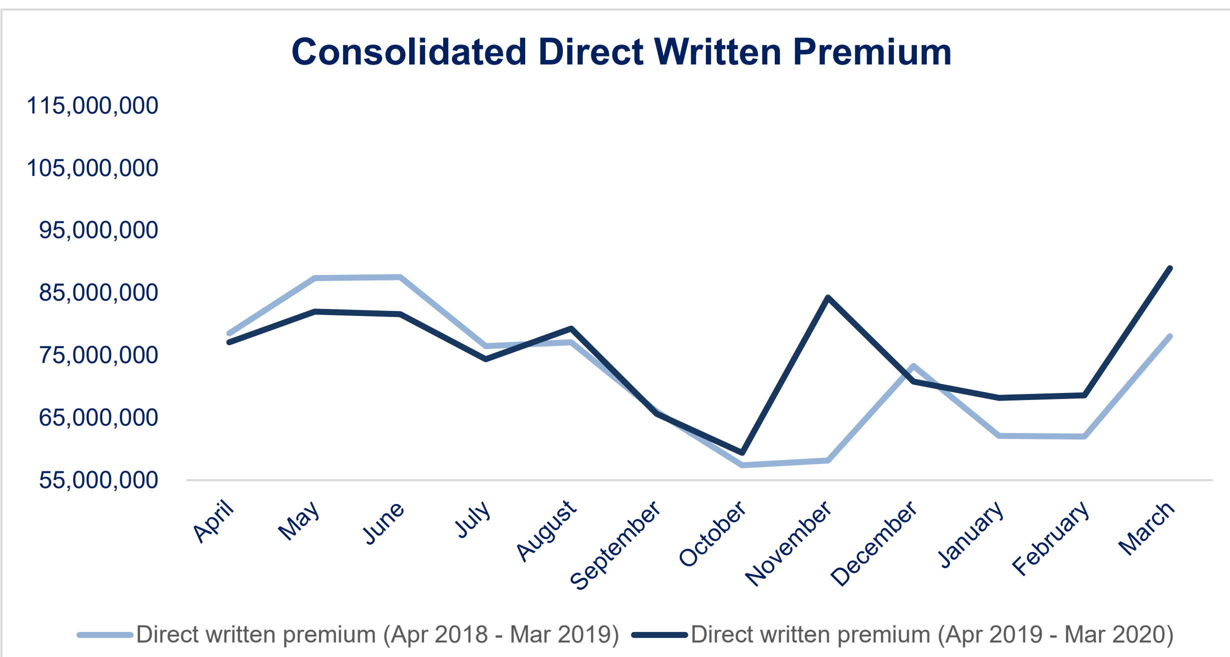
The following is an analysis of Citizens' financial and operating results for the first quarter of 2020.

