



2018 Preliminary Layer Charts

May 2018



2018 Coastal Account Preliminary Layer Chart

Personal Residential and Commercial Residential

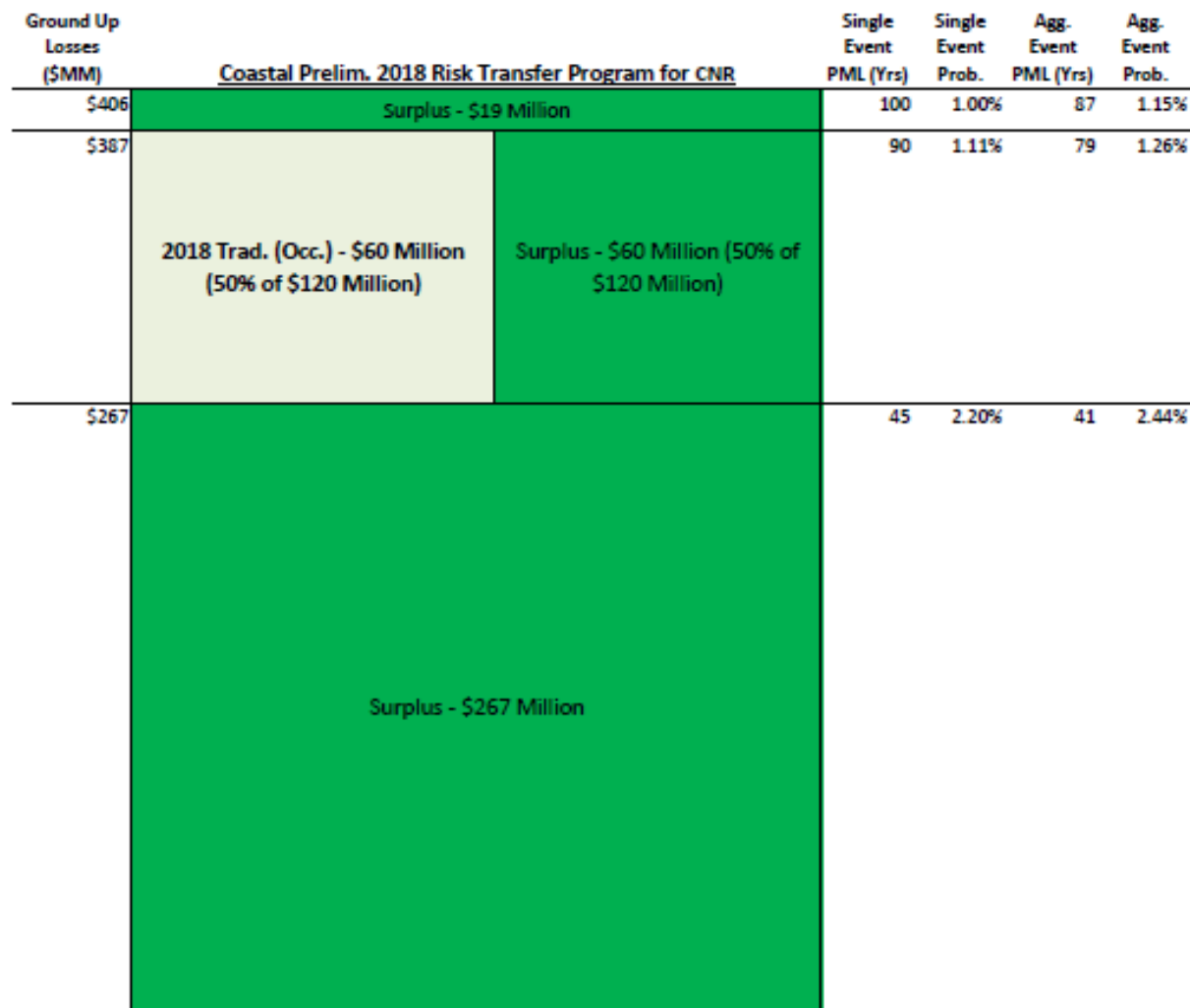
Ground Up Losses (\$MM)	Coastal Prelim. 2018 Risk Transfer Program for PR/CR			Single Event PML (Yrs)	Single Event Prob.	Agg. Event PML (Yrs)	Agg. Event Prob.
\$3,030	Surplus - \$115 Million			100	1.00%	93	1.08%
\$2,915	2018 Trad. Agg. Single Year - \$300 Million			93	1.08%	87	1.15%
\$2,615	2017 Trad. Agg. Multi-Year - \$180 Million	2018 Trad. Agg. Multi-Year / 2018 Cat Bonds - \$400 Million	2017 Cat Bonds - \$300 Million	79	1.27%	74	1.36%
\$1,735	2018 Trad. Single Event - \$183 Million	FHCF Coverage (90% of \$1.241B x \$395MM) \$1.117 Billion		45	2.20%	41	2.41%
\$435	Surplus - \$435 Million			12	8.56%	11	9.28%

(Not to scale)

Not all layers shown may be placed
See Notes and Assumptions (page 5)

