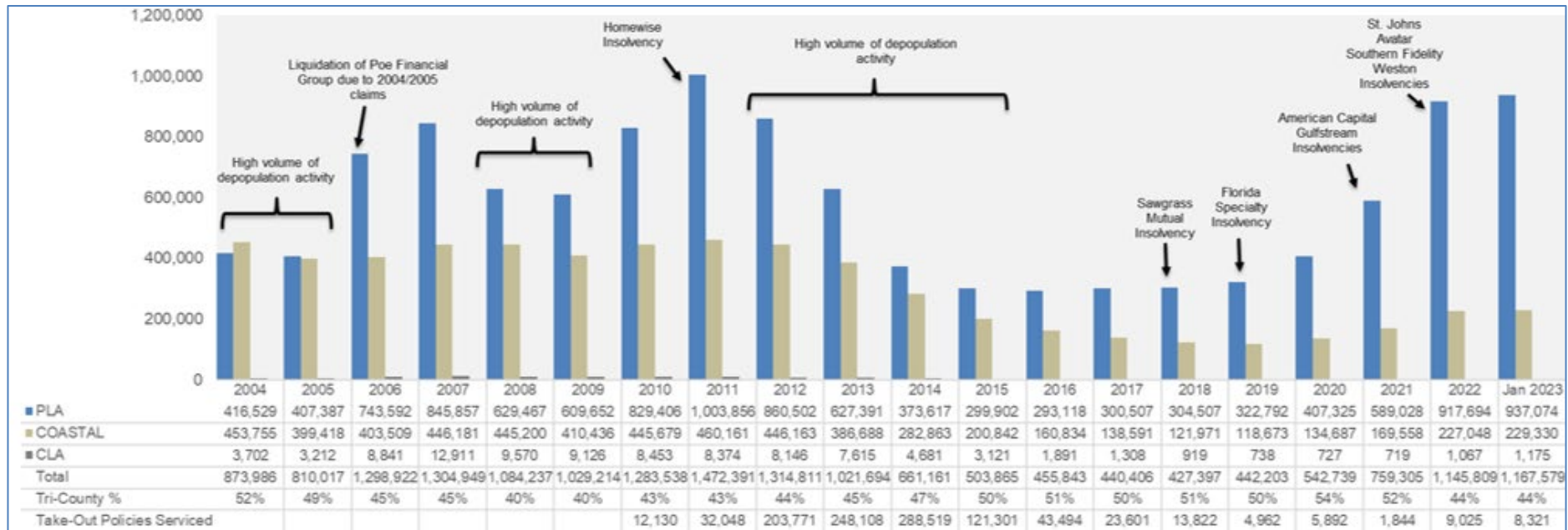


# Market Update

**Kelly Booten, Chief Operating Officer**

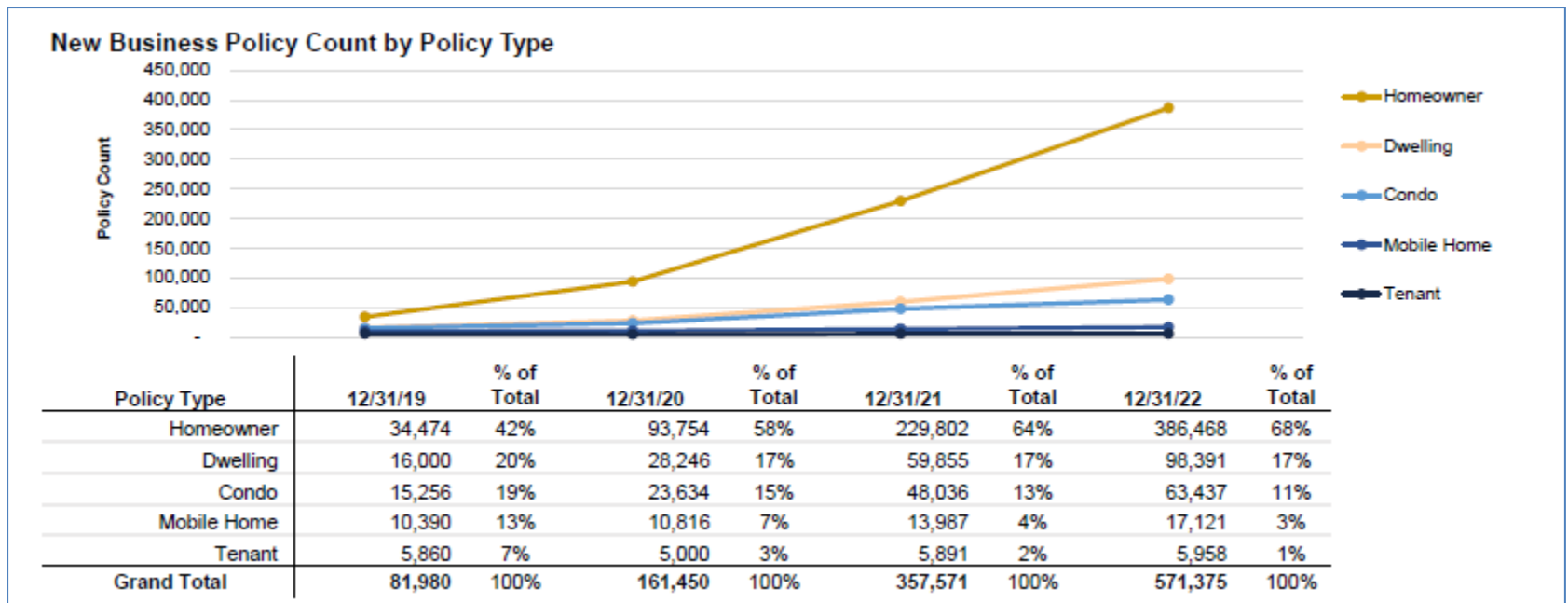


## Policies in Force by Year and Account



➤ Historical data for Take-Out Policies Served prior to 2010 are not available.

