

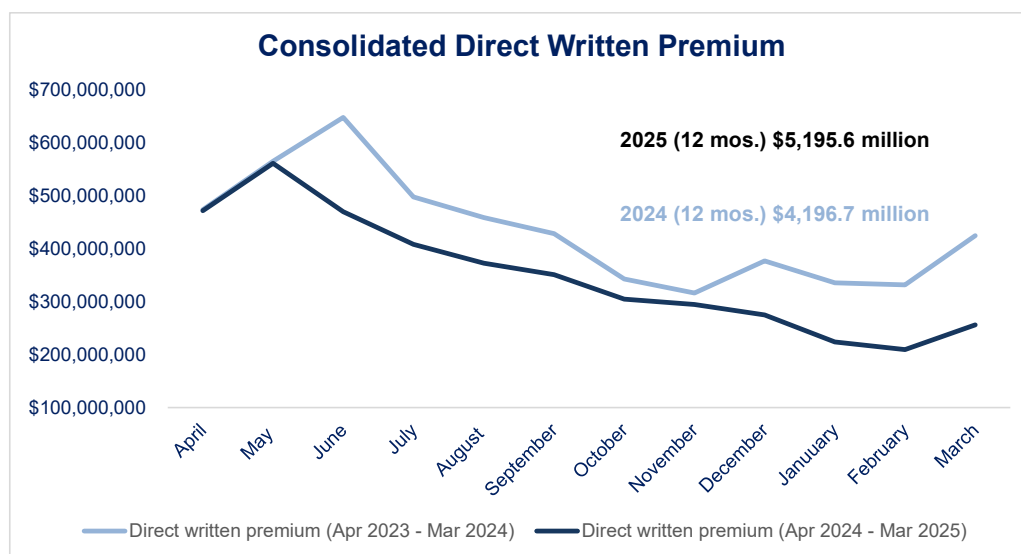
The following is an analysis of Citizens' financial and operating results for the period ending March 31, 2025.

- PREMIUMS -

Direct written premium for the period ending March 31, 2025, was \$690.0 million or \$401.2 million (37%) less than direct written premium for the same period a year prior. The overall renewal rate in 2025 was approximately 85%, marking a 2% increase from the same period a year prior. The number of first-time policies written decreased to 55,000 in comparison to 102,000 during the same period a year prior. Premiums ceded through depopulation in the first quarter of 2025 were \$241.8 million, marking a slight decline in comparison to the same period in 2024 where \$259.5 million of premiums were ceded through depopulation.

	3-months ended	
	Mar 2025	Mar 2024
New Business	54,656	101,698
Untagged Takeouts	417	86
Reinstatements	4,660	4,756
Cancellations	(21,019)	(27,581)
Non-Renewals	(16,636)	(24,709)
New Tags for Takeout	(116,790)	(114,049)
Net change	(94,712)	(59,799)
Ending PIF	841,470	1,168,919

Direct earned premium decreased \$197.4 million (15%) consistent with the timing of when the underlying policies were written.



Through the first quarters of 2025 and 2024, no premiums ceded for private reinsurance were recognized by Citizens – premiums ceded for private reinsurance are recognized at the inception of the Atlantic Hurricane Season (June 1st).

- LOSSES -

	Non-CAT Only			CAT and Non-CAT		
	Qtr1 2025	CY 2024	Qtr1 2024	Qtr1 2025	CY 2024	Qtr1 2024
Direct loss ratio	23.3%	20.7%	23.9%	23.3%	66.3%	23.9%
Direct loss ratio (underlying)	23.3%	24.0%	23.9%	23.3%	73.3%	23.9%
Direct LAE ratio	10.2%	9.4%	12.9%	10.2%	20.9%	16.0%
Direct LAE ratio (underlying)	8.5%	10.2%	10.7%	8.5%	21.8%	10.7%

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

At March 31, 2025, there are eight named storms that have significant loss and LAE reserves outstanding. There remain outstanding liabilities for Irma (2017), Eta (2020), Ian (2022), Nicole (2022), and Idalia (2023), and Debby, Helene and Milton for 2024. For each of these eight storms, there has been no changes to ultimate losses and LAE from December 31, 2024.

Hurricane Milton, which made landfall October 10, 2024, has projected ultimate direct losses and LAE of \$2,073.1 million as of March 31, 2025. 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 March 31, 2025. 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 March 31, 2025. 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 March 31, 2025. 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 March 31, 2025. 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 March 31, 2025. 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 March 31, 2025. 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 March 31, 2025. 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.

After several years of continual improvement, the underlying non-cat loss and LAE ratio has remained relatively stable through the first quarter of 2025. Litigation related to non-cat claims continues to show improvement over the last few accident years and through the first quarter of 2025.

