

SUMMARY OF FINANCIAL POSITION AND OPERATIONS

(\$000s omitted)

	CITIZENS				
	June 2026	June 2025	Budget 2026	YOY Var	Budget Var
<u>Operations:</u>					
Direct written premium	\$ 501,710	\$ 1,501,425	\$ 787,906	\$ (999,715)	\$ (286,196)
Ceded written premium:					
Depopulation	(232,415)	(403,603)	(23,499)	171,188	(208,916)
FHCF	(103,292)	(257,005)	(140,185)	153,714	36,894
Private reinsurance	(276,083)	(534,576)	(350,000)	258,494	73,917
Net earned premium	394,005	1,281,314	557,368	(887,309)	(163,363)
Net losses incurred	50,464	301,520	126,932	(251,055)	(76,467)
Net LAE incurred	39,683	145,777	35,745	(106,094)	3,937
Underwriting expenses	56,595	180,843	83,902	(124,248)	(27,307)
Administrative expenses	87,520	91,734	91,818	(4,214)	(4,298)
Net investment income	136,848	175,841	140,420	(38,992)	(3,572)
Net income (loss)	\$ 298,369	\$ 740,108	\$ 360,424	\$ (441,739)	\$ (62,056)
<u>Assets, Liabilities and Surplus:</u>					
Cash and invested assets	\$ 8,635,933	\$ 8,977,541 (1)		\$ (341,608)	
Net loss reserves	1,722,858	1,888,926 (1)		(166,068)	
Net LAE reserves	905,142	1,020,740 (1)		(115,598)	
Net unearned premium	78,416	582,501 (1)		(504,085)	
Surplus	\$ 5,454,766	\$ 5,159,790 (1)		\$ 294,977	
<u>Policy Metrics:</u>					
Policies inforce	278,246	779,552	404,888	(501,306)	(126,642)
Policies serviced	553,330	1,103,046	601,081	(549,716)	(47,751)
<u>Cash flows:</u>					
Cashflow (used in) operations	\$ (384,670)	\$ (260,038)		\$ (124,632)	
Cashflow (used in) from investments	(233,476)	604,457		(837,933)	
Cashflow (used in) financing	(4,837)	(2,467)		(2,370)	
<u>Operating metrics:</u>					
Direct loss ratio	11.0%	21.3%	20.0%	-10.3%	-9.0%
Direct LAE ratio	8.6%	10.3%	5.7%	-1.7%	2.9%
Underwriting expense ratio	11.3%	12.0%	10.6%	-0.8%	0.6%
Administrative expense ratio	17.4%	6.1%	11.7%	11.3%	5.8%
Expense ratio	28.7%	18.2%	22.3%	10.6%	6.4%

(1) Balance sheet information presented as of December 31, 2025.

CITIZENS

Six months ended

STATEMENTS OF OPERATIONS

Revenue:

Direct premiums written
Change in direct unearned premium
Direct earned premium

Ceded premiums written - Depopulation
Ceded premiums written - FHCF
Ceded premiums written - Private reinsurance
Change in ceded unearned premium
Ceded earned premium

Net earned premium

Losses and Loss Adjustment Expenses:

Losses

Direct losses paid
Change in direct case loss reserves
Change in direct IBNR loss reserves
Ceded losses incurred
Losses incurred

Loss adjustment expenses

Direct D&CC paid
Direct A&O paid
Change in direct case LAE reserves
Change in direct IBNR LAE reserves
Ceded LAE incurred
LAE incurred

Net losses and LAE incurred

Underwriting and Administrative Expenses:

Producer commissions
Insurance premium deduction - legislative
Taxes and fees
Other underwriting expenses
All other administrative expenses

Underwriting and administrative expenses

Underwriting gain

Net interest income
Investment income earned

Realized capital (losses)

Net investment income

Other income

Net income

	June 30, 2026	June 30, 2025
	\$ 501,709,742	\$ 1,501,424,870
	570,829,332	528,648,153
	<u>1,072,539,074</u>	<u>2,030,073,023</u>
	(232,415,494)	(403,603,167)
	(103,291,505)	(257,005,115)
	(276,082,614)	(534,576,358)
	<u>(66,744,503)</u>	<u>446,425,773</u>
	<u>(678,534,115)</u>	<u>(748,758,867)</u>
	\$ 394,004,959	\$ 1,281,314,157
	\$ (246,726,866)	\$ (812,795,647)
	77,598,010	31,079,590
	118,436,786	479,990,383
	227,637	205,908
	<u>(50,464,433)</u>	<u>(301,519,767)</u>
	(71,853,603)	(137,400,430)
	(86,683,260)	(154,525,840)
	33,472,946	50,340,626
	85,352,533	95,785,711
	28,792	22,996
	<u>(39,682,592)</u>	<u>(145,776,937)</u>
	\$ (90,147,025)	\$ (447,296,704)
	(39,611,960)	(118,080,438)
	392,105	(25,278,942)
	(9,299,075)	(18,301,976)
	(8,075,919)	(19,181,413)
	<u>(87,519,743)</u>	<u>(91,733,983)</u>
	<u>(144,114,592)</u>	<u>(272,576,751)</u>
	\$ 159,743,341	\$ 561,440,701
	139,472,058	177,747,293
	<u>(2,623,914)</u>	<u>(1,906,788)</u>
	\$ 136,848,144	\$ 175,840,504
	1,777,176	2,826,780
	<u>\$ 298,368,661</u>	<u>\$ 740,107,986</u>

ADMINISTRATIVE EXPENSES

	Six months ended		
	June 30, 2026	June 30, 2025	2026 Budget
Salaries	\$ 70,040,199	\$ 68,847,174	\$ 65,784,534
Employee Benefits	26,048,501	30,387,520	30,780,128
Payroll Taxes	5,794,274	5,369,031	5,839,522
Contingent Staffing	25,795,162	43,935,564	40,446,595
Subscriptions and Dues	1,186,108	1,272,275	1,205,500
Bank Charges	170,359	227,098	173,762
FMAP Funding	(96,036)	(92,362)	(101,015)
Insurance	384,915	471,228	434,394
Legal	2,579,728	854,765	1,046,500
Operations and Maintenance	1,026,413	1,005,075	1,934,046
Operating Supplies	62,219	63,351	121,725
Computer Hardware	543,775	470,816	601,666
Postage	140,918	380,639	292,319
Printing	29,652	40,485	82,227
Producer Fees Collected	(450,905)	(447,213)	(632,101)
Professional Services	4,438,997	6,107,126	9,443,943
Recruiting	92,345	61,941	158,444
Rent	2,846,124	2,948,688	2,650,605
Software Maintenance and Licensing	11,555,341	15,413,502	13,318,793
Telecommunications	730,219	1,732,573	1,171,744
Training	161,303	281,301	384,868
Travel	467,229	606,249	775,702
Depreciation	255,125	222,672	241,175
ULAE Expense	(66,282,223)	(88,425,514)	(84,337,300)
Total Administrative Expense	\$ 87,519,743	\$ 91,733,983	\$ 91,817,776