

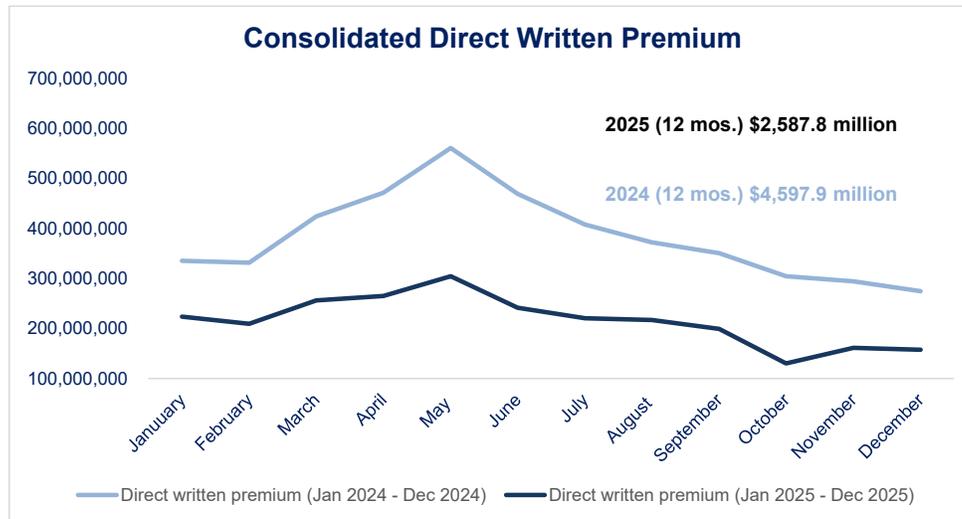
The following is an analysis of Citizens’ financial and operating results for year ending December 31, 2025.

- PREMIUMS -

Direct written premium for the fiscal year ending December 31, 2025, was \$2,587.8 million or \$2,010.1 million (44%) less than direct written premium for the same period a year prior. The overall renewal rate through December 31, 2025 was approximately 82%, marking a 1% decrease from the same period a year prior. In 2025, the number of first-time policies written decreased to 177,000 in comparison to 367,000 during the same period a year prior.

	12-months ended	
	Dec 2025	Dec 2024
New Business	177,477	366,975
Untagged Takeouts	1,034	252
Reinstatements	15,176	19,823
Cancellations	(77,899)	(111,245)
Non-Renewals	(73,824)	(92,451)
New Tags for Takeout	(582,809)	(475,890)
Net change	(540,845)	(292,536)
Ending PIF	395,337	936,182

Direct earned premium decreased \$1,385.7 million (28%) consistent with the timing of when the underlying policies were written.



Premiums ceded through depopulation in 2025 were \$1,213.3 million, or \$189.7 million (19%) more than in 2024. Premiums ceded through private risk transfer and through the Florida Hurricane Catastrophe Fund (FHCF) for the 2025 risk transfer program were \$741.8 million or \$118.5 million (14%) 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		
	CY 2025	CY 2024	CY 2023	CY 2025	CY 2024	CY 2023
Direct loss ratio	16.6%	20.7%	26.6%	10.6%	66.3%	33.4%
Direct loss ratio (underlying)	19.2%	24.0%	26.2%	19.2%	73.3%	27.8%
Direct LAE ratio	10.4%	9.4%	13.2%	12.1%	20.9%	11.4%
Direct LAE ratio (underlying)	10.1%	10.2%	12.3%	10.1%	21.8%	12.8%

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

At December 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.

Hurricane Milton, which made landfall October 10, 2024, has projected ultimate direct losses and LAE of \$2,051.6 million as of December 31, 2025. This is a reduction of \$21.5 million from the projected ultimate of \$2,073.1 million as of December 31, 2024. 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 \$306.5 million as of December 31, 2025. This is a reduction of \$7.0 million from the projected ultimate of \$313.5 million as of December 31, 2024. 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 \$72.5 million as of December 31, 2025. This is a reduction of \$4.0 million from the projected ultimate of \$76.5 million as of December 31, 2024. 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 \$97.3 million as of December 31, 2025. This is an increase of \$ 0.1 million from the projected ultimate of \$97.2 million as of December 31, 2024. No reinsurance recoveries have been recorded due to loss levels not meeting the retention of Citizens' reinsurance contracts.

Hurricane Nicole, which made landfall on November 10, 2022, has projected ultimate direct losses and LAE of \$106.5 million as of December 31, 2025. This projected ultimate is unchanged from December 31, 2024. 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.

Hurricane Ian, which made landfall on September 28, 2022, has projected ultimate direct losses and LAE of \$3,347.3 million as of December 31, 2025. This is a reduction of \$73.7 million from the projected ultimate of \$3,421.0 million as of December 31, 2024. Of the \$3,347.3 million of direct losses and LAE, \$850.8 million is recoverable under Citizens' reinsurance contracts, resulting in net losses and LAE of \$2,496.4.

