

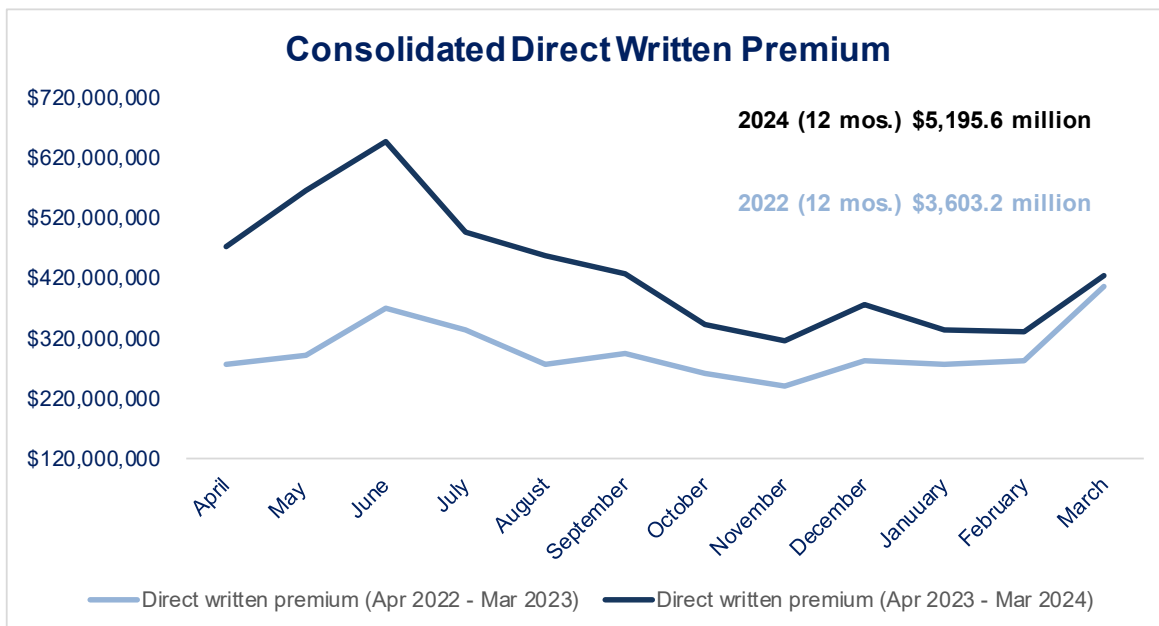
The following is an analysis of Citizens’ financial and operating results for the quarter ending March 31, 2024.

**- PREMIUMS -**

Direct written premium for the first quarter of 2024 was \$1,091.2 million or \$124.6 million (13%) greater than direct written premium for the same period a year prior. The overall renewal rate during the first quarter of 2024 was approximately 82%, marking a 4% decrease from the same period a year prior. Along with the decrease in renewal rate, the number of first-time policies written decreased to 102,000 in comparison to 131,000 during the same period a year prior. Premiums ceded through depopulation through the first quarter of 2024 were \$259.5 million, marking a significant increase in comparison to 2023 wherein \$0.2 million of premiums were ceded through depopulation.

	3-months ended	
	Mar 2024	Mar 2023
New Business	101,699	127,769
Untagged Takeouts	86	5
Reinstatements	4,756	7,381
Cancellations	(27,582)	(28,858)
Non-Renewals	(24,709)	(12,710)
New Tags for Takeout	(114,049)	-
Net change	(59,799)	93,587
Ending PIF	1,168,919	1,239,396

Direct earned premium increased \$443.4 million (53%) consistent with an increase in direct premiums written.



Through the first quarters of 2024 and 2023, no premiums ceded for private reinsurance were recognized by Citizens – premiums ceded for private reinsurance are recognized at the inception of the Atlantic Hurricane Season (June 1<sup>st</sup>).

