



2010 Property Insurance Summit

Current Status of the Florida Property Insurance Market

January 28, 2010
Orlando, Florida

RAYMOND JAMES



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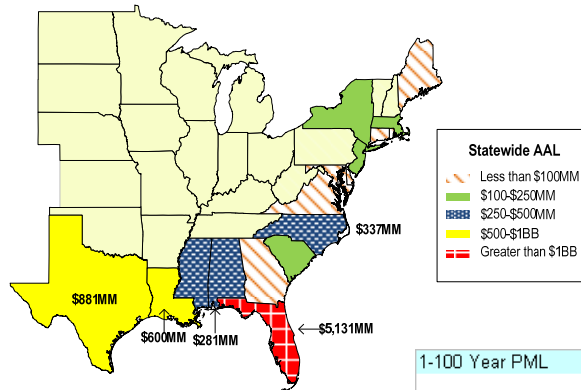
250 Ways to Get to \$100 Billion in Losses



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Florida Has More Expected and Potential Losses Than All Other States from Texas to Maine COMBINED!

HURRICANE - RELATED AVERAGE ANNUAL LOSSES (AAL) BY STATE PER RMS FOR RESIDENTIAL LINES



1-100 Year PML	
Texas-Alabama	\$20.7 billion
Georgia-Maine	\$21.0 billion
Florida	\$62.4 billion

Source: Travelers Data using RMS 7.0 as of 7/1/07

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Top 10 Residential Property Writers in Florida* (as of December 31, 2008)

Company Name	Policies in Force	Direct Written Premium	Premium Market Share
Citizens Property Insurance Corporation	1,050,613	\$2,325,520,570	24%
State Farm Florida Insurance Company	901,850	\$1,170,678,407	12%
Universal Property & Casualty Insurance Company	461,040	\$524,485,844	6%
St. Johns Insurance Company, Inc.	198,725	\$289,425,495	3%
United Services Automobile Association	166,075	\$204,263,411	2%
Castle Key Insurance Company	159,562	\$149,336,135	2%
Asi Assurance Corp.	133,785	\$141,381,299	1%
Nationwide Insurance Company Of Florida	129,174	\$136,667,102	1%
Royal Palm Insurance Company	124,093	\$202,346,877	2%
Universal Insurance Company Of North America	108,058	\$145,387,512	2%
TOTAL - Top 10 Residential Property Writers	3,432,975	\$5,289,492,652	56%
TOTAL - All Residential Property Writers	6,168,134	\$9,525,365,593	100%

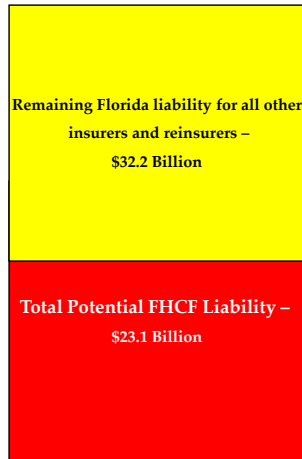
* Data Source: Florida Office of Insurance Regulation, Quarterly Supplemental Report. List is determined based on premium written for all residential policies statewide.

5

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The FHCF could be liable for over 41% of Florida's 1-100 PML

Florida 1-100 Year PML: \$55.32 Billion



(Not to scale)

6

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Remember Stan Whitney?



State Farm Announces Florida Pullout

STATE FARM LEAVING FLORIDA PROPERTY INSURANCE MARKET

More than 1 million customers will be affected



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OIR Announces Agreement to Keep State Farm in Florida

**STATE FARM TO STAY IN FLORIDA
BUT RATES WILL INCREASE**

-- December 15, 2009



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No Major Storms Hit Florida 4 Years Running

**Atlantic Hurricane Season Tropical
Activity**

Year	Accumulated Cyclone Energy Index	Major Storms affecting Florida
2004	225.0	4
2005	248.1	4
2006	78.5	0
2007	71.7	0
2008	144.4	0
2009	51.6	0