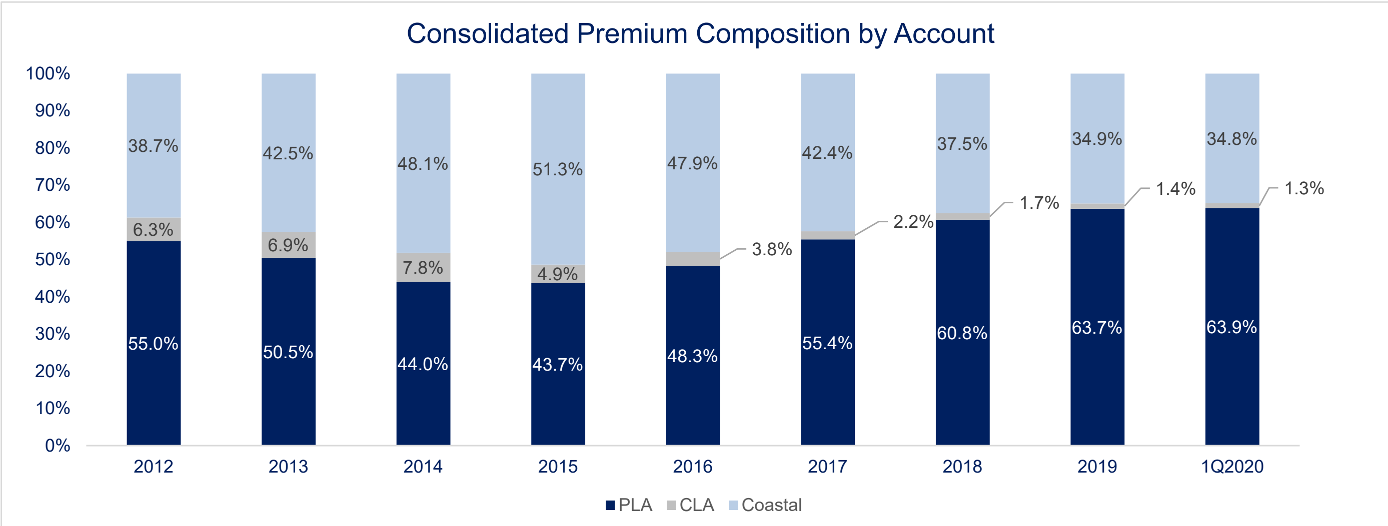
- PREMIUMS -

Consolidated direct written premium for the first quarter of 2020 was $225.7 million or $23.6 million (12%) greater than consolidated direct written premium during the same period in 2019. The increase in written premium is the result of an increase in policies inforce (PIF) within the Personal Lines Account (PLA) that outpaced decreases in PIF within the Commercial Lines Account (CLA) and Coastal Account. By account, increases (decreases) in PIF during the first quarter of 2020 were 26,802 (8.9%), -127 (-15.0%) and -820 (-1.0%) within the PLA, CLA and Coastal Account, respectively. Premiums removed through depopulation of $1.4 million during the first quarter of 2020 were $1.4 million (50.0%) less than the same period in 2019.

	3-months ended	
	Mar 2020	**Mar 2019**
New Business	23,464	15,918
Untagged Takeouts	6	11
Reinstatements	2,741	1,920
Cancellations	(10,932)	(10,454)
Non-Renewals	(10,179)	(10,950)
New Tags for Takeout	(981)	(3,375)
Net change	4,119	(6,930)
Ending PIF	446,322	420,467

Consolidated direct earned premium increased $7.2 million (3.4%) during the first quarter of 2020 consistent with increases in consolidated direct written premium.





Through the first quarters of 2020 and 2019, no premiums ceded for private reinsurance were recognized by Citizens – premiums ceded for private reinsurance are recognized at the inception of the Atlantic Hurricane Season, or June 1st.

- LOSSES -

Non-CAT Only	Consolidated			Personal Lines Account			Commercial Lines Account			Coastal Account		
	Q1 2020	**CY 2019**	**Q1 2018**	**Q1 2020**	**CY 2019**	**Q1 2018**	**Q1 2020**	**CY 2019**	**Q1 2018**	**Q1 2020**	**CY 2019**	**Q1 2018**
Direct loss ratio	32.01%	31.31%	29.66%	42.44%	41.88%	42.94%	10.16%	-28.54%	15.40%	13.73%	15.44%	11.73%
Direct loss ratio (underlying)	31.23%	29.19%	29.03%	41.91%	38.66%	42.04%	14.40%	33.40%	9.36%	12.27%	12.50%	11.80%
Direct LAE ratio	20.58%	20.69%	21.38%	25.34%	26.08%	29.01%	14.92%	15.16%	0.30%	12.07%	11.54%	11.79%
Direct LAE ratio (underlying)	17.75%	18.80%	15.49%	23.03%	23.90%	20.95%	6.55%	14.15%	4.82%	8.50%	10.10%	8.40%

CAT and Non-CAT	Consolidated			Personal Lines Account			Commercial Lines Account			Coastal Account		
	Q1 2020	**CY 2019**	**Q1 2018**	**Q1 2020**	**CY 2019**	**Q1 2018**	**Q1 2020**	**CY 2019**	**Q1 2018**	**Q1 2020**	**CY 2019**	**Q1 2018**
Direct loss ratio	32.02%	61.82%	29.66%	42.45%	78.60%	42.94%	10.16%	83.44%	15.40%	13.73%	31.66%	11.73%
Direct loss ratio (underlying)	31.23%	29.19%	29.03%	41.91%	38.66%	42.04%	14.40%	33.40%	9.36%	12.27%	12.50%	11.80%
Direct LAE ratio	20.61%	18.98%	21.58%	25.38%	30.22%	29.15%	14.93%	29.99%	0.25%	12.10%	-1.06%	12.11%
Direct LAE ratio (underlying)	17.75%	18.80%	15.49%	23.03%	23.90%	20.95%	6.55%	14.15%	4.82%	8.50%	10.10%	8.40%

The term *underlying* refers to losses and LAE on claims incurred in the current accident year and excludes development on prior accident years

As of March 31, 2020, consolidated ultimate direct losses and LAE related to Hurricane Irma were $2.160 billion, unchanged from the prior quarter. Of the $2.160 billion in ultimate loss and LAE, $879.8 million is recoverable under Citizens' reinsurance contracts with both the FHCF ($521.5 million in the PLA and $246.7 million in the Coastal Account) and private reinsurers ($111.6 million in the Coastal Account only).

