

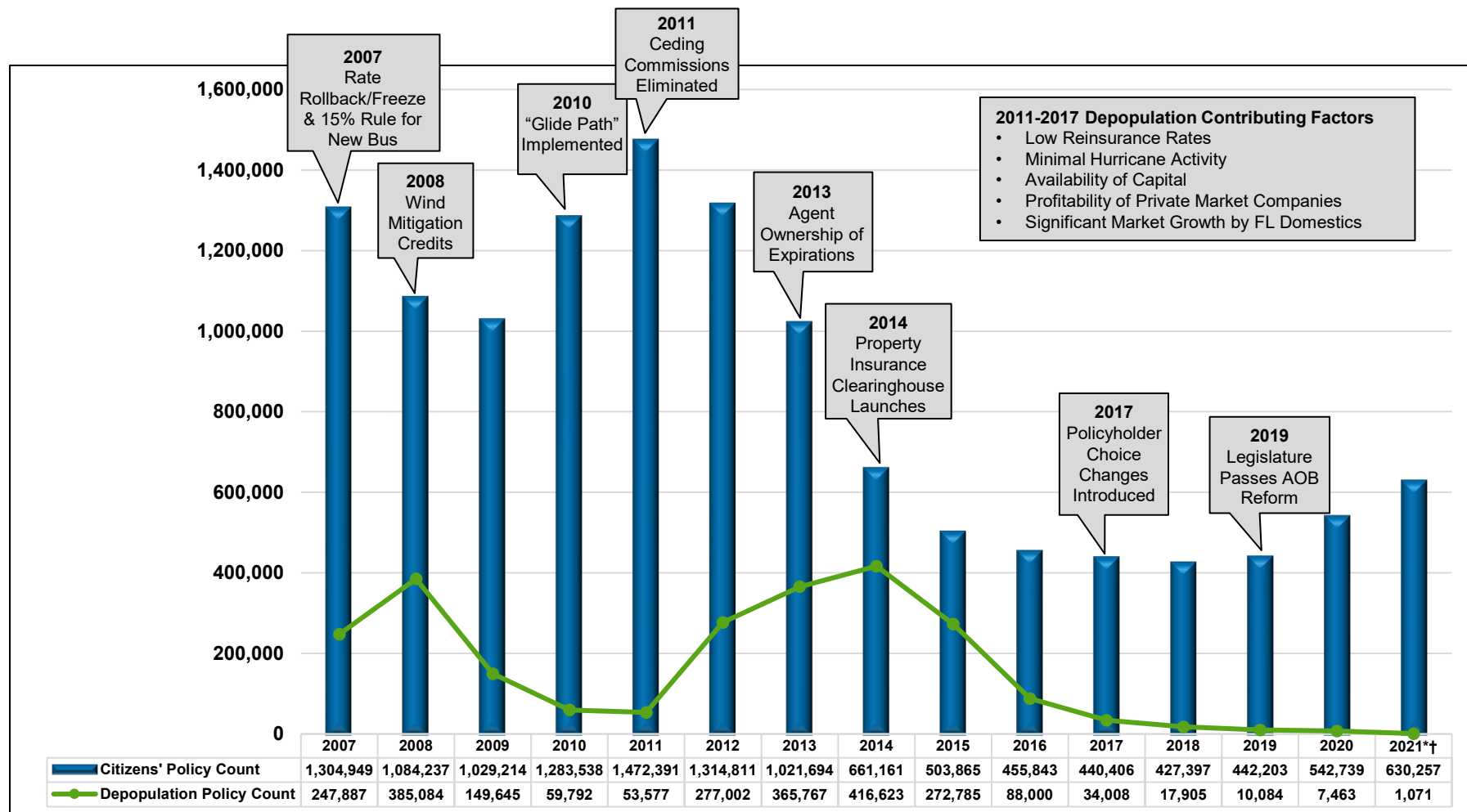


Clearinghouse & Depopulation Programs

March 2, 2021

Historical Milestones

Citizens' and Depopulation Policy Count Trends

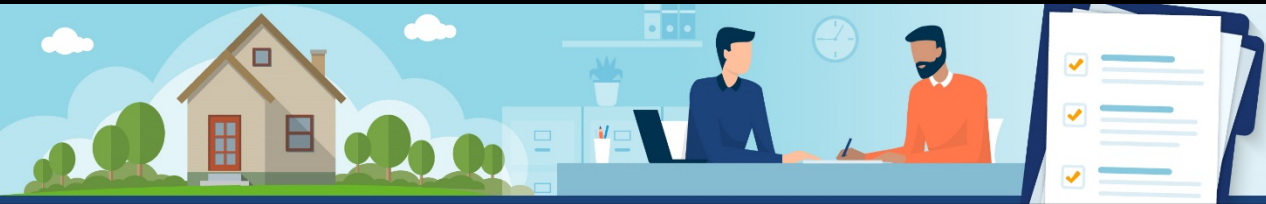


* Projected budgeted PIF

† Depopulation numbers as of February 2021 assumption.

Clearinghouse

Initial Eligibility – Newly Purchased Home



The customer:

- Buys a home and needs insurance.
- Connects with an insurance agent and requests a quote.



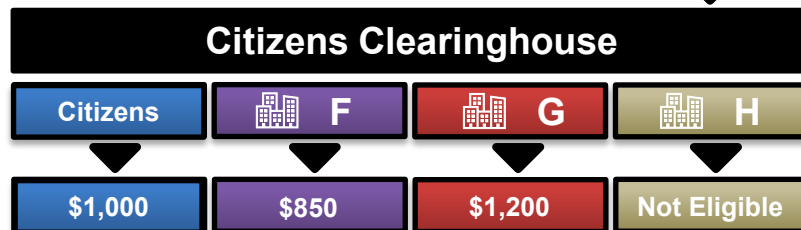
The agent presents the risk to companies they are appointed with.

The companies return a decision and quote.



- B**
- Price is too high
 - Risk is ineligible
 - Company won't write it

- A. If the quote is acceptable, the customer purchases the policy. (The risk never comes to Citizens.)
- B. If the price is not acceptable to the customer, or the companies deem the risk ineligible or they are not willing to take it, the agent runs the eligible risk through the Clearinghouse.



The Clearinghouse returns coverage offers from participating insurance carriers willing to bid on the policy.

If no comparable private-market offers are provided, or comparable private-market offers are greater than 15% of the Citizens offer, the risk may be placed with Citizens.

Forms not offered due to lack of carrier interest:
All Commercial Lines, DP-1 -C, DP-3-C and H0-8.