## Trend in New Business Written Jan '19 to Dec '22 Personal Residential Policy Types





# Citizens Policy Count

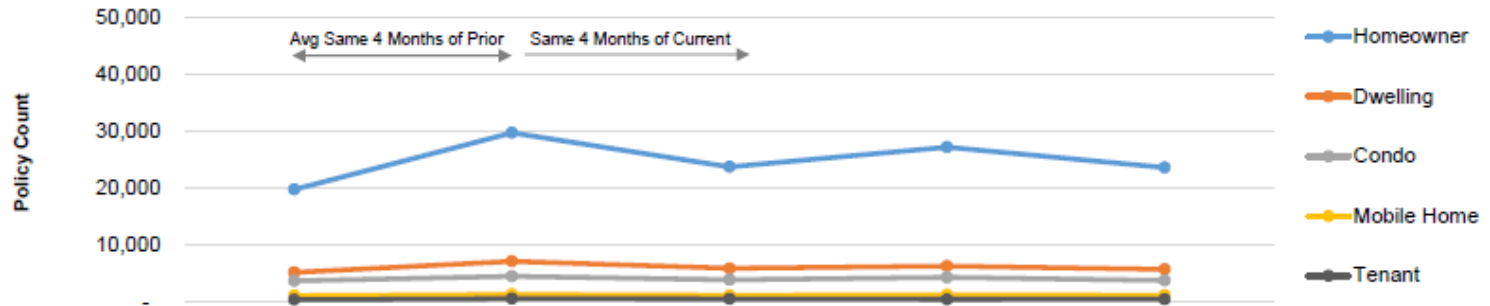
## Changes to Policies in Force

Total PIF Change Counts	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23
New Business	28,726	31,733	41,140	53,820	49,671	65,562	76,241	49,896	58,689	43,378	35,283	39,642	35,097
Untagged Takeouts	0	0	0	0	0	0	0	0	2	0	1	2	2
Reinstatements	2,039	1,162	1,204	1,577	1,421	1,729	2,126	2,297	2,450	2,761	62	3,318	2,009
<b>Total Policies Added</b>	<b>30,765</b>	<b>32,895</b>	<b>42,344</b>	<b>55,397</b>	<b>51,092</b>	<b>67,291</b>	<b>78,367</b>	<b>52,193</b>	<b>61,141</b>	<b>46,139</b>	<b>35,346</b>	<b>42,962</b>	<b>37,108</b>
Cancellations	-8,128	-8,050	-9,189	-8,997	-10,655	-9,974	-8,443	-12,994	-11,059	-6,277	-11,909	-12,514	-9,969
Non-Renewals	-5,152	-5,591	-7,845	-7,892	-8,110	-9,293	-6,825	-6,827	-5,061	-429	-5,989	-5,879	-5,371
New Tags for Takeout	0	-3,428	0	-5,428	0	0	0	0	0	0	-2,412	-5,079	0
<b>Total Policies Removed</b>	<b>-13,280</b>	<b>-17,069</b>	<b>-17,034</b>	<b>-22,317</b>	<b>-18,765</b>	<b>-19,267</b>	<b>-15,268</b>	<b>-19,821</b>	<b>-16,120</b>	<b>-6,706</b>	<b>-20,310</b>	<b>-23,472</b>	<b>-15,340</b>
<b>Net Change</b>	<b>17,485</b>	<b>15,826</b>	<b>25,310</b>	<b>33,080</b>	<b>32,327</b>	<b>48,024</b>	<b>63,099</b>	<b>32,372</b>	<b>45,021</b>	<b>39,433</b>	<b>15,036</b>	<b>19,490</b>	<b>21,768</b>
<b>Policies in Force</b>	<b>776,790</b>	<b>792,616</b>	<b>817,926</b>	<b>851,006</b>	<b>883,333</b>	<b>931,357</b>	<b>994,456</b>	<b>1,026,829</b>	<b>1,071,850</b>	<b>1,111,283</b>	<b>1,126,319</b>	<b>1,145,809</b>	<b>1,167,579</b>

