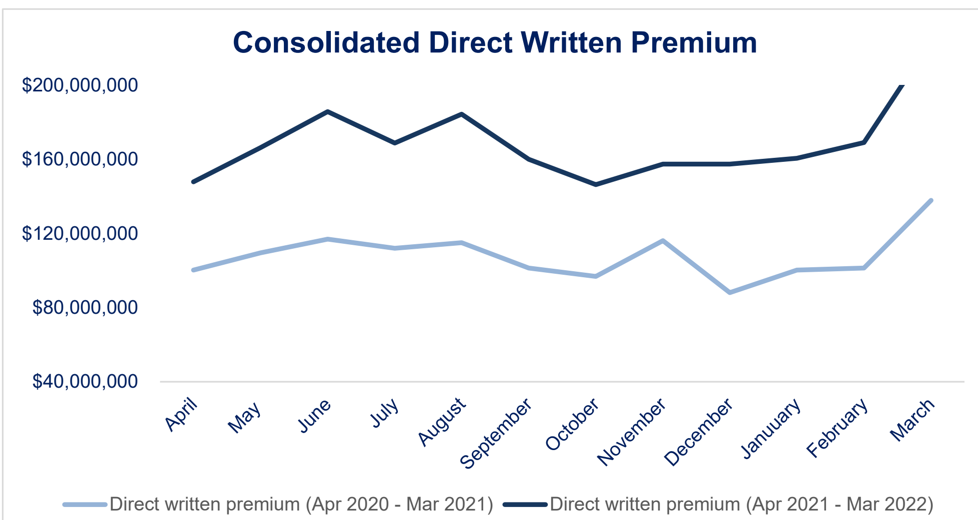
The following is an analysis of Citizens' financial and operating results for the quarter ended March 31, 2022.

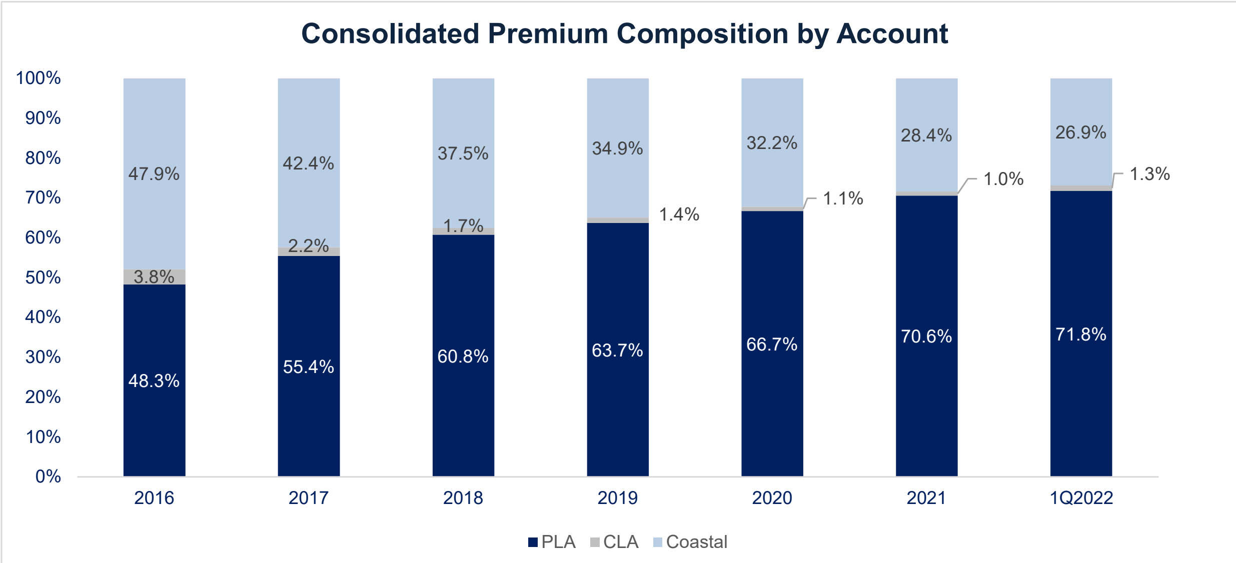
- PREMIUMS -

Consolidated direct written premium for the quarter ended March 31, 2022 was $553.5 million or $214.0 (63%) greater than consolidated direct written premium for the same period in 2021. The overall renewal rate in the first quarter of 2022 was approximately 77%, marking a 2% increase from the same period a year ago but lower than recent historical renewal rates in 2019 and prior. Premiums removed through depopulation of $5.9 million in 2022 were $4.0 million (210%) more than in the first quarter of 2021.

