

SUMMARY OF FINANCIAL POSITION AND OPERATIONS

(\$000s omitted)

	CITIZENS				
	December 2025	December 2024	Budget 2025	YOY Var	Budget Var
Operations:					
Direct written premium	\$ 2,587,837	\$ 4,597,894	\$ 3,725,693	\$ (2,010,057)	\$ (1,137,856)
Ceded written premium:					
Depopulation	(1,213,259)	(1,023,565)	(673,152)	(189,694)	(540,107)
FHCF	(248,248)	(406,543)	(326,023)	158,294	77,774
Private reinsurance	(493,567)	(453,766)	(650,000)	(39,801)	156,433
Net earned premium	1,714,788	3,180,481	2,294,161	(1,465,693)	(579,373)
Net losses incurred	328,755	2,859,228	880,264	(2,530,473)	(551,509)
Net LAE incurred	303,544	871,847	263,755	(568,302)	39,790
Underwriting expenses	267,735	488,668	415,629	(220,932)	(147,894)
Administrative expenses	175,539	176,411	202,351	(871)	(26,812)
Net investment income	335,848	363,880	316,000	(28,032)	19,848
Net income (loss)	\$ 979,162	\$ (844,753)	\$ 852,803	\$ 1,823,915	\$ 126,359
Assets, Liabilities and Surplus:					
Cash and invested assets	\$ 8,977,541	\$ 10,042,880		\$ (1,065,340)	
Net loss reserves	1,888,926	2,722,285		(833,359)	
Net LAE reserves	1,020,740	1,220,672		(199,932)	
Net unearned premium	582,501	1,664,526		(1,082,025)	
Surplus	\$ 5,159,790	\$ 4,183,357		\$ 976,433	
Policy Metrics:					
Policies inforce	395,337	936,182	770,819	(540,845)	(375,482)
Policies serviced	842,926	1,305,666	966,076	(462,740)	(123,150)
Cash flows:					
Cashflow (used in) from operations	\$ (1,062,620)	\$ 199,442		\$ (1,262,062)	
Cashflow from investing	660,104	80,792		579,312	
Cashflow (used in) financing	(5,569)	(12,229)		6,660	
Operating metrics:					
Direct loss ratio	10.6%	66.3%	23.3%	-55.7%	-12.7%
Direct LAE ratio	12.1%	20.9%	11.7%	-8.8%	0.4%
Underwriting expense ratio	10.3%	10.6%	11.2%	-0.3%	-0.8%
Administrative expense ratio	6.8%	3.8%	5.4%	2.9%	1.4%
Expense ratio	17.1%	14.5%	16.6%	2.7%	0.5%

CITIZENS

Twelve months ended

STATEMENTS OF OPERATIONS

Revenue:

Direct premiums written	\$ 2,587,836,851	\$ 4,597,894,237
Change in direct unearned premium	979,691,860	355,303,684
Direct earned premium	3,567,528,711	4,953,197,921
Ceded premiums written - Depopulation	(1,213,259,031)	(1,023,565,010)
Ceded premiums written - FHCF	(248,248,329)	(406,542,770)
Ceded premiums written - Private reinsurance	(493,566,698)	(453,765,533)
Change in ceded unearned premium	102,333,148	111,156,516
Ceded earned premium	(1,852,740,910)	(1,772,716,797)

Net earned premium

\$ 1,714,787,801 \$ 3,180,481,124

Losses and Loss Adjustment Expenses:

Losses

Direct losses paid	\$ (1,286,136,786)	\$ (1,755,549,650)
Change in direct case loss reserves	150,530,065	28,207,052
Change in direct IBNR loss reserves	874,468,138	(951,961,283)
Ceded losses incurred	(67,616,586)	(179,924,280)
Losses incurred	(328,755,169)	(2,859,228,161)

Loss adjustment expenses

Direct D&CC paid	(240,090,917)	(200,829,140)
Direct A&O paid	(277,356,623)	(376,679,551)
Change in direct case LAE reserves	83,590,882	(94,702)
Change in direct IBNR LAE reserves	136,416,216	(267,131,483)
Ceded LAE incurred	(6,103,930)	(27,111,888)
LAE incurred	(303,544,373)	(871,846,764)

Net losses and LAE incurred

\$ (632,299,542) \$ (3,731,074,925)

Underwriting and Administrative Expenses:

Producer commissions	(199,740,417)	(367,680,092)
Insurance premium deduction - legislative	(40,205,282)	(15,661,041)
Taxes and fees	6,310,842	(51,534,352)
Other underwriting expenses	(34,100,482)	(53,792,298)
All other administrative expenses	(175,539,343)	(176,410,730)
Underwriting and administrative expenses	(443,274,681)	(665,078,513)

Underwriting gain (loss)

\$ 639,213,578 \$ (1,215,672,314)

Net interest income

Investment income earned	338,668,894	368,759,001
Interest expense	-	(1,222,222)
	338,668,894	367,536,779

Realized capital gains (losses) (2,821,216) (3,656,906)

Net investment income

\$ 335,847,678 \$ 363,879,873

Other income

4,100,737 7,039,540

Net income (loss)

\$ 979,161,994 \$ (844,752,901)



ADMINISTRATIVE EXPENSES

	Twelve months ended		
	December 30, 2025	December 30, 2024	2025 Budget
Salaries	\$ 141,437,108	\$ 144,416,975	\$ 147,400,127
Employee Benefits	37,641,084	36,685,067	45,533,229
Payroll Taxes	11,296,189	10,619,403	12,973,193
Contingent Staffing	90,459,961	110,957,646	97,367,519
Subscriptions and Dues	2,719,539	1,832,202	2,847,631
Bank Charges	446,355	323,264	600,000
FMAP Funding	(162,934)	(177,470)	(234,414)
Insurance	773,678	1,026,209	912,426
Legal	3,834,693	1,591,193	1,622,000
Operations and Maintenance	3,272,879	2,061,425	9,514,586
Operating Supplies	123,764	139,546	264,098
Computer Hardware	3,150,544	1,710,535	5,519,191
Postage	604,111	687,129	623,422
Printing	69,838	98,745	147,797
Producer Fees Collected	(1,400,081)	(1,231,843)	(1,360,229)
Professional Services	13,879,739	17,870,665	20,122,982
Recruiting	291,165	356,857	656,188
Rent	6,348,640	6,013,364	6,983,465
Software Maintenance and Licensing	27,662,141	26,766,409	30,544,211
Telecommunications	3,195,007	4,085,486	2,860,400
Training	405,563	546,405	1,123,533
Travel	1,141,218	1,980,335	1,913,950
Depreciation	456,321	280,403	328,110
ULAE Expense	(172,107,179)	(192,229,221)	(185,912,561)
Total Administrative Expense	\$ 175,539,343	\$ 176,410,729	\$ 202,350,854