



# **Citizens Property Insurance Corporation**

## **Independent Auditor's Report, Statutory Financial Statements, and Supplementary Information**

December 31, 2024 and 2023

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## **Independent Auditor's Report**

Audit Committee  
Citizens Property Insurance Corporation  
Tallahassee, Florida

### ***Opinions***

We have audited the statutory financial statements of Citizens Property Insurance Corporation (Citizens), which comprise the statutory statements of admitted assets, liabilities and accumulated surplus as of December 31, 2024 and 2023, and the related statutory statements of operations and changes in accumulated surplus, and cash flows for the years then ended, and the related notes to the statutory financial statements.

#### ***Unmodified Opinion on Statutory Basis of Accounting***

In our opinion, the accompanying statutory financial statements present fairly, in all material respects, the statutory financial position of Citizens as of December 31, 2024 and 2023, and the statutory results of its operations and its cash flows for the years then ended in accordance with statutory accounting principles prescribed or permitted by the Florida Department of Financial Services, Office of Insurance Regulation (the Office) described in Note 2.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the statutory financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the statutory financial position of Citizens as of December 31, 2024 and 2023, or the results of its statutory operations and its cash flows for the years then ended.

### ***Basis for Opinions***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statutory Financial Statements section of our report. We are required to be independent of Citizens and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 to the statutory financial statements, the statutory financial statements are prepared by Citizens in accordance with the accounting practices prescribed or permitted by the Office, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Office. The effects on the statutory financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America are described in Note 14.

### ***Responsibilities of Management for the Statutory Financial Statements***

Management is responsible for the preparation and fair presentation of the statutory financial statements in accordance with the accounting practices prescribed or permitted by the Office. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of statutory financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibilities for the Audit of the Statutory Financial Statements***

Our objectives are to obtain reasonable assurance about whether the statutory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the statutory financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the statutory financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the statutory financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Citizens' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the statutory financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Citizens' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the statutory financial statements as a whole. The Summary Investment Schedule and Summary Investment Risks Interrogatories (collectively, "Supplementary Information") as of December 31, 2024 on pages 29 through 35 are presented for purposes of additional analysis and is not a required part of the statutory financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the statutory financial statements. The information has been subjected to the auditing procedures applied in the audit of the statutory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the statutory financial statements or to the statutory financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the statutory financial statements as a whole.

***Forvis Mazars, LLP***

**Tampa, Florida  
May 16, 2025**

**Citizens Property Insurance Corporation**  
**Statutory-Basis Statements of Admitted Assets, Liabilities and Accumulated Surplus**  
**December 31, 2024 and 2023**  
**(Dollars in thousands)**

	<u>2024</u>	<u>2023</u>
<b>ADMITTED ASSETS</b>		
Cash and invested assets		
Bonds	\$ 7,438,355	\$ 7,496,579
Cash, cash equivalents, and short-term investments	<u>2,594,525</u>	<u>2,326,519</u>
Total cash and invested assets	10,032,880	9,823,098
Investment income due and accrued, net	61,350	58,507
Premiums receivable, net	260,396	304,234
Reinsurance recoverable on paid losses and loss adjustment expenses	49,730	65,721
Other receivables under reinsurance contracts, net	12,634	4,152
Other assets	<u>22,999</u>	<u>43,249</u>
Total admitted assets	<u><u>\$ 10,439,989</u></u>	<u><u>\$ 10,298,961</u></u>
<b>LIABILITIES AND ACCUMULATED SURPLUS</b>		
Liabilities		
Loss reserves, net	\$ 2,722,285	\$ 1,441,569
Loss adjustment expense reserves, net	1,220,672	907,134
Retroactive reinsurance ceded	(1,669)	(1,669)
Unearned premiums, net	1,664,526	2,130,986
Reserve for future assessments	140,790	140,790
Reinsurance payable	302,514	426,474
Provision for reinsurance	1,295	4,926
Interest payable	-	639
Advance premiums and suspended cash	57,159	68,595
Return premiums payable	20,088	12,720
Taxes and fees payable	9,238	26,743
Other liabilities	<u>119,734</u>	<u>116,587</u>
Total liabilities	<u>6,256,632</u>	<u>5,275,494</u>
Accumulated surplus		
Restricted	-	-
Unrestricted	<u>4,183,357</u>	<u>5,023,467</u>
Total accumulated surplus	<u>4,183,357</u>	<u>5,023,467</u>
Total liabilities and accumulated surplus	<u><u>\$ 10,439,989</u></u>	<u><u>\$ 10,298,961</u></u>

See accompanying notes to the statutory-basis financial statements.

**Citizens Property Insurance Corporation**  
**Statutory-Basis Statements of Admitted Assets, Liabilities and Accumulated Surplus**  
**Years Ended December 31, 2024 and 2023**  
**(Dollars in thousands)**

	<u>2024</u>	<u>2023</u>
Underwriting income		
Net premiums earned	\$ 3,180,481	\$ 2,881,408
Underwriting expenses		
Net losses incurred	2,859,228	1,261,402
Net loss adjustment expenses incurred	871,847	453,803
Other underwriting expenses incurred	665,079	699,658
Total underwriting expenses	4,396,154	2,414,863
Net underwriting (loss) gain	(1,215,673)	466,545
Investment income		
Net interest income	368,759	304,763
Net realized capital losses	(3,657)	(16,759)
Net interest expense	(1,222)	(12,062)
Total net investment income	363,880	275,942
Other income	7,040	3,967
Net (loss) income	<u>\$ (844,753)</u>	<u>\$ 746,454</u>

**Citizens Property Insurance Corporation**  
**Statutory-Basis Statements of Admitted Assets, Liabilities and Accumulated Surplus**  
**Years Ended December 31, 2024 and 2023**  
**(Dollars in thousands)**

	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total Accumulated Surplus</b>
Balance at December 31, 2022	\$ -	\$ 4,279,524	\$ 4,279,524
Net income	-	746,454	746,454
Change in nonadmitted assets	-	(2,265)	(2,265)
Change in provision for reinsurance	-	(1,603)	(1,603)
Other	-	1,357	1,357
Balance at December 31, 2023	-	5,023,467	5,023,467
Net (loss)	-	(844,753)	(844,753)
Change in nonadmitted assets	-	1,039	1,039
Change in provision for reinsurance	-	3,631	3,631
Other	-	(27)	(27)
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 4,183,357</u>	<u>\$ 4,183,357</u>

*See accompanying notes to the statutory-basis financial statements.*



**Citizens Property Insurance Corporation**  
**Statutory-Basis Statements of Admitted Assets, Liabilities and Accumulated Surplus**  
**Years Ended December 31, 2024 and 2023**  
**(Dollars in thousands)**

	<u>2024</u>	<u>2023</u>
Operating activities		
Premiums collected, net of reinsurance	\$ 2,629,183	\$ 3,557,273
Loss and loss adjustment expenses paid	(2,113,717)	(2,008,840)
Underwriting expenses paid	(695,975)	(708,880)
Net investment income received	373,222	298,912
Other income received	6,730	4,211
	<u>199,443</u>	<u>1,142,676</u>
Investing activities		
Proceeds from investments sold, matured or repaid	1,416,107	1,122,656
Investments acquired	(1,335,315)	(122,029)
	<u>80,792</u>	<u>1,000,627</u>
Financing and miscellaneous activities:		
Borrowed funds repaid	-	(275,000)
Other cash received	(12,229)	2,708
	<u>(12,229)</u>	<u>(272,292)</u>
Net increase (decrease) in cash, cash equivalents, and short-term investments	268,006	1,871,011
Cash, cash equivalents, and short-term investments:		
Beginning of year	<u>2,326,519</u>	<u>455,508</u>
End of year	<u><u>\$ 2,594,525</u></u>	<u><u>\$ 2,326,519</u></u>

## **Note 1. Organization and Description of the Company**

Citizens Property Insurance Corporation (Citizens) was established on August 1, 2002, pursuant to Section 627.351(6), Florida Statutes (the Act), to provide certain residential and non-residential property insurance coverage to qualified risks in the State of Florida under circumstances specified in the Act. This legislation was enacted such that property insurance be provided through Citizens to applicants who are in good faith entitled to procure insurance through the voluntary market but are unable to do so. Citizens results from a combination of the Florida Residential Property and Casualty Joint Underwriting Association (FRPCJUA) and the Florida Windstorm Underwriting Association (FWUA). The FRPCJUA was renamed Citizens and the FWUA's rights, obligations, assets, liabilities and all insurance policies were transferred to Citizens. Unlike private insurers offering coverage through the admitted market, Citizens is not required to obtain or to hold a certificate of authority issued by the Florida Department of Financial Services, Office of Insurance Regulation (the Office). Likewise, Citizens is not subject to Risk-Based Capital (RBC) requirements or required to have a pledged deposit on file with the State of Florida. For purposes of its tax-exempt status, Citizens is considered a political subdivision and an integral part of the State of Florida. As such, Citizens' operations may be affected by the legislative process.

Citizens operates pursuant to a Plan of Operation (the Plan), under the Act, approved by the Financial Services Commission (the Commission) of the State of Florida. The Commission is composed of the Governor, the Chief Financial Officer, the Attorney General and the Commissioner of Agriculture of the State of Florida.

Citizens is supervised by a Board of Governors (the Board) which consists of nine individuals who reside in the State of Florida. The Governor appoints three members, and the Chief Financial Officer, the President of the Senate and the Speaker of the House of Representatives each appoint two members of the Board. At least one of the members appointed by each appointing officer must have a demonstrated expertise in the insurance industry. The Chief Financial Officer designates one of the appointees as the Board's chair. All Board members serve at the pleasure of their appointing officers.

