

Insurance & Banking Subcommittee

**Wednesday, January 12, 2011
9:00 AM - 12:00 PM
404 HOB**

**Dean Cannon
Speaker**

**Bryan Nelson
Chair**



The Florida House of Representatives

Economic Affairs Committee

Insurance & Banking Subcommittee

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AGENDA

January 12, 2011
404 House Office Building

- I. Introductions of Members and staff
- II. Presentations and discussions:
 - a. Sharon Binnun, Chief Financial Officer
Citizens Property Insurance Corporation
 - b. Jack E. Nicholson, Chief Operating Officer
Florida Hurricane Catastrophe Fund
State Board of Administration
 - c. Belinda Miller, Deputy Commissioner for Property and Casualty
Florida Office of Insurance Regulation
- III. Public testimony
- IV. Adjournment

Citizens Property Insurance Corporation: An Introduction and Overview

House Insurance and Banking Subcommittee
January 2011

Property Insurance – General Commentary

- Private property insurers carefully underwrite risks and can choose to not accept a particular risk, provided they comply with state law.
- The risk of catastrophic losses typically exceeds a private insurer’s surplus.
 - A portion (often a significant portion) of the wind risk is transferred to the reinsurance market.
 - Florida property insurers transfer risk to both the FHCf and private reinsurers. Private reinsurance rates are not subject to regulation and capacity is not unlimited.
- Private property insurers build the cost of the risk that has been transferred into their rates.
- Florida’s geography makes the risk of hurricanes one of the highest risks in the nation. This contributes to higher costs for consumers and reduces capacity of the private market to cover Florida property risks.

What is Citizens?

- Citizens is a State-created, not-for-profit, tax-exempt governmental entity whose public purpose is to provide property insurance coverage to those unable to find coverage in the voluntary admitted market.
- Citizens is governed by an eight member board of Governors two of whom are appointed by each of the following State leaders:
 - Governor
 - Chief Financial Officer
 - Senate President
 - Speaker of the House
- Citizens operates pursuant to a plan of operation which is reviewed and approved by the Financial Services Commission.
- Citizens is subject to regulation by the Florida Office of Insurance Regulation.
- Citizens is currently the largest property insurer in Florida with almost 1.3 million policies extending approximately \$457 billion of property coverage to Floridians – representing approximately 18% of the residential exposure in the State covered by the admitted market.

Citizens – Overview of Accounts

Each of the following three accounts are separate statutory accounts and have separate calculations of surplus, plan year deficit and assessment bases. Assets in one account may not be commingled or used to fund losses in another account. The three accounts are listed below with the types of policies written in each.

Personal Lines Account (PLA)

- Personal residential multi-peril policies including homeowners, dwelling fire, mobile home, tenants and condominium unit owners.

High-Risk Account (HRA)

- Wind-only and multi-peril policies for personal residential, commercial residential, and commercial non-residential risks located in eligible coastal high risk areas.

Commercial Lines Account (CLA)

- Commercial residential multi-peril policies including condominium associations, apartment buildings and homeowners association policies.
- Commercial non-residential multi-peril (required to include wind coverage) policies (e.g., office buildings, retail, etc.) located outside of the coastal HRA eligible areas.

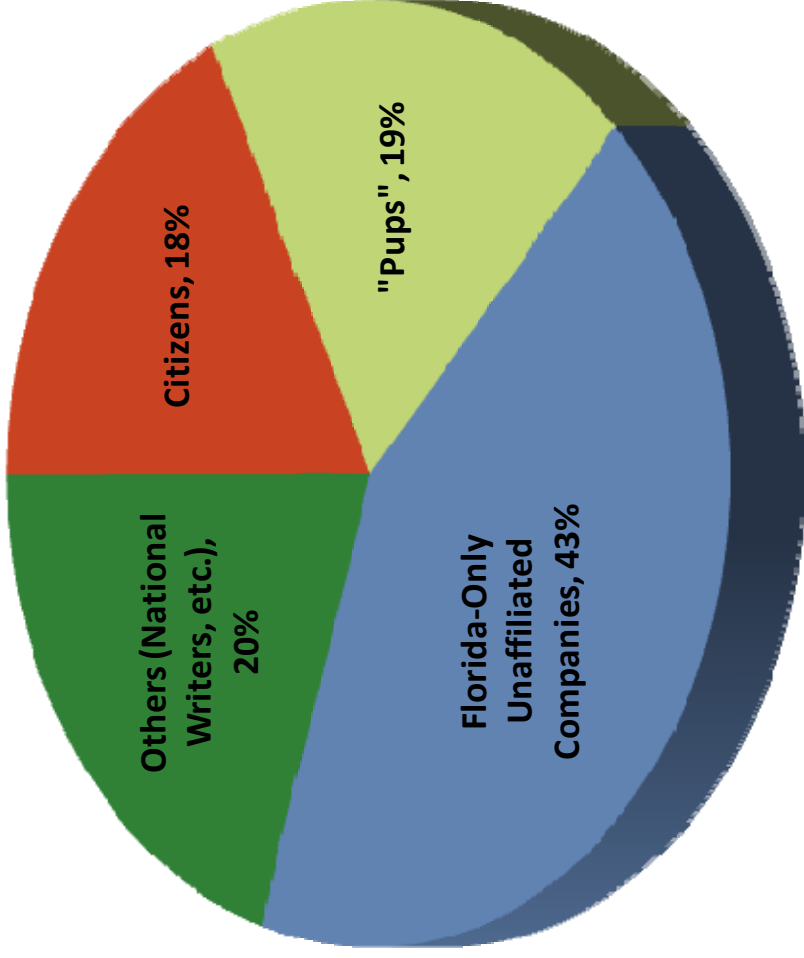
Citizens' Unique Role and Challenges

- Citizens is an alternative insurer, and therefore, accepts most risks; it does not have similar underwriting criteria to the private market which screens applicants for risk that may or may not be acceptable to a private insurer.
- Citizens' rates are established pursuant to statute
 - Rates are required to be actuarially sound but were frozen from January 1, 2007 through December 31, 2009.
 - Beginning January 1, 2010 the corporation shall implement a rate increase each year which does not exceed 10% for any single policy issued by the corporation, excluding coverage changes and surcharges.
 - Recommended rate changes are filed by the corporation with the Office of Insurance Regulation. The office must establish rates for the corporation within 45 days of receiving the rate recommendations.
 - Citizens' rate need exceeds the limitation of the 10% cap.
- Risk transfer to the private market has not been consistent, largely due to Citizens' inability to pass through reinsurance costs into the rates. Capacity is not unlimited given Citizens' exposure.
- Depopulation has decreased from record levels in 2007/2008.

Citizens' Unique Role and Challenges (continued)

- Citizens PLA grew approximately 20% in 2010.
- Over the last three years premium revenue has also been driven down by wind mitigation credits.
 - Citizens recognizes the value of hardening properties against the impact of wind.
 - The annual premium collected from policyholders is reduced by an estimated \$974 million due to wind mitigation credits, of which approximately \$540 million is attributed to the 2008 requirement to double wind mitigation credits.
- The reduction in premium dollars collected has resulted in an increased reliance on assessments should a storm strike Florida.
 - Bringing additional premium dollars in for the risk assumed will allow Citizens to build surplus and have the opportunity to transfer risk outside of Florida.
 - Having additional surplus and engaging in risk transfer reduces the need for pre-event liquidity and reduces Citizens' reliance on assessments to provide post-event funding.
- Citizens' non-catastrophe loss ratio has escalated in the last two years.
 - This relates to both the impact of wind mitigation credits, non cat losses and sinkhole claims.

Florida Residential Property Admitted Market Breakdown As of June 30, 2010



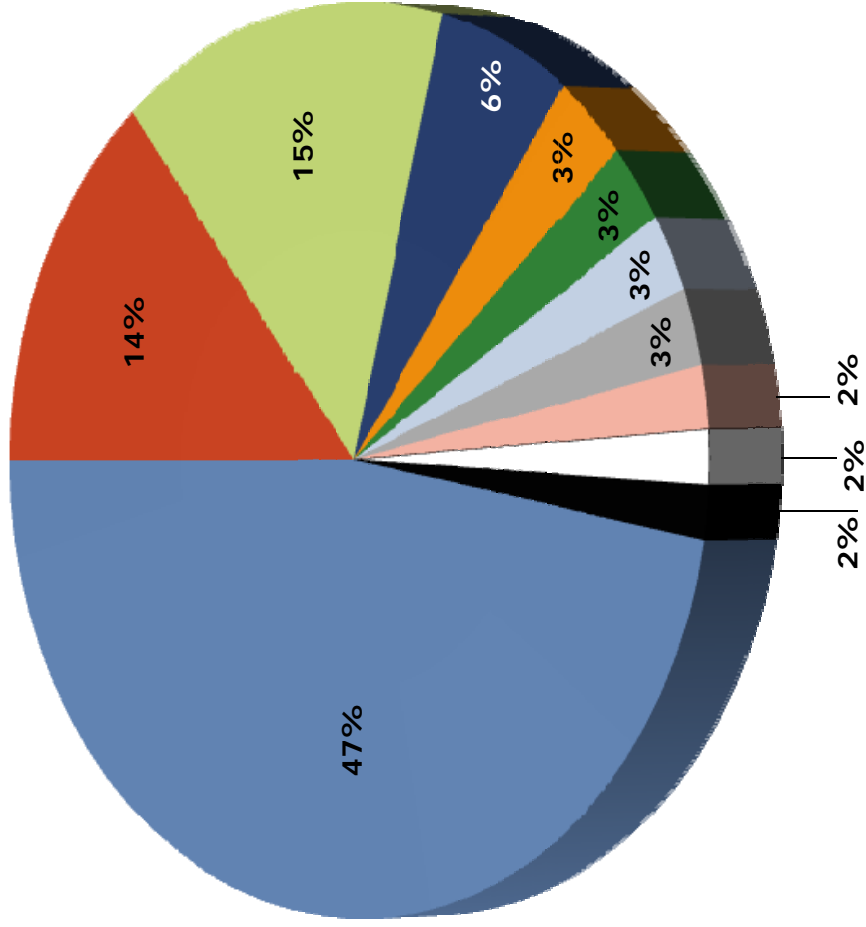
■ Citizens ■ "Pups" ■ Florida-Only Unaffiliated Companies ■ Others (National Writers, etc.)

- The Florida Residential Property Insurance Admitted Market is divided into 4 major parts divided among: (1) Citizens; (2) the Florida only subsidiaries "pups" of the major national writers; (3) the Florida-only domestic companies; and (4) non-domestic nationwide property writers, such as USAA, etc.

Source: Florida Office of Insurance Regulation, Quarterly Supplemental Report (QUASR). Includes licensed carriers only. Surplus lines companies are not included. Based on insured value for policies with and without wind coverage.

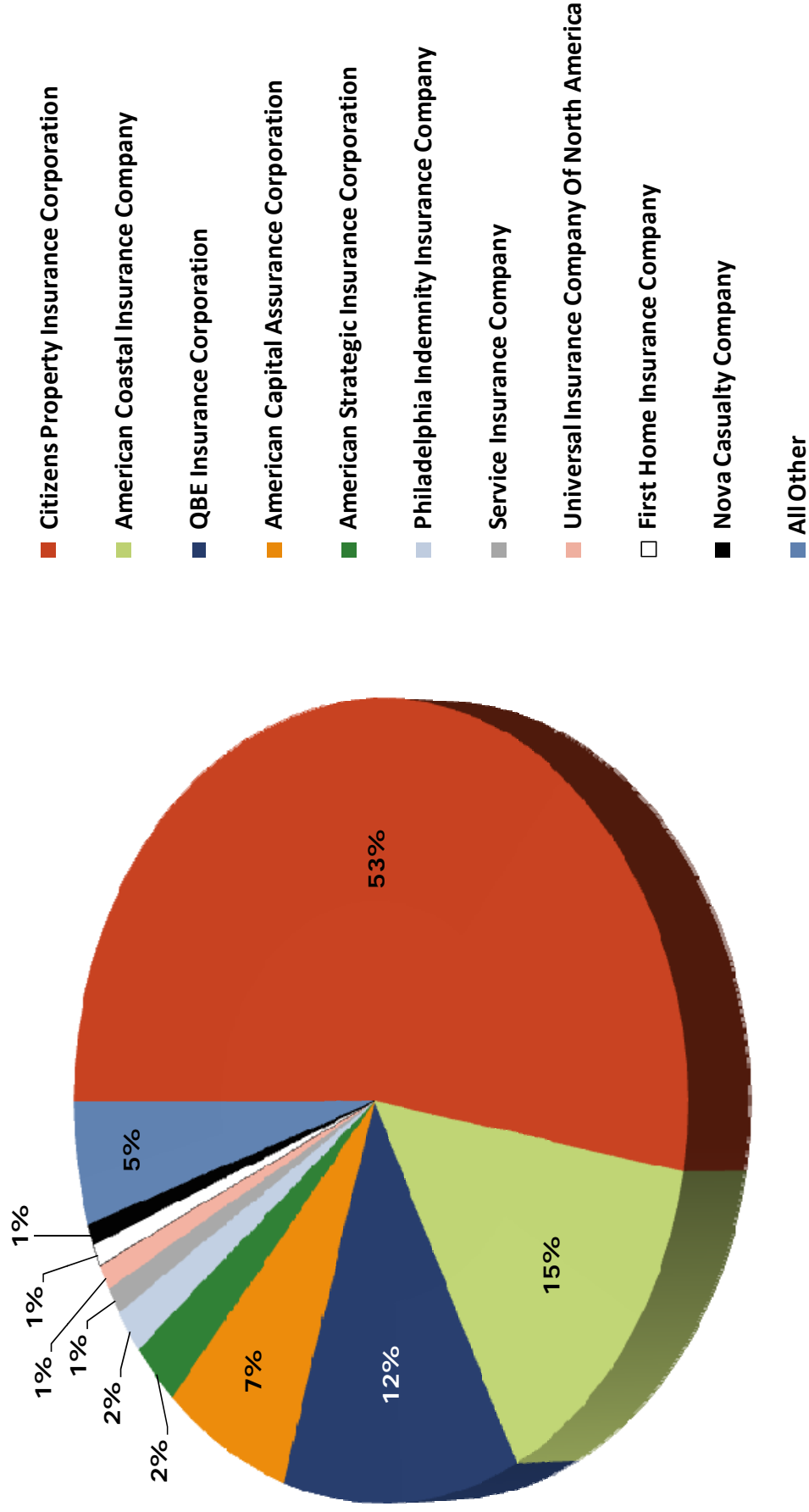
Personal Residential Insured Value Market Share As of June 30, 2010

- Citizens Property Insurance Corporation
- State Farm Florida Insurance Company
- Universal Property & Casualty Insurance Company
- St. Johns Insurance Company, Inc.
- United Services Automobile Association
- Federal Insurance Company
- American Home Assurance Company
- ASI Assurance Corporation
- Castle Key Insurance Company
- Tower Hill Prime Insurance Company
- All Other



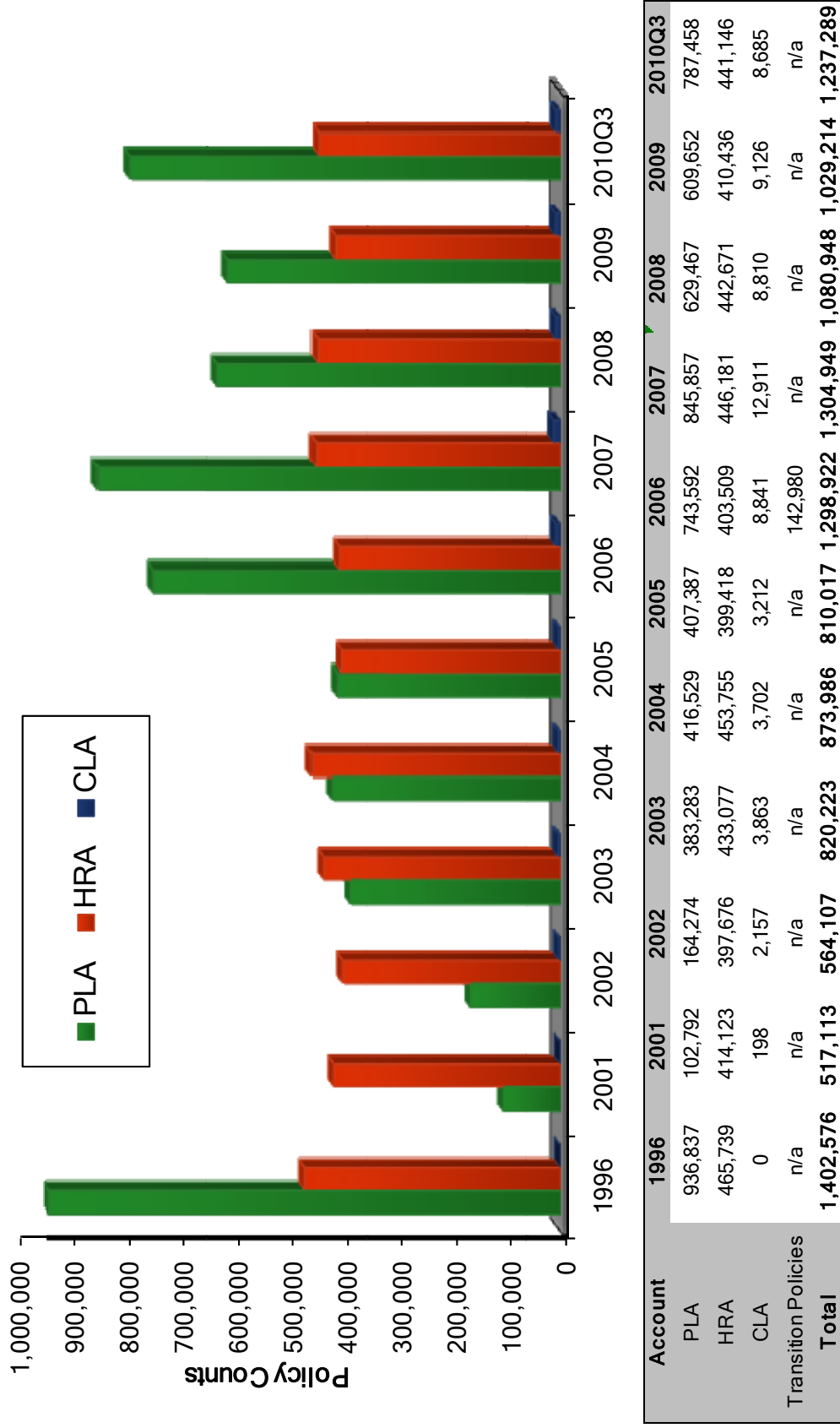
Source: Florida Office of Insurance Regulation, Quarterly Supplemental Report (QUASR). Includes licensed carriers only. Surplus lines companies are not included in the market share calculation. Based on insured value for policies with and without wind coverage.

Commercial Residential Insured Value Market Share As of June 30, 2010

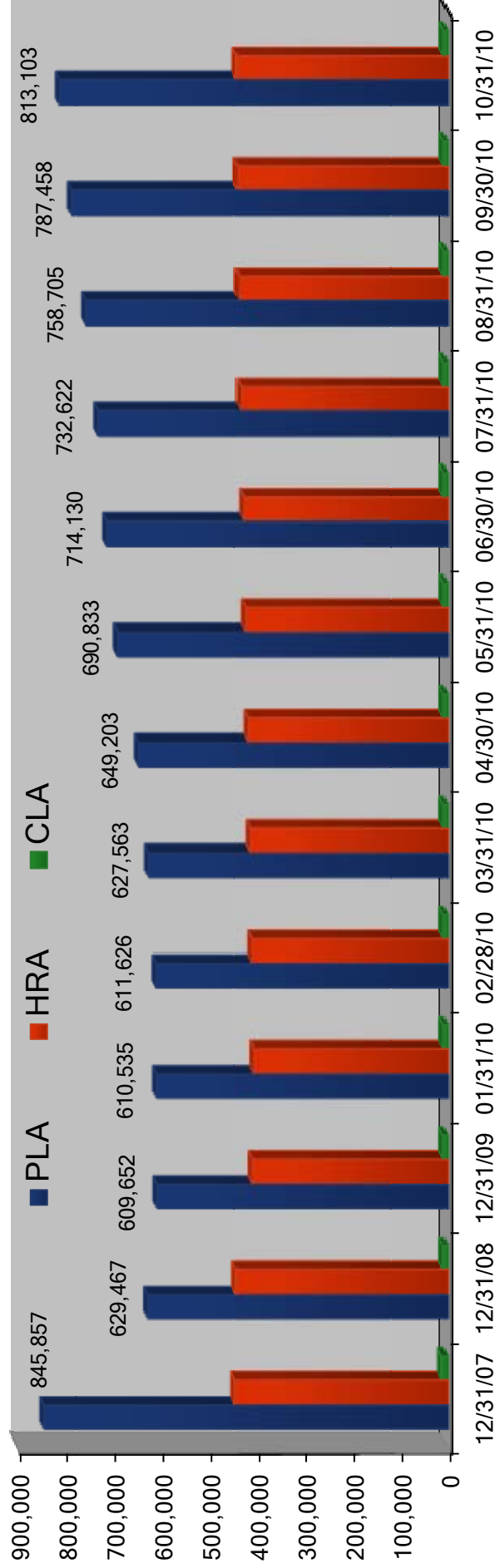


Source: Florida Office of Insurance Regulation, Quarterly Supplemental Report (QUASR). Includes licensed carriers only. Surplus lines companies are not included in the market share calculation. Based on insured value for policies with and without wind coverage.

