

SUMMARY OF FINANCIAL POSITION AND OPERATIONS

(\$000s omitted)

	CITIZENS				
	March 2025	March 2024	Budget 2025	YOY Var	Budget Var
<u>Operations:</u>					
Direct written premium	\$ 690,012	\$ 1,091,194	\$ 917,325	\$ (401,182)	\$ (227,313)
Ceded written premium:					
Depopulation	(241,784)	(259,500)	(230,143)	17,716	(11,641)
FHCF	-	-	-	-	-
Private reinsurance	-	-	-	-	-
Net earned premium	755,012	1,007,956	785,669	(252,944)	(30,657)
Net losses incurred	175,560	241,518	220,776	(65,958)	(45,216)
Net LAE incurred	76,627	169,240	66,151	(92,613)	10,476
Underwriting expenses	83,559	116,112	102,380	(32,553)	(18,821)
Administrative expenses	48,762	52,153	56,374	(3,391)	(7,612)
Net investment income	93,026	81,796	72,928	11,230	20,098
Net income (loss)	\$ 465,204	\$ 512,964	\$ 414,059	\$ (47,760)	\$ 51,145
<u>Assets, Liabilities and Surplus:</u>					
Cash and invested assets	\$ 9,831,103	\$ 10,042,880	(1)	\$ (211,777)	
Net loss reserves	2,510,294	2,722,285	(1)	(211,992)	
Net LAE reserves	1,147,589	1,220,672	(1)	(73,083)	
Net unearned premium	1,357,742	1,664,526	(1)	(306,785)	
Bonds and interest payable	-	-	(1)	-	
Surplus	\$ 4,644,860	\$ 4,183,357	(1)	\$ 461,503	
<u>Policy Metrics:</u>					
Policies inforce	841,470	1,168,919	829,844	(327,449)	11,626
Policies serviced	1,226,478	1,498,159	1,235,100	(271,681)	(8,622)
<u>Cash flows:</u>					
Cashflow from operations	\$ (232,324)	\$ 223,457		\$ (455,781)	
Cashflow from investing	294,504	(54,049)		348,553	
Cashflow from financing	(2,313)	(9,226)		6,913	
<u>Operating metrics:</u>					
Direct loss ratio	23.3%	23.9%	23.3%	-0.6%	0.0%
Direct LAE ratio	10.2%	16.0%	11.7%	-5.9%	-1.6%
Underwriting expense ratio	12.1%	10.6%	11.2%	1.5%	0.9%
Administrative expense ratio	7.1%	4.8%	6.1%	2.3%	0.9%
Expense ratio	19.2%	15.4%	17.3%	3.8%	1.9%

(1) - Balance Sheet information is presented as of December 31, 2024

CITIZENS

Three months ended

STATEMENTS OF OPERATIONS

Revenue:

Direct premiums written	\$ 690,011,664	\$ 1,091,194,115
Change in direct unearned premium	386,402,375	182,556,366
Direct earned premium	1,076,414,039	1,273,750,481
Ceded premiums written - Depopulation	(241,784,224)	(259,500,439)
Ceded premiums written - FHCF	-	-
Ceded premiums written - Private reinsurance	-	-
Change in ceded unearned premium	(79,617,635)	(6,294,290)
Ceded earned premium	(321,401,858)	(265,794,729)

Net earned premium

\$ 755,012,181 \$ 1,007,955,752

Losses and Loss Adjustment Expenses:

Losses

Direct losses paid	\$ (413,542,513)	\$ (305,680,006)
Change in direct case loss reserves	(67,332,606)	24,812,896
Change in direct IBNR loss reserves	305,109,672	39,806,152
Ceded losses incurred	205,908	(457,053)
Losses incurred	(175,559,539)	(241,518,011)

Loss adjustment expenses

Direct D&CC paid	(70,014,240)	(45,923,497)
Direct A&O paid	(82,373,112)	(71,640,142)
Change in direct case LAE reserves	17,087,773	4,959,667
Change in direct IBNR LAE reserves	58,649,184	(48,968,751)
Ceded LAE incurred	22,996	(7,667,573)
LAE incurred	(76,627,400)	(169,240,296)

Net losses and LAE incurred

\$ (252,186,939) \$ (410,758,307)

Underwriting and Administrative Expenses:

Producer commissions	(52,415,038)	(86,581,783)
Insurance premium deduction - legislative	(12,568,694)	-
Taxes and fees	(8,099,905)	(16,077,924)
Other underwriting expenses	(10,475,040)	(13,451,905)
All other administrative expenses	(48,762,392)	(52,153,469)
Underwriting and administrative expenses	(132,321,069)	(168,265,081)

Underwriting gain

\$ 370,504,172 \$ 428,932,364

Net Investment Income:

Net interest income

Investment income earned	94,893,194	82,339,731
Interest expense	-	(625,000)
Net investment income	94,893,194	81,714,731

Realized capital gains (losses) (1,867,316) 81,302

Net investment income

\$ 93,025,878 \$ 81,796,033

Other income

1,673,960 2,235,431

Net income

\$ 465,204,010 \$ 512,963,828

ADMINISTRATIVE EXPENSES

Three months ended

	March 31, 2025	March 31, 2024	2025 Budget
Salaries	\$ 34,106,380	\$ 34,375,877	\$ 34,441,696
Employee Benefits	22,590,583	21,349,088	26,045,886
Payroll Taxes	2,665,433	2,627,668	3,096,482
Contingent Staffing	21,023,245	22,577,750	25,962,685
Subscriptions and Dues	544,810	587,674	837,111
Bank Charges	94,656	74,142	150,000
FMAP Funding	(41,461)	(50,487)	(55,664)
Insurance	362,533	304,095	283,188
Legal	292,413	131,321	299,250
Operations And Maintenance	428,630	487,785	1,116,891
Operating Supplies	34,774	19,739	67,515
Computer Hardware	199,767	234,480	166,582
Postage	194,860	174,757	185,104
Printing	5,883	10,489	50,194
Producer Fees Collected	(355,992)	(302,468)	(316,923)
Professional Services	2,171,497	3,565,971	4,265,986
Recruiting	42,609	28,395	127,497
Rent	1,414,729	1,471,084	1,964,763
Software Maintenance and Licensing	7,083,157	6,638,972	7,121,237
Telecommunications	1,085,263	600,760	699,935
Training	153,157	144,767	289,757
Travel	273,580	294,735	430,791
Depreciation	107,520	86,195	61,925
ULAE Expense	(45,715,634)	(43,279,319)	(50,917,869)
Total Administrative Expense	\$ 48,762,392	\$ 52,153,470	\$ 56,374,019