



# Investor Briefing

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FY22 Q2 Results

Reported July 27<sup>th</sup>, 2022



# Forward-looking statements and Regulation G Disclosure Statement

## Forward-looking statements

This presentation may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. The words “believe,” “expect,” “anticipate,” “will,” “plan,” and similar expressions identify forward-looking statements, which speak only as of the date the statement was made. Such statements may include commentary on plans, products and lines of business, marketing arrangements, reinsurance programs and other business developments and assumptions relating to the foregoing. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, including those risks and uncertainties described under the heading “Risk Factors” and “Liquidity and Capital Resources” in our 2021 Annual Report on Form 10-K, and supplemented in our subsequent Quarterly Reports on Form 10-Q. Future results could differ materially from those described, and the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. For further information regarding risk factors that could affect the Company’s operations and future results, refer to the Company’s reports filed with the Securities and Exchange Commission, including the Company’s Annual Report on Form 10-K and the most recent quarterly reports on Form 10-Q.

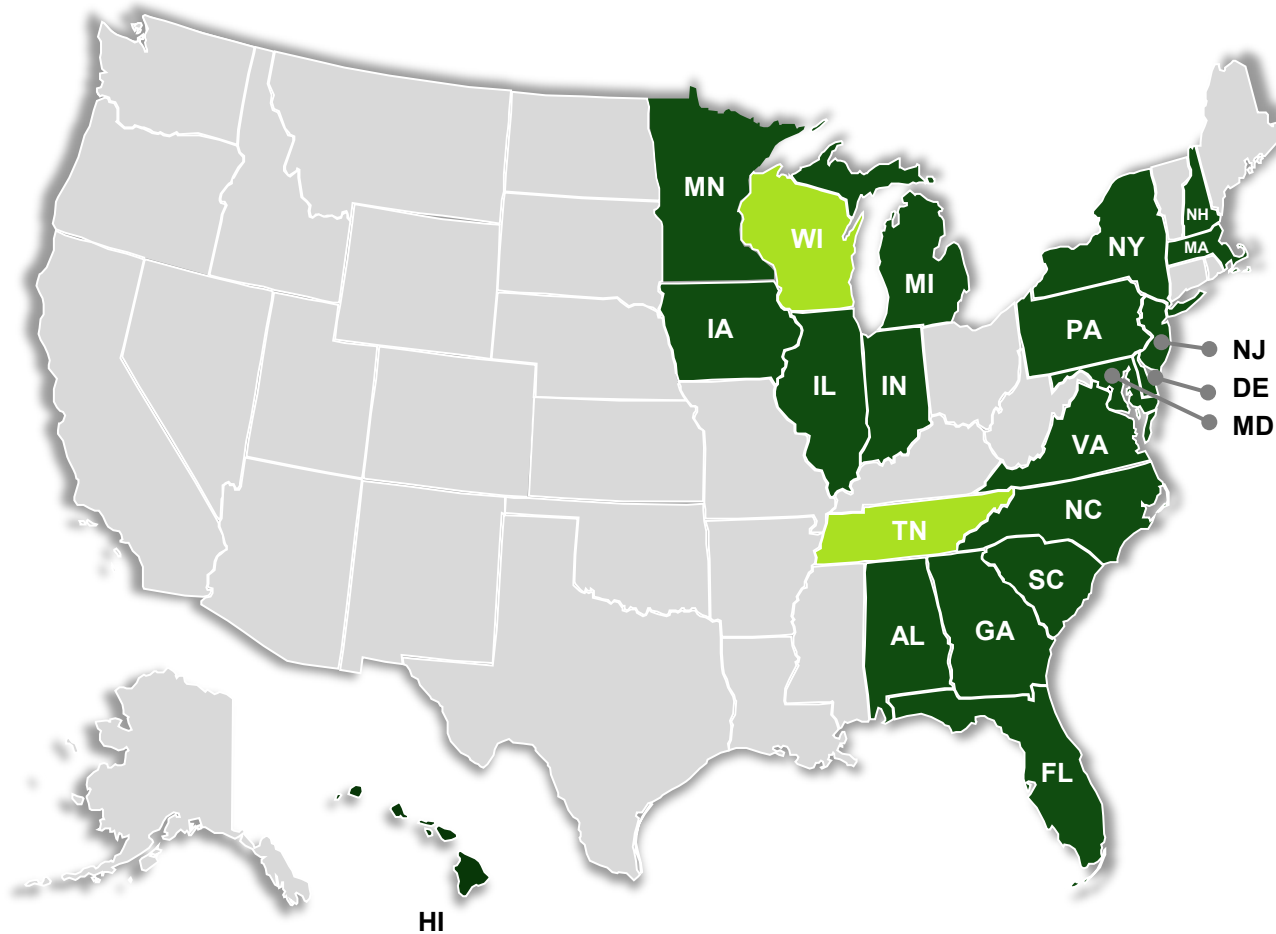
## Regulation G Disclosure Statement and Key Performance Indicators

This presentation includes financial results with respect to adjusted return on common equity, and adjusted earnings per share, which are non-GAAP financial measures as defined by the SEC’s Regulation G. Non-GAAP financial measures should be viewed as supplementing, and not as an alternative or substitute for the Company’s financial results prepared in accordance with GAAP. Reconciliations of such non-GAAP financial measures in this presentation to the most comparable GAAP financial measures can be found in the Company’s earnings release for the second quarter of 2022, filed with the SEC as an exhibit to a Current Report on Form 8-K on July 27, 2022, and also available on the Company’s website at <https://universalinsuranceholdings.com> under “Investors” with the subheading of “Earnings Releases.” For more information regarding our key performance indicators, please refer to the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Key Performance Indicators” in our forthcoming Quarterly Report on Form 10-Q for the quarter ended June 30, 2022.

# Universal Insurance Holdings (UVE) Overview

Doing business

Licensed



Leading holding company of personal residential homeowners insurance and services