	3-months ended	
	Mar 2022	Mar 2021
New Business	101,599	62,869
Untagged Takeouts	-	3
Reinstatements	4,405	1,579
Cancellations	(25,367)	(30,294)
Non-Renewals	(18,588)	(5,959)
New Tags for Takeout	(3,428)	(1,069)
Net change	58,621	27,129
Ending PIF	817,926	569,868

Consolidated direct earned premium increased $167.1 million (55%) as a result of an increase in direct premiums written.





Through the first quarters of 2021 and 2020, 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 2022	CY 2021	Q1 2021	Q1 2022	CY 2021	Q1 2021	Q1 2022	CY 2021	Q1 2021	Q1 2022	CY 2021	Q1 2021
Direct loss ratio	31.6%	30.3%	34.2%	39.1%	37.8%	41.7%	8.7%	6.9%	6.6%	13.4%	14.1%	19.3%
Direct loss ratio (underlying)	31.6%	29.9%	34.3%	39.1%	37.6%	42.5%	8.7%	3.0%	4.3%	13.5%	12.9%	17.7%
Direct LAE ratio	16.7%	16.2%	20.4%	19.5%	19.8%	24.2%	6.4%	0.8%	-1.0%	10.2%	8.6%	13.1%
Direct LAE ratio (underlying)	12.4%	15.6%	16.5%	14.7%	18.8%	19.8%	2.5%	1.6%	2.2%	7.2%	8.6%	10.0%

CAT and Non-CAT	Consolidated			Personal Lines Account			Commercial Lines Account			Coastal Account		
	Q1 2022	CY 2021	Q1 2021	Q1 2022	CY 2021	Q1 2021	Q1 2022	CY 2021	Q1 2021	Q1 2022	CY 2021	Q1 2021
Direct loss ratio	31.6%	40.6%	51.5%	39.1%	48.1%	60.4%	8.7%	29.8%	9.6%	13.4%	23.8%	34.0%
Direct loss ratio (underlying)	31.6%	29.9%	34.3%	39.1%	37.6%	42.5%	8.7%	3.0%	4.3%	13.5%	12.9%	17.7%
Direct LAE ratio	16.7%	24.4%	22.8%	19.4%	29.6%	26.6%	6.4%	2.8%	1.3%	10.2%	13.1%	15.3%
Direct LAE ratio (underlying)	12.4%	15.6%	16.5%	14.7%	18.8%	19.8%	2.5%	1.6%	2.2%	7.2%	8.6%	10.0%

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 31, 2022, consolidated ultimate direct losses and LAE related to Hurricanes Irma and Michael were $2.394 billion and $150.0 million, respectively, reflecting no change from December 31, 2021. Of the $2.394 billion in ultimate loss and LAE across all accounts related to Hurricane Irma, $1.010 billion is recoverable under Citizens’ reinsurance contracts with both the FHCF ($587.5 million in the PLA and $278.0 million in the Coastal Account) and private reinsurers ($144.7 million in the Coastal Account only).

No reinsurance recoverables associated with Hurricane Michael were recorded due to the losses and LAE not meeting the attachment levels of reinsurance arrangements.

Through March 31, 2022 there was no development on Tropical Storms Eta and Sally. Total loss and LAE reserves associated with Tropical Storms Eta and Sally were $238.1 million at March 31, 2022. Tropical Storms Eta and Sally did not meet the attachment levels of Citizens' reinsurance program, and therefore, there are no ceded losses and LAE associated with these storms.

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

The 2022 accident year non-catastrophe loss and LAE ratios for the PLA and Coastal account continue to show improvement from prior years. The dominant driver behind the improvement in loss and LAE is the improvement in litigation rates, which continues to be the single most important factor in non-catastrophe losses and LAE. In 2021, the litigation rate for non-catastrophe/non-sinkhole claims was 14.8% in the PLA and 16.6% in the Coastal Account, marking declines of 4.2% and 1.3% points relative to 2020 in the PLA and Coastal Account, respectively. While still immature, results for the first quarter of accident year 2022 for these accounts are showing signs of similar, if not improved, results compared to accident year 2021. The underlying CLA loss and LAE ratio has increased from 6.5% from 2021 to 11.3% for the first quarter of 2022, but this is driven by the inherent volatility in the CLA due to the low premium volume. The increase in the CLA results is not caused by any systemic changes to the underlying loss experience or book of business.

Within the CLA, losses and LAE related to sinkhole claims were relatively unchanged, however, volatility in these outstanding sinkhole claims have the potential to contribute to material quarterly variances in the reported loss and LAE ratios in future periods. 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 2022 of $39.4 million were $3.3 million (9%) more than administrative expenses incurred during 2020 and $5.9 million (13%) less than budget.

Individual variances that contributed to the overall variances are as follows:

- *Employee expenses* (*Salaries, Employee Benefits and Payroll Taxes*) were $6.3 million (16%) more than the prior year period as a result of an increase in employee counts primarily within operational areas affected by an increase in policy count. In comparison to budget, *employee expenses* were $3.2 million (6%) below budget as a result of delays in filling positions.

