

Executive Summary

Claims Committee Meeting, September 9, 2021

Board of Governors Meeting, September 22, 2021

Litigated Claims Update

CLAIMS LITIGATION – 2021 YEAR TO DATE (January 1, 2021 – July 31, 2021)

Overview of Incoming Lawsuits and Pending Volume:

From January 2021 through July 2021, Citizens was served with 6,338 lawsuits (6,251 Residential Property, 46 Commercial Property and 41 Liability) – averaging 905 new lawsuits per month. This reflects a 54% increase in the number of new incoming suits per month as compared to this same time period last year (2020 average for January through July – 588).

Breakdown of 2021 YTD New Lawsuits:

First Party Residential Property – 6,251 Total (99% of Overall Total)

- Residential CAT	3,343	53%
- Residential Non-CAT	2,908	47%
- Residential Sinkhole	0	0%

First Party Commercial Property – 46 Total (<1% of Overall Total)

- Commercial CAT	44	96%
- Commercial Non-CAT	2	4%
- Commercial Sinkhole	0	0%

Third Party Liability – 41 Total (<1% of Overall Total)

As of July 31, 2021, current pending volume totaled 15,737 lawsuits (15,425 Residential Property, 215 Commercial Property and 97 Liability). This reflects a 32% increase in pending as compared to this same time last year (11,904 pending matters).

Breakdown of 2021 YTD Pending Lawsuit Volume:

First Party Residential Property – 15,425 Total (98% of Overall Total)

- Residential CAT	7,958	52%
- Residential Non-CAT	7,373	48%
- Residential Sinkhole	94	<1%

First Party Commercial Property – 215 Total (<1% of Overall Total)

- Commercial CAT	202	94%
- Commercial Non-CAT	9	4%
- Commercial Sinkhole	4	2%

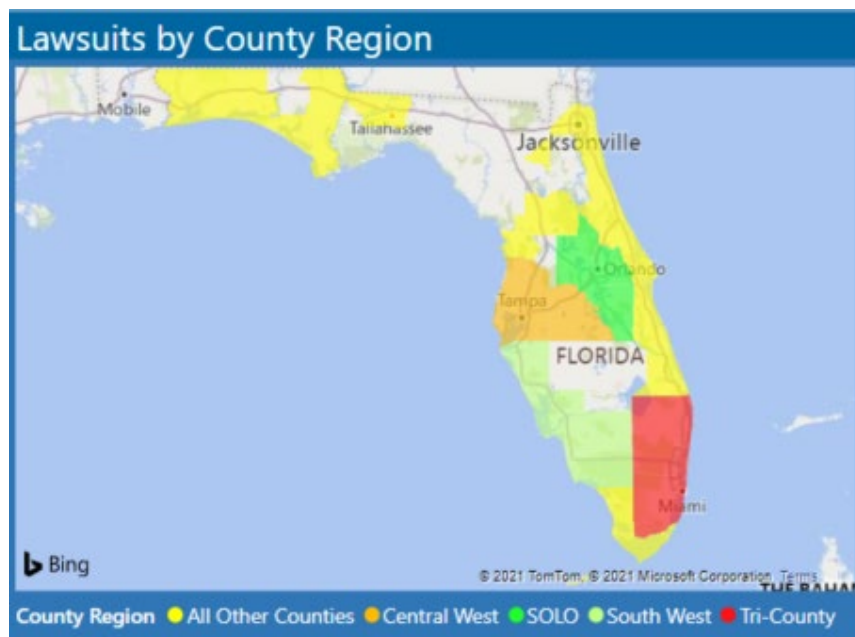
Third Party Liability – 97 Total (<1% of Overall Total)

