



Investor Briefing

FY22 Q4 Results

Reported February 23rd, 2023



Forward-looking statements and Regulation G Disclosure Statement

Forward-looking statements

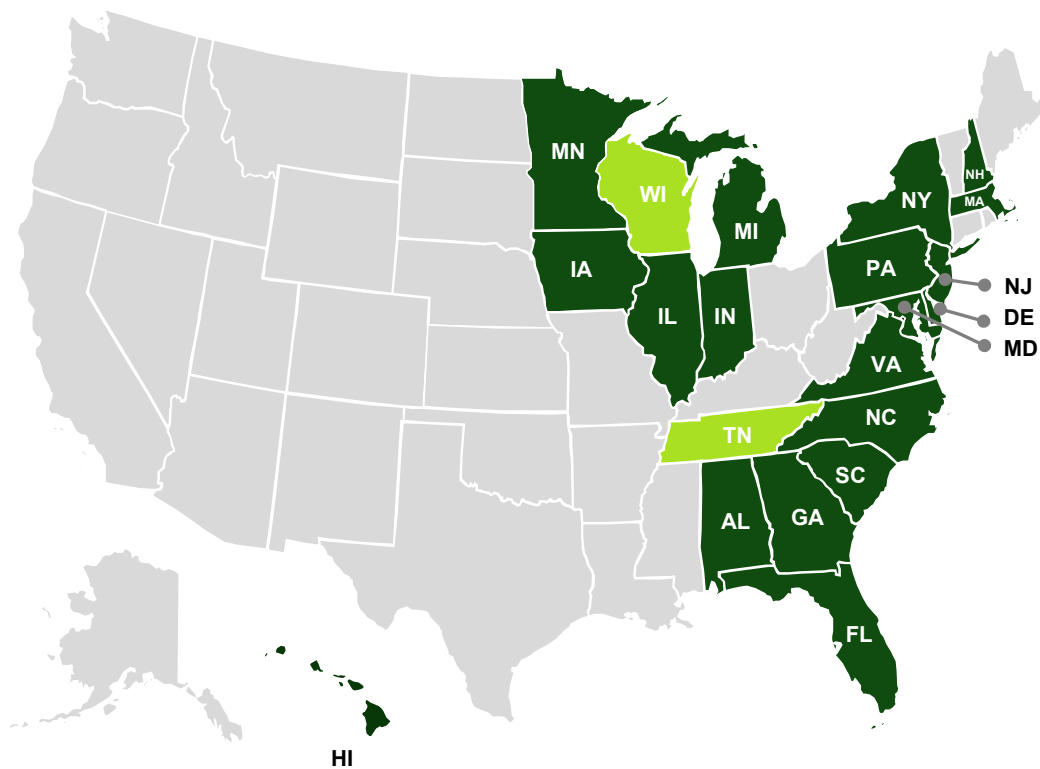
This presentation may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. The words “believe,” “expect,” “anticipate,” “will,” “plan,” and similar expressions identify forward-looking statements, which speak only as of the date the statement 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 2022 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 fourth quarter of 2022, filed with the SEC as an exhibit to a Current Report on Form 8-K on February 23, 2023, 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 Annual Report on Form 10-K for the year ended December 31, 2022.

Universal Insurance Holdings (UVE) Overview

Doing business | Licensed



Leading holding company of personal residential homeowners insurance and services