Administrative expenses reclassified to LAE are assigned to 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 -

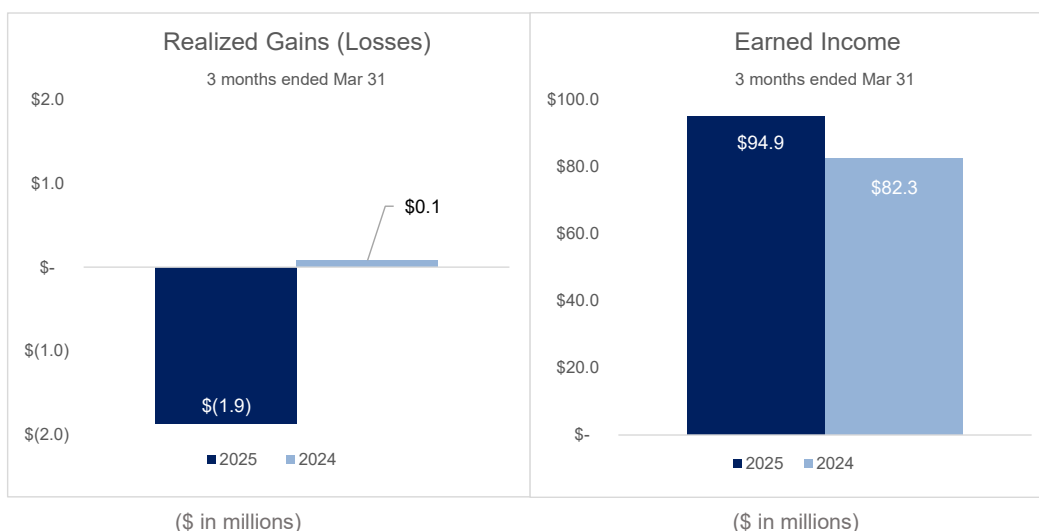
Administrative expenses incurred for the period ending March 31, 2025, of \$48.8 million were \$3.4 million (7%) less than administrative expenses incurred during the same period in 2024 and \$7.6 million (14%) less than budget.

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

- *Employee expenses (Salaries, Employee Benefits and Payroll Taxes)* were \$4.2 million (7%) less than budget than as a result of a decrease in the number of positions.
- *Legal* expenses were \$0.2 million (123%) more than in the prior period as a result of procurement-related legal expenses and costs related to the Department of Administrative Hearings (DOAH) arbitration program.
- *Operations and Maintenance* expenses were \$0.7 million (62%) less than budget as a result of delays associated with the Real Estate strategy.
- *Professional Services* expenses were \$2.1 million (49%) less than budget and \$1.4 million (39%) less than the prior period. A majority of the variance was driven by invoice timing for professional service fees and the phase completion of CitRe.
- *Rent* expenses were \$0.6 million (28%) less than budget as a result of delays associated with the Real Estate strategy.
- *Software* expenses were \$0.4 million (7%) more than budget due to reclassifications of certain expenditures as well as additional software purchases needed within operational units.

For the period ended March 31, 2025, Citizens' expense ratio was 19.2%, reflecting a 3.8% increase from the same period a year prior and a 1.9% increase compared to budget.

- INVESTMENT INCOME -



	Externally-Managed Portfolios (Mar 2025)	
	Taxable Liquidity	Taxable Claims
Total market value (\$ in billions)	\$1.968	\$5.905
Duration	0.9	3.5
Avg. credit rating (S&P / Moody's / Fitch)	AA / Aa2 / AA	A+ / A1 / A+

	12-months ended (\$ millions)	
	Mar 2025	Mar 2024
Earned income	\$ 94.9	\$ 82.3
Net realized gains (losses)	(1.9)	0.1
Total income	\$ 93.0	\$ 82.4
Average invested assets	\$ 9,959.9	\$ 10,017.5

Total investment income for the period ended March 31, 2025 was \$94.9 million, or \$12.6 million (15%) more than during the same period in 2024, while average invested assets decreased \$57.6 million (1%). Net realized losses in 2025 were incurred by dispositions of tax-exempt holdings and taken in order to reinvest proceeds into higher-yielding securities that are expected to produce higher levels of investment income, net of the realized losses. Increases in investment income, excluding the effect of realized losses, were largely driven by the reduction in tax-exempt holdings and increases in holdings of structured securities that generated higher relative income. The overall cash position consists largely of holdings in short-term investments such as Treasury bills to meet hurricane claims payment obligations.

- CASH FLOWS -

Cash flows used in operations were \$232.3 million for the period ending March 31, 2025, reflecting a decrease of \$455.8 million (204%) in comparison to the period a year prior. Net premiums collected were \$340.4 million or \$363.4 million (52%) less than the first quarter of 2024, 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 from prior years, partially offset by reinsurance recoveries on loss and LAE. Decreases in underwriting expenses paid of \$34.5 million (23%) were driven by overall decreases in premiums written.

	Consolidated - 3 months ended	
	Mar 2025	Mar 2024
Premiums collected, net	\$ 340,410,546	\$ 703,775,363
Net investment income	101,911,117	88,419,671
Miscellaneous income collected	2,099,791	1,947,714
Benefits and loss related payments	(410,304,125)	(304,500,733)
Loss adjustment expense payments	(149,710,601)	(114,956,767)
Underwriting expenses paid	(116,731,122)	(151,228,606)
Net cash flows (used in) provided by operations	<u>\$ (232,324,394)</u>	<u>\$ 223,456,643</u>