

Executive Summary

Claims Committee Meeting, June 30, 2021

Board of Governors Meeting, July 14, 2021

Litigated Claims Update

CLAIMS LITIGATION – 2021 YEAR TO DATE (January 1, 2021 – April 30, 2021)

Overview of Incoming Lawsuits and Pending Volume:

From January 2021 through April 2021, Citizens was served with 3,482 lawsuits (3,431 Residential Property, 30 Commercial Property and 21 Liability) – averaging 871 new lawsuits per month. This reflects a 54% increase in the number of new incoming suits per month as compared to this same time period last year (2020 average for January through April – 567).

Breakdown of 2021 YTD New Lawsuits:

First Party Residential Property – 3,431 Total (99% of Overall Total)

- Residential CAT	1,894	55%
- Residential Non-CAT	1,537	45%
- Residential Sinkhole	0	0%

First Party Commercial Property – 30 Total (<1% of Overall Total)

- Commercial CAT	28	93%
- Commercial Non-CAT	1	3%
- Commercial Sinkhole	1	3%

Third Party Liability – 21 Total (<1% of Overall Total)

As of April 30, 2021, current pending volume totaled 14,380 lawsuits (14,049 Residential Property, 226 Commercial Property and 105 Liability). This reflects a 19% increase in pending as compared to this same time last year (12,047 pending matters).

Breakdown of 2021 YTD Pending Lawsuit Volume:

First Party Residential Property – 14,049 Total (98% of Overall Total)

- Residential CAT	7,139	51%
- Residential Non-CAT	6,800	48%
- Residential Sinkhole	110	<1%

First Party Commercial Property – 226 Total (<2% of Overall Total)

- Commercial CAT	210	93%
- Commercial Non-CAT	11	5%
- Commercial Sinkhole	5	2%

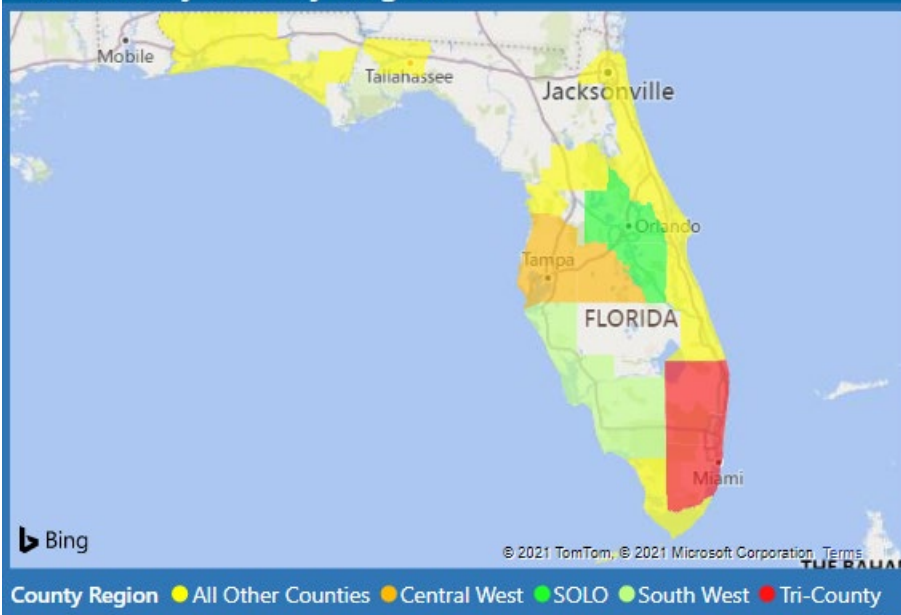
Third Party Liability – 105 Total (<1% of Overall Total)

