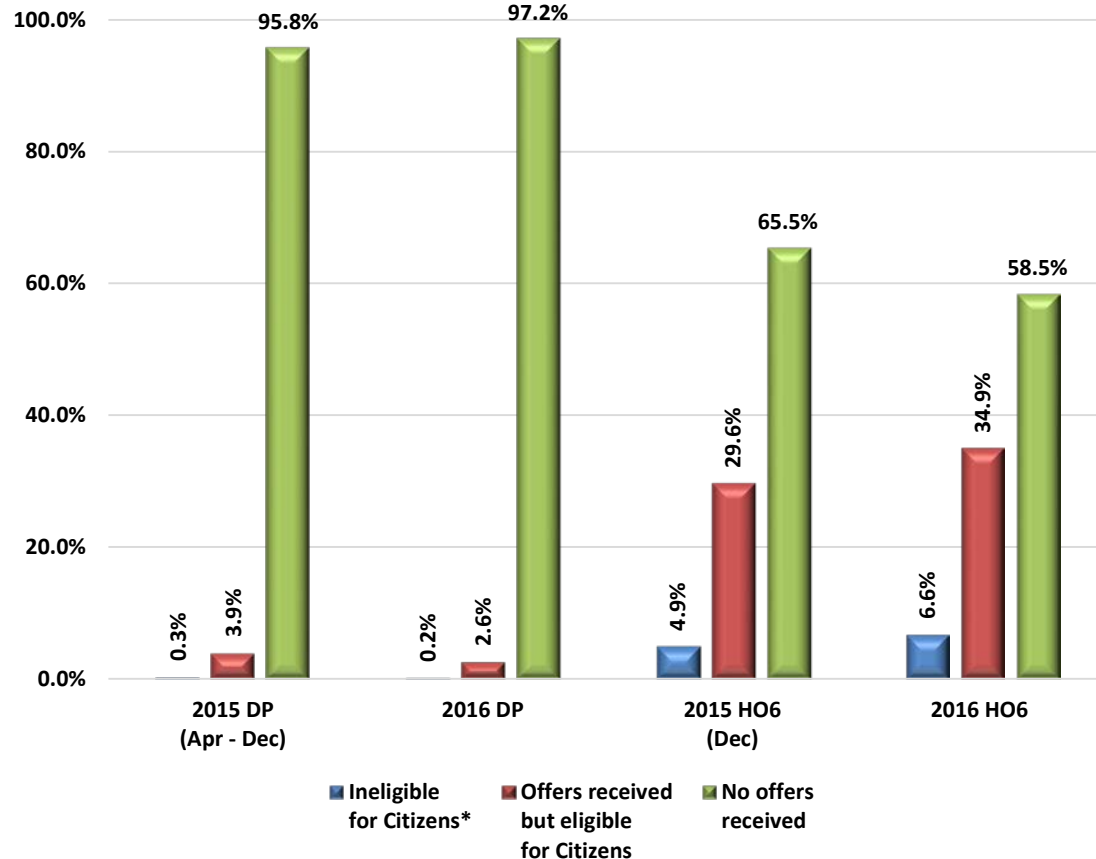
Risk Removed (All Lines)

- Amount of Coverage A removed:
 - 2014 – \$194M
 - 2015 – \$637M
 - 2016 - \$64.8M
- 3,848 policies have been non-renewed by Citizens as a result of offers made at renewal through the Clearinghouse.

*Ineligible means a comparable offer of coverage was received through the Clearinghouse that had a premium that was equal to or less than the Citizens renewal premium.

Clearinghouse Renewal Update

Renewal Results – HO-6 and DP



Offers Made on HO-6 Renewals

- Since starting in December 2015 HO-6 renewal ineligible rates have exceeded HO-3 ineligible rates by as much as 400%.
- Overall offer rates on HO-6 renewals have exceeded HO-3 rates by as much as 366%.

*Ineligible means a comparable offer of coverage was received through the Clearinghouse that had a premium that was equal to or less than the Citizens renewal premium.

