

**Premier Residential and Commercial Property and Casualty Insurance**

**The UPC Difference**

We are a specialized residential and commercial property insurance writer with a geographically diversified book of business and a long-term track record of consistent underwriting profitability and strong returns on invested capital.

**HUGE MARKET OPPORTUNITY**

- Significant, permanent dislocation/lack of capacity in windstorm exposed markets
- Small market share needed to generate significant premium growth and strong returns
- UPC is the 18<sup>th</sup> largest homeowners insurer in U.S. as of June 30, 2019

**LONG TRACK RECORD OF SUCCESS**

- Cumulative earned premiums \$8.8 billion; cumulative claims paid \$4 billion
- Anti-fragility demonstrated during more than 100 catastrophe loss events since 1999
- Business model has produced strong returns on invested capital through the cycle

**CONSERVATIVELY CAPITALIZED**

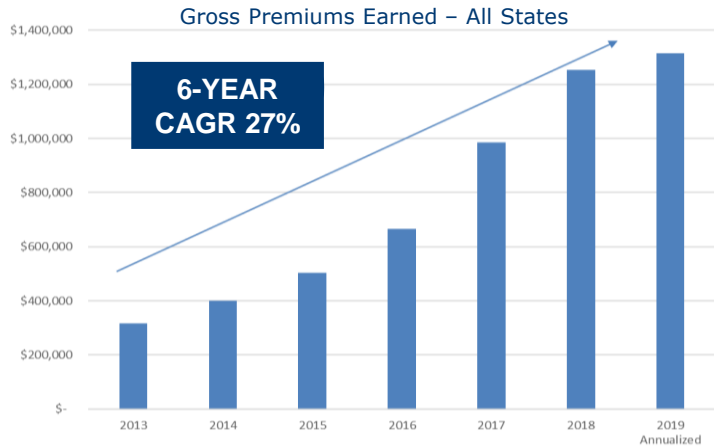
- Strong balance sheet with ample equity and liquidity – minimal leverage & investment risk
- Shareholders' equity of \$516 million, augmented by over \$3.2 billion of reinsurance
- Conservative reserving philosophy with short tail exposure resulting in low reserve risk

**SIGNIFICANT GROWTH INVESTMENTS**

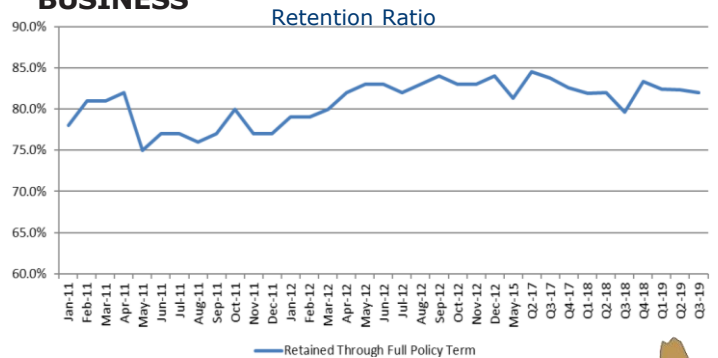
- Executive team has deep experience growing national platforms
- Formed Journey Insurance Company with Tokio Marine Kiln and obtained an "A-" from AM Best
- Merger with Florida's largest commercial property writer – American Coastal
- New claims and policy processing systems provide premier functionality and scalability
- Insourcing of key insurance functions gives us control over customer experience

