

Annual Report of Aggregate Net Probable Maximum Losses and Potential Assessments

February 2011

Citizens Property Insurance Corporation

Table 1 Citizens - the table below presents the aggregate net PML from storms of the return time specified for all accounts combined. The loss calculations were done by Citizens using AIR Clasic2 v12.0.1

Return Time* (Years)	Aggregate PML (PLA/CLA & HRA) ¹	FHCF Reimbursement ²	Surplus ³	Assessable Shortfall
250	\$35,277,240,807	\$5,610,000,000	\$4,552,591,000	\$25,114,649,807
100	\$21,391,124,224	\$5,610,000,000	\$4,552,591,000	\$11,228,533,224
50	\$13,353,124,757	\$5,610,000,000	\$4,213,074,002	\$3,530,050,756

¹ All PMLs are single event, and are calculated using exposures as of June 30, 2010. Combined PMLs are a sum of the PLA/CLA and HRA PMLs

² FHCF reimbursement is only for mandatory coverage since Citizens did not purchase TICL coverage in 2010

³ Surplus is unaudited and estimated as of 12/31/10

Table 2 Citizens - the table below shows the estimated assessment impact for each type of Citizens assessment from the prescribed storm sizes.

Return Time* (Years)	Assessable Shortfall	Citizens' Policyholders Surcharge ¹		Regular Assessments ¹		Emergency Assessments		
		\$ Amount	%	\$ Amount	%	Total \$ Amount ²	Annual \$ Amount ³	Annual % ³
250	\$24,991,274,642	\$1,171,800,000	45.0%	\$5,527,440,000	18.0%	\$18,292,034,642	\$1,474,089,285	4.4%
100	\$10,768,466,701	\$1,171,800,000	45.0%	\$3,575,687,333	11.6%	\$6,020,979,368	\$485,209,073	1.5%
50	\$3,066,496,863	\$390,600,000	15.0%	\$1,842,480,000	6.0%	\$833,416,863	67,162,068	0.2%

 Levied on Citizens' policyholders

 Levied on non-Citizens' insurance companies

 Levied on both Citizens' and non-Citizens' policyholders

¹ These assessments are one-time assessments for the first year and are not ongoing.

² Total amount of assessments represents the gross amount financed over 30 years using an assumed interest rate of 7%. There is no certainty that assessable shortfalls can be financed at assumed interest rates, or at any interest rates. The amount which can be financed after an event could be significantly smaller and is subject to market conditions.

³ Represents annual assessment over a 30 year period using an assumed interest rate of 7% and annual assessment base of \$33.312 billion, which is the actual 2010 base. If this base shrinks in size, as it has done for each of the past three years, required assessment percentages would be higher than shown above.

*Return time is the probability that a catastrophic event will occur and/or be exceeded within a single year. For example, a 250 return time is an event that has a 1/250 = .004 or 0.4% chance of occurring in any one year.

Florida Hurricane Catastrophe Fund

Table 1 FHCF - the table below shows the net probable maximum loss to the FHCF from storms of the return time specified. The loss calculations shown below were derived from the FHCF 2010 Ratemaking Formula Report done by Paragon Strategic Services, consulting actuary to the FHCF. The complete report may be found at <http://fhcf.paragonbenfield.com/pdf/10ratereport.pdf>

Return Time* (Years)	Gross Probable Maximum Loss ¹	Net Losses to FHCF ²	Estimated Year-End Fund Balance ³	Assessable Shortfall
250	\$91,367,449,083	\$18,775,874,488	\$5,913,520,551	\$12,862,353,937
100	\$59,333,954,511	\$18,775,874,488	\$5,913,520,551	\$12,862,353,937
50	\$39,406,852,548	\$18,775,874,488	\$5,913,520,551	\$12,862,353,937

¹ Represents gross loss to all Florida residential policyholders from a storm of the indicated return time multiplied by 1.05 to allow for 5% loss adjustment expenses pursuant to FL Statutes 215.555(4)(b)1.

² Based on actual coverages purchased by FHCF participating insurers in 2010.

³ FHCF fund balance is estimates as of 12/31/10

Table 2 FHCF - the table below shows the estimated annual assessment impact from the prescribed storm sizes.

Return Time* (Years)	Assessable Shortfall	Required Annual Assessment (\$) ¹	Required Annual Assessment (%) ²
250	\$12,862,353,937	\$1,036,530,844	3.11%
100	\$12,862,353,937	\$1,036,530,844	3.11%
50	\$12,862,353,937	\$1,036,530,844	3.11%

¹ Assumes annual assessment for 30 years using an interest rate of 7%. There is no certainty that assessable shortfalls can be financed at assumed interest rates, or at any interest rates. The amount which can be financed after an event could be significantly smaller and is subject to market conditions.

² Assumes annual assessment base of \$33.312 billion, which is the actual 2010 base. If this base shrinks in size, as it has done for each of the past three years, required assessment percentages would be higher than shown above.

*Return time is the probability that a catastrophic event will occur and/or be exceeded within a single year. For example, a 250 return time is an event that has a 1/250 = .004 or 0.4% chance of occurring in any one year.