Policy Counts by Year and Account



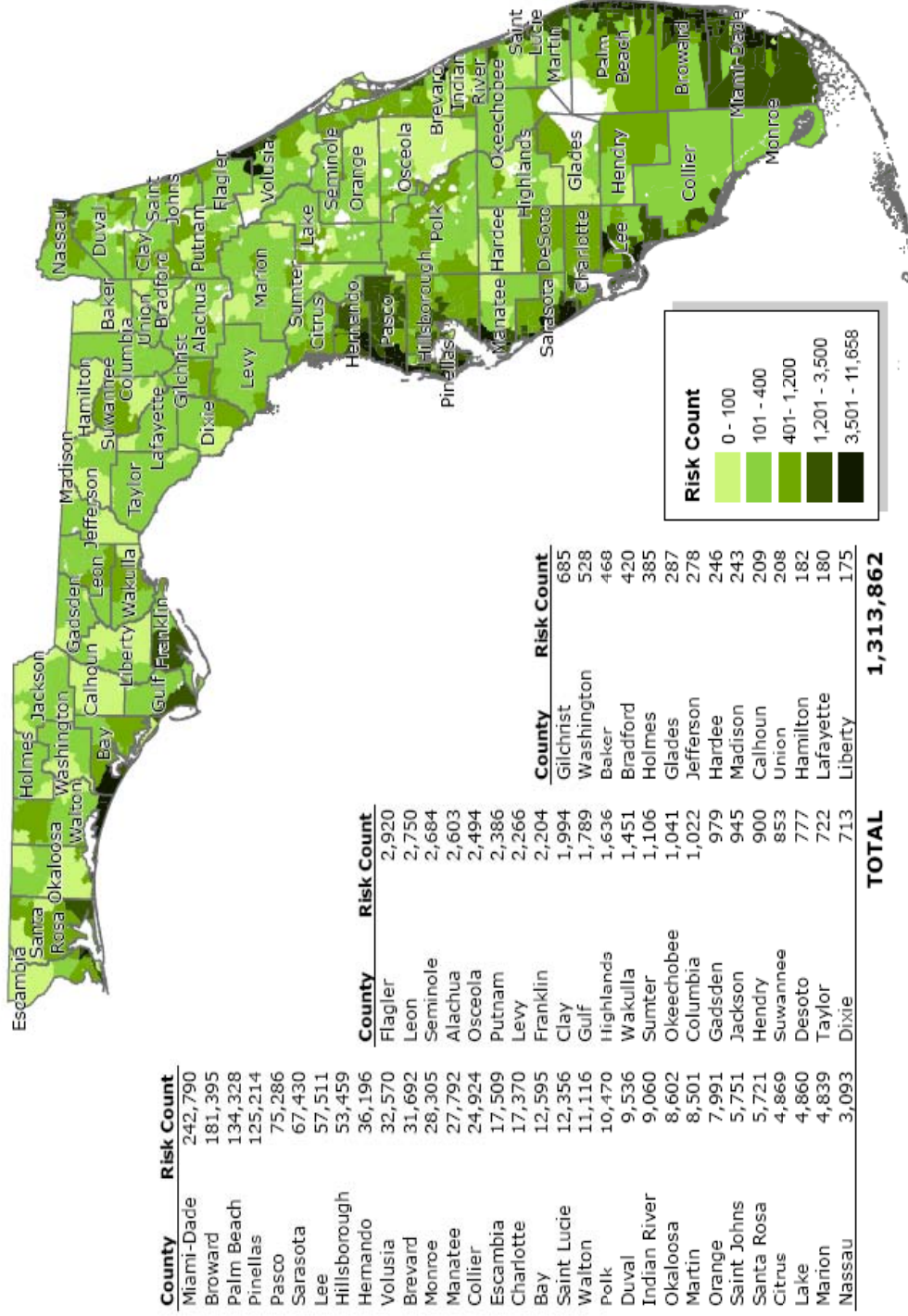
Citizens' Recent Policy Growth by Account



Period	HRA		PLA		CLA		All Accounts	
	Policies Inforce	Δ in PIF	Policies Inforce	Δ in PIF	Policies Inforce	Δ in PIF	Policies Inforce	Δ in PIF
12/31/07	446,181	N/A	845,857	N/A	12,911	N/A	1,304,949	N/A
12/31/08	444,426	-1,755	629,467	-216,390	9,570	-3,341	1,083,463	-221,486
12/31/09	410,436	-33,990	609,652	-19,815	9,126	-444	1,029,214	-54,249
03/31/10	414,934	4,498	627,563	17,911	8,876	-250	1,051,373	19,117
06/30/10	428,548	13,614	714,130	86,567	8,641	-235	1,151,319	26,797
09/30/10	441,146	12,598	787,458	73,328	8,685	44	1,237,289	32,327
10/31/10	443,397	9,693	813,103	80,481	8,684	33	1,265,184	27,895
Overall Change	-1%	-2,784	-4%	-32,754	-33%	-4,227	-3%	-39,765

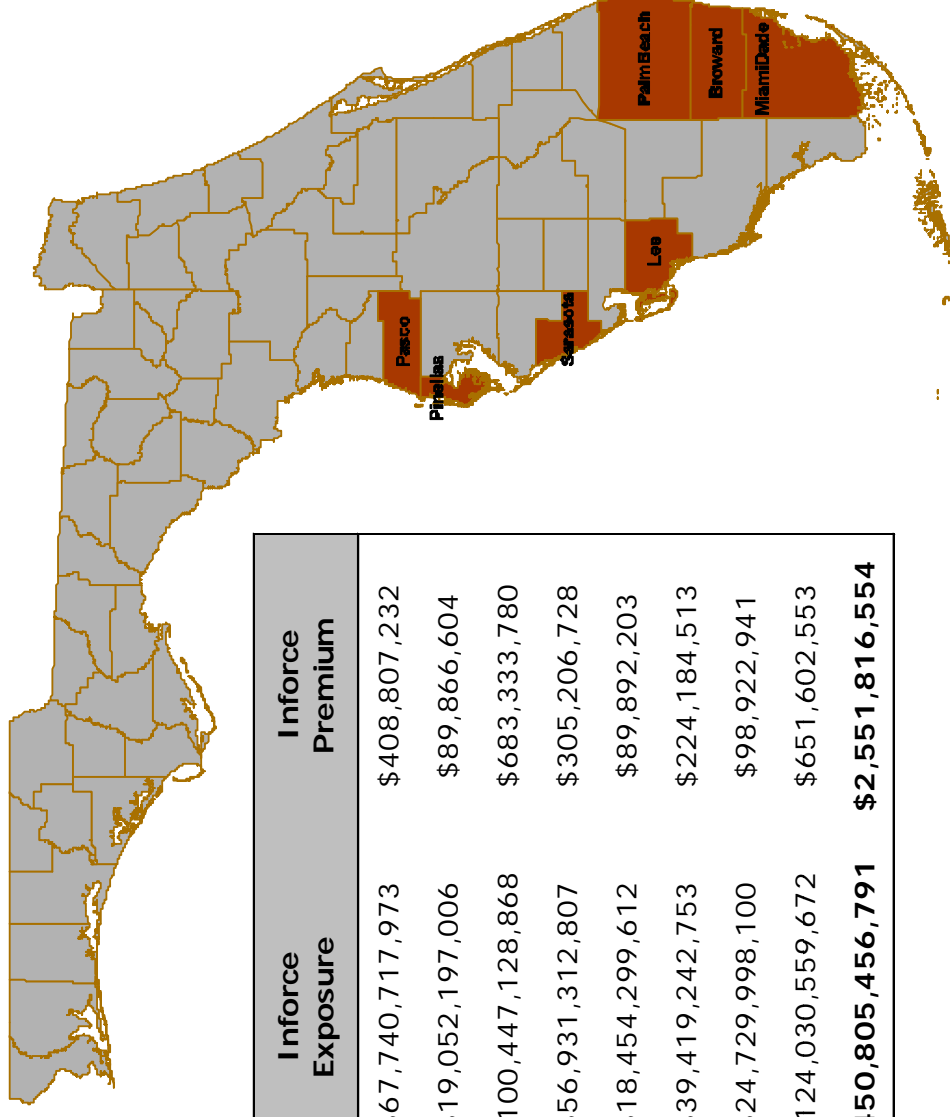


Citizens' Current Policyholders



(As of 09/30/10; risk counts indicate the number of insured buildings, in the case of multiple insured locations per policy)

High Volume Counties – Policy Concentration



County	Policy Count	% of Total Policy Count	Inforce Exposure	Inforce Premium
Broward	171,451	14%	\$67,740,717,973	\$408,807,232
Lee	53,969	4%	\$19,052,197,006	\$89,866,604
Miami-Dade	232,828	19%	\$100,447,128,868	\$683,333,780
Palm Beach	117,045	9%	\$56,931,312,807	\$305,206,728
Pasco	74,285	6%	\$18,454,299,612	\$89,892,203
Pinellas	119,311	10%	\$39,419,242,753	\$224,184,513
Sarasota	60,172	5%	\$24,729,998,100	\$98,922,941
All Other	408,228	33%	\$124,030,559,672	\$651,602,553
Total	1,237,289	100%	\$450,805,456,791	\$2,551,816,554

(As of 09/30/10; high volume status determined by exposure.)

Citizens' Financial Goals and Objectives

- Establish liquidity mechanisms to meet cash flow needs associated with storm losses.
- Provide sufficient pre-event claims paying resources to reach 75% of the mandatory layer of the Florida Hurricane Catastrophe Fund.
- Minimize financing costs.
- Maximize post-event flexibility to issue tax-exempt debt.

Citizens' Financial Resources

- Citizens has at its disposal both the typical resources available to all property and casualty companies that conduct business in the state, as well as special assessment powers granted to Citizens by the state legislature.

Typical Financial Resources
<ul style="list-style-type: none">• Insurance Premiums• Investment Income• Operating Surplus from Prior Years• Florida Hurricane Catastrophe Fund Reimbursements• Private Reinsurance (if purchased)

Unique Financial Resources
<ul style="list-style-type: none">• Citizens' Policyholder Surcharges• Regular Assessments• Emergency Assessments• Pre-event liquidity resources (debt issuances and lines of credit which, if drawn upon, must be repaid)

Citizens' Financial Snapshot

- Citizens' surplus is \$4.6 billion.
- Cash and Invested Assets amount to \$11.3 billion
- Coverage from the FHCF is estimated at \$6.35 billion.
- The 1-in-100 year storm would cost \$22.2 billion.
- The remaining \$11 billion to fund a 1-in-100 year storm scenario would be covered by assessments.
- While Citizens is in its best financial position ever, with projected combined surplus, FHCF reimbursements, and pre-event liquidity of over \$14.6 billion, we continue to rely on assessments to fund catastrophe losses in the event of a large storm or several smaller storms.

Surplus, invested assets, and modeling estimates statistics as of 9/30/10. FHCF coverage estimated projected for 2011.

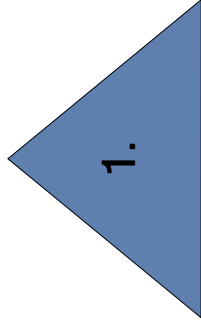
Citizens' Estimated Claims Paying Ability 2011 Hurricane Season (Projected)

Description	\$'s in Millions		Pro-Forma Combined
	PLA / CLA	HRA	
Projected Year-End 2010 Surplus	\$2,627	\$2,007	\$4,634
Projected 2011 Net Income	\$286	\$479	\$765
Total Accumulated Surplus available for claims	\$2,913	\$2,486	\$5,399
Pre-event Liquidity Available ¹	\$0	\$2,921	\$2,921
FHCF Coverage (Mandatory Layer Only) ²	\$2,487	\$3,865	\$6,352
Total Claims-Paying Ability	\$5,400	\$9,272	\$14,672

Notes:

- 1) Pre-Event Liquidity reflects current liquidity for PLA/CLA and HRA. This does not represent risk transfer and any monies drawn must be repaid.
- 2) FHCF recoveries are based on preliminary 2011 retention and payment multiples, but the actual retention and limits may be significantly different from these estimates.

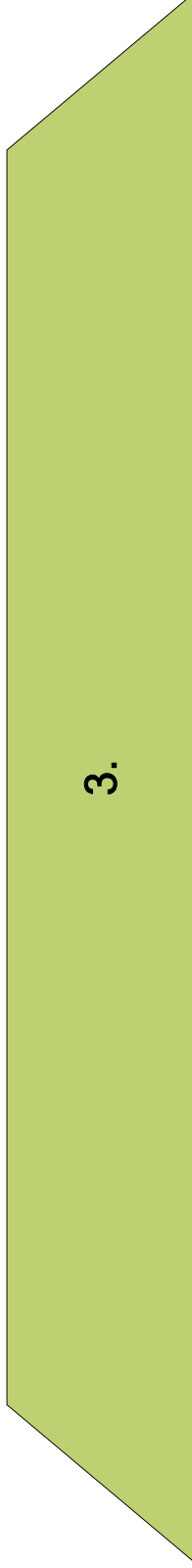
Overview of Assessments



Citizens Policyholder Surcharge



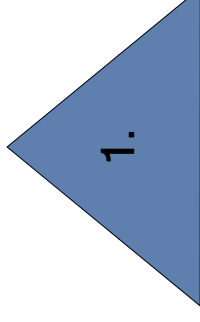
Regular Assessment



Emergency Assessment

Citizens' Policyholder Surcharge (Tier 1)

- If a deficit is incurred in any individual account (HRA, PLA, CLA), up to a 15% of premium surcharge may be required for 12 months on all Citizens' policies.
- Tier 1 assessments apply on a per account basis.
- If there is a deficit in all three accounts, Citizens' policyholders could receive up to a 45% of premium surcharge for 12 months.
 - 15% for the HRA account deficit
 - 15% for the PLA account deficit
 - 15% for the CLA account deficit
- Citizens' policyholder surcharges would be collected upon issuance or renewal.
- Failure to pay shall be treated as a failure to pay premium.



Citizens' Policyholder Surcharge

Regular Assessment (Tier 2)

- If the Tier 1 surcharge is insufficient to fully cure the deficit for any individual account, a regular assessment of up to 6% of premium or 6% of the deficit, whichever is greater, may be required.
- This applies to admitted and surplus lines property and casualty policies, including auto insurance (but excluding workers compensation, medical malpractice, federal flood and crop).
- Citizens policyholders are not subject to the regular assessment.
- The regular assessment is levied against admitted carriers, and may be passed through to its policyholders through a rate filing process. Agents collect the regular assessment directly from surplus lines policyholders.
- Insurers are obligated to pay within 30 days.
- Citizens has a program in which assessable insurers may reduce their assessment exposure based on their wind writings in the HRA.
- Limited Apportionment Companies may pay their regular assessment over a twelve month period.
- Tier 2 assessments apply on a per account basis.

2.

Regular Assessment



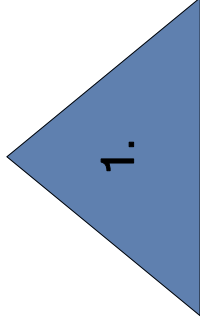
Emergency Assessment (Tier 3)

- If the deficit is not fully cured by Tier 1 and 2 assessments for any individual account, an emergency assessment of up to 10% of premium or 10% of the deficit, whichever is greater, may be required.
- Applies to admitted and surplus lines policies, including auto insurance (but excluding workers compensation, medical malpractice, federal flood and crop).
- Applies to Citizens policyholders.
- The emergency assessment would be collected for as many years as necessary to cure the deficit, but not to exceed 10% in any calendar year.
- Tier 3 assessments apply on a per account basis.

3.

Emergency Assessment

Assessments Summary



Citizens Policyholder Surcharge

Up to 15% per account for HRA, PLA, and/or CLA deficits
Applies at new business/renewal for all Citizens' policyholders



Regular Assessment

Up to 6% per account for HRA, PLA and/or CLA deficits
Applies at new business/renewal for all non-Citizens' policyholders



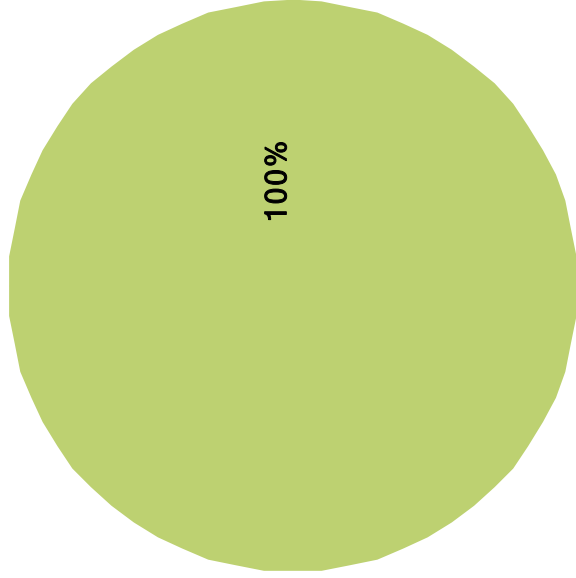
Emergency Assessment

Up to 10% per year per account for HRA, PLA and/or CLA deficits
Applies at new business/renewal for all Citizens' and non-Citizens' policyholders

Estimated Claims Paying Resources – Combined Accounts 2011 Hurricane Season (Projected)

1-in-5 Yr Event

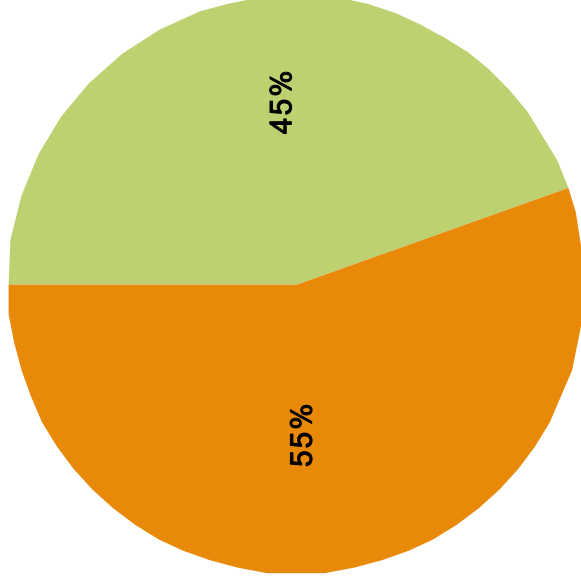
Probability of Single-Event Occurrence = 20%



	<i>(in billions)</i>		
	PLA/CLA	HRA	Total
Probable Maximum Loss	\$ 0.344	\$ 0.720	\$ 1.064
<u>Claims-Paying Resources:</u>			
Accumulated Surplus	\$ 0.344	\$ 0.720	\$ 1.064
FHCF Reimbursements	-	-	-
Citizens Policyholder Surcharges	-	-	-
Regular Assessments	-	-	-
Emergency Assessments	-	-	-
Total	0.344	0.720	1.064

1-in-25 Yr Event

Probability of Single-Event Occurrence = 4%

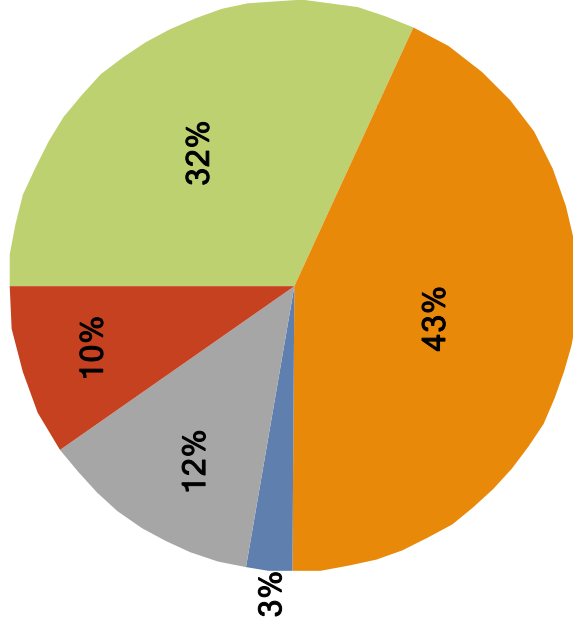


	<i>(in billions)</i>		
	PLA/CLA	HRA	Total
Probable Maximum Loss	\$ 2.622	\$ 5.559	\$ 8.180
<u>Claims-Paying Resources:</u>			
Accumulated Surplus	\$ 1.232	\$ 2.413	\$ 3.646
FHCF Reimbursements	1.389	3.145	4.535
Citizens Policyholder Surcharges	-	-	-
Regular Assessments	-	-	-
Emergency Assessments	-	-	-
Total	2.622	5.559	8.180

Estimated Claims Paying Resources – Combined Accounts 2011 Hurricane Season (Projected)

1-in-50 Yr Event

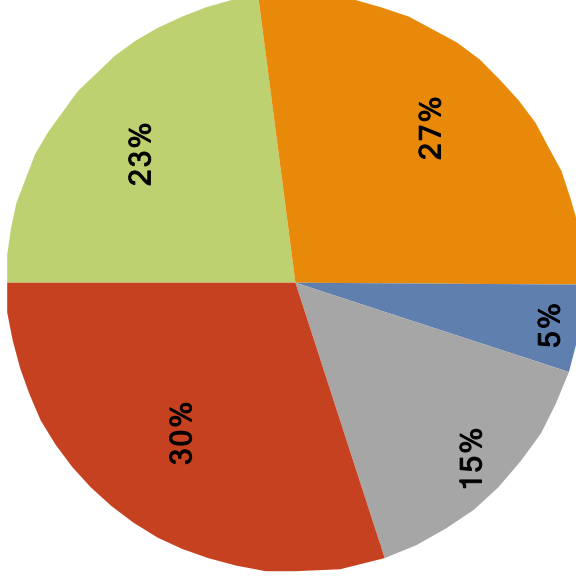
Probability of Single-Event Occurrence = 2%



	<i>(in billions)</i>		Total
	PLA/CLA	HRA	
Probable Maximum Loss	\$ 4.682	\$ 10.015	\$ 14.698
Claims-Paying Resources:			
Accumulated Surplus	\$ 2.195	\$ 2.486	\$ 4.682
FHCF Reimbursements	2.487	3.865	6.352
Citizens Policyholder Surcharges	-	0.388	0.388
Regular Assessments	-	1.843	1.843
Emergency Assessments	-	1.432	1.432
Total	4.682	10.015	14.698

1-in-100 Yr Event

Probability of Single-Event Occurrence = 1%



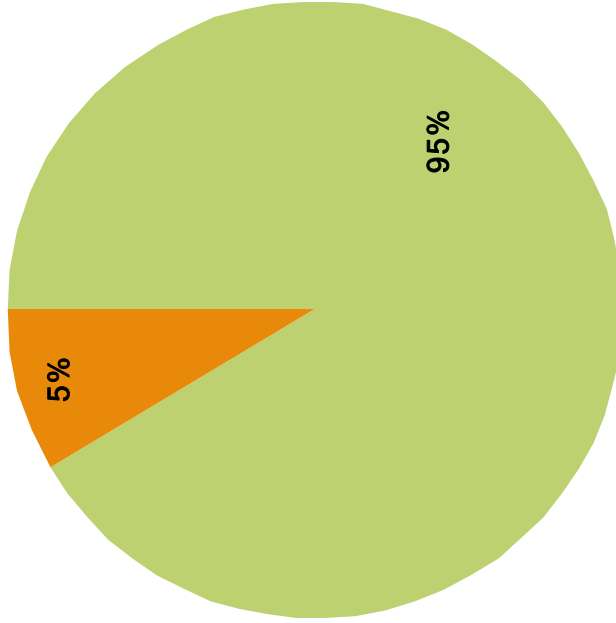
	<i>(in billions)</i>		Total
	PLA/CLA	HRA	
Probable Maximum Loss	\$ 7.834	\$ 15.630	\$ 23.464
Claims-Paying Resources:			
Accumulated Surplus	\$ 2.913	\$ 2.486	\$ 5.400
FHCF Reimbursements	2.487	3.865	6.352
Citizens Policyholder Surcharges	0.777	0.388	1.165
Regular Assessments	1.657	1.843	3.500
Emergency Assessments	-	7.047	7.047
Total	7.834	15.630	23.464

Please see Notes & Assumptions Slide.