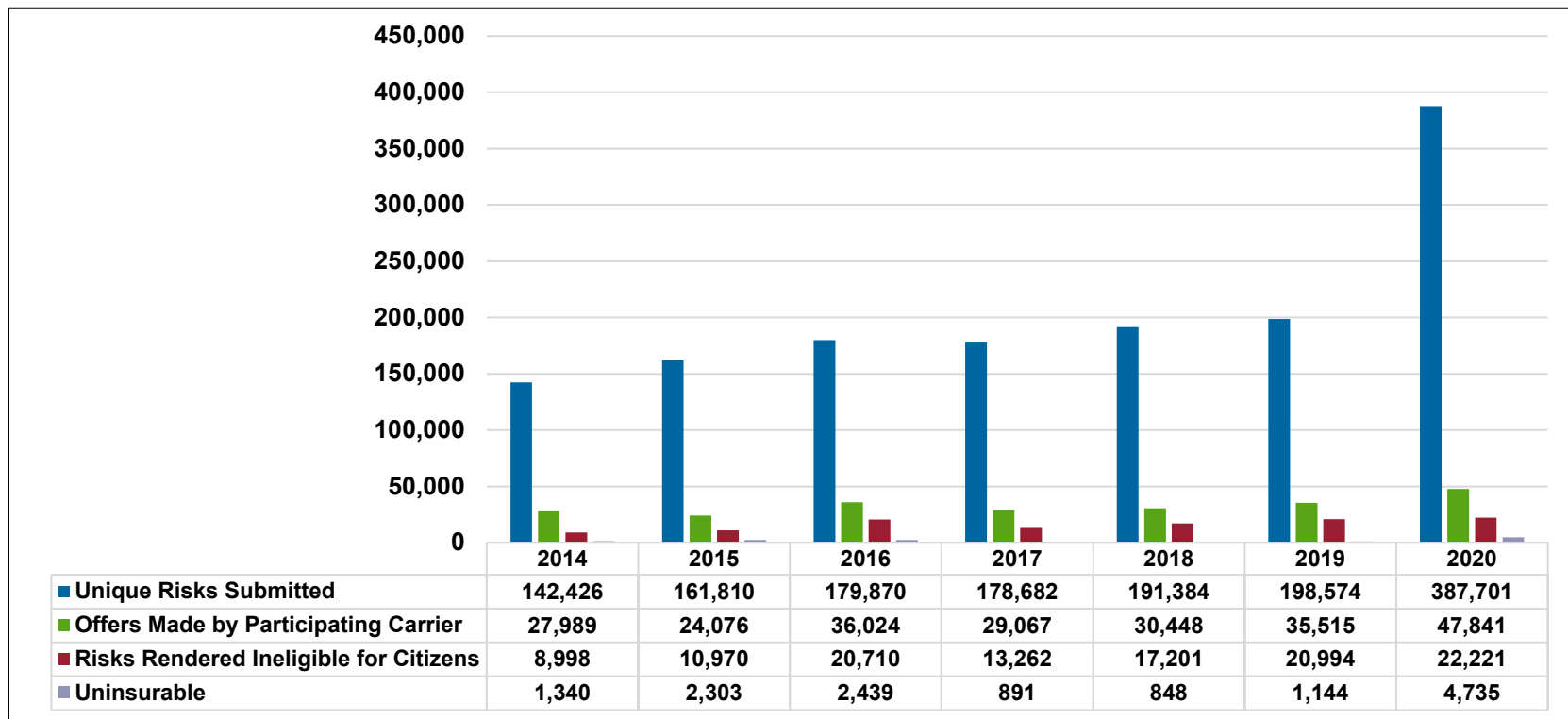
Offer will block the Citizens policy based on the 15% rule.

