

Citizens Property Insurance Corporation

Barry Gilway, President/CEO and Executive Director

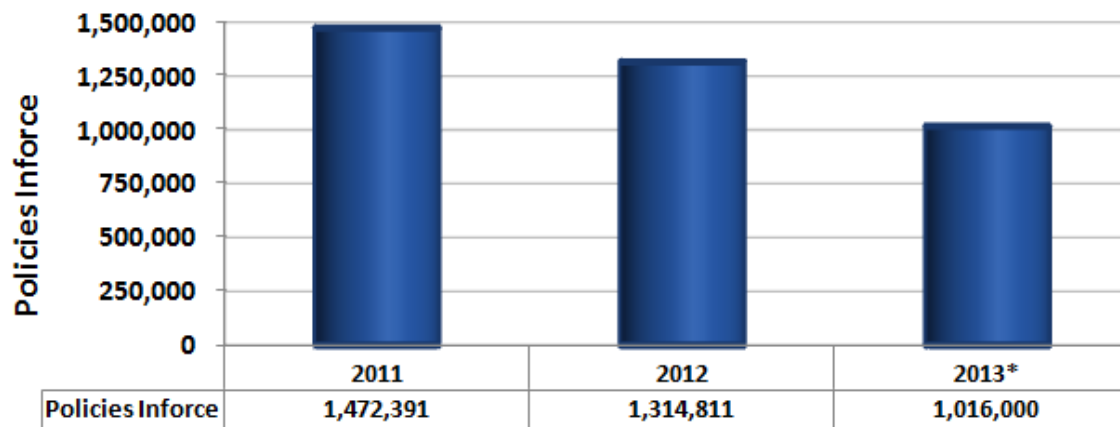
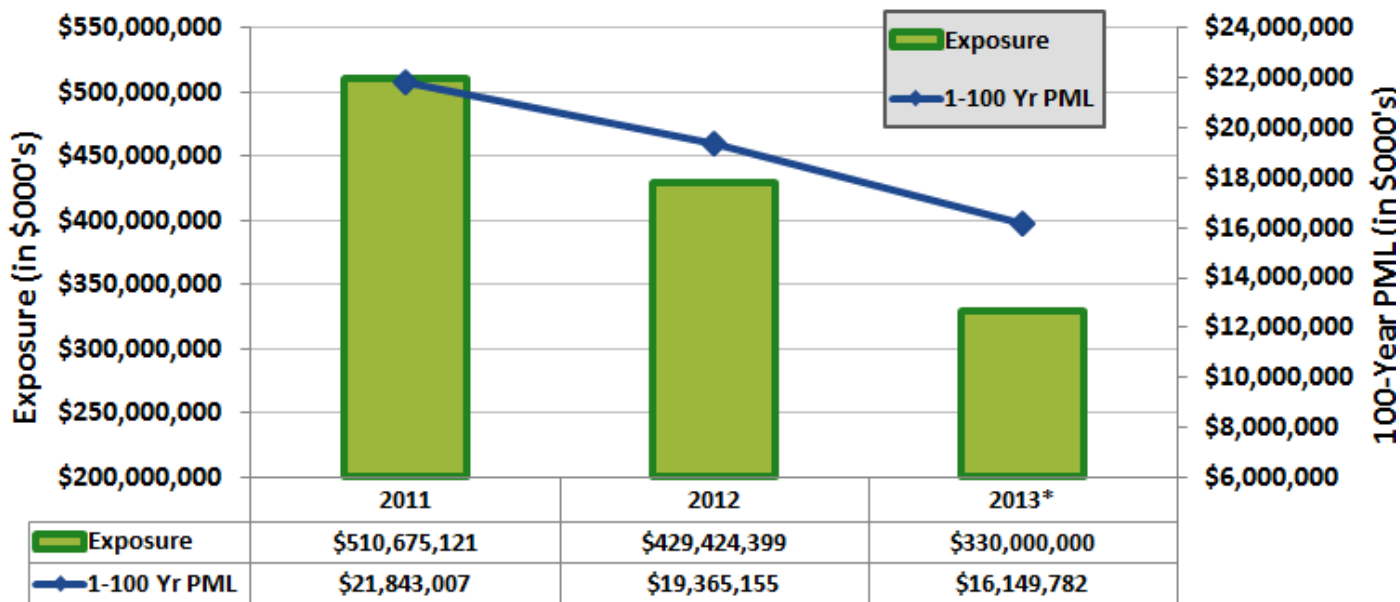
Florida Chamber of Commerce