- From Mar-22 to May-22, New Business volumes increased due to the cancellation of policies by Avatar Property and Casualty Insurance Company, and Lighthouse Property Insurance Corporation. Through May 31, 2022, Citizens has received more than 20,000 applications.
- From Jun-22 to July-22, New Business volumes increased due to the cancellation of policies by FedNat Insurance Company, Masion Insurance Company, Monarch National Insurance Company, and Southern Fidelity Insurance Company. Through July 31, 2022, Citizens has received more than 40,000 applications.
- In Sept-22, New Business volumes increased due to the cancellation of policies by Weston Insurance Company. Citizens has received more than 12,000 applications.
- Cancellations and Non-Renewals may be impacted by one or more reasons. The increase in Nov-22 was due to the expiration of the Emergency Order for Hurricanes Ian and Nicole.







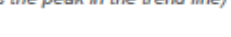
## Personal Residential Policy Types (Oct '22 to Jan '23 Average Prior vs. Current)

### New Business Policy Count by Policy Type



Policy Type	Avg Same Months Prior	10-31-22	11-30-22	12-31-22	01-31-23	% Change 4 Mo Avg Prior to 4 Mo Avg Current
Homeowner	19,732	29,694	23,686	27,154	23,576	32%
Dwelling	5,196	7,127	5,890	6,296	5,726	20%
Condo	3,691	4,493	3,887	4,314	3,782	12%
Mobile Home	1,114	1,348	1,166	1,251	1,187	11%
Tenant	400	576	534	437	476	26%
<b>Grand Total</b>	<b>30,132</b>	<b>43,238</b>	<b>35,163</b>	<b>39,452</b>	<b>34,747</b>	<b>27%</b>

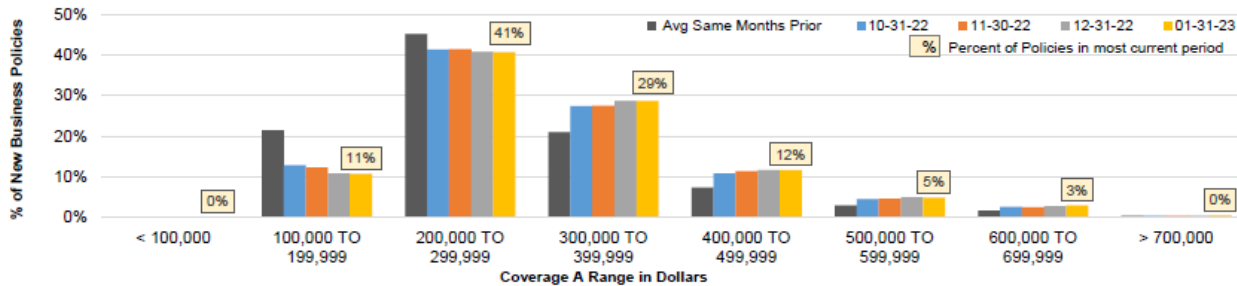
### New Business Policy Count by Geographic Region