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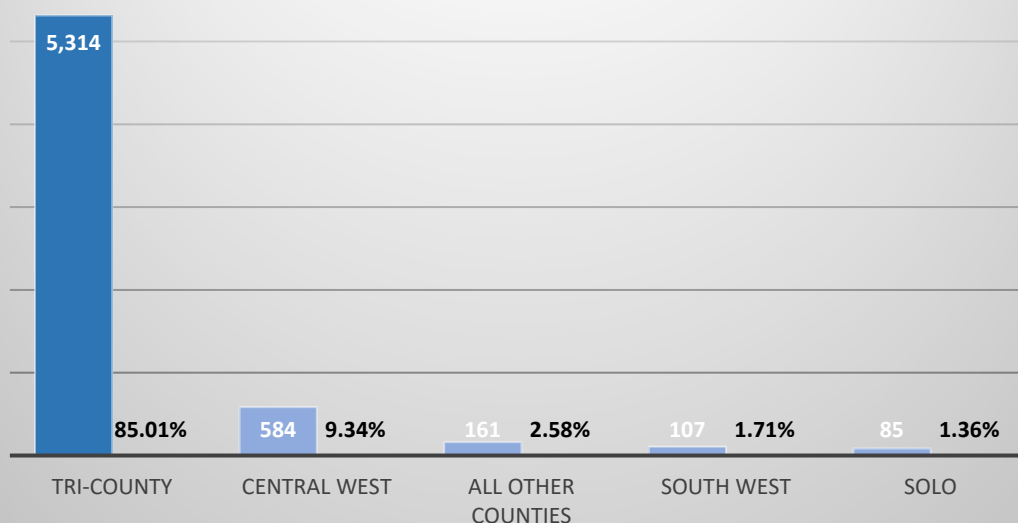
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85% of the incoming residential property lawsuits arise out of the Tri-County area. This is a 3% decrease compared to 2020.



Region where Served	Lawsuits	% Grand Total
Tri-County	5314	85.01%
Central West	584	9.34%
All Other Counties	161	2.58%
South West	107	1.71%
SOLO	85	1.36%
Total	6251	100.00%

1st Party Residential New Lawsuits by County Region Jan - Jul 2021



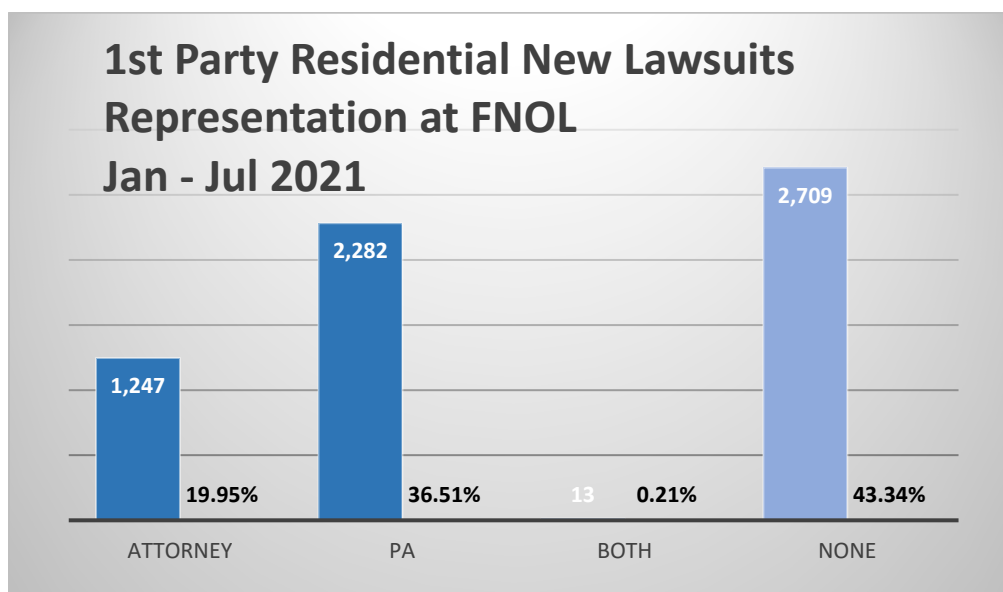
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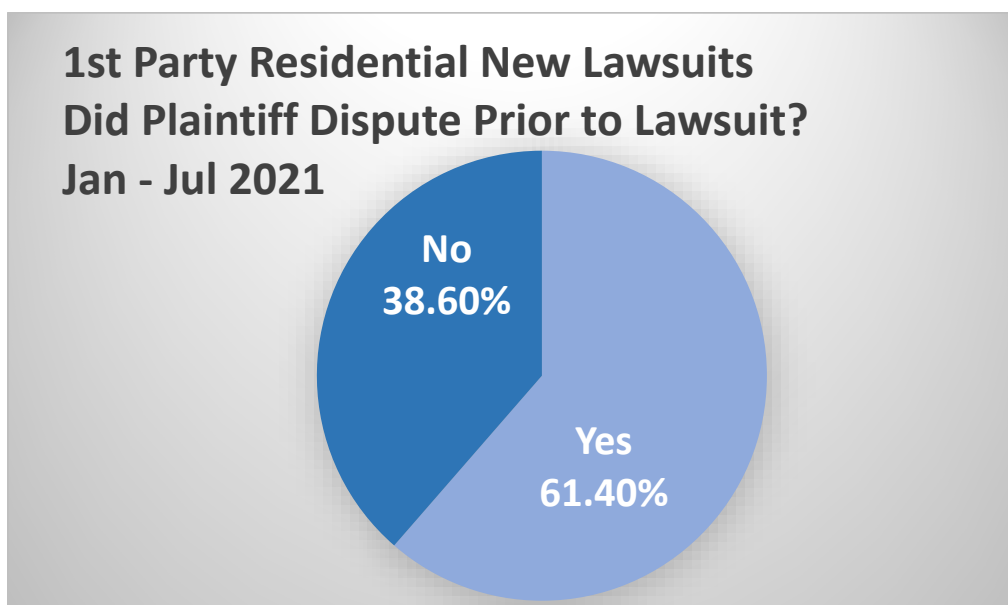
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The plaintiff was represented at First Notice of Loss in 57% of incoming residential property lawsuits, a slight decrease from 59% as compared to 2020:

- Attorney 20%
- Public Adjuster 37%
- Both Attorney & PA <1%



In 39% of the incoming residential property lawsuits the insured did not dispute Citizens' position or adjustment of the claim prior to filing suit which has decreased from 45% in 2020.



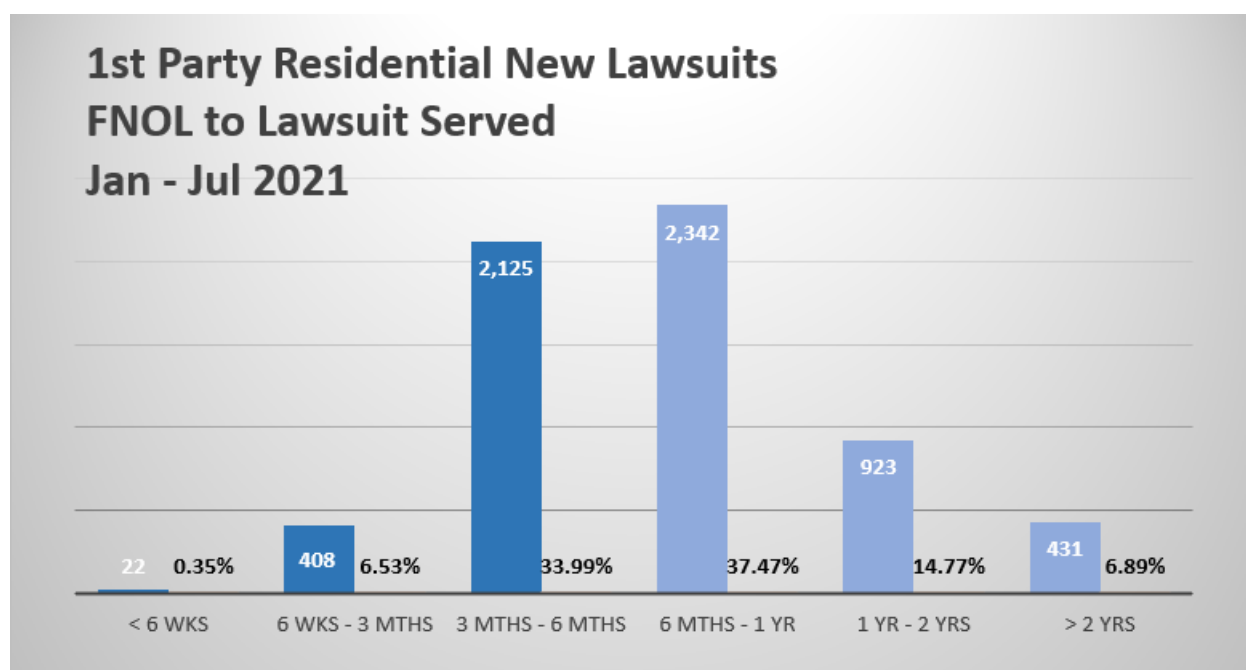
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A review of the timing of incoming lawsuits reveals that 41% of lawsuits are brought within 6 months of the First Notice of Loss (FNOL). This is an increase from 37% as compared to 2020.