Offer is presented to the customer for consideration.

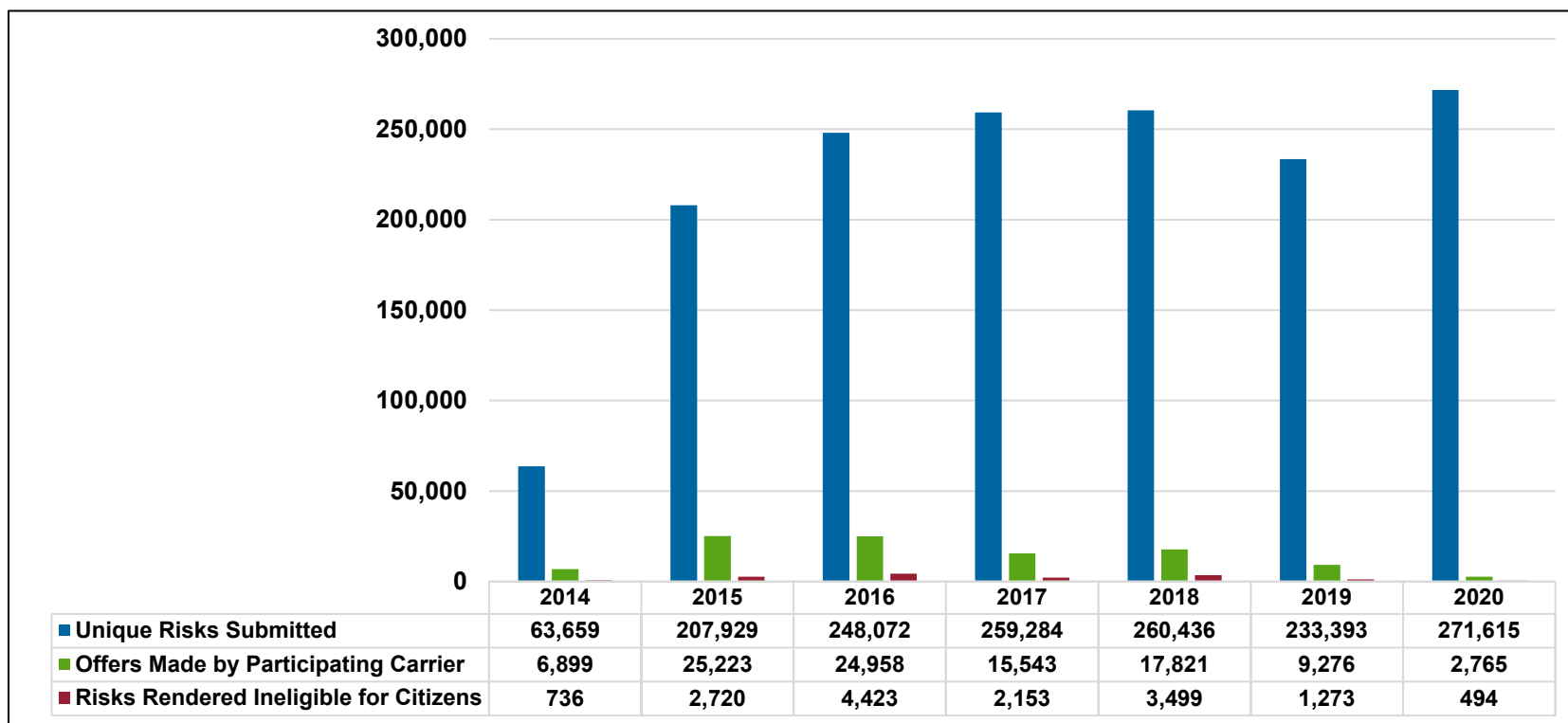
Continuing Eligibility (Renewals)