Clearinghouse Operational Objectives

- Integrated HO-6 products into the platform on December 14, 2015.
 - 46% of all Personal Lines PIF are running through the Clearinghouse.
 - No additional products are slated to be added in 2016 unless market conditions change.
- Continue to add products for participating insurers.
 - Cypress: Dwelling Fire policies added on March 7.
 - Southern Oak: HO-6 policies added on March 7.
 - Monarch National and Federated: Will add HO-6 products in Q3 and Q4 of 2016.

Clearinghouse Operational Objectives

- Continue to work closely with participating insurers to maximize offer rates via the Clearinghouse by:
 - Providing enhanced operational reporting.
 - In-person visits to discuss operational objectives.
 - Persuading participating insurers to increase Limited Service Agreement offers to Citizens appointed agents.
 - Fine tuning eligibility guidelines in the platform.
 - Leveraging platform capabilities to encourage insurers to open up in counties where there is capacity and opportunity to compete.










Clearinghouse Participating Insurer Update

- 2 new insurers joined on March 7, 2016.
 - Edison Insurance: HO-3 and HO-6 policies
 - Monarch National: HO-3 policies

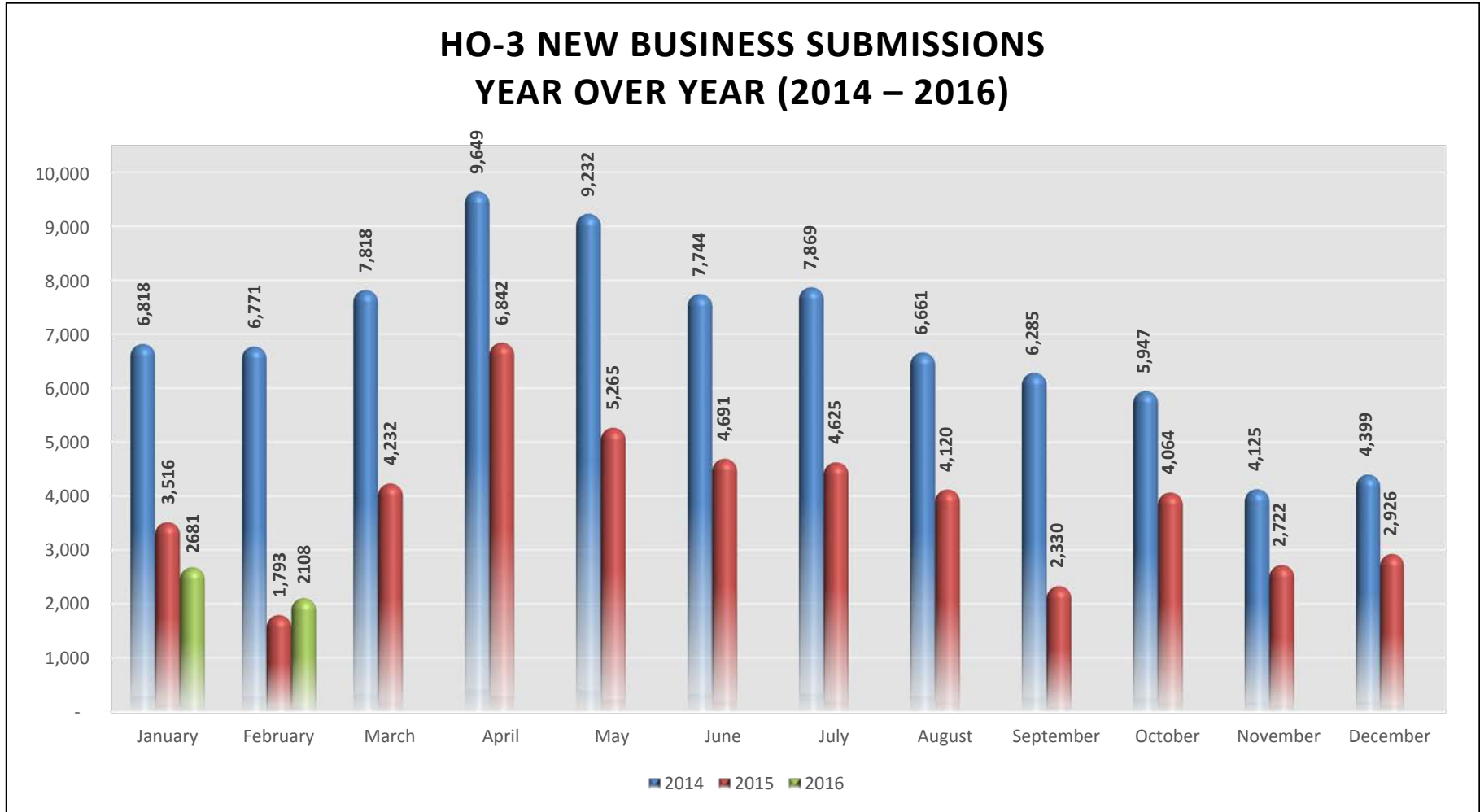
- 16 insurers currently participating:



Clearinghouse Participating Insurer Results

Insurer	Start Date	New Business	Renewals	Offers Made 2014	Offers Made 2015	Offers Made Jan - Feb 2016	Total
 FLORIDA PENINSULA Insurance Company	1.27.14	Y	Y	16,534	19,986	8,738	45,258
 BANKERS INSURANCE GROUP	3.30.14	Y	Y	7,670	15,902	1,254	24,826
 CAPITOL PREFERRED	9.14.14	Y	Y	5,915	10,352	2,004	18,271
 FEDERATED  NATIONAL	3.30.14	Y	Y	2,041	9,711	1,518	13,270
 CABRILLO COASTAL	1.27.14	Y	N	4,656	5,558	1,211	11,425
 Tower Hill Insurance	3.30.14	Y	Y	2,322	7,653	797	10,772
 Southern Oak CORPORATE SERVICES	5.11.14	Y	Y	1,065	5,667	1,548	8,280
 AVATAR PROTECTOR OF YOUR ASSETS	11.16.14	Y	N	372	5,538	786	6,696
 HERITAGE Insurance	3.30.14	Y	Y	1,626	3,600	227	5,453
 ATIC American Traditional Insurance Company	3.30.14	Y	Y	1,199	3,140	395	4,734
 Modern USA	3.30.14	Y	Y	1,159	2,578	288	4,025
 UPC INSURANCE	1.27.14	Y	N	2,190	723	200	3,113
 CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY	8.9.15	Y	Y	0	503	206	709

Clearinghouse Impact On New Business Submissions



New business HO-3 submissions are down by 10% when compared to the same time frame last year.

Clearinghouse Contract Spend Summary

	Approved Spend	Actual Spend	Variance
Contract Yr 1: 8.22.13 - 8.21.14	\$3,889,355.67	\$1,397,802.50	\$2,491,553.17
Contract Yr 2: 8.22.14 - 8.21.15	\$4,795,013.88	\$3,243,330.89	\$1,551,682.99
Contract Yr 3: 8.22.15 - 8.21.16	\$4,499,994.00	\$1,031,512.25	\$3,468,481.75
Contract Yr 4: 8.22.16 - 8.21.17	-	-	-
Contract Yr 5: 8.22.17 - 8.21.18	-	-	-
Total:	\$13,184,363.55	\$5,672,645.64	\$7,511,717.91

Comments:

- Costs incurred since last report
 - Monthly professional services costs - \$120,000
 - Transaction costs - \$382,442
 - Platform enhancements - \$83,400
- PL Implementation fees are payable in four installments associated with deliverables:
 - \$178K for provisioning of non-production and production system environments (complete and paid during Contract Yr 1)
 - \$178K after completion of go-live system acceptance testing (complete and paid during Contract Yr 1)
 - \$89K after renewals system acceptance
 - \$89K after final formal Acceptance