Estimated Claims Paying Resources – Combined Accounts 2011 Hurricane Season (Projected)

1-in-5 Yr Event
1-in-10 Yr Event

Probability of Both Occurrences = 2%



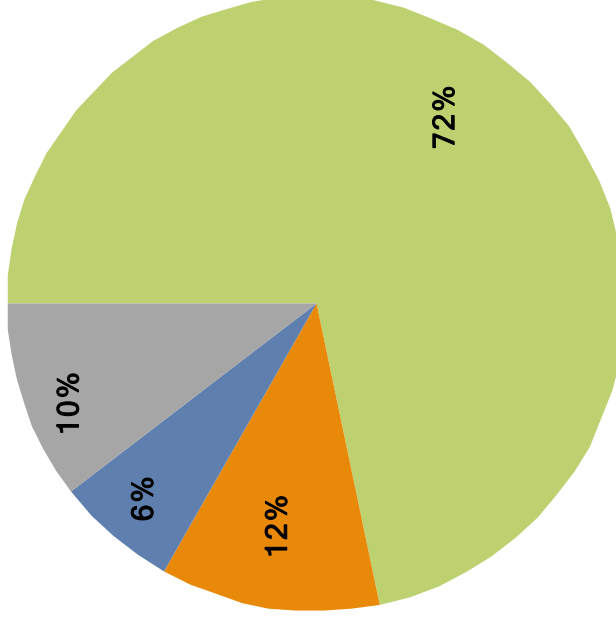
Probable Maximum Loss	(in billions)		
	PLA/CLA	HRA	Total
\$	1,294	2,830	4,124

Claims-Paying Resources:

Accumulated Surplus	\$	1,294	\$	2,478	\$	3,772
FHCF Reimbursements	-	-	0.352	-	0.352	-
Citizens Policyholder Surcharges	-	-	-	-	-	-
Regular Assessments	-	-	-	-	-	-
Emergency Assessments	-	-	-	-	-	-
Total	1,294	2,830	4,124	2,830	4,124	4,124

1-in-10 Yr Event
1-in-10 Yr Event

Probability of Both Occurrences = 1%



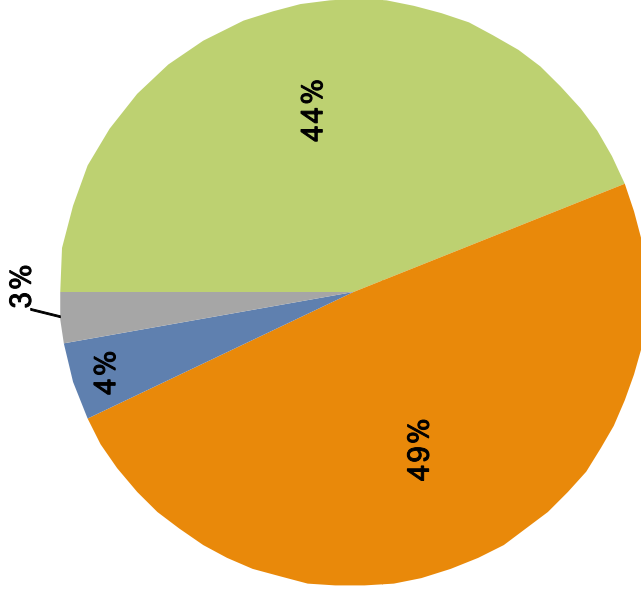
Probable Maximum Loss	(in billions)		
	PLA/CLA	HRA	Total
\$	1,901	4,219	6,120

Claims-Paying Resources:

Accumulated Surplus	\$	1,901	\$	2,486	\$	4,387
FHCF Reimbursements	-	-	0.704	-	0.704	-
Citizens Policyholder Surcharges	-	-	0.388	-	0.388	-
Regular Assessments	-	-	0.641	-	0.641	-
Emergency Assessments	-	-	-	-	-	-
Total	1,901	4,219	6,120	4,219	6,120	6,120

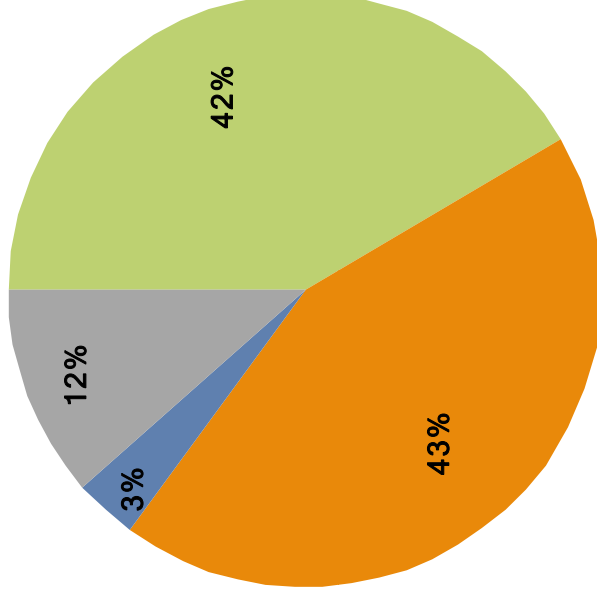
Estimated Claims Paying Resources – Combined Accounts 2011 Hurricane Season (Projected)

1-in-5 Yr Event
1-in-25 Yr Event
Probability of Both Occurrences = 0.8%



	<i>(in billions)</i>		
	PLA/CLA	HRA	Total
Probable Maximum Loss	\$ 2,965	\$ 6,279	\$ 9,244
Claims-Paying Resources:			
Accumulated Surplus	\$ 1,576	\$ 2,486	\$ 4,063
FHCF Reimbursements	1,389	3,145	4,535
Citizens Policyholder Surcharges	-	0,388	0,388
Regular Assessments	-	0,259	0,259
Emergency Assessments	-	-	-
T total	2,965	6,279	9,244

1-in-10 Yr Event
1-in-25 Yr Event
Probability of Both Occurrences = 0.4%



	<i>(in billions)</i>		
	PLA/CLA	HRA	Total
Probable Maximum Loss	\$ 3,572	\$ 7,668	\$ 11,240
Claims-Paying Resources:			
Accumulated Surplus	\$ 2,183	\$ 2,486	\$ 4,669
FHCF Reimbursements	1,389	3,497	4,886
Citizens Policyholder Surcharges	-	0,388	0,388
Regular Assessments	-	1,297	1,297
Emergency Assessments	-	-	-
T total	3,572	7,668	11,240

Estimated Claims Paying Resources – Combined Accounts 2011 Hurricane Season (Projected)

To provide a new perspective on Citizens estimated claims paying resources for the 2011 hurricane season: **A comparison of historical storms to current projected Probable Maximum Losses.**

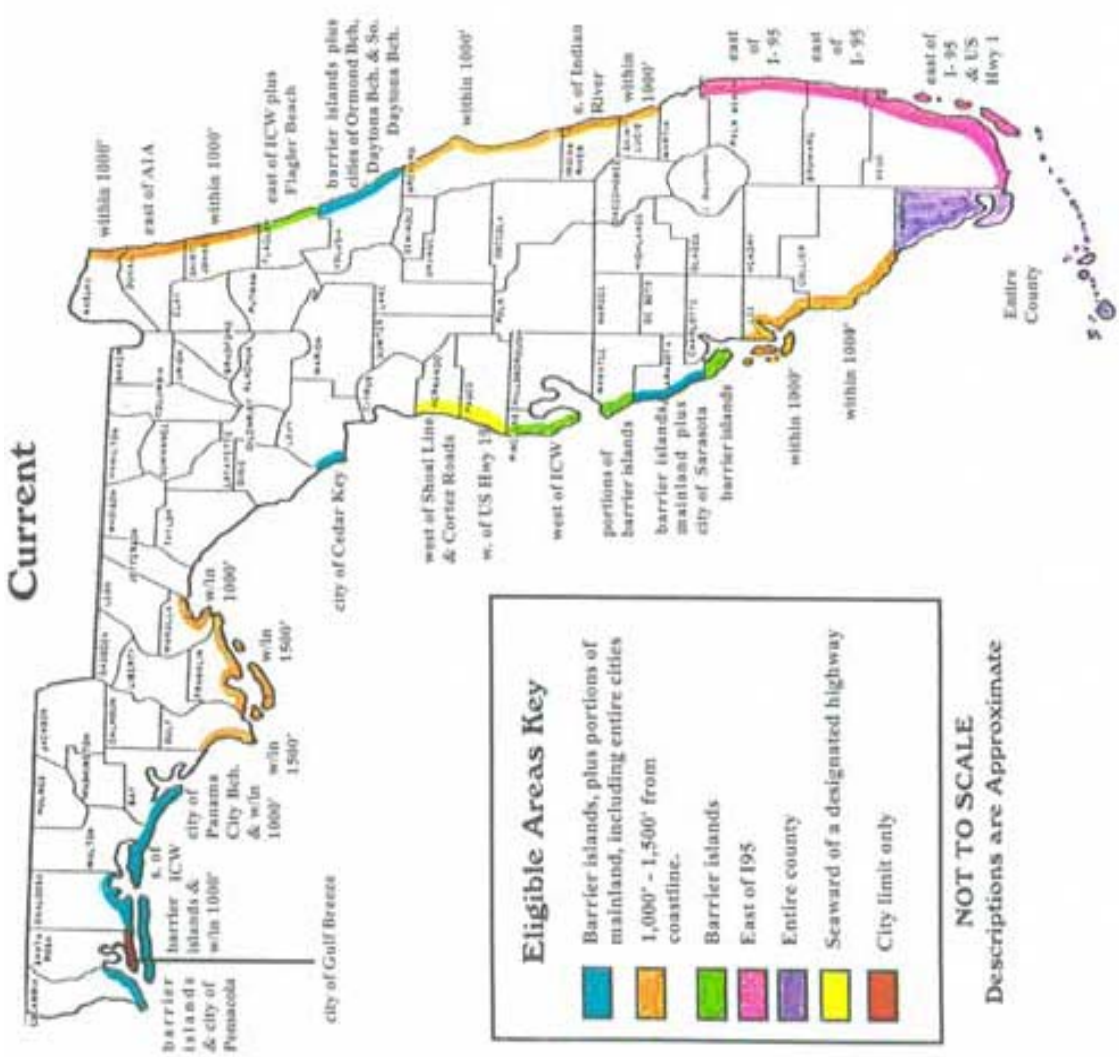
- Hurricane Frances from 2004:
 - Ultimate Losses (Gross of Reinsurance): \$1.15 billion
 - Comparable to: **1-in-5** year event (20% probability)
 - PML for Comparable Event: \$1.02 billion
- Hurricane Wilma from 2005:
 - Ultimate Losses (Gross of Reinsurance): \$2.67 billion
 - Comparable to: **1-in-10** year event (10% probability)
 - PML for Comparable Event: \$2.93 billion
- Both events would be fully funded between Surplus and FHCF recoverables.

Appendix

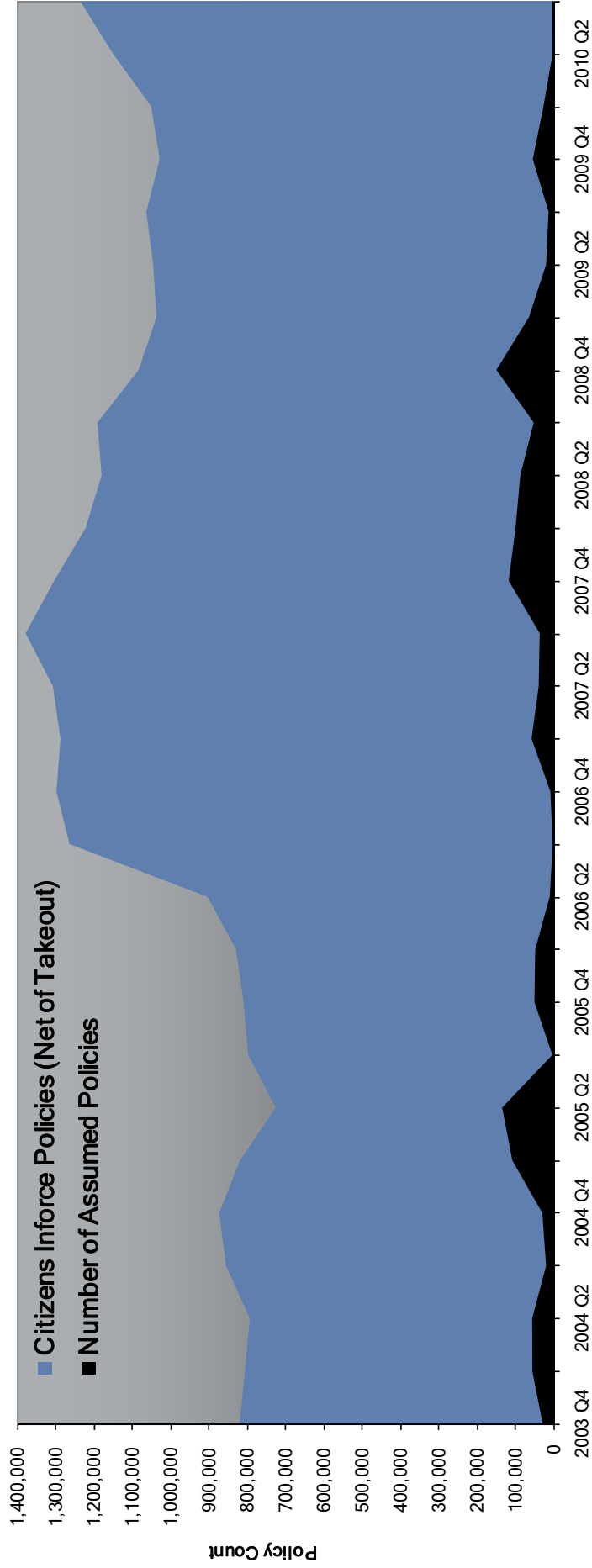
- High Risk Account Territory Map
- Historical Depopulation Information
- Citizens Probable Maximum Loss (PML)
- Projected Layer Chart PLA/CLA for 2011
- Projected Layer Chart HRA for 2011
- Important Notes to Layer Charts
- Citizens' Bond Ratings
- PLA HO-3 Policy Characteristics – Average Age of home
- HRA HO-3/HW-2 Policy Characteristics – Average Age of home
- PLA HO-3 Policy Characteristics – Average Coverage A amount
- HRA HO-3/HW-2 Policy Characteristics – Average Coverage A amount

High Risk Account (HRA) Coverage Areas

The shaded areas indicate statutorily defined HRA (wind-only) eligible coastal areas of Florida.



Depopulation Activity - Policies



Year	Total Participating Companies	Total Policies Assumed	Citizens Inforce Policies	Assumed Policies as % of Prior Year's Total Policy Count
2003	1	28,219	820,255	3.3%
2004	4	158,416	873,996	19.3%
2005	10	293,684	810,017	33.6%
2006	4	67,853	1,298,922	8.4%
2007	7	247,923	1,304,949	19.1%
2008	14	385,084	1,084,237	29.5%
2009	11	149,645	1,029,214	13.8%
2010 Q3	5	32,278	1,237,289	3.1%

Note: The number of assumed policies does not account for any opt-out policies reported after the assumption date.

Footnote: 2011 (Budgeted): Depopulation of 38,000 population



Citizens' Modeled Loss Report

As of September 30, 2010

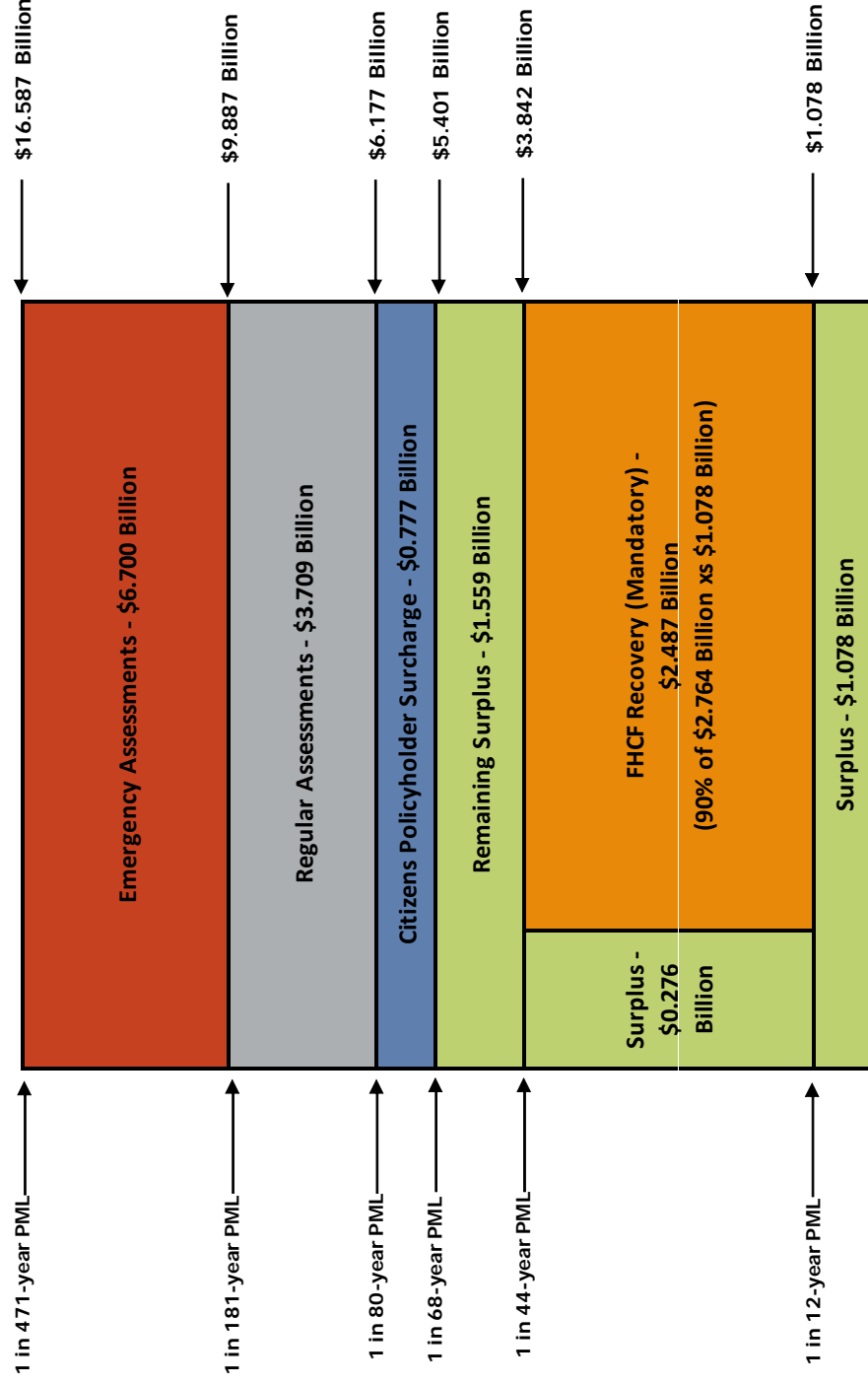
PML Occurrence – Single Event (in thousands) ¹

Return Period	HRA (High Risk Account) ²	PLA (Personal Lines Account)	CLA (Commercial Lines Account) ³
10	\$1,961,342	\$720,986	\$166,495
20	\$4,167,464	\$1,593,064	\$365,291
30	\$6,164,915	\$2,366,118	\$551,597
50	\$9,344,909	\$3,561,843	\$867,477
100	\$14,587,098	\$6,062,470	\$1,465,300

Notes:

- 1) PMLs in these tables were calculated using AIR Classic2 version 12.0.4 Historical (long-term) and Stochastic (mid-term) event sets, weighted, including loss amplification (demand surge) and excluding storm surge. Citizens prepares its PMLs with a weighted rate comprised of 67% Stochastic rate and 33% Historical Rate.
- 2) Beginning August 2007, HRA includes personal residential multi-peril policies in the wind-eligible territories. Beginning December 2007, HRA includes commercial residential multi-peril policies in the wind-eligible territories. Beginning December 2008, HRA includes commercial non-residential multi-peril policies in the wind-eligible territories.
- 3) The CLA modeled losses include commercial non-residential multi-peril policies.