**~\$1.7B**

FY21 Direct Premiums Written

**~14%**

5-year average Return on Equity\*

**19**

States actively doing business

**>850K**

Customer policies managed

**>1,100**

Full time equivalent employees

**>10,000**

Independent agents in the distribution channel

**Ft. Lauderdale, FL**

Headquarters

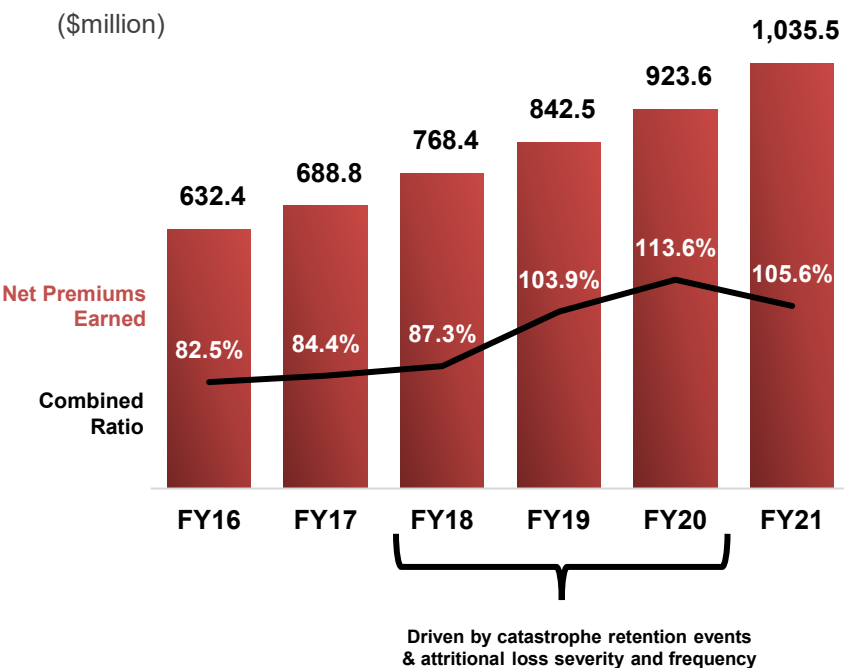
**A**

**Exceptional**

Demotech financial stability rating

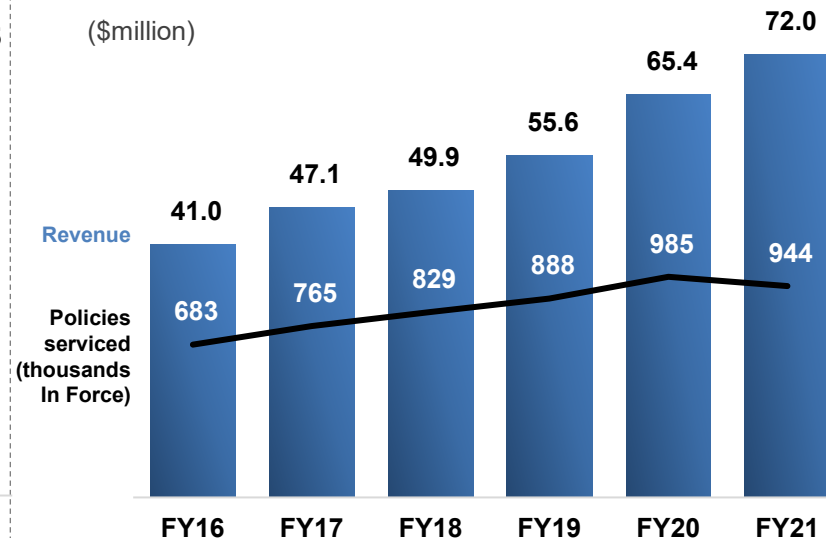
# Financial Overview

## Underwriting



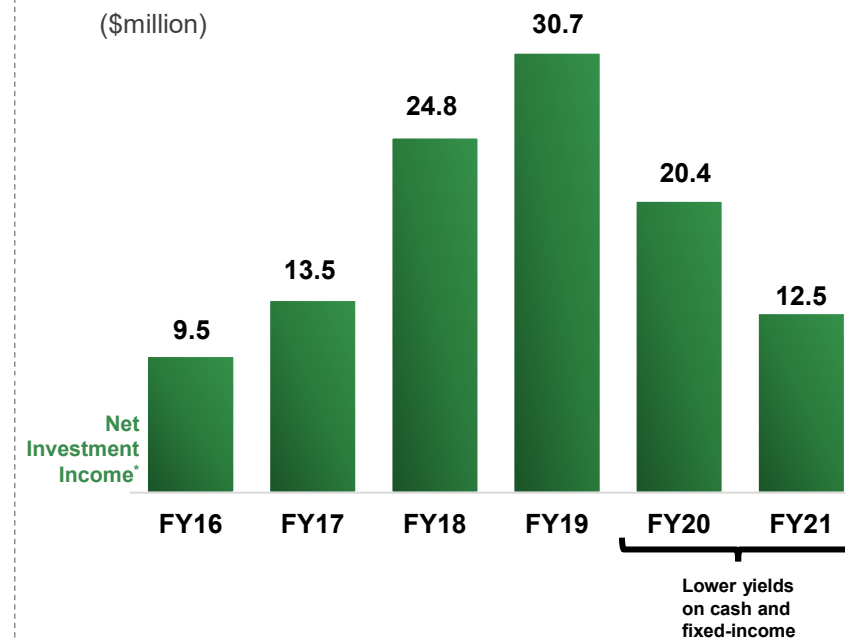
- **Protection Solutions:** Insurance for personal residential homeowners, renters/tenants, condo unit owners, dwelling/fire, allied lines, other structures, personal property, liability and articles coverages, in addition to commercial residential multi-peril.
- **Claims Management:** Claims processing and adjustment from claim inception to conclusion

## Services



- **Risk Management:** Advises on actuarial analysis, distribution, claims payment and policy administration, underwriting and reinsurance negotiations.
- **Distribution:** Markets and sells insurance products through independent agents and direct-to-consumer online distribution platforms.

## Investments



Unrealized & Realized**	2.3	2.6	(19.3)***	10.5	63.4	1.9
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- **Fixed Income:** Focused on preservation of capital and liquidity for claims payments
- **Equity Securities and Real Estate:** Seeks capital appreciation and diversification

\* Includes interest earned on cash and cash equivalents and restricted cash and investment income earned on real estate investments. Net of custodial fees, investment accounting, advisory fees and expenses associated with real estate investments.

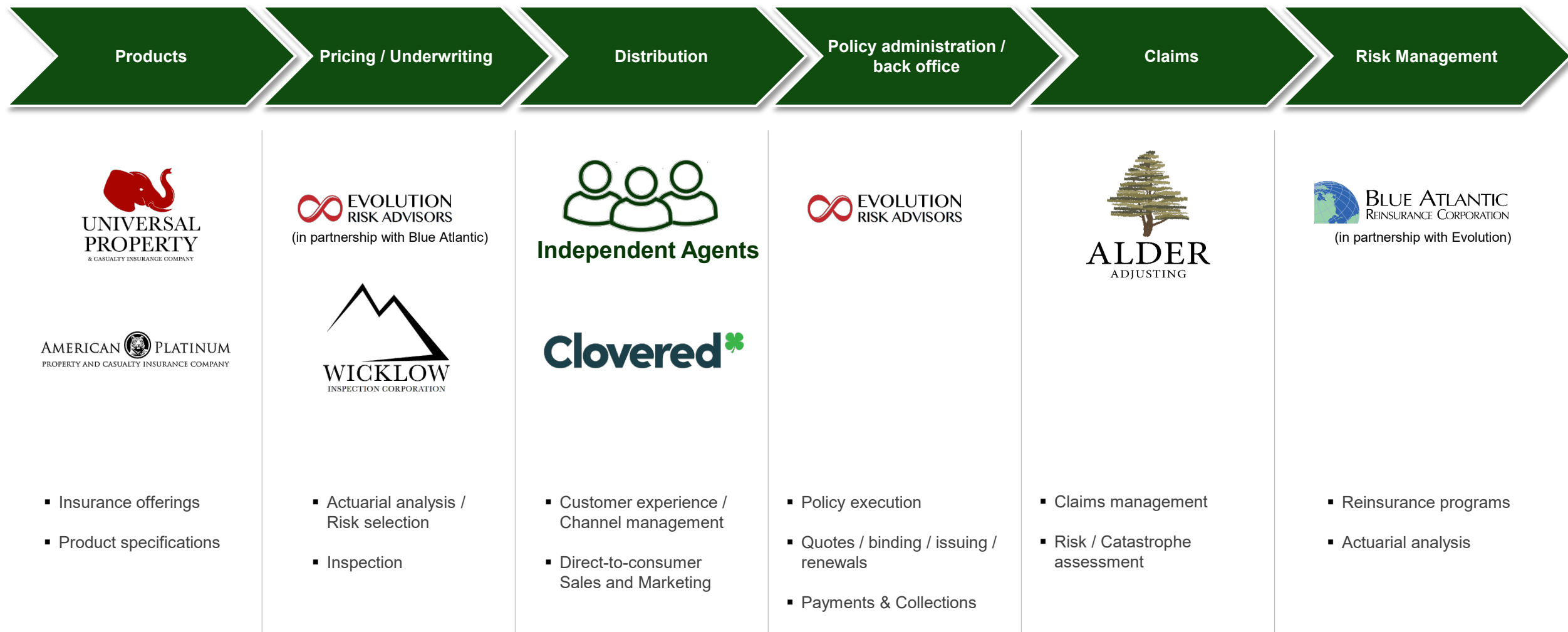
\*\* Net unrealized & realized gains (losses) on equity investments.

\*\*\* Beginning in 2018 unrealized amounts were recognized on the income statement as a result of the adoption of new accounting guidance for equity securities. See "Item 8—Note 14 (Other Comprehensive Income (Loss))" in SEC filings for more information.

# Organized around protection and insurance systems capabilities ...



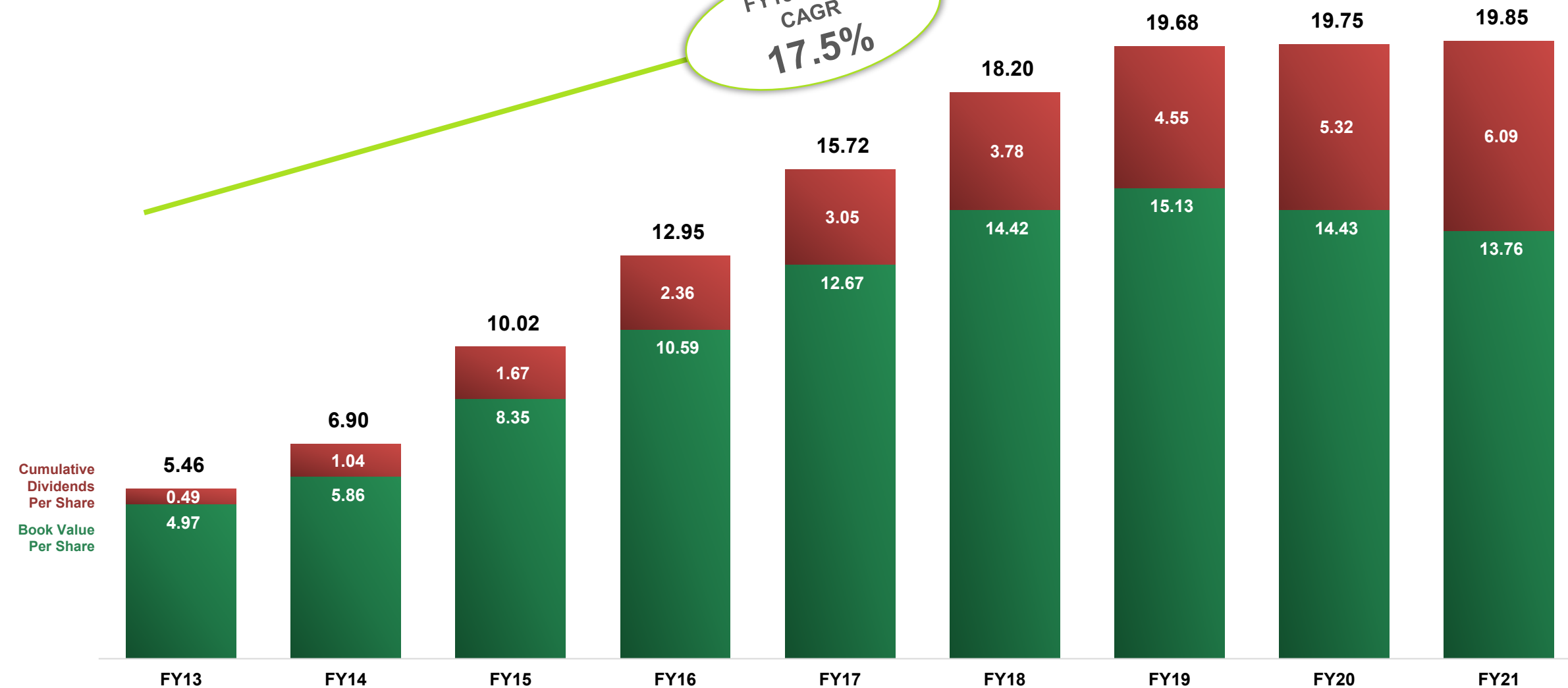
... with an end-market focus across the insurance value chain



