

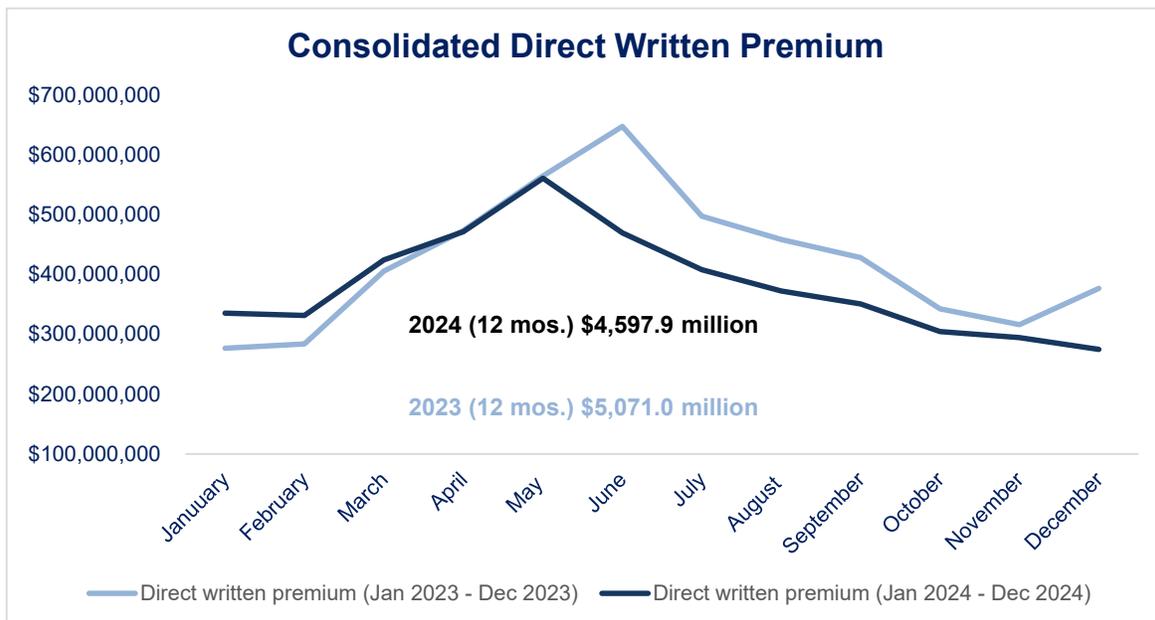
The following is an analysis of Citizens’ financial and operating results for the year ending December 31, 2024.

- PREMIUMS -

Direct written premium for the year ending December 31, 2024, was \$4,597.9 million or \$473.1 million (9%) less than direct written premium for the year prior. The overall renewal rate in 2024 was approximately 83%, marking a 2% decrease from the same period a year prior. The number of first-time policies written decreased to 367,000 in comparison to 552,000 during the same period a year prior. Premiums ceded through depopulation in 2024 were \$1.02 billion, marking a significant increase in comparison to 2023 where \$588.3 million of premiums were ceded through depopulation.

	12-months ended	
	Dec 2024	Dec 2023
New Business	366,975	551,848
Untagged Takeouts	252	290
Reinstatements	19,823	29,101
Cancellations	(111,245)	(137,660)
Non-Renewals	(92,451)	(86,599)
New Tags for Takeout	(475,890)	(274,071)
Net change	(292,536)	82,909
Ending PIF	936,182	1,228,718

Direct earned premium increased \$735.1 million (17%) consistent with the timing of when the underlying premiums were written.



Premium ceded for private reinsurance and for coverage through the FHCF totaled \$860.3 in 2024, reflecting a decrease of \$314.7 million (27%) in comparison to 2023. A decrease in reinsured exposure was the primary driver of the year-over-year decrease in premium ceded.