Citizens' President and Chief Executive Officer (Executive Director) and senior managers are engaged by and serve at the pleasure of the Board. The Executive Director is subject to confirmation by the Florida Senate.

In January 2024, pursuant to Florida Senate Bill 2-A and upon the extinguishment of all financing obligations, Citizens three operating accounts - the Personal Lines Account, Commercial Lines Account, and the Coastal Account - were combined into a single account. Prior to the account consolidation, each operating account could impose a policyholder surcharge of up to 15% per account, as well as an Emergency Assessment of up to 10% per account, per year on assessable premium.

Following the account consolidation, Citizens may impose a policyholder surcharge of up to 15% and an Emergency Assessment of up to 10% on assessable premium for the combined account only. In addition, the Regular Assessment of up to 2% of state-wide assessable premium previously applicable to the Coastal Account only was eliminated as part of the account consolidation.

## **Note 2. Basis of Presentation**

Citizens prepares its statutory financial statements in conformity with Florida statutes and accounting rules prescribed by the Office for insurance companies domiciled in the State of Florida. The statutory financial statements have been prepared in conformity with the Statutory Accounting Principles (SAP) of the National Association of Insurance Commissioners' (the NAIC) Accounting Practices and Procedures Manual, subject to any deviations prescribed or permitted by the Office, as described below.

**Citizens Property Insurance Corporation**  
**Notes to Statutory Financial Statements**  
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SAP is a comprehensive basis of accounting other than accounting principles general accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). The significant SAP which differ from GAAP are as follows:

Certain assets are defined under SAP as “nonadmitted.” These include furniture and equipment, leasehold improvements, certain prepaid assets, certain computer software, investments over prescribed limits and receivables in the course of collection with balances more than 90 days past due. The net change in such nonadmitted assets during the year is charged or credited directly to accumulated surplus. Conversely, GAAP includes these as assets net of any applicable valuation allowance.

Investments in bonds are reported at amortized cost or fair value based on their NAIC rating; for GAAP, these investments would be reported at fair value with unrealized holding gains and losses reported in the statement of operations.

All single class and multi-class mortgage-backed/asset-backed securities, such as collateralized mortgage obligations (CMOs), when it is determined that a decline in fair value is other-than-temporary, the amortized cost basis is written down to the present value of future cash flows. The difference between the amortized cost basis and the present value of future cash flows is recognized as a realized loss in the statutory statements of operations. For GAAP, all securities held representing beneficial interests in securitized assets, such as CMOs, mortgage-backed securities and other asset-backed securities, excluding high credit quality securities, are written down to fair value if the decline is determined to be other-than-temporary.

Cash, cash equivalents, and short-term investments in the statutory statements of admitted assets, liabilities and accumulated surplus and cash flows represent cash balances and investments with original maturities of one year or less at the date of acquisition. Under GAAP, the corresponding caption of cash and cash equivalents would include cash balances and investments with original maturities of three months or less at the date of acquisition. Also under GAAP, short-term investments are disclosed separately from cash and cash equivalents. The statutory statements of cash flows does not classify cash flows consistent with GAAP.

Lease-related assets and liabilities in the statutory financial statements are classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contracts. Under GAAP, lease accounting is based on the foundational principle that leases are financing arrangements of the right to use an underlying asset, requiring the lessee to recognize a lease liability and an intangible right-to-use lease asset, and the lessor to recognize a lease receivable and a deferred inflow of resources.

Subscription-based information technology arrangements (SBITAs) are contracts that convey control of the right to use another party’s information technology software. In the statutory financial statements these contracts are recognized as inflows of resources or outflows of resources based on the payment provisions of the contracts. Under GAAP, SBITAs result in a right-to-use intangible subscription asset and a corresponding subscription liability and are based on the standards established for lease accounting.

**Citizens Property Insurance Corporation**  
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Certain other reported amounts in the statutory financial statements prepared on the basis of SAP are classified or presented differently than they would be under GAAP. Statutory requirements include that the statutory financial statements of Citizens be filed with state regulatory authorities. Accordingly, the statutory financial statements are presented in a format similar to the filed annual statement, which differs from the format of financial statements presented under GAAP. Required statutory disclosures that are not applicable to Citizens are not included in the notes to statutory financial statements.

Differences between Florida prescribed practices and SAP which affect Citizens are provided in Section 625.305, Florida Statutes. This statute provides limitations on the admission of invested assets as a percentage of total admitted assets, for securities with ratings of 5 and 6 as issued by the Securities Valuation Office (SVO) or equivalent rating agency, among other limitations not applicable to Citizens. Measurement for nonadmitted invested assets under this prescribed practice is performed separately for each of Citizens' Accounts. The effect of the prescribed practice on accumulated surplus is provided below. There is no effect on net income as a result of the prescribed practice.

<u>Decription</u>	<u>State</u>	<u>2024</u>	<u>2023</u>
Accumulated surplus, state basis	FL	\$ 4,183,357	\$ 5,023,467
Effect of state prescribed practices			
F.S. 625.305(4) d. Nonadmitted Invested Assets	FL	-	-
Accumulated surplus, SAP basis		<u>\$ 4,183,357</u>	<u>\$ 5,023,467</u>

Citizens has no permitted practices for the year ended December 31, 2024.

### **Note 3. Significant Accounting Policies**

#### ***Use of Estimates***

The preparation of the statutory financial statements in accordance with SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statutory financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### ***Bonds***

Bonds, which consist solely of debt securities, are recorded at admitted asset values, as prescribed by the NAIC's valuation procedures and are rated in accordance with current NAIC guidelines.

Bonds designated by the SVO or equivalent as 1 or 2 are reported at amortized cost. Bonds designated as 3 through 6 are reported at the lower of amortized cost or fair value. Debt securities not backed by other loans are stated at amortized cost using the interest method. Loan-backed debt securities and structured securities are stated at amortized cost using the interest method and adjusted retrospectively. Prepayment assumptions were obtained from broker dealer values. Fair values are generally measured using quoted prices in active markets for identical securities or other inputs that are observable either directly or indirectly, such as quoted prices for similar securities.

**Citizens Property Insurance Corporation**  
**Notes to Statutory Financial Statements**  
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Declines in the estimated fair value of bonds below amortized cost are evaluated for other-than-temporary impairment (OTTI) losses on a regular basis. Impairment losses for declines in the estimated fair value of bonds below amortized cost attributable to issuer-specific events are evaluated based upon all relevant facts and circumstances for each investment and are recognized when appropriate in accordance with SAP and related guidance. In determining OTTI, Citizens considers many factors, including (1) the length of time and extent to which the fair value has been less than cost; (2) the financial condition and near-term prospects of the issuer; (3) whether the market decline was affected by macroeconomic conditions; (4) the present value of the expected future cash flows associated with the debt security compared to its carrying value; and (5) whether the Company has the intent to sell the debt security or more likely than not will be required to sell the debt security before its anticipated recovery, which may be maturity. The assessment of whether an OTTI decline exists involves a high degree of subjectivity and judgment, and is based on the information available at a point in time. Citizens records an impairment charge to the extent that the amortized cost exceeds the estimated fair value of the securities and the decline in value is determined to be other than temporary. Citizens recognizes OTTI losses on its loan-backed and structured securities measured as the difference between amortized cost and estimated present value of projected future cash flows. OTTI charges are recognized in net realized capital gains (losses).

***Cash, Cash Equivalents, and Short-term Investments***

Cash and cash equivalents consists of money market mutual funds and highly liquid investments with remaining maturities of three months or less at the date of purchase.

Short-term investments are investments with remaining maturities of one year or less at the date of purchase (excluding those investments classified as cash) and are generally recorded at cost.

Short-term investments include amounts invested in commercial paper, short-term municipal securities, short-term corporate bonds and U.S. government agency short-term notes.

***Net Investment Income***

Net investment income includes interest income, amortization and accretion, realized gains and losses on sales or maturity of investments that are recognized on the specific identification basis, and interest expense. Gains and losses from call redemptions and repayments are charged or credited to investment income. Net investment income also includes bond interest, bond expenses and investment expenses.

Interest is recognized on the accrual basis and uncollected interest is recorded in investment income due and accrued in the accompanying statutory statements of admitted assets, liabilities and accumulated surplus. Accrual of income is suspended for bonds that are in default or when the receipt of interest payments is in doubt.

***Furniture, Fixtures and Equipment***

Furniture, fixtures and equipment are depreciated using the straight-line method over the assets' estimated useful life. The estimated useful lives, by asset class, are as follows:

Electronic data processing (EDP) equipment:	3 years
Office equipment and automobiles:	5 years
Furniture and equipment:	7 years
Leasehold improvements:	10 years

The cost and accumulated depreciation for EDP equipment was \$24,627 and \$24,200 at December 31, 2024 and \$24,451 and \$24,451 at December 31, 2023, respectively.

**Citizens Property Insurance Corporation**  
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Depreciation and amortization expense was \$280 and \$169 for the years ended December 31, 2024 and 2023, respectively, and is included in other underwriting expenses incurred on the accompanying statutory statements of operations. Nonadmitted balances for fixed assets, excluding EDP equipment, at December 31, 2024 and 2023 were \$474 and \$863, respectively. Net admitted EDP equipment of \$426 and \$0 at December 31, 2024 and 2023, is included in other assets on the accompanying statutory statements of admitted assets, liabilities and accumulated surplus.