# Proven track record ...

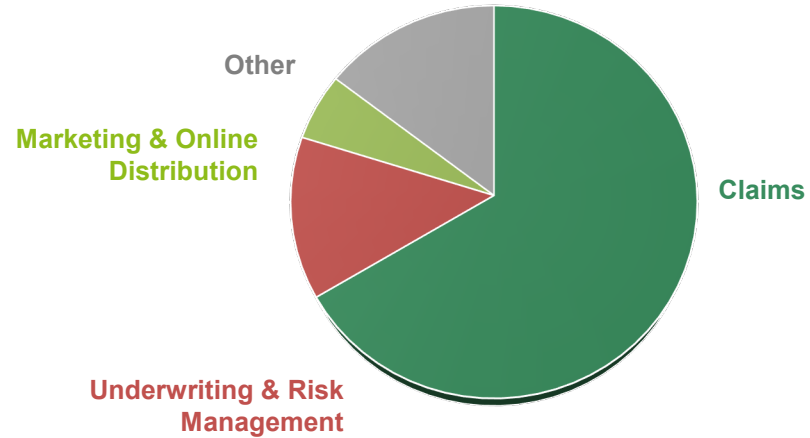
(\$ per share)

FY13 – FY21  
CAGR  
**17.5%**

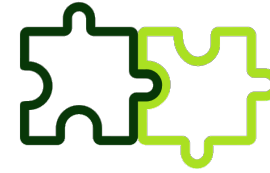
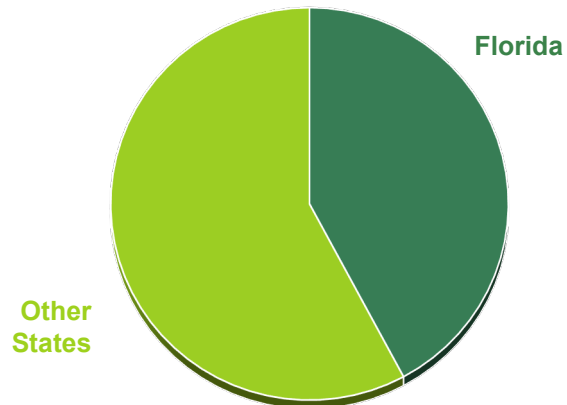


... backed by the strength of our employees and agents

**Talent** (as of 6/30/2022)

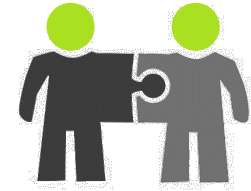


**Independent agent distribution channel**



### Risk Management

- In-house reinsurance and actuary experience
- In-house claims and underwriting teams



### Service

- Strong partner relationships
- Quality customer advocates



### Training

- In-house and third party best practices training
- Technology-enabled point of sale tools



### Compensation

- Attractive commission and performance based incentives
- Strong talent retention management



# Large and growing Homeowners Multi-peril (MP) insurance opportunity

## P&C Industry Homeowners MP Direct Premiums Written

(U.S. & territories Homeowners Multi-Peril)

(\$billion)

**CY16-CY21  
CAGR**

5.5%

119.7

11.9%

Total

91.5

94.3

98.9

104.3

107.3

34.2

43.4

45.6

51.6

53.4

60.0

Geographic  
expansion

Geographically  
Addressable  
(doing business)

CY16

CY17

CY18

CY19

CY20

CY21

States doing  
business

14

16

17

18

19

19

FL as % of  
addressable

25.7%

21.2%

21.1%

19.5%

20.8%

20.7%

## Opportunistic expansion

### Price

- Focus on rate adequate markets and positioning for market dislocation events

### Customer Experience

- Leveraging domain expertise in CAT-exposed conditions to provide seamless experience across the insurance value chain

### Diversification

- Provide earnings stability and reinsurance pricing benefits from risk profile improvements
- Writing business in 11 out of the largest 15 states in America\*

\*Measured by Homeowners MP Direct Premiums Written 2021. Not currently writing in TX, CA, OH, CO from the top15

# Multi-year strategic priorities – Strengthening the foundation

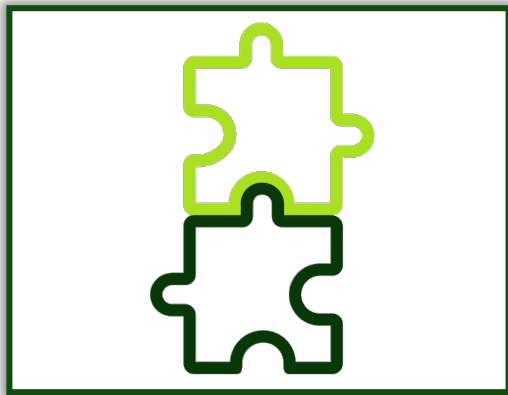
## Core franchises



Protection Solutions



Distribution



Risk Management



Claims Management

1

Focus on disciplined growth and maximize earnings stability

2

Maintain a resilient balance sheet

3

Make customer service and continuous improvement a way-of-life

# Underwriting

# Overview of insurance offerings

## Homeowners coverage

### Coverage A

Dwelling, attached structures  
(e.g., garages, decks)

### Coverage B

Other structures  
(e.g., detached garage, shed, fence)

### Coverage F

Medical Payments  
(medical payments for others)

### Coverage E

Personal Liability  
(Others property damage and bodily injury)

### Coverage C

Personal Property  
(e.g., clothing, furniture)

### Coverage D

Loss of Use  
(e.g., access to your dwelling)



## Products offered

### Form Type

- HO2 – Broad Form (named perils only)
- HO3 – Special Form (Most common)
- HO5 – Comprehensive Form
- HO8 – Modified Coverage Form

- HO6 – Condo Form (individual condo unit owner)

- HO4 – Renters Form (tenant occupant)

- DP1 – Named peril only - rental or investment property
- DP2 – Named perils only – more comprehensive
- DP3 – Open Peril policies

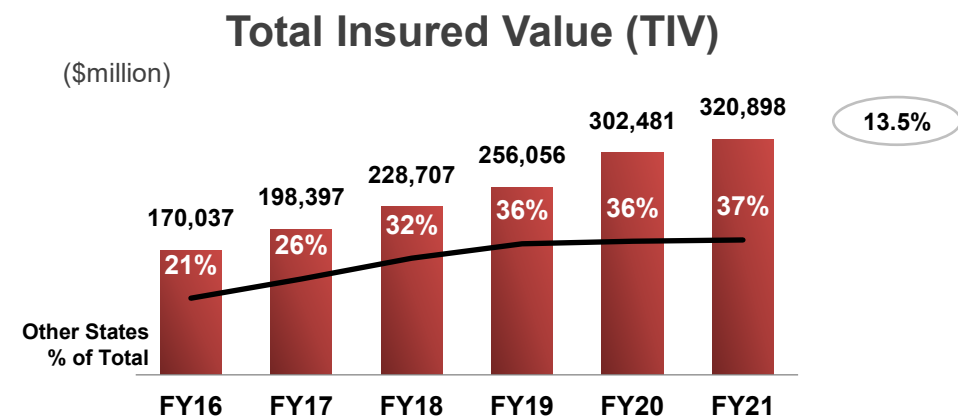
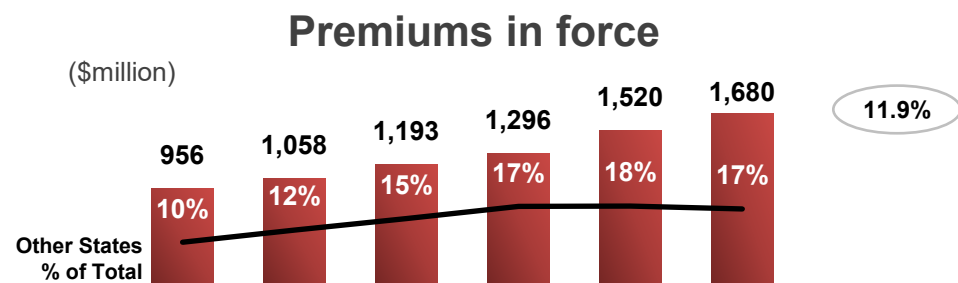
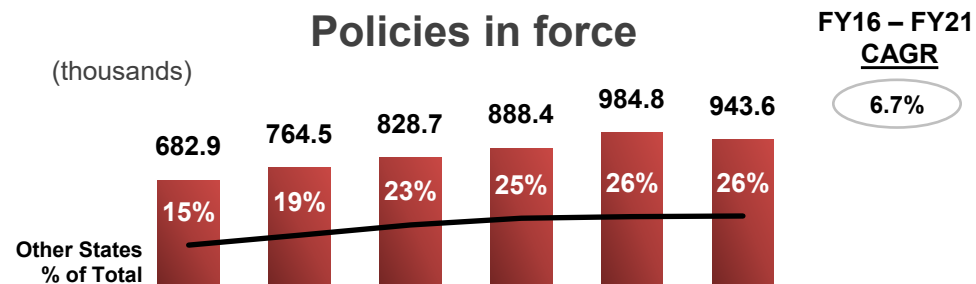
- HO3 – Special Form (Property values in excess of \$1M)