**VISION:** To be the premier provider of property insurance in catastrophe-exposed areas

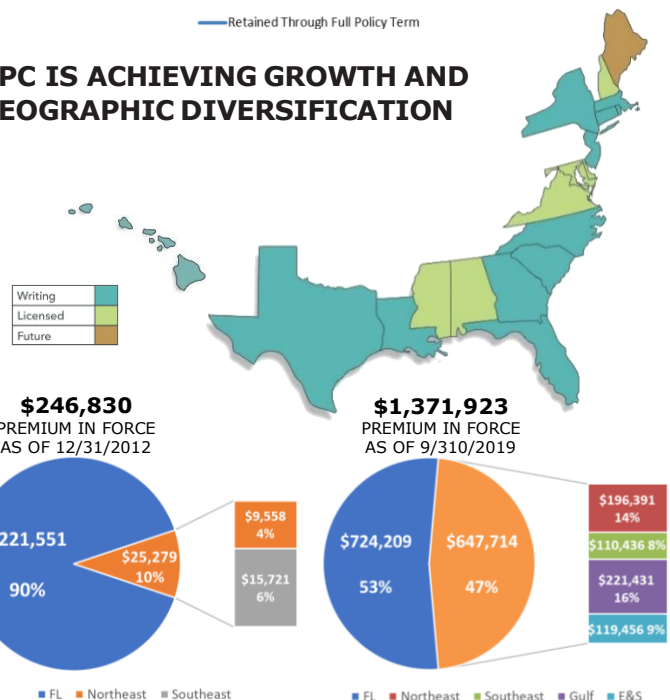
**STRONG AND CONSISTENT TOP-LINE GROWTH**