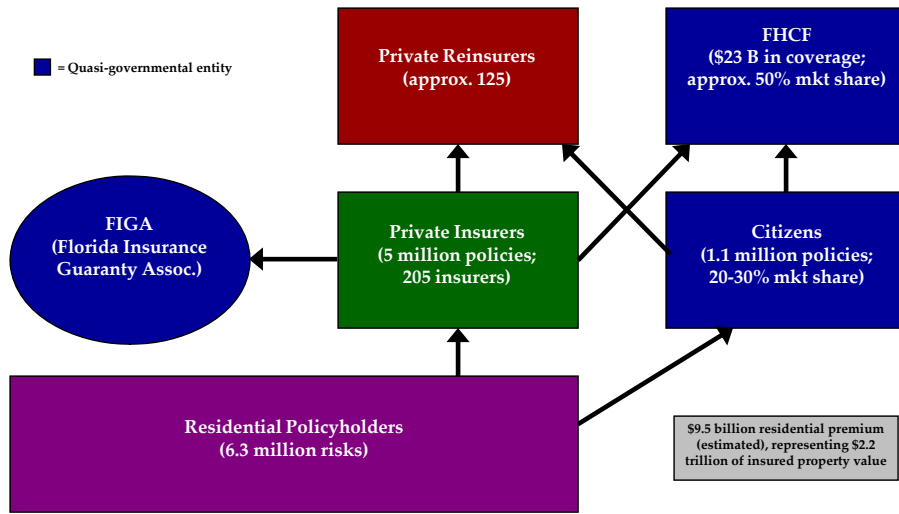


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What Does the Florida Insurance Market Look Like?

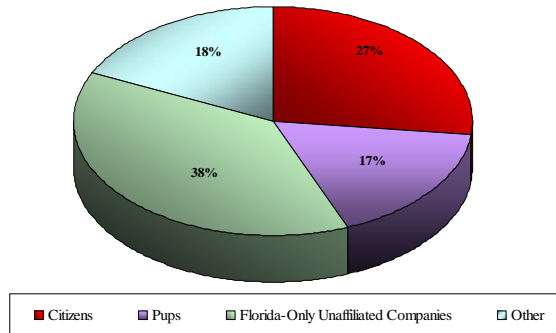
11

Florida Residential Property Insurance Market



12

Florida Insurance Residential Admitted Market Breakdown



- 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.

(As of 9/30/08; based on premium written)

13

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FHCF Top Ten Insurers 2009/2010* (as of December 31, 2009)

Company Name	FHCF Premium	% of FHCF's Premiums
Citizens Property Insurance Corporation (High-Risk Account)	\$342,303,401	23.56%
Citizens Property Insurance Corporation (Personal Lines and C	\$168,251,036	11.58%
State Farm Florida Insurance Company	\$88,946,676	6.12%
Universal Property and Casualty Insurance Company	\$63,819,440	4.39%
American Home Assurance Company	\$48,844,855	3.36%
St. Johns Insurance Company	\$37,905,994	2.61%
United Property and Casualty Insurance Company	\$31,236,950	2.15%
Federal Insurance Company	\$27,326,073	1.88%
Florida Peninsula Insurance Company	\$27,223,626	1.87%
Royal Palm Insurance Company	\$26,207,872	1.80%
TOTAL - Top 10 Insurers	\$862,065,923	59.34%
TOTAL - All Insurers	\$1,452,732,745	100.00%

- As of 12/31/09, the FHCF had 184 participating insurers with the top 10 insurers contributing 59% of the total reimbursement premiums