Estimated Claims Paying Resources – PLA/CLA 2011 Hurricane Season (Projected)



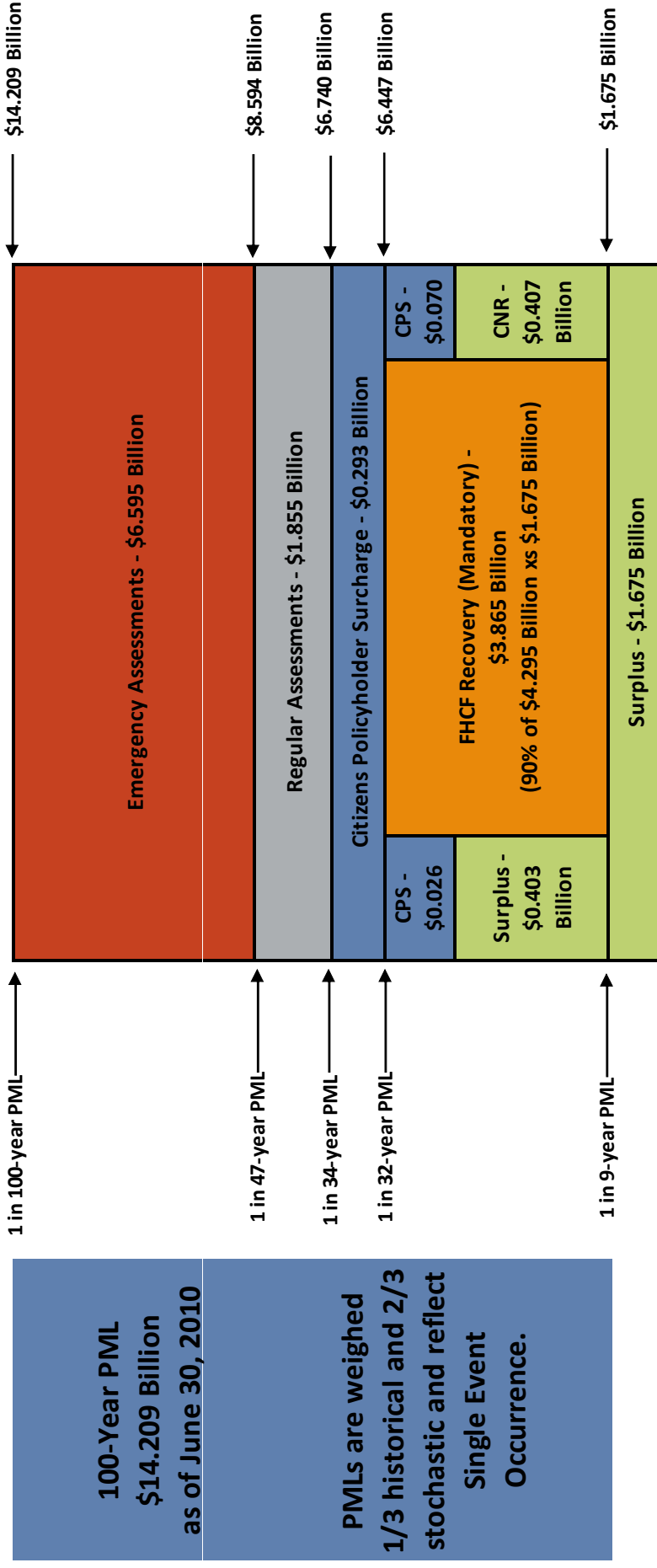
**100-Year PML
\$7.122 Billion
as of June 30, 2010**

**PMLs are weighed
1/3 historical and 2/3
stochastic and reflect
Single Event
Occurrence.**

Notes:

- 1) FHCF recoveries are based on preliminary 2011 retention and payment multiples, but the actual retention and limits may be significantly different from these estimates. This layer chart is not drawn to scale.
- 2) Modeling results generated using AIR Classic2 v12.0.4, using exposure data as of June 30, 2010.

Estimated Claims Paying Resources – HRA 2011 Hurricane Season (Projected)



100-Year PML
\$14.209 Billion
as of June 30, 2010

PMLs are weighed
1/3 historical and 2/3
stochastic and reflect
Single Event
Occurrence.

Notes:

- 1) Chart assumes 10% of claims are commercial non-residential, which are not covered by the FHCf.
- 2) FHCf recoveries are based on preliminary 2011 retention and payment multiples, but the actual retention and limits may be significantly different from these estimates. This layer chart is not drawn to scale.
- 3) Modeling results generated using AIR Classic2 v12.0.4, using exposure data as of June 30, 2010.

Estimated Claims Paying Resources Notes and Assumptions

ASSUMPTIONS:

- Citizens DWP (projected 12/31/10) \$2.59 Billion
- Citizens Policyholder Surcharge Maximum Percentage 15% per account
- Regular Assessment Base Premium \$30.72 Billion
- Regular Assessment Maximum Percentage 6% per account
- Emergency Assessment Base Premium \$33.31 Billion
- Maximum Emergency Assessment Percentage 10% per account
- HRA Commercial Non-Residential (not covered by FHCF) 10% for all Return Times
- Provision for Loss Adjustment Expense (LAE) 10% for all Return Times (Pie Charts Only)
- Exposure Measurement Date June 30, 2010
- Projected Accumulated Surplus \$5.4 billion at December 31, 2011

NOTES - The charts attempt to show total projected claims-paying resources needed for various return times. However, the charts reflect approximations and are not perfect. Some significant observations are as follows:

- Timing - The charts show estimates of ultimate resources needed, not liquidity needs on a timed basis. An account with sufficient ultimate claims-paying resources could still require liquidity facilities as some resources could potentially be unavailable following a major event.
- Return Times - A loss event for one account will not be the same size event for other accounts. The relative magnitude of an event will depend on the size, severity and path of the storm. Probable Maximum Loss ("PML") estimates are weighted 1/3rd Standard Sea-Surface Temperature (Long-Term) and 2/3^{ds} Warm Sea-Surface Temperature (Near-Term) and are based on Single-Event Occurrences. The layer charts provided do not include any provision for the adjustment of claims, while the pie charts depicting the combined accounts includes a 10% provision for LAE. PML estimates were modeled using AIR Classic/2, Version 12.0.4, including Loss Amplification, excluding Storm Surge, on exposures as of June 30,
- Account Combination - Each account is accounted for separately as required by Florida Statutes. However, the PLA and the CLA are evaluated together for reinsurance and credit purposes. Therefore, the charts illustrate the effect of the PLA and the CLA aggregated, not combined as one account.
- Commercial Non-Residential Exposure - Commercial Non-Residential ("CNR") exposures in the CLA and HRA are not reinsured by the Florida Hurricane Catastrophe Fund ("FHCF"). The charts include a provisional estimate for CNR losses in the HRA for all return times (see assumption above). Historically, CNR losses in the CLA have been negligible and therefore are not considered in the charts.
- Projected Surplus - The charts use estimated accumulated surplus determined in accordance with Statutory Accounting Principles ("SAP"). However, actual assessments are based on adjusted surplus determined in accordance with accounting principles generally accepted in the United States of America (GAAP), which varies from SAP.

Citizens' Bond Ratings

Rating Agency	PLA/CLA Long Term	HRA Long Term/ Short Term
Standard & Poor's	A+	A+/A-1+
Moody's	A2	A2/MIG1

Standard & Poor's Rating Scale:

A+ sign indicates the issuer's commitment to meet its obligation is very strong.

Long Term Rating A: Quality Borrower, a bit higher risk than AAA.

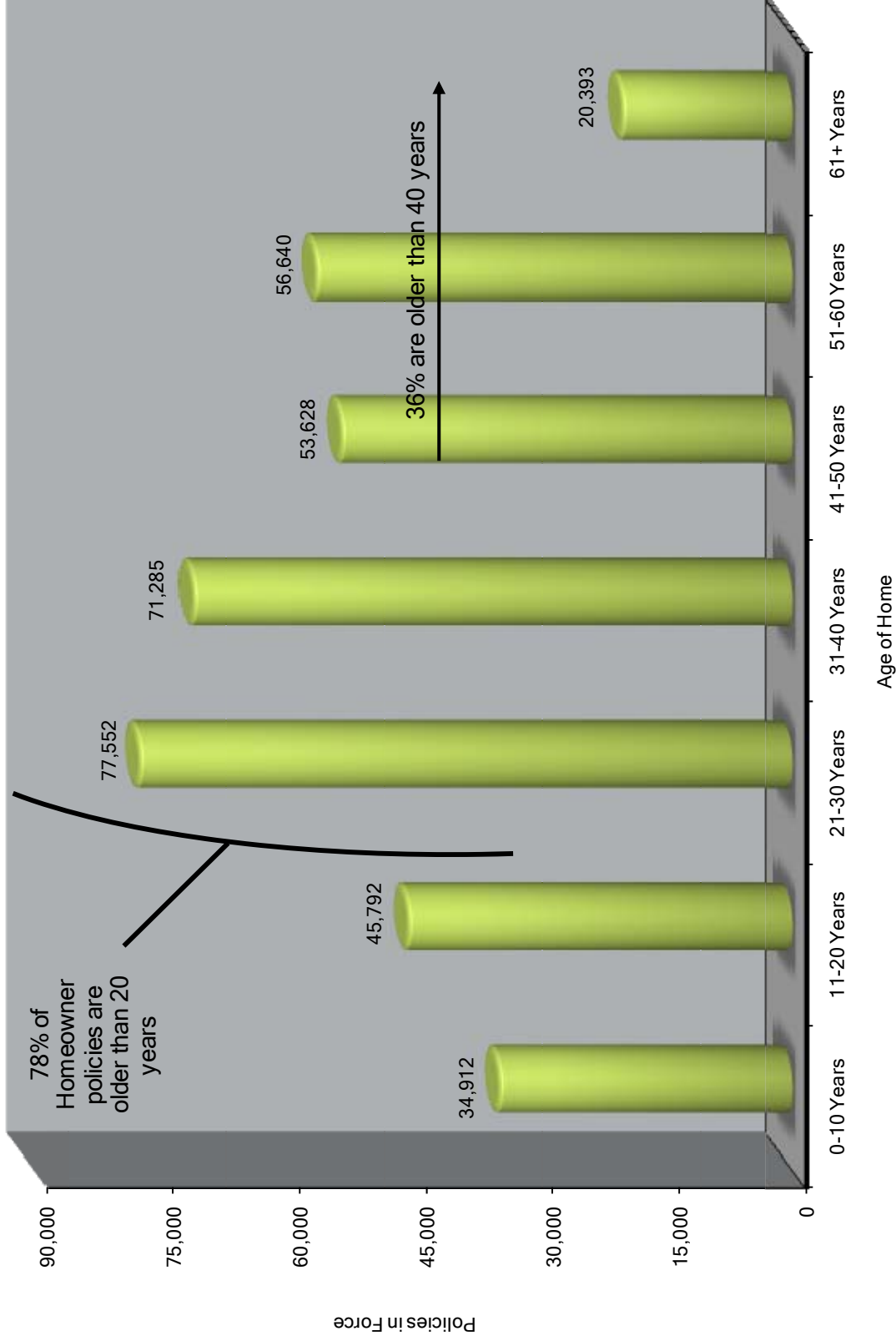
Short Term A-1: Obligor's capacity to meet its financial commitment on the obligation is strong.

Moody's Rating Scale:

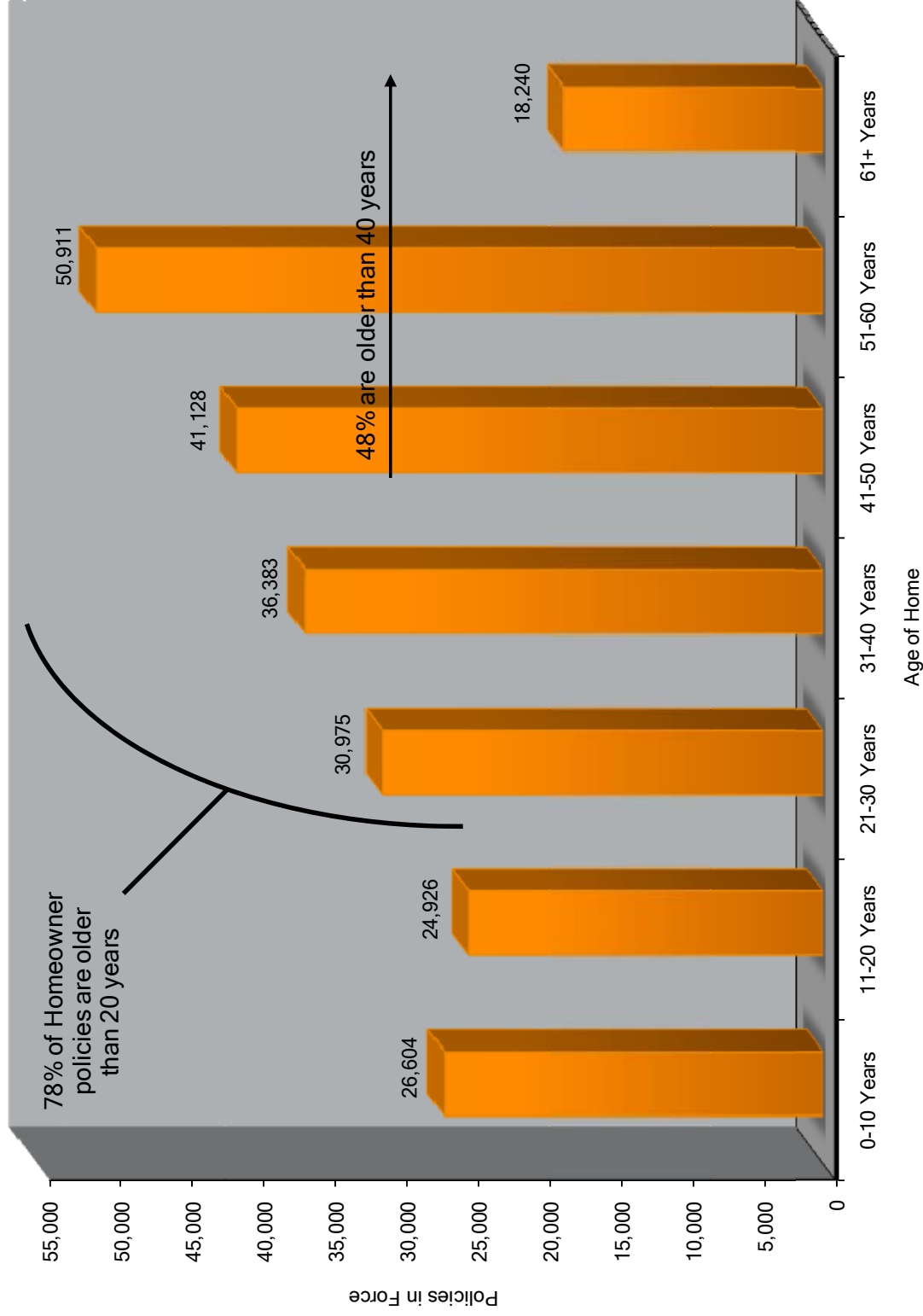
Long Term Rating A2: upper-medium grade obligation, subject to low credit risk. Obligation ranks in the mid-range of the A ranking.

Short Term MIG1: Denotes superior credit quality. Excellent protection is afforded by established cash flows, highly reliable liquidity support, or demonstrated broad-based access to the market for refinancing.

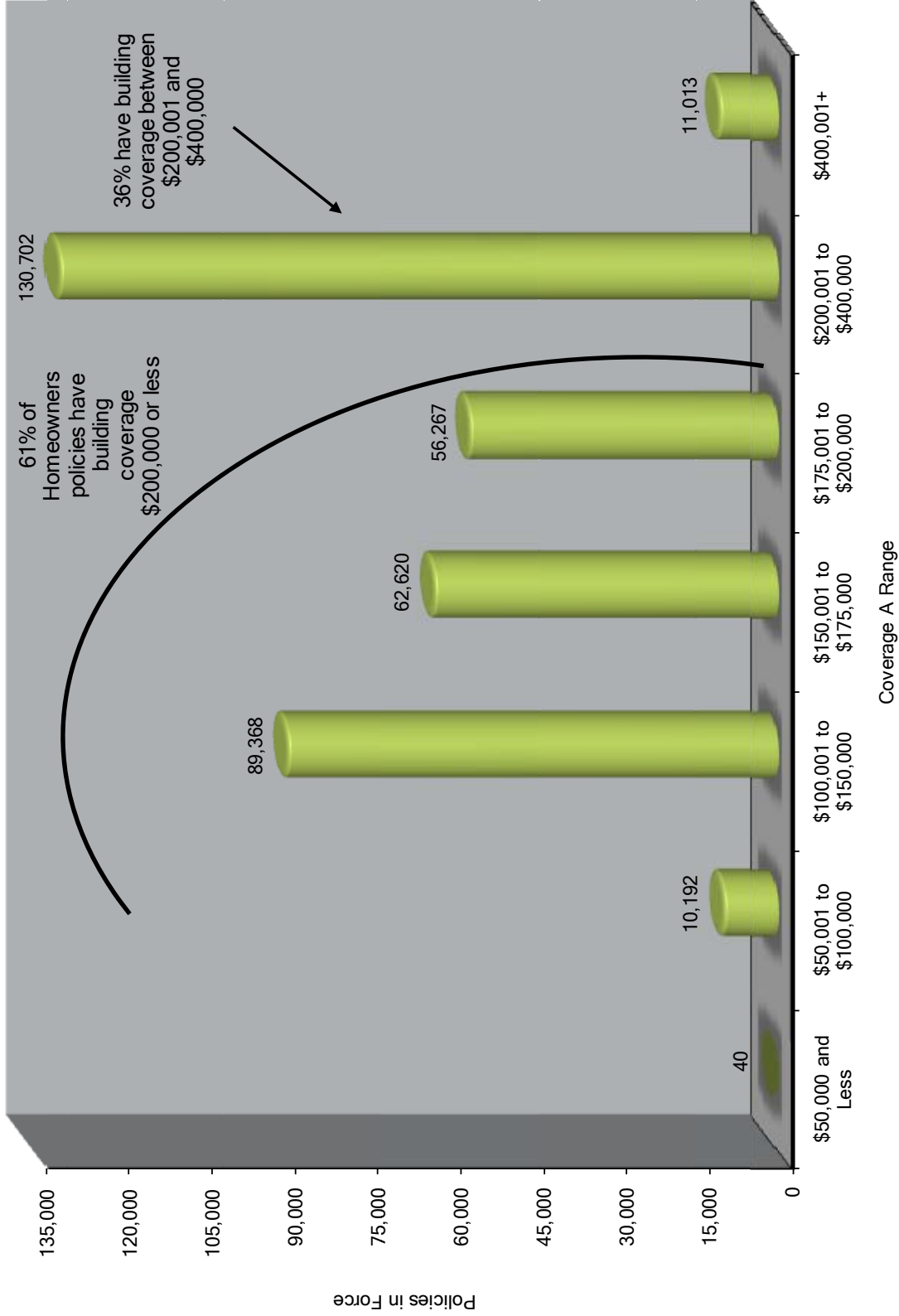
PLA Policy Characteristics – Age of Home (HO-3 Only) As of September 30, 2010



HRA Policy Characteristics – Age of Home (HO-3/HW-2 Only) As of September 30, 2010

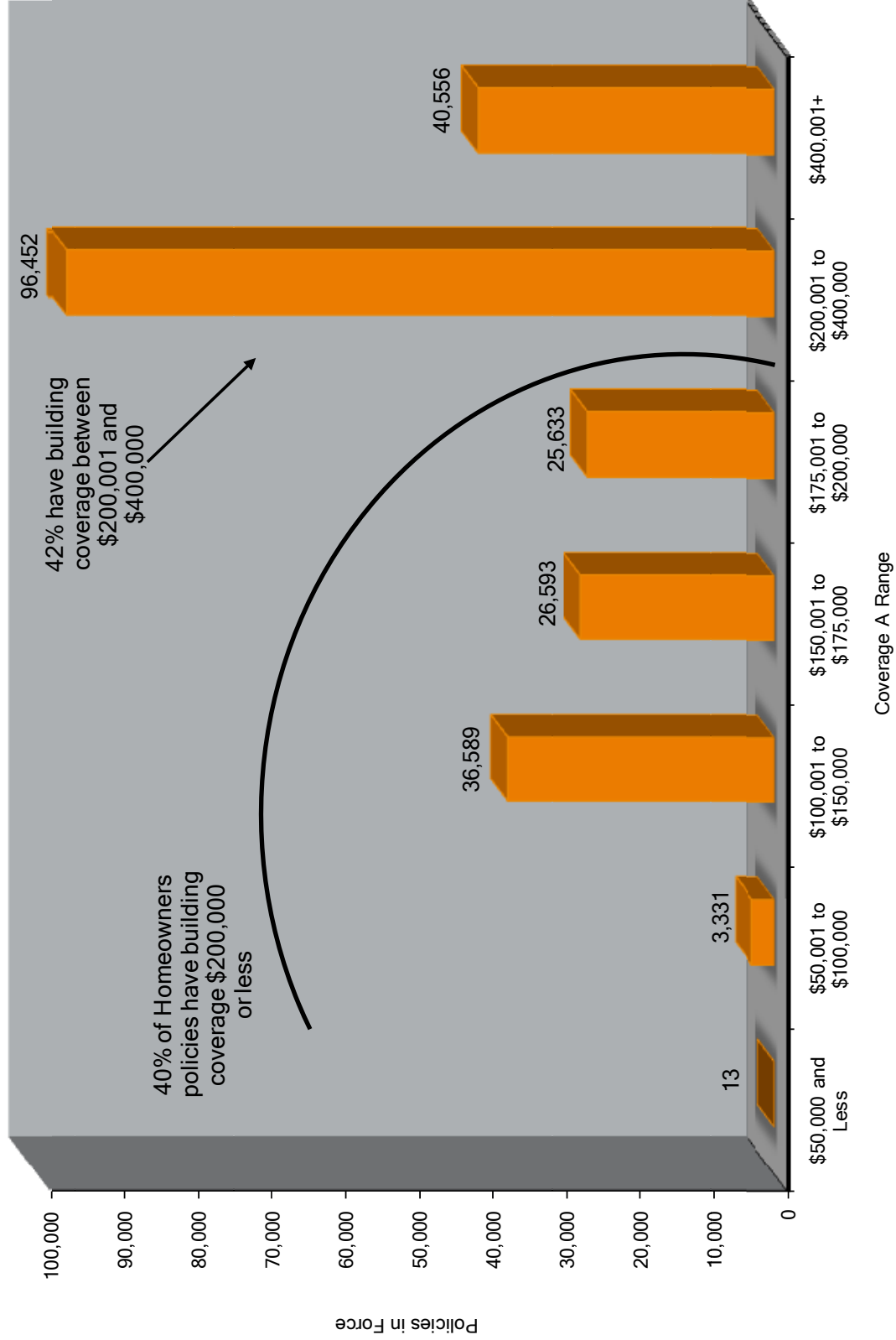


PLA Policy Characteristics – Coverage A Ranges (HO-3 Only) As of September 30, 2010



HRA Policy Characteristics – Coverage A - HO-3/HW-2 Only)

As of September 30, 2010



as of December 31, 2010

Account - Product Line	Policies Inforce	Total Exposure	Premium with Surch
PLA - Personal Residential Multi-Peril (PR-M)	829,406	186,028,262,634	1,272,037,712
HRA - Personal Residential Wind-Only (ePAS PR-W)	248,328	104,757,092,795	441,137,609
HRA - Personal Residential Multi-Peril (PR-M)	154,663	35,927,814,828	292,403,372
HRA - Commercial Residential Wind-Only (CR-W)	13,652	60,362,589,753	244,233,255
HRA - Commercial Residential Multi-Peril (CR-M)	788	14,415,316,316	85,154,559
HRA - Commercial Non-Residential Wind-Only (CNR-W)	28,028	15,418,136,525	79,632,016
HRA - Commercial Non-Residential Multi-Peril (CNR-M)	220	375,489,300	2,405,896
CLA - Commercial Residential Multi-Peril (CR-M)	7,323	42,106,735,553	212,640,279
CLA - Commercial Non-Residential Multi-Peril (CNR-M)	1,130	1,311,861,800	7,189,658
Total	1,283,538	460,703,299,504	2,636,834,356

1) Personal Residential exposure includes Coverages A-D, except DP1/MDP1, which exclude Coverages B and D.