On a consolidated basis, ultimate direct losses and LAE related to Hurricane Michael were $149.9 million, also reflecting no change from the prior quarter. No reinsurance recoverables associated with Hurricane Michael were recorded due to the losses and LAE not meeting the attachment levels of reinsurance arrangements.

Current accident year losses and LAE unrelated to sinkholes and hurricanes did not experience meaningful variances from the prior quarter and development of prior accident year losses and LAE was minimal.

Although litigated non-weather water claims continue to be a dominant driver of loss and LAE activity within the PLA, the litigation rate for accident years 2018 and 2019 continues to show improvement in comparison to accident years 2014 through 2017.

Within the CLA, losses and LAE related to sinkhole claims were relatively unchanged, however, volatility in older non-sinkhole claims contributed to material quarterly variances in the reported loss and LAE ratios. While loss and LAE development within the CLA are less significant to the accident years to which they relate, the diminishing size of the overall commercial lines book of business leaves it more susceptible to material swings in the loss and LAE ratio as a result of development in prior accident years when the commercial lines book of business was considerably larger.

Administrative expenses reclassified to LAE are assigned to prior accident years based on the number of claims closed for the current and each prior accident year. Accordingly, fluctuations in the number of claims closed and the fraction of claims closed for each accident year can lead to adverse or favorable development of LAE in prior accident years.

- ADMINISTRATIVE EXPENSES -

Administrative expenses incurred during the first quarter of 2020 of $35.4 million were $0.2 million (0.4%) less than administrative expenses incurred during the same period in 2019 and $4.6 million (11.5%) less than budget. Variances in contingent staffing from budget were primarily due to lower-than-anticipated needs for independent adjusters as well as a higher-than-anticipated number of claims entering mediation. These expenses, along with other claims-related costs, are reclassified to loss adjustment expenses (LAE).

Other factors contributing to significant year-over-year or budget-to-actual variances are as follows:

- Employee expenses (*Salaries, Employee Benefits and Payroll Taxes*) were $1.3 million (3.2%) below budget as a result of reductions and/or delays in filling vacant positions, and $1.7 million (4.6%) as a result of period-over-period increases in employee benefits.

- *Legal* expenses were $0.3 million (68.8%) less than budget and $0.4 million (74.2%) less than 2019 due to delays in the timing of anticipated legal expenditures (budget-to-actual) and overall reductions in legal expenses incurred (quarter-over-quarter).

- *Computer Hardware* expenses were $0.4 million (48.1%) below budget due to lower than anticipated hardware expenses.

- *Professional Services* expenses were $1.6 million (53.5%) below budget and $0.3 million (26.4%) more than 2019 due to delays and cancellations in several initiatives (budget-to-actual) and delays in the timing of accrued expenditures during the first quarter of 2019 in comparison to the first quarter of 2020.

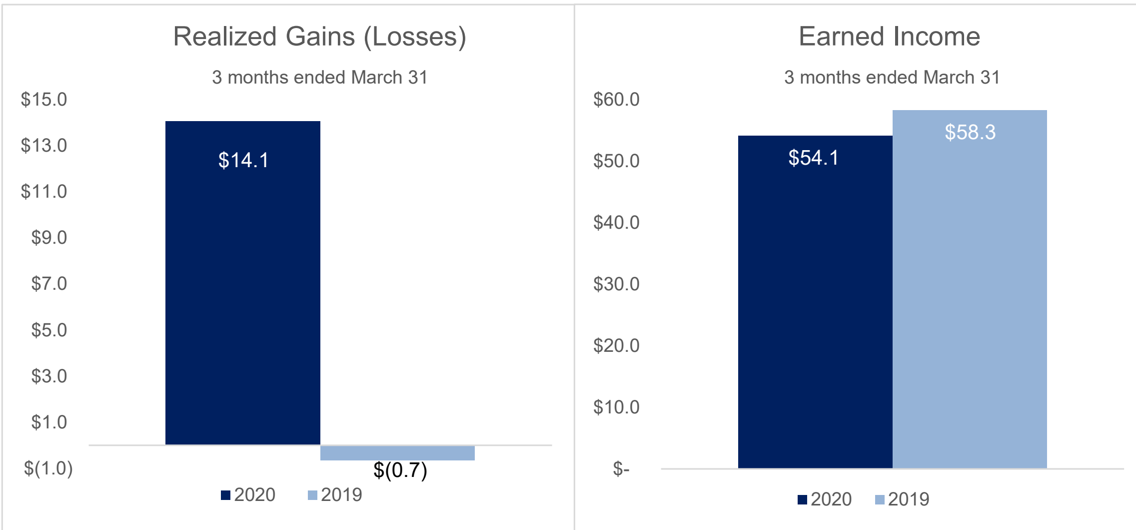
- *Rent* expenses were $0.4 million (18.8%) less than 2019 due to the termination of the Tampa building lease.

