



Creation of Citizens Property Insurance Corporation

Citizens was created in 2002 as the merger of the state's two insurers of last resort, the Florida Windstorm Underwriting Association (FWUA) and the Florida Residential Property and Casualty Joint Underwriting Association (FRPCJUA). The merger has allowed Citizens to become exempt from all federal taxes, resulting in millions of dollars in annual savings. Citizens is also designed to realize additional administrative and economic efficiencies over its predecessor organizations.

Quick Reference

- **FWUA:** created in 1972 to provide wind-only coverage in coastal regions.
- **FRPCJUA:** created in December, 1992 following Hurricane Andrew for Floridians unable to find homeowners insurance.

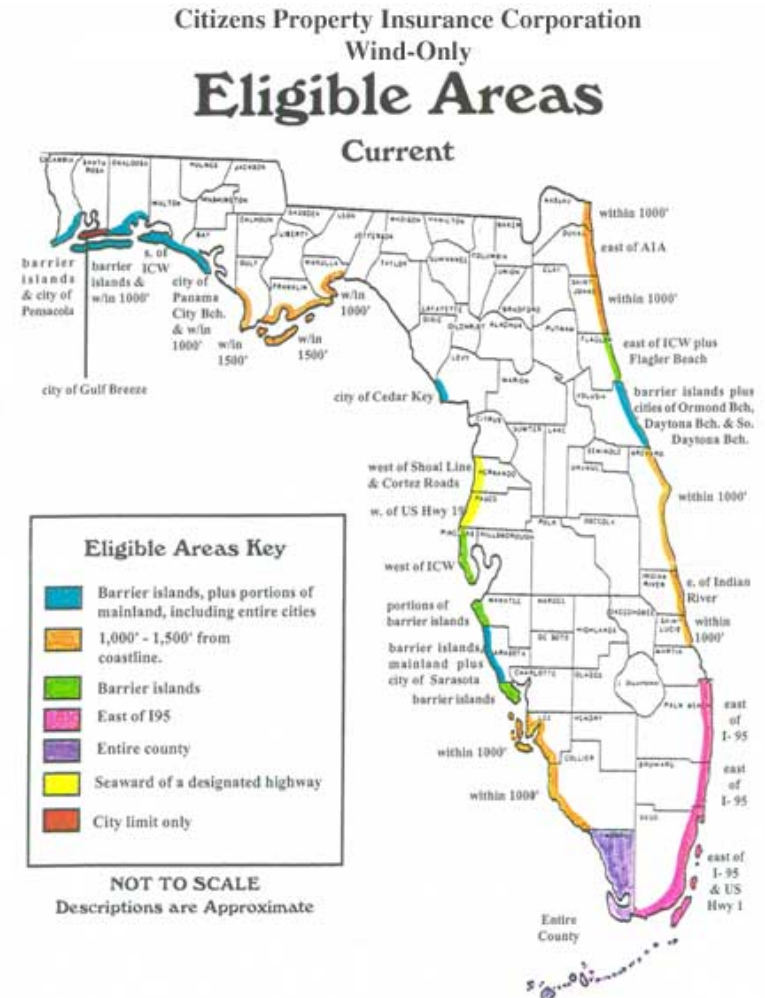
Overview of Accounts

Each of the following three accounts are separate statutory accounts and therefore have separate calculations of surplus, plan year deficit and assessment base. Assets may not be commingled or used to fund losses in another account.

- **Personal Lines Account (PLA) - Multi-peril policies**
 - former FRPCJUA : Homeowners, mobile homeowners, dwelling fire, tenants, condominium unit owners and similar policies.
- **Commercial Lines Account (CLA) - Multi-peril policies**
 - former FPCJUA: Condominium association, apartment building and homeowners association policies.
- **High-Risk Account (HRA) – Wind-only policies**
 - former FWUA: Personal lines wind-only policies, commercial residential wind-only policies and commercial non-residential wind only policies issued in eligible areas.

Citizens Coverage Areas

- The Personal and Commercial Lines Accounts write personal and commercial residential coverage, respectively, in all 67 counties.
- The High-Risk Account (HRA) writes in 29 counties.