2) Commercial exposure includes Building, Other Structures, and Business Personal Property. Commercial non-residential multi-peril policy exposure also includes Business Income.

CITIZENS COMBINED SUMMARY REPORT
EXCLUDES TAKEOUTS

	December 31, 2010				CURRENT MONTH-END				CHANGE FROM PRIOR MONTH				TOTAL EXPOSURE	
	POLICIES IN-FORCE	BUILDING COUNT	LOCATIONS	PREMIUM WITH SURCH	TOTAL EXPOSURE	POLICIES IN-FORCE	BUILDING COUNT	LOCATIONS	PREMIUM WITH SURCH	TOTAL EXPOSURE				
PERSONAL LINES ACCOUNT:														
PR-M WIND	294,999	501,273	796,272	612,085,706	77,604,866,885	294,999	501,273	796,272	612,085,706	8,488	5,290	13,778	19,123,561	2,585,651,062
PR-M EX-WIND	12,193	33,134	33,134	8,302,616	102,137,260,641	12,193	33,134	33,134	8,302,616	5,290	5,290	13,778	860,930	956,002,572
PERSONAL LINES ACCOUNT:	307,192	534,407	829,406	620,388,322	179,742,127,526	307,192	534,407	829,406	620,388,322	13,778	10,580	27,556	19,984,491	3,541,653,634
PERSONAL LINES ACCOUNT:														
PR-M EX-WIND	20,941	20,941	20,941	22,018,662	4,367,136,400	20,941	20,941	20,941	22,018,662	327	327	327	285,952	84,373,518
PR-M WIND	12,193	33,134	33,134	8,302,616	1,918,998,708	12,193	33,134	33,134	1,918,998,708	137	137	137	73,098	38,628,958
PERSONAL LINES ACCOUNT:	33,134	54,075	54,075	30,321,278	6,286,135,108	33,134	54,075	54,075	30,321,278	464	464	464	339,050	123,002,076
PERSONAL LINES ACCOUNT:														
PR-W (GPAS)	315,940	513,466	829,406	634,104,370	81,972,003,285	315,940	513,466	829,406	634,104,370	8,815	5,427	14,242	19,389,513	2,670,024,580
WIND ONLY	114,121	248,328	248,328	144,217,728	45,014,420,922	114,121	248,328	248,328	144,217,728	5,427	5,427	14,242	934,028	994,631,130
PERSONAL LINES ACCOUNT:	429,861	761,834	1,077,834	1,278,308,748	126,986,426,567	429,861	761,834	1,077,834	1,278,308,748	14,242	10,854	28,484	20,323,541	3,664,655,710
HIGH RISK ACCOUNT:														
PR-W (GPAS)	134,207	114,121	248,328	286,919,881	59,742,671,873	134,207	114,121	248,328	286,919,881	(393)	(251)	(644)	(1,051,106)	(227,479,029)
WIND ONLY	114,121	248,328	248,328	144,217,728	45,014,420,922	114,121	248,328	248,328	144,217,728	(393)	(251)	(644)	(1,051,106)	(101,533,698)
HIGH RISK ACCOUNT:	8,647	5,005	13,652	144,402,407	30,438,284,606	8,647	5,005	13,652	144,402,407	(24)	(109)	(193)	(1,805,468)	(417,054,626)
CR-W	28,006	17,900	35,906	99,830,848	29,924,305,147	28,006	17,900	35,906	99,830,848	(16)	(109)	(193)	(1,556,428)	(518,480,649)
WIND ONLY	13,652	8,550	22,202	244,233,255	60,362,589,753	13,652	8,550	22,202	244,233,255	(40)	(159)	(286)	(3,361,896)	(935,535,275)
HIGH RISK ACCOUNT:														
CNR-W	17,949	23,440	31,383	58,569,624	9,927,910,066	17,949	23,440	31,383	58,569,624	(104)	(145)	(198)	(325,604)	(77,667,113)
WIND ONLY	10,079	14,777	19,856	21,062,392	5,490,226,459	10,079	14,777	19,856	21,062,392	(29)	(6)	(16)	(567,39)	(6,443,428)
HIGH RISK ACCOUNT:	28,028	37,273	48,739	79,632,016	15,418,136,525	28,028	37,273	48,739	79,632,016	(133)	(154)	(214)	(266,865)	(66,110,541)
HIGH RISK ACCOUNT:														
PR-W (GPAS)	160,803	178,307	342,349	499,891,912	100,108,666,545	160,803	178,307	342,349	499,891,912	(521)	(588)	(640)	(2,179,529)	(722,200,769)
WIND ONLY	129,205	145,854	291,059	156,904	80,428,952,528	129,205	145,854	291,059	156,904	(296)	(369)	(411)	(2,500,338)	(628,457,775)
HIGH RISK ACCOUNT:	290,008	324,161	633,408	656,796,424	180,537,819,073	290,008	324,161	633,408	656,796,424	(817)	(957)	(1,051)	(4,679,867)	(1,350,658,543)
HIGH RISK ACCOUNT:														
PR-M	96,573	96,573	96,573	201,080,799	22,855,664,946	96,573	96,573	96,573	201,080,799	1,182	1,182	2,060	2,808,485	267,680,213
MULTI-PERIL	58,090	58,090	58,090	91,322,573	13,072,149,882	58,090	58,090	58,090	91,322,573	878	878	2,060	1,467,863	198,075,729
HIGH RISK ACCOUNT:	154,663	154,663	154,663	392,403,372	35,927,814,828	154,663	154,663	154,663	392,403,372	2,060	2,060	4,120	4,276,348	465,755,942
HIGH RISK ACCOUNT:														
CR-M	690	1,779	2,346	80,567,250	13,696,202,216	690	1,779	2,346	80,567,250	(3)	(18)	(15)	1,067,154	(7,412,800)
MULTI-PERIL	98	458	565	4,587,309	719,114,100	98	458	565	4,587,309	(2)	1	2	3,748	(2,331,200)
HIGH RISK ACCOUNT:	788	2,237	2,911	85,154,559	14,415,316,316	788	2,237	2,911	85,154,559	(5)	(17)	(13)	1,070,902	(9,744,000)
HIGH RISK ACCOUNT:														
CNR-M	113	155	155	1,644,140	241,016,800	113	155	155	1,644,140	2	(7)	(7)	56,088	7,370,500
MULTI-PERIL	107	157	157	761,756	134,472,500	107	157	157	761,756	(1)	3	3	(19,606)	(3,013,800)
HIGH RISK ACCOUNT:	220	312	312	2,405,896	375,489,300	220	312	312	2,405,896	(1)	(4)	(4)	36,482	4,357,700
HIGH RISK ACCOUNT:														
PR-W (GPAS)	97,376	98,507	99,074	283,292,189	36,792,883,962	97,376	98,507	99,074	283,292,189	1,181	1,157	1,160	3,931,727	287,637,913
WIND ONLY	58,295	58,705	58,832	96,671,638	13,925,736,482	58,295	58,705	58,832	96,671,638	875	882	2,043	5,383,732	460,368,942
HIGH RISK ACCOUNT:	155,671	157,212	157,906	379,963,827	50,718,620,444	155,671	157,212	157,906	379,963,827	2,056	2,039	2,043	5,383,732	460,368,942
HIGH RISK ACCOUNT:														
PR-W (GPAS)	258,179	276,814	284,519	783,184,101	136,901,750,507	258,179	276,814	284,519	783,184,101	660	569	520	1,752,198	(454,562,855)
WIND ONLY	187,500	204,559	215,736	361,782,606	94,354,689,010	187,500	204,559	215,736	361,782,606	579	513	532	(1,048,333)	(435,726,746)
HIGH RISK ACCOUNT:	445,679	481,373	500,255	1,144,966,707	231,256,439,517	445,679	481,373	500,255	1,144,966,707	1,239	1,082	1,082	703,865	(890,289,601)
COMMERCIAL LINES ACCOUNT:														
CR-M WIND	3,835	23,770	25,905	121,865,088	24,892,228,197	3,835	23,770	25,905	121,865,088	(62)	45	24	(197,697)	(186,638,200)
WIND ONLY	3,302	21,302	25,998	89,828,849	16,753,742,656	3,302	21,302	25,998	89,828,849	(42)	(515)	(534)	(862,833)	(308,161,374)
COMMERCIAL LINES ACCOUNT:	7,137	45,072	51,903	211,693,937	41,645,978,853	7,137	45,072	51,903	211,693,937	(104)	(470)	(510)	(1,060,530)	(504,799,574)
COMMERCIAL LINES ACCOUNT:														
CR-M EX-WIND	92	234	294	485,834	243,878,800	92	234	294	485,834	(3)	(5)	(6)	(68,984)	(37,110,400)
WIND ONLY	186	432	528	946,342	460,764,700	186	432	528	946,342	(2)	(9)	(10)	(49,385)	(30,963,500)
COMMERCIAL LINES ACCOUNT:	3,927	23,970	26,139	122,350,922	25,136,106,997	3,927	23,970	26,139	122,350,922	(65)	40	18	(266,681)	(233,748,600)
CR-M WIND	3,396	21,634	26,292	90,289,357	16,970,628,556	3,396	21,634	26,292	90,289,357	(41)	(519)	(538)	(843,234)	(302,034,474)
WIND ONLY	7,323	45,504	52,431	212,640,279	42,106,735,553	7,323	45,504	52,431	212,640,279	(106)	(479)	(520)	(1,109,915)	(535,783,074)
COMMERCIAL LINES ACCOUNT:														
CR-M EX-WIND	279	412	412	3,040,332	494,905,200	279	412	412	3,040,332	(2)	(9)	(9)	(61,301)	(8,044,200)
WIND ONLY	1,130	1,659	1,659	7,189,658	1,311,861,800	1,130	1,659	1,659	7,189,658	6	11	11	54,431	15,135,900
COMMERCIAL LINES ACCOUNT:	1,409	1,659	1,659	10,229,990	1,311,861,800	1,409	1,659	1,659	10,229,990	4	2	2	(6,870)	7,091,700
COMMERCIAL LINES ACCOUNT:														
CR-M WIND	4,206	24,382	26,551	125,391,254	25,631,012,197	4,206	24,382	26,551	125,391,254	(67)	31	9	(327,982)	(241,792,800)
WIND ONLY	4,247	22,781	27,539	94,438,683	17,787,585,156	4,247	22,781	27,539	94,438,683	(35)	(508)	(527)	(786,898,574)	(286,898,574)
COMMERCIAL LINES ACCOUNT:	8,453	47,163	54,090	219,829,837	43,418,597,353	8,453	47,163	54,090	219,829,837	(102)	(477)	(518)	(1,116,785)	(528,691,374)
CITIZENS TOTAL	1,263,558	1,357,942	1,393,751	2,636,834,356	460,703,299,504	1,263,558	1,357,942	1,393,751						

PLA PR-M	IN-FORCE POLICIES BY ACCOUNT AND COUNTY				FOR MONTH ENDING DECEMBER 31, 2010			
	CURRENT MONTH-END				CHANGE FROM PRIOR MONTH			
	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE
Alachua	2,435	2,435	1,860,030	339,969,012	99	99	78,412	19,478,982
Baker	435	435	307,689	38,393,459	15	15	12,561	1,953,228
Bay	4,613	4,613	4,788,136	564,468,301	43	43	(9,965)	1,088,916
Bradford	387	387	290,641	37,913,428	16	16	12,990	2,617,459
Brevard	23,507	23,507	34,395,540	4,278,677,850	(599)	(599)	(1,705,939)	(247,687,793)
Broward	105,929	105,929	191,164,532	26,164,439,447	3,335	3,335	6,990,874	1,033,060,826
Calhoun	196	196	139,467	16,891,061	11	11	8,029	1,170,433
Charlotte	15,230	15,230	21,295,798	3,295,914,145	(107)	(107)	(473,958)	(50,755,393)
Citrus	4,641	4,641	4,212,016	453,987,445	2	2	(38,563)	(3,763,124)
Clay	1,829	1,829	1,432,025	213,379,131	80	80	59,486	14,264,713
Collier	10,838	10,838	16,113,529	2,028,841,834	(27)	(27)	(254,199)	(17,717,292)
Columbia	910	910	632,649	82,656,513	52	52	38,480	8,025,117
Miami-Dade	150,246	150,246	341,522,578	40,625,036,005	2,995	2,995	7,749,069	855,382,776
Desoto	779	779	856,362	83,008,440	6	6	3,790	660,876
Dixie	653	653	594,573	50,947,489	16	16	8,532	1,367,230
Duval	6,917	6,917	5,737,104	1,170,831,824	404	404	336,238	82,671,546
Escambia	4,331	4,331	4,552,583	579,003,794	10	10	(72,835)	(9,848,831)
Flagler	659	659	705,483	129,226,337	14	14	3,444	2,553,467
Franklin	278	278	333,117	35,866,524	3	3	90	274,703
Gadsden	873	873	653,780	97,523,726	76	76	63,621	12,523,198
Gilchrist	637	637	449,811	54,035,834	18	18	10,622	2,694,244
Glades	268	268	266,992	20,362,452	14	14	17,444	1,371,958
Gulf	358	358	345,841	36,655,112	15	15	22,330	2,744,876
Hamilton	177	177	115,052	13,474,765	5	5	4,181	538,925
Hardee	234	234	213,014	22,252,992	5	5	7,841	1,961,513
Hendry	774	774	877,453	77,757,979	4	4	(4,189)	(1,588,873)
Hernando	36,345	36,345	41,834,476	10,720,256,756	558	558	854,039	174,876,891
Highlands	1,577	1,577	1,399,389	135,879,917	(14)	(14)	(30,127)	(4,778,562)
Hillsborough	57,885	57,885	78,121,354	14,049,334,631	1,864	1,864	2,104,711	515,490,306
Holmes	350	350	277,068	39,987,277	30	30	28,631	5,548,011
Indian River	4,698	4,698	6,275,080	723,073,990	(87)	(87)	(154,020)	(25,207,054)
Jackson	830	830	599,409	77,841,991	35	35	23,474	4,570,949
Jefferson	255	255	201,053	23,632,067	15	15	8,302	1,687,226
Lafayette	172	172	124,507	14,463,092	0	0	(4,774)	(938,655)
Lake	4,635	4,635	3,392,040	429,023,397	104	104	89,700	18,279,512
Lee	34,248	34,248	41,452,138	5,963,469,404	341	341	235,783	67,156,107
Leon	2,474	2,474	1,775,411	306,838,350	98	98	55,057	14,871,032
Levy	1,634	1,634	1,491,906	142,255,904	44	44	38,544	5,672,047
Liberty	157	157	91,887	10,994,413	17	17	8,306	1,194,575
Madison	233	233	177,587	22,281,924	9	9	4,738	378,109
Manatee	22,278	22,278	27,106,427	3,585,990,337	(187)	(187)	(575,068)	(60,661,450)
Marion	4,560	4,560	3,520,176	490,017,339	46	46	9,587	4,325,382
Marlin	6,798	6,798	10,895,840	1,181,598,104	(182)	(182)	(495,926)	(64,318,043)

		IN-FORCE POLICIES BY ACCOUNT AND COUNTY				FOR MONTH ENDING DECEMBER 31, 2010			
		CURRENT MONTH-END		CHANGE FROM PRIOR MONTH					
Monroe	795	540,813	91,623,108	1	479	1,507,459			
Nassau	1,795	1,615,388	232,306,602	68	23,997	4,878,947			
Okaloosa	4,190	6,021,075	829,042,329	33	(56,902)	(6,043,365)			
Okechobee	949	1,001,128	71,464,169	19	33,273	4,686,078			
Orange	7,298	5,834,930	1,072,188,743	150	104,866	31,550,799			
Osceola	2,290	1,915,461	319,455,557	100	92,880	22,721,780			
Palm Beach	58,970	100,876,447	15,090,904,725	2,484	4,649,091	780,073,519			
Pasco	63,931	74,340,113	15,528,812,047	855	1,454,544	275,594,865			
Pinellas	108,892	158,918,391	24,788,888,101	1,202	(271,031)	259,944,503			
Polk	9,962	7,578,819	996,471,206	142	131,606	26,694,490			
Putnam	2,206	1,667,450	165,894,014	39	27,221	5,530,983			
Santa Rosa	3,265	4,124,489	551,770,723	14	(48,098)	(13,649,039)			
Sarasota	17,569	21,165,299	3,146,443,530	(190)	(670,553)	(86,991,934)			
Seminole	2,421	2,151,216	388,846,291	25	2,675	2,864,713			
Saint Johns	3,116	3,475,612	659,703,097	50	10,199	13,090,334			
Saint Lucie	9,683	13,676,376	1,505,817,053	(205)	(386,405)	(62,431,279)			
Sumter	1,034	788,611	113,711,814	45	48,489	10,630,519			
Suwannee	801	565,808	60,614,132	15	6,357	1,396,792			
Taylor	610	663,099	59,549,164	38	40,616	5,285,826			
Union	183	139,189	16,331,034	4	4,376	562,921			
Volusia	9,782	10,307,320	1,681,927,188	52	(23,086)	1,632,676			
Wakulla	827	737,604	67,873,454	16	12,168	1,627,041			
Walton	1,080	985,085	119,085,470	61	48,178	7,514,693			
Washington	492	353,108	40,604,571	26	15,920	2,311,606			
*UNKNOWN	2	3,338	480,720	2	3,338	480,720			
Total	829,406	1,272,037,712	186,028,262,634	14,242	20,323,541	3,664,655,710			

Personal Residential exposure includes Coverages A-D, except DP1/MDP1, which exclude Coverages B and D.

UNKNOWN - captures policies in ePAS with unassigned counties.

HRA PR-W (ePAS)	IN-FORCE POLICIES BY ACCOUNT AND COUNTY						FOR MONTH ENDING DECEMBER 31, 2010											
	CURRENT MONTH-END			CHANGE FROM PRIOR MONTH			POLICIES IN-FORCE			BUILDING COUNT			TOTAL PREMIUM			TOTAL EXPOSURE		
	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE		
Bay	5,010	5,010	4,014,536	928,993,636	5	(19,149)	527,031	5	5	(19,149)	527,031	5	5	(19,149)	527,031			
Brevard	2,125	2,125	2,502,307	664,557,133	(4)	3,678	1,259,261	(4)	(4)	3,678	1,259,261	(4)	(4)	3,678	1,259,261			
Broward	36,075	36,075	65,910,469	13,809,415,521	(41)	(69,051)	(78,870,195)	(41)	(41)	(69,051)	(78,870,195)	(41)	(41)	(69,051)	(78,870,195)			
Charlotte	1,140	1,140	1,954,653	585,744,002	(3)	3,504	(2,029,609)	(3)	(3)	3,504	(2,029,609)	(3)	(3)	3,504	(2,029,609)			
Collier	8,417	8,417	16,060,729	4,676,483,176	17	(50,345)	17,447,851	17	17	(50,345)	17,447,851	17	17	(50,345)	17,447,851			
Miami-Dade	43,241	43,241	111,075,499	21,079,257,254	(135)	(76,633)	(72,173,655)	(135)	(135)	(76,633)	(72,173,655)	(135)	(135)	(76,633)	(72,173,655)			
Duval	1,481	1,481	1,253,636	660,479,360	(13)	(34,003)	(14,681,579)	(13)	(13)	(34,003)	(14,681,579)	(13)	(13)	(34,003)	(14,681,579)			
Escambia	8,172	8,172	9,387,089	2,870,339,750	(38)	(119,649)	(11,873,036)	(38)	(38)	(119,649)	(11,873,036)	(38)	(38)	(119,649)	(11,873,036)			
Flagler	1,742	1,742	1,272,246	660,364,116	(4)	(8,727)	(604,447)	(4)	(4)	(8,727)	(604,447)	(4)	(4)	(8,727)	(604,447)			
Franklin	1,587	1,587	3,012,982	753,936,343	2	(21,103)	2,023,895	2	2	(21,103)	2,023,895	2	2	(21,103)	2,023,895			
Gulf	1,103	1,103	1,521,507	366,644,110	(4)	(7,500)	626,336	(4)	(4)	(7,500)	626,336	(4)	(4)	(7,500)	626,336			
Hernando	249	249	245,660	90,542,981	(5)	(5,830)	(2,150,816)	(5)	(5)	(5,830)	(2,150,816)	(5)	(5)	(5,830)	(2,150,816)			
Indian River	2,050	2,050	5,964,775	1,378,098,734	(6)	(79,006)	(9,326,753)	(6)	(6)	(79,006)	(9,326,753)	(6)	(6)	(79,006)	(9,326,753)			
Lee	13,750	13,750	22,822,113	6,742,903,311	(54)	(1,712)	(19,880,910)	(54)	(54)	(1,712)	(19,880,910)	(54)	(54)	(1,712)	(19,880,910)			
Levy	352	352	222,219	95,422,489	1	(1,083)	(33,060)	1	1	(1,083)	(33,060)	1	1	(1,083)	(33,060)			
Manatee	1,797	1,797	2,713,027	687,120,779	2	(9,026)	2,007,622	2	2	(9,026)	2,007,622	2	2	(9,026)	2,007,622			
Monroe	21,799	21,799	49,296,588	9,126,857,488	(32)	132,415	(11,641,466)	(32)	(32)	132,415	(11,641,466)	(32)	(32)	132,415	(11,641,466)			
Nassau	773	773	684,042	324,623,367	(4)	(12,087)	(3,126,762)	(4)	(4)	(12,087)	(3,126,762)	(4)	(4)	(12,087)	(3,126,762)			
Okaloosa	2,811	2,811	2,466,321	560,478,675	(2)	(27,370)	(4,799,434)	(2)	(2)	(27,370)	(4,799,434)	(2)	(2)	(27,370)	(4,799,434)			
Palm Beach	33,092	33,092	70,637,325	15,727,141,610	(185)	(35,188)	(64,793,713)	(185)	(185)	(35,188)	(64,793,713)	(185)	(185)	(35,188)	(64,793,713)			
Pasco	1,996	1,996	2,131,233	496,887,240	(31)	(57,988)	(10,018,219)	(31)	(31)	(57,988)	(10,018,219)	(31)	(31)	(57,988)	(10,018,219)			
Pinellas	8,483	8,483	11,736,618	3,522,019,181	(54)	(127,172)	(23,587,340)	(54)	(54)	(127,172)	(23,587,340)	(54)	(54)	(127,172)	(23,587,340)			
Santa Rosa	1,499	1,499	2,032,948	658,476,605	2	(8,574)	1,855,104	2	2	(8,574)	1,855,104	2	2	(8,574)	1,855,104			
Sarasota	27,404	27,404	29,960,056	10,823,215,340	4	(237,264)	10,890,157	4	4	(237,264)	10,890,157	4	4	(237,264)	10,890,157			
Saint Johns	1,576	1,576	1,456,756	765,303,243	0	(19,897)	(4,704,051)	0	0	(19,897)	(4,704,051)	0	0	(19,897)	(4,704,051)			
Saint Lucie	875	875	836,802	129,828,331	(1)	2,160	156,080	(1)	(1)	2,160	156,080	(1)	(1)	2,160	156,080			
Volusia	12,774	12,774	10,401,885	3,845,903,096	(46)	(50,699)	(20,717,670)	(46)	(46)	(50,699)	(20,717,670)	(46)	(46)	(50,699)	(20,717,670)			
Wakulla	409	409	408,879	135,105,304	(5)	(7,706)	(2,595,783)	(5)	(5)	(7,706)	(2,595,783)	(5)	(5)	(7,706)	(2,595,783)			
Walton	6,546	6,546	9,154,709	2,590,950,620	(10)	(106,101)	(8,197,566)	(10)	(10)	(106,101)	(8,197,566)	(10)	(10)	(106,101)	(8,197,566)			
*UNKNOWN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Total	248,328	248,328	441,137,609	104,757,092,795	(644)	(1,051,106)	(329,012,727)	(644)	(644)	(1,051,106)	(329,012,727)	(644)	(644)	(1,051,106)	(329,012,727)			

Personal Residential exposure includes Coverages A-D, except DP1/MDP1, which exclude Coverages B and D.