2018 Coastal Account Preliminary Layer Chart

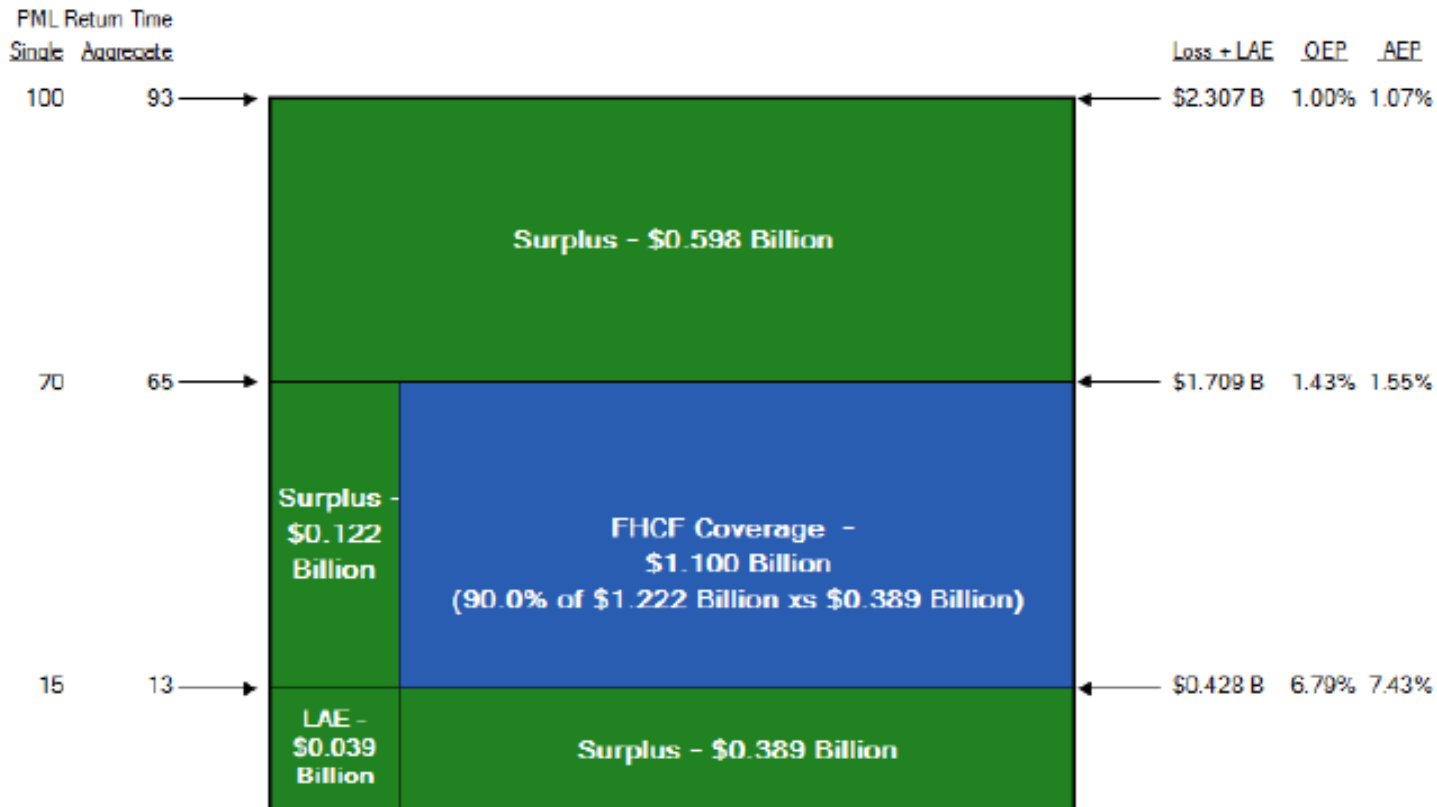
Commercial Non-Residential



(Not to scale)

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See Notes and Assumptions (page 5)

2018 PLA/CLA Preliminary Layer Chart



FHCF pays a loss adjustment expense (LAE) allowance of 5% of loss. Citizens will fund any excess LAEs above FHCF reimbursement from its surplus. Citizens has allocated \$58 million to fund any additional LAEs.

(Not to scale)

See Notes and Assumptions (page 5)

Notes and Assumptions

2018 Storm Season

ASSUMPTIONS

- Citizens' 2017 Budgeted DWP \$1.0 Billion (Coastal \$419 Million; PLA/CLA \$583 Million)
- Citizens' Policyholder Surcharge Maximum % Per Account 15%
- 2017 Regular Assessment Base (projected) \$42.7 Billion
- Regular Assessment Maximum % Per Account 2% for Coastal; 0% for PLA/CLA
- 2016 Emergency Assessment Base \$43.7 Billion
- PMLs are based on modeled losses as of August 31, 2017 per AIR Touchstone, Version 4.0.0. PMLs reflect the Standard Sea Surface Temperature (SSST) Event Catalog 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
- 2017 Projected Surplus = 2016 surplus + 2017 budgeted net income - adjustment for risk transfer cost in excess of budgeted
- Citizens' 2017 FHCF coverage is based on actual Citizens' FHCF premium and final retention & payout multiples

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 Coastal Account may not be a 100-year PML event for PLA/CLA. 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. Although we show the combined accounts, there is no guarantee that they will have deficits at the same time or of similar magnitude
- 3) Non-residential exposure: Commercial non-residential (CNR) exposures in the CLA and Coastal Account are not reinsured by FHCF. Actual deficits and assessments may be significantly different than an aggregated PML would otherwise indicate. The charts include a provisional estimate for CNR losses of 16% in the Coastal Account for all return times. CNR is a negligible portion of the PLA/CLA Accounts 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.