**- LOSSES -**

	Non-CAT Only			CAT and Non-CAT		
	1Q2024	CY 2023	1Q2023	1Q2024	CY 2023	1Q2023
Direct loss ratio	23.9%	26.6%	29.8%	23.9%	33.4%	29.8%
Direct loss ratio (underlying)	23.9%	26.2%	29.6%	23.9%	27.8%	29.6%
Direct LAE ratio	12.9%	13.2%	15.5%	16.0%	11.4%	15.6%
Direct LAE ratio (underlying)	10.7%	12.3%	14.1%	10.7%	12.8%	14.1%

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

No development on storm-related ultimate losses and LAE occurred during the first quarter of 2024.

Ultimate direct losses and LAE related to Hurricane Ian were \$3,596.0 million at March 31, 2024. Of this, \$1,121.6 million is recoverable under Citizens' reinsurance contracts, resulting in net losses and LAE of \$2,474.4 million.

Ultimate direct losses and LAE related to Hurricane Nicole were \$100.5 million at March 31, 2024. Of this, \$14.7 million is recoverable under Citizens' reinsurance contracts, resulting in net losses and LAE of \$85.8 million.

Ultimate ultimate direct losses and LAE related to Hurricane Irma were \$2,550.5 million at March 31, 2024. Of this, \$1,120.4 million is recoverable under Citizens' reinsurance contracts, resulting in net losses and LAE of \$1,430.1.

Ultimate ultimate direct losses and LAE related to Tropical Storm Eta were \$351.3 million at March 31, 2024. A significant volume of claims were reported four or more months after the date of loss. In addition, the overall litigation rate is approximately 48%. No reinsurance recoveries have been recorded due to loss levels not meeting the retention of Citizens' reinsurance contracts.

Ultimate ultimate direct losses and LAE related to Tropical Storm/Hurricane Sally were \$78.4 million at March 31, 2024. No reinsurance recoveries have been recorded due to loss levels not meeting the retention of Citizens' reinsurance contracts.

Ultimate ultimate losses and LAE related to Hurricane Idalia were \$83.5 million at March 31, 2024. No reinsurance recoveries have been recorded due to loss levels not meeting the retention of Citizens' reinsurance contracts.

The non-catastrophe loss and LAE ratio through the first quarter of 2024 continues to decrease. The dominant driver behind the improvement in loss and LAE over the past several years has been the improvement in litigation rates, which continues to be the single most important factor in non-catastrophe losses and LAE, and which have remained stable for non-catastrophe losses in 2022 and 2023.

Administrative expenses reclassified to LAE are assigned to prior 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 -**

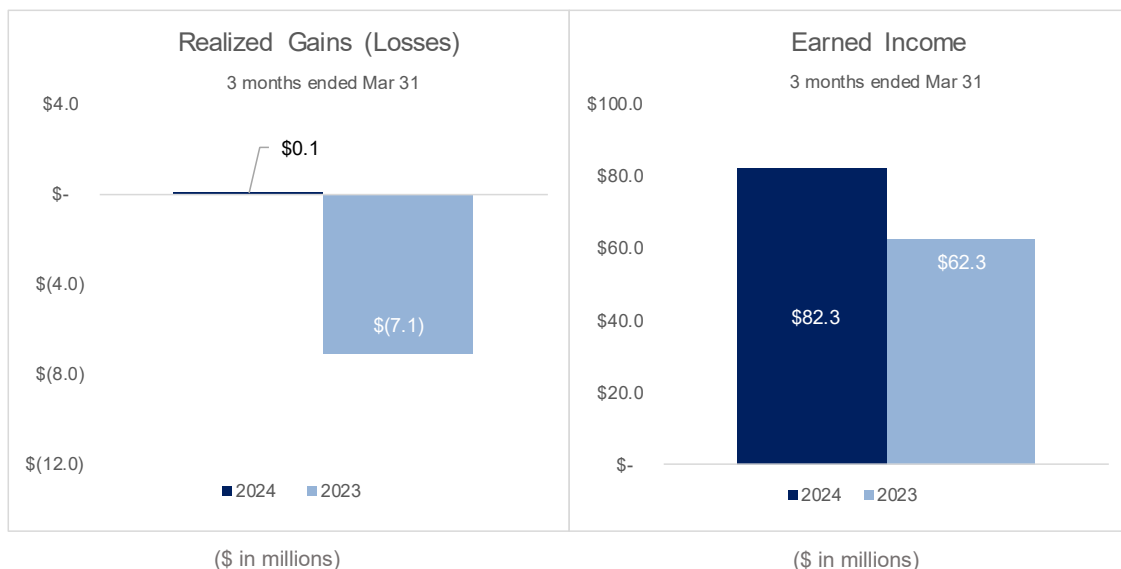
Administrative expenses incurred in the first quarter of 2024 of \$52.2 million were \$6.5 million (14%) more than administrative expenses incurred during the same period in 2023 and \$8.0 million (13%) less than budget.

