

Executive Summary

Board of Governors Teleconference Meeting, September 27, 2017

Optional Redemption of Coastal Account Series 2015A Bonds Callable on December 1, 2017

Series 2015A-1 June 1, 2018 Maturity, Series 2015A-2 June 1, 2018 Maturity And Series 2015A-2 June 1, 2020 Maturity

History

Citizens' pre-event bonds serve as an external liquidity financing program that supplements Citizens' internal resources by providing a cash "bridge" to certain claims-paying resources of Citizens, particularly potential reimbursements from the Florida Hurricane Catastrophe Fund (FHCF). Currently, Citizens has \$1.475 billion of pre-event bonds outstanding for the Coastal Account and \$770 million of pre-event bonds outstanding for the PLA/CLA. The following table summarizes the maturity schedule and outstanding amount of pre-event bonds for the Coastal Account.

Citizens Property Insurance Corporation - Outstanding Amount by Series			
Outstanding as of (9/30)	Coastal Series 2011A	Coastal Series 2015A	Coastal Total
2017	\$475	\$1,000	\$1,475
2018	\$350	\$800	\$1,150
2019	\$175	\$800	\$975
2020		\$500	\$500
2021		\$500	\$500
2022		\$275	\$275
2023		\$275	\$275
2024		\$275	\$275
2025		\$0	\$0

Citizens Property Insurance Corporation - Maturity Schedule by Series			
Maturity Date (June 1)	Coastal Series 2011A	Coastal Series 2015A	Coastal Total
2018	\$125	\$200	\$325
2019	\$175	\$0	\$175
2020	\$175	\$300	\$475
2021	\$0	\$0	\$0
2022	\$0	\$225	\$225
2023	\$0	\$0	\$0
2024	\$0	\$0	\$0
2025	\$0	\$275	\$275

Dollars in millions

Citizens' Coastal Account has approximately \$6.1 billion in total liquidity resources (\$3.3 billion of surplus, \$1.5 billion of pre-event bonds outstanding, and \$1.3 billion of private risk transfer and catastrophe bonds). Additionally, the decrease in exposure within the Coastal Account has reduced the need for liquidity over the next year.

Coastal Account, Series 2015A Financing:

In 2015, Citizens issued \$1 billion of Series 2015A pre-event bonds for the Coastal Account (\$700 million of Series 2015A-1 Bonds are fixed rate bonds with maturities on June 1, 2018, 2020, 2022, and 2025; \$300 million of Series 2015A-2 are floating rate bonds with maturities on June 1, 2018 and 2020).

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The Series 2015A-1 pre-event bonds are callable six months prior to their respective June 1 maturities, or on December 1 of the calendar year immediately preceding the maturity date of the individual Series 2015A-1 bonds to be redeemed. Early redemptions are at par, meaning no additional premium is incurred by Citizens as a result of the early redemption. The 2015A-1 pre-event bonds were the first such pre-event bonds issued that included an optional redemption feature, the purpose of which was to proactively plan to minimize interest expense in the event that Citizens does not need to draw upon the pre-event bonds. Citizens has the option to redeem the upcoming bond maturity at par on December 1 and avoid six months of interest expense that would otherwise be incurred for the period from the end of hurricane season (December 1) to the scheduled maturity date (June 1). This call option also provides flexibility, if needed, to call the pre-event bonds and issue long-term post-event bonds after an event, should circumstances warrant.

The same optional redemption was also used for the \$150 million Series 2015A-2 pre-event bonds maturing on June 1, 2018 with the added flexibility of calling the entire series on December 1, 2017, in advance of the schedule maturity date of June 1, 2020. The inclusion of the June 1, 2020 maturity in the optional redemption feature on December 1, 2017 for the Series 2015A-2 pre-event bonds was for a scenario in which Citizens did not require the additional liquidity or if the Federal Reserve increased short-term interest rates. In June 2015 (at the time of the Series 2015A pre-event bond issuance) the Federal Funds Target Rate increased from 0.00% - 0.25% to the current target of 1.00% - 1.25%, or by 1.00%.