- *Contingent Staffing* expenses were $5.3 million (64%) greater than the prior period principally driven by an increased need for independent adjusters. In comparison to budget, *contingent staffing* expenses were $6.2 million (31%) below budget due to staffing shortages as well as an increased use of in-house adjusters.

- *Computer Hardware* expenses were $0.5 million (72%) below budget due to certain computer hardware orders that are behind schedule.

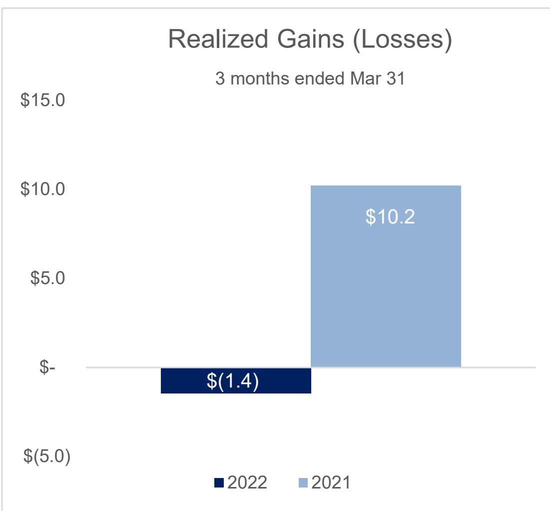
- *Professional Services* expenses were $0.4 million (27%) more than the prior period due to an increase in expenses associated with an increase in policy count whereas *professional services* expenses were $1.7 million (47%) below budget due to timing delays in the implementation of several initiatives.

- *Software Maintenance and Licensing* expenses were $0.5 million (13%) more than the prior period due to an increase in software-related needs and $1.1 million (22%) below budget due to timing delays of several initiatives.

- *Telecommunication* expenses were $0.3 million (61%) less than the prior year period and $0.5 million (73%) below budget due timing differences of when the planned expenses were incurred or expected to be incurred.

For the quarter ended March 31, 2022, Citizens' expense ratio was 17.1%, reflecting a 2.4% decrease from the same period in 2021 and a 0.3% decrease compared to budget.

- INVESTMENT INCOME -



($ in millions)

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Total investment income (measured as investment income excluding investment expenses) through March 31, 2022 was $45.2 million, or $11.8 million (21%) less than during the same period in 2021, while average invested assets increased $394.7 million (4%). While earned income was comparatively unchanged, largely due to overall low interest rates, the decrease in realized gains was the primary contributor to the period-over-period variance. With the recent rise in interest rates, certain portfolios were repositioned to purchase securities with higher yields resulting in short-term realized losses. It is expected that the short-term realized losses will be more than offset by higher returns in future periods.

	3-months ended ($ millions)	
	Mar 2022	**Mar 2021**
Earned income	$ 46.64	$ 46.74
Net realized gains (losses)	(1.44)	10.21
Total income	**$ 45.20**	**$ 56.95**
Average invested assets	**$ 9,375.90**	**$ 8,981.20**

	Externally-Managed Portfolios (Mar 2022)			
	Taxable Liquidity	Taxable Claims	Tax-Exempt Claims	Taxable LD Claims
Total market value ($ in billions)	$1.066	$1.553	$0.266	$5.611
Duration	0.7	3.6	2.4	5.9
Avg. credit rating (S&P / Moody's / Fitch)	AA- / Aa3 / AA	A+ / Aa3 / AA-	AA+ / Aa2 / AA+	A / A1 / AA-

- CASH FLOWS -

Consolidated cash flows provided by operations were $314.6 million through March 31, 2022 compared to $232.5 million during the same period in 2021. Net premiums collected during 2022 were $527.9 million or $176.1 million (50%) more than during the same period in 2021, consistent with overall increases in written premium. Net investment income collected of $50.2 million was $7.3 million less (13%) than in 2021 as a result of decreases in realized gains, partially offset by decreases in interest expense resulting from reductions in bond obligations outstanding. Net increases in benefits and loss related payments were largely the result of increases in premiums written partially offset by reinsurance recoveries on loss and LAE payments associated with Hurricane Irma. Increases in underwriting expenses paid of $15.9 million (27%) were consistent with increases in premiums written and the related increase in variable costs.

	Consolidated - 3 months ended	
	Mar 2022	**Mar 2021**
Premiums collected, net	$ 527,862,985	$ 351,843,181
Net investment income	50,164,199	57,468,596
Miscellaneous income collected	944,616	738,317
Benefits and loss related payments	(120,099,871)	(65,324,123)
Loss adjustment expense payments	(69,751,781)	(53,727,538)
Underwriting expenses paid	(74,531,742)	(58,553,168)
Net cash flows provided by operations	**$ 314,588,407**	**$ 232,445,265**