2025 Budget/Projected Risk Transfer Program

December 3 & 4, 2024

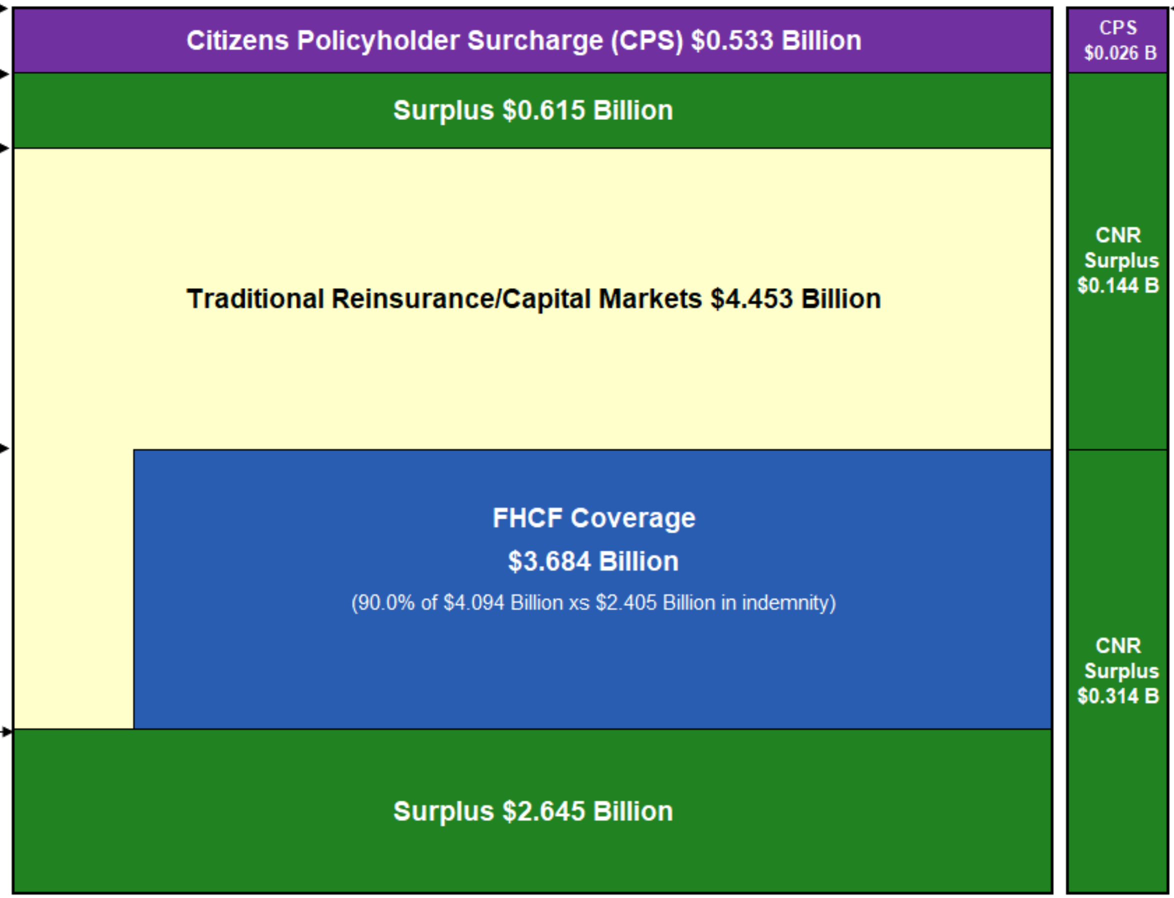
2025 Budget Layer Chart

No Coverage below the FHCF

Funding Sources (dollars in billions)		
	Surplus	$3.72
	FHCF Coverage	$3.68
	Traditional Reinsurance/Capital Markets	$4.45
	Citizens Policyholder Surcharge (CPS)	$0.56
	Emergency Assessment (EA)	$0.00

09/30/2024 PML with 10% LAE and -29.5% PR/CR, -14.0% CNR Growth Adjustment

Residential Loss & LAE	PML Return Time Single	PML Return Time Agg	OEP	AEP
$11.931 B	100	91	1.00%	1.10%
$11.398 B	93	85	1.07%	1.18%
$10.783 B	85	78	1.18%	1.29%
$6.739 B	42	38	2.36%	2.62%
$2.645 B	15	14	6.59%	7.12%



CNR Loss + LAE	Res + CNR Loss + LAE
$0.484 B	$12.415 B

100% of surplus is exposed in a 1-in-100 year event.