***Loss Reserves and Loss Adjustment Expense Reserves***

Liabilities for loss reserves and loss adjustment expense (LAE) reserves are estimated based on claims adjusters' evaluations and on actuarial evaluations for incurred but not reported reserves, using Citizens' loss experience and industry statistics. While the ultimate amount of losses and LAE incurred is dependent on future development, in management's opinion, the estimated reserves are adequate to cover the expected future payment of losses and LAE. However, the ultimate settlement of losses may vary significantly from the reserves provided. Adjustments to estimates recorded resulting from subsequent actuarial evaluations or ultimate payments will be reflected in operations in the period in which such adjustments are known or estimable. Citizens does not discount liabilities for loss reserves and LAE reserves. The anticipated effect of inflation is implicitly considered when estimating liabilities for losses and LAE. While anticipated price increases due to inflation are considered in estimating the ultimate claim costs, the increase in average severities of claims is caused by a number of factors that vary with the individual type of policy written. Future average severities are projected based on historical trends adjusted for implemented changes in underwriting standards, policy provisions, and general economic trends. Those anticipated trends are monitored based on actual development and the estimated liabilities are modified, if necessary.

In the event of loss recoveries through reinsurance agreements, loss and LAE reserves are reported net of reinsurance amounts recoverable for unpaid losses and LAE. Losses and LAE ceded through reinsurance are credited against losses and LAE incurred.

Salvage and subrogation recoveries are not recorded until cash is received.

***Premiums***

Premiums written are recorded on the effective date of the policy and earned using the daily pro rata method over the policy period. The portion of premiums not earned at the end of the reporting period are recorded as unearned premiums. Premiums collected prior to the effective date of the policy are recorded as advance premiums. Premiums collected in excess of amounts due are reported as return premiums payable.

Amounts incurred for ceded reinsurance premiums are deducted from written, earned and unearned premiums. Funds collected that are not readily identifiable with a Citizens' policy, primarily as a result of depopulation, are temporarily recorded as suspended cash until such time as the funds can be settled or returned by Citizens.

If anticipated losses, LAE, commissions and other acquisition costs exceed recorded unearned premium reserve, a premium deficiency is recognized by recording an additional liability for the deficiency. Citizens anticipates investment income as a factor in the premium deficiency calculation. For purposes of determining premium deficiencies, contracts are grouped in a manner consistent with how policies are marketed, serviced, and measured for the profitability of such contracts. Additionally, premium deficiency calculations are performed for each Account separately. At December 31, 2024 and 2023, management determined that no premium deficiency reserve was required.

Premiums receivable includes amounts due from policyholders for billed premiums. Billings are calculated using estimated annual premiums for each policy and are paid either through an installment plan offered by Citizens or in their entirety at the inception of the policy. Citizens nonadmits assets due from insureds for which a portion of the receivable is more than 90 days past due. Premiums receivable are charged to bad debt expense in the period determined uncollectible.

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Recoveries received on amounts previously charged off are credited to bad debt expense in the period received. As of December 31, 2024 and 2023, nonadmitted premiums receivable totaled \$1,639 and \$2,207, respectively.

Premium revenues and associated policy fees and inspection fees are recognized in accordance with the rates, rules, and forms as filed with the Office. Associated policy fees and inspection fees are included within other income.

***Underwriting Expenses***

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred.

***Guaranty Fund and Other Assessments***

Citizens is subject to assessments by the Florida Insurance Guaranty Association (FIGA). For the property lines of insurance, FIGA collects assessments from solvent insurance companies operating in Florida to cover the costs resulting from insolvency or rehabilitation of other insurance companies. Assessments are charged to policyholders and collected by Citizens, and remitted to FIGA on a quarterly basis. Amounts collected from policyholders but not yet remitted to FIGA are reported within Taxes and fees payable on the accompanying statutory statements of admitted assets, liabilities and accumulated surplus until remitted to FIGA.

Citizens is also required to assess insurers and insureds in Florida for deficits incurred by Citizens. Assessments made pursuant to the Act and the Plan are recognized as revenue and recorded as receivable in the period approved by the Board and the Office and levied by Citizens (see Note 15). Assessment receivables are considered to be fully collectible. Under the Plan, amounts collected in excess of the calculated assessment are carried as a liability on the statutory statements of admitted assets, liabilities and accumulated surplus as reserve for future assessments until such time as their permitted use is determined by the Board in accordance with the Plan.

***Reinsurance***

Premiums ceded under reinsurance agreements are recorded as a reduction of earned premiums. Reinsurance recoverables on unpaid losses and LAE are recorded as a reduction to loss and LAE reserves.

Reinsurance recoverables on paid losses are recorded as receivables. All catastrophe reinsurance premiums are recorded as premiums ceded and are amortized over the life of the Atlantic hurricane season, from June 1 to November 30, for which the premiums apply. Premiums ceded include Florida Hurricane Catastrophe Fund (FHCF), private catastrophe reinsurance purchases and depopulation premiums.

Other receivables under reinsurance contracts represent amounts receivable from reinsurers on depopulation premiums. Reinsurance premiums payable represents amounts due to the FHCF, private reinsurers, and as a result of depopulation, which is presented as a liability. For multi-year treaties, ceded reinsurance is incurred in the treaty year in proportion to the coverage provided and amortized over the life of the hurricane season. Amounts unpaid for the current treaty year are recorded as reinsurance payable under the terms of the treaty.

Retroactive reinsurance ceded on the accompanying statutory statements of admitted assets, liabilities and accumulated surplus represents ceded losses and loss adjustment expenses associated with a 100% quota-share reinsurance agreement that qualified for retroactive treatment in accordance with SSAP No. 62R, *Property and Casualty Reinsurance* (SSAP No. 62R). All policies ceded under the agreement were fully earned as of December 31, 2024 and 2023. Changes in retroactive reinsurance reserves are recognized on the accompanying statutory statements of operations within other income.

In accordance with SSAP No. 62R, a provision for reinsurance is established to offset credit taken in various balance sheet accounts for reinsurance ceded to unauthorized reinsurers in excess of collateral held by the Company.

**Citizens Property Insurance Corporation**  
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***Income Taxes***

Pursuant to a determination letter received from the Internal Revenue Service, Citizens is exempt from federal income tax as a political subdivision and integral part of the State of Florida, and as such, is liable for income taxes only on business income unrelated to the purpose for which it is exempt. No federal or state income tax was incurred during 2024 and 2023.

***Significant Concentrations of Risks***

Citizens has geographic exposure to catastrophic losses. Catastrophes can be caused by various events including, but not limited to, hurricanes, windstorms, hail and fire. The occurrence and severity of catastrophes are inherently unpredictable. Citizens attempts to mitigate its exposure to losses from catastrophes by purchasing catastrophe reinsurance coverage. Catastrophes, depending on their path and severity, could result in losses exceeding Citizens' reinsurance protection, and could have a material adverse effect on Citizens' financial condition and results of operations.

Citizens' exposure to concentrations of credit risk consists primarily of its cash, investments, and reinsurance balances. Citizens minimizes this risk by maintaining cash at highly rated financial institutions, investing surplus cash in highly rated money market funds, adhering to an investment strategy that emphasizes preservation of principal, and contracting with reinsurance companies that meet certain rating criteria and other qualifications. Financial instruments that potentially subject Citizens to concentrations of credit risk consist principally of cash and cash equivalents, and investments. Citizens' cash management and investment policies restrict investments by type, credit and issuer, and Citizens performs periodic evaluations of the credit standing of the financial institutions with which it deals. Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250 per depositor. Bank deposits at times may exceed federally insured limits. An increased risk of loss occurs as more investments are acquired from one issuer or a group of issuers within one industry which results in a concentration of credit risk.

Excluding securities issued by U.S. Government & Agencies, Citizens does not hold any securities from any single issuer that exceeded 5% of the investment portfolio. Citizens' investment strategy focuses primarily on higher quality, fixed income securities.

Citizens reviews the credit strength of all entities in which it invests, limits its exposure in any one investment, and monitors portfolio quality, taking into account credit ratings assigned by recognized credit rating organizations.

Citizens enters into reinsurance treaties with highly rated reinsurers and has the contractual right to obtain letters of credit from any unauthorized reinsurer and certified reinsurer. As of December 31, 2024, management believes Citizens had no significant concentrations of credit risk.

Citizens is exposed to interest rate risk, which is the risk that interest rates will change and cause a decrease in the value of fixed-rate investments. Citizens mitigates this risk by attempting to match the maturity schedule of its assets with the expected payout of its liabilities.



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**Components of Unrestricted Surplus**

Unrestricted surplus for the years ended December 31 was charged with the following items:

	<u>2024</u>	<u>2023</u>
Nonadmitted assets:		
Premiums receivable	\$ (1,639)	\$ (2,207)
Furniture, fixtures and equipment	(471)	(863)
Prepaid Expenses	(11,942)	(11,984)
Other Assets	(624)	(661)
	<u>\$ (14,676)</u>	<u>\$ (15,715)</u>
Total nonadmitted assets		
	<u>\$ (1,295)</u>	<u>\$ (4,926)</u>
Provision for reinsurance		
	<u>\$ 708</u>	<u>\$ 806</u>
Other		

**Note 4. Fair Value Measurements**

Citizens' estimates of fair value for financial assets and financial liabilities are based on the framework established in the fair value measurements and disclosures accounting guidance under SSAP No. 100R, *Fair Value*. The framework is based on the inputs used in valuation and requires that observable inputs be used in the valuations when available. The disclosure of fair value estimates in the fair value accounting guidance includes a hierarchy based on whether significant valuation inputs are observable. In determining the level of the hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs that reflect significant market assumptions.