- LOSSES -

	Non-CAT Only			CAT and Non-CAT		
	CY 2024	CY 2023	CY 2022	CY 2024	CY 2023	CY 2022
Direct loss ratio	20.7%	26.6%	29.9%	66.3%	33.4%	160.5%
Direct loss ratio (underlying)	12.2%	26.2%	29.7%	73.3%	27.8%	155.0%
Direct LAE ratio	9.4%	13.2%	14.5%	20.9%	11.4%	45.4%
Direct LAE ratio (underlying)	5.3%	12.3%	15.1%	21.8%	12.8%	41.2%

The term *underlying* refers to losses and LAE on claims incurred in the current accident year and excludes development on prior accident years

At December 31, 2024, there are eight named storms that have significant loss and LAE reserves outstanding. From prior accident years, there remain outstanding liabilities for Irma (2017), Eta (2020), Ian (2022), Nicole (2022), and Idalia (2023), and Debby, Helene and Milton for 2024.

Hurricane Milton, which made landfall October 10, 2024, has projected ultimate direct losses and LAE of \$2,073.1 million as of December 31, 2024. No reinsurance recoveries have been recorded due to loss levels not meeting the retention of Citizens' reinsurance contracts.

Hurricane Helene, which made landfall on September 26, 2024, has projected ultimate direct losses and LAE of \$313.5 million as of December 31, 2024. This reflects a reduction of \$113.1 million from the initial ultimate projection of \$426.6 million as of September 30, 2024. No reinsurance recoveries have been recorded due to loss levels not meeting the retention of Citizens' reinsurance contracts.

Hurricane Debby, which made landfall on August 5, 2024, has projected ultimate direct losses and LAE of \$76.5 million as of December 31, 2024. This reflects an increase of \$8.6 million from the ultimate projection of \$67.9 million as of September 30, 2024. No reinsurance recoveries have been recorded due to loss levels not meeting the retention of Citizens' reinsurance contracts.

Hurricane Idalia, which made landfall on August 30, 2023, has projected ultimate direct losses and LAE of \$97.1 million as of December 31, 2024. This reflects an increase of \$13.6 million from the ultimate projection of \$83.5 million as of December 31, 2023. No reinsurance recoveries have been recorded due to loss levels not meeting the retention of Citizens' reinsurance contracts.

Hurricane Ian, which made landfall on September 28, 2022, has projected ultimate direct losses and LAE of \$3,421.0 million as of December 31, 2024. This reflects a decrease of \$175.0 million from the ultimate projection of \$3,596.0 million as of December 31, 2023. Of the \$3,421.0 million of direct losses and LAE, \$925.6 million is recoverable under Citizens' reinsurance contracts, resulting in net losses and LAE of \$2,495.4 million.

Hurricane Nicole, which made landfall on November 10, 2022, has projected ultimate direct losses and LAE of \$106.5 million as of December 31, 2024. This reflects an increase of \$6.1 million from the ultimate projection of \$100.5 million as of December 31, 2023. Of the \$106.5 million of direct losses and LAE, \$4.6 million is recoverable under Citizens' reinsurance contracts, resulting in net losses and LAE of \$101.9 million.

Tropical Storm Eta, which made landfall November 12, 2020, has projected ultimate direct losses and LAE of \$347.5 million as of December 31, 2024. This reflects a decrease of \$3.8 million from the ultimate projection of \$351.3 million as of December 31, 2023. No reinsurance recoveries have been recorded due to loss levels not meeting the retention of Citizens' reinsurance contracts.

Hurricane Irma, which made landfall on September 10, 2017, has projected ultimate direct losses and LAE of \$2,561.5 million as of December 31, 2024. This reflects an increase of \$11.0 million from the ultimate projection of \$2,550.5 million as of December 31, 2023. Of the \$2,561.5 million of direct losses and LAE, \$1,118.0 million is recoverable under Citizens' reinsurance contracts, resulting in net losses and LAE of \$1,443.5 million.

Continuing the trend from the past few years, the non-catastrophe loss and LAE ratio continue to show improvement. The reported 2024 calendar year loss and LAE ratio improved to 30.1%, a decrease of 9.6% percentage points as compared to the 2023 calendar year loss and LAE ratio. Of this 9.6% improvement, roughly half is due to favorable development in prior accident years and half is due to an improvement in the underlying/current 2024 accident year. A primary contributor to the improvement in these results is due to a lower litigation rate.

Administrative expenses reclassified to LAE are assigned to prior accident years based on the number of claims closed for the current and each prior accident year. Accordingly, fluctuations in the number of claims closed and the fraction of claims closed for each accident year can lead to adverse or favorable development of LAE in prior accident years

- ADMINISTRATIVE EXPENSES -

Administrative expenses incurred through December 31, 2024, of \$176.4 million were \$12.6 million (8%) more than administrative expenses incurred during the same period in 2023 and \$29.0 million (14%) less than budget.