Rising short-term interest rates are increasing the associated interest cost on the Series 2015A-2 Bonds. As the Series 2015A-2 pre-event bonds pay interest based on variable resets of SIFMA plus a spread (0.85% for the June 1, 2018 maturity and 0.95% for the June 1, 2020 maturity), Citizens' liquidity cost for the Series 2015A-2 is affected by fluctuations in the SIFMA index. At the time of pricing, SIFMA was 0.11%, but has increased dramatically as a result of the Federal Reserve increasing short-term interest rates. SIFMA has averaged approximately 0.74% over the past year and reached a high of 0.92% in April 2017. Currently, SIFMA is at 0.82%. Therefore, the current interest rates for the Series 2015A-2 Bonds are 1.67% for the June 1, 2018 maturity and 1.77% for the June 1, 2020 maturity.

In addition, Citizens' credit ratings have improved since the issuance of the Series 2015A pre-event bonds with an upgrade by Fitch from "AA-" to "AA". In contrast to variable rates, fixed interest rates are also lower today than they were at the time of the Series 2015A issuance – the 5-year MMD rate is currently 1.19% versus 1.45% in 2015 and the 10-year MMD rate is currently 1.88% versus 2.30% in 2015. Based on these factors, Citizens could potentially issue additional post-event bonds, if needed in the future, at lower interest rates than the outstanding Series 2015A-2 pre-event bonds.

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Optional Redemption – Interest Savings:

By utilizing the optional redemption feature for the \$50 million Series 2015A-1 pre-event bonds maturing on June 1, 2018, Citizens will save \$1.2 million in gross interest costs over the six month period December 1, 2017 to June 1, 2018.

By utilizing the optional redemption feature for the \$150 million Series 2015A-2 pre-event bonds maturing on June 1, 2018, Citizens will save over \$1.2 million in gross interest costs (based on the current SIFMA rate of 0.82% plus a spread of 0.85%) over the six month period December 1, 2017 to June 1, 2018.

By utilizing the optional redemption feature for the \$150 million Series 2015A-2 pre-event bonds maturing on June 1, 2020, Citizens will save \$6.6 million in gross interest costs over the remaining life of the bonds (based on the current SIFMA rate of 0.82% plus a spread of 0.95%), or over \$2.6 annually.

By utilizing the optional redemption feature for the Series 2015A bonds that are callable on December 1, 2017, Citizens will save over \$9.0 million in gross interest costs.

Process:

Notice of redemption to the investors of the bonds to be redeemed must be issued within 30-60 days prior to the December 1, 2017 redemption date (or between October 1 and November 1). Citizens plans to issue the redemption notice on November 1, 2017. The notice of redemption is to be given by Citizens or Citizens' indenture trustee in the name of Citizens. Bond Counsel has prepared the Board Resolution and Redemption Notices for the bonds to be redeemed.

Recommendation

Staff recommends that the Board of Governors take the following actions:

- a) Approve the Board Resolution with Redemption Notices and authorize staff to utilize the optional redemption feature on December 1, 2017 for the \$50 million Coastal Account Series 2015A-1 pre-event bonds maturing on June 1, 2018
- b) Approve the Board Resolution with Redemption Notices and authorize staff to utilize the optional redemption feature on December 1, 2017 for the \$150 million Coastal Account Series 2015A-2 pre-event bonds maturing on June 1, 2018 and the \$150 million Coastal Account Series 2015A-2 pre-event bonds maturing on June 1, 2020