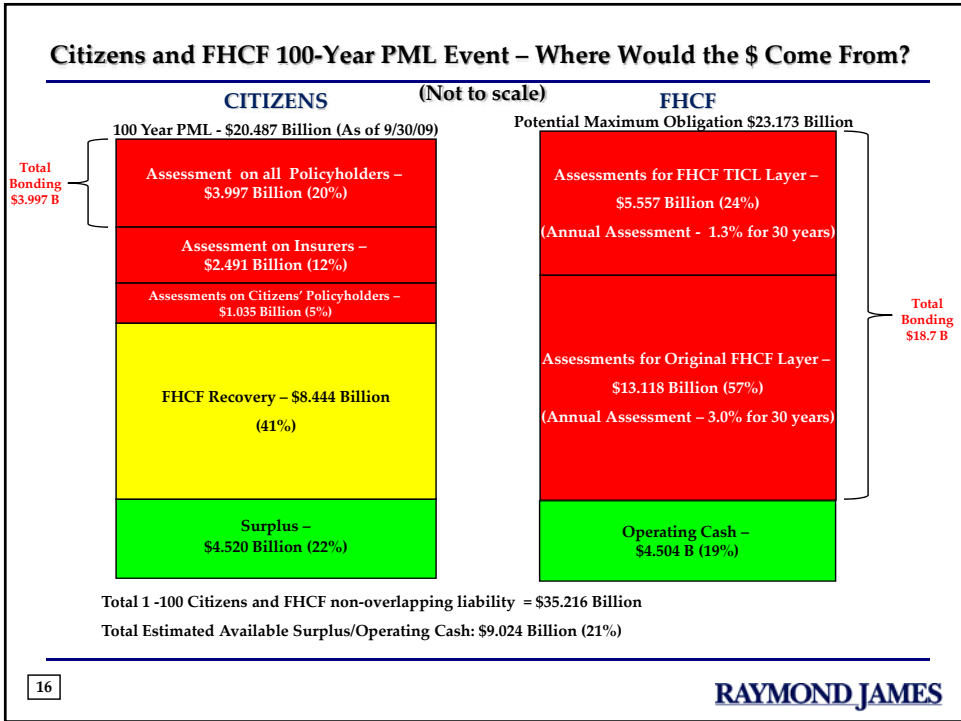
* Data Source: Florida Hurricane Catastrophe Fund 2009/2010 coverage selections and premium calculations as of 12/31/09. Premiums will change if companies resubmit their exposure data.

14

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Will a Major Storm Bankrupt Florida?

15



How Big will the Assessments Be?

Florida Assessments after a 1-100 Year Storm

	Potential Assessments 1 / 100 Year Event						
	One year			Annual		Total	
	Citizens Policyholders Surcharge (CPS)	Regular	Emergency	Regular	Emergency	Year 1	Annual
Citizens							
Citizens Policyholders	45.00%	0.00%	0.00%	0.00%	0.95%	45.00%	0.95%
Non-Citizens Policyholders	0.00%	7.20%	0.00%	0.00%	0.95%	7.20%	0.95%
FHCF	0.00%	0.00%	0.00%	0.00%	3.83%	0.00%	3.83%
FIGA	0.00%	2.00%	2.00%	2.00%	2.00%	4.00%	4.00%
Potential Maximum for Citizens Policyholders	45.00%	9.20%	2.00%	2.00%	6.78%	49.00%	8.78%
Potential Maximum for Non Citizens Policyholders	0.00%	9.20%	2.00%	2.00%	6.78%	11.20%	8.78%

Notes:

Citizens Policyholders Surcharge and Assessments are based on deficit in all three accounts

FHCF Assessment is levied after year 1 as the interest expenses are capitalized for year 1

FIGA Assessments are projected to be potentially maximum assessments

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How Big an Economic Burden will Assessments Be?

Florida Premiums Before and After a 1-100 Year Event

State	Current Average Annual Policyholder Premiums		Average Household Income	Current Premium as % of Household Income	New Average Non Citizens Policyholder Year 1 Premium for 1-100 yr event	New Adjusted Premium as % of Household Income	New Average Non Citizens Policyholder Post Year 1 Annual Premium for 1-100 yr event	New Adjusted Premium as % of Household Income
	Residential	Auto						
FL	\$1,016	\$830	\$46,206	4.00%	\$2,053	4.44%	\$2,008	4.35%
CA	\$676	\$1,248	\$57,445	3.35%	N/A	3.35%	N/A	3.35%
LA	\$1,317	\$1,230	\$41,232	6.18%	N/A	6.18%	N/A	6.18%
NC	\$533	\$855	\$44,058	3.15%	N/A	3.15%	N/A	3.15%
NY	\$656	\$1,036	\$50,643	3.34%	N/A	3.34%	N/A	3.34%
SC	\$724	\$1,075	\$44,034	4.09%	N/A	4.09%	N/A	4.09%
TX	\$967	\$1,271	\$47,157	4.75%	N/A	4.75%	N/A	4.75%

Source: Most recently reported premium data from the National Association of Insurance Commissioners (NAIC). Income data from U.S. Census Bureau, Current Population Survey, 2006 to 2009 Annual Social and Economic Supplements.

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Conclusion

1. Listen to Bill Gross
2. The Glide Path is a virtuous circle
3. Are we nuts?

19

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