- CP10 – Business & Personal Property Form (e.g., HOA's, Apartments)
- CP17 – Condo Property Form

### Carrier



# Underwriting overview



## Industry trends



Primary rate increases improving rate adequacy



Constraints of carrier participants creating segment opportunities



Reinsurance catastrophe pricing hardening and overall influence of social inflation on claims



Point in the business cycle putting pressure on margins, including inflationary pressures on replacement costs

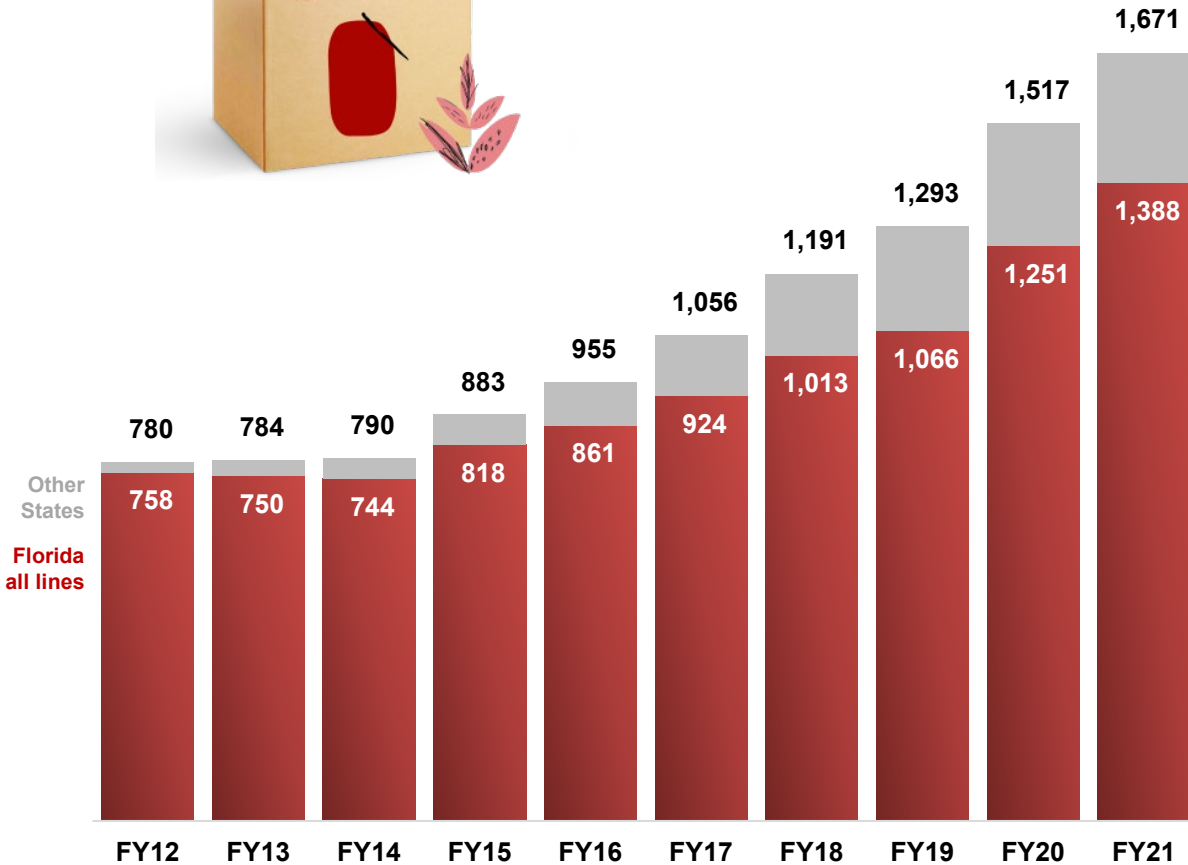


Heightened frequency of weather events

# UVE organically grew into #1 in FL

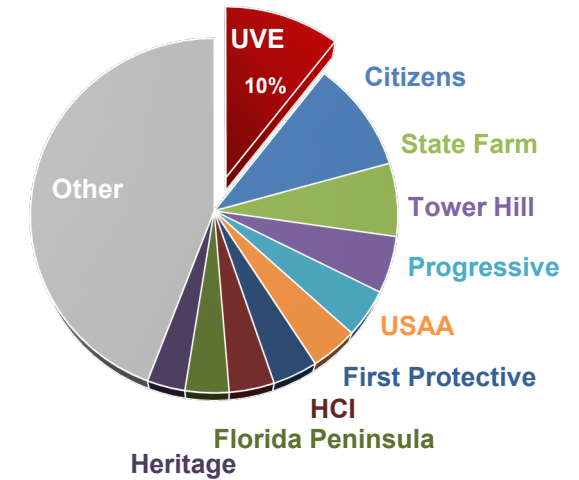
## FL Direct premiums written growth ...

(\$million)

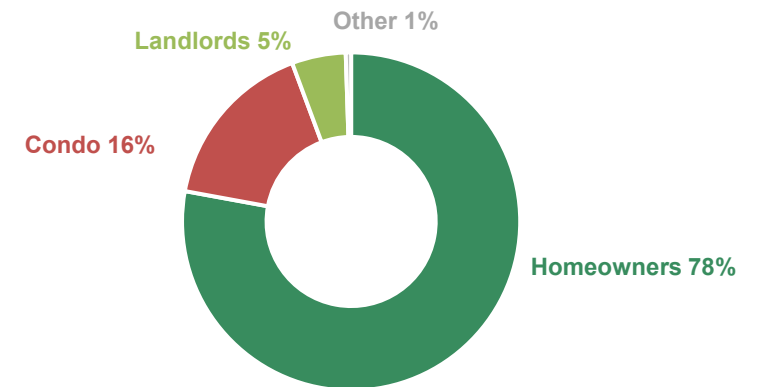


## ... led to #1 homeowner provider in FL

2021 Homeowners MP FL segment\*



2021 UVE FL Homeowners MP by product



\*Excludes Fire and Allied lines as defined by S&P Global Market Intelligence.

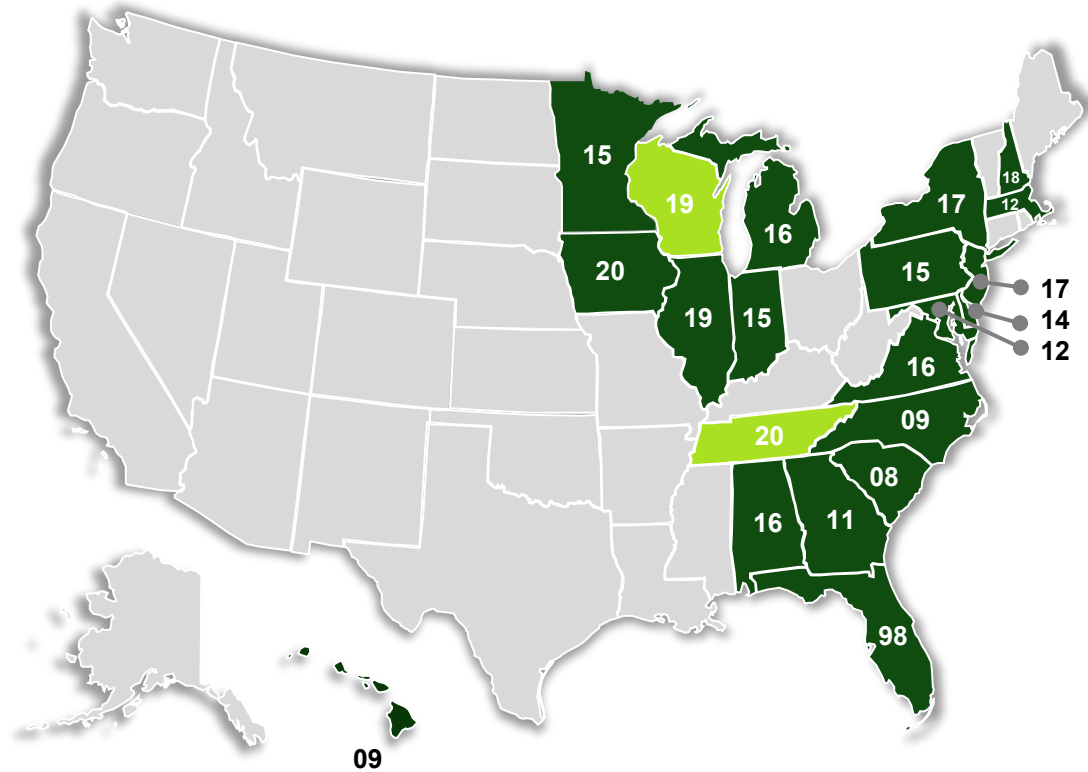
# Leverage domain expertise in FL for geographic diversification and opportunistically grow commission base