UNKNOWN - captures policies in ePAS with unassigned counties.

		IN-FORCE POLICIES BY ACCOUNT AND COUNTY				FOR MONTH ENDING DECEMBER 31, 2010			
		CURRENT MONTH-END		CHANGE FROM PRIOR MONTH					
HRA PR-M	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE	
Bay	1,828	1,828	1,945,400	226,253,391	80	80	78,140	10,596,665	
Brevard	1,991	1,991	2,789,672	360,791,054	30	30	26,420	2,215,863	
Broward	31,338	31,338	58,030,130	6,571,242,209	377	377	846,508	80,299,575	
Charlotte	389	389	740,334	86,436,818	0	0	(6,210)	(311,195)	
Collier	2,231	2,231	4,136,073	550,727,502	37	37	99,561	10,655,383	
Miami-Dade	39,784	39,784	95,123,715	10,408,947,596	458	458	1,101,066	99,496,281	
Duval	288	288	435,160	84,814,000	9	9	10,163	2,484,370	
Escambia	2,282	2,282	3,737,442	524,399,840	52	52	95,062	14,451,132	
Flagler	239	239	348,500	57,603,785	5	5	14,165	2,464,964	
Franklin	183	183	400,516	44,730,162	15	15	32,570	3,757,930	
Gulf	187	187	348,820	41,312,020	16	16	27,513	3,261,598	
Hernando	1,231	1,231	1,578,094	399,551,370	9	9	14,328	2,212,761	
Indian River	693	693	1,608,291	210,591,094	4	4	3,857	(495,520)	
Lee	5,323	5,323	8,714,639	1,093,561,971	56	56	155,831	20,941,775	
Levy	48	48	74,912	11,287,934	3	3	2,077	517,365	
Manatee	1,070	1,070	2,205,340	269,812,520	4	4	(10,013)	(1,404,814)	
Monroe	1,564	1,564	3,925,012	416,134,319	21	21	69,310	6,810,861	
Nassau	106	106	149,288	24,088,354	3	3	3,030	993,320	
Okaloosa	573	573	733,142	91,134,585	20	20	19,759	2,328,838	
Palm Beach	23,887	23,887	44,001,942	5,459,340,822	326	326	791,601	81,073,496	
Pasco	10,465	10,465	15,298,108	2,705,869,938	44	44	115,987	12,349,605	
Pinellas	6,638	6,638	12,110,601	1,554,168,344	121	121	236,029	33,128,588	
Santa Rosa	471	471	931,431	144,132,957	6	6	18,681	2,211,262	
Sarasota	12,844	12,844	21,101,817	2,900,886,157	171	171	313,898	37,986,274	
Saint Johns	381	381	484,475	77,076,477	7	7	5,799	1,469,168	
Saint Lucie	1,056	1,056	1,306,488	106,664,627	0	0	4,065	964,295	
Volusia	5,778	5,778	7,218,171	1,083,618,197	125	125	137,525	23,402,987	
Wakulla	75	75	104,535	11,252,807	3	3	2,665	332,712	
Walton	1,718	1,718	2,818,644	411,069,978	57	57	66,034	11,470,403	
*UNKNOWN	2	2	2,680	314,000	1	1	927	90,000	
Total	154,663	154,663	292,403,372	35,927,814,828	2,060	2,060	4,276,348	465,755,942	

Personal Residential exposure includes Coverages A-D, except DP1/MDP1, which exclude Coverages B and D.

UNKNOWN - captures policies in ePAS with unassigned counties.

HRA CR-W	IN-FORCE POLICIES BY ACCOUNT AND COUNTY						FOR MONTH ENDING DECEMBER 31, 2010											
	CURRENT MONTH-END			CHANGE FROM PRIOR MONTH			POLICIES IN-FORCE			BUILDING COUNT			TOTAL PREMIUM			TOTAL EXPOSURE		
	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE		
Bay	161	440	2,548,026	617,935,207	3	12	(22,378)	3,542,333										
Brevard	382	895	4,237,351	1,646,409,062	(2)	(3)	(56,681)	(30,740,625)										
Broward	3,318	6,570	32,845,775	7,190,139,133	5	20	(631,075)	(97,293,858)										
Charlotte	75	318	1,387,767	315,455,934	(1)	(1)	4,667	(708,000)										
Collier	483	1,406	18,511,425	4,681,073,520	(6)	(15)	(756,991)	(228,708,760)										
Dade	3,005	5,578	61,983,869	11,951,168,586	(18)	(40)	(27,587)	(84,792,472)										
Duval	94	142	599,433	216,506,698	(4)	(4)	(18,807)	(1,589,096)										
Escambia	109	370	3,006,897	894,553,397	(3)	(3)	(6,412)	(2,701,851)										
Flagler	31	61	315,510	74,176,954	0	0	364	385,400										
Franklin	8	16	71,499	14,161,160	0	0	(189)	0										
Gulf	20	20	130,304	19,628,350	(2)	(2)	(11,645)	(1,895,000)										
Hernando	0	0	0	0	0	0	0	0										
Indian River	188	715	2,924,520	965,166,291	(1)	(12)	(19,558)	(5,674,218)										
Lee	443	1,535	8,123,202	3,449,973,195	(6)	(12)	(328,160)	(103,856,995)										
Levy	20	35	218,059	25,945,830	0	0	0	0										
Manatee	188	763	3,173,416	723,575,022	(1)	(3)	34,205	(1,107,271)										
Monroe	396	1,096	8,748,319	1,431,996,275	(4)	(24)	(261,974)	(59,951,806)										
Nassau	47	98	758,960	284,415,415	0	0	0	0										
Okaloosa	116	324	2,531,426	741,596,204	3	4	(22,675)	(5,739,440)										
Palm Beach	1,928	7,416	40,824,444	9,864,980,612	(7)	(6)	(884,832)	(175,016,490)										
Pasco	33	370	1,108,821	279,527,452	0	0	(108)	34,915										
Pinellas	826	1,668	16,009,331	4,007,312,722	(4)	(3)	(233,432)	(83,310,845)										
Santa Rosa	26	89	812,518	191,203,202	1	0	1,151	392,000										
Sarasota	782	5,810	18,829,320	5,930,808,964	5	(22)	312,660	26,924,728										
St Johns	91	303	1,280,163	462,735,070	2	2	19,273	4,019,130										
St Lucie	71	306	2,054,264	547,809,732	(2)	11	(273,278)	(48,781,873)										
Volusia	560	1,361	7,010,443	2,777,482,703	3	5	(113,082)	(26,690,745)										
Wakulla	4	4	34,049	3,530,000	0	0	0	0										
Walton	247	851	4,154,144	1,053,323,063	(1)	(63)	(65,352)	(12,274,436)										
Total	13,652	38,560	244,233,255	60,362,589,753	(40)	(159)	(3,361,896)	(935,535,275)										

Commercial exposure includes Building, Other Structures, and Business Personal Property.

		IN-FORCE POLICIES BY ACCOUNT AND COUNTY				FOR MONTH ENDING DECEMBER 31, 2010			
		CURRENT MONTH-END		CHANGE FROM PRIOR MONTH					
HRA CR-M	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE	TOTAL EXPOSURE
Bay	1	1	9,559	859,400	0	0	0	0	0
Brevard	10	77	226,409	30,430,300	(1)	(1)	(3,869)	(2,424,200)	(2,424,200)
Broward	220	455	28,060,946	4,630,706,616	(2)	(14)	79,086	(39,235,300)	(39,235,300)
Charlotte	2	11	261,501	35,266,800	0	0	0	0	0
Collier	8	20	82,435	11,854,000	0	0	0	0	0
Dade	333	728	41,604,317	7,195,489,800	2	5	1,111,380	76,496,100	76,496,100
Duval	0	1	0	332,900	(1)	(3)	(16,600)	(1,127,400)	(1,127,400)
Escambia	16	132	483,708	77,143,500	0	4	(13,150)	2,025,200	2,025,200
Flagler	1	1	21,533	1,579,200	0	0	2,229	0	0
Franklin	0	0	0	0	0	0	0	0	0
Gulf	0	0	0	0	0	0	0	0	0
Hernando	0	0	0	0	0	0	0	0	0
Indian River	7	9	290,651	49,149,900	0	0	21,944	0	0
Lee	5	10	60,809	13,546,700	0	0	0	0	0
Levy	1	1	10,073	962,000	0	0	0	0	0
Manatee	3	4	37,680	7,445,000	1	2	6,547	1,259,100	1,259,100
Monroe	12	87	794,362	91,570,500	0	0	7,455	43,900	43,900
Nassau	1	8	54,227	5,830,800	0	0	0	0	0
Okaloosa	1	14	41,978	3,351,400	0	0	0	0	0
Palm Beach	125	509	10,107,625	1,778,435,300	(3)	(9)	(130,767)	(44,717,500)	(44,717,500)
Pasco	2	21	134,513	12,887,100	0	0	0	0	0
Pinellas	17	41	588,670	70,986,000	0	0	2,910	0	0
Santa Rosa	1	18	92,614	12,528,200	0	0	0	0	0
Sarasota	6	30	177,744	23,353,200	0	0	0	0	0
St. Johns	1	1	9,116	3,441,000	0	0	0	0	0
St. Lucie	13	45	1,596,874	307,772,700	0	0	6,913	(1,761,400)	(1,761,400)
Volusia	2	13	407,215	50,394,000	(1)	(1)	(3,176)	(302,500)	(302,500)
Wakulla	0	0	0	0	0	0	0	0	0
Walton	0	0	0	0	0	0	0	0	0
* Other	0	0	0	0	0	0	0	0	0
Total	788	2,237	85,154,559	14,415,316,316	(5)	(17)	1,070,902	(9,744,000)	(9,744,000)

Commercial exposure includes Building, Other Structures, and Business Personal Property.

Other - captures HRA policies with counties outside the wind area.

		IN-FORCE POLICIES BY ACCOUNT AND COUNTY				CHANGE FROM PRIOR MONTH			
		CURRENT MONTH-END		TOTAL		BUILDING		TOTAL	
HRA CNR-W	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE	
Bay	357	659	1,045,631	234,323,709	(6)	(5)	(10,504)	(2,511,946)	
Brevard	414	550	879,474	219,314,622	(9)	(12)	(19,864)	(3,963,660)	
Broward	5,563	7,074	15,674,910	2,910,589,528	(27)	(23)	9,815	(8,731,699)	
Charlotte	24	28	68,099	12,105,800	0	0	239	0	
Collier	437	581	1,279,249	268,326,309	4	3	9,583	167,900	
Dade	5,413	6,711	17,535,322	2,982,029,937	(36)	(52)	(288,348)	(41,979,702)	
Duval	136	143	162,059	49,151,380	1	1	2,069	1,006,500	
Escambia	1,380	1,807	2,546,890	759,794,545	(6)	(2)	20,420	2,415,346	
Flagler	120	145	150,806	45,208,933	2	3	1,214	666,000	
Franklin	85	109	192,905	40,177,771	(5)	(5)	(16,520)	(2,990,500)	
Gulf	39	55	79,587	17,157,593	(2)	(3)	(5,088)	(2,186,000)	
Hernando	13	20	28,848	6,423,800	0	0	149	0	
Indian River	257	303	752,913	130,767,885	(5)	(5)	(14,740)	(4,896,000)	
Lee	711	1,185	2,106,412	446,375,091	(5)	2	50,964	4,902,111	
Levy	37	52	46,963	10,906,606	0	0	2	0	
Manatee	143	229	397,384	80,084,678	1	4	2,459	191,214	
Monroe	1,586	2,870	10,372,019	1,284,244,787	3	(18)	11,889	(5,649,954)	
Nassau	14	21	51,585	14,624,450	0	0	(129)	0	
Okaloosa	68	106	288,103	57,126,642	0	0	44	0	
Palm Beach	5,387	6,785	14,987,373	2,751,045,814	(44)	(52)	(58,960)	(21,305,758)	
Pasco	142	178	295,921	80,906,887	0	2	1,614	168,216	
Pinellas	634	883	1,489,165	348,388,917	(4)	(3)	1,596	(669,501)	
Santa Rosa	133	179	234,298	61,489,114	1	1	12,507	910,694	
Sarasota	2,555	3,325	4,721,728	1,324,400,843	5	16	29,137	2,346,460	
St Johns	78	113	149,360	40,448,784	0	2	(8,404)	(829,877)	
St Lucie	30	46	98,271	16,964,938	0	0	401	3,000	
Volusia	1,753	2,303	2,618,731	921,434,454	1	(8)	(10,208)	(3,418,515)	
Wakulla	17	18	27,970	5,964,400	0	0	0	0	
Walton	502	795	1,350,040	298,358,308	(2)	0	11,798	245,130	
Total	28,028	37,273	79,632,016	15,418,136,525	(133)	(154)	(266,865)	(86,110,541)	

Commercial exposure includes Building, Other Structures, and Business Personal Property.

		IN-FORCE POLICIES BY ACCOUNT AND COUNTY				FOR MONTH ENDING DECEMBER 31, 2010			
		CURRENT MONTH-END		CHANGE FROM PRIOR MONTH					
HRA CNR-M	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE	TOTAL EXPOSURE
Bay	7	10	54,468	10,616,700	0	0	0	0	0
Brevard	12	18	67,483	11,425,500	(1)	(1)	(1,777)	(285,000)	(285,000)
Broward	27	34	315,633	53,729,100	3	4	65,659	7,341,600	7,341,600
Charlotte	0	0	0	0	0	0	0	0	0
Collier	1	2	10,665	1,507,400	0	0	0	0	0
Dade	37	44	577,688	74,434,700	(1)	1	32,498	2,193,900	2,193,900
Duval	0	0	0	0	0	0	0	0	0
Escambia	35	48	187,314	33,210,600	1	5	2,953	(721,600)	(721,600)
Flagler	1	1	1,702	420,000	0	0	0	0	0
Franklin	3	4	20,141	2,448,200	0	0	0	0	0
Gulf	1	2	3,234	354,400	0	0	0	0	0
Hernando	0	0	0	0	0	0	0	0	0
Indian River	1	1	54,067	3,000,000	0	0	0	0	0
Lee	2	2	26,396	3,407,600	0	0	0	0	0
Levy	0	0	0	0	0	0	0	0	0
Manatee	1	1	2,136	439,200	0	0	0	0	0
Monroe	2	2	33,317	3,450,000	(1)	(13)	(43,612)	(2,415,000)	(2,415,000)
Nassau	1	1	2,600	286,500	0	0	0	0	0
Okaloosa	0	0	0	0	0	0	0	0	0
Palm Beach	47	75	717,502	109,403,000	1	1	1,543	250,000	250,000
Pasco	1	1	1,326	212,500	0	0	0	0	0
Pinellas	7	13	56,988	9,545,800	0	0	60	0	0
Santa Rosa	7	15	56,607	13,175,400	0	0	0	0	0
Sarasota	9	10	65,278	17,065,900	0	0	0	0	0
St. Johns	1	1	1,988	80,800	0	0	0	0	0
St. Lucie	1	1	1,704	300,000	0	0	0	0	0
Volusia	8	17	95,890	19,843,400	(1)	(1)	(20,842)	(2,006,900)	(2,006,900)
Wakulla	0	0	0	0	0	0	0	0	0
Walton	8	9	51,769	7,132,600	0	0	0	0	0
* Other	0	0	0	0	0	0	0	0	0
Total	220	312	2,405,896	375,489,300	1	(4)	36,482	4,357,000	4,357,000

Commercial exposure includes Building, Other Structures, and Business Personal Property. Commercial non-residential multi-peril policy exposure also includes Business Income.

Other - captures HRA policies with counties outside the wind area.

		IN-FORCE POLICIES BY ACCOUNT AND COUNTY				FOR MONTH ENDING DECEMBER 31, 2010			
		CURRENT MONTH-END				CHANGE FROM PRIOR MONTH			
CLA CR-M	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE	
Alachua	16	50	119,169	18,492,200	0	0	(218)	3,800	
Baker	0	0	0	0	0	0	0	0	
Bay	41	181	899,446	122,613,400	0	(1)	(33,076)	(4,412,800)	
Bradford	0	0	0	0	0	0	0	0	
Brevard	257	1,321	4,809,145	781,442,300	(4)	(82)	(225,021)	(42,058,800)	
Broward	1,092	5,828	41,437,049	9,087,856,288	(20)	(73)	(267,687)	(108,781,000)	
Calhoun	0	0	0	0	0	0	0	0	
Charlotte	79	421	1,977,895	366,466,100	(1)	(10)	44,148	2,120,500	
Citrus	17	67	222,214	27,945,600	0	0	0	0	
Clay	2	3	21,529	7,116,100	0	0	0	0	
Collier	276	1,535	5,873,568	953,558,400	(3)	(14)	(24,304)	(6,895,500)	
Columbia	0	0	0	0	0	0	0	0	
Dade	2,126	7,564	43,639,513	8,329,844,401	(43)	(149)	(957,278)	(227,408,900)	
Desoto	0	0	0	0	0	0	0	0	
Dixie	4	15	80,530	14,670,000	0	0	2,743	54,400	
Duval	33	196	624,248	118,264,900	1	15	36,888	6,993,400	
Escambia	26	215	595,583	88,216,600	0	0	(16,509)	15,000	
Flagler	1	1	5,394	2,817,100	0	0	0	0	
Franklin	0	0	0	0	0	0	0	0	
Gadsden	0	0	0	0	0	0	0	0	
Gilchrist	0	0	0	0	0	0	0	0	
Glades	0	0	0	0	0	0	0	0	
Gulf	0	0	0	0	0	0	0	0	
Hamilton	0	0	0	0	0	0	0	0	
Hardee	0	0	0	0	0	0	0	0	
Henry	2	125	89,738	12,481,400	0	0	0	0	
Hernando	5	22	96,849	15,171,000	0	0	1,524	0	
Highlands	11	38	105,605	16,666,600	0	0	(4)	(113,100)	
Hillsborough	244	1,774	7,829,511	1,358,944,500	(7)	(72)	(142,770)	(19,460,000)	
Holmes	0	0	0	0	0	0	0	0	
Indian River	59	475	2,312,643	368,367,100	(2)	(4)	(17,639)	(2,008,800)	
Jackson	0	0	0	0	0	0	0	0	
Jefferson	0	0	0	0	0	0	0	0	
Lafayette	0	0	0	0	0	0	0	0	
Lake	3	34	27,167	12,229,000	1	3	12,759	6,089,300	
Lee	410	2,098	7,038,587	1,319,008,200	(9)	(41)	(54,372)	(18,386,800)	
Leon	19	38	127,671	32,750,600	(1)	(23)	(23,881)	(4,326,300)	
Levy	0	0	0	0	0	0	0	0	
Liberty	0	0	0	0	0	0	0	0	
Madison	0	0	0	0	0	0	0	0	
Manatee	201	1,918	6,639,956	1,191,887,000	0	(37)	(38,770)	(9,075,300)	
Marion	9	34	83,920	17,919,200	0	0	0	0	
Martin	185	1,611	8,198,513	1,393,144,200	1	13	265,808	5,386,900	

		IN-FORCE POLICIES BY ACCOUNT AND COUNTY			FOR MONTH ENDING DECEMBER 31, 2010		
		CURRENT MONTH-END			CHANGE FROM PRIOR MONTH		
Monroe	0	0	0	0	0	0	0
Nassau	6	21	58,422	8,557,300	(1)	(23)	(97,503)
Okaloosa	78	430	1,973,136	286,850,000	(1)	(6)	(37,165)
Okeechobee	1	21	42,682	6,405,300	0	0	0
Orange	53	493	1,489,999	291,698,600	(4)	(23)	(61,694)
Osceola	2	6	26,149	11,313,000	0	0	0
Palm Beach	709	10,578	37,274,360	7,718,406,308	(2)	262	958,284
Pasco	40	619	1,123,908	214,129,400	1	11	54,994
Pinellas	1,048	5,525	30,768,098	6,644,276,756	(3)	(100)	(5,966)
Polk	20	88	256,757	78,098,900	(2)	(18)	(37,510)
Putnam	0	0	0	0	0	0	0
Santa Rosa	12	51	154,710	21,042,300	(1)	(1)	(3,476)
Sarasota	106	1,296	3,429,703	588,092,600	(3)	(73)	(370,926)
Seminole	12	156	419,158	76,556,900	0	0	(14,017)
St. Johns	19	95	204,664	29,119,300	(2)	(12)	(37,446)
St. Lucie	54	376	1,595,676	282,200,300	0	0	18,758
Sumter	0	0	0	0	0	0	0
Suwannee	0	0	0	0	0	0	0
Taylor	2	11	25,417	2,827,100	0	0	0
Union	0	0	0	0	0	0	0
Volusia	40	170	927,941	187,585,600	(1)	(21)	(38,589)
Wakulla	0	0	0	0	0	0	0
Walton	1	1	159	61,000	0	0	0
Washington	0	0	0	0	0	0	0
*UNKNOWN	2	3	13,897	1,642,700	0	0	0
Total	7,323	45,504	212,640,279	42,106,735,553	(106)	(479)	(1,109,915)

Commercial exposure includes Building, Other Structures, and Business Personal Property.

UNKNOWN - captures policies in CSC/Point with unassigned counties.

