Executive Summary

Claims Committee Meeting, November 20, 2025
Board of Governors Meeting, December 10, 2025

Litigated Claims Update

CLAIMS LITIGATION – 2025 YEAR TO DATE (January 1, 2025 – September 30, 2025)

Overview of Incoming Lawsuits and Pending Volume:

From January 2025 through September 2025, Citizens was served with 4,307 lawsuits (4,134 Residential Property, 34 Commercial Property and 139 Liability) – averaging 479 new lawsuits per month. This reflects a 40% decrease in the number of new incoming suits per month as compared to this same time period last year (2024 average for January through September – 798 lawsuits).

Breakdown of 2025 YTD New Lawsuits:

First Party Residential Property – 4,134 Total (96% of Overall Total)

- Residential CAT	2,322	56%
- Residential Non-CAT	1,806	44%
- Residential Sinkhole	6	<1%

First Party Commercial Property – 34 Total (1% of Overall Total)

- Commercial CAT	28	82%
- Commercial Non-CAT	6	18%
- Commercial Sinkhole	0	0%

Third Party Liability – 139 Total (3% of Overall Total)

As of September 30, 2025, the current pending volume totaled 8,823 lawsuits (8,564 Residential Property, 87 Commercial Property and 172 Liability). This reflects a 47% decrease compared to the same time period last year (16,518 pending matters).

Breakdown of 2025 YTD Pending Lawsuit Volume:

First Party Residential Property – 8,564 Total (97% of Overall Total)

- Residential CAT	4,313	50%
- Residential Non-CAT	4,232	49%
- Residential Sinkhole	19	<1%

First Party Commercial Property – 87 Total (1% of Overall Total)

- Commercial CAT	74	85%
- Commercial Non-CAT	12	14%
- Commercial Sinkhole	1	1%

Third Party Liability – 172 Total (2% of Overall Total)

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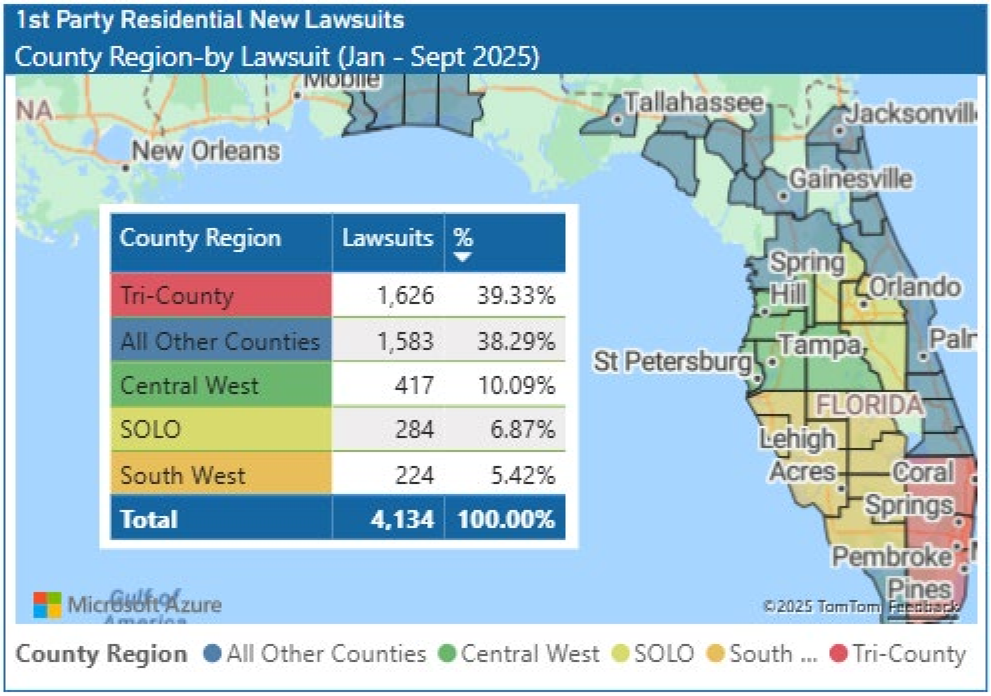
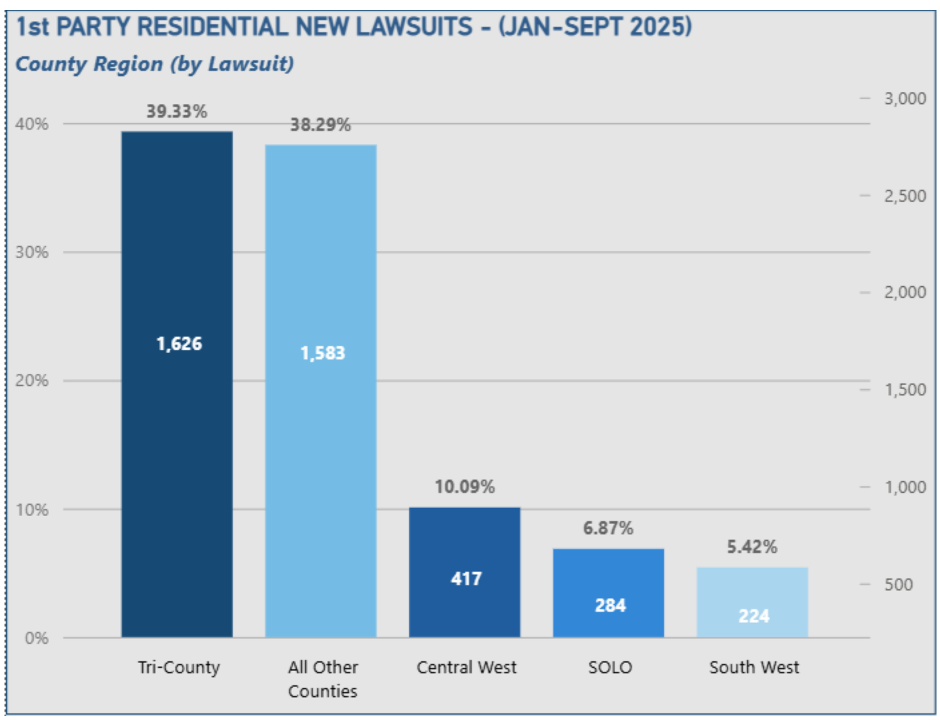
39% of the incoming Residential Property lawsuits arise out of the Tri-County area. This represents a 62% decrease in the distribution of Lawsuits originating in the Tri-County area, primarily due to the increasing distribution arising out of other areas of the state (including DOAH matters that are located in Leon County).