## Geographic Expansion

Doing business

Licensed

(# = Year commenced)



## Complementary lines expansion (partners)

### Homeowners



### Auto



### Flood



### E&S homeowners



### Commercial



### Commercial Auto



### Home hurricane deductible



### In-house commercial-res risk bearing program

American Platinum



### Personal Umbrella

MyMGA.com  
A Division of PersonalUmbrella.com

## Revenue (Direct and net premiums)

(\$million)

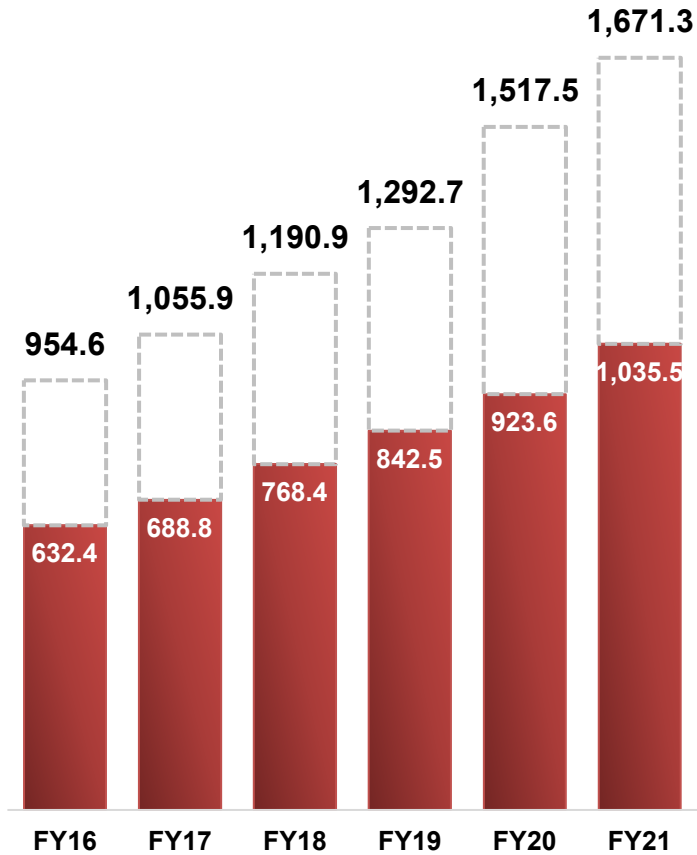
FY16 – FY21  
CAGR

11.9%

10.4%

Direct Premiums Written

Net Premiums Earned  
(Net of ceded premiums earned)

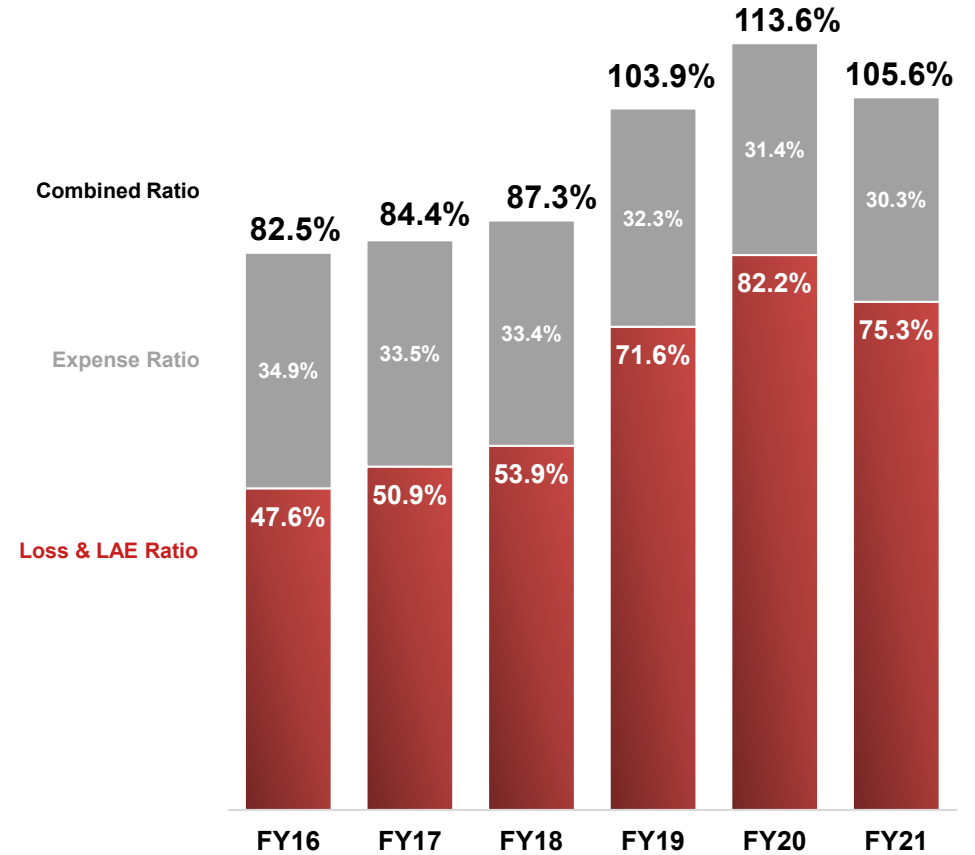


FY16 FY17 FY18 FY19 FY20 FY21

Direct Premiums Earned	921.2	999.2	1,121.6	1,233.1	1,395.6	1,596.6
Ceded Premiums earned as % of Direct Premiums Earned*	31.4%	31.1%	29.7%	31.5%	33.8%	35.1%