ACTION ITEM

Board of Governors Teleconference Meeting, September 27, 2017

CONTRACT ID:	Optional Redemption of Coastal Account Series 2015A Bonds Callable on December 1, 2017
BUDGETED ITEM	N/A
CONTRACT AMOUNT	The Coastal Account Series 2015A-1 June 1, 2018 maturity is \$50 million The Coastal Account Series 2015A-2 June1, 2018 maturity is \$150 million The Coastal Account Series 2015A-2 June 1, 2020 maturity is \$150 million
PURPOSE / SCOPE	<p>Citizens issued its Series 2015A-1 fixed rate bonds with a six month optional redemption feature where Citizens can call the bonds on the December 1 immediately preceding each respective maturity date in order to save six months of interest in the event that it does not need to draw upon those pre-event bonds during the hurricane season. For its Series 2015A-2 floating rate bonds (\$150 million maturing on June 1, 2018 and \$150 million maturing on June 1, 2020), Citizens has an optional redemption feature where Citizens can call the bonds on December 1, 2017 as a hedge against rising short-term interest rates. In aggregate, Citizens has a total of \$350 million of Series 2015A bonds that are callable at par on December 1, 2017.</p> <p>As Citizens has \$6.1 billion in liquidity resources for the Coastal Account for the 2017 season (\$3.3 billion of surplus, \$1.3 billion of traditional reinsurance capital markets risk transfer, and \$1.5 billion of pre-event bonds currently outstanding) and Citizens' exposure has decreased, the need for additional liquidity from the \$150 million of Series 2015A-2 Bonds that mature on June 1, 2020 has decreased. Additionally, as Citizens planned for this scenario, short-term interest rates have increased, which has increased the interest costs for the Series 2015A-2 Bonds as the interest on these bonds is based on the SIFMA index, which is currently 0.82% versus 0.11% at the time of pricing, plus an additional spread.</p> <p>In the event that Citizens does not need to draw upon these pre-event bond proceeds prior to November 1, 2017 and calls the bonds on the optional call date of December 1, 2017, it can save over \$2.4 million in gross interest costs from the \$200 million of Series 2015A bonds that have a maturity date on June 1, 2018 (\$50 million Series 2015A-1 fixed rate bonds and \$150 million Series 2015A-2 floating rate bonds) and over \$6.6 million in gross interest costs over the remaining life of the Series 2015A-2 floating rate bonds that have a scheduled maturity date of June 1, 2020.</p> <p>Bond Counsel has prepared the attached Board Resolution and Notice of Redemption to execute the redemption of the callable bonds.</p>
CONTRACT TERM(S)	N/A
PROCUREMENT METHOD	N/A

ACTION ITEM

Board of Governors Teleconference Meeting, September 27, 2017

RECOMMENDATION	Staff recommends that the Board of Governors take the following actions: <ul style="list-style-type: none">a) Approve the redemption documents and authorize staff to utilize the optional redemption feature on December 1, 2017 for the \$50 million Coastal Account Series 2015A-1 Bonds maturing on June 1, 2018b) Approve the redemption documents and authorize staff to utilize the optional redemption feature on December 1, 2017 for the \$150 million Coastal Account Series 2015A-2 Bonds maturing on June 1, 2018; and the \$150 million Coastal Account Series 2015A-2 Bonds maturing on June 1, 2020
CONTACTS	Jennifer Montero

A RESOLUTION OF THE BOARD OF GOVERNORS OF CITIZENS PROPERTY INSURANCE CORPORATION (“CITIZENS”), AUTHORIZING THE APPLICATION OF CERTAIN AVAILABLE MONEYS DESCRIBED HEREIN TO OPTIONALLY REDEEM CERTAIN OUTSTANDING BONDS PREVIOUSLY ISSUED BY CITIZENS; AUTHORIZING THE REDEMPTION OF SUCH BONDS AS PROVIDED HEREIN; APPROVING THE FORM OF THE APPLICABLE REDEMPTION NOTICES; INSTRUCTING THE INDENTURE TRUSTEE TO PROVIDE NOTICE OF REDEMPTION; AUTHORIZING OFFICERS AND AGENTS OF CITIZENS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH THE OPTIONAL REDEMPTION OF SAID BONDS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Citizens Property Insurance Corporation (hereinafter referred to as the “Issuer” or “Citizens”) is a statutorily created corporation established pursuant to Chapter 627, Part I, section 627.351(6), Florida Statutes, as amended (the “Act”);