The three levels of the hierarchy are as follows:

- Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities traded in active markets.
- Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and market corroborated inputs.
- Level 3 - Inputs to the valuation methodology are unobservable for the asset or liability and are significant to the fair value measurement, and includes broker quotes which are non-binding.

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The following tables reflect the carrying values and estimated fair values of all admitted assets and liabilities that are financial instruments at December 31, 2024 and 2023. The estimated fair values are categorized into the three-level fair value hierarchy as described below.

<b>2024</b>					
	<b>Carrying Value</b>	<b>Estimated Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial assets:					
Bonds	\$ 7,438,355	\$ 6,872,066	\$ 1,357,773	\$ 5,514,293	
Cash, cash equivalents, and short-term investments	2,594,525	2,596,234	1,404,406	1,191,828	
Investment income due and accrued, net	61,350	61,350		61,350	
<b>Total financial assets</b>	<b>\$ 10,094,230</b>	<b>\$ 9,529,650</b>	<b>\$ 2,762,179</b>	<b>\$ 6,767,471</b>	
<b>2023</b>					
	<b>Carrying Value</b>	<b>Estimated Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial assets:					
Bonds	\$ 7,496,579	\$ 6,879,944	\$ 1,184,906	\$ 5,695,038	\$ -
Cash, cash equivalents, and short-term investments	2,326,519	2,327,048	2,316,670	10,378	-
Investment income due and accrued, net	58,507	58,507	-	58,507	-
<b>Total financial assets</b>	<b>\$ 9,881,605</b>	<b>\$ 9,265,499</b>	<b>\$ 3,501,576</b>	<b>\$ 5,763,923</b>	<b>\$ -</b>
Financial liabilities:					
Bonds payable	-	-	-	-	-
Interest payable	639	639	-	639	-
<b>Total financial liabilities</b>	<b>\$ 639</b>	<b>\$ 639</b>	<b>\$ -</b>	<b>\$ 639</b>	<b>\$ -</b>

The following describe fair value methodologies that may not be indicative of net realizable value or reflective of future fair values. Furthermore, Citizens believes different methodologies or assumptions used to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Bonds and Short-Term Investments**

When available, the estimated fair values are based on quoted prices in active markets that are readily and regularly obtainable. Generally, these investments are classified in Level 1 and are the most liquid of Citizens' securities holdings, and valuation of these securities does not involve management's judgment.

When quoted prices in active markets are not available, the determination of estimated fair value is based on market standard valuation methodologies, giving priority to observable inputs. The significant inputs to the market standard valuation methodologies for certain types of securities with reasonable levels of price transparency are inputs that are observable in the market or which can be derived principally from or corroborated by observable market data. Generally, these investments are classified as Level 2.

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When observable inputs are not available, the market standard valuation methodologies for determining the estimated fair value of certain types of securities that trade infrequently, and therefore have little or no price transparency, rely on inputs that are significant to the estimated fair value that are not observable in the market or which cannot be derived principally from or corroborated by observable market data. These unobservable inputs can be based in large part on management's judgment or estimation and cannot be supported by reference or market activity. Even though these inputs are unobservable, Citizens believes they are consistent with those which other market participants would use when pricing such securities and are considered appropriate, given the circumstances. Generally, these investments are classified as Level 3.

***Cash and Cash Equivalents***

The estimated fair value approximates carrying value and are classified as Level 1, given the nature of cash and cash equivalents.

***Investment Income Due and Accrued and Interest Payable***

The estimated fair value is determined based on significant observable inputs. These amounts are generally classified as Level 2.

**Note 5. Investments**

***Investment Policy and Impairment***

Citizens' invested assets are governed by five investment policies, three for taxable operating funds and two for tax-exempt bond proceeds:

- Liquidity Fund (Taxable): generally this policy governs the investment of funds and surplus that, in addition to internally managed cash, are the first monies used to pay claims after an event, and that can be used to pay operating expenses on an ongoing basis.
- Liquidity Fund (Tax-exempt): generally this policy governs the investment of tax-exempt pre-event bond proceeds and other monies required to be invested in tax-exempt instruments. Citizens uses these monies to pay claims after an event or to pay principal and / or interest payments on an as needed basis.
- Claims-Paying Fund (Taxable): generally this policy governs the investment of funds used to pay post-event claims after Citizens has expended all monies in the Liquidity Fund. Only monies eligible for investment in taxable instruments are deposited in this fund.
- Claims-Paying Fund (Tax-exempt): generally this policy governs the investment of tax-exempt pre-event bond proceeds and other monies required to be invested in tax-exempt instruments. Citizens uses these monies to pay claims after an event, typically after all funds in the Liquidity Fund have been expended.
- Claims-Paying Long Duration Fund (Taxable): generally this policy governs the investment of funds that will be used to pay post-event claims after Citizens has expended all monies in the Liquidity Funds and Claims-Paying Funds.

Citizens evaluates external indicators, such as issuer credit ratings along with the extent and duration of declines, and internal indicators such as ability and intent with respect to retention of impaired securities in determining whether declines in market value are temporary or other-than-temporary. Citizens recognized other-than-temporary impairments of \$1,980 on two fixed income securities for the year ended December 31, 2023 (none for the year ended December 31, 2024). Citizens recorded the other-than-temporary impairment due to its intent to sell the fixed income securities.

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The investment policies require any repurchase agreement be collateralized to at least 102% with U.S. Government or Agency securities, excluding mortgage-backed securities. Repurchase agreements shall not represent more than 15% of the portfolio's amortized cost and must have a maximum maturity of 30 days or less. Reverse repurchase agreements and securities lending are not permitted investments. Citizens had no investments in agency repurchase agreements as of December 31, 2024 and 2023.

**Bonds**

The carrying value, gross unrealized gains and losses, and estimated fair value of bonds at December 31, 2024 were as follows:

	<u>Carrying Value</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Fair Value</u>
Bonds:				
U.S. Treasury and U.S. government securities	\$ 1,441,082	\$ 1,635	\$ (83,467)	\$ 1,359,250
States, territories and possessions	63,947	-	(7,052)	56,895
Political subdivisions of states, territories and possessions	73,444	-	(6,552)	66,892
Special revenue	442,000	1	(31,529)	410,472
Industrial and miscellaneous	5,097,994	3,355	(415,733)	4,685,616
Mortgage-backed securities	319,888	293	(27,240)	292,941
Total admitted bonds	<u>\$ 7,438,355</u>	<u>\$ 5,284</u>	<u>\$ (571,573)</u>	<u>\$ 6,872,066</u>

The carrying value, gross unrealized gains and losses, and estimated fair value of bonds at December 31, 2023 were as follows:

	<u>Carrying Value</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Fair Value</u>
Bonds:				
U.S. Treasury and U.S. government securities	\$ 1,279,816	\$ 47	\$ (93,218)	\$ 1,186,645
States, territories and possessions	98,823	-	(8,164)	90,659
Political subdivisions of states, territories and possessions	110,466	-	(7,424)	103,042
Special revenue	559,477	9	(38,897)	520,589
Industrial and miscellaneous	5,152,285	1,721	(444,376)	4,709,630
Mortgage-backed securities	295,712	72	(26,405)	269,379
Total admitted bonds	<u>\$ 7,496,579</u>	<u>\$ 1,849</u>	<u>\$ (618,484)</u>	<u>\$ 6,879,944</u>

The unrealized loss position of bonds at December 31, 2024 was as follows:

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	Less than 12 months		More than 12 months		Total	
	Estimated Fair Value	Gross Unrealized Loss	Estimated Fair Value	Gross Unrealized Loss	Estimated Fair Value	Gross Unrealized Loss
Bonds:						
U.S. Treasury and U.S. government securities	\$ 80,638	\$ (761)	\$ 832,399	\$ (82,706)	\$ 913,037	\$ (83,467)
States, territories and possessions			56,896	(7,052)	56,896	(7,052)
Political subdivisions of states, territories and possessions			66,892	(6,552)	66,892	(6,552)
Special revenue	1,544	(4)	403,102	(31,525)	404,646	(31,529)
Industrial and miscellaneous	107,789	(1,480)	4,021,399	(414,253)	4,129,188	(415,733)
Mortgage-backed securities	22,799	(299)	221,683	(26,941)	244,482	(27,240)
Total admitted bonds	<u>\$ 212,770</u>	<u>\$ (2,544)</u>	<u>\$ 5,602,371</u>	<u>\$ (569,029)</u>	<u>\$ 5,815,141</u>	<u>\$ (571,573)</u>

The unrealized loss position of bonds at December 31, 2023 was as follows:

	Less than 12 months		More than 12 months		Total	
	Estimated Fair Value	Gross Unrealized Loss	Estimated Fair Value	Gross Unrealized Loss	Estimated Fair Value	Gross Unrealized Loss
Bonds:						
U.S. Treasury and U.S. government securities	\$ 4,963	\$ (5)	\$ 1,133,585	\$ (93,213)	\$ 1,138,548	\$ (93,218)
States, territories and possessions	-	-	90,659	(8,164)	90,659	(8,164)
Political subdivisions of states, territories and possessions	839	(161)	102,202	(7,263)	103,041	(7,424)
Special revenue	-	-	512,774	(38,897)	512,774	(38,897)
Industrial and miscellaneous	23,052	(1,973)	4,580,989	(442,403)	4,604,041	(444,376)
Mortgage-backed securities	-	-	255,190	(26,405)	255,190	(26,405)
Total admitted bonds	<u>\$ 28,854</u>	<u>\$ (2,139)</u>	<u>\$ 6,675,399</u>	<u>\$ (616,345)</u>	<u>\$ 6,704,253</u>	<u>\$ (618,484)</u>

There were 3,902 and 4,554 bond holdings in an unrealized loss position for more than 12 months at December 31, 2024 and 2023, respectively.