Tropical Storm Eta, which made landfall November 9, 2020, has projected ultimate direct losses and LAE of \$347.6 million as of December 31, 2025. This projected ultimate is unchanged from December 31, 2024. 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 \$2,562.5 million as of December 31, 2025. Of the \$2,562.5 million of direct losses and LAE, \$1,118.8 million is recoverable under Citizens' reinsurance contracts, resulting in net losses and LAE of 1,443.7 million.

The year-end underlying non-cat loss and LAE ratio for CY2025 has improved by 4.8% points as compared to CY2024. This improvement is driven by both a reduction in overall frequency, coupled with a reduction in litigation.

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 year ending December 31, 2025, of \$175.5 million were \$0.9 million (1%) less than administrative expenses incurred during the same period in 2024 and \$26.8 million (13%) less than budget.

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

- *Employee expenses (Salaries, Employee Benefits and Payroll Taxes)* were \$15.5 million (8%) less than budget as a result of a decrease in the number of filled positions.
- *Contingent Staffing* expenses were \$20.5 million (19%) less than the prior year and \$6.9 million (7%) less than budget due to a decrease in the number of day rate adjusters driven by a reduction in overall claims volume.
- *Subscriptions and Dues* expenses were \$0.9 million (48%) more than the prior year due to an increase in aerial imagery expenditures.
- *Legal* expenses were \$2.2 million (141%) more than the prior year and \$2.2 million (136%) more than budget due to expenditures related to DOAH as well as training expenses for outside counsel.
- *Operations and Maintenance* expenses were \$1.2 million (59%) more than the prior year as a result of real estate expenditures for the Tampa office, and \$6.2 million (66%) less than budget due to the delay in the Jacksonville office relocation.
- *Computer Hardware* expenses were \$1.4 million (84%) more than the prior year as a result of expenditures related to the Tampa office, and \$2.4 million (43%) less than budget as a result of delays in certain IT expenditures related to the Jacksonville office relocation.
- *Professional Services* expenses were \$4.0 million (22%) less than budget as a result of delays in several IT initiatives, delays in the Jacksonville office relocation, and the insourcing of the ELMS implementation

For the year ended December 31, 2025, Citizens' expense ratio was 17.1%, reflecting a 2.6% increase from the same period a year prior and a 0.5% increase compared to budget.

- INVESTMENT INCOME -



	12-months ended (\$ millions)	
	Dec 2025	Dec 2024
Earned income	\$ 338.7	\$ 367.5
Net realized gains (losses)	(2.8)	(3.7)
Total income	\$ 335.9	\$ 363.8
Average invested assets	\$ 9,742.1	\$ 10,567.6

	Externally-Managed Portfolios (Dec 2025)	
	Taxable Liquidity	Taxable Claims
Total market value (\$ in billions)	\$2.041	\$5.536
Duration	0.8	3.3
Avg. credit rating (S&P / Moody's / Fitch)	AA- / Aa3 / AA	A+ / A1 / A+

Total investment income for the year ending December 31, 2025 was \$335.9 million, or \$27.9 million (8%) less than the same period in 2024, while average invested assets decreased \$825.5 million (8%). 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 \$38.0 million (10%) in 2025 compared to the same period a year prior. This decrease is largely the result of a reduction in invested assets, driven principally by cash outflows from the 2024 storms, along with a reduction in market rates in money market funds and other short-term securities.

- CASH FLOWS -

Cash flows used in operations were \$1,062.6 million for the year ending December 31, 2025, or \$1,262.1 million less than cash flows provided by operations for the same period in 2024. Net premiums collected in 2025 decreased \$1,892.7 million (72%) largely as a result of an increase in depopulation activity and decreases in direct premiums written. Benefits and loss related payments paid in 2025 decreased \$391.3 million (25%) due to a reduction in the number of policies insured, partially offset by claim payments associated with the 2024 storms. Underwriting expenses paid decreased \$210.0 million (30%) as a result of reductions in direct premiums written.

	12-months ended	
	Dec 2025	Dec 2024
Premiums collected, net	\$ 736,510,908	\$ 2,629,183,378
Net investment income	350,918,608	373,221,762
Miscellaneous income collected	3,427,282	6,729,178
Benefits and loss related payments	(1,164,063,096)	(1,555,408,238)
Loss adjustment expense payments	(503,476,133)	(558,308,632)
Underwriting expenses paid	(485,937,206)	(695,975,031)
Net cash flows (used in) provided by operations	<u>\$(1,062,619,636)</u>	<u>\$ 199,442,417</u>