

Board of Governors Meeting

President's Report

Tim Cerio – President/CEO and
Executive Director

June 25, 2025



Catastrophe Response Key Phases

1. **Preparedness Phase:** Post-event evaluations are conducted, and plans are refined for the upcoming season.
2. **Monitor Phase:** Activated when the National Hurricane Center identifies a weather system. If there is no threat to Florida, no action is taken.
3. **Activation Phase:** Triggered when a storm watch or warning is issued for Florida, initiating daily coordination calls and alerts to independent adjusting firms.
4. **Landfall Phase:** Following the storm's impact, resources are deployed, and claims handling begins.
5. **Recovery Phase:** Divided into three subphases:
 - *First Response (first 30 days):* Deployment of Catastrophe Response Centers (CRCs) while most staff return to regular duties.
 - *Sustained Response (1–6 months):* Core period for claims investigation and resolution.
 - *Closing Response (6+ months – 2 years):* Handling late and reopened claims with a smaller team.

2025 Catastrophe Preparation Highlights

Investments made in advanced tools to support CAT operations this year:

- GIS mapping tool for visualizing storm paths and estimating impact.
- Power BI-based resource calculator that forecasts volume and staffing needs based on storm modeling data.
- Power BI Catastrophe dashboards that provide real-time metrics on claims and operations. Scorecard tracks daily response performance.
- Satellite-connected vehicles that function as remote offices and data hubs in storm-affected areas, ensuring adjusters maintain internet connectivity and can transmit claims information despite infrastructure disruptions.

Communications and Consumer Outreach

Catastrophe Response Centers (CRCs) function during disaster events and are staffed by trained employee volunteers who assist with policy coverage verification, First Notice of Loss (FNOL) filings, and disbursement of Additional Living Expenses.

- 146 volunteers signed up for potential deployment.

FNOL Call Centers: Partnerships with multiple vendors to run a dedicated FNOL Call Center.

- 16 vendors on contract with capacity to service 50K calls per day.

Citizens' Progress

	Data as of June 28, 2024	Data as of June 20, 2025	Percent Change
Policies Inforce	1,211,914	777,592	(36%)
Total Exposure	\$520,145,484,983	\$295,053,469,907	(43%)
Total Premium	\$4,224,085,700	\$2,478,142,870	(41%)

Industry Rate Filings Good News

There are approximately 120 personal residential companies writing policies in FL.

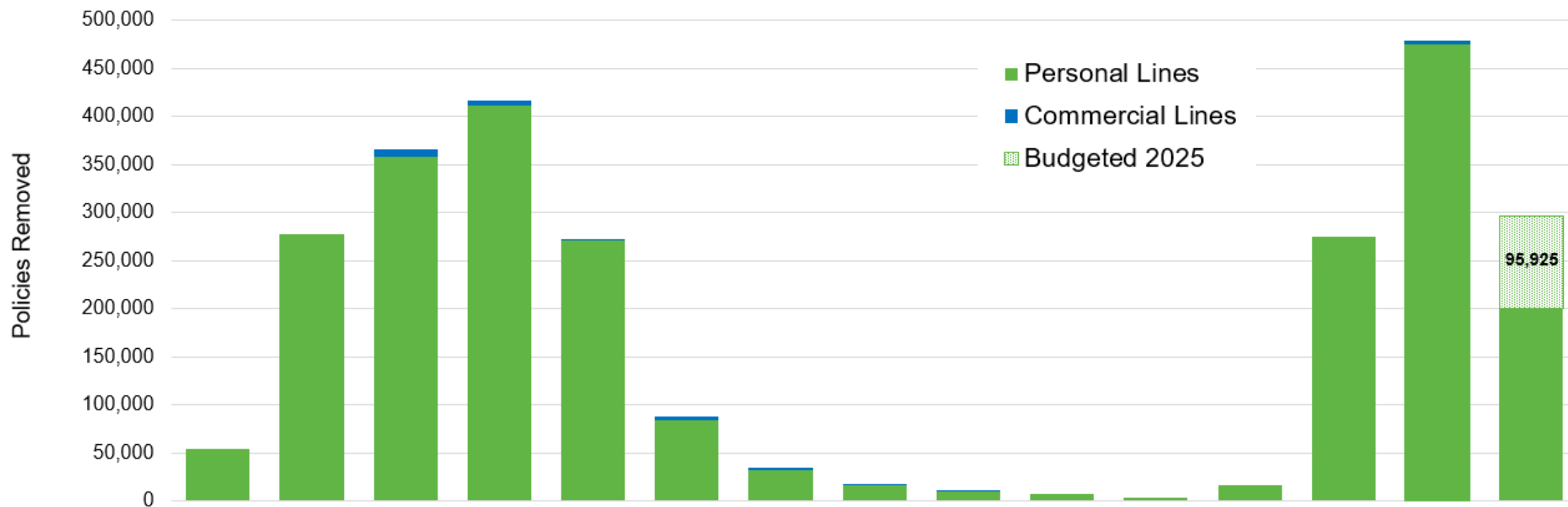
Policies Effective In or After	Requested Rate Decrease			Requested 0% Rate Change		
	Residential Rate Filings	Companies	Total % of Policies Represented	Residential Rate Filings	Companies	Total % of Policies Represented
1/1/2024	52	27	54%	74	41	55%
*1/1/2025	31	21	27%	27	21	15%