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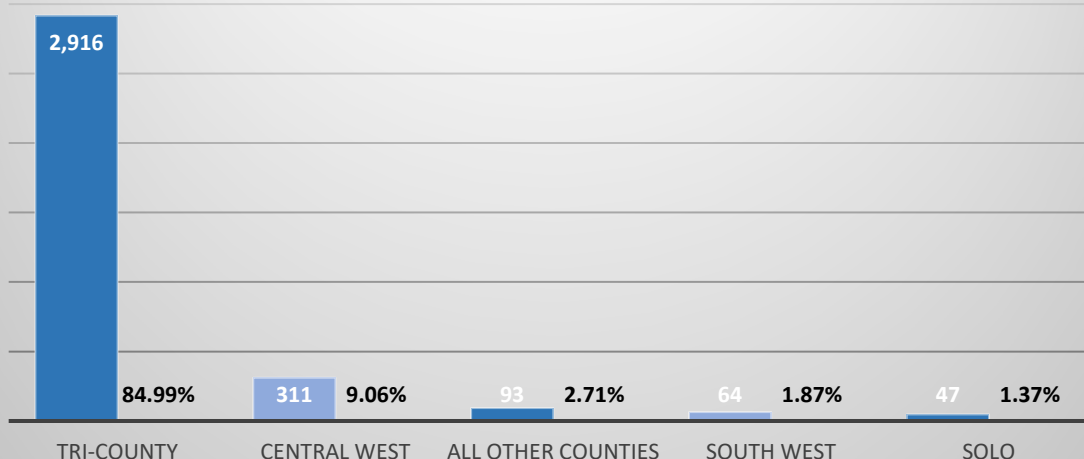
Lawsuits by County Region



85% of the incoming residential property lawsuits arise out of the Tri-County area, with a rising trend in other areas of the state.

Region where Served	Lawsuits	% Grand Total
Tri-County	2916	84.99%
Central West	311	9.06%
All Other Counties	93	2.71%
South West	64	1.87%
SOLO	47	1.37%
Total	3431	100.00%

1st Party Residential New Lawsuits by County Region Jan - Apr 2021



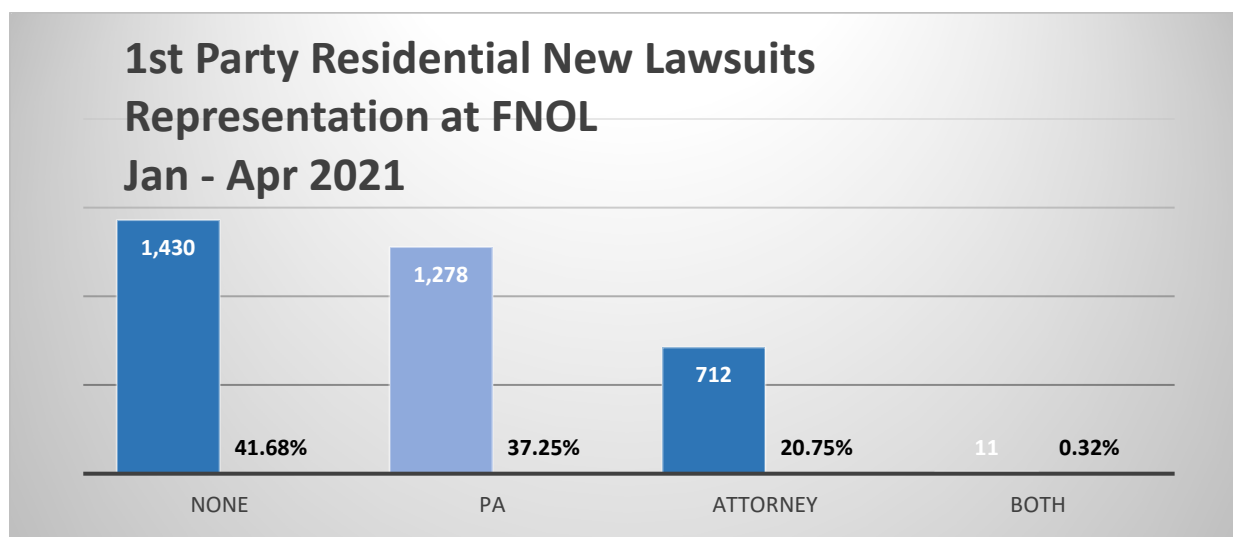
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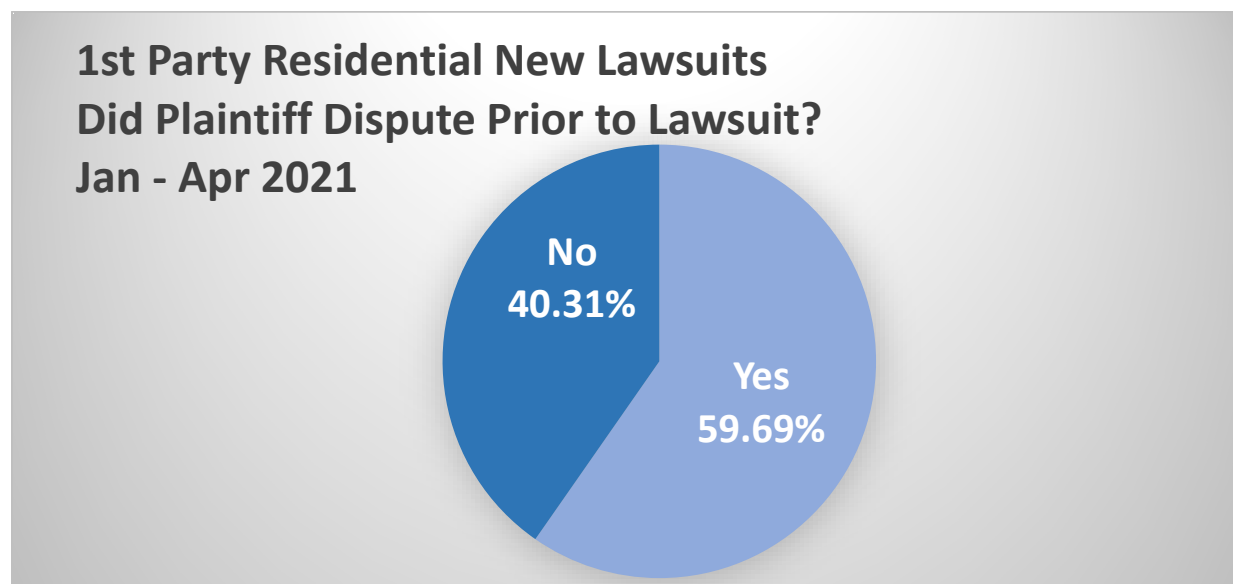
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The plaintiff was represented at First Notice of Loss in 58% of incoming residential property lawsuits, a slight decrease from 59% as compared to 2020:

- Public Adjuster 37%
- Attorney 21%
- Both PA & Attorney <1%



In 40% of the incoming residential property lawsuits the insured did not dispute Citizens' position or adjustment of the claim prior to filing suit which has decreased from 49% in 2020.



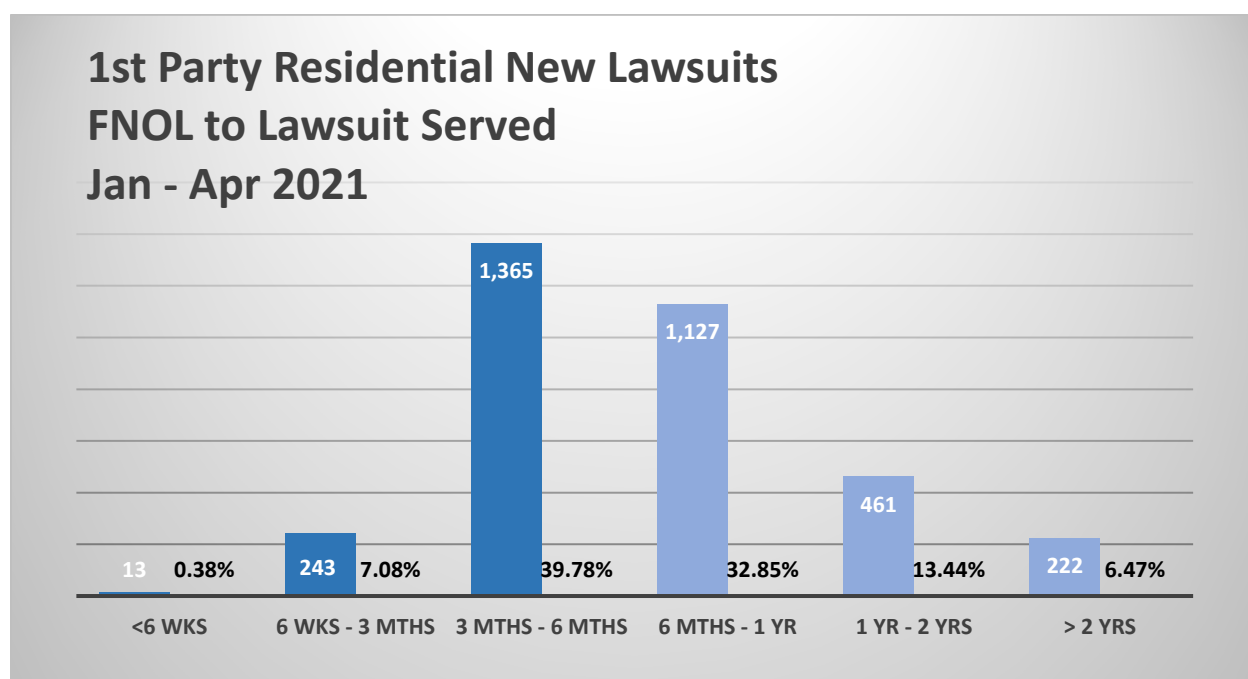
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A review of the timing of incoming lawsuits reveals that 47% of lawsuits are brought within 6 months of the First Notice of Loss (FNOL). This is an increase from 37% as compared to 2020.