~\$1.85B

FY22 Direct Premiums Written

~7%

5-year average Return on Equity*

19

States actively doing business

>840K

Customer policies managed

>1,200

Full time equivalent employees

>10,000

Independent agents in the distribution channel

A

UPCIC & APPCIC

Demotech financial stability rating

A-

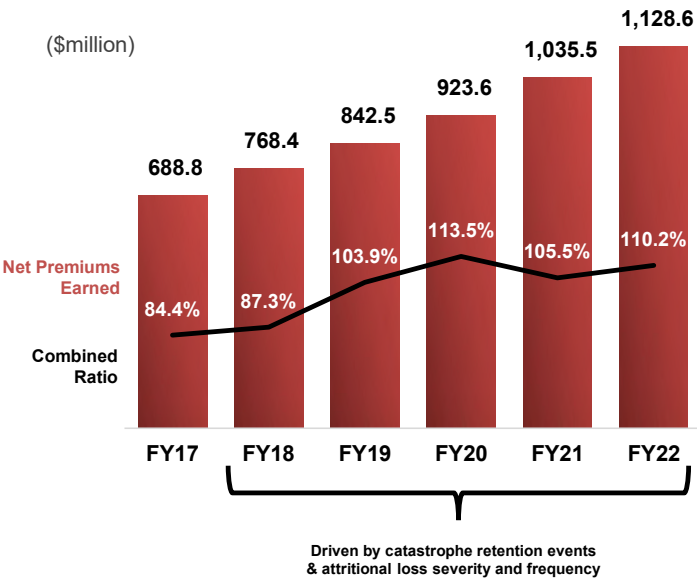
UPCIC & APPCIC

Kroll insurer financial strength rating

*As of December 31, 2022

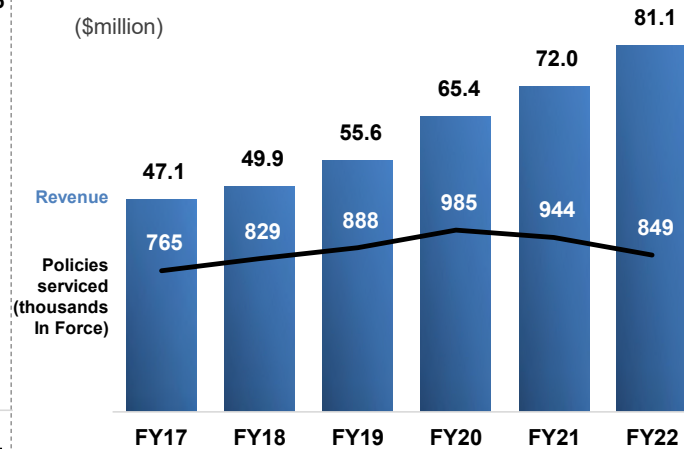
Financial Overview

Underwriting



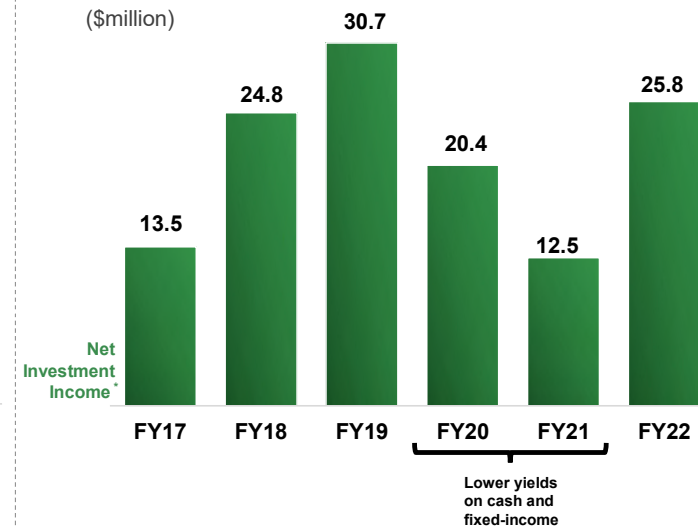
- **Protection Solutions:** Insurance for personal residential homeowners, renters/tenants, condo unit owners, dwelling/fire, allied lines, other structures, personal property, liability and articles coverages, in addition to commercial residential multi-peril.
- **Claims Management:** Claims processing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

Non risk-bearing insurance



- **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.

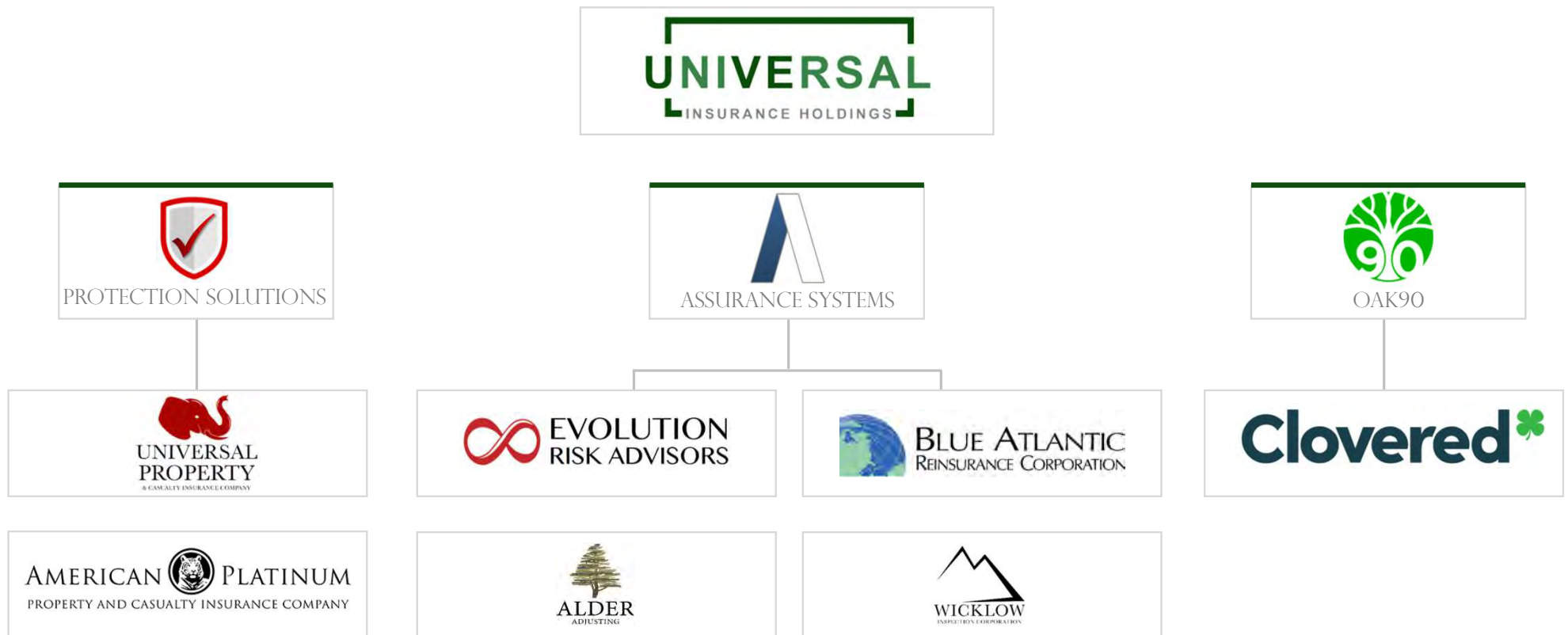
Investments