<div> <div>  <p>Clearinghouse Renewal Engine</p> </div> <div> <p>Citizens</p> <p>Prior to each renewal, all eligible policies are sent to the clearinghouse.</p> </div> <div> <p>Companies</p> <p>Select the risks they want.</p> <p>Select the agents they want.</p> </div> </div>				<p>Example risks they want:</p> <ul style="list-style-type: none"> • Agent-specific • Location • Prior claims • Capacity <p>Example agents they want:</p> <ul style="list-style-type: none"> • Captive • Independent • Existing relationship <p><i>Note: Companies are not required to bid on all renewals.</i></p>
Clearinghouse Outcomes	No Offers	Offers Risk eligible to remain with Citizens	Offers Making Citizens ineligible	There are three outcomes.
Policyholder Options	Renew with Citizens	Take the other offer* or renew with Citizens	Must take the offer* or obtain a new policy	* The policyholder could receive one or more offers.
Role of the Agent		The agent is required to share other offers with the policyholder and must submit to carrier if desired.	The agent must submit to the offering company.	The agent must get involved when offers are made. If the policyholder wants coverage from the offering company, or the risk is deemed ineligible with Citizens, the agent must secure coverage using the clearinghouse to transfer data to the other company's website.
Policyholder Communication	Renewal Offer from Citizens		Notice of Nonrenewal	Forms not offered due to lack of carrier interest: All Commercial Lines, DP-1 -C, DP-3-C and H0-8.

