

STABILITY AND FINANCIAL IMPACT REPORT



PROTECTION + FINANCIAL STRENGTH

Reinsurance is back-up disaster coverage, or insurance for insurance companies. Every year, Florida homeowners insurance companies purchase reinsurance and most programs are in place by June 1.

- » **Security First Insurance (SFI) has more than \$1.2 billion in total reinsurance coverage** available to pay customer claims for **multiple storms in a single year**, and
- » **\$94.2 million in surplus*** (capital) to cover the amount of retention we must first pay to gain access to recovery funds. *Retention is the deductible we are required to pay. For 2025/26 our net retention is \$9.2 million per event. * As of 07/31/2025*

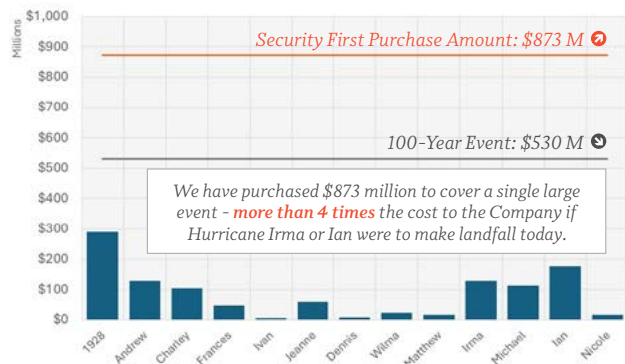
Florida regulators suggest insurance companies purchase, at minimum, enough reinsurance to pay all policyholder claims caused by a large catastrophic event (one in 130-year) and one 50-year event after a 100-year event.

- » **Security First purchases more than the recommended amount**, up to 1 in 236-year event, to ensure our ability to pay claims for multiple storms in a single hurricane season, far exceeding the recommended minimum.
- » **A 50-year event has a 2% chance** of occurring in any given year. For SFI that is \$336.5 million.
- » **\$873,000,000** – Funds available to pay claims **for a single large event**.

STABILITY + LONGEVITY

By analyzing our exposure to storms using approved hurricane models, we ensure our level of reinsurance purchase exceeds every modeled historical loss contained in the hurricane model's entire event catalogue. **We do this to ensure the financial strength to be there for our customers storm after storm, year after year®.**

The following graph shows the cost to Security First Insurance if historical storms since 1900 were to make landfall today.



Security First Estimated Losses and Reinsurance Coverage* (Single Event)

- Cost
- 100-Yr Event
- Coverage

		SFI Retention	Cost Today	Remaining Reinsurance* Available for Future Claims
2004	Hurricanes Charley, Frances, Ivan, Jeanne	\$25 M	\$217 M	\$1,053 M
2005	Hurricanes Dennis, Katrina, Rita, Wilma	\$13.2 M	\$32 M	\$1,238 M
2017/18	Hurricane Irma	\$9.2 M	\$128 M	\$1,142 M
	Hurricane Michael	\$9.2 M	\$112 M	\$1,158 M
2022	Hurricane Ian	\$9.2 M	\$175 M	\$1,095 M

This chart illustrates the effect historical hurricane seasons would have on our current policyholder surplus and the amount of reinsurance we'd have left over to pay additional claims if they were to occur today.

* Based on average modeled historical events modeled in KCC, RMS, VERISK Certified Model, exposures projected to 9-30-2025.

Demotech serves the insurance industry by providing accurate and proven Financial Stability Ratings® (FSRs) for Property & Casualty insurance companies, Title underwriters, and other risk-bearing entities.

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AT A GLANCE

\$1.27 B

Total Reinsurance Coverage Purchased for Multiple Events

236 YR

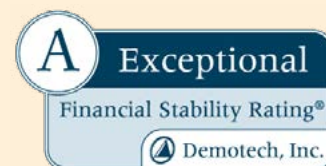
Level of Reinsurance Purchased

\$94.2 M

Surplus* to Cover Retention
* as of 07/31/2025

A+

Better Business Bureau Rating



Affirmed 07/22/2025

Security First Insurance™

Storm After Storm, Year After Year®