

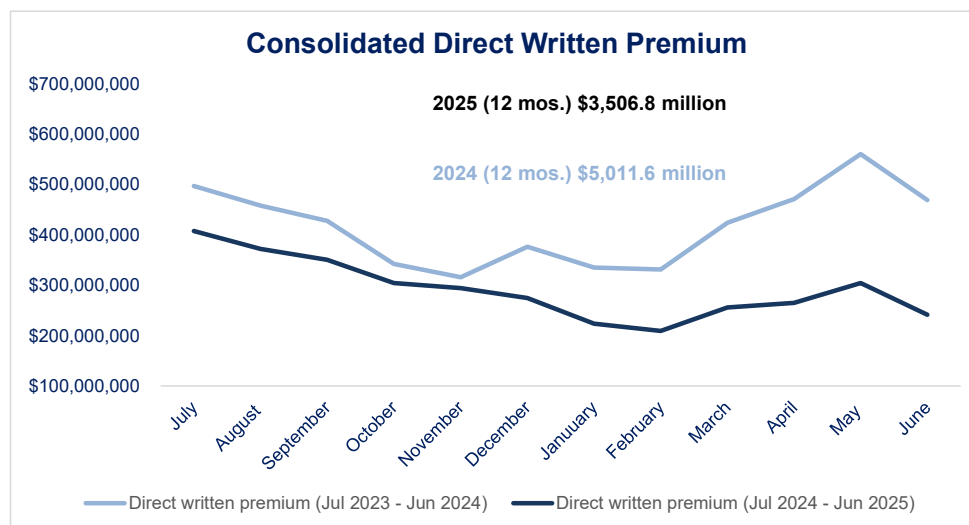
The following is an analysis of Citizens' financial and operating results for the period ending June 30, 2025.

- PREMIUMS -

Direct written premium for the period ending June 30, 2025, was \$1,501.4 million or \$1,091.1 million (42%) less than direct written premium for the same period a year prior. The overall renewal rate during the first six months of 2025 was approximately 84%, marking a 2% increase from the same period a year prior. The number of first-time policies written decreased to 109,000 in comparison to 214,000 during the same period a year prior. Premiums ceded through depopulation in the first half of 2025 were \$403.6 million or \$96.7 million (32%) more than during the same period in 2024.

	6-months ended	
	Jun 2025	Jun 2024
New Business	108,888	214,391
Untagged Takeouts	966	113
Reinstatements	8,881	11,099
Cancellations	(40,631)	(56,060)
Non-Renewals	(35,480)	(52,940)
New Tags for Takeout	(199,255)	(131,826)
Net change	(156,631)	(15,223)
Ending PIF	779,551	1,213,495

Direct earned premium decreased \$514.2 million (20%) consistent with the timing of when the underlying policies were written.



Premiums ceded through private risk transfer and through the Florida Hurricane Catastrophe Fund (FHCF) for the 2025 risk transfer program were \$791.6 million or \$188.9 million (19%) less than premiums ceded for the 2024 risk transfer program. For 2025, the reduction in reinsured exposure through the FHCF was partially offset by an increase in reinsured exposure through private risk transfer, driving the year-over-year reduction in premiums ceded.

- LOSSES -

	Non-CAT Only			CAT and Non-CAT		
	Qtr2 2025	CY 2024	Qtr2 2024	Qtr2 2025	CY 2024	Qtr2 2024
Direct loss ratio	21.3%	20.7%	24.4%	21.3%	66.3%	24.4%
Direct loss ratio (underlying)	21.3%	24.0%	24.3%	21.3%	73.3%	24.3%
Direct LAE ratio	10.3%	9.4%	12.5%	10.3%	20.9%	12.5%
Direct LAE ratio (underlying)	9.3%	10.2%	10.6%	9.3%	21.8%	10.6%

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

At June 30, 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 June 30, 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 June 30, 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 June 30, 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 June 30, 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 June 30, 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 June 30, 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 June 30, 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 June 30, 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.

The underlying non-cat loss and LAE ratio has remained relatively stable through the first half of 2025, reflecting several years of continued improvement. More specifically, litigation related to non-cat claims continues to show improvement over the last few accident years and through the first half 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 June 30, 2025, of \$91.7 million were \$2.7 million (3%) less than administrative expenses incurred during the same period in 2024 and \$14.9 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 \$7.2 million (7%) less than budget than as a result of a decrease in the number of positions.
- *Operations and Maintenance* expenses were \$0.8 million (43%) less than budget as a result of delays associated with the Real Estate strategy.
- *Computer Hardware* expenses were \$2.2 million (82%) less than budget as a result of delays associated with the Real Estate strategy.
- *Professional Services* expenses were \$5.2 million (46%) less than budget due to invoice timing for professional service fees associated with the phased completion of CitRe, implementation of the Enterprise Litigation Management System, and project delays.
- *Software* expenses were \$1.2 million (9%) more than budget due to reclassifications of certain expenditures and timing of certain invoices.

For the period ended March 31, 2025, Citizens' expense ratio was 18.2%, reflecting a 3.7% increase from the same period a year prior and a 2.2% increase compared to budget.

- INVESTMENT INCOME -



6-months ended (\$ millions)		
	Jun 2025	Jun 2024
Earned income	\$ 177.8	\$ 172.9
Net realized gains (losses)	(1.9)	(1.2)
Total income	\$ 175.9	\$ 171.7
Average invested assets	\$ 9,905.2	\$ 10,297.1

	Externally-Managed Portfolios (Jun 2025)	
	Taxable Liquidity	Taxable Claims
Total market value (\$ in billions)	\$1.993	\$6.009
Duration	0.9	3.3
Avg. credit rating (S&P / Moody's / Fitch)	AA- / Aa2 / AA-	A+ / A1 / A+

Total investment income for the period ended June 30, 2025 was \$175.9 million, or \$3.2 million (2%) more than during the same period in 2024, while average invested assets decreased \$391.9 million (4%). Included in 2025 investment income is \$10.1 million related to the defeasance of the 2015 Series A-1 bonds payable that was recorded as investment income in 2025. Excluding the impact of this transaction, net investment income decreased \$5.8 million (3%) for the first half of 2025 compared to the first half of 2024. This decrease is largely the result of a reduction in invested assets along with a reduction in market rates in money market funds and other short-term securities.

- CASH FLOWS -

Cash flows used in operations were \$260.0 million for the period ending June 30, 2025, or \$1,184.2 million less than cash flows provided by operations for the same period in 2024. Notwithstanding a reduction in underwriting expenses paid of \$95.9 million (25%), reductions in net premiums collected of \$1,021.8 million driven by reductions in premiums written, and increases in loss and LAE payments of \$267.2 million related to 2024 hurricane claims, contributed most significantly to the period-over-period reduction in operating cash flows.

	6-months ended	
	Jun 2025	Jun 2024
Premiums collected, net	\$ 902,784,604	\$ 1,924,577,347
Net investment income	181,988,757	172,637,772
Miscellaneous income collected	2,768,243	3,226,281
Benefits and loss related payments	(774,831,670)	(556,631,624)
Loss adjustment expense payments	(289,114,210)	(240,099,050)
Underwriting expenses paid	(283,633,313)	(379,469,617)
Net cash flows (used in) provided by operations	\$ (260,037,589)	\$ 924,241,109