

Citizens Property Insurance Corporation

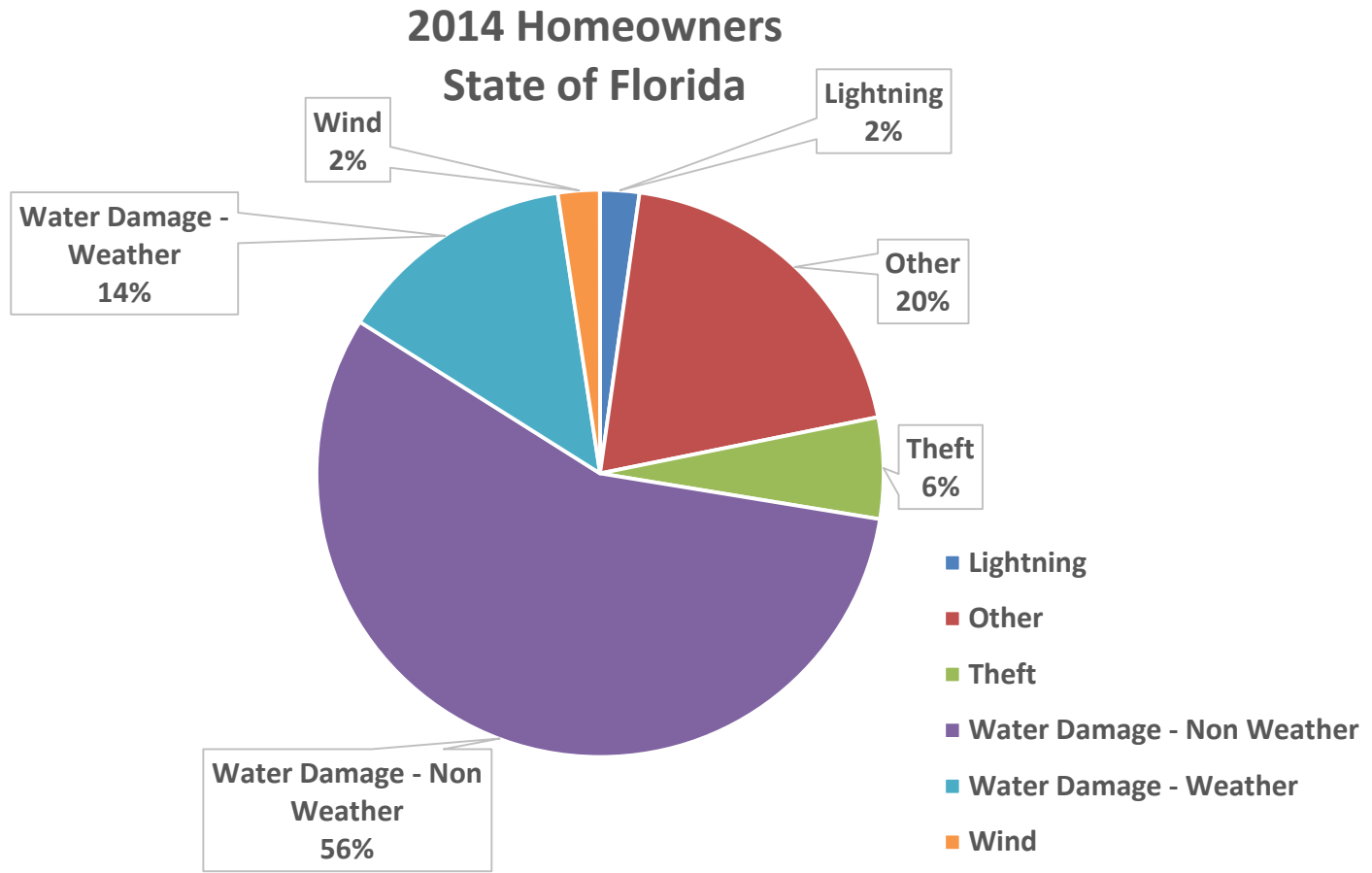
Jay Adams, Chief Claims Officer

Citizens Presentation on Assignment of Benefits

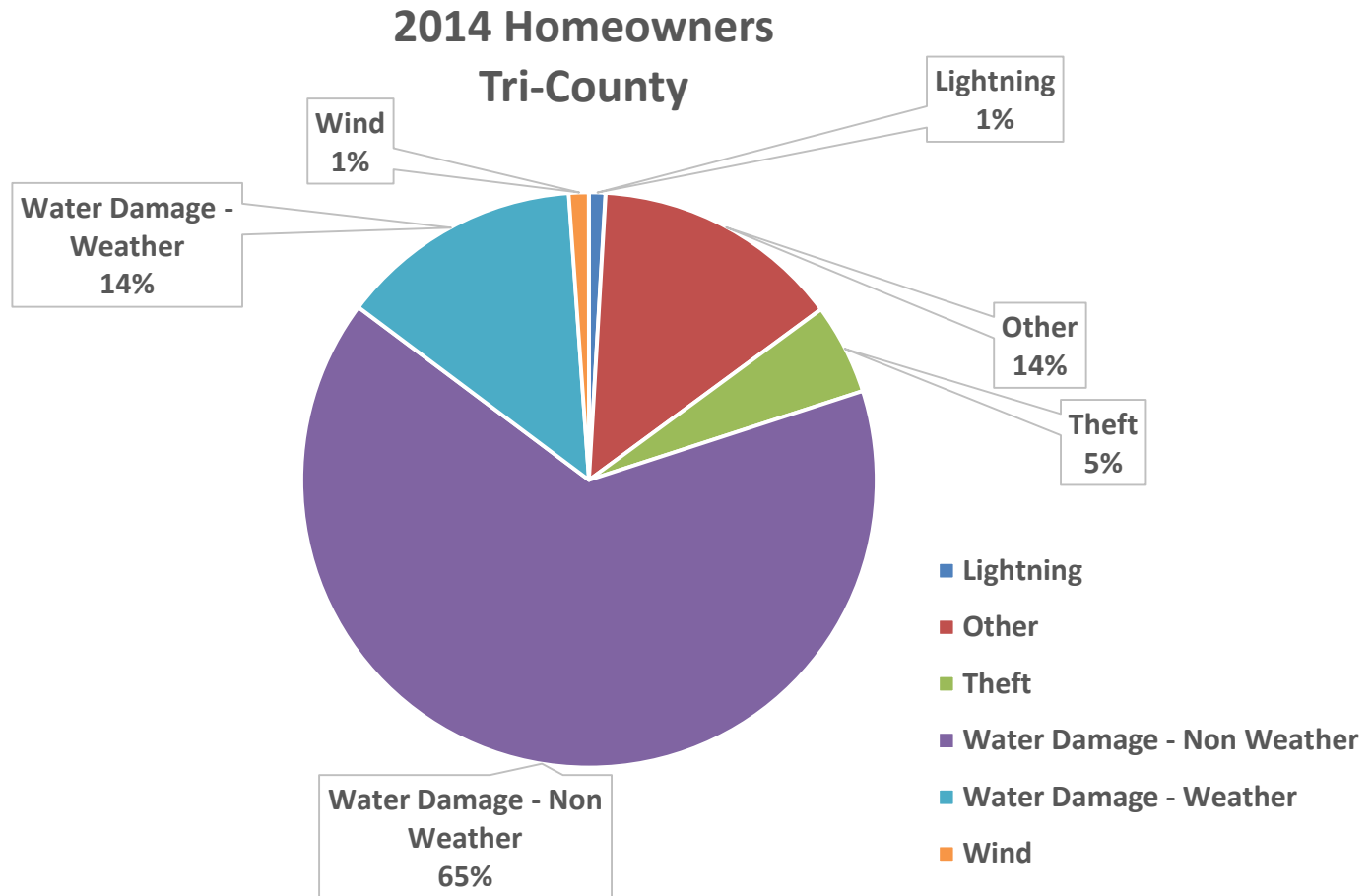
February 9, 2015



2014 Claims Volume by Cause of Loss

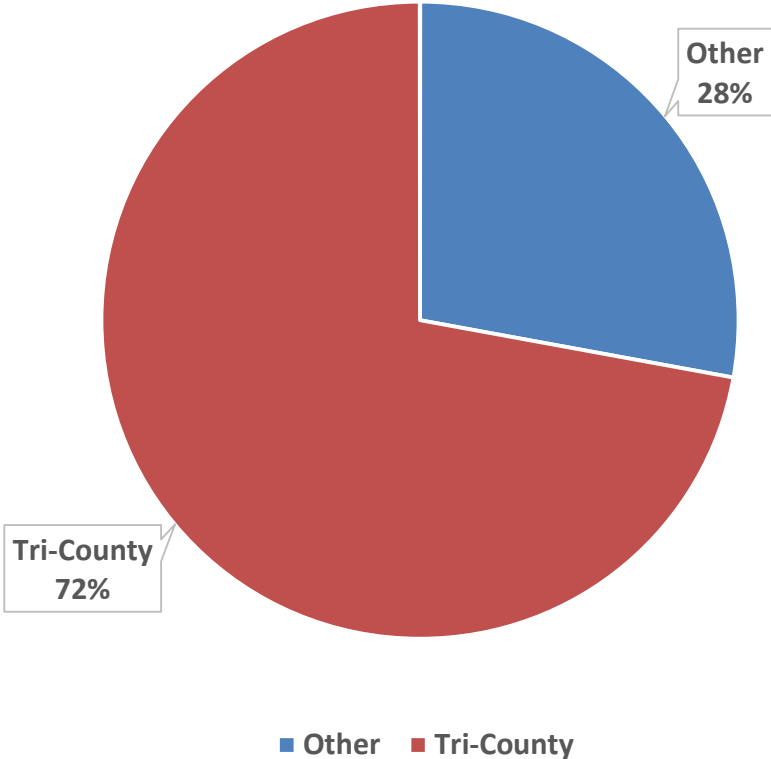


2014 Claims Volume by Cause of Loss



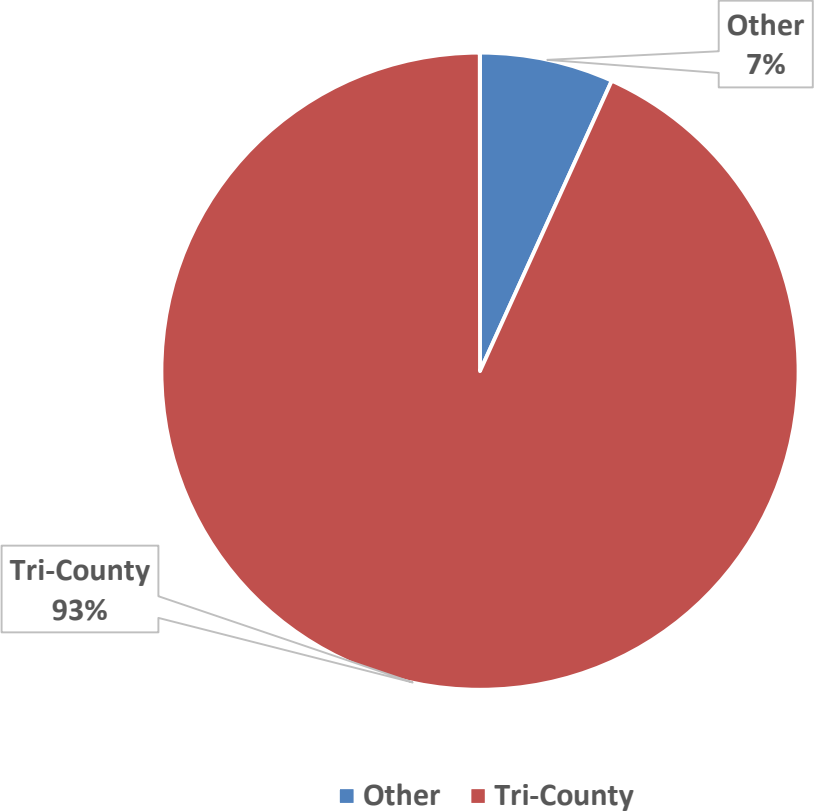
2014 Water Claims Volume

2014 Homeowners



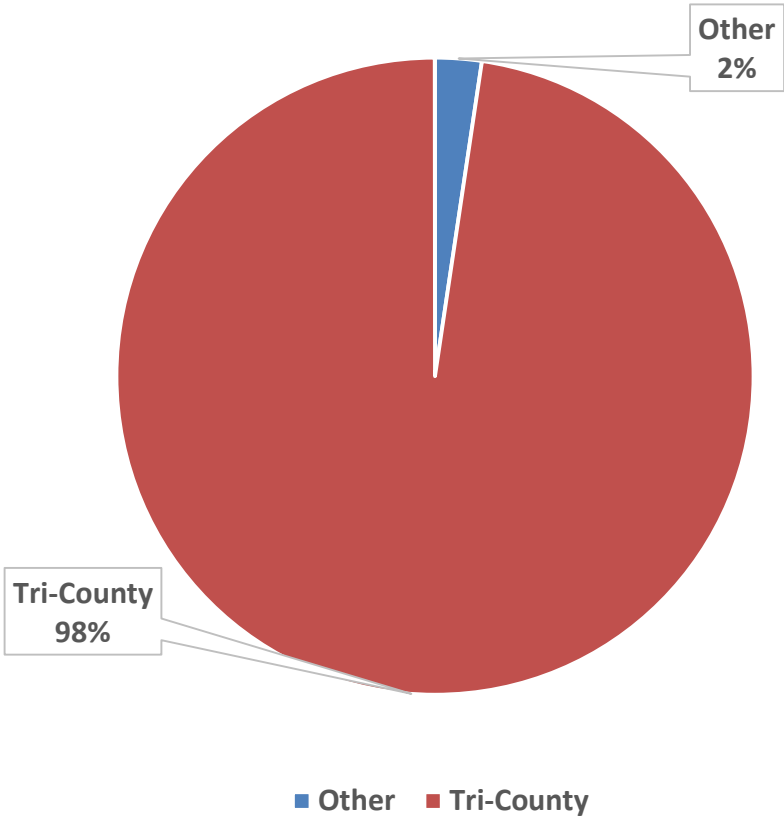
2014 Claims with Representation

2014 Claims with Representation



2014 Water Claims with Representation

2014 Water Claims with Representation



2013 Litigation Study Statistics for Water

- Water Claims
 - Represents 50% of all new reported claims
 - Represents 75% of all Litigation
- Miami-Dade
 - Represents 19% of total PIF