\*Excludes reinstatement premium

## Consolidated GAAP Combined Ratio (Related expense / Net premiums earned)

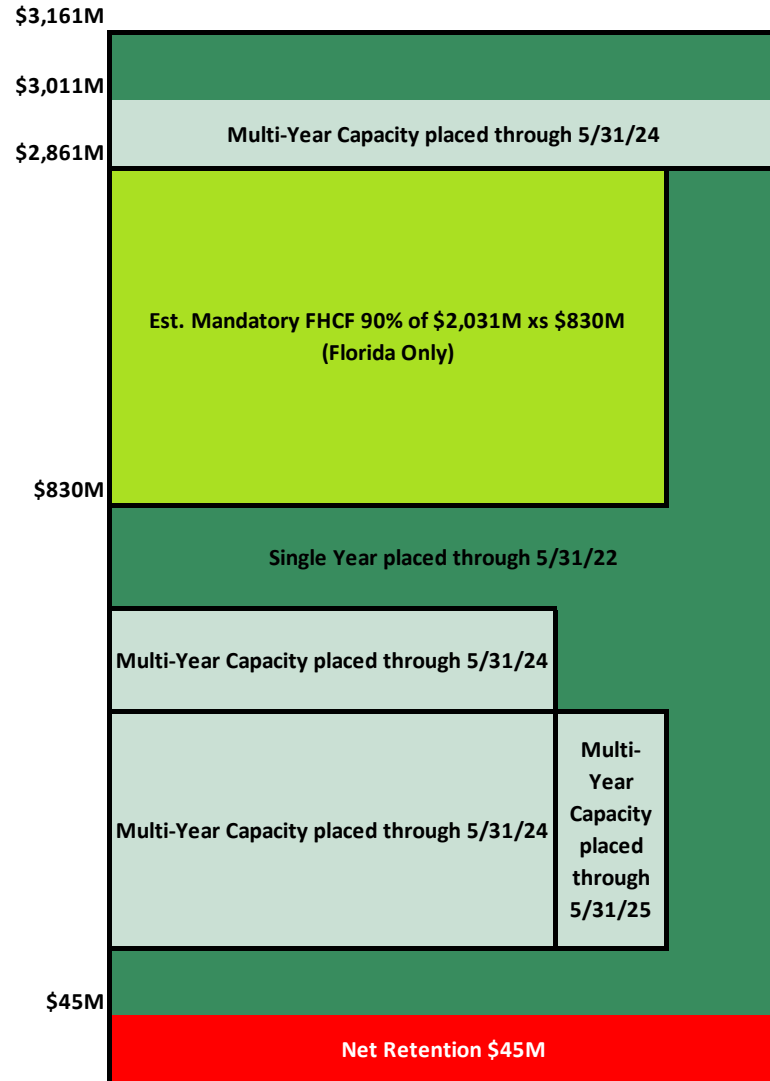


FY16 FY17 FY18 FY19 FY20 FY21



# Resilient balance sheet supported by robust reinsurance program ( All States)

## 1<sup>st</sup> Event coverage up to \$3.161B



## 2<sup>nd</sup> Event



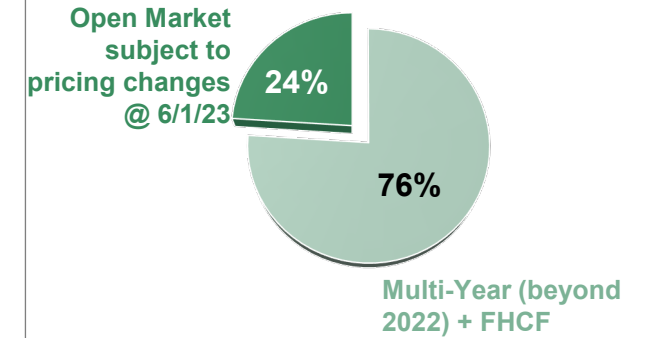
## 3<sup>rd</sup> Event



## 4<sup>th</sup> Event



## First event CAT contracts

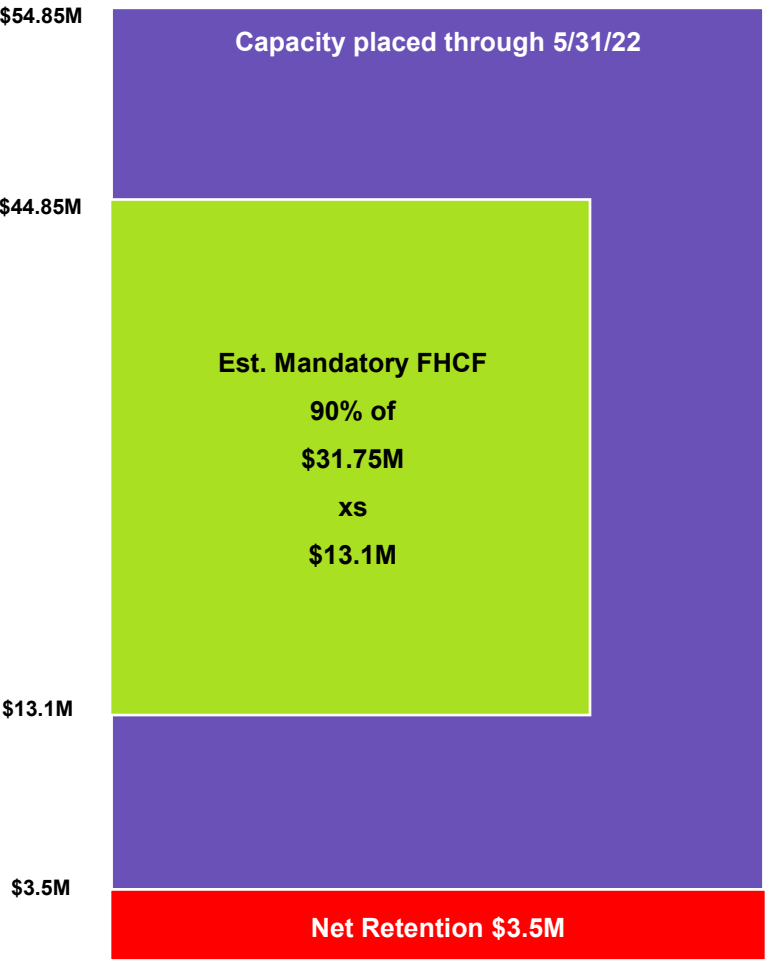


- Expiring contracts
  - Florida Hurricane CAT Fund (FHCF)
  - Multi-Year Contracts
  - Net UPCIC Retention
- xs = in excess

# Resilient balance sheet supported by robust reinsurance program ( )

## Property Catastrophe

More than \$51M in Coverage



## Property and liability per risk

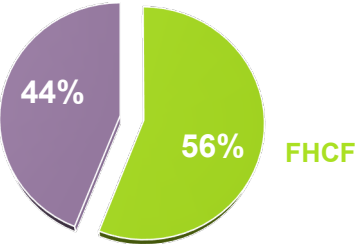
Property

Liability



## CAT contracts

Open Market  
subject to  
pricing  
changes @  
6/1/23

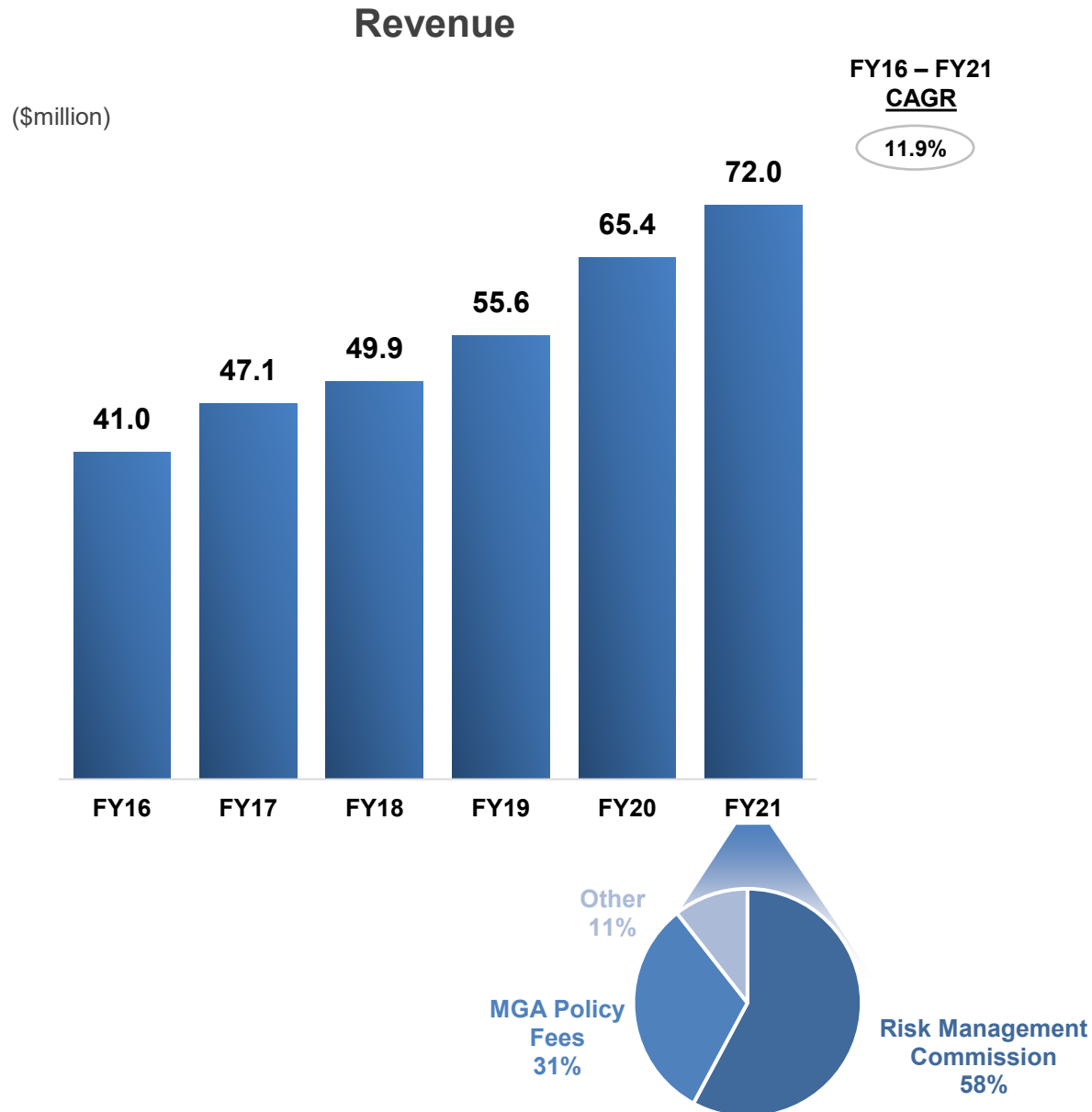


- Single year contracts
- Florida Hurricane CAT Fund (FHCF)
- Net APPCIC Retention
- xs = in excess



# Services

# Services overview



## Industry trends



Services based business enhanced by hardening of primary rate increases



Technology-enabled innovation improving the customer experience and operational efficiencies

NEUTRAL

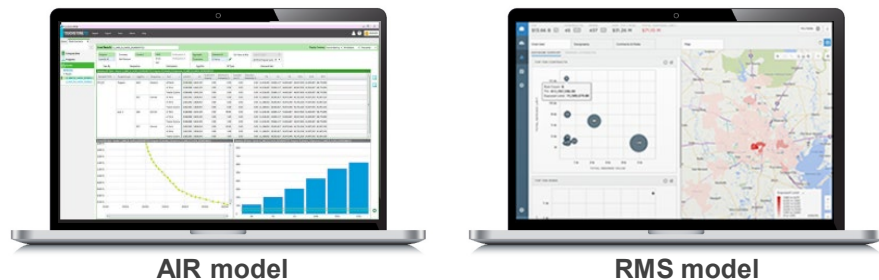
Broker consolidation and customer expectations increasing

NEUTRAL

Large scale, technology-enabled disruptors pose opportunities and threats to distribution

# Risk Management

## Catastrophe modeling



In-house reinsurance brokers, underwriters and licensed actuaries with insurance and reinsurance experience

Daily operations catastrophe modeling utilizing licensed AIR and RMS models

Exposure management through proprietary Internal Profitability Measure (IPM) models and rate level scenario analysis