New Business Update

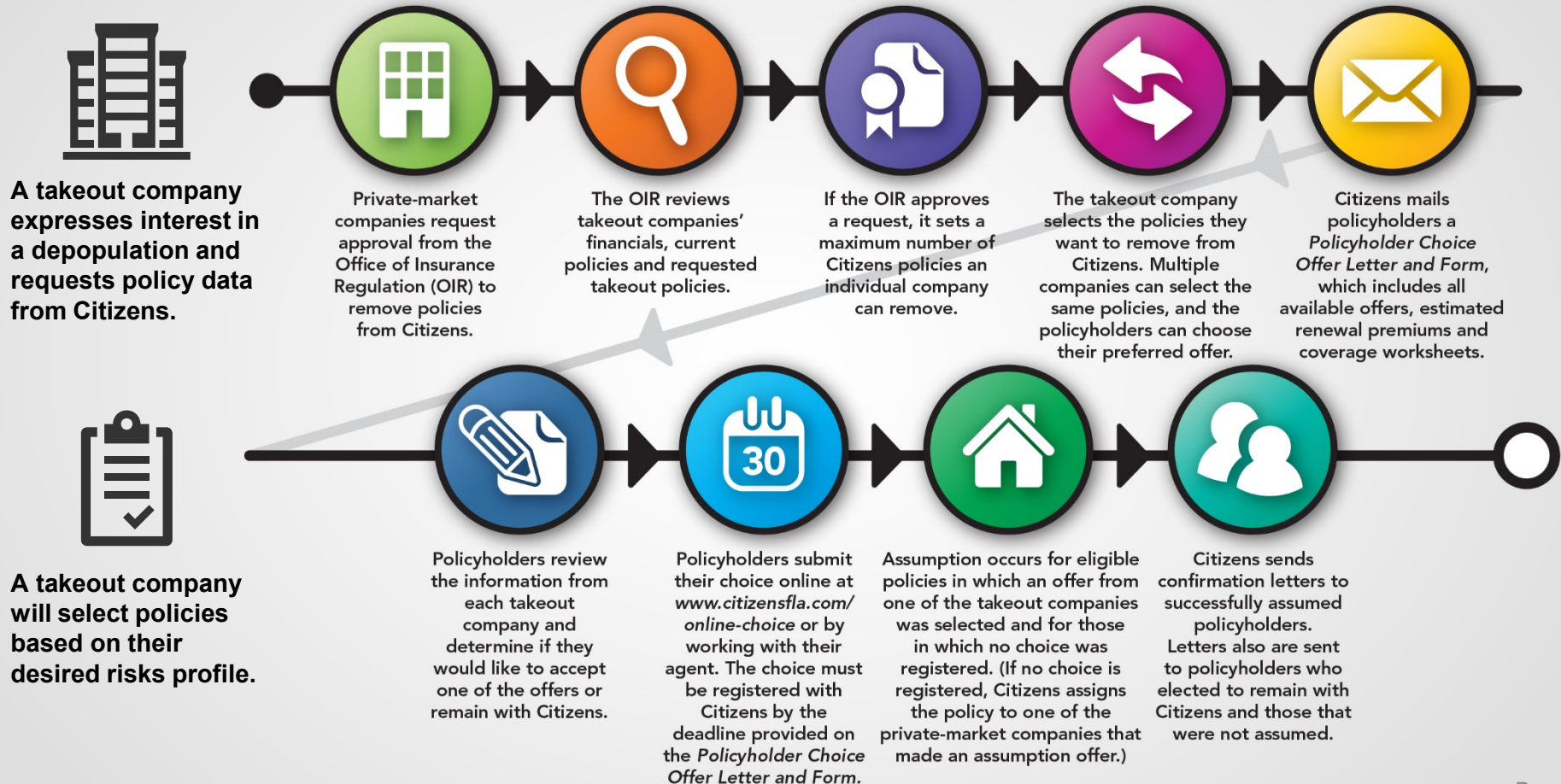


Renewal Update



Depopulation

Depopulation Process Overview



Historical Results – Personal Lines

Year	Total Personal Lines Offers Made	Total Personal Lines Policies Assumed	% Assumed
2009	237,008	149,694	63%
2010	85,990	59,792	65%
2011	78,596	53,577	68%
2012	354,475	277,002	78%
2013	460,674	358,318	78%
2014	589,624	411,632	70%
2015	514,679	270,381	53%
2016	179,475	84,089	47%
2017	127,422	31,854	25%
2018	71,384	16,639	23%
2019	42,941	9,960	23%
2020	26,067	7,463	29%
2021*	7,013	1,071	15%

* As of February 2021 assumption

Historical Results – Commercial Lines

Year	Total Commercial Lines Offers Made	Total Commercial Lines Policies Assumed	% Assumed
2007	0	0	0%
2008	No Data Available	601	
2009	0	0	0%
2010	0	0	0%
2011	0	0	0%
2012	0	0	0%
2013	8,278	7,449	90%
2014	5,919	4,991	84%
2015	3,058	2,404	79%
2016	4,351	3,911	90%
2017	2,318	2,154	93%
2018	1,341	1,266	94%
2019	142	124	87%
2020	0	0	0%