*Data as of 6/14/2025

Among the top 10 national carriers in Florida, 6 have expanded their book of business and 4 filed rate decreases.

Decreasing Citizens Policies – Depopulation

Historical and Projected Depopulation



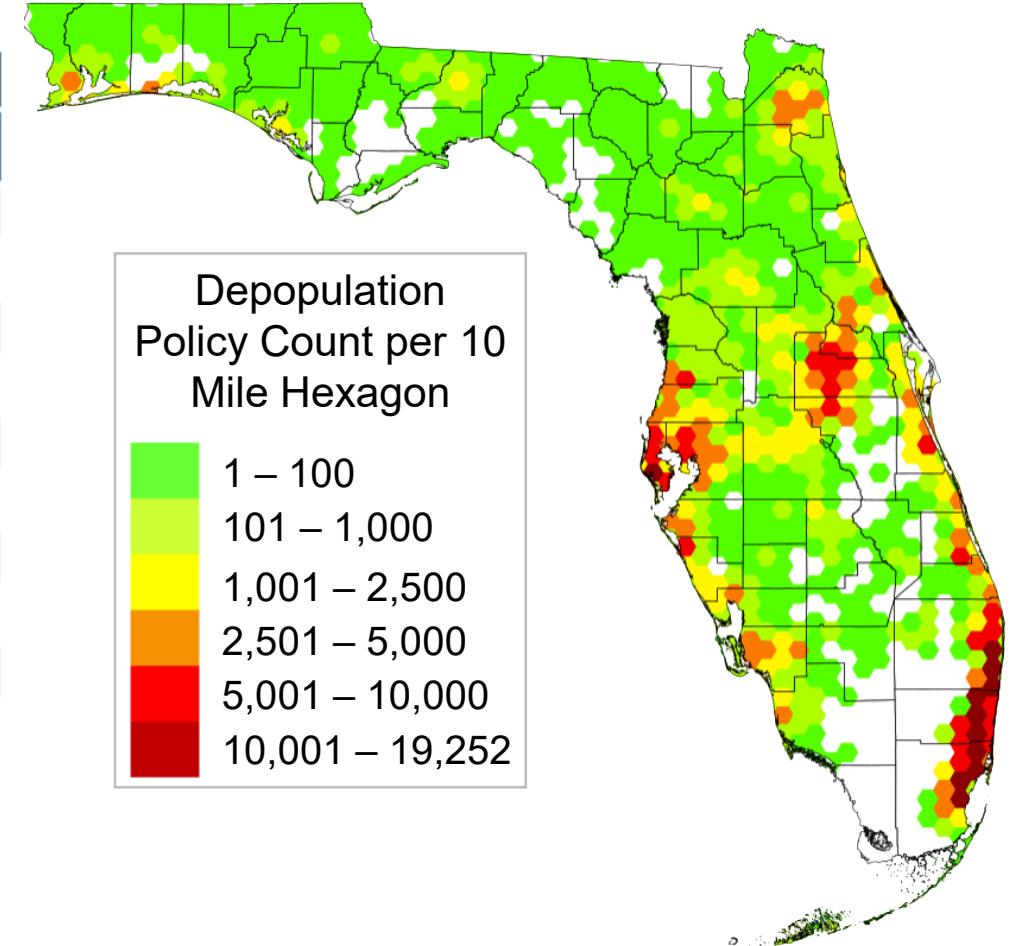
Notes:

- 1) 2025 policy counts and exposure removed are as of June 2025.
- 2) Depopulation does not reflect opt outs after the date of assumption.

Statewide Depopulation Activity

Depopulation Policy Activity in 2024 and 2025

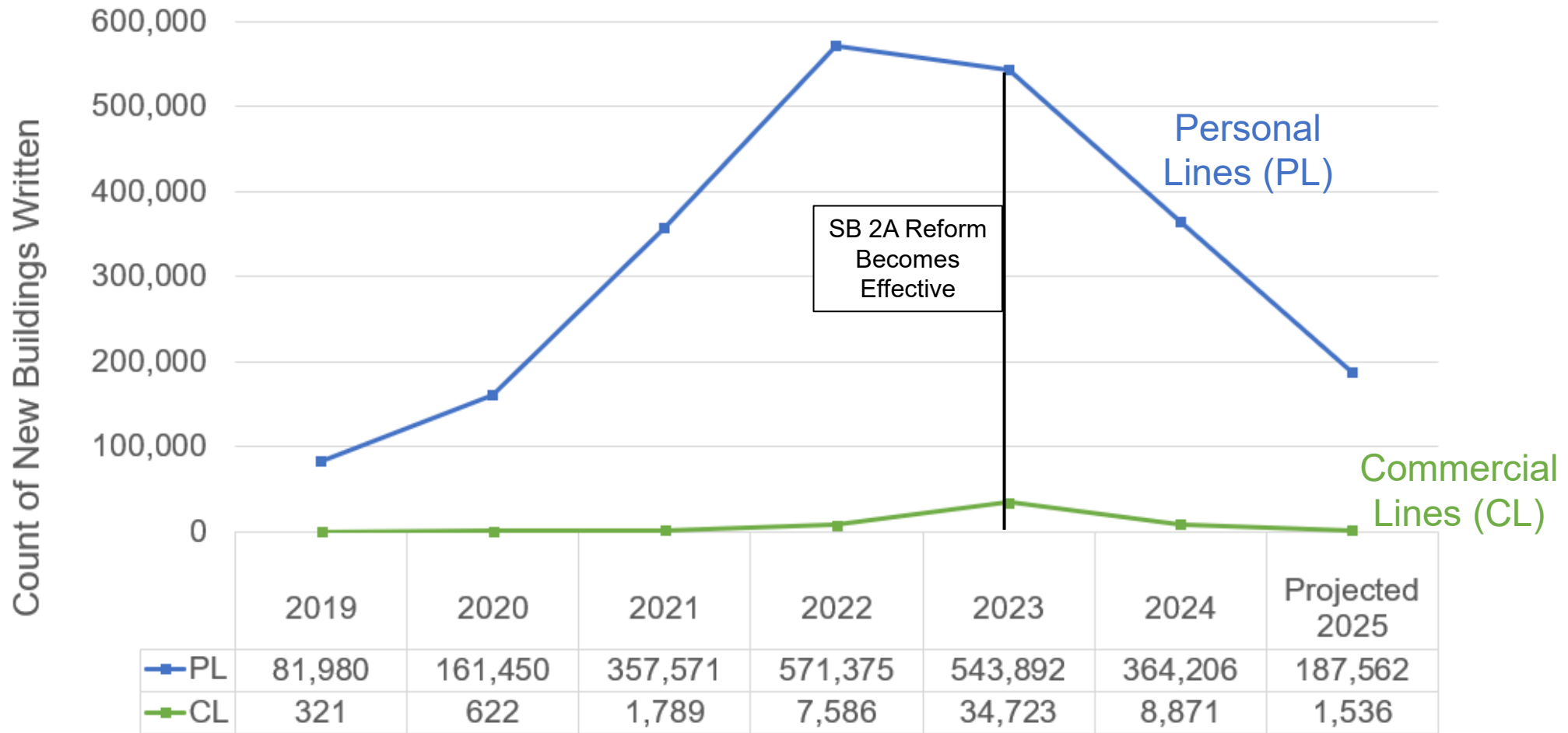
Assumption Date	# OIR Approved	Choice Letters Mailed	# Assumed
2024	1,307,949	711,090	475,697
2024 (CL)	5,800	3,129	2,124
1/21/2025 (CL)	3,800	320	170
2/18/2025	342,918	143,814	102,083
3/18/2025 (CL)	250	56	24
3/25/2025	160,440	47,334	14,980
4/15/2025	238,462	49,812	38,406
5/21/2025 (CL)	100	116	45
6/17/2025	135,540	60,382	44,391
8/19/2025	16,250	TBD	TBD
Total	2,211,509	1,016,053	677,920