## Reinsurance partners

### Largest participants:

Munich RE

EVEREST

CHUBB<sup>®</sup>  
Tempest Re

NEPHILA

RenaissanceRe

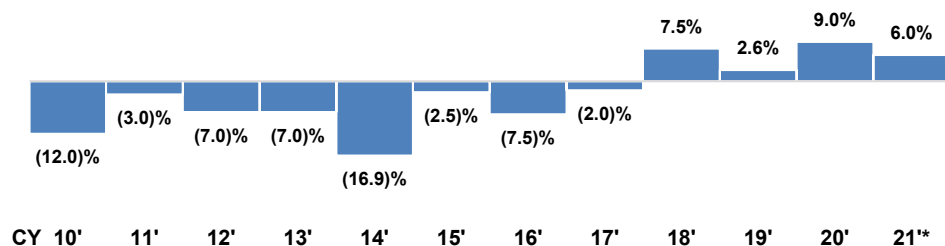
LLOYD'S  
LLOYD'S OF LONDON

Strong relationships with traditional reinsurance partners

99% of capacity A or better A.M. Best rating for all reinsurance partners

Issued first catastrophe bond, Cosaint Re Pte Ltd. in March 2021

## Industry reinsurance pricing\*



Utilize single and multi-year capacity and actively monitor pricing trends

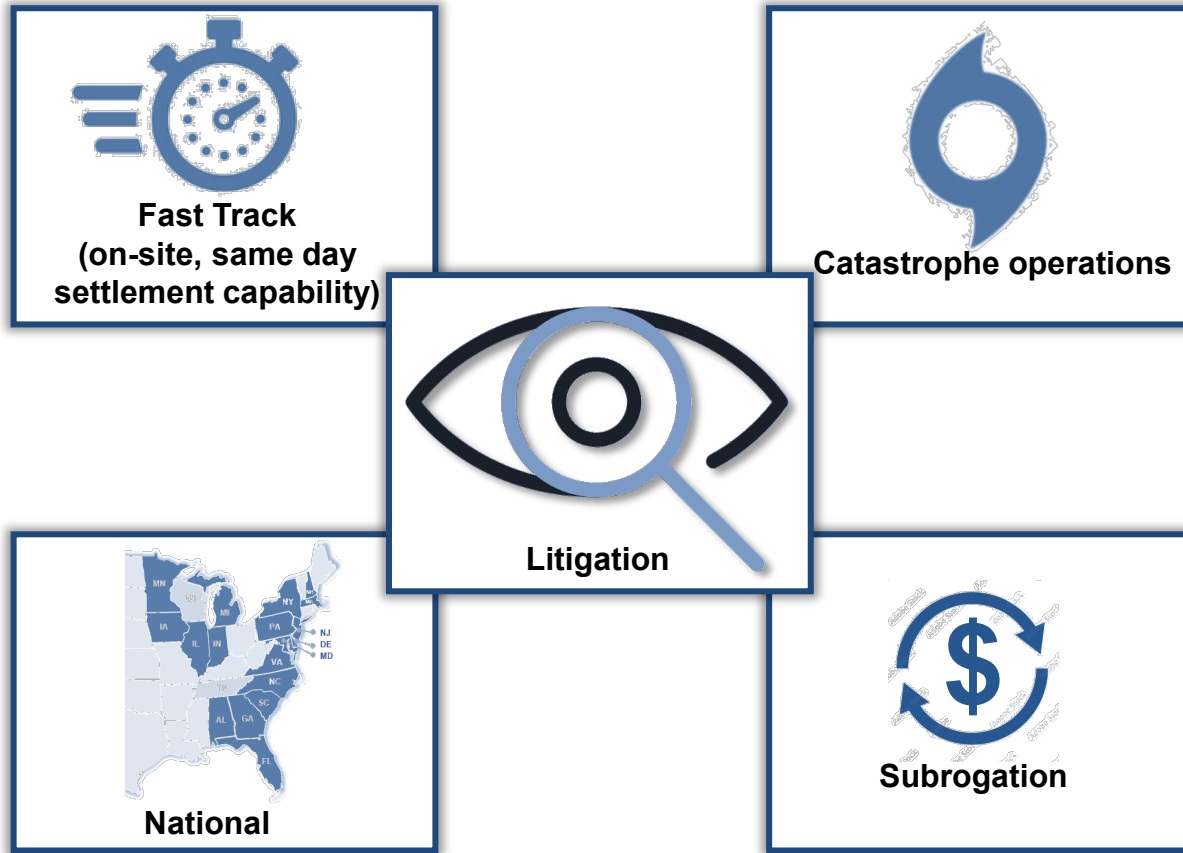
Reinsurance brokerage through in-house intermediary Blue Atlantic Reinsurance Company (BARC) in partnership with in-house MGA Evolution Risk Advisors and world's largest third party reinsurance brokers

Source: Guy Carpenter Global Property Catastrophe Rate-On-Line Index

\*2021 preliminary Guy Carpenter values

# Claims management structure

Teams functionally organized around demand ...



... with significant experience

Billions of dollars in claims paid or incurred\*

Streamlined processes to efficiently accelerate close rate

Proprietary claims administration system

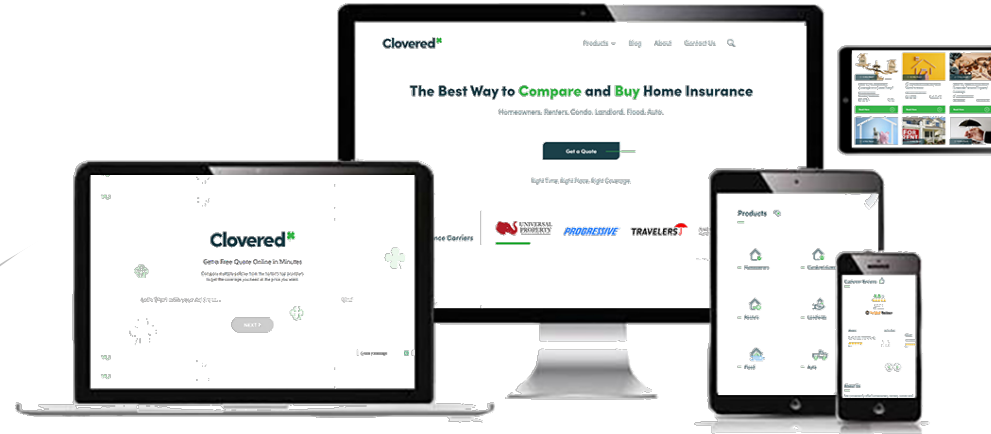
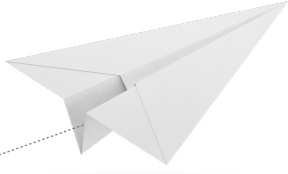
Retain small percentage of external adjusters for surge demand

\*Claims paid or incurred in partnership with reinsurers

# Investing in technology: Device agnostic, digitally enabled distribution

## Go Paperless

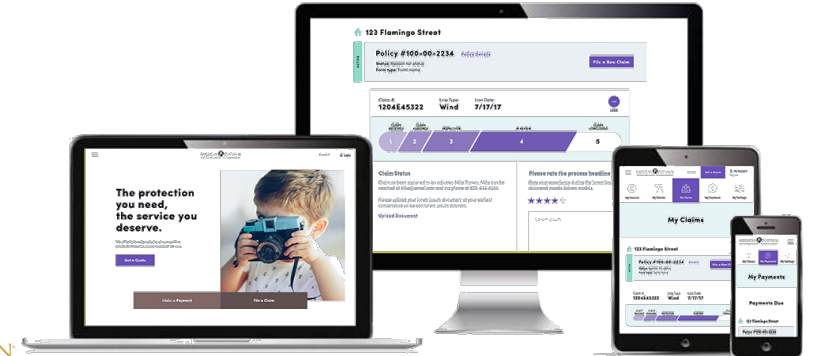
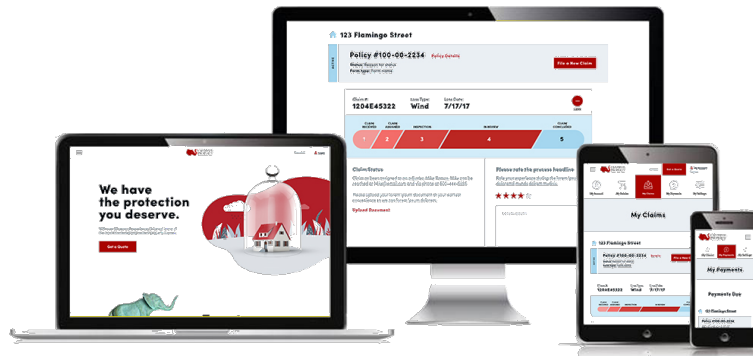
Environmentally and  
Socially Conscious