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

- *Employee expenses (Salaries, Employee Benefits and Payroll Taxes)* were \$11.6 million (6%) more than the prior year as a result of an increase in employee counts, primarily within operational units. In comparison to budget, *employee expenses* were \$14.5 million (7%) below budget as a result of delays in filling positions as well as a reduction in the number of positions needed relative to budget.
- *Contingent Staffing* expenses were \$64.8 million (37%) less than the prior year and \$7.5 million (6%) less than budget. In August 2024, pursuant to a new contract for adjusting services, adjusting services are expensed through Citizens' claims system and are no longer captured within the Contingent Staffing line item. Reductions in contingent staffing usage outside of claims' adjusting functions also contributed to the favorable variance.
- *Training Expenses* were \$0.6 million, or 53.6%, less than budget and \$0.1, or 19.3% less than prior year spend, due to a reduction in the level of off-site trainings and related travel expenses.
- *Professional Services* expenses were \$6.9 million (63%) more than the prior year as a result of increased project-related initiatives as well as an increase in outsourcing of certain functions, and \$7.6 million (30%) less than budget due to delays in several large-scale projects
- *Software Maintenance and Licensing* expenses were \$3.6 million (16%) more than the prior year due to planned price escalations of certain software services, and \$9.9 million (27%) less than budget as a result of delays in several large-scale projects.

For the period ended December 31, 2024, Citizens' expense ratio was 14.5%, reflecting a 0.7% increase from the same period a year prior and a 0.6% increase compared to budget.

- INVESTMENT INCOME -



	Externally-Managed Portfolios (Dec 2024)	
	Taxable Liquidity	Taxable Claims
Total market value (\$ in billions)	\$2.413	\$5.802
Duration	0.9	3.7
Avg. credit rating (S&P / Moody's / Fitch)	AA / Aa2 / AA	A+ / A1 / A+

	12-months ended (\$ millions)	
	Dec 2024	Dec 2023
Earned income	\$ 368.8	\$ 304.8
Net realized gains (losses)	(3.7)	(11.3)
Total income	\$ 365.1	\$ 293.5
Average invested assets	\$ 10,567.6	\$ 9,924.2

Total investment income for the year ended December 31, 2024 was \$365.1 million, or \$71.6 million (24%) more than in 2023, and average invested assets increased \$643.4 million (6%). Net realized losses in 2024 were minimal and were the result of active decisions by Citizens to reduce or eliminate holdings in underperforming investments. Realized losses should continue to be minimal as portfolio managers have been instructed to suspend sales unless directed to by Citizens. Increases in investment income, excluding the effect of realized gain and loss activity, resulted from an overall relative increase in interest rates in 2023 that remained elevated in 2024, an increase in invested assets, and the subsequent investment of net premium inflows. Additionally, an increase in holdings in Treasury bills to meet hurricane claims payment obligations also contributed to the period-over-period increase in investment income.

- CASH FLOWS -

Cash flows provided by operations were \$199.4 million for the year ending December 31, 2024, reflecting a decrease of \$943.2 million (83%) in comparison to the prior year. Net premiums collected were \$2,629.2 million or \$928.1 million (26%) less than in 2023, consistent with overall decreases in direct premiums written and increases in premiums ceded through depopulation. Net increase in benefits and loss related payments were largely the result of loss and LAE payments for storm-related losses in current and prior years, partially offset by reinsurance recoveries on loss and LAE. Decreases in underwriting expenses paid of \$12.9 million (2%) were driven by overall decreases in premiums written, partially offset by an increase in additional requirements related to underwriting inspections.

	Consolidated - 12 months ended	
	Dec 2024	Dec 2023
Premiums collected, net	\$ 2,629,183,378	\$ 3,557,272,906
Net investment income	373,221,762	298,911,582
Miscellaneous income collected	6,729,178	4,211,485
Benefits and loss related payments	(1,555,408,238)	(1,468,719,711)
Loss adjustment expense payments	(558,308,632)	(540,120,654)
Underwriting expenses paid	(695,975,031)	(708,879,507)
Net cash flows provided by operations	\$ 199,442,417	\$ 1,142,676,101