Notes:

- 1) Policyholder Choice Letters Mailed indicates the number of depopulation letters mailed, one per policy. Multiple offers may be contained in a single mailing.
- 2) Number assumed refers to policies assumed on date of assumption.
- 3) The hexagon map shows all personal lines (PL) and commercial lines (CL) policies assumed through June 2025.

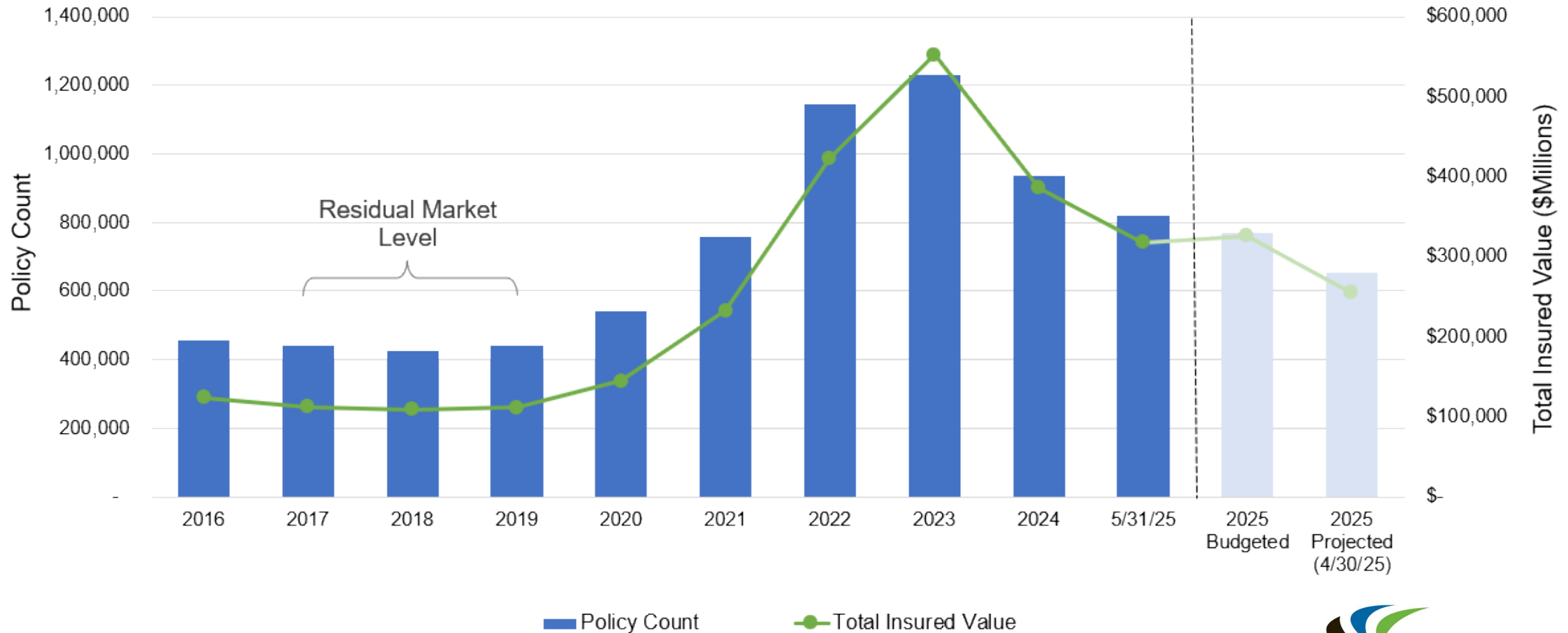
Citizens' Reduced New Business



Notes:

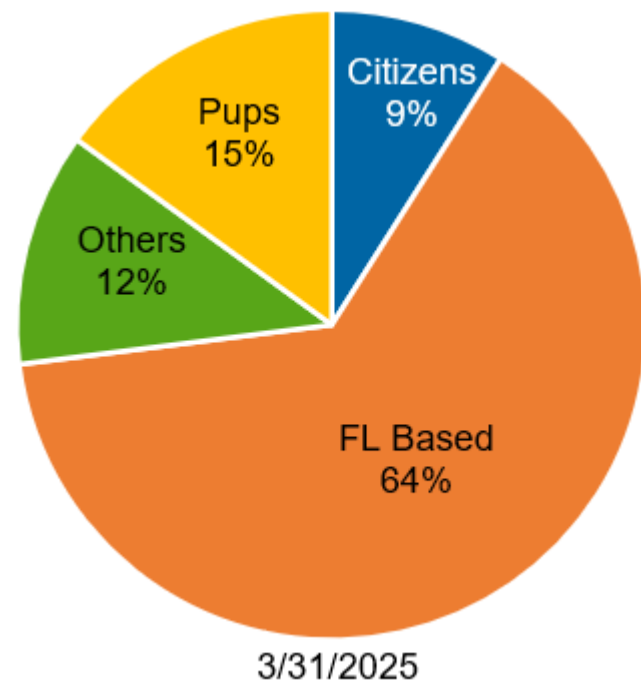
1. Projected 2025 is based on data as of 5/31/2025.
2. Personal lines includes policies from insolvent carriers.
3. Includes policies with wind coverage; 3.0% of new policies exclude wind coverage over the past year.

Policy Count and Total Insured Value



Historical Residential Property Insurance Market

Entity	4 th Quarter 2019	4 th Quarter 2020	4 th Quarter 2021	4 th Quarter 2022	4 th Quarter 2023	4 th Quarter 2024	1 st Quarter 2025
Citizens	4%	5%	8%	14%	15%	10%	9%
FL Based	72%	73%	68%	55%	55%	62%	64%
Pups	10%	9%	9%	15%	15%	15%	15%
Others	14%	13%	15%	16%	15%	13%	12%



Pups: FL only subsidiaries of major national writers

FL Based: FL domiciled companies where the majority only write in FL

Others: Predominately national writers

Notes:

1) Includes admitted insurers only

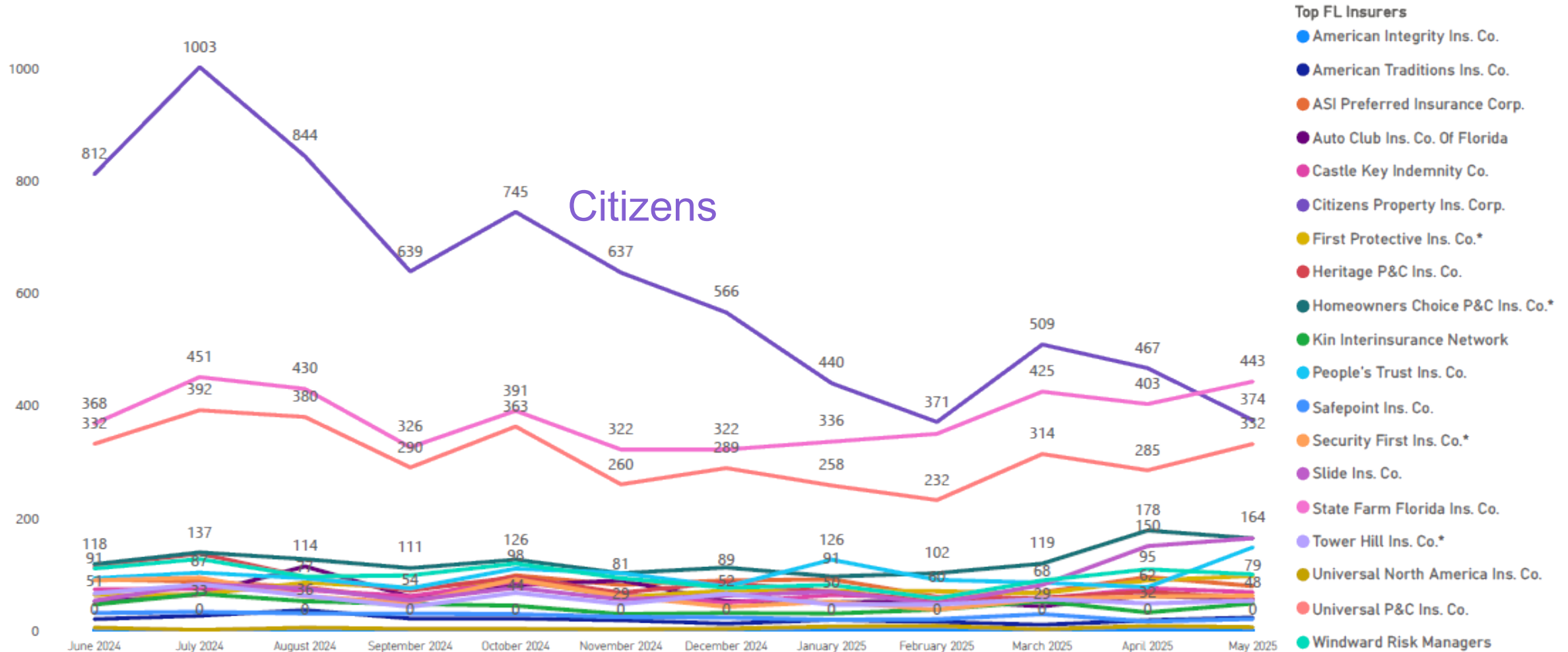
2) Based on insured value for policies with wind coverage

3) Percentages may not add up to 100% due to rounding

4) Source: *Quarterly and Supplemental Reporting System Reports*. FL Office of Insurance Regulation



Top Florida Property Insurers Lawsuit Trends



Notes:

1. Source: Monthly Florida Insurance Litigation Trend Report provided by CaseGlide.
2. Data is calendar year basis and includes hurricane litigation.