County/Regions	Avg Same Months Prior	10-31-22	11-30-22	12-31-22	01-31-23	Current Four Month Trend
Southeast Coast	13,304	14,281	11,467	12,770	11,141	
Tampa Bay Area	5,527	8,045	6,701	7,428	6,389	
North/Central East Coast	3,600	7,113	5,529	6,326	5,529	
Southwest Coast	2,438	3,620	2,942	3,735	3,625	
SOLO	2,709	4,621	4,106	4,287	3,814	
All Other	2,555	5,558	4,418	4,906	4,249	
<b>Grand Total</b>	<b>30,132</b>	<b>43,238</b>	<b>35,163</b>	<b>39,452</b>	<b>34,747</b>	

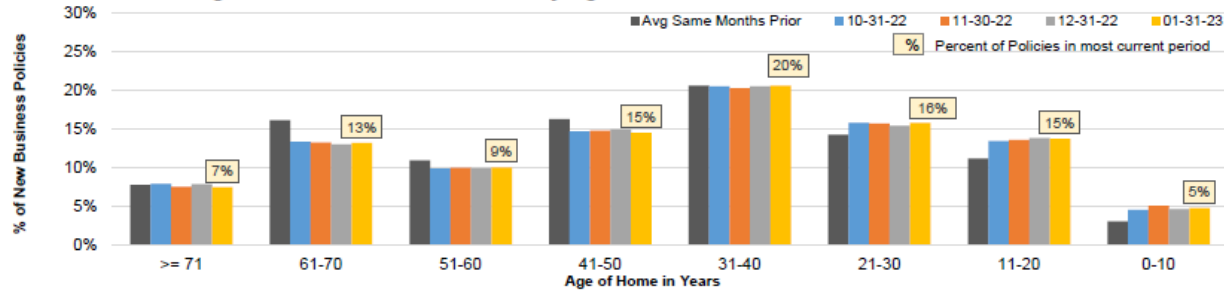
(red dot indicates the peak in the trend line)

## Personal Residential Policy Types (Oct '22 to Jan '23 Average Prior vs. Current)

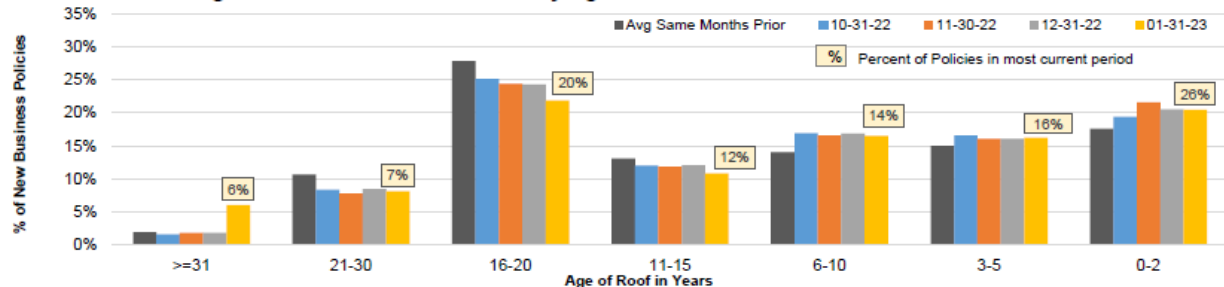
Homeowner/Dwelling New Business % of Policies by Coverage A Range



Homeowner/Dwelling New Business % of Policies by Age of Home



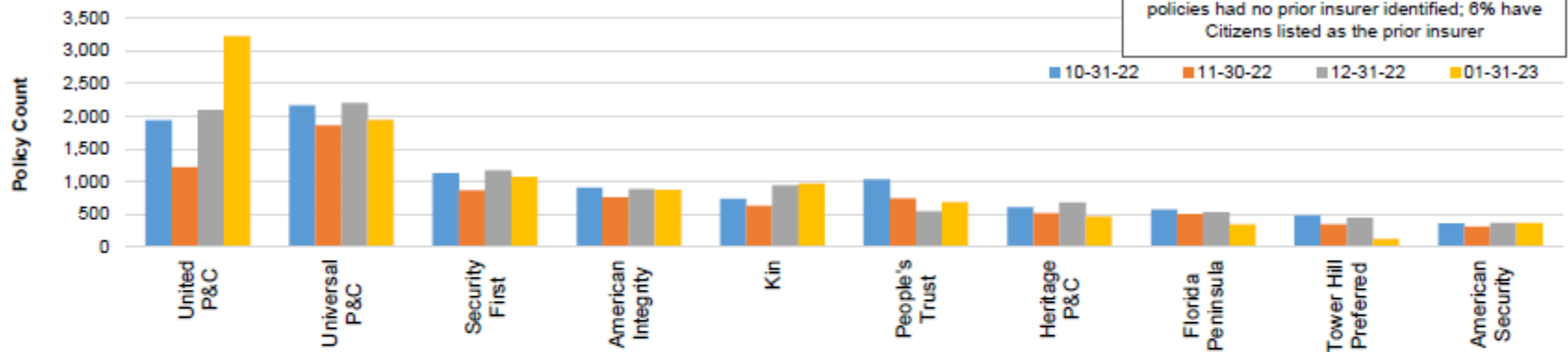
Homeowner/Dwelling New Business % of Policies by Age of Roof