 - Represents 67% of total Litigation
 - Represents 68% of all water Litigation
- Miami-Dade/Broward/Palm Beach
 - Represents 43% of total PIF
 - Represents 93% of total Litigation
 - Represents 96% of all water Litigation

Paid ALAE Expenses

	Other	Water	Total
Miami-Dade	15.1	19.6	18.3
All Other	10.5	15.7	13.6
Total	12.3	17.7	15.8

- Based on Accident Year 2007 – 2013 for all Homeowner forms

- Disproportionate total claims expenses from Miami-Dade
- Expenses shown are per loss in Miami-Dade versus the remainder of state

December 2014 Triage Team Statistics

- 562 new suits reviewed
 - Water represented 513 suits or 91%
 - Top 3 counties represented 549 suits or 98%
 - Miami-Dade represented 390 suits or 71%
 - Broward represented 139 suits or 25%
 - Palm Beach represented 20 suits or 4%
 - 479 of 562 suits were represented at the First Notice of Loss (FNOL)

- Representation for water claims at FNOL has increased from **8%** in 2009 to **24%** in 2014

AOB Team Statistics

	<u>Nov-14</u>	<u>Dec-14</u>	<u>Jan-15</u>
New AOB Suits Received	115	127	80
# of Suits with Water as COL	105	109	77
% of Suits from Tri-County	99%	91%	91%
Miami-Dade	82	70	40
Broward	25	35	24
Palm Beach	7	10	9

- For **2013**, a total of **1,397** AOB suits were received
- For **2014**, a total of **1,526** AOB suits were received

AOB Increases ALAE Costs

Accident Year	% of Claims (1)	% of ALAE (2)
2007	0.21%	0.00%
2008	0.24%	4.09%
2009	0.16%	0.28%
2010	0.76%	1.25%
2011	2.32%	5.08%
2012	8.26%	14.41%
2013	10.93%	14.90%

- (1) % of litigated AOB water claims to total number of litigated water claims
- (2) % of litigated AOB ALAE paid to total ALAE of litigated water claims

- ALAE severity for a litigated AOB claim is **60%** higher than a litigated claim without an AOB

Calendar Year Non-Wind/Non-Sinkhole Loss and LAE Ratios

PLA-HO3	FL X Miami-Dade	Miami-Dade	Total
2011	23.9%	71.2%	38.0%
2012	28.2%	69.7%	40.8%
2013	23.4%	49.7%	31.9%
3 Year Total	25.3%	63.4%	37.1%

Calendar Year Non-Wind/Non-Sinkhole Loss Ratios

PLA-HO3	FL X Miami-Dade	Miami-Dade	Total
2011	20.6%	58.6%	31.9%
2012	23.5%	53.0%	32.5%
2013	17.0%	34.1%	22.5%
3 Year Total	20.5%	48.8%	29.2%

Calendar Year Non-Wind/Non-Sinkhole LAE Ratios

PLA-HO3	FL X Miami-Dade	Miami-Dade	Total
2011	3.3%	12.7%	6.1%
2012	4.7%	16.7%	8.3%
2013	6.5%	15.5%	9.4%
3 Year Total	4.8%	14.6%	7.9%

Questions