See Notes and Assumptions (page 5)

(Not to scale)

CITIZENS PROPERTY INSURANCE CORPORATION

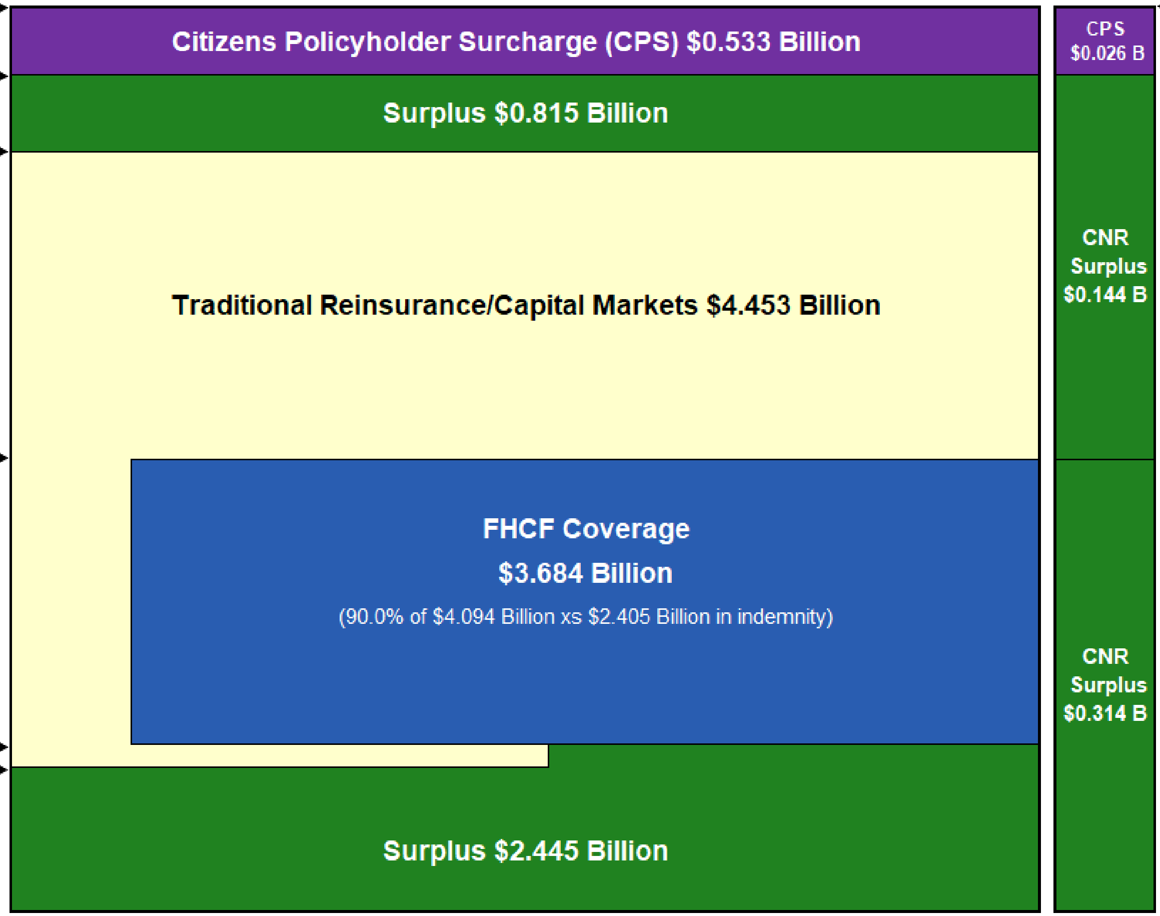
2025 Budget Layer Chart

Coverage below the FHCF = $200 million

Funding Sources (dollars in billions)		
	Surplus	$3.72
	FHCF Coverage	$3.68
	Traditional Reinsurance/Capital Markets	$4.45
	Citizens Policyholder Surcharge (CPS)	$0.56
	Emergency Assessment (EA)	$0.00

