

SUMMARY OF FINANCIAL POSITION AND OPERATIONS

(\$000s omitted)

	CITIZENS				
	March 2024	March 2023	Budget 2024	YOY Var	Budget Var
<u>Operations:</u>					
Direct written premium	\$ 1,091,194	\$ 966,611	\$ 1,550,514	\$ 124,584	\$ (459,320)
Ceded written premium:					
Depopulation	(259,500)	208	(393,115)	(259,708)	133,615
FHCF	-	-	-	-	-
Private reinsurance	-	-	-	-	-
Net earned premium	1,007,956	825,394	1,010,896	182,562	(2,940)
Net losses incurred	241,518	231,791	367,674	9,727	(126,156)
Net LAE incurred	169,240	123,150	108,563	46,090	60,677
Underwriting expenses	116,112	100,230	167,141	15,882	(51,029)
Administrative expenses	52,153	45,660	60,146	6,494	(7,992)
Net investment income	81,796	52,878	92,425	28,918	(10,629)
Net income (loss)	\$ 512,964	\$ 378,799	\$ 402,264	\$ 134,165	\$ 110,700
<u>Assets, Liabilities and Surplus:</u>					
Cash and invested assets	\$ 10,092,985	\$ 9,866,309 (1)		\$ 226,675	
Net loss reserves	1,414,565	1,441,569 (1)		(27,004)	
Net LAE reserves	961,417	907,134 (1)		54,284	
Net unearned premium	1,954,724	2,130,986 (1)		(176,262)	
Surplus	\$ 5,533,795	\$ 5,023,467 (1)		\$ 510,328	
<u>Policy Metrics:</u>					
Policies inforce	1,168,919	1,239,396	1,114,057	(70,477)	54,862
Policies serviced	1,498,159	1,246,441	1,527,542	251,718	(29,383)
<u>Cash flows:</u>					
Cashflow from operations	\$ 128,565	\$ 292,372		\$ (163,807)	
Cashflow from investing	40,842	266,450		(225,608)	
Cashflow from financing	(9,226)	1,252		(10,478)	
<u>Operating metrics:</u>					
Direct loss ratio	23.9%	29.8%	37.4%	-5.9%	-13.5%
Direct LAE ratio	16.0%	15.6%	12.9%	0.4%	3.1%
Underwriting expense ratio	10.6%	10.4%	10.8%	0.3%	-0.1%
Administrative expense ratio	4.8%	4.7%	3.9%	0.1%	0.9%
Expense ratio	15.4%	15.1%	14.7%	0.3%	0.8%

(1) - Balance Sheet information is presented as of December 31, 2023.

STATEMENTS OF OPERATIONS
Revenue:

Direct premiums written	\$ 1,091,194,115	\$ 966,610,531
Change in direct unearned premium	182,556,366	(136,186,614)
Direct earned premium	1,273,750,481	830,423,917
Ceded premiums written - Depopulation	(259,500,439)	207,741
Ceded premiums written - FHCF	-	-
Ceded premiums written - Private reinsurance	-	-
Change in ceded unearned premium	(6,294,290)	(5,238,026)
Ceded earned premium	(265,794,730)	(5,030,285)

Net earned premium

\$ 1,007,955,751	\$ 825,393,632
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Losses and Loss Adjustment Expenses:
Losses

Direct losses paid	\$ (305,680,006)	(460,484,938)
Change in direct case loss reserves	24,812,896	8,839,804
Change in direct IBNR loss reserves	39,806,152	206,037,407
Ceded losses incurred	(457,053)	13,817,004
Losses incurred	(241,518,011)	(231,790,722)

Loss adjustment expenses

Direct D&CC paid	(45,923,497)	(48,071,153)
Direct A&O paid	(71,640,142)	(78,636,978)
Change in direct case LAE reserves	4,959,667	(3,097,701)
Change in direct IBNR LAE reserves	(48,968,751)	1,124,944
Ceded LAE incurred	(7,667,573)	5,530,841
LAE incurred	(169,240,296)	(123,150,046)

Net losses and LAE incurred

\$ (410,758,307)	\$ (354,940,768)
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Underwriting and Administrative Expenses:

Producer commissions	(86,581,783)	(74,281,145)
Taxes and fees	(16,077,924)	(16,671,225)
Other underwriting expenses	(13,451,905)	(9,277,626)
All other administrative expenses	(52,153,469)	(45,659,941)
Underwriting and administrative expenses	(168,265,081)	(145,889,937)

Underwriting income (loss)

\$ 428,932,363	\$ 324,562,926
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Net Investment Income:

Net interest income (expense)		
Investment income earned	82,339,731	62,297,274
Interest expenses	(625,000)	(2,342,190)
Net interest income (expense)	81,714,731	59,955,083
Realized capital gains (losses)	81,302	(7,077,243)

Net investment income

\$ 81,796,033	\$ 52,877,840
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Other income (expense)

2,235,431	1,357,919
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Net income (loss)

\$ 512,963,827	\$ 378,798,685
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ADMINISTRATIVE EXPENSES

Three months ended

	March 31, 2024	March 31, 2023	2024 Budget
Salaries	\$ 34,375,877	\$ 30,603,777	\$ 35,053,104
Employee Benefits	21,349,088	21,193,820	25,745,272
Payroll Taxes	2,627,668	2,337,502	2,931,697
Contingent Staffing	22,577,750	32,320,514	32,273,122
Subscriptions and Dues	587,674	610,721	1,035,196
Bank Charges	74,142	70,478	130,248
FMAP Funding	(50,487)	(61,488)	(64,538)
Insurance	304,095	263,518	323,553
Legal	131,321	48,189	338,250
Operations And Maintenance	487,785	460,658	560,625
Operating Supplies	19,739	30,839	50,354
Computer Hardware	234,480	602,024	500,246
Postage	174,757	199,436	189,860
Printing	10,489	30,093	28,108
Producer Fees Collected	(302,468)	(232,818)	(232,818)
Professional Services	3,565,971	2,355,064	5,833,049
Recruiting	28,395	68,589	121,197
Rent	1,471,084	1,391,876	1,906,625
Software Maintenance and Licensing	6,638,972	4,821,070	8,806,065
Telecommunications	600,760	807,690	1,019,594
Training	144,767	188,467	313,427
Travel	294,735	320,273	387,883
Depreciation	86,195	45,078	111,897
ULAE Expense	(43,279,319)	(52,815,429)	(57,216,493)
Total Administrative Expense	\$ 52,153,470	\$ 45,659,942	\$ 60,145,523