Citizens believes there were no fundamental issues such as credit losses or other factors with respect to any of its bond securities that are in an unrealized loss position. The unrealized losses on bonds were primarily caused by interest rate changes. It is expected that the securities would not be settled at a price less than the par value of the bonds. Citizens evaluates U.S. government, corporate, and state and municipal bonds based upon factors such as expected cash flows and the financial condition, and near-term and long-term prospects of the issuer, and evaluates mortgage-backed securities and asset-backed securities based on actual and projected cash flows after considering such factors as the quality of the underlying collateral, expected prepayment speeds, current and forecasted severity, consideration of the payment terms of the underlying assets, and payment priority of the security. Because the decline in fair value is attributable to changes in interest rates or market conditions and not credit quality, and because Citizens has the ability and intent to hold its bond securities until a market price recovery or maturity, Excluding bonds previously disclosed, Citizens does not consider any of its bonds to be other than temporarily impaired at December 31, 2024 and 2023.

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The carrying value and estimated fair value of securities at December 31, 2024, by contractual maturity, are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or repay obligations with or without call or prepayment penalties.

	<b>Carrying Value</b>	<b>Estimated Fair Value</b>
Maturity:		
In 2025	\$ 1,037,148	\$ 1,031,857
2026-2029	3,449,347	3,314,204
2030-2034	2,147,001	1,863,934
After 2034	484,971	369,132
Mortgage-backed securities	319,888	292,941
 Total	 <u>\$ 7,438,355</u>	 <u>\$ 6,872,068</u>

Proceeds from maturities and sales of bonds during 2024 were \$1,376,192 with gross realized gains of \$1,154 and gross realized losses of \$7,059 and during 2023 were \$1,018,249 with gross realized gains of \$1 and gross realized losses of \$14,832. Investment dispositions and purchases are measured and recorded in the financial statements using the trade date, which may differ from the date on which settlement of the trade activity occurs. Proceeds related to gains (losses) on cash, cash equivalents, and short-term investments during 2024 and 2023 were \$2,248 and \$(1,927) respectively.

Sources and uses of net investment income for the years ended December 31, were as follows:

	<b>2024</b>	<b>2023</b>
Gross interest income:		
Bonds	<b>\$ 215,526</b>	\$ 203,083
Cash, cash equivalents, and short-term investments	<b>157,062</b>	105,719
 Total gross interest income	 <b>372,588</b>	 308,802
 Investment expenses	 <b>(3,829)</b>	 (4,039)
 Net interest income	 <b>368,759</b>	 304,763
 Net realized loss on sales of invested assets:		
Bonds	<b>(5,905)</b>	(9,325)
Cash, cash equivalents, and short-term investments	<b>2,248</b>	(1,927)
 Total net realized loss on sales of invested assets	 <b>(3,657)</b>	 (11,252)
 Loss on defeasance of debt	 -	 (5,507)
 Net realized capital gains	 <b>(3,657)</b>	 (16,759)
 Interest expense:	 <b>(1,222)</b>	 (12,062)
 Net investment income	 <b>\$ 363,880</b>	 \$ 275,942

For the year ended December 31, 2024, 97 securities were called, 6 of which included prepayment penalties or acceleration fees of \$215 and is included in net interest income.

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***Restricted Assets***

Restricted assets pledged as collateral consist of debt sinking funds on deposit with Citizens' Indenture Trustee for the purpose of funding principal and interest obligations associated with outstanding bonds payable. There were no restricted assets pledged as collateral at December 31, 2024 and 2023.

**Note 6. Liability for Loss Reserves and Loss Adjustment Expense Reserves**

Activity in the liability for loss and LAE reserves for December 31 was as follows:

	<u>2024</u>	<u>2023</u>
Direct loss and loss adjustment expense reserves, beginning of year	<b>\$ 3,370,706</b>	\$ 3,795,733
Less reinsurance recoverables on reserves	<b>(1,022,003)</b>	(1,176,028)
Net loss and loss adjustment expense reserves, beginning of year	<b>2,348,703</b>	2,619,705
Incurred related to:		
Current accident year	<b>3,841,368</b>	1,645,821
Prior accident years	<b>(110,293)</b>	69,384
Total incurred	<b>3,731,075</b>	1,715,205
Paid related to:		
Current accident year	<b>1,294,131</b>	548,251
Prior accident years	<b>842,690</b>	1,437,956
Total paid	<b>2,136,821</b>	1,986,207
Net loss and loss adjustment expense reserves, end of year	<b>3,942,957</b>	2,348,703
Add reinsurance recoverables on reserves	<b>607,430</b>	1,022,003
Gross balance at end of year	<b><u>\$ 4,550,387</u></b>	<b><u>\$ 3,370,706</u></b>

As a result of changes in estimates of insured events in prior years, the provision for loss and LAE reserves (decreased) increased by approximately (\$110,293) and \$69,384 net of reinsurance, in 2024 and 2023, respectively. Decreases in the estimated severity of 2023 accident year claims and reductions to loss and LAE reserves associated with an April 2023 hail storm, partially offset by reductions to ceded loss and LAE reserves for Hurricane Ian, contributed most significantly to the overall decrease in the provision for loss and LAE reserves of \$110,293.

These adjustments are the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. There can be no assurance that the ultimate settlement of losses will not vary significantly from the recorded provision for losses and LAE. However, management believes the provision for losses and LAE is adequate to cover the cost of unpaid claims incurred.

During 2024 and 2023, net recoveries with respect to reinsurance recoverable on paid losses and LAE was \$223,028 and \$227,196 respectively.

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For the years ended December 31, 2024 and 2023, ultimate losses and LAE and anticipated reinsurance recoveries attributable to significant hurricanes and tropical storms were:

	<b>2024</b>		<b>2023</b>	
	<b>Ultimate Loss and LAE</b>	<b>Ceded Loss and LAE</b>	<b>Ultimate Loss and LAE</b>	<b>Ceded Loss and LAE</b>
Hurricane Milton - 2024	\$ 2,073,125	\$ -	N/A	N/A
Hurricane Helene - 2024	313,489	-	N/A	N/A
Hurricane Debby - 2024	76,516	-	N/A	N/A
Hurricane Idalia - 2023	97,170	-	83,477	-
Hurricane Ian - 2022	3,421,001	925,613	3,595,992	1,121,566
Hurricane Nicole - 2022	106,544	4,640	100,449	14,656
Tropical Storm Eta - 2020	347,513	-	351,337	-
Hurricane Sally - 2020	70,924	-	78,439	-
Hurricane Michael - 2018	145,158	-	145,178	-
Hurricane Irma - 2017	2,561,470	1,117,732	2,550,514	1,125,745

For both catastrophic and non-catastrophic claims, the loss adjusting function is performed by Citizens through its employees and through contracted independent adjusting firms. Citizens compensates independent adjusting firms, depending upon the type or nature of the claims, either on a per-day rate or on a graduated fee schedule based on the gross claim amount. Such costs are included as LAE.

## **Note 7. Reinsurance Agreements**

Citizens has entered into various contracts with reinsurers for the purpose of reducing its net exposure to qualifying losses should such losses occur. These contracts provide for the recovery of amounts above specified retention levels, subject to contractual limits, under per occurrence and aggregate catastrophe excess of loss arrangements. Prior to the combining of accounts (see Note 1), reinsurance coverage was purchased separately for the Coastal Account and combined for the PLA and CLA. As required by statute, Citizens participates in the FHCF. For the year ended December 31, 2023, coverage provided by and premium ceded to the FHCF as respects the Coastal Account is measured and recognized as though the Coastal Account is a separate participating insurer with its own exposures, reimbursement premium and loss reimbursement. Likewise, the PLA and CLA are considered together as a single, separate participating insurer with its own exposures, reimbursement premium and loss reimbursement. Reinsurance coverage purchased through the FHCF was \$4,821,414 on a combined basis for 2024 and \$2,072,418 and \$3,315,201 in the Coastal Account and PLA and CLA, respectively, for 2023. Pursuant to the FHCF reinsurance contract, coverage amounts represent the total amount of available coverage available for individual or multiple covered events. Reinsurance coverage purchased through traditional and capital markets totaled \$3,563,739 on a combined basis for 2024 and \$2,461,377 and \$2,919,077 for 2023 in the Coastal Account and PLA and CLA, respectively. At December 31, 2024, Citizens was party to 4 outstanding insurance-linked securities (ILS) contracts as a ceding insurer that provide aggregate maximum proceeds of \$1,600,000 for directly-written insurance risks by Citizens at an attachment level of \$9,809,000.