- Within 6 weeks of FNOL <1%
- Within 3 months of FNOL 7%
- Within 6 months of FNOL 34%
- Within 1 year of FNOL 37%
- Within 2 years of FNOL 15%
- 2 or more years from FNOL 7%



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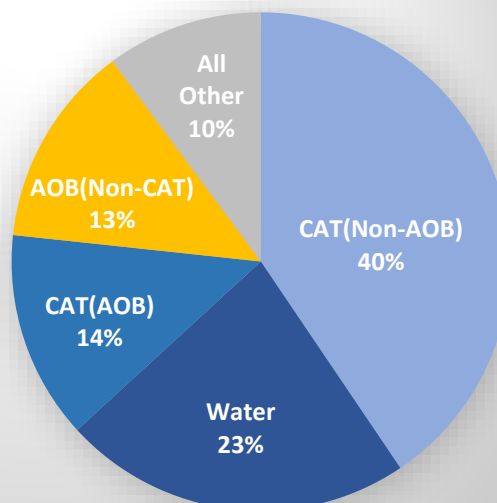
Water Loss, AOB and CAT:

CAT Lawsuits represent 53% of all new incoming lawsuits and 52% of all pending lawsuits from January 2021 through July 2021 and continues to be the leading cause of loss in both new and pending lawsuits.

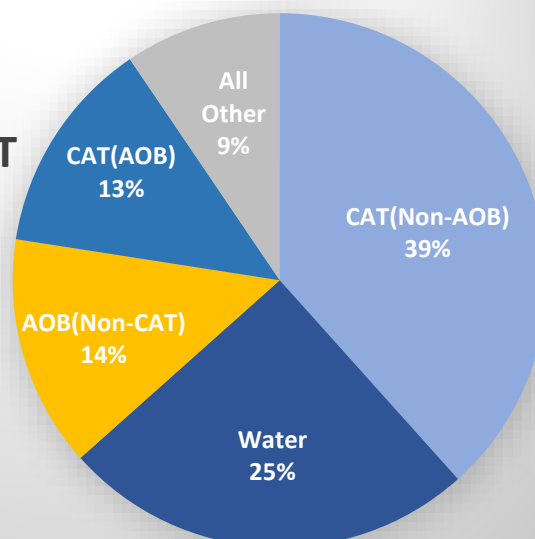
AOB Lawsuits represent 27% of new incoming lawsuits which remains consistent compared to the same time period in 2020. Pending AOB lawsuits represents 27%, a decrease of 4% as compared to January through July 2020.

Non-Weather Water Lawsuits represent 23% of all new incoming, a 7% decrease since 2020 and 25% of all pending, a 4% decrease since 2020.

1st Party Residential New Lawsuits Water Loss, AOB & CAT Jan - Jul 2021



1st Party Residential Pending Lawsuits Water Loss, AOB & CAT As of Jul 31, 2021



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CONCLUSION

Citizens continues to experience a significant increasing trend in new, incoming lawsuits as compared to 2020. CAT losses remain the leading cause of loss for both new incoming and pending lawsuits as has been the trend consistently throughout 2020 and continuing in 2021.

The distribution of new, incoming AOB lawsuits has leveled off and is consistent with the same time period last year.

Water loss lawsuits continue on a downward trend with a 7% decrease in new, incoming lawsuits as compared to this same time period in 2020.

While the Tri-County area continues to lead the state in lawsuit volume, we continue to experience an increasing trend of new, incoming lawsuits arising out of the Central West (Tampa area) region and other areas of the state.