		IN-FORCE POLICIES BY ACCOUNT AND COUNTY				FOR MONTH ENDING DECEMBER 31, 2010			
		CURRENT MONTH-END		CHANGE FROM PRIOR MONTH					
CLA CNR-M	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE	POLICIES IN-FORCE	BUILDING COUNT	TOTAL PREMIUM	TOTAL EXPOSURE	
Alachua	0	0	0	0	0	0	0	0	0
Baker	1	1	1,086	281,200	0	0	0	0	0
Bay	57	86	292,162	59,241,400	2	2	3,900	583,000	0
Bradford	0	0	0	0	0	0	0	0	0
Brevard	146	199	676,171	122,068,600	(2)	(2)	(8,231)	(1,126,800)	0
Broward	71	104	787,957	135,597,500	1	(6)	(50,795)	(3,812,000)	0
Calhoun	0	0	0	0	0	0	0	0	0
Charlotte	10	23	65,006	12,096,800	(2)	(3)	(8,139)	(1,252,300)	0
Citrus	1	2	1,213	945,800	0	0	0	0	0
Clay	1	3	3,408	725,900	0	0	0	0	0
Collier	45	63	289,651	46,324,400	(1)	(2)	(12,715)	(1,379,100)	0
Columbia	0	0	0	0	0	0	0	0	0
Dade	147	195	1,428,917	256,360,400	(3)	(4)	(30,271)	(5,096,100)	0
Desoto	0	0	0	0	0	0	0	0	0
Dixie	0	0	0	0	0	0	0	0	0
Duval	7	9	21,674	4,899,300	0	0	22	0	0
Escambia	52	90	294,240	63,249,600	0	0	5,505	1,276,100	0
Flagler	1	10	9,782	4,342,100	0	0	0	0	0
Franklin	5	5	13,431	1,687,200	0	0	26	0	0
Gadsden	1	1	6,221	1,610,000	0	0	0	0	0
Gilchrist	0	0	0	0	0	0	0	0	0
Glades	1	3	12,434	1,315,700	0	0	0	0	0
Gulf	0	0	0	0	0	0	0	0	0
Hamilton	0	0	0	0	0	0	0	0	0
Hardee	0	0	0	0	0	0	0	0	0
Henry	1	2	11,209	997,000	0	0	0	0	0
Hernando	4	5	7,442	1,304,600	0	0	26	0	0
Highlands	1	1	9,803	2,025,000	0	0	0	0	0
Hillsborough	44	58	218,647	45,909,000	4	4	11,046	2,071,900	0
Holmes	1	1	1,783	282,200	0	0	0	0	0
Indian River	12	14	53,400	6,027,500	1	1	6,117	762,800	0
Jackson	0	0	0	0	0	0	0	0	0
Jefferson	0	0	0	0	0	0	0	0	0
Lafayette	0	0	0	0	0	0	0	0	0
Lake	0	0	0	0	0	0	0	0	0
Lee	20	29	96,989	22,336,800	0	(1)	(267)	(94,400)	0
Leon	3	6	17,467	3,435,600	0	0	0	0	0
Levy	1	2	3,545	362,000	0	0	0	0	0
Liberty	0	0	0	0	0	0	0	0	0
Madison	0	0	0	0	0	0	0	0	0
Manatee	36	52	172,292	29,494,600	1	3	3,698	360,000	0
Marion	1	1	2,069	503,200	0	0	0	0	0
Martin	21	33	137,793	18,130,100	0	0	(3,468)	0	0

		IN-FORCE POLICIES BY ACCOUNT AND COUNTY				FOR MONTH ENDING DECEMBER 31, 2010			
		CURRENT MONTH-END		CHANGE FROM PRIOR MONTH					
Monroe	1	41,646	2,700,000	0	0	0	0	0	0
Nassau	2	9,320	1,300,000	0	0	0	0	0	0
Okaloosa	93	500,680	93,193,600	2	6	43,254	10,473,400		
Okeechobee	0	0	0	0	0	0	0	0	0
Orange	3	22,311	10,793,000	0	0	0	0	0	0
Osceola	0	0	0	0	0	0	0	0	0
Palm Beach	60	781,812	100,247,300	0	1	19,765	863,900		
Pasco	10	34,038	6,433,000	0	1	704	377,500		
Pinellas	156	649,666	154,138,500	0	1	9,593	1,611,400		
Polk	3	16,342	4,108,000	0	0	30	0		
Putnam	0	0	0	0	0	0	0		
Santa Rosa	44	194,720	37,067,600	2	2	6,424	2,001,000		
Sarasota	13	57,076	11,601,200	0	0	(453)	0		
Seminole	1	5,482	3,368,800	0	0	0	0		
St. Johns	7	31,370	3,950,500	0	0	0	0		
St. Lucie	10	62,829	10,355,700	0	0	0	0		
Sumter	3	16,397	5,526,900	0	0	0	0		
Suwannee	0	0	0	0	0	0	0		
Taylor	0	0	0	0	0	0	0		
Union	0	0	0	0	0	0	0		
Volusia	26	102,675	17,871,100	(1)	(1)	(2,641)	(528,600)		
Wakulla	0	0	3,250,000	0	0	0	0		
Walton	6	23,591	4,046,900	0	0	0	0		
Washington	0	0	0	0	0	0	0		
*UNKNOWN	1	3,711	356,200	0	0	0	0		
Total	1,130	7,189,658	1,311,861,800	4	2	(6,870)	7,091,700		

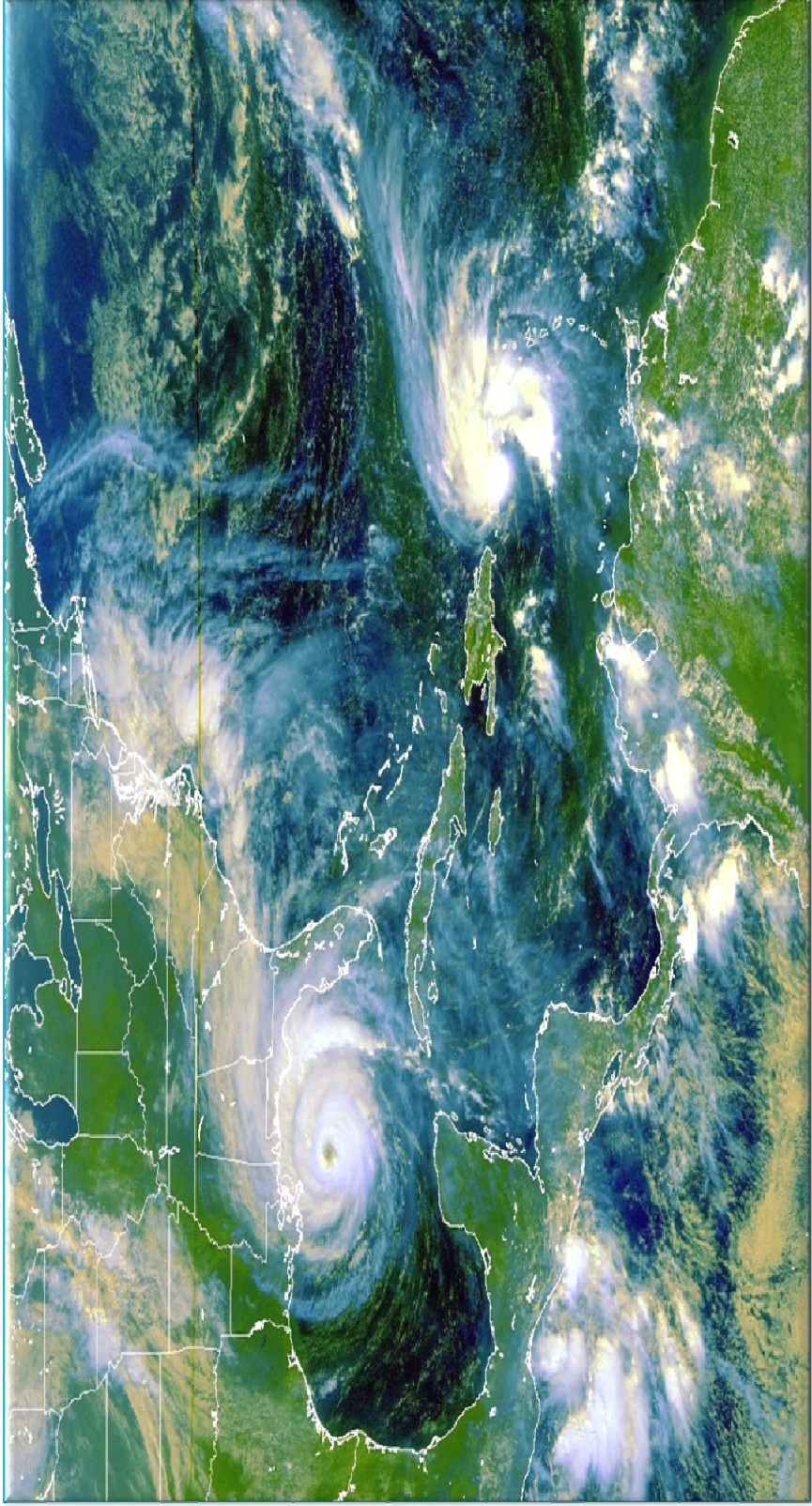
Commercial exposure includes Building, Other Structures, and Business Personal Property. Commercial non-residential multi-peril policy exposure also includes Business Income.

UNKNOWN - captures policies in CSC/Point with unassigned counties.

Florida Hurricane Catastrophe Fund Update

House Insurance & Banking Subcommittee

January 12, 2011



Outline

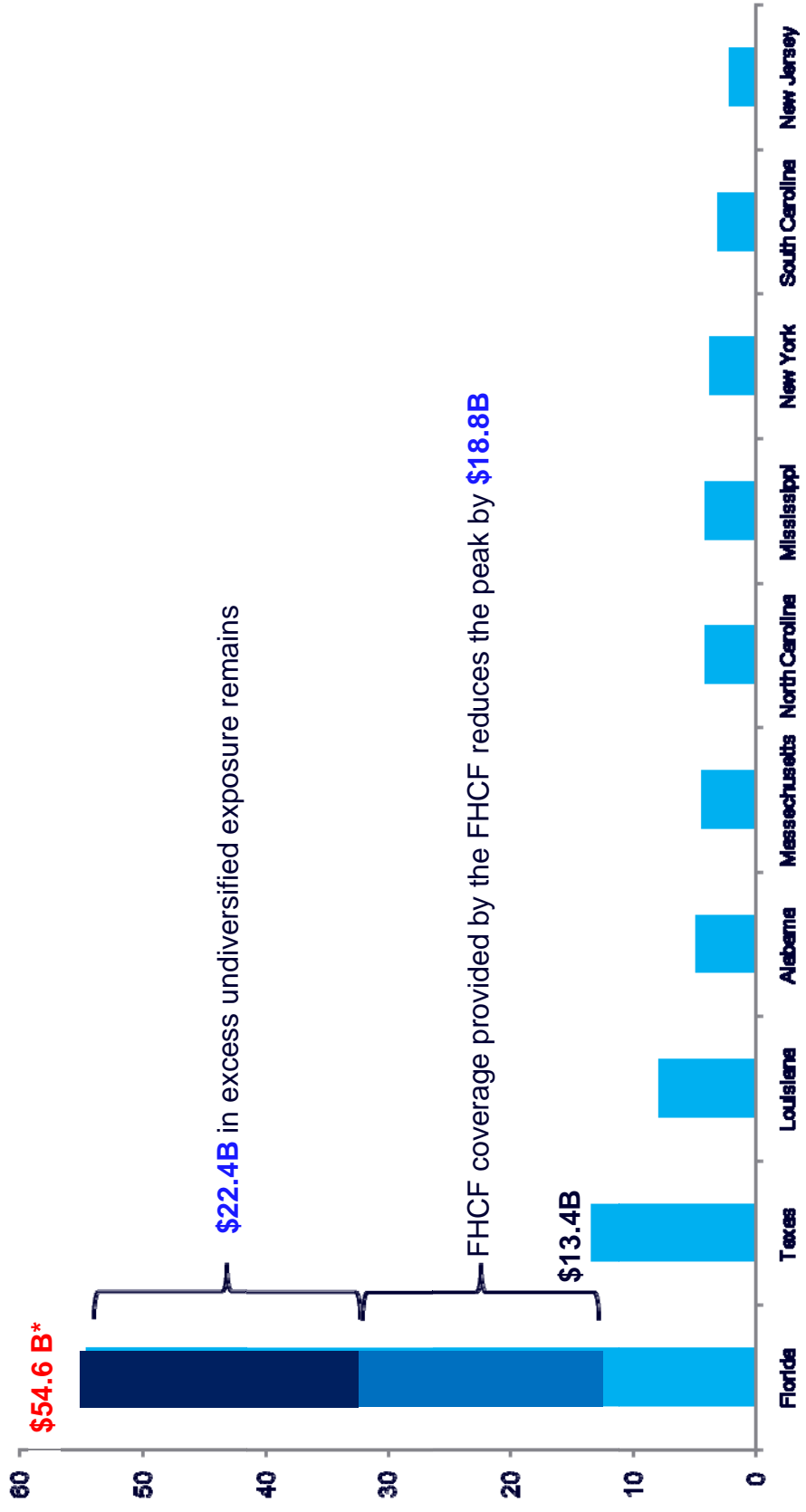
- ❑ **The Cause of Residential Property Insurance Problems in Florida**
- ❑ **What is the FHCF?**
- ❑ **How does the FHCF differ from Citizens Property Insurance Corporation?**
- ❑ **2004 & 2005 Losses: The Need for Bonding**
- ❑ **Examples of Emergency Assessments**

The Cause of Residential Property Insurance Problems in Florida

- ❑ **Exposure Growth** (as reported to the FHCF):
 - 1995 - \$747 billion
 - 2010 (projected) -- \$2.23 trillion
 - Exposure has increased by about 3X
 - Compound Annual Growth Rate of 7.57%
- ❑ **Hurricanes**
 - 6 land falling hurricanes every 10 years (64 in last 100 yrs.)
 - 1 out of 4 years a major hurricane of Category 3 or greater makes land fall (24 in the last 100 yrs.)

Florida is the Peak of Insured Hurricane Exposures

100 Year Residential PML - Long-term Including Demand Surge



*Based on the RMS RiskLink hurricane model assuming long term historical event rates. This number differs from the FHCF's 100 year-event, which is computed using the weighting of five models (RMS, AIR, EQECAT, ARA,& FPM). Source: RMS.

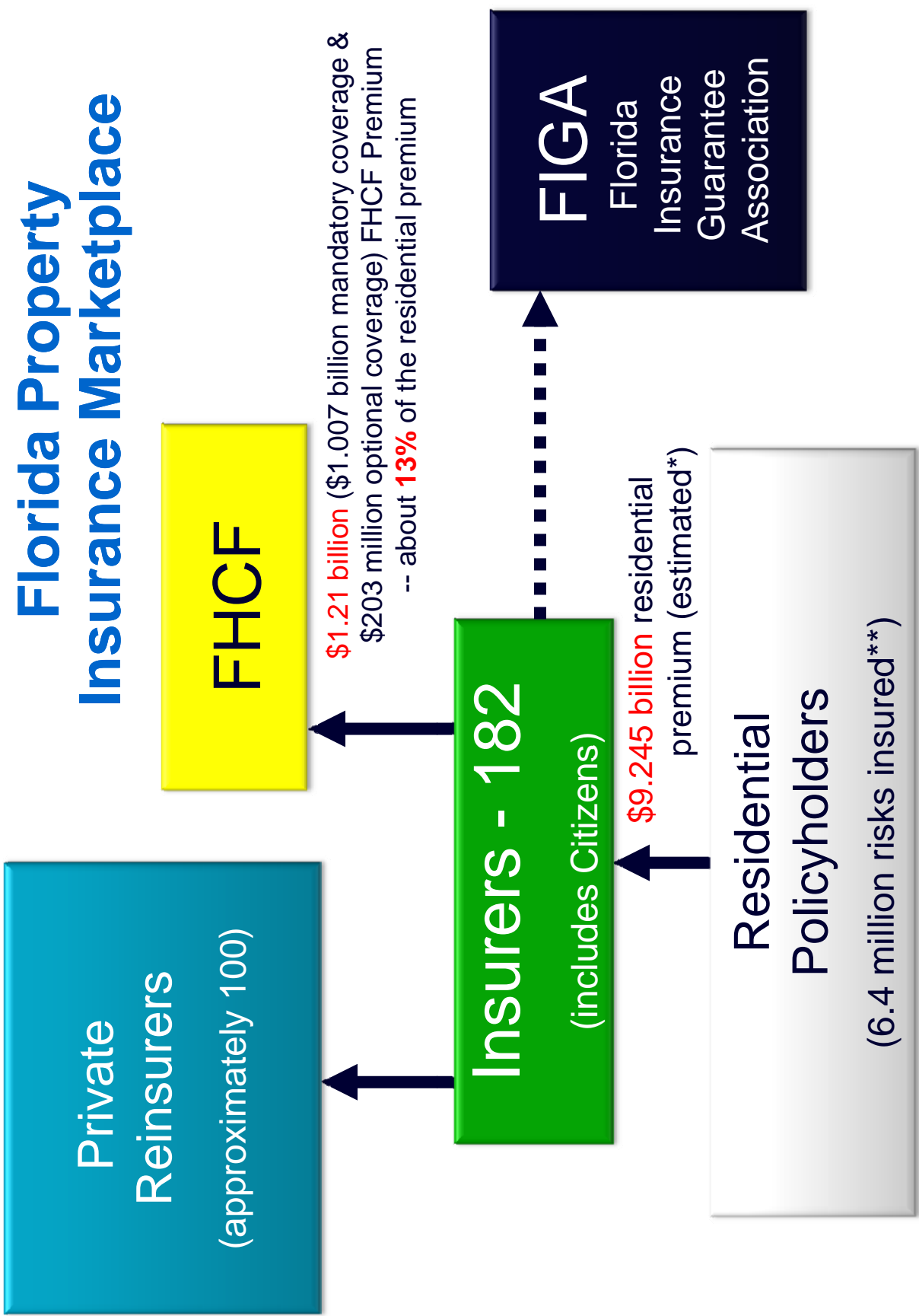
What is the FHCF?

- **State Tax-Exempt Trust Fund created by the Florida Legislature for the purpose of providing a stable and ongoing source of reimbursement to insurers for a portion of their catastrophic hurricane losses in order to provide additional insurance capacity for the state.**
- **A state run “reinsurance type” program.**
- **Mandatory for insurers writing residential property insurance in Florida.**

Oversight of the FHCF

- State Board of Administration of Florida
 - Governor
 - Attorney General
 - Chief Financial Officer
- Executive Director (Ash Williams)
- Chief Operating Officer (Jack Nicholson)
- Nine (9) member Advisory Council – to provide the SBA with advice and information

Florida Property Insurance Marketplace

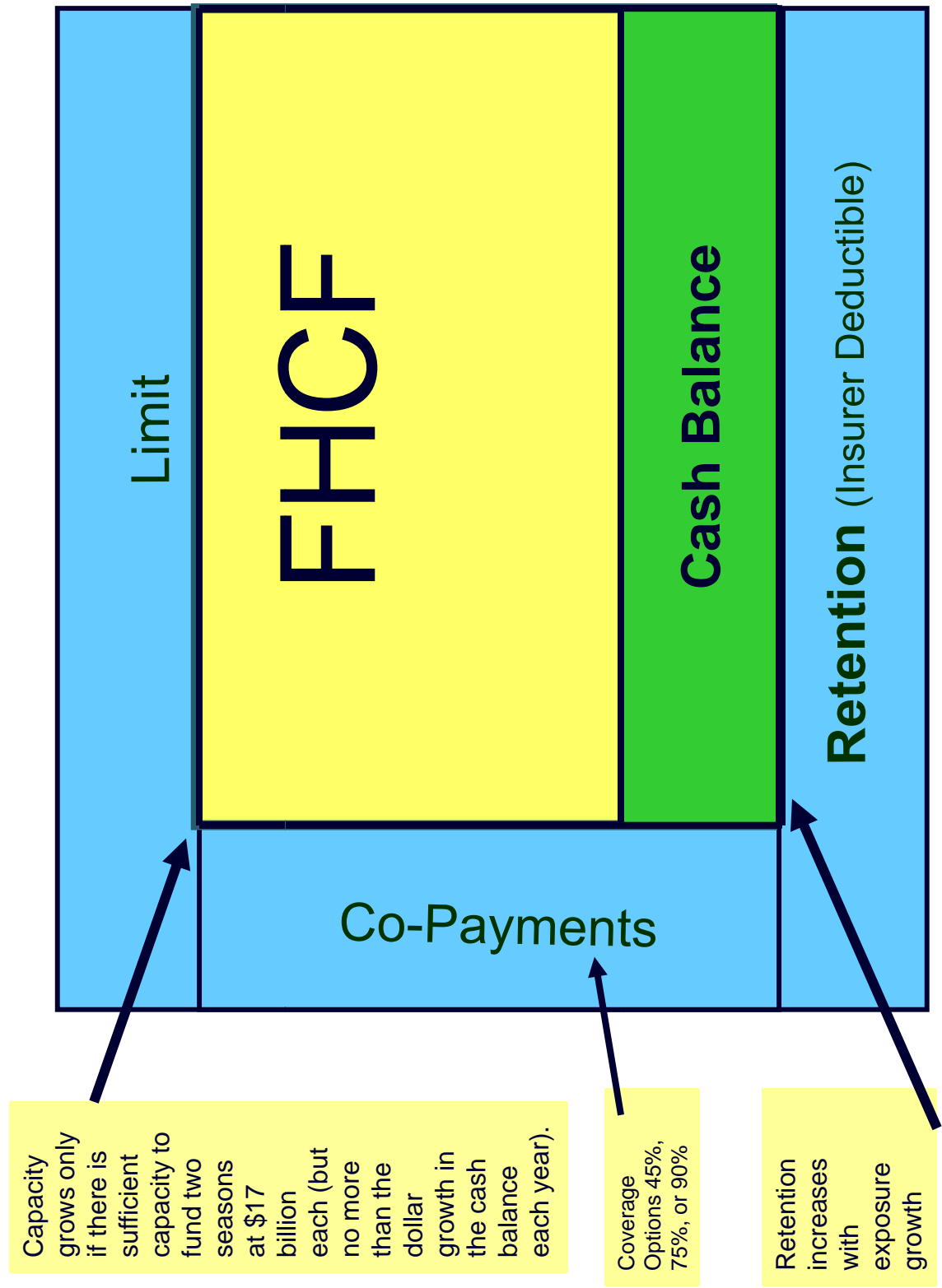


\$2.23 trillion of insured residential exposure values

*Based on Florida Office of Insurance Regulation's QUASR Reporting Summary 3/31/2010.