Citizens' Decreasing Litigation

Personal Lines Non-Catastrophe	
Accident Year	Projected Final Litigation Rate
2018	18.6%
2019	17.1%
2020	17.9%
2021	16.9%
2022	15.0%
2023	10.4%
2024	10.6%

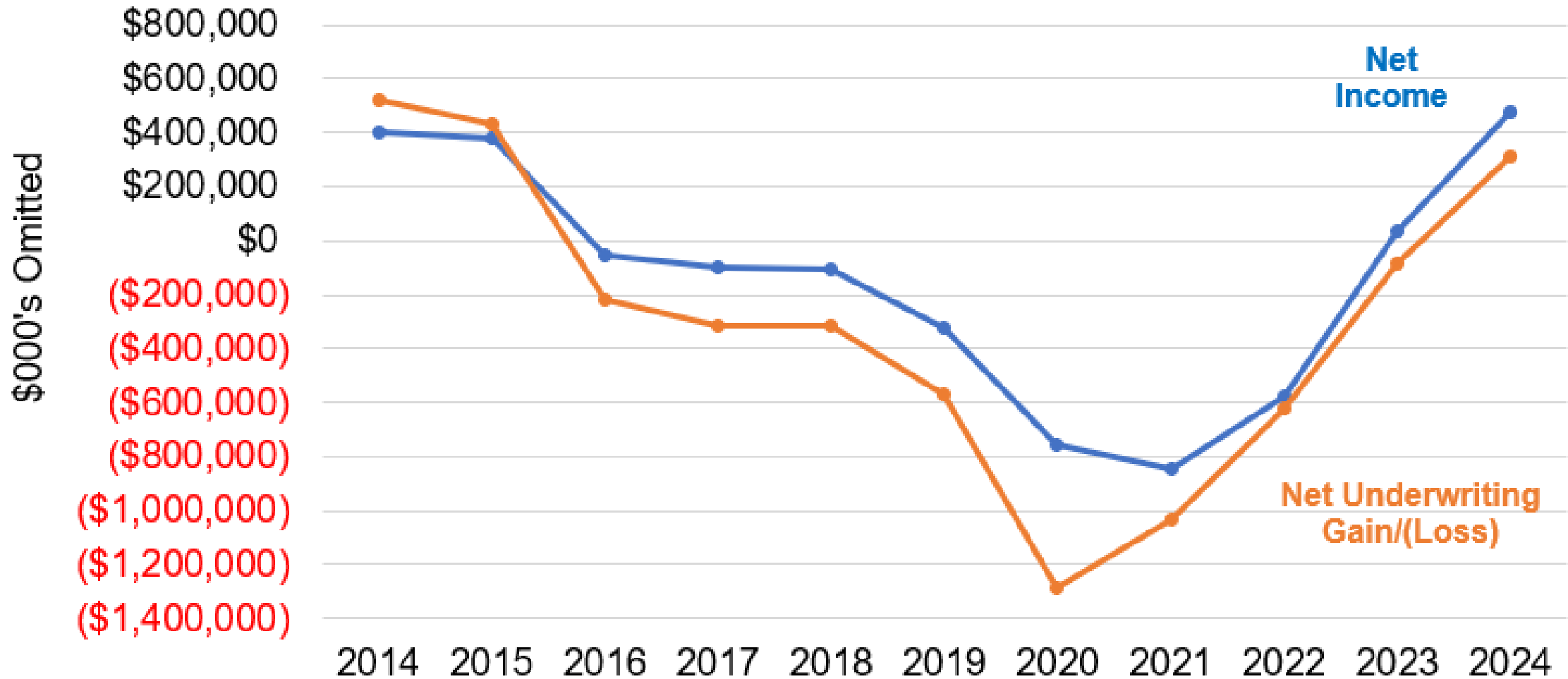
Calendar Year	Pending Litigation Suit Count
2022	20,958
2023	18,590
2024	16,624
June 2025	12,622

DOAH Results

Closed DOAH matters (post 7/3/2024) result in significantly less legal spend and close significantly faster.

	Closed Matter Count	Average Legal Spend	Average Number of Days
DOAH	664	\$8,384	85
State Court	8,772	\$20,537	621

Positive Financial Results for Selected Florida Insurers



Data excludes Citizens, national carriers and Pups.