January 16, 2014

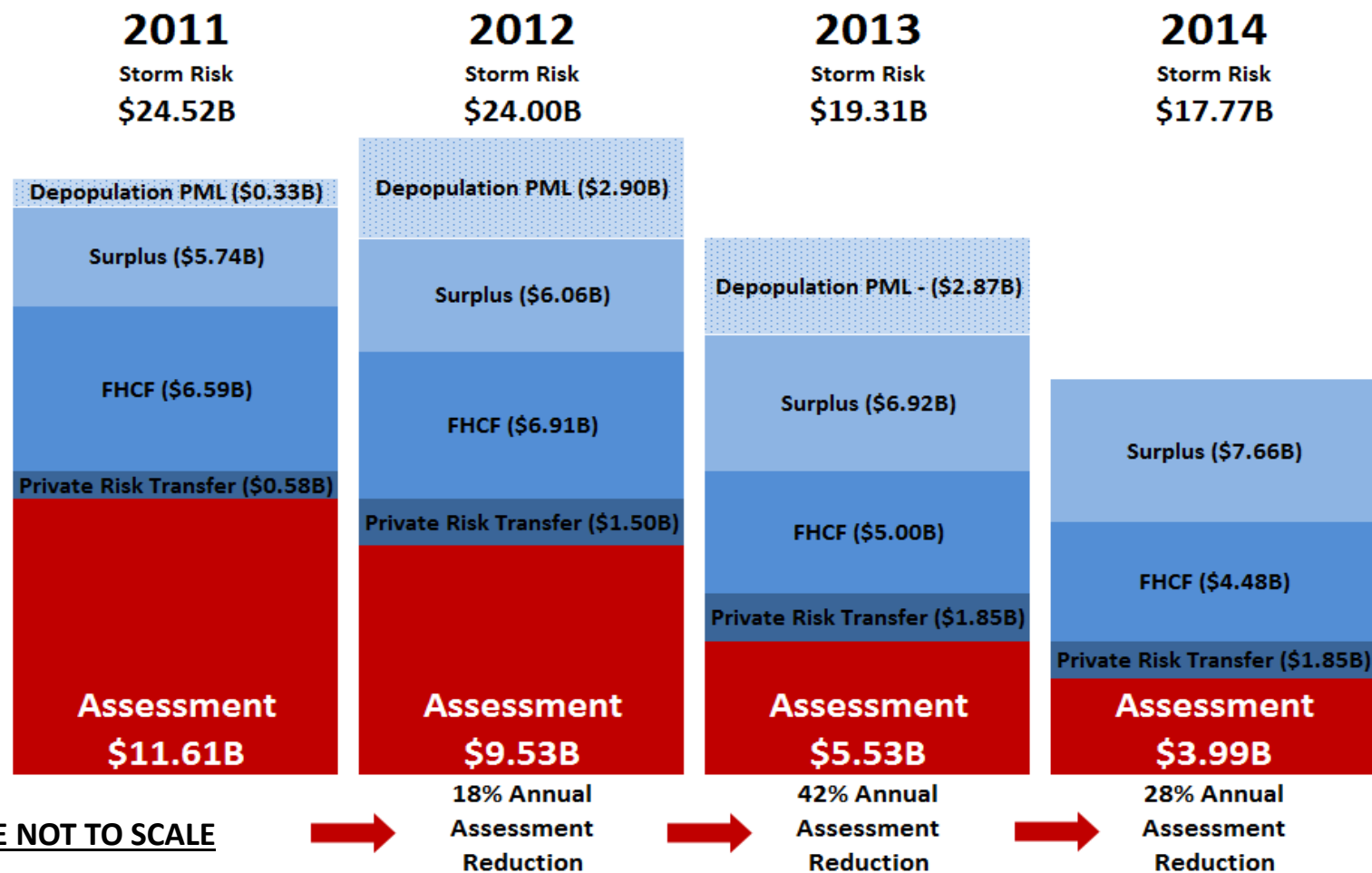
Exposure, 1-100 Year PML and Policies Inforce

In the last 21 months

- Exposure has decreased by **35%**
- 1-100 Year PML has decreased by **26%**
- Policies inforce have decreased by **31%**



Risk and Assessment Reductions



NOTES:

1. Storm Risk is as measured by 100-year probable maximum loss (PML) plus estimated loss adjustment expenses.
2. Surplus, Florida Hurricane Catastrophe Fund (FHCF) & Assessments are as projected at beginning of storm season
3. 2014 FHCF projections are preliminary and actual amounts may differ significantly from these projections.
4. 2014 projected reinsurance program estimated as the 2013 program for this analysis only.
5. 2011 and 2012 Depopulation PML includes depopulation over the entire calendar year.
6. 2013 Depopulation PML includes depopulation through November 2013.

Commercial Exposure

Commercial Residential

- 17,150 Policies
- \$92 Billion in Exposure (out of \$320 Billion)
- \$4.1 Billion PML of 17 Billion
- Citizens Market Share 43%
- Rate Need Between 20-70%

Commercial Non-Residential

(Citizens writes first \$1 Million of wind only / \$2.5 Million of Multi-Peril)

- 21,467 Policies
- \$14.7 Billion Exposure
- \$1 Billion PML
- Rate Need for Wind Only is 24.3%
- Rate Need for Commercial Non-Residential Multi-Peril Coastal is 73.5%.

What Could Citizens Look Like?

Properties Citizens will likely cover as the Insurer of Last Resort include the following characteristics:

- Coastal Properties
- Older Homes
- Older Mobile Homes
- Portion of the Sinkhole Prone areas
- Older, Taller and Higher Value Condominium Associations
- Rental Properties
- Commercial Non-Residential

Policy Count				
	9/30/2013	Returned to Private Market *	Citizens Retains	Percent Reduction
PLA	797,305	445,000	352,305	56%
Coastal Account	417,134	46,000	371,134	11%
CLA	7,727	4,000	3,727	52%
Total	1,222,166	495,000	727,166	41%

* Returned to Private Market counts include expected November and December 2013 takeout policy counts adjusted at a rate of 30% for opt outs

Concepts Under Legislative Consideration

- Establish Commercial-Residential Clearinghouse
- Include Surplus Lines for Commercial Clearinghouse
- Limit Total Insured Value for Commercial Residential to 10 Million utilizing Step Down Program
- Allow Citizens to Individually Rate Risks with Values Above 2.5 Million
- Programs to address Commercial Non-Residential
- Charge Actuarially Sound Rates for Commercial Non-Residential
- Citizens Policyholder Surcharge Shift (5 percent shift from PLA to Coastal Account)
- Sinkhole Managed Repair Program