County Region	Lawsuits	%
Tri-County	1,626	39.33%
All Other Counties	1,583	38.29%
Central West	417	10.09%
SOLO	284	6.87%
South West	224	5.42%
Total	**4,134**	**100.00%**



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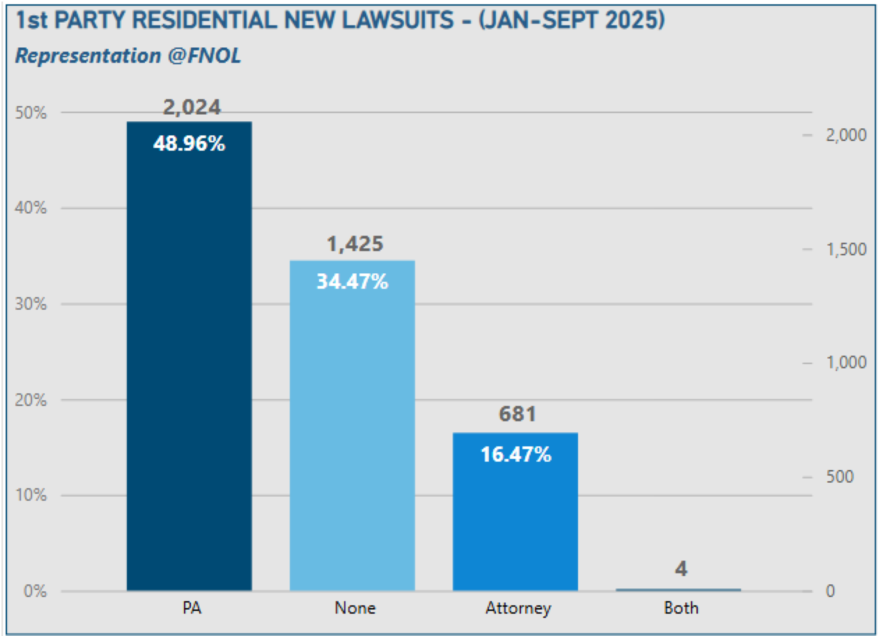
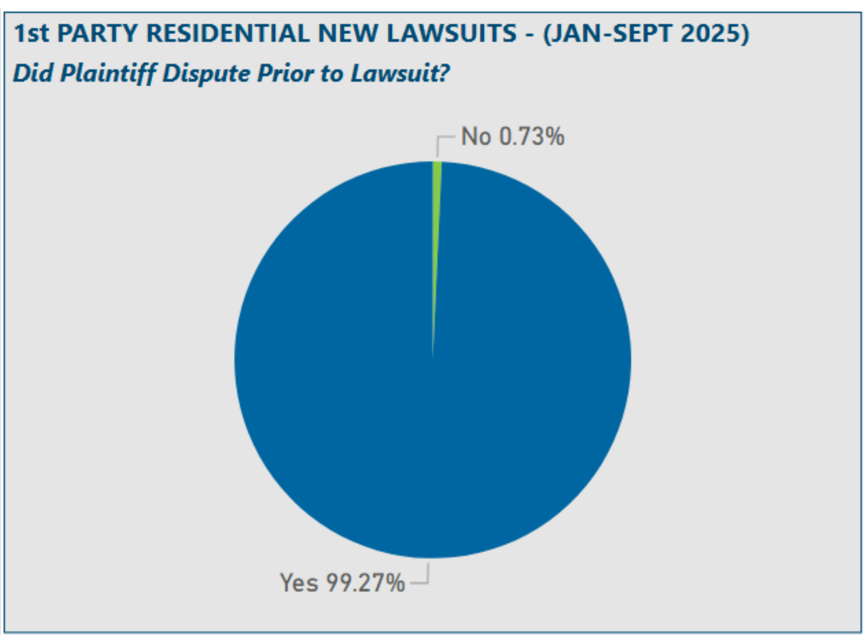
The plaintiff was represented at First Notice of Loss in 66% of incoming residential property lawsuits. This represents a 43% decrease as compared to 2024:

- Public Adjuster 49%
- Attorney 16%
- Both PA & Attorney <1%



In <1% of the incoming Residential Property lawsuits the insured did not dispute Citizens' position or adjustment of the claim prior to filing suit which represents a 59% decrease compared to 2024. This is the expected and intended effect of the Notice of Intent statute.



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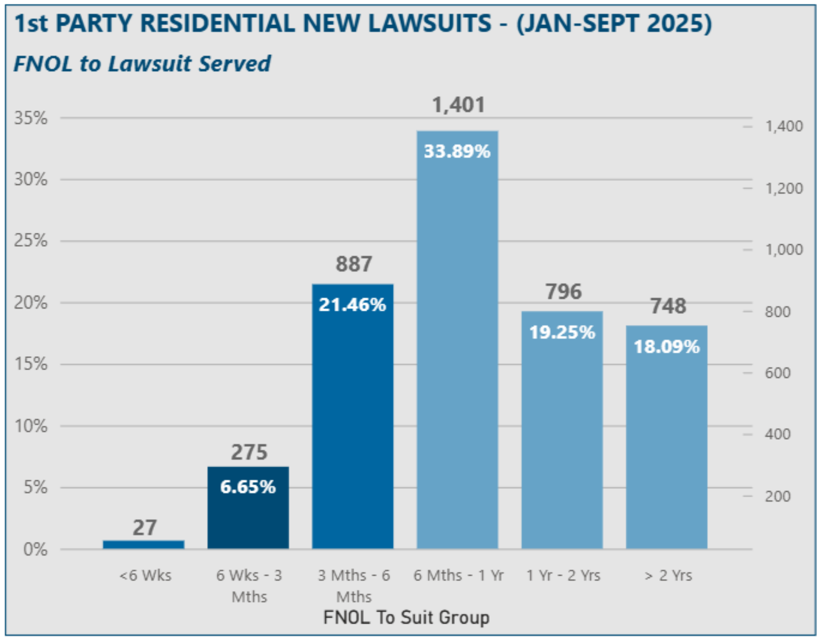
A review of the timing of incoming lawsuits reveals that 29% of lawsuits are brought within 6 months of the First Notice of Loss (FNOL). This is a 49% decrease compared to 2024 and is expected as we move farther away from a CAT event.

Served within 6 months 29%
- Within 6 weeks of FNOL <1%
- Within 3 months of FNOL 7%
- Within 6 months of FNOL 21%

Served more than 6 months 71%
- Within 1 year of FNOL 34%
- Within 2 years of FNOL 19%
- 2 or more years from FNOL 18%



DOAH (Dept of Administrative Hearings) Update:*

*Please note that the DOAH program is currently suspended due to an injunction issued by the State Court.

DOAH is an alternate dispute resolution method that may be invoked by the insured or Citizens in lieu of a lawsuit.
- Currently available to Policy Holders with a policy of insurance issued on or after 2/1/2023
- Loss must arise out of a policy issued on or after 2/1/2023

As of 10/14/25:

- 1,662 claim disputes have been referred to DOAH for dispute resolution, with 1,204 having fully resolved.
- The average resolution time is 93 days in the DOAH process, as compared to 618 days in the state court process.
- The average cost of defense to resolution is $10,540, as opposed to an average cost of $21,032 in state court.
- The majority of cases have been resolved through voluntary settlement (80%), that includes 49% of the cases where the insured accepted a nominal settlement amount ($500 or less).
- The insured abandoned their dispute in 9% of the cases.

