

## Claims Frequency Analysis – Citizens-only Data#

**PLA PRM Claims**  
**Number of Daily Event Claims**  
**By Accident Year (AY), Reported in first 15 months of AY**

| # of Days from Date Claim Reported to Policy Inception* | Accident Year |               |               |               |               | Claims as % of Total AY Claims |                |                |                |                |
|---|---------------|---------------|---------------|---------------|---------------|--------------------------------|----------------|----------------|----------------|----------------|
|   | 2008          | 2009          | 2010          | 2011          | 2012          | AY 2008                        | AY 2009        | AY 2010        | AY 2011        | AY 2012        |
| 0 - 7 days  | 83            | 103           | 122           | 134           | 86            | 0.24%                          | 0.32%          | 0.32%          | 0.24%          | 0.17%          |
| 8 - 14 days   | 146           | 147           | 218           | 225           | 145           | 0.42%                          | 0.46%          | 0.58%          | 0.41%          | 0.28%          |
| 15 - 21 days  | 198           | 189           | 245           | 228           | 163           | 0.57%                          | 0.60%          | 0.65%          | 0.41%          | 0.32%          |
| 22 - 30 days  | 314           | 265           | 351           | 339           | 212           | 0.90%                          | 0.84%          | 0.93%          | 0.61%          | 0.42%          |
| 31 - 60 days  | 1,179         | 996           | 1,446         | 1,492         | 927           | 3.37%                          | 3.14%          | 3.82%          | 2.70%          | 1.82%          |
| 61 - 90 days  | 1,273         | 1,048         | 1,705         | 1,612         | 1,027         | 3.64%                          | 3.30%          | 4.51%          | 2.91%          | 2.02%          |
| 91 - 180 days   | 3,504         | 2,979         | 4,677         | 5,023         | 3,193         | 10.02%                         | 9.39%          | 12.36%         | 9.08%          | 6.27%          |
| 181 - 270 days  | 3,336         | 2,652         | 3,539         | 5,291         | 3,464         | 9.54%                          | 8.36%          | 9.36%          | 9.57%          | 6.81%          |
| 271 - 365 days  | 4,280         | 2,644         | 2,839         | 5,756         | 3,924         | 12.24%                         | 8.34%          | 7.50%          | 10.41%         | 7.71%          |
| greater than 365 days                                   | 20,651        | 20,688        | 22,688        | 35,201        | 37,758        | 59.06%                         | 65.24%         | 59.97%         | 63.65%         | 74.18%         |
| <b>Total # Claims</b>                                   | <b>34,964</b> | <b>31,711</b> | <b>37,830</b> | <b>55,301</b> | <b>50,899</b> | <b>100.00%</b>                 | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> |
| Earned House Years (EHY), Net Q1-Q4 (from Cognos)       | 754,421       | 642,853       | 732,293       | 941,726       | 984,179       |                                |                |                |                |                |
| Frequency (# Claims/EHY)                                | 4.6%          | 4.9%          | 5.2%          | 5.9%          | 5.2%          |                                |                |                |                |                |

\*Estimated #days by taking (report date - date effective) + (riskidren -1)\*365

Does not account for leap years. Will not account for policies rewritten under new policy number. Assumes month/day of date effective does not change.

- This data is only related to Personal Lines Multi-Peril policies which generate the majority of non-Catastrophe claims volume
- The greatest increases in claims reported are generated from policies that are greater than 365 days from policy inception
- The claims frequency outlined is driven primarily by Sinkhole, Water-Plumbing Leakage and Wind-Other causes of loss
- Industry data sources are being identified to provide additional analysis – updates will be shared as available

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**Personal Lines Account (PLA)**  
**Daily Event Frequency by Accident Year (AY)**  
**15 Month Claim Maturity (Incurred in Year and Reported by 3/31 of Following Year)**

| Cause of Loss (COL)             | AY 2008     | AY 2009     | AY 2010     | AY 2011     | AY 2012     |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| Weather Related                 | 0.8%        | 1.1%        | 1.0%        | 1.4%        | 1.1%        |
| Water                           | 2.1%        | 2.1%        | 2.3%        | 2.5%        | 2.6%        |
| Burglary & Theft                | 0.5%        | 0.5%        | 0.5%        | 0.5%        | 0.4%        |
| Sinkhole                        | 0.3%        | 0.5%        | 0.8%        | 0.9%        | 0.5%        |
| All Other                       | 1.1%        | 1.2%        | 1.1%        | 1.1%        | 0.9%        |
| <b>Total Excluding Sinkhole</b> | <b>4.5%</b> | <b>4.7%</b> | <b>4.8%</b> | <b>5.5%</b> | <b>5.0%</b> |
| <b>Total (All COL)</b>          | <b>4.6%</b> | <b>4.9%</b> | <b>5.2%</b> | <b>5.9%</b> | <b>5.2%</b> |
| Earned House Years (EHY)        |             |             |             |             |             |
| Sinkhole                        | 396,752     | 271,051     | 312,280     | 440,079     | 436,385     |
| Total                           | 754,421     | 642,853     | 732,293     | 941,726     | 984,179     |

*Notes:*

- 1) Frequency = # Claims/Earned House Years. For sinkhole frequency, earned house years are calculated using HO-3, DP-1 and DP-3 policies with sinkhole endorsements. For all other frequency calculations, total earned house years are used.
- 2) Only claims labeled as daily event claims are included. This excludes hurricanes, named tropical storms and some tornadoes (Cocoa Beach and Palm Beach County).
- 3) Roof leaks are included in weather related COL rather than water.
- 4) Sinkhole claims tend to have longer tails than other causes of loss. Therefore comparing 15 month claim maturity AY frequencies can be misleading. Also impacting timing, SB 408 was signed into law in May 2011. It reduced time homeowners have to file sinkhole claim to 2 years and also required repair to be made once claim is paid.