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The effect of reinsurance on premiums written and earned is as follows:

	2024		2023	
	Written	Earned	Written	Earned
Direct premiums	\$ 4,597,894	\$ 4,953,198	\$ 5,070,989	\$ 4,218,127
FHCF ceded premiums	(406,543)	(406,543)	(479,462)	(479,462)
Private ceded premiums	(453,766)	(453,766)	(695,512)	(695,512)
Depopulation ceded premiums	(1,023,565)	(912,408)	(588,341)	(161,746)
Net premiums	\$ 2,714,020	\$ 3,180,481	\$ 3,307,674	\$ 2,881,407

Ceded premiums include premiums ceded to companies that assume policies pursuant to a depopulation program (see Note 11). Ceded losses and LAE incurred were (\$207,036) and \$102,809 during 2024 and 2023, respectively. Unearned premiums on the accompanying statutory statements of admitted assets, liabilities and accumulated surplus are net of ceded unearned premiums on depopulation contracts of \$547,753 and \$436,596 at December 31, 2024 and 2023, respectively. There were no ceded unearned premiums with respect to the FHCF or traditional and capital markets reinsurance agreements at December 31, 2024 and 2023.

Amounts recoverable from reinsurers on unpaid losses and LAE are estimated based on the allocation of estimated unpaid losses and LAE among Citizens' coverage lines. Actual amounts recoverable will depend on the ultimate settlement of losses and LAE. FHCF and private reinsurance contracts do not relieve Citizens from its obligation to policyholders. Citizens remains liable to its policyholders for the portion reinsured to the extent that any reinsurer does not meet the obligations assumed under their reinsurance agreements. As of December 31, 2024, Citizens reported a net recoverable due from FHCF in the amount of \$590,796, or approximately 14.1% of accumulated surplus. As of December 31, 2023, Citizens reported a net recoverable due from FHCF in the amount of \$936,390, or approximately 18.6% of accumulated surplus. FHCF net recoverable amounts at December 31, 2024 and 2023 are comprised of ceded loss and LAE reserves for claims arising from Hurricane Irma.

As of December 31, 2024 and 2023, Citizens recorded a provision for reinsurance as a liability with a corresponding charge to surplus in the amount of \$1,295 and \$4,926, respectively, on the statutory statements of admitted assets, liabilities and accumulated surplus as a result of uncollateralized net recoverable balances arising due to anticipated losses and LAE attributed to Hurricane Irma. For 2024, the provision for reinsurance includes \$1,295 and \$0 for unauthorized and certified reinsurers, respectively. For 2023, the provision for reinsurance includes \$4,926 and \$0 for unauthorized and certified reinsurers, respectively. Citizens does not believe there to be significant credit risk associated with net recoverable balances under its reinsurance program.

On August 17, 2023, Citizens entered into a commutation agreement with the Florida Hurricane Catastrophe Fund (FHCF) to settle all of the FHCF's Loss and LAE obligations associated with Citizens' 2017 Reimbursement Contract. In connection with this commutation, Citizens recognized a loss of approximately \$8,155 resulting from the difference between its estimated outstanding loss and LAE and the amount agreed to in the commutation.

## **Note 8. Bonds Payable**

Citizens has issued multiple Senior Secured Bonds for the purpose of funding losses in the event of a future catastrophe. The bonds are secured by pledged revenues which consist of monies and investments held in accounts established under the trust indenture, proceeds from any surcharges, regular, and emergency assessments, and/or reimbursements received from the FHCF.

On December 4, 2023, Citizens executed a legal defeasance of the remaining outstanding Series 2015A-1 Senior Secured bonds in the amount of \$275,000.

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The legal defeasance of these bonds resulted in a loss of \$5,507 which is included in net realized capital losses within the statutory-basis statements of operations. For the years ending December 31, 2024 and 2023, interest expense incurred was \$1,222 and \$12,062, respectively.

There were no bonds payable outstanding at December 31, 2024 and 2023.

Interest expense includes net amortization for and accretion of premiums and discounts of \$0 and \$4,060 for the years ended December 31, 2024 and 2023, respectively. There was no remaining net unamortized premium at December 31, 2024 and 2023.

On June 29, 2023, Citizens executed a revolving line of credit in an amount not to exceed \$1.25 billion for purposes of providing liquidity for the PLA in the event of a storm or series of storms. This line of credit is secured by pledged revenues which consist of monies and investments held in accounts established under the trust indenture, proceeds from any regular and/or emergency assessments, and/or reimbursements received from the FHCF. Interest on any draws accrues at an applicable rate of 50 basis points over the Daily Simple Secured Overnight Financing Rate (SOFR) and LOC fees are 20 basis points for any unused amount. The applicable rates will increase if Citizens' issuer ratings fall below A / A2 / A from Moody's, Fitch or S&P, respectively. For the year ended December 31, 2023, an unused facility fee of \$1,299 was incurred and reported in net interest expense.

Closing costs of \$2,219, including commitment fees equal to 13.5 basis points of the total commitment, were incurred and reported in net interest expense for the year ending December 31, 2023. At December 31, 2024, there were no draws against the revolving line of credit. The contractual expiry date of the revolving line of credit is June 26, 2024.

## **Note 9. Retirement Plan**

Citizens sponsors a 457(b)/401(a) defined contribution employee savings plan for qualified employees (the Savings Plan). The Savings Plan qualifies as a deferred salary arrangement under Section 401(a) of the Internal Revenue Code. Under the Savings Plan, participating eligible employees may defer a portion of their pretax earnings up to the Internal Revenue Service annual contribution limit. Citizens matches 100% of each employee's contributions up to a maximum of 8% of the employee's pretax earnings. Citizens' matching contributions to the Savings Plan were \$9,372 and \$8,128 for the years ended December 31, 2024 and 2023, respectively.

## **Note 10. Agent Commissions and Servicing Company Fees**

Citizens has contracted with various insurance agents licensed in the State of Florida. These agreements provide for commissions to be paid to the agents at rates established by the Board and calculated as a percentage of direct written premiums, net of certain surcharges and assessments. Agent commissions included in other underwriting expenses incurred were \$367,680 and \$400,155 during 2024 and 2023, respectively.

Additionally, Citizens is a party to an agreement with servicing companies to provide underwriting and policy management services. The agreement provides for monthly compensation to the servicing company based on a "Per Transaction Fee" applied to the number of transactions processed in a monthly cycle. These services are for both Citizens' Commercial Lines and Personal Lines business. The amount per transaction ranges from \$7.74 to \$72.87 (dollars), depending on the complexity and volume of each transaction. Servicing company fees included in other underwriting expenses incurred were \$12,547 and \$12,870 during 2024 and 2023, respectively. There were no premiums written by service providers which individually are more than 5% of policyholders' surplus.

**Citizens Property Insurance Corporation**  
**Notes to Statutory Financial Statements**  
**(Dollars in thousands)**  
**December 31, 2024 and 2023**

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## **Note 11. Depopulation**

Pursuant to the Act, Citizens is authorized to adopt one or more programs, subject to approval by the Office, for the reduction of both new and renewal writings. Policies may be removed from Citizens at policy renewal or as part of a bulk assumption. In an assumption, the assuming insurer (Takeout Company) is responsible for losses occurring from the assumption date through the expiration of the Citizens policy period (the assumption period). Subsequent to the assumption period, the Takeout Company will write the policy directly. In January 2007, Florida law was amended to state that assumed policies are the direct insurance of the Takeout Company, for the purpose of clarifying that FIGA is liable for assumption period losses occurring during the assumption period if a Takeout Company were liquidated and unable to meet its obligation to policyholders.

During 2024 and 2023, Citizens recognized ceded written premiums of \$1,023,565 and \$588,341 respectively, as a result of depopulation.

Citizens provides policy administration services with respect to the assumed policies. All agreements provide for the Takeout Company to adjust losses. While Citizens is not liable to cover claims after the assumption, Citizens continues to service policies for items such as policyholder endorsements or cancellation refunds. Should Citizens process and provide a refund to policyholders, such amount is subsequently collected from the Takeout Company. At December 31, 2024 and 2023 net assumed premiums receivable in the amount of \$12,634 and \$4,153, respectively, were due from certain Takeout Companies and are reported as other receivables under reinsurance contracts in the accompanying statutory statements of admitted assets, liabilities and accumulated surplus. In addition, premiums due to Takeout Companies of \$113,158 and \$110,861 at December 31, 2024 and 2023, respectively, are included in reinsurance payable on the accompanying statutory statements of admitted assets, liabilities and accumulated surplus.

## **Note 12. Operating Leases**

Citizens leases office space and certain office equipment under various operating leases. Rental expense on operating leases amounted to \$6,013 and \$5,804 for the years ended December 31, 2024 and 2023 respectively. There are no contingent rental payments or unusual renewal options, escalation clauses or restrictions and there have been no early terminations of existing leases.

Future minimum payments under operating leases are as follows:

2025	\$ 4,812
2026	2,584
2027	<u>512</u>
Total	<u>\$ 7,908</u>

## **Note 13. Commitments and Contingencies**

Citizens is involved in certain litigation and disputes incidental to its operations. In the opinion of management, after consultation with legal counsel, there are substantial defenses to such litigation and disputes and any ultimate liability, in excess of reserves resulting there from, will not have a material adverse effect on the financial condition or results of operations of Citizens.

**Citizens Property Insurance Corporation**  
**Notes to Statutory Financial Statements**  
**(Dollars in thousands)**  
**December 31, 2024 and 2023**

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Pursuant to Immediate Final Order #298695-22, an Agreement to Provide Cut Through Endorsements (the Agreement) was executed between Citizens and a private carrier authorized to conduct business in Florida (the authorized insurer) effective August 3, 2022 and expiring June 1, 2023. As stipulated by the Agreement, Citizens may provide additional claims paying resources for the benefit of policyholders insured by the authorized insurer in the event that the authorized insurer becomes insolvent, and the outstanding claim(s) exceeds the statutory per claim limit of the Florida Insurance Guaranty Fund (FIGA). In March of 2023, the authorized insurer was placed into liquidation by the Florida Department of Financial Services. At December 31, 2024, Citizens has not recorded a liability for potential claims associated with the Agreement.