- *Software Maintenance and Licensing* expenses were $1.1 million (23.4%) below budget and $0.7 million (15.7%) less than 2019 is largely due to reductions in the anticipated number of user licenses for Claims-related software (budget-to-actual); decreases quarter-over-quarter are largely due to reductions in costs associated with the Guidewire system.

- *Travel* expenses were $0.2 million (39.4%) below budget primarily due to the elimination of travel as a result of COVID-19.

For the quarter ended March 31, 2020, Citizens' expense ratio was 25.6%, reflecting a 2.5% decrease from the same period in 2019 and a 3.8% decrease compared to budget.

- INVESTMENT INCOME -



($ in millions) ($ in millions)

Total investment income (measured as investment income excluding investment expenses) during the first quarter of 2020 was $68.2 million, or $10.6 million (18.4%) greater than the same period in 2019, despite a $423.3 million (4.5%) decline in total average invested assets. The relative and absolute increases in investment income were principally driven by significant increases in realized gains, partially offset by marginal reductions in earned income. During the first quarter of 2020, portfolio managers repositioned certain of Citizens' investment holdings resulting in sales of securities that generated substantial realized gains. The slight decline in earned income was driven by continued reductions in overall interest rates over the last 12 months, impacting portfolio reinvestment. Holdings in tax-exempt securities within bond proceeds accounts have declined as outstanding bond obligations decline. A reduction in these holdings resulted in proportional increases in securities that generally produce higher yields. In January 2020, $150 million of the 2015A-1 series bonds were redeemed at par resulting in a $1.5 million gain that was included in net realized gains.

	3-months ended ($ millions)			
	Mar 2020		**Mar 2019**	
Earned income	$	54.12	$	58.26
Net realized gains (losses)		14.05		(0.65)
Total income	**$**	**68.17**	**$**	**57.61**
Average invested assets	**$**	**8,793.62**	**$**	**9,216.92**

	Externally-Managed Portfolios (March 2020)			
	Taxable Liquidity	Taxable Claims	Tax-Exempt Claims	Taxable LD Claims
Total market value ($ in billions)	$1.051	$1.546	$0.805	$4.975
Duration	1.1	3.7	1.4	5.6
Avg. credit rating (S&P / Moody's / Fitch)	A+ / Aa2 / AA	A- / A1 / A+	AA / Aa2 / AA	A+ / A1 / A+

- CASH FLOWS -

Consolidated cash flows provided by operations were $104.9 million in the first quarter of 2020 compared to consolidated cash flows used in operations of $30.5 million during the same period in 2019. Net premiums collected during the first quarter of 2020 were $214.1 million or $28.2 million (15.2%) more than the same period in 2019, consistent with overall increases in written premium and declines in reinsurance premiums ceded. Decreases in net investment income collected of $7.7 million (10.7%) were generally driven by decreases in securities that yield higher coupon payments. Decreases in benefits and loss related payments, as well as loss adjustment expense payments, were largely the result of reductions in reserves and increases in reinsurance recoveries on loss and LAE payments associated with Hurricane Irma. Decreases in underwriting expenses paid of $11.5 million (19.3%) were due to temporary delays in operating expense payments due to limited office availability.

	Consolidated - 3 months ended	
	Mar 2020	Mar 2019
Premiums collected, net	$ 214,107,200	$ 185,856,723
Net investment income	64,404,085	72,093,917
Miscellaneous income (expense) collected (paid)	757,106	837,243
Benefits and loss related payments	(68,642,686)	(161,109,168)
Loss adjustment expense payments	(57,468,053)	(68,454,799)
Underwriting expenses paid	(48,221,969)	(59,678,874)
Net cash flows provided by (used in) operations	**$ 104,935,683**	**$ (30,454,958)**