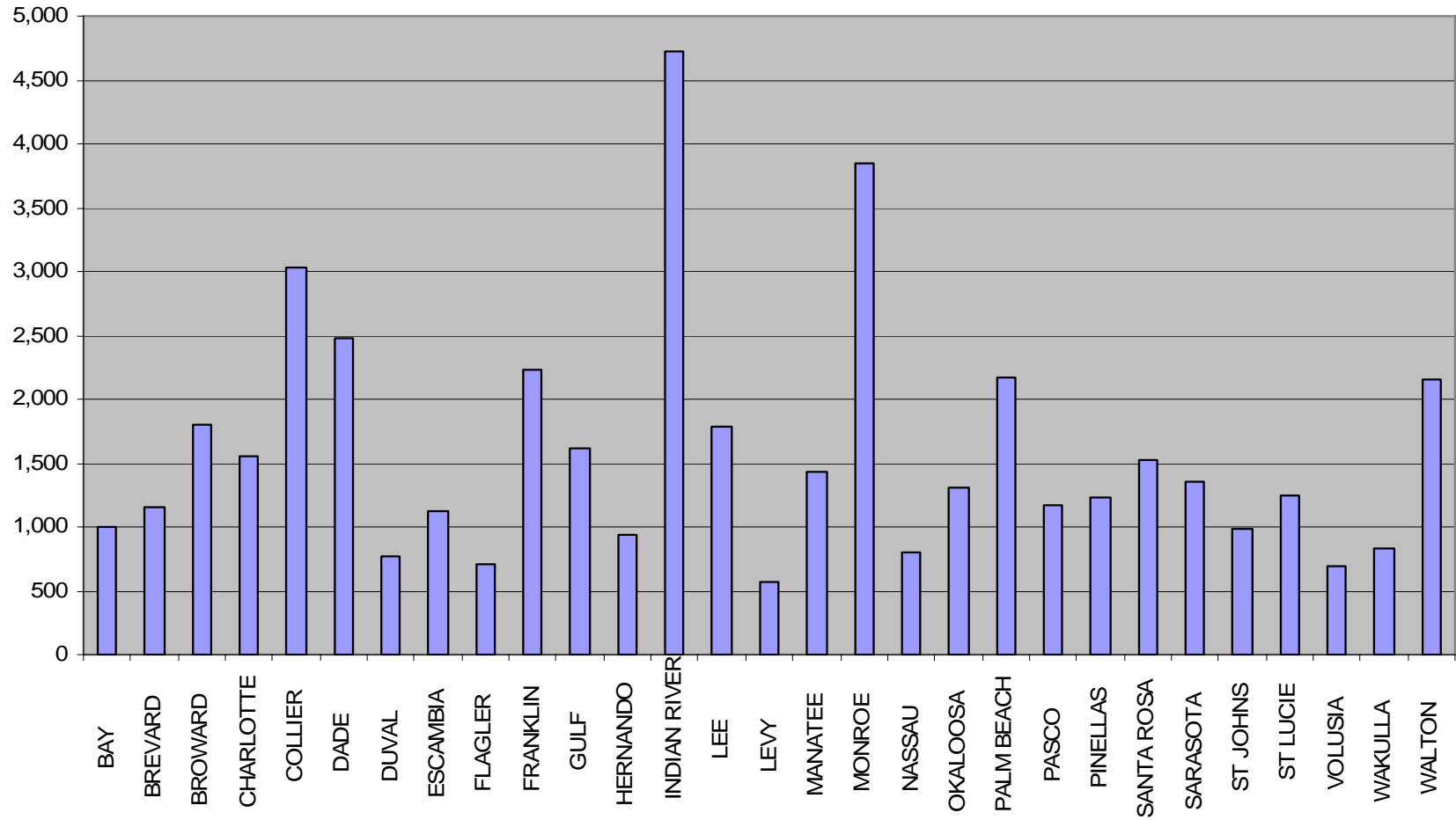


Citizens Policy Count and Exposure as of 12/31/06

<i>as of January, 2007</i>	Policies in Force	Premium	Exposure
High Risk	401,290	\$1,155,859,188	\$181,471,180,202
Personal-Residential	772,544	\$1,470,556,722	\$145,485,207,607
Commercial-Residential	9,583	\$527,090,123	\$64,723,333,190
Transition - Residential	114,946	\$177,294,738	\$24,557,725,903
Transition - Commercial	323	\$16,142,566	\$2,512,635,625
Total	1,298,686	\$3,346,943,337	\$418,750,082,527

HRA Personal Residential – Average In Force Premium by County

HRA Average In Force Premium



Overview of Personal Residential Mitigation Discounts

Number of Policyholders Receiving Discounts

Number of HRA Policyholders Receiving Discounts: 155,647

Number of PLA Policyholders Receiving Discounts: 87,173

Total Number of Policyholders Receiving Discounts: 242,820

Overview of Personal Residential Mitigation Discounts

Types of Discounts and Number of Policyholders Receiving

Secondary Water Resistance – 18,863

Roof Cover – 34,044

Roof Wall – 52,780

Roof Shape – 74,434

Opening Protection – 75,304

Roof Deck – 77,608

Overall Average Discounts

HRA Average Mitigation Discount: \$1,132

PLA Average Mitigation Discount: \$474

Personal Residential Mitigation Forms

1. FBC Shutter Mitigation Verification Affidavit
2. FBC Roofing Mitigation Verification Affidavit
3. FBC Wall & Roofing Mitigation Verification Affidavit

Note: All forms have been provided under separate cover

Citizens Mitigation Education and Outreach Efforts

- **Mitigation Information is Sent With Every Renewal**
- **Public Forums on Hurricane Preparedness**
- **Policyholder Mailers on Home Protection and Hurricane Preparedness**
- **Quarterly Policyholder Meetings (new in 2007)**