2022 Risk Transfer Program

Additional Scenario for PLA with no Surcharge or Assessment

March 18 & 23, 2022

CITIZENS
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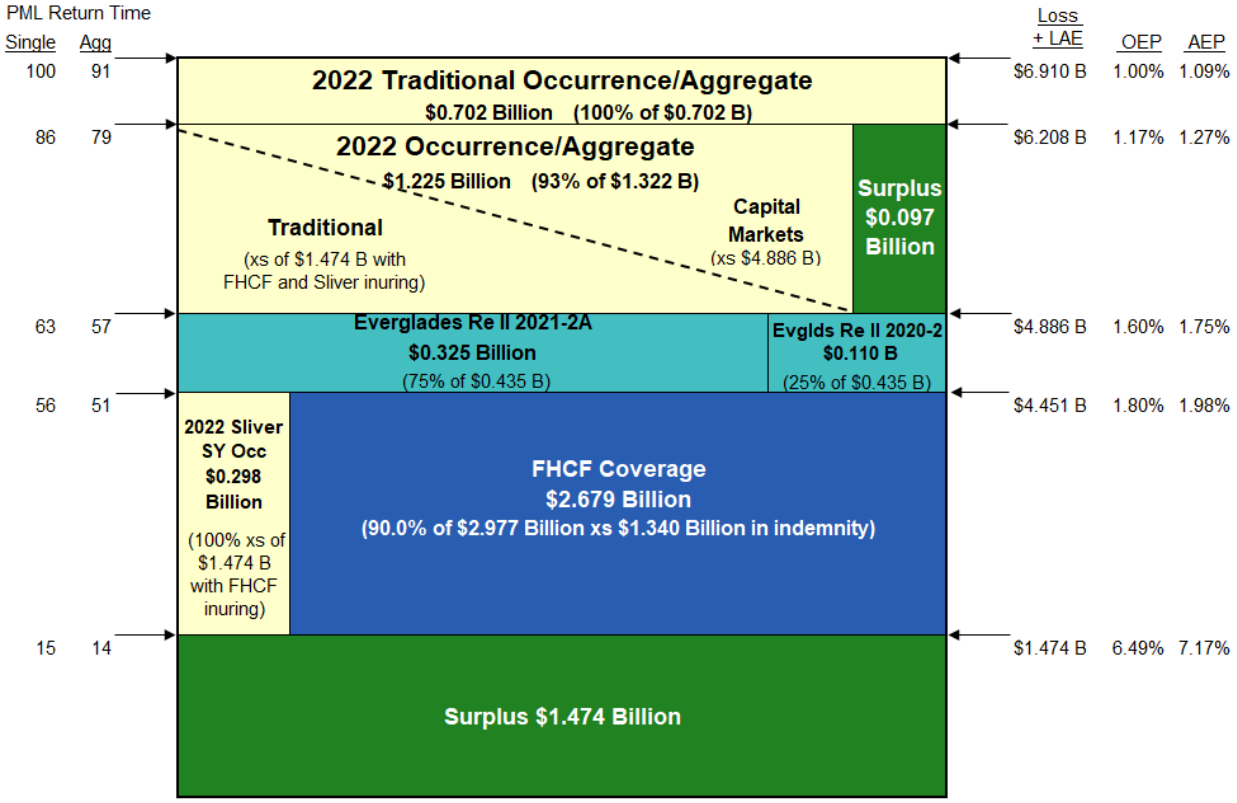
2022 Updated Forecast Scenario #1b (Cover up to 1-in-100 with an additional $46 M spend)

Personal Lines Account (PLA)

12/31/21 PMLs with 10% LAE and 62% Growth Adjustment

(09/30/21 to 09/30/22 projected growth of 81%)



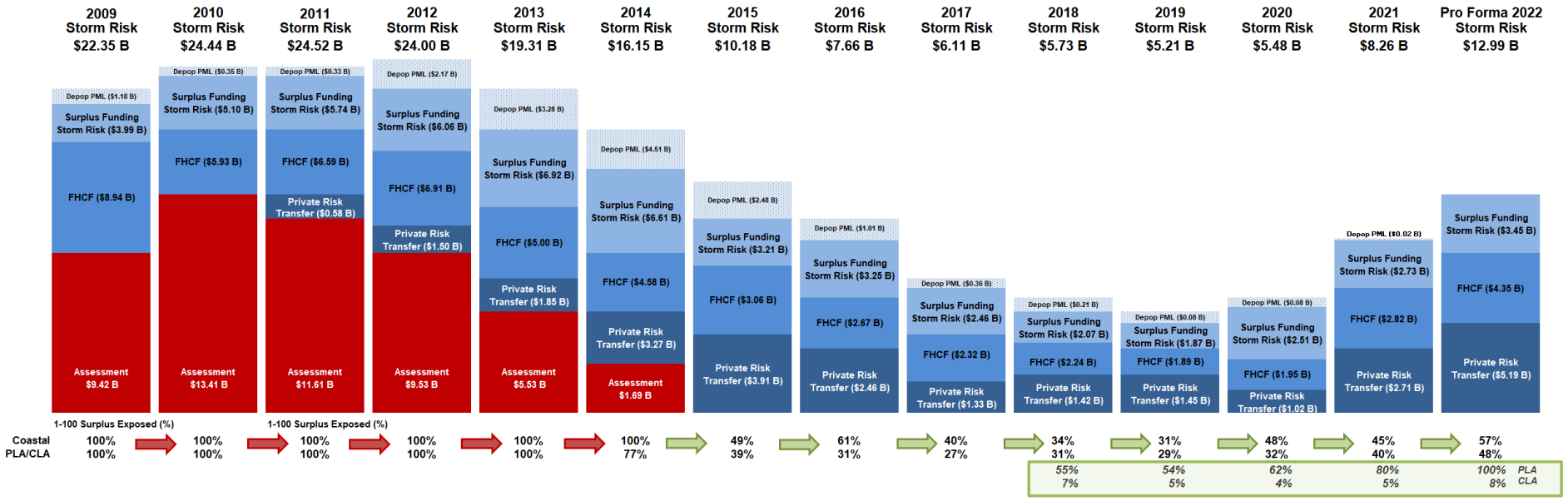
	($ in billions)
Policy Count (projected 9/30/22)	816,297
Total Insured Value (projected 9/30/22)	$272
Projected Cost of Private Risk Transfer	$0.236
Private Risk Transfer Coverage	$2.660
PLA Net Underwriting Income	($0.120)
Combined Net Underwriting Income	($0.098)
PLA Surplus	$1.571
Surplus Used 1-in-100	$1.571
Surplus Remaining	$0.000
Surplus Exposed	100.0%
Policyholder Surcharge	$0.000
Regular Assessment	N/A
Emergency Assessment	$0.000

