



SUMMARY OF FINANCIAL POSITION AND OPERATIONS

(\$000s omitted)

	CITIZENS				
	September 2025	September 2024	Budget 2025	YOY Var	Budget Var
<u>Operations:</u>					
Direct written premium	\$ 2,138,431	\$ 3,723,692	\$ 2,921,653	\$ (1,585,261)	\$ (783,222)
Ceded written premium:					
Depopulation	(428,262)	(304,255)	(308,931)	(124,007)	(119,331)
FHCF	(257,005)	(510,743)	(326,023)	253,738	69,017
Private reinsurance	(529,091)	(477,766)	(650,000)	(51,325)	120,909
Net earned premium	1,517,016	2,449,517	1,818,801	(932,501)	(301,785)
Net losses incurred	421,250	1,182,483	671,056	(761,232)	(249,806)
Net LAE incurred	214,096	458,692	201,069	(244,596)	13,027
Underwriting expenses	260,507	399,035	324,017	(138,529)	(63,511)
Administrative expenses	129,606	133,652	152,457	(4,046)	(22,851)
Net investment income	258,436	270,647	233,583	(12,211)	24,853
Net income (loss)	\$ 754,251	\$ 551,652	\$ 707,424	\$ 202,599	\$ 46,827
<u>Assets, Liabilities and Surplus:</u>					
Cash and invested assets	\$ 9,725,037	\$ 10,042,880	(1)	\$ (317,844)	
Net loss reserves	2,155,593	2,722,285	(1)	(566,692)	
Net LAE reserves	1,033,383	1,220,672	(1)	(187,289)	
Net unearned premium	1,071,584	1,664,526	(1)	(592,943)	
Bonds and interest payable	-	-	(1)	-	
Surplus	\$ 4,935,439	\$ 4,183,357	(1)	\$ 752,082	
<u>Policy Metrics:</u>					
Policies inforce	769,316	1,263,055	890,407	(493,739)	(121,091)
Policies serviced	961,219	1,366,602	1,021,614	(405,383)	(60,395)
<u>Cash flows:</u>					
Cashflow (used in) from operations	\$ (321,336)	\$ 1,386,084		\$ (1,707,420)	
Cashflow from (used in) investing	754,108	(190,354)		944,462	
Cashflow (used in) financing	(3,658)	(9,120)		5,462	
<u>Operating metrics:</u>					
Direct loss ratio	20.6%	38.1%	23.3%	-17.5%	-2.7%
Direct LAE ratio	10.5%	14.5%	11.7%	-4.0%	-1.2%
Underwriting expense ratio	12.2%	10.7%	11.1%	1.5%	1.1%
Administrative expense ratio	6.1%	3.6%	5.2%	2.5%	0.8%
Expense ratio	18.2%	14.3%	16.3%	3.9%	1.9%

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

CITIZENS

Nine months ended

STATEMENTS OF OPERATIONS

Revenue:

Direct premiums written	\$ 2,138,431,343	\$ 3,723,692,283
Change in direct unearned premium	721,593,264	47,984,922
Direct earned premium	2,860,024,607	3,771,677,205
Ceded premiums written - Depopulation	(428,262,103)	(304,255,181)
Ceded premiums written - FHCF	(257,005,115)	(510,742,618)
Ceded premiums written - Private reinsurance	(529,090,719)	(477,765,533)
Change in ceded unearned premium	(128,650,503)	(29,396,823)
Ceded earned premium	(1,343,008,439)	(1,322,160,154)

Net earned premium

\$ 1,517,016,167	\$ 2,449,517,051
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Losses and Loss Adjustment Expenses:

Losses

Direct losses paid	\$ (1,087,358,174)	\$ (860,131,923)
Change in direct case loss reserves	93,147,280	(116,566,848)
Change in direct IBNR loss reserves	573,582,775	(207,303,149)
Ceded losses incurred	(622,067)	1,519,261
Losses incurred	(421,250,186)	(1,182,482,659)

Loss adjustment expenses

Direct D&CC paid	(192,780,286)	(147,353,329)
Direct A&O paid	(219,044,090)	(217,583,747)
Change in direct case LAE reserves	67,105,813	(7,677,094)
Change in direct IBNR LAE reserves	130,675,563	(76,813,831)
Ceded LAE incurred	(52,960)	(9,264,205)
LAE incurred	(214,095,960)	(458,692,206)

Net losses and LAE incurred

\$ (635,346,146)	\$ (1,641,174,865)
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Underwriting and Administrative Expenses:

Producer commissions	(166,770,974)	(300,681,394)
Insurance premium deduction - legislative	(41,365,043)	-
Taxes and fees	(25,229,390)	(56,466,597)
Other underwriting expenses	(27,141,178)	(41,887,100)
All other administrative expenses	(129,605,908)	(133,651,912)
Underwriting and administrative expenses	(390,112,493)	(532,687,003)

Underwriting gain

\$ 491,557,528	\$ 275,655,183
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Net interest income

Investment income earned	260,512,078	273,078,914
Interest expense	-	(1,222,222)
	260,512,078	271,856,691

Realized capital gains (losses)	(2,075,729)	(1,209,452)
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Net investment income

\$ 258,436,349	\$ 270,647,239
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Other income

4,256,982	5,349,145
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Net income

\$ 754,250,859	\$ 551,651,567
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ADMINISTRATIVE EXPENSES

	Nine months ended		
	September 30, 2025	September 30, 2024	2025 Budget
Salaries	\$ 104,070,136	\$ 105,529,451	\$ 108,332,470
Employee Benefits	34,852,293	33,257,243	40,853,097
Payroll Taxes	8,159,108	7,864,496	9,526,560
Contingent Staffing	67,923,036	83,818,761	75,006,435
Subscriptions and Dues	1,949,501	1,195,604	2,226,162
Bank Charges	333,037	249,187	450,000
FMAP Funding	(128,683)	(145,577)	(189,367)
Insurance	618,194	821,906	639,374
Legal	1,788,986	1,034,177	1,297,750
Operations and Maintenance	1,728,679	1,446,558	2,364,257
Operating Supplies	95,453	90,529	205,319
Computer Hardware	616,409	1,002,867	4,077,274
Postage	502,872	454,618	497,085
Printing	56,830	50,845	115,436
Producer Fees Collected	(896,690)	(773,092)	(820,742)
Professional Services	10,075,223	9,889,077	15,805,911
Recruiting	197,915	242,542	402,492
Rent	4,800,523	4,480,083	5,316,390
Software Maintenance and Licensing	20,784,887	19,940,544	21,979,207
Telecommunications	2,136,826	2,614,251	2,159,805
Training	344,976	394,605	846,073
Travel	907,116	1,077,906	1,414,296
Depreciation	349,407	214,520	240,485
ULAE Expense	(131,660,127)	(141,099,190)	(140,289,027)
Total Administrative Expense	\$ 129,605,908	\$ 133,651,912	\$ 152,456,742