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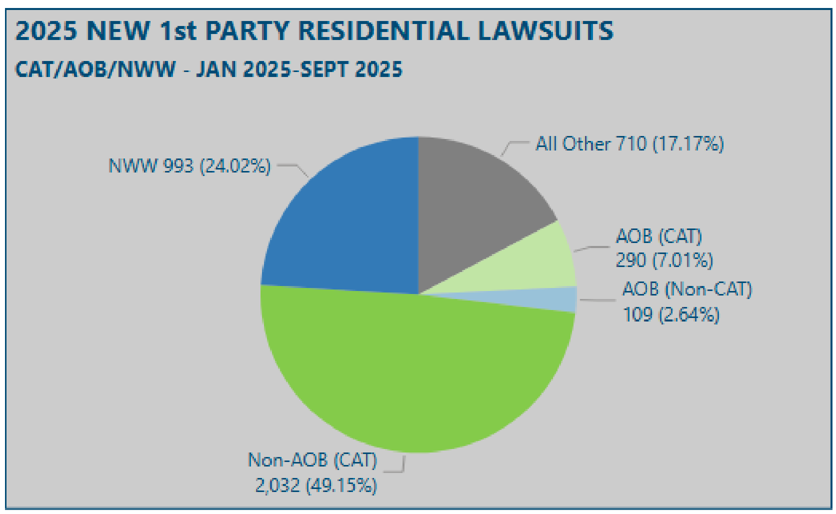
- 11% of the cases have proceeded to a Final Hearing before DOAH (as compared to state court where 1% of cases proceed to trial due to the overburdened system).

CAT, AOB and Water Loss:

New incoming CAT lawsuits have decreased by 26%, representing 56% of all new incoming residential lawsuits. Pending CAT lawsuits have decreased by 43%, representing 50% of all pending residential lawsuits. CAT losses continue to be the leading cause of loss for both new and pending lawsuits.

New incoming AOB lawsuits have decreased by 32%, representing 10% of all new residential incoming lawsuits. Pending AOB lawsuits have decreased by 60%, as compared to January through September 2024, representing 14% of all pending residential lawsuits.

Non-Weather Water lawsuits represent 24% of all new incoming residential, a 44% decrease as compared to this time last year. Pending Non-Weather Water lawsuits have decreased by 53%, representing 22% of all pending lawsuits at this time.



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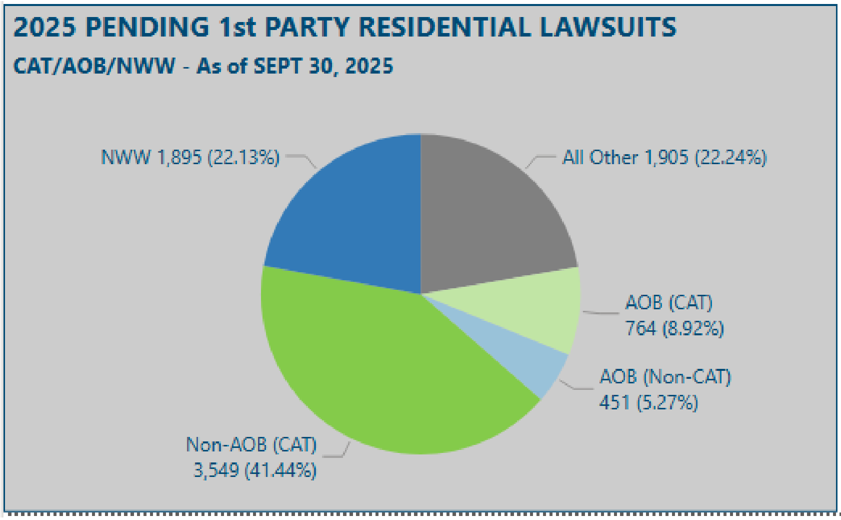

CONCLUSION

Citizens continues to experience a decline in litigation for both new and pending lawsuits. New, incoming litigation has decreased by 40% as compared to this same time period last year. Pending litigation has also significantly decreased, by 47%, bringing Citizens to under 9,000 pending lawsuits as of the end of September 2025. The declining number of Policies in Force, in addition to the sweeping legislative reforms, have had a dramatic impact on litigation for Citizens thus far.

The DOAH dispute resolution program is currently suspended due to a challenge in state court, however it has proven beneficial to insureds as well as Citizens with an average resolution timeframe of 93 days, as opposed to 618 days in the overburdened state court system. DOAH has proven a much more efficient process for dispute resolution as resolutions in DOAH process occur 85% faster. Additionally, the cost of defense savings is significant proving DOAH to be cost-effective as well. DOAH also provides a forum where all cases can be heard at final hearing within a reasonable time frame, as opposed to the state court system that is overburdened and cannot reach cases in a timely fashion.