**CONSISTENT RETENTION OF QUALITY BUSINESS**

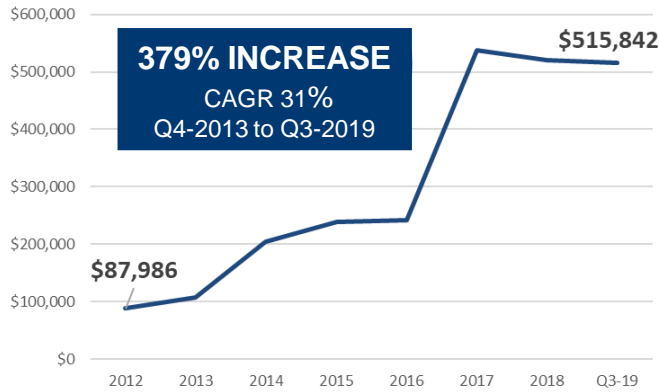


**UPC IS ACHIEVING GROWTH AND GEOGRAPHIC DIVERSIFICATION**

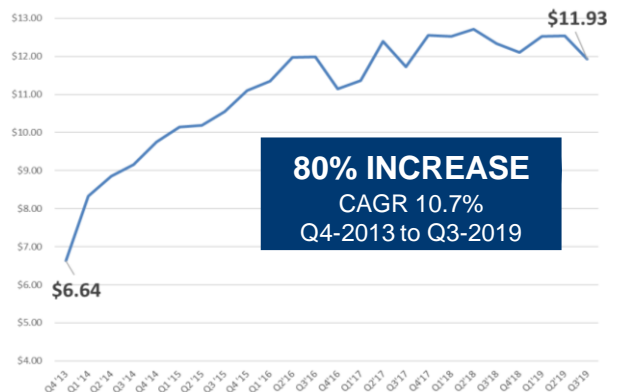


# Proven Track Record of Growing Book Value Over the Long-Term

## GAAP EQUITY NEARLY \$516 MILLION



## BOOK VALUE PER SHARE GROWTH



## HOW WILL WE WIN?

### 5 FOUNDATIONS OF UPC

#### Financial Stability

Ability to manage volatility

#### Products that Work

Flexible product options

#### Superior Claims Service

Timely, fair claim resolution

#### Ease of Doing Business

Easy to work with

#### Fair Pricing

Granular risk-based approach

### PROFIT IMPROVEMENT PLAN

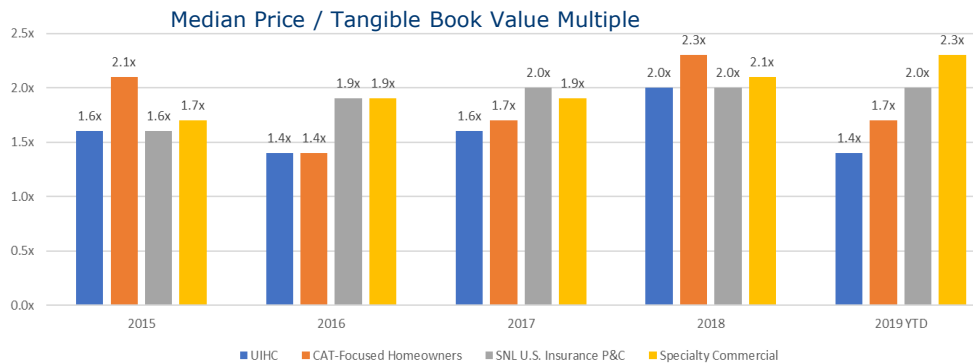
- Rate changes in 2019
  - FL: +9.2%, 11.3%, 13.7%
  - NY: +5.5%, 9.4%
- Underwriting actions
  - Technology – predictive analytics, home self-inspection, aerial imagery
  - Eligibility restrictions
- Claims handling improvements
  - Insourcing adjusting services
  - Faster cycle times
- Agency management improvements

### GROWTH PLAN

- Leverage AM Best rating – commercial and personal lines
- Grow Journey Insurance brand
- Open new markets and distribution channels
- Develop new and expand existing products

## PRICE-TO-TANGIBLE BOOK VALUATION EVOLUTION

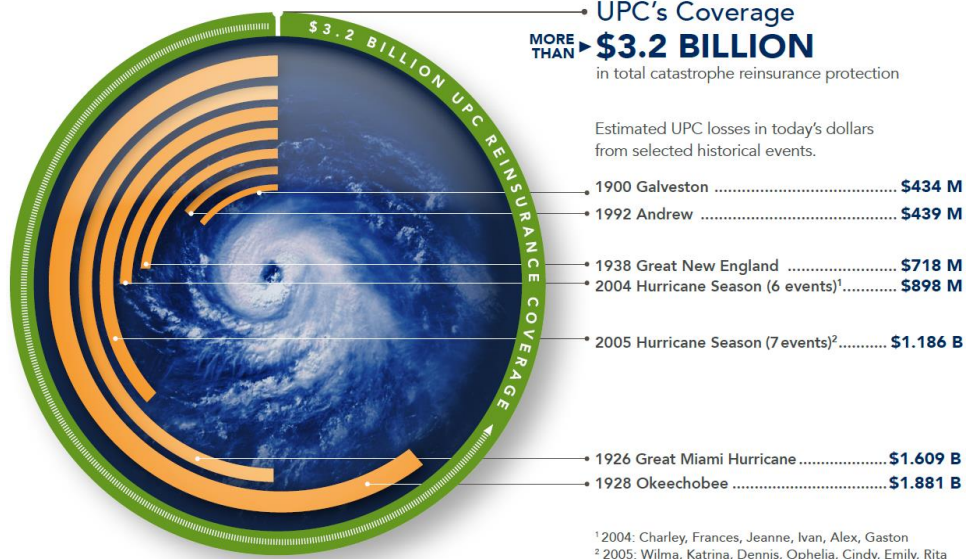
Our specialty underwriter strategy is expected to drive a higher valuation over time as we expand our commercial property business.



Source: S&P Market Intelligence. Focused Homeowners index includes: UVE, UIHC, HRTG, HCI, FNHC, and KINS Specialty Commercial index includes: MKL, WRB, RLI, UFCS, JRVR, and HALL. Market data as of October 30, 2019

## PRUDENT RISK TRANSFER KEY TO UPC STRATEGY

UPC's catastrophe reinsurance program is structured to offer unique protection for both severity and frequency. No historical modeled loss event or series of events in any calendar year on record would exhaust our reinsurance protection.



Coverage for first event up to the 1-in-357-year return period. Effective 6/1/2019.