09/30/2024 PML with 10% LAE and -29.5% PR/CR, -14.0% CNR Growth Adjustment

Residential Loss & LAE	PML Return Time Single	PML Return Time Agg	OEP	AEP
$11.931 B	100	91	1.00%	1.10%
$11.398 B	93	85	1.07%	1.18%
$10.583 B	82	76	1.21%	1.32%
$6.739 B	42	38	2.36%	2.62%
$2.645 B	15	14	6.59%	7.12%
$2.211 B	13	12	7.69%	8.30%



CNR Loss + LAE	Res + CNR Loss + LAE
$0.484 B	$12.415 B

100% of surplus is exposed in a 1-in-100 year event.

See Notes and Assumptions (page 5)

(Not to scale)

Notes and Assumptions
2024-2025 Storm Season

ASSUMPTIONS

- Citizens' 2024 Projected DWP — $4.6 Billion
- Citizens' 2025 Budgeted DWP — $3.7 Billion
- Citizens' Policyholder Surcharge Maximum % Per Account — 15%
- 2024 Emergency Assessment Base (based on 2023 DWP) — $85.2 Billion
- PMLs are based on modeled losses as of September 30, 2024, AIR Hurricane Model for the United States Version 2.0.0 as implemented in Touchstone (version 11.5.0). All PMLs reflect the 50K US Hurricane - Florida Regulatory Event Set including Demand Surge, excluding Storm Surge, and include 10% of loss to account for loss adjustment expense (LAE). Interim Return Periods are derived by linear interpolation between 5-year intervals. 2025 Budget chart uses growth adjustments of -29.5% for PR/CR and -14.0% for CNR.
- 2024 Projected Surplus = year end 2023 surplus + 2024 projected net income
- 2025 Projected Surplus = 2024 projected surplus + 2025 budgeted net income
- FHCF pays 10% of reimbursed loss for loss adjustment expense
- Citizens' 2024 and projected 2025 FHCF coverage is based on preliminary retention and coverage estimates. Actual Citizens' FHCF attachment and limits of coverage could differ significantly from estimates.
- Lighting Re is an industry loss index trigger catastrophe bond based on PCS published insured residential losses in the State of Florida for Florida named storms. The fully collateralized Notes provide multi-year excess of loss protection on an annual aggregate basis across all three accounts. Estimated placement of this coverage on the layer charts is based on internal analysis. Actual attachment and exhaustion points could differ significantly from estimates.

NOTES

These charts are imperfect! They attempt to show projected claims-paying resources, but they are approximations only. Four significant complicating factors are described below:

1) Coastal PML vs. PLA/CLA PML: An actual 100-year PML event in the Residential portion of the Coastal Account may not be a 100-year PML event for PLA/CLA nor for the Non-Residential portion of the Coastal Account. The relative magnitude of actual losses for Coastal and PLA/CLA will depend on the storm size and path
2) Combining PLA and CLA: The PLA and CLA are separate accounts for deficit calculation and assessment purposes but are combined for FHCF and credit purposes. It is impossible to accurately show the PML resources situation of these accounts on either separate or combined charts since simplifications must be made in either case that could prove materially inaccurate
3) Non-residential exposure: Commercial non-residential (CNR) exposures in the CLA and Coastal Account are not reinsured by FHCF. Coastal CNR losses are shown in a stand-alone chart and correspond to the actual CNR's PML and return periods. CNR is a small portion of the CLA Account and so is not considered in that chart.
4) Liquidity: These charts do not show the liquidity needs of the accounts. An account with ample PML resources may still require liquidity as many of the PML resources are not available immediately following a major hurricane. The timing and magnitude of receivables such as FHCF recoveries and assessments are unknown.

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