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

- *Employee expenses (Salaries, Employee Benefits and Payroll Taxes)* were \$4.2 million (8%) more than the prior year as a result of an increase in employee counts, primarily within operational units. In comparison to budget, *employee expenses* were \$5.4 million (8%) below budget as a result of delays in filling positions.
- *Contingent Staffing* expenses were \$9.7 million (30%) less than the prior year and budget due to a reduction in the number of day rate adjusters utilized.
- *Professional Services* expenses were \$1.2 million (51%) more than the prior year and \$2.3 million (39%) less than budget, driven by delays and/or postponements of certain projects throughout the company.
- *Rent* expenses were \$435,000 (23%) less than budget as a result of delayed infrastructure hardware purchases.
- *Software Maintenance and Licensing* expenses were \$1.8 million (38%) more than the prior year and \$2.2 million (25%) less than budget. Variances to budget are largely the result of delays in certain projects as well as the timing of related invoices. Year-over-year variances result from planned price escalations and new purchases.

For the quarter ended March 31, 2024, Citizens’ expense ratio was 15.4%, reflecting a .3% decrease from the same period a year prior and a 1.3% increase compared to budget.

**- INVESTMENT INCOME -**



	3-months ended (\$ millions)	
	Mar 2024	Mar 2023
Earned income	\$ 82.3	\$ 62.3
Net realized gains (losses)	0.1	(7.1)
<b>Total income</b>	<b>\$ 82.4</b>	<b>\$ 55.2</b>
Average invested assets	\$ 10,017.5	\$ 9,145.1

Total investment income in the first quarter of 2024 was \$82.4 million, or \$20.1 million (32%) more than the prior year, and average invested assets increased \$872.4 million (10%). Realized gains for the quarter were minimal as Citizens continues to defer asset dispositions. Increases in investment income, excluding the effect of realized gain and loss activity, resulted from an overall relative increase in interest rates, specifically yields in Treasury bills and other short-duration instruments, where a majority of Citizens' cash flow from operations as well as proceeds from maturing securities have been invested. Additionally, an increase in holdings in Treasury bills also contributed to the period-over-period increase in investment income.

	Externally-Managed Portfolios (Mar 2024)	
	Taxable Liquidity	Taxable Claims
Total market value (\$ in billions)	\$2.290	\$6.130
Duration	0.8	4.0
Avg. credit rating (S&P / Moody's / Fitch)	AA / Aa2 / AA	A+ / A1 / A+

## - CASH FLOWS -

Cash flows provided by operations were \$128.6 million for the quarter ended March 31, 2024, reflecting a decrease of \$163.8 million (56%) in comparison to 2023. Net premiums collected were \$703.8 million or \$237.4 million (25%) less than in 2023, consistent with overall increases in ceded premium, partially offset by increases in direct premiums written. Net decreases in benefits and loss related payments were largely the result of loss and LAE payments for storm-related losses in prior years, partially offset by reinsurance recoveries on loss and LAE. Increases in underwriting expenses paid of \$11.9 million (9%) were consistent with increases in premiums written and the related increase in acquisition costs.

	Consolidated - 3 months ended	
	Mar 2024	Mar 2023
Premiums collected, net	\$ 703,775,363	\$ 941,162,623
Net investment income	(6,471,498)	69,514,693
Miscellaneous income collected	1,947,714	1,393,483
Benefits and loss related payments	(304,500,733)	(455,158,302)
Loss adjustment expense payments	(114,956,767)	(125,175,849)
Underwriting expenses paid	(151,228,606)	(139,364,623)
<b>Net cash flows provided by operations</b>	<b>\$ 128,565,474</b>	<b>\$ 292,372,024</b>