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### **Citizens Completes Financial Preparations for 2015 Hurricane Season**

TALLAHASSEE, FL – Citizens Property Insurance Corporation this week completed its 2015 hurricane season preparations by closing a \$1.0 billion bond transaction to secure ready resources in the event of a major storm.

On Tuesday, Citizens closed on the pre-event bonds that will provide the state's insurer of last resort with readily available cash to pay claims immediately following a catastrophe.

The pre-event transaction consisted of \$700 million of Series 2015A-1 fixed rate bonds and \$300 million of Series 2015A-2 SIFMA Floating Rate Notes (FRNs). The bond issue closed on June 2 and was co-led by Bank of America / Merrill Lynch as bookrunner for the Series 2015A-1 Bonds and J.P. Morgan as bookrunner for the Series 2015A-2 SIFMA FRNs.

“An exceptionally strong demand was received from an ever-expanding array of retail and institutional investors,” said Citizens Chief Financial Officer Jennifer Montero.

In addition to the pre-event financing, Citizens continues to benefit from favorable global pricing to bolster its traditional reinsurance and capital market risk transfer programs. The risk transfer program will provide more than \$3.9 billion in protection following a major storm season and allow Citizens to pay claims in a 1-in-100 year storm without having to levy assessments.

In May, Citizens finalized its 2015 risk transfer program with the purchase of \$1.855 billion in traditional reinsurance and \$2.05 billion in capital markets transfer. The total cost for the 2015 program was roughly the same amount Citizens paid for \$3.269 billion in coverage last year

Citizens entered the 2015 hurricane season June 1 in the strongest financial position since its creation in 2002. The state's insurer of last resort has \$7.5 billion in surplus and has reduced its policy count from nearly 1.5 million in October 2012 to fewer than 590,000 policies last week.

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Chris Gardner, Chairman, Orange County • Gary Aubuchon, Lee County  
Bette Brown, Monroe County • Juan Cocuy, Palm Beach County • Don Glisson, Jr., St. Johns County  
Jim Henderson, Seminole County • James Holton, Pinellas County • Freddie Schinz, Okaloosa County  
John Wortman, St. Johns County • Barry Gilway, President/CEO and Executive Director

Four years ago, Floridians faced a potential \$11.6 billion assessment following a 1-in-100 year storm. Citizens now has the resources to pay claims in the event of a “storm of the century” without having to levy assessments on Florida policyholders.

Chris Gardner, Chairman of Citizens Board of Governors, said Citizens’ financial health is the result of a comprehensive approach that includes prudent risk transfer, depopulation efforts and the Property Insurance Clearinghouse, which since January 2014 have combined to transfer nearly 550,000 policyholders to financially secure private companies.

“Like our counterparts in the private sector, Citizens continues to strengthen its financial position and ability to serve its customers,” Gardner said. “Florida has been lucky to have had nearly a decade of no storms and we have worked hard to take advantage of that good fortune. Citizens is ready.”

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In 2002, the Florida Legislature created Citizens Property Insurance Corporation (Citizens), a not-for-profit alternative insurer, whose public purpose is to provide insurance to, and serve the needs of, property owners who cannot find coverage in the private insurance market.

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