- Within 6 weeks of FNOL <1%
- Within 3 months of FNOL 7%
- Within 6 months of FNOL 40%
- Within 1 year of FNOL 33%
- Within 2 years of FNOL 13%
- 2 or more years from FNOL 6%



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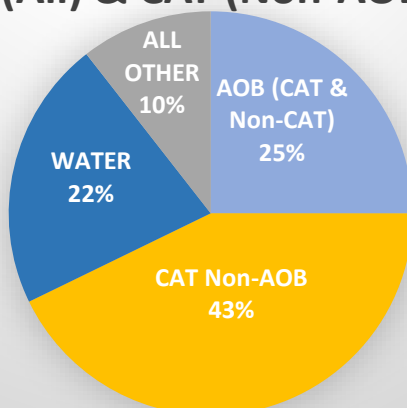
Water Loss, AOB and CAT:

CAT Lawsuits represent 55% of all new incoming lawsuits and 51% of all pending lawsuits from January 2021 through April 2021 and continues to be the leading cause of loss in both new and pending lawsuits.

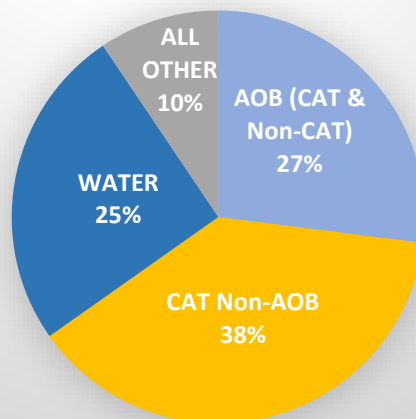
AOB Lawsuits represent 25% of new incoming lawsuits which represents a 2% decrease compared to the same time period in 2020. Pending AOB lawsuits represents 27%, a decrease of 16% as compared to January through April 2020.

Non-Weather Water Lawsuits represent 22% of all new incoming, an 11% decrease as compared to 2020, and 25% of all pending, a 4% decrease in comparison to 2020.

1st Party Residential New Lawsuits Water Loss, AOB (All) & CAT (Non-AOB) Jan - Apr 2021



1st Party Residential Pending Lawsuits Water Loss, AOB (All) & CAT (Non-AOB) As of Apr 30, 2021



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CONCLUSION

Citizens has recently experienced a significant increasing trend in new, incoming lawsuits as compared to 2020. CAT losses remain the leading cause of loss for both new incoming and pending lawsuits as has been the trend consistently throughout 2020 and continuing in 2021.

We are experiencing an ongoing trend in the decrease of AOB lawsuits, both in new incoming lawsuits (2% decrease as compared to 2020) and a significant decrease in pending volume (16% decrease).

Water loss lawsuits are on a downward trend in 2021 with an 11% decrease in new, incoming lawsuits in 2021 as compared to 2020, and a 4% decrease in pending volume as compared to 2020.

While the Tri-County area continues to lead the state in lawsuit volume, we continue to experience an increasing trend of new, incoming lawsuits arising out of the Central West (Tampa area) region and other areas of the state.