## Personal Residential Policy Types (Oct '22 to Jan '23 Average Prior vs. Current)

**Multi-Peril New Business Policy Count by Prior Insurer (top 10 in period)**



In this 4 month period, 48% of new business policies had no prior insurer identified; 6% have Citizens listed as the prior insurer

**Notes:**

- New Business Written is the count of new bound submissions at the month end snapshot
- Policy types are defined as follows:
  - Homeowner - HO-3, HO-8, HW-2
  - Dwelling - DP-1 D, DP-3 D, DW-2
  - Condo - HO-6, HW-6, DP-1 C, DP-3 C
  - Mobile Home - MHO-3, MDP-1, MW-2, MD-1
  - Tenant - HO-4, HW-4, MHO-4, DP-1 T, DP-3 T
- Regions are defined by county boundary as follows:
  - Southeast Coast - Broward, Miami-Dade, Palm Beach, Monroe
  - Tampa Bay Area - Hernando, Hillsborough, Pasco, Pinellas
  - North/Central East Coast - Nassau, Duval, Saint Johns, Flagler, Volusia
  - Brevard, Indian River, Saint Lucie, Martin
  - Southwest Coast - Charlotte, Collier, Lee, Manatee, Sarasota
  - SOLO - Lake, Orange, Osceola, Seminole
  - All Other Counties - Remaining 41 Florida counties not otherwise grouped above
- Age of Roof is based on "Roof Update Year" where available. When it is not, "Dwelling Year Built" is used as a proxy for the age.
- Prior Insurer list includes the top 10 by policy count with a multi-peril policy in the current four month period; Citizens, "No Carrier Found"/"null" values and wind only policies are excluded from the graph. Wind only policies are excluded due to prior insurer information, specific to the current ex-wind policy or previous multi peril policy, which can create misleading results.

### Securing Coverage for UPC Policyholders/Upcoming Webinar

March 01, 2023

United Property & Casualty Insurance (UPC) has been ordered into liquidation by the Second Judicial Circuit Court in Leon County, Florida, as of February 27, 2023. The Florida Department of Financial Services (DFS) is appointed as Receiver of UPC, and all policies are being cancelled effective 12:01 a.m. on March 29, 2023. For more information, see the [order](#). This will affect approximately 56,000 Personal Lines policyholders.

#### Get Appointed with Citizens

If you or agents in your office are not appointed with Citizens and want to continue to service UPC customers who cannot find coverage elsewhere, the agency principal should visit the *Agencies* section on the [Business to Business](#) page on the Citizens website.

#### Notes:

- The DFS issued a Notice to Agent or Broker regarding the liquidation, which informs agents of their responsibilities to provide written notice to UPC policyholders of the DFS receivership and of the cancellation date of their UPC policy effective March 29, 2023.
- The [Florida Insurance Guaranty Association](#) (FIGA) will mail unearned premium refunds to affected policyholders within 45 to 60 days of the liquidation date.

After an agent exhausts all other avenues for coverage, Citizens is ready to assist with securing coverage for these risks that meet Citizens' eligibility guidelines. Citizens encourages agents to seek coverage from an authorized insurer that meets the 20% eligibility rule. If the customer received an offer of coverage from Slide Insurance and it is within the 20% eligibility rule, the risk is not eligible for Citizens.

The agent should submit documents for proof of prior insurance with UPC. A current or prior *Declarations* page, billing invoice, any current notice, etc., that proves the customer was a prior UPC policyholder may be submitted.

- Agent Webinars conducted
- AFM Support for agencies with 200+ policies
- Flexible UW Requirements
- 60-Days to pay for policyholders