(Not to scale)

See Notes and Assumptions (page 4)

2022 Updated Forecast Scenario #1b (Cover up to 1-in-100 with an additional $46 M spend)

Risk and Assessment Trend



Notes:

1) Storm Risk is as measured by 1-in-100 year probable maximum loss (PML) plus estimated loss adjustment expenses using the Florida Hurricane Catastrophe Fund (FHCF) account allocation where PLA and CLA are combined. PLA/CLA combined PMLs are added to the Coastal PMLs to be consistent for surplus distribution. In general, the PMLs presented are as projected at the beginning of storm season; with the exception of 2017 which is as of August month end and 2021 which is as of September month end.
2) Surplus and Assessments are as projected at beginning of storm season with the exception of 2009 and 2010 which are year end audited statutory values. Not all PLA/CLA surplus is needed to fund storm risk in 2014. In 2015 - 2021, not all surplus in PLA/CLA and the Coastal Account is needed to fund storm risk. Remaining surplus is available to fund a second event.
3) Florida Hurricane Catastrophe Fund (FHCF) is as projected at beginning of storm season; with the exception of 2009-2010 which are actual audited, 2017-2019 which are Citizens' initial data submission to the FHCF, and 2021 which is an estimate based on June, 30 2021 month end inforce policies.
4) Depop PMLs are not included in storm risk totals and are presented as year end totals. Beginning with 2021, PML results displayed are 50K US Hurricane, Florida Regulatory (SSST) Event Set.
5) PMLs from 2011-2014 use a weighted average of 1/3 Standard Sea Surface Temperature (SSST) and 2/3 Warm Sea Surface Temperature (WSST). 2015 - 2021 PMLs reflect only SSST event catalog.

(Not to scale)

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Notes and Assumptions
2022-2023 Storm Season

ASSUMPTIONS

- Citizens' 2022 Budgeted DWP $3,002 Million
- Citizens' Policyholder Surcharge Maximum % Per Account 15%
- 2021 Regular Assessment Base $52.9 Billion
- Regular Assessment Maximum % Per Account 2% for Coastal; 0% for PLA/CLA
- 2021 Emergency Assessment Base $55.9 Billion
- For Updated Forecast Scenario #1b, PMLs are based on modeled losses as of December 31, 2021, AIR Hurricane Model for the United States Version 1.0.0 as implemented in Touchstone 2021 (version 9.0.3). All PMLs reflect the 50K US Hurricane - Florida Regulatory Event Set including Demand Surge, excluding Storm Surge, and include 10% of loss to account for loss adjustment expense (LAE). The PMLs are adjusted to project to September 30, 2022, using growth factors of 37% for Coastal PR/CR, 3% for Coastal CNR, 30% for CLA, and 62% for PLA.
- Interim Return Periods are derived by linear interpolation between 5-year intervals
- 2022 Projected Surplus = unaudited 2021 surplus + 2022 budgeted net income +/- adjustment for reinsurance cost and differences between budget and updated forecast FHCF premium
- FHCF pays 10% of reimbursed loss for loss adjustment expense
- Citizens' 2022 FHCF coverage is based on preliminary retention and coverage estimates. Actual Citizens' FHCF attachment and limits of coverage could differ significantly from estimates.

NOTES

These charts are imperfect! They attempt to show projected claims-paying resources, but they are approximations only. Four significant complicating factors are described below:

1) Coastal PML vs. PLA/CLA PML: An actual 100-year PML event in the Residential portion of the Coastal Account may not be a 100-year PML event for PLA/CLA nor for the Non-Residential portion of the Coastal Account. The relative magnitude of actual losses for Coastal and PLA/CLA will depend on the storm size and path

2) Combining PLA and CLA: The PLA and CLA are separate accounts for deficit calculation and assessment purposes but are combined for FHCF and credit purposes. It is impossible to accurately show the PML resources situation of these accounts on either separate or combined charts since simplifications must be made in either case that could prove materially inaccurate

3) Non-residential exposure: Commercial non-residential (CNR) exposures in the CLA and Coastal Account are not reinsured by FHCF. Coastal CNR losses are shown in a stand-alone chart and correspond to the actual CNR's PML and return periods. CNR is a small portion of the CLA Account and so is not considered in that chart.

4) Liquidity: These charts do not show the liquidity needs of the accounts. An account with ample PML resources may still require liquidity as many of the PML resources are not available immediately following a major hurricane. The timing and magnitude of receivables such as FHCF recoveries and assessments are unknown.

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