# Clovered



- Insurance Content Authority
- Prepare, Protect, Recover, Learn
- Get a Quote



- Download policy documents
- Track certain types of claims
- Get a Quote

- Download policy documents
- Track certain types of claims
- Get a Quote



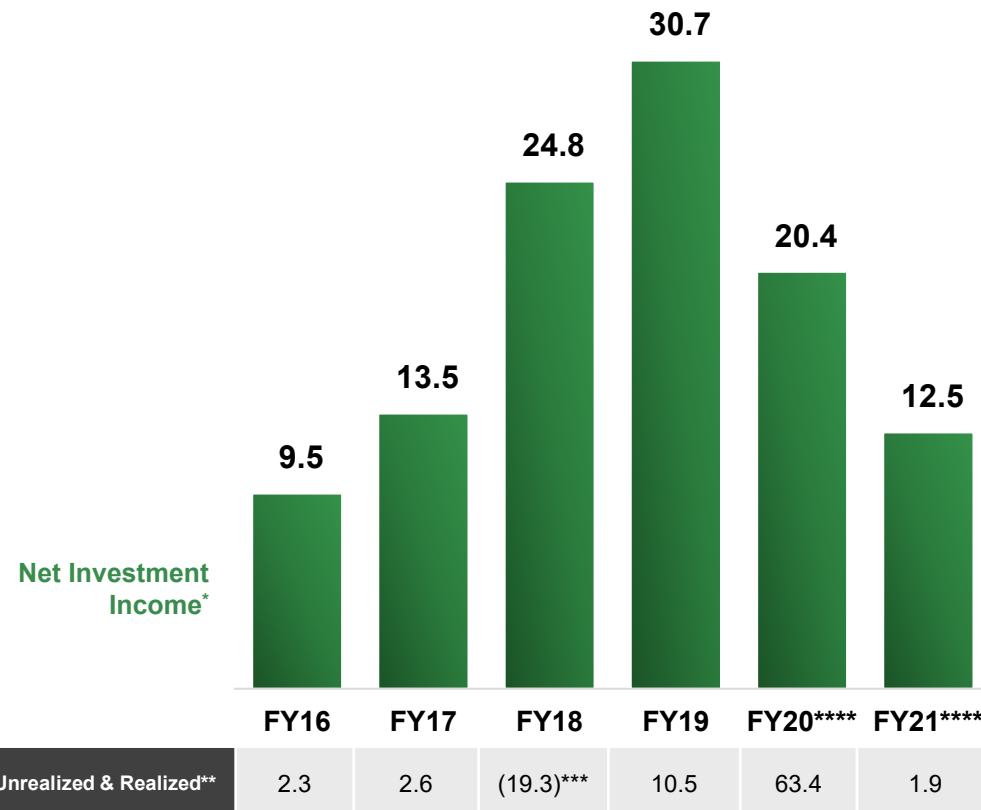
# Investments



# Investments overview

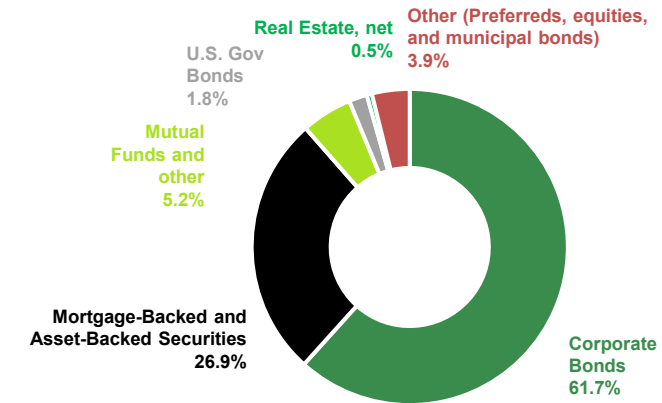
## Net investment income

(\$million)



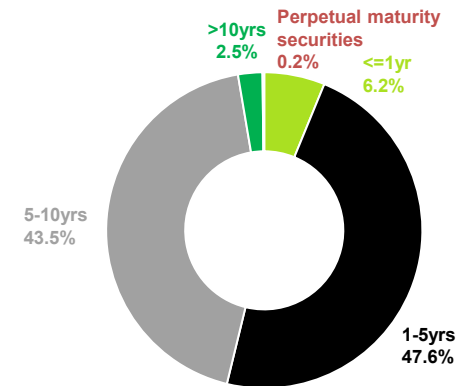
## Investment Portfolio

(\$1.1B as of 6/30/22)

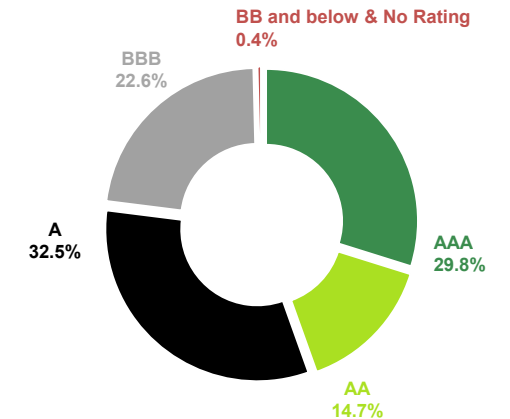


## Fixed maturities

### Effective Maturity (5.5 yrs)



### Average Rating (A+)



\* Includes interest earned on cash and cash equivalents and restricted cash and investment income earned on real estate investments. Net of custodial fees, investment accounting, advisory fees and expenses associated with real estate investments.

\*\* Net unrealized & realized gains (losses) on equity investments.

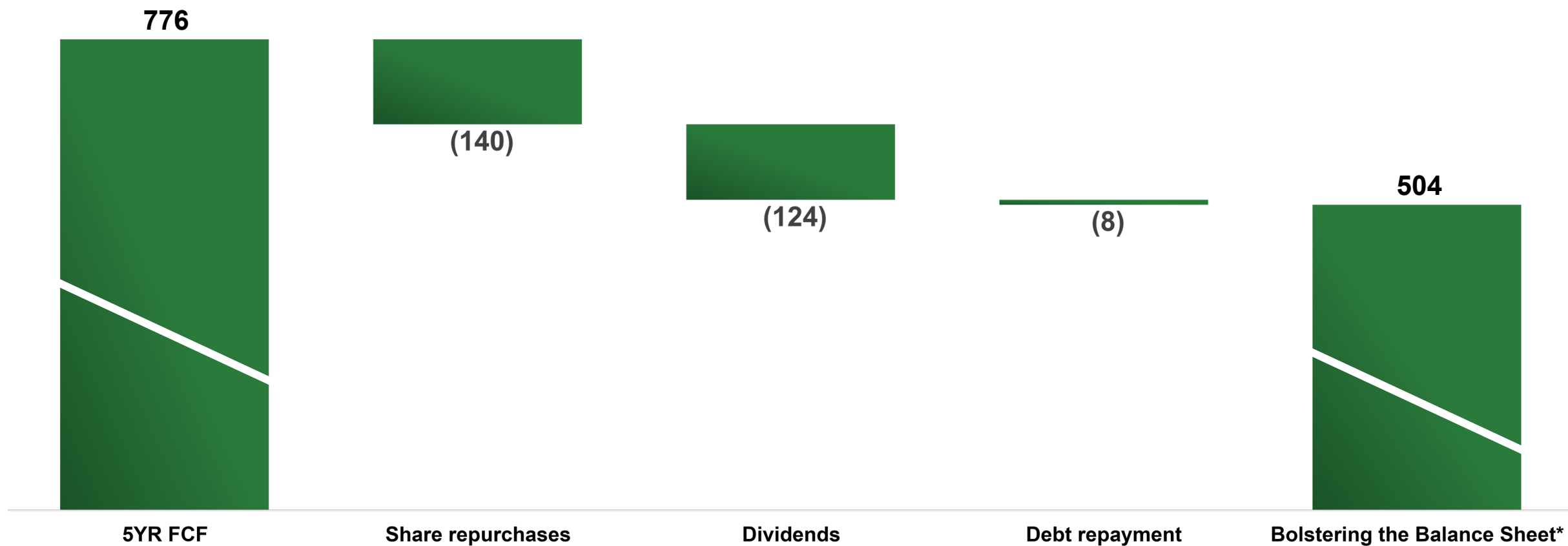
\*\*\* Beginning in 2018 unrealized amounts were recognized on the income statement as a result of the adoption of new accounting guidance for equity securities. See "Item 8—Note 14 (Other Comprehensive Income (Loss))" in SEC filings for more information.

\*\*\*\* NII decrease primarily due to lower yields on cash and fixed-income investments during 2020 and 2021.

# Capital deployment

Committed to returning capital to shareholders, and maintaining a resilient balance sheet

(\$million)



\*5 YR FCF less share repurchases, dividends, repayment of debt.

# Second Quarter 2022 Results & Guidance



# Second Quarter 2022 Results & Guidance

## 2Q22 results

- Diluted GAAP earnings per share (“EPS”) of \$0.24, adjusted EPS\* of \$0.47
- Annualized return on average common equity (“ROCE”) of 7.7%, adjusted\* ROCE of 12.8%
- Direct premiums written of \$532.5 million, up 12.4% from the prior year quarter
- Repurchased 282,552 shares for \$3.5 million. Total capital returned to shareholders of \$8.5 million, including \$0.16 per share regular quarterly dividend.

## Maintaining Guidance (assuming no extraordinary weather events and no realized or unrealized gains in 2022)

- FY22 guidance: Adjusted EPS\* of \$1.80 - \$2.20; Annualized adjusted ROCE 12.5% - 15.0%.

\* Reconciliations of such non-GAAP financial measures in this presentation to the most comparable GAAP financial measures can be found in the Company's earnings release for the second quarter of 2022, filed with the SEC as an exhibit to a Current Report on Form 8-K on July 27, 2022, and also available on the Company's website at <https://universalinsuranceholdings.com> under “Investors” with the subheading of “Earnings Releases.”