***Multi-Year Reinsurance Treaties***

Citizens is party to reinsurance arrangements that provide coverage into 2023, including traditional aggregate catastrophic excess of loss agreements as well as aggregate catastrophe bonds placed in the capital markets. Premiums ceded under multi-year contracts are determined before each contractual reset period and are based upon defined risk parameters within the contracts that may result in increases or decreases to premiums ceded. Such adjustments to premiums ceded are included in the treaty year to which they apply.

***Risk Management Programs***

In addition to claims under the insurance policies it issues, Citizens is potentially exposed to various risks of loss, including those related to torts; theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. As a state government entity, Citizens has immunity from certain claims.

For the years ending December 31, 2024 and 2023, Citizens had insurance protection in place from various commercial insurance carriers covering various exposures, including workers' compensation, property loss, employee liability, general liability, data-breach liability, and directors' and officers' liability. Management continuously reviews the limits of coverage and believes that current coverage is adequate. There were minimal changes in insurance coverage, terms or conditions from the previous year.

**Citizens Property Insurance Corporation**  
**Notes to Statutory Financial Statements**  
(Dollars in thousands)  
**December 31, 2024 and 2023**

**Note 14. Reconciliation of SAP to GAAP**

A reconciliation of Citizens' 2024 and 2023 statutory net income (loss) and accumulated surplus to GAAP basis (as determined by the Governmental Accounting Standards Board) change in net position and net position, respectively, is as follows:

	<u>2024</u>	<u>2023</u>
Net (loss) income - statutory basis	\$ (843,486)	\$ 746,454
Adjustments:		
Change in allowance for doubtful accounts	568	679
GASB 87	(1,391)	(1,492)
GASB 96	(4,869)	1,712
Change in net unrealized gain (loss) on investments	<u>51,378</u>	<u>245,319</u>
Change in net position - GAAP basis	<u>\$ (797,800)</u>	<u>\$ 992,672</u>
Accumulated surplus - statutory basis	\$ 4,183,357	\$ 5,023,467
Adjustments:		
Nonadmitted assets, net of allowance	10,908	11,289
GASB 87	(2,669)	(1,326)
GASB 96	(1,302)	3,705
Provision for reinsurance	1,295	4,926
Net unrealized loss on investments	<u>(564,580)</u>	<u>(616,098)</u>
Net position - GAAP basis	<u>\$ 3,627,009</u>	<u>\$ 4,425,963</u>

**Note 15. Assessments and Other Regulatory Matters**

Citizens' enabling legislation and the Plan establish a process by which Citizens is required to levy assessments to recover deficits incurred in a given plan year. The Plan provides for deficits to be determined in accordance with GASB, adjusted for certain items.

In the event of a Plan Year Deficit, Citizens must first levy an assessment against the premium of each Citizens policyholder (the Citizens Policyholder Surcharge), as a uniform percentage of the premium of the policy of up to 15% of such premium.

Citizens Policyholder Surcharges are not subject to commissions, fees, or premium taxes; however, failure to pay a Citizens Policyholder Surcharge is treated as failure to pay premium.

If the deficit in any year is greater than the amount that may be recovered through Citizens' Policyholder Surcharge, Citizens is required to levy any remaining Plan Year Deficit as an Emergency Assessment. An Emergency Assessment is to be collected by all assessable insurers, Surplus Lines Agents, and Citizens from policyholders upon the issuance or renewal of policies for Subject Lines of Business for as many years as necessary to cover the Plan Year Deficit.

For purposes of Emergency Assessments, the "Subject Lines of Business" are all lines of property and casualty insurance, including automobile lines, but excluding accident and health, workers' compensation, and medical malpractice insurance, and also excluding insurance under the National Flood and Federal Crop insurance programs.

**Citizens Property Insurance Corporation**  
**Notes to Statutory Financial Statements**  
**(Dollars in thousands)**  
**December 31, 2024 and 2023**

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Effective March 5, 2015, the 2005 Emergency Assessment was terminated for all policies with effective dates on or after July 1, 2015. The 2005 Emergency Assessment was anticipated to be collected over a ten-year period commencing July 1, 2007. As of December 31, 2024 and 2023, collections in excess of the Emergency Assessment were \$140,790. These balances are reported as the reserve for future assessments on the statutory statements of admitted assets, liabilities and accumulated surplus until such time as the Board approves a change to direct these excess collections to be used for any lawful purpose available within the Plan.

***FIGA Assessments***

On March 11, 2022, the Office approved an assessment levied by FIGA on all FIGA members, pursuant to Order # 293027-22. The assessment will be levied at a rate of 1.3% of direct written premium on policies issued or renewed during the 2022 and 2023 calendar years and shall be remitted to FIGA in four quarterly installments with the first installment due on or before October 31, 2022. At December 31, 2024, a payable to FIGA for amounts collected by Citizens but not yet remitted to FIGA of \$(6) is included within Taxes and fees payable on the accompanying statutory statements of admitted assets, liabilities and accumulated surplus.

On August 26, 2022, the Office approved an assessment levied by FIGA on all FIGA members, pursuant to Order # 299727-22. The assessment will be levied at a rate of 0.7% of direct written premium on policies issued or renewed during the 2023 calendar year and shall be remitted to FIGA in four quarterly installments with the first installment due on or before April 30, 2023. At December 31, 2024, a payable to FIGA for amounts collected by Citizens but not yet remitted to FIGA of \$(27) is included within Taxes and fees payable on the accompanying statutory statements of admitted assets, liabilities and accumulated surplus.

On April 10, 2023, the Office approved an assessment levied by FIGA on all FIGA members, pursuant to Order # 308776-23. The assessment will be levied at a rate of 1.0% of direct written premium on policies issued or renewed during the 2023 and 2024 calendar years and shall be remitted to FIGA in four quarterly installments with the first installment due on or before January 31, 2024. At December 31, 2024, a payable to FIGA for amounts collected by Citizens but not yet remitted to FIGA of \$8,473 is included within Taxes and fees payable on the accompanying statutory statements of admitted assets, liabilities and accumulated surplus.

***Premium Tax Credit***

Pursuant to Rule 69OER24-1, insurers must provide discounts to their policyholders for policies that provide residential coverage on a dwelling for a 12-month period with an effective date beginning between October 1, 2024, and September 30, 2025, of 1.75% of the premium and a discount for the amount charged for the State Fire Marshal Regulatory Assessment. These discounts are passthroughs and will be reflected as a tax credit for the total amount of the discounts provided by the Company to its policyholders. For the year ending December 31, 2024, discounts totaling \$15,661 were provided by the Company.

**Note 16. Subsequent Events**

Subsequent events have been considered through May 16, 2025, the date of issuance of these statutory financial statements. The following events occurred subsequent to the end of the year that merit recognition or disclosure in these statements.

In December 2024, the Company entered into a lease for office space for a seven-year term beginning on the date of occupancy, with an option to renew for two additional three-year terms. As of May 16, 2025, the Company has not yet commenced occupancy of the office space subject to this lease.

## ***Supplementary Information***

**Citizens Property Insurance Corporation**  
**Summary Investment Schedule**  
**December 31, 2024**  
**(Dollars in thousands)**

	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	Amount	Percentage	Amount	Percentage
Bonds				
U.S. Governments	\$ 1,464,492	14.6%	\$ 1,464,492	14.6%
All Other Governments	-	0.0%	-	0.0%
U.S. States, Territories and Possessions, etc. Guaranteed	63,947	0.6%	63,947	0.6%
U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed	73,444	0.7%	73,444	0.7%
U.S. Special Revenue & Special Assessment Obligations, etc. Non-Guaranteed	733,348	7.3%	733,348	7.3%
Industrial and Miscellaneous	5,103,124	50.9%	5,103,124	50.9%
Hybrid Securities	-	0.0%	-	0.0%
Parent, Subsidiaries and Affiliates	-	0.0%	-	0.0%
SVO Identified Funds	-	0.0%	-	0.0%
Unaffiliated Bank Loans	-	0.0%	-	0.0%
Preferred Stocks				
Industrial and Miscellaneous (Unaffiliated)	-	0.0%	-	0.0%
Parent, Subsidiaries and Affiliates	-	0.0%	-	0.0%
Common Stocks				
Industrial and Misc. Publicly Traded (Unaffiliated)	-	0.0%	-	0.0%
Industrial and Misc. Other (Unaffiliated)	-	0.0%	-	0.0%
Parent, Subsidiaries and Affiliates Publicly Traded	-	0.0%	-	0.0%
Parent, Subsidiaries and Affiliates Other	-	0.0%	-	0.0%
Mutual Funds	-	0.0%	-	0.0%
Unit Investment Trusts	-	0.0%	-	0.0%
Closed-End Funds	-	0.0%	-	0.0%
Mortgage Loans				
Farm Mortgages	-	0.0%	-	0.0%
Residential Mortgages	-	0.0%	-	0.0%
Commercial Mortgages	-	0.0%	-	0.0%
Mezzanine Real Estate Loans	-	0.0%	-	0.0%
Real Estate				
Properties Occupied by Company	-	0.0%	-	0.0%
Properties Held for Production of Income	-	0.0%	-	0.0%
Properties Held for Sale	-	0.0%	-	0.0%
Cash (Schedule E, Part 1)	(279,814)	-2.8%	(279,814)	-2.8%
Cash Equivalents (Schedule E, Part 2)	1,640,821	16.4%	1,640,821	16.4%
Short-Term Investments (Schedule DA)	1,233,518	12.3%	1,233,518	12.3%
Total Invested Assets	<u>\$ 10,032,880</u>	<u>100.0%</u>	<u>\$ 10,032,880</u>	<u>100.0%</u>