WHEREAS, pursuant to that certain Trust Indenture, dated as of August 6, 1997, as amended and supplemented to date, particularly as amended and supplemented by that certain Tenth Supplemental Indenture (the “Tenth Supplemental Indenture”), dated as of June 1, 2015 (collectively, the “Indenture”), by and between the Issuer and Regions Bank, as successor trustee (the “Indenture Trustee”), the Issuer has previously issued its (i) \$700,000,000 original aggregate principal amount of Coastal Account Senior Secured Bonds, Series 2015A-1, all of which is currently outstanding (the “Series 2015A-1 Bonds”) and (ii) \$300,000,000 original aggregate principal amount of Coastal Account Senior Secured Bonds, Series 2015A-2, all of which is currently outstanding (the “Series 2015A-2 Bonds” and, together with the Series 2015A-1 Bonds, the “Series 2015A Bonds”); and

WHEREAS, the Issuer desires to apply certain moneys available in the Series 2015A Bonds Proceeds Subaccount within the Proceeds Account, established pursuant to the Indenture

(the “Available Moneys”), to optionally redeem a portion of the Series 2015A Bonds, as described in more detail below, and thereby allow the Issuer to achieve interest cost savings with respect to the redeemed Series 2015A Bonds; and

WHEREAS, the Board of Governors of the Issuer (the “Board”) finds and determines that it is in the Issuer’s best interests to transfer the Available Moneys from the Series 2015A Bonds Proceeds Subaccount to the Series 2015A Bonds Interest Sub-subaccount within the Interest Subaccount in the Debt Service Account and the Series 2015A Bonds Principal Sub-subaccount within the Principal Subaccount in the Debt Service Account, to redeem the portion of the Series 2015A Bonds to be redeemed, all in accordance with the provisions of the Indenture and this Resolution;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED BY THE BOARD OF GOVERNORS OF CITIZENS PROPERTY INSURANCE CORPORATION, AS FOLLOWS:

Section 1. Authority for Resolution. This Resolution is adopted pursuant to the constitution and laws of the State of Florida, including, particularly, the Act.

Section 2. Recitals as Findings. The recitals in the “Whereas” clauses above are incorporated herein as findings of the Board.

Section 3. Definitions. Terms not defined herein shall have the meanings assigned to such terms in the Indenture. In addition to words and terms defined in the recitals above, the Indenture or elsewhere defined in this Resolution, the following words and terms as used in this Resolution shall have the following meanings, unless some other meaning is plainly intended:

“Available Moneys” means amounts on deposit to the credit of the Series 2015A Bonds Proceeds Subaccount in the Proceeds Account which are authorized pursuant to Section 4 of this Resolution, and the proviso of Section 201(a), clause (i) of the Tenth Supplemental Indenture, to be transferred to the Series 2015A Bonds Principal Sub-subaccount and the Series 2015A Bonds Interest Sub-subaccount to redeem the Series 2015A Redeemed Bonds.

“Authorized Citizens Representative” or “Authorized Issuer Representative” means, in connection with the redemption of the Series 2015A Bonds, (a) the Chairman, or (b) the Executive Director of the Issuer, or (c) the Chief Financial Officer of the Issuer, or (d) such other officers, employees or agents of the Issuer as shall be from time to time designated by a certificate executed by the Chairman or the Executive Director.

“Board” means the Board of Governors of the Issuer.

“Bond Counsel” means a firm of nationally recognized bond counsel knowledgeable in matters of municipal finance. Currently, the Issuer’s Bond Counsel is the law firm of Greenberg Traurig, P.A.

“Chairman” means the Chairman or, in the Chairman’s absence or inability to act, the Vice Chairman of the Board.