**SOURCE: FHCF 2010 Ratemaking Formula Report

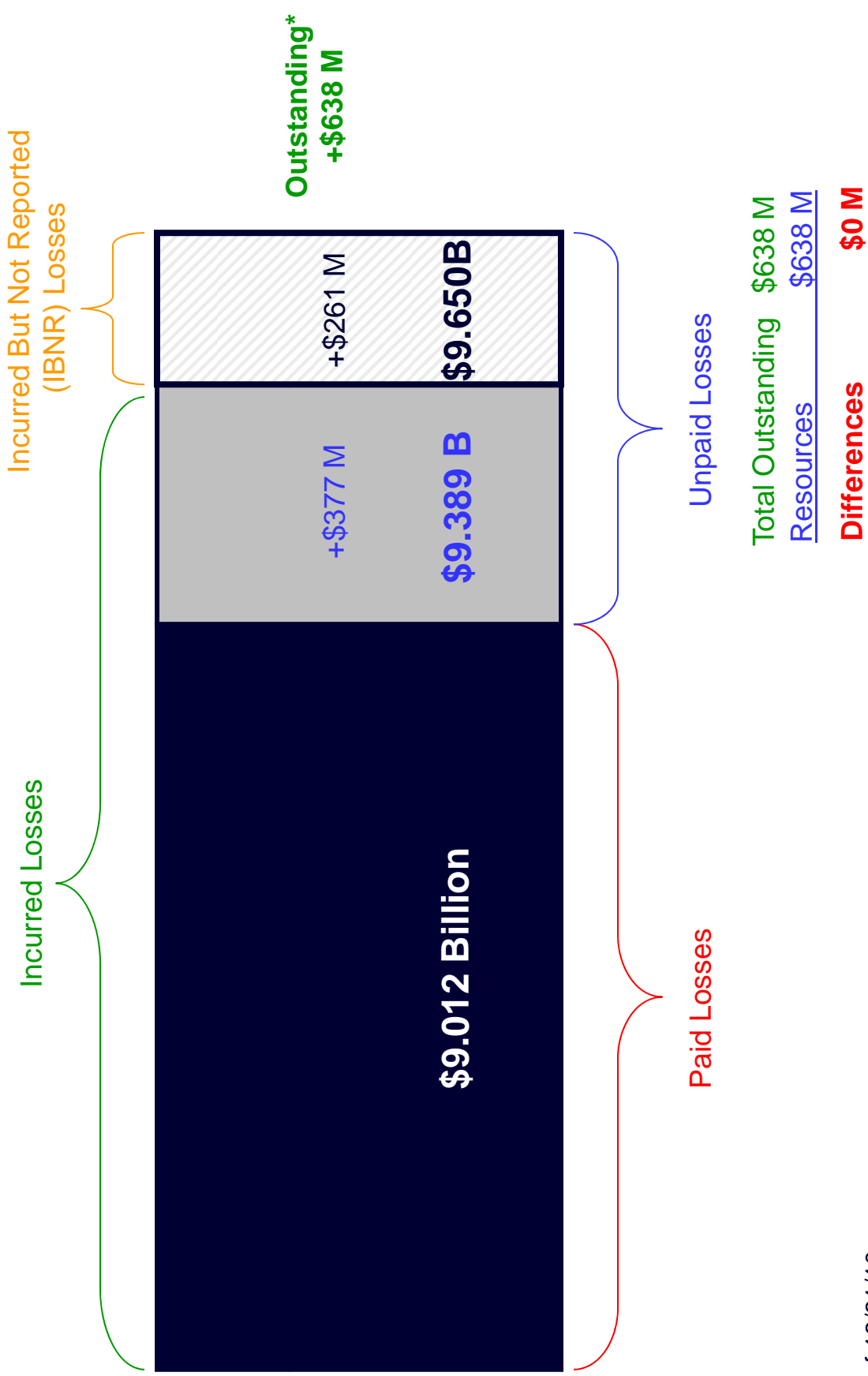
Basic Structure of the FHCF



How does the FHCF Differ From Citizens?

- ❑ Citizens is a direct writer of residential property insurance.
- ❑ The FHCF provides a type of “reinsurance” for all insurers in the state that write residential property insurance.
- ❑ The FHCF has “actuarially indicated” premiums.
- ❑ Citizens’ rates have been frozen and are on a glide path to become actuarially sound.
- ❑ FHCF obligations are fixed by law by limiting assessments and limiting coverage not to exceed certain statutory limits.
- ❑ Citizens obligations are defined by the policies which it writes and thus its total obligations are not limited.
- ❑ The FHCF operates with a small staff of 13 full time employees and is part of state government – the SBA.
- ❑ Citizens’ is one of the largest insurers in the country with a staff that exceeds 1000.

2004/2005 Losses



* As of 12/31/10.

Examples of FHCF Emergency Assessments

- **Maximum Assessments 6% per year, 10% in the Aggregate for hurricanes occurring in all years.**
- **Current Assessment 1.3%**
- **Examples:**
 - \$1000 premium (for assessable lines)**
 - \$13 a year – Current 1.3% until 2016***
 - \$60 a year – Maximum (6%) for hurricanes occurring in one year, for 30 years**
 - \$32 a year – Maximum (3.2%) for hurricanes occurring in 2010/2011, for 30 years based on the bonding amounts, current interest rate assumptions, and market access.**
 - \$100 a year – Maximum (10%) for hurricanes occurring in multiple years for 30 years.**

*The current assessment resulted from 2005 losses where \$2.651 billion was issued to fund losses. The initial assessment was 1% starting on 1/1/07 and has increased to 1.3% starting 1/1/11. The debt was issued in three tranches due to continued "adverse loss development" of \$1.35 billion in July 2006, \$625 million in July 2008, and \$676 million in May 2010.

Examples of FHCF Emergency Assessments (continued)

□ Example for “Average” Florida Policyholder Premium*:

\$5,179 premium (for assessable lines)

\$67 a year – Current 1.3% until 2016**

\$311 a year – Maximum (6%) for hurricanes occurring in one year, for 30 years

\$166 a year – Maximum (3.2%) for hurricanes occurring in 2010/2011 based on the bonding amounts, current interest rate assumptions, and market access.

\$518 a year – Maximum (10%) for hurricanes occurring in multiple years for 30 years.

*The assessment base of \$33.3 billion (used for the FHCF’s 10/10 Estimated Claims paying Capacity) represents all lines of business subject to FHCF emergency assessments. The number or units of risk insured has been used as an estimate of policyholders which is 6.43 million. An average premium can be calculated as \$5,179.

**This is purely for example purposes and is “inexact,” an average premium for the state has limited usefulness. Data is not readily available to break down the number by region of the state although more refined numbers can be obtained.

FHCF Emergency Assessments & Potential Residential Premium Savings

□ Example for “Average” Florida Policyholder Residential Property Premium* :

\$1,438 premium

Since the FHCF premium is lower than private reinsurance, the cost savings to residential policyholders results in premiums that are about 25% lower than would otherwise be the case.

Thus, $\$1,438 / .75 = \$1,917$, the savings are **\$480**, which illustrates the magnitude of the residential property insurance premium savings due to the FHCF.**

Disclaimers:

1. *The \$480 is purely for illustration purposes.*
2. *Premium savings result from a transfer of risk to Florida policyholders associated with bonding. This results in the FHCF not having to recognize a “cost of capital” in its premium formula.*
3. *Expanding the FHCF for the purpose of lowering rates can defeat its overall purpose by destabilizing the residential marketplace.*

*The residential property insurance premiums are about \$9.245 billion (source: OIR 3/31/10). The number or units of risk insured used as an estimate of policyholders is 6.43 million. An average residential premium can be calculated as \$1,437.79.

**This illustration is for example purposes and is “inexact,” an average residential property premium for the state has limited usefulness. Data is not readily available to break down the number by region of the state although more refined numbers can be obtained.

Probable Maximum Loss (PML) and Emergency Assessments

- **\$56.5 Billion***, 1 in 100 year Event (1% probability) – Emergency Assessment under current market conditions **3.2%**, Maximum Assessment **6%**.
- **Size of Event(s) annually and Impact on the FHCF Financing:**
 - \$7.142 billion, 1 in 9 years (probability 11%) – exhaust FHCF retention
 - NO BONDING REQUIRED -- NO ASSESSMENTS**
 - \$13.45 billion, 1 in 16 years (probability 6.3%) – exhaust Cash Balance
 - NO BONDING REQUIRED -- NO ASSESSMENTS**
 - \$17.16 billion, 1 in 20.3 years (probability 4.9%) – exhaust Current Liquidity**
 - BONDING FOR \$3.911 billion** -- 1% ASSESSMENT**
 - \$25.15 billion, 1 in 30.84 years (probability 3.24%) – exhaust the Mandatory Coverage.
 - BONDING FOR \$11.497 billion -- 2.9% ASSESSMENT**
 - \$33.62 billion, 1 in 43.65 years (probability 2.29%) – exhaust Mandatory & Optional Coverages.
 - BONDING FOR \$12.862 billion -- 3.2% ASSESSMENT**

* This is a per event PML. The aggregate annual 1 in 100 year PML associated with multiple events is \$50.2 billion. Calculations are based on the weighted average of five models found acceptable by the Florida Commission on Hurricane Loss Projection Methodology.
**The FHCF has a current liquidity position of \$9.4 billion which includes a cash balance of \$5.9 billion and \$3.5 billion of pre-event floating rate notes.

Contact Information

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- **Fax: (850) 413-1344**
- **E-Mail: jack.nicholson@sbafla.com**
- **Website: www.sbafla.com/fhcf**
- **Address: *Florida Hurricane Catastrophe Fund*
State Board of Administration of Florida
1801 Hermitage Boulevard
*Tallahassee, Florida 32308***

FLORIDA OFFICE OF
INSURANCE REGULATION

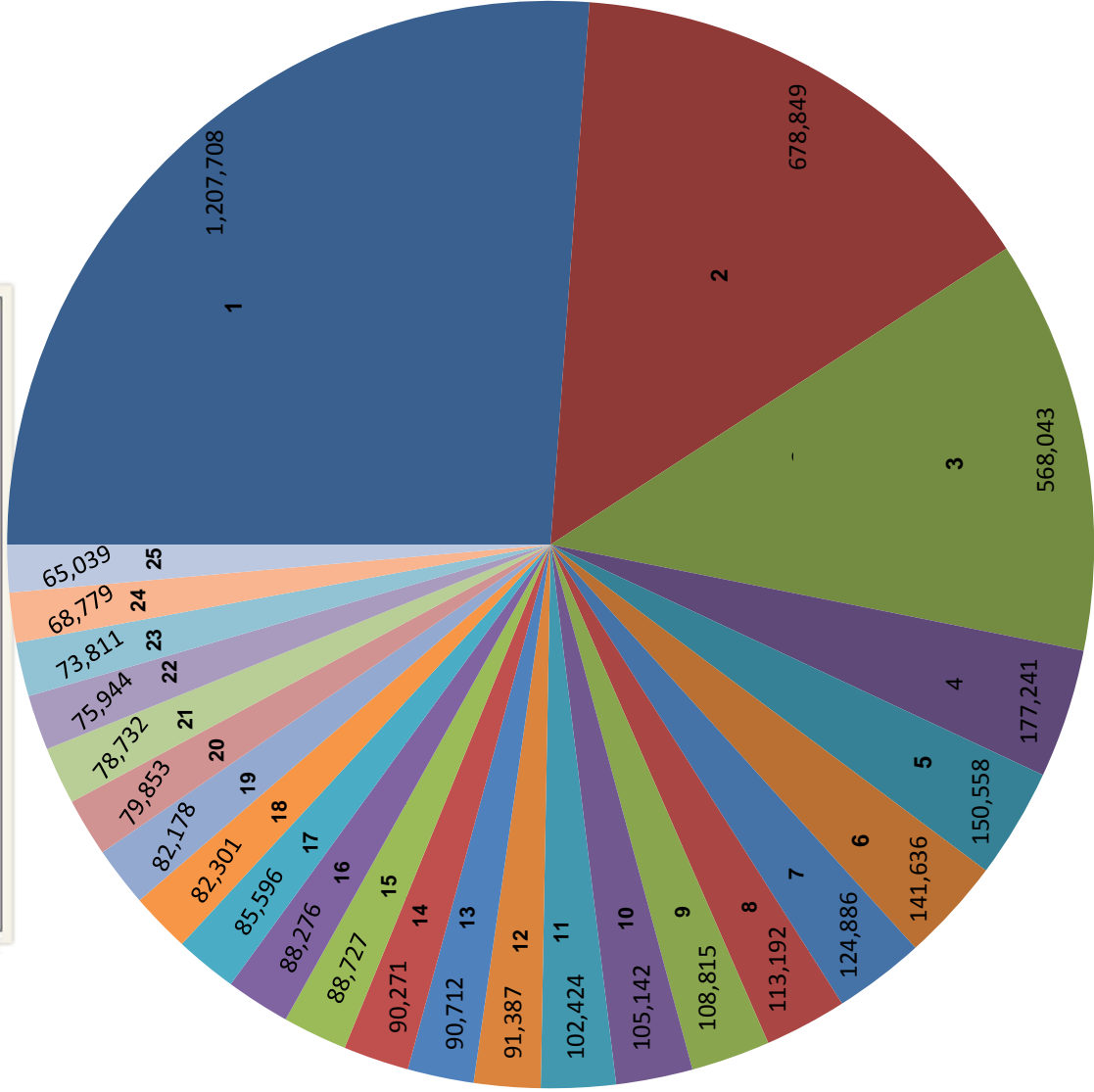
KEVIN M. McCARTY
Insurance Commissioner



House Insurance & Banking Subcommittee Meeting: January 12, 2011

FLORIDA OFFICE OF
INSURANCE REGULATION

- 1 CITIZENS PROPERTY INSURANCE CORPORATION
- 2 STATE FARM FLORIDA INSURANCE COMPANY
- 3 UNIVERSAL PROPERTY & CASUALTY INSURANCE COMPANY
- 4 ST. JOHNS INSURANCE COMPANY, INC.
- 5 UNITED SERVICES AUTOMOBILE ASSOCIATION
- 6 CASTLE KEY INSURANCE COMPANY
- 7 ASI ASSURANCE CORP.
- 8 CASTLE KEY INDEMNITY COMPANY
- 9 FLORIDA PENINSULA INSURANCE COMPANY
- 10 ROYAL PALM INSURANCE COMPANY
- 11 SECURITY FIRST INSURANCE COMPANY
- 12 UNIVERSAL INSURANCE COMPANY OF NORTH AMERICA
- 13 NATIONWIDE INSURANCE COMPANY OF FLORIDA
- 14 HOMEWISE INSURANCE COMPANY, INC.
- 15 AMERICAN INTEGRITY INSURANCE COMPANY OF FLORIDA
- 16 TOWER HILL PRIME INSURANCE COMPANY
- 17 AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
- 18 FLORIDA FAMILY INSURANCE COMPANY
- 19 SOUTHERN FIDELITY INSURANCE COMPANY
- 20 AMERICAN STRATEGIC INSURANCE CORP.
- 21 LIBERTY MUTUAL FIRE INSURANCE COMPANY
- 22 UNITED PROPERTY & CASUALTY INSURANCE COMPANY, INC.
- 23 SUNSHINE STATE INSURANCE COMPANY
- 24 USAA CASUALTY INSURANCE COMPANY
- 25 TOWER HILL PREFERRED INSURANCE COMPANY

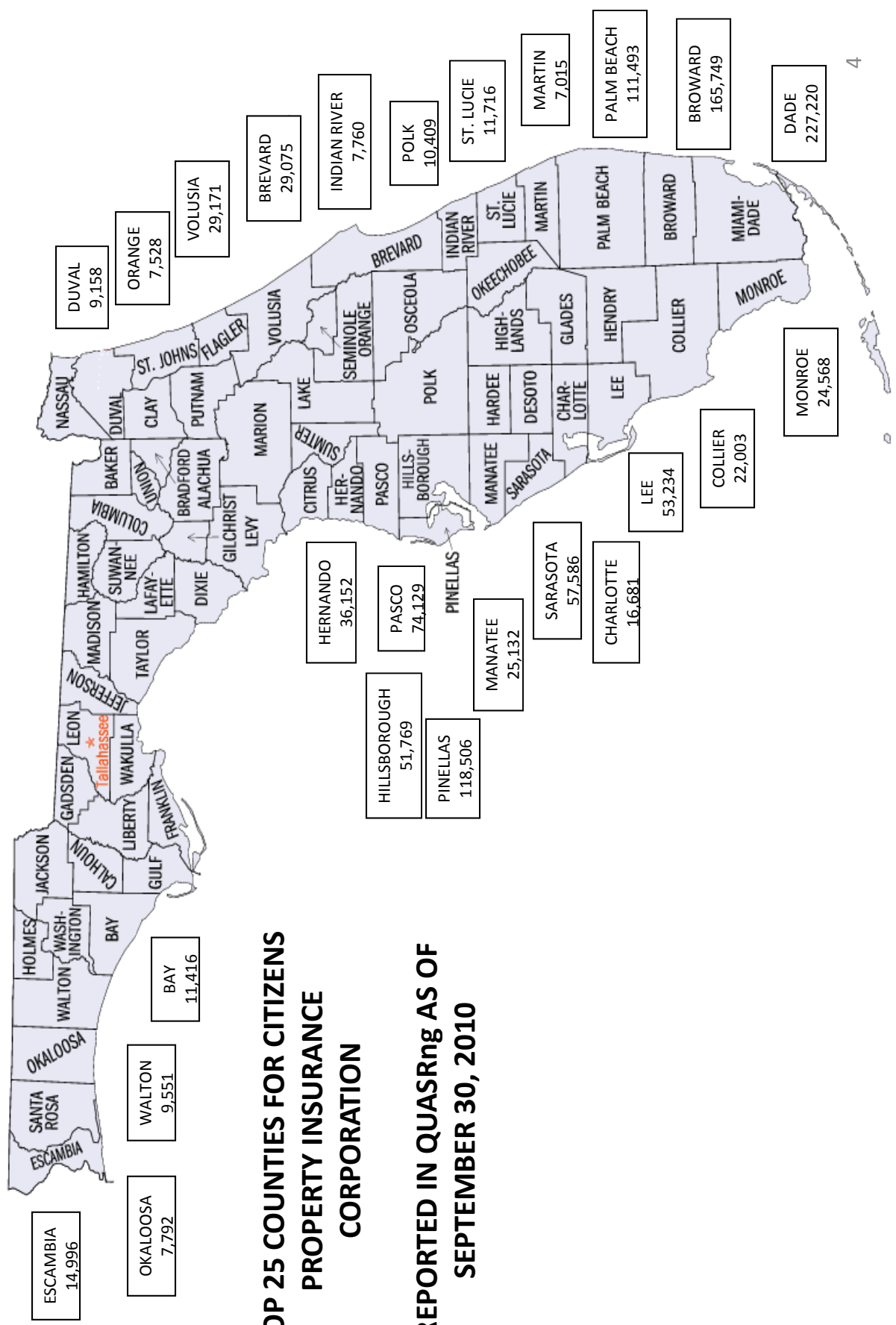


Recent Rate Filings of Major Property Writers

<u>Company Name</u>	<u>Rate Change</u>	<u>Comments</u>
Citizens Property Insurance Corp.	9.4%	PLA & HRA Combined
State Farm Florida Insurance Company	6.6%	27.9% Pending (2011)
Universal Property and Casualty	14.9% *	Pending
St. John's Insurance Company	0.1% **	Pending
Castle Key Insurance Company	18.7%	
United Services Automobile Association	9%	Excludes Renters
Castle Key Indemnity Company	17.8%	
Florida Peninsula Insurance Company	19.8%, 24.9% and 14.1% ***	
Nationwide Insurance Company of Florida	14.1%	
Homewise Insurance Company	28.8%	

Notes:

- * Company Indication is 29.3%, but company requested 14.9%
- ** Company indication is 43.4%, but company requested 0.1%
- *** These reflect filings in different programs within same company



**TOP 25 COUNTIES FOR CITIZENS
PROPERTY INSURANCE
CORPORATION
REPORTED IN QUASRng AS OF
SEPTEMBER 30, 2010**

Capital Requirements for Florida Property Insurers- Current Law

Current Law:

624.407, F.S.

Capital funds required; new insurers.

(1) To receive authority to transact any one kind or combinations of kinds of insurance, as defined in part V of this chapter, an insurer applying for its original certificate of authority in this state after the effective date of this section shall possess surplus as to policyholders not less than the greater of:

(a) **Five million dollars for a property and casualty insurer**, or \$2.5 million for any other insurer;

627.408, F.S.

To maintain a certificate of authority to transact any one kind or combinations of kinds of insurance, as defined in part V of this chapter, an insurer in this state shall at all times maintain surplus as to policyholders not less than the greater of:

5. For property and casualty insurers: \$4 million.

SB 2044:

New Property Insurers:

\$15 million

Existing Property Insurers:

Increase from \$4 million to 10 million by 2015

Must reach \$15 million by 2020

Annual Sink Hole Claims



Replacement Cost Holdback – HO3 Policy Language and Related Statutes

Prior to the passage of Senate Bill 1486 in 2005, the HO3 policy form commonly permitted the insurer to limit replacement cost payment to actual cash value until the actual repair or replacement of the property was complete.

ISO's HO3 contract language prior to Senate Bill 1486 read as follows:

“We will pay no more than the actual cash value of the damage until actual repair or replacement is complete...”

In 2005, Senate Bill 1486 amended Section 627.7011(3), Florida Statutes, to read as follows :

“In the event of a loss for which a dwelling or personal property is insured on the basis of replacement costs, the insurer shall pay the replacement cost without reservation or holdback of any depreciation in value, whether or not the insured replaces or repairs the dwelling or property.”

OIR determines
that grounds
exist for
receivership

OIR sends letter to
CFO with supporting
evidence

DFS Files Petition
with 2nd Circuit Court
for appointment as
receiver for either
rehabilitation or
liquidation

If company consents,
court appoints
receiver

If no consent, Court
sets a hearing

Circuit Court appoints
DFS receiver and may
authorize early access
advance to FIGA

DFS Division of
Rehabilitation and
Liquidation takes
control of insurer and
sends notice to agents.
It may advance money
to FIGA to pay claims

FIGA pays policyholders for unearned
premium and policy loss claims with
\$100 deductible

FIGA has a claim in the
estate for amounts it
spends