**Citizens Property Insurance Corporation**  
**Supplemental Schedule of Investment Risks Interrogatories**  
**December 31, 2024**  
**(Dollars in thousands)**

**1. Reporting entity's total admitted assets:**

\$ 10,439,989

**2. Ten largest exposures to a single issuer/borrower/investment.**

	<u>Issuer</u>	<u>Description of Exposure</u>	<u>Carrying Amount</u>	<u>Percentage of Total Admitted Assets</u>
2.01	Federal National Mortgage Association	Bonds	\$ 280,518	2.7%
2.02	Federal Home Loan Mortgage Corp.	Bonds	174,191	1.7%
2.03	Bank of America Corp.	Bonds	122,471	1.2%
2.04	Morgan Stanley	Bonds	91,108	0.9%
2.05	JPMorgan Chase & Co.	Bonds	89,690	0.8%
2.06	Goldman Sachs Group Inc.	Bonds, STI	78,855	0.8%
2.07	Berkshire Hathaway Inc.	Bonds	69,379	0.7%
2.08	Verizon Communications Inc.	Bonds	69,310	0.7%
2.09	Duke Energy Corp.	Bonds	66,534	0.6%
2.10	AT&T Inc.	Bonds	65,117	0.6%

**3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC rating.**

		<u>Carrying Amount</u>	<u>Percentage of Total Admitted Assets</u>
	<i>Bonds:</i>		
3.01	NAIC-1	\$ 6,251,964	59.9%
3.02	NAIC-2	2,419,909	23.2%
3.03	NAIC-3	-	0.0%
3.04	NAIC-4	-	0.0%
3.05	NAIC-5	-	0.0%
3.06	NAIC-6	-	0.0%
	<i>Preferred Stocks:</i>		
3.07	P/RP-1	-	0.0%
3.08	P/RP-2	-	0.0%
3.09	P/RP-3	-	0.0%
3.10	P/RP-4	-	0.0%
3.11	P/RP-5	-	0.0%
3.12	P/RP-6	-	0.0%

**Citizens Property Insurance Corporation**  
**Supplemental Schedule of Investment Risks Interrogatories**  
**December 31, 2024**  
**(Dollars in thousands)**

**4. Assets held in foreign investments:**

4.01 Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets?

Yes [ ] No [ X ]

		<b>Carrying Amount</b>	<b>Percentage of Total Admitted Assets</b>
4.02	Total admitted assets held in foreign investments	\$ 537,239	5.1%
4.03	Foreign currency-denominated investments	-	0.0%
4.04	Insurance liabilities denominated in that same foreign currency	-	0.0%

*If response to 4.01 above is yes, responses are not required for interrogatories 5 - 10.*

**5. Aggregate foreign investment exposure categorized by NAIC sovereign designation:**

		<b>Carrying Amount</b>	<b>Percentage of Total Admitted Assets</b>
5.01	Countries designated NAIC 1	\$ 489,729	4.7%
5.02	Countries designated NAIC 2	11,547	0.1%
5.03	Countries designated NAIC-3 or below	35,964	0.3%

**6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign designation:**

		<b>Carrying Amount</b>	<b>Percentage of Total Admitted Assets</b>
<i>Countries designated NAIC 1:</i>			
6.01	United Kingdom	\$ 147,659	1.4%
6.02	Japan	98,465	0.9%
<i>Countries designated NAIC 2:</i>			
6.03	Mexico	11,547	0.1%
6.04		-	0.0%
<i>Countries designated NAIC 3 or below:</i>			
6.05	Multi-National	35,964	0.3%
6.06		-	0.0%

**7. Aggregate unhedged foreign currency exposure:**

Not applicable.

**Citizens Property Insurance Corporation**  
**Supplemental Schedule of Investment Risks Interrogatories**  
**December 31, 2024**  
**(Dollars in thousands)**

**8. Aggregate unhedged foreign currency exposure categorized by NAIC sovereign designation:**

Not applicable.

**9. Largest unhedged foreign currency exposures by country, categorized by the country's NAIC sovereign designation:**

Not applicable.

**10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:**

	<b>Issuer</b>	<b>NAIC Designation</b>	<b>Carrying Amount</b>	<b>Percentage of Total Admitted Assets</b>
10.01	Westpac Banking Corp.	1D, 1E	\$ 28,324	0.3%
10.02	Barclays Plc	2A	28,271	0.3%
10.03	Aon Plc	2A	28,207	0.3%
10.04	ING Groep NV	1G	28,151	0.3%
10.05	Mitsubishi UFJ Financial Group Inc.	1G	27,807	0.3%
10.06	HSBC Holdings Plc	1G	27,513	0.3%
10.07	Sumitomo Mitsui Financial Group Inc.	1G	22,284	0.2%
10.08	Deutsche Bank AG	1F, 2A	22,045	0.2%
10.09	Takeda Pharmaceutical Co Ltd.	2A	19,464	0.2%
10.10	Nomura Holdings Inc.	2A	19,325	0.2%

**11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure:**

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets?  
Yes [X] No [ ]

*If response to 11.01 is yes, detail is not required for the remainder of Interrogatory 11.*

	<b>Carrying Amount</b>	<b>Percentage of Total Admitted Assets</b>
11.02 Total admitted assets held in Canadian investments	-	0.0%
11.03 Canadian-currency-denominated investments	-	0.0%
11.04 Canadian-denominated insurance liabilities	-	0.0%
11.05 Unhedged Canadian Currency exposures	-	0.0%

**12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions:**

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets?

**Citizens Property Insurance Corporation**  
**Supplemental Schedule of Investment Risks Interrogatories**  
**December 31, 2024**  
**(Dollars in thousands)**

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Yes [ X ] No [ ]

*If response to 12.01 is yes, detail is not required for the remainder of Interrogatory 12.*

**13. Amounts and percentages of admitted assets held in the ten largest equity interests:**

13.01 Are assets held in equity interests less than 2.5% of the reporting entity's total admitted assets?

Yes [ X ] No [ ]

*If response to 13.01 is yes, detail is not required for the remainder of Interrogatory 13.*

**14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated privately placed equities:**

14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets?

Yes [ X ] No [ ]

*If response to 14.01 above is yes, responses are not required for the remainder of Interrogatory 14.*

**15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:**

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets?

Yes [ X ] No [ ]

*If response to 15.01 above is yes, responses are not required for the remainder of Interrogatory 15.*

**16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:**

16.01 Are mortgage loans reported in Schedule B less 2.5% of the reporting entity's total admitted assets?

Yes [ X ] No [ ]

*If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.*

**17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:**

Not applicable.

**18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in real estate:**

18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets?

Yes [ X ] No [ ]

*If response to 18.01 above is yes, responses are not required for the remainder of Interrogatory 18.*

**Citizens Property Insurance Corporation**  
**Supplemental Schedule of Investment Risks Interrogatories**  
**December 31, 2024**  
**(Dollars in thousands)**

**19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in mezzanine real estate loans.**

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's admitted assets?

Yes [ X ] No [ ]

*If response to 19.01 above is yes, responses are not required for the remainder of Interrogatory 19.*

**20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:**

			<b>At End of Each Quarter</b>		
<b>At Year End</b>			<b>1<sup>st</sup> Qtr.</b>	<b>2<sup>nd</sup> Qtr.</b>	<b>3<sup>rd</sup> Qtr.</b>
20.01	Securities lending agreements (do not include assets held as collateral for such transactions)	\$ - 0.0%	\$ -	\$ -	\$ -
20.02	Repurchase agreements	- 0.0%	-	-	-
20.03	Reverse repurchase agreements	- 0.0%	-	-	-
20.04	Dollar repurchase agreements	- 0.0%	-	-	-
20.05	Dollar reverse repurchase agreements	- 0.0%	-	-	-

**21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps, and floors:**

			<b>Owned</b>	<b>Written</b>
21.01	Hedging	\$ - 0.0%	\$ -	0.0%
21.02	Income generation	- 0.0%	-	0.0%
21.03	Other	- 0.0%	-	0.0%

**22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:**

			<b>At End of Each Quarter</b>		
<b>At Year End</b>			<b>1<sup>st</sup> Qtr.</b>	<b>2<sup>nd</sup> Qtr.</b>	<b>3<sup>rd</sup> Qtr.</b>
22.01	Hedging	\$ - 0.0%	\$ -	\$ -	\$ -
22.02	Income generation	- 0.0%	-	-	-
22.03	Replications	- 0.0%	-	-	-
22.04	Other	- 0.0%	-	-	-

**Citizens Property Insurance Corporation**  
**Supplemental Schedule of Investment Risks Interrogatories**  
**December 31, 2024**  
(Dollars in thousands)

**23. Amounts and percentages of the reporting entity's total admitted assets of potential for future contracts:**

			<b>At End of Each Quarter</b>		
<b>At Year End</b>			<b>1<sup>st</sup> Qtr.</b>	<b>2<sup>nd</sup> Qtr.</b>	<b>3<sup>rd</sup> Qtr.</b>
23.01	Hedging	\$ - 0.0%	\$ -	\$ -	\$ -
23.02	Income generation	- 0.0%	-	-	-
23.03	Replications	- 0.0%	-	-	-
23.04	Other	- 0.0%	-	-	-