“Chief Financial Officer” means the Chief Financial Officer of the Issuer or, in the Chief Financial Officer’s absence or inability to act, the interim or acting Chief Financial Officer of the Issuer.

“Executive Director” means the President, Chief Executive Officer and Executive Director of the Issuer or, in the President, Chief Executive Officer and Executive Director’s absence or inability to act, the interim or acting President, Chief Executive Officer and Executive Director of the Issuer.

“Financial Advisor” means an entity of favorable reputation knowledgeable in matters of municipal finance, selected by the Board to serve as the Issuer’s financial advisor. Currently, the Issuer’s Financial Advisor is Raymond James & Associates, Inc.

“General Counsel” means the General Counsel of the Issuer or, in the General Counsel’s absence or inability to act, the interim or acting General Counsel of the Issuer.

“Resolution” means this Resolution, duly adopted by the Board on September 27, 2017.

“Series 2015A Bonds Interest Sub-subaccount” means the sub-subaccount by such name established in the Interest Subaccount of the Debt Service Account pursuant to the Indenture in connection with the issuance of the Series 2015A Bonds.

“Series 2015A Bonds Principal Sub-subaccount” means the sub-subaccount by such name established in the Principal Subaccount of the Debt Service Account pursuant to the Indenture in connection with the issuance of the Series 2015A Bonds.

“Series 2015A Bonds Proceeds Subaccount” means the subaccount by such name established within the Proceeds Account pursuant to the Indenture in connection with the issuance of the Series 2015A Bonds.

“Series 2015A Redeemed Bonds,” “Series 2015A-1 Redeemed Bonds” and “Series 2015A-2 Redeemed Bonds” have the meanings ascribed thereto in Section 5 of this Resolution.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words used herein shall include the plural as well as the singular number.

The captions and headings in this Resolution are for convenience of reference and in no way define, limit or describe the scope or intent of any provision or Sections of this Resolution.

Section 4. Authorization of Available Moneys to Redeem Series 2015A Bonds.

The Board hereby authorizes and approves the application of the Available Moneys to redeem the Series 2015A Redeemed Bonds, all as more specifically described and provided for in Section 5 hereof. Any Authorized Citizens Representative is hereby authorized and directed to provide written instructions to the Indenture Trustee to withdraw from the Series 2015A Bonds Proceeds Subaccount, on or prior to the redemption date specified in Section 5 hereof, and deposit into the Series 2015A Bonds Principal Sub-subaccount and the Series 2015A Bonds Interest Sub-subaccount the amounts required to pay the principal of and interest on the Series 2015A Redeemed Bonds on the redemption date specified in Section 5 hereof.

Section 5. Description of Series 2015A Bonds to be Redeemed; Designation of Redemption Date. Subject to the second sentence of this Section 5, the Board hereby authorizes and approves the optional redemption of a portion of the Series 2015A Bonds, as follows: (i) from the Series 2015A-1 Bonds, \$5,000,000 maturing on June 1, 2018 and bearing interest at 3.0% and \$45,000,000 maturing on June 1, 2018 and bearing interest at 5.0% (collectively, the “Series 2015A-1 Redeemed Bonds”), shall be redeemed on December 1, 2017 and (ii) all of the Series 2015A-2 Bonds (namely, \$150,000,000 maturing on June 1, 2018 and bearing interest at a variable rate and \$150,000,000 maturing on June 1, 2020 and bearing interest at a variable rate; collectively, the “Series 2015A-2 Redeemed Bonds” and, together with the Series 2015A-1 Redeemed Bonds, the “Series 2015A Redeemed Bonds”), shall be redeemed on December 1, 2017. The foregoing notwithstanding, the Available Moneys shall not be applied to redeem the Series 2015A Redeemed Bonds if, prior to the giving of notice of redemption of the Series 2015A Redeemed Bonds as provided in Section 6 hereof, the Executive Director determines that the Available Moneys are needed to pay hurricane or other weather-related claims. In making the determination described in the foregoing sentence, the Executive Director shall be entitled to consult with the Chief Financial Officer and the Financial Advisor, and other officers, agents and employees of the Issuer, as the Executive Director deems necessary.

Section 6. Notice of Redemption. The Board hereby authorizes and approves the giving of notice of redemption of the Series 2015A Redeemed Bonds and directs the Indenture Trustee to give the required notices of redemption in accordance with the requirements of the Indenture; provided that such redemption notice shall not be given if the Executive Director determines, as provided in Section 5 hereof, that Available Moneys are needed to pay hurricane or other weather-related claims. The notice of redemption of the Series 2015A-1 Redeemed Bonds shall be substantially in the form thereof set forth as Exhibit “A” hereto, with such changes, additions or deletions as approved by an Authorized Citizens Representative. The notice of redemption of the Series 2015A-2 Redeemed Bonds shall be substantially in the form thereof set forth as Exhibit “B” hereto, with such changes, additions or deletions as approved by an Authorized Citizens Representative.

Section 7. Payment of Fees and Costs. The Board hereby approves the payment of all fees and costs required to be paid in connection with the redemption of the Series 2015A Redeemed Bonds.

Section 8. Additional Assurances and Actions. The Issuer shall at any and all times cause to be done all further acts and things and cause to be executed and delivered all such

further instruments as may be necessary to carry out the purpose of this Resolution and the redemption of the Series 2015A Redeemed Bonds.

The Chairman, the Executive Director, the Chief Financial Officer, General Counsel, Bond Counsel, the Financial Advisor, and the other officers, agents and employees of the Issuer are hereby authorized and directed to do all acts and things necessary to carry into effect the provisions of this Resolution and to redeem the Series 2015A Redeemed Bonds. All of the acts and doings of the Chairman, Executive Director, Chief Financial Officer, General Counsel, Bond Counsel, Financial Advisor or any other officer, agent or employee of the Issuer which are in conformity with the intent and purpose of this Resolution and the redemption of the Series 2015A Redeemed Bonds, whether heretofore or hereafter taken or done, shall be and the same are hereby ratified, confirmed and approved.

Section 9. Severability. In case any one or more of the provisions of this Resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution and this Resolution shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

Section 10. Compliance with Open Meeting Requirements. It is hereby found and determined that all formal actions of the Issuer and this Board concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Board, and that all deliberations of this Board, and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 11. Repealing Clause. All resolutions or parts thereof in conflict with the provisions hereof are, to the extent of such conflict, hereby superseded and repealed.

Section 12. Effective Date. This Resolution shall take effect and be in force immediately upon its adoption.

Passed this 27th day of September, 2017.

Chairman
Board of Governors
Citizens Property Insurance Corporation

[SEAL]

ATTEST: _____
Executive Director
Citizens Property Insurance Corporation

EXHIBIT “A”

FORM OF REDEMPTION NOTICE FOR
SERIES 2015A-1 REDEEMED BONDS

NOTICE OF REDEMPTION

**Citizens Property Insurance Corporation
Coastal Account Senior Secured Bonds, Series 2015A-1
dated June 2, 2015**

NOTICE IS HEREBY GIVEN that the Citizens Property Insurance Corporation Coastal Account Senior Secured Bonds, Series 2015A-1, dated June 2, 2015 (the "Series 2015A-1 Bonds"), maturing on June 1, 2018, outstanding in the aggregate principal amount of \$50,000,000, which are redeemable on December 1, 2017 at the option of Citizens Property Insurance Corporation (the "Issuer") at a redemption price equal to 100% of the principal amount of such Series 2015A-1 Bonds to be redeemed plus interest accrued to the date of redemption, have been irrevocably called for redemption on December 1, 2017. The Series 2015A-1 Bonds were issued and are outstanding pursuant to the terms of a Trust Indenture dated as of August 6, 1997, as amended and supplemented, particularly as amended and supplemented by that certain Tenth Supplemental Indenture dated as of June 1, 2015, by and between the Issuer and Regions Bank, as successor Indenture Trustee.

The maturity dates, CUSIP numbers and interest rates on the Series 2015A-1 Bonds to be redeemed are as set forth below.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP Number*</u>
06/01/2018	\$ 5,000,000	3.000%	176553GY5
06/01/2018	45,000,000	5.000	176553HC2

*The Issuer and the Indenture Trustee shall not be responsible for the CUSIP numbers referenced herein, nor is any representation made as to their correctness indicated in the notice or as printed on any Series 2015A-1 Bond. They are included solely for the convenience of the holders.

Payment of the redemption price (as described above) will be made on or after said redemption date of December 1, 2017 upon the presentation of said 2015A-1 Bonds to be redeemed at the offices of Regions Bank, as the Paying Agent for the Series 2015A-1 Bonds, at Regions Bank, Corporate Trust Operations, Lakeshore Operations Center, 201 Milan Parkway, 2nd Floor, Birmingham, Alabama 35211. Unless the Issuer defaults in paying the redemption price, interest on the Series 2015A-1 Bonds to be redeemed will cease to accrue from and after December 1, 2017.

Notice

Federal law requires the payor to withhold at the current rate of withholding from the payment if a certified taxpayer (social security) number is not provided. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

Regions Bank
as Indenture Trustee

Date: October __, 2017

EXHIBIT “B”

FORM OF REDEMPTION NOTICE FOR
SERIES 2015A-2 REDEEMED BONDS

NOTICE OF REDEMPTION

**Citizens Property Insurance Corporation
Coastal Account Senior Secured Bonds, Series 2015A-2
dated June 2, 2015**

NOTICE IS HEREBY GIVEN that the Citizens Property Insurance Corporation Coastal Account Senior Secured Bonds, Series 2015A-2, dated June 2, 2015 (the "Series 2015A-2 Bonds"), maturing on June 1, 2018 and June 1, 2020, outstanding in the aggregate principal amount of \$300,000,000, which are redeemable on December 1, 2017 at the option of Citizens Property Insurance Corporation (the "Issuer") at a redemption price equal to 100% of the principal amount of such Series 2015A-2 Bonds plus interest accrued to the date of redemption, have been irrevocably called for redemption on December 1, 2017. The Series 2015A-2 Bonds were issued and are outstanding pursuant to the terms of a Trust Indenture dated as of August 6, 1997, as amended and supplemented, particularly as amended and supplemented by that certain Tenth Supplemental Indenture dated as of June 1, 2015, by and between the Issuer and Regions Bank, as successor Indenture Trustee.

The maturity dates, CUSIP numbers and interest rates on the Series 2015A-2 Bonds are as set forth below.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP Number*</u>
06/01/2018	\$ 150,000,000	Variable	176553HD0
06/01/2020	150,000,000	Variable	176553HE8

*The Issuer and the Indenture Trustee shall not be responsible for the CUSIP numbers referenced herein, nor is any representation made as to their correctness indicated in the notice or as printed on any Series 2015A-2 Bond. They are included solely for the convenience of the holders.

Payment of the redemption price (as described above) will be made on or after said redemption date of December 1, 2017 upon the presentation of said 2015A-2 Bonds at the offices of Regions Bank, as the Paying Agent for the Series 2015A-2 Bonds, at Regions Bank, Corporate Trust Operations, Lakeshore Operations Center, 201 Milan Parkway, 2nd Floor, Birmingham, Alabama 35211. Unless the Issuer defaults in paying the redemption price, interest on the Series 2015A-2 Bonds will cease to accrue from and after December 1, 2017.

Notice

Federal law requires the payor to withhold at the current rate of withholding from the payment if a certified taxpayer (social security) number is not provided. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

Regions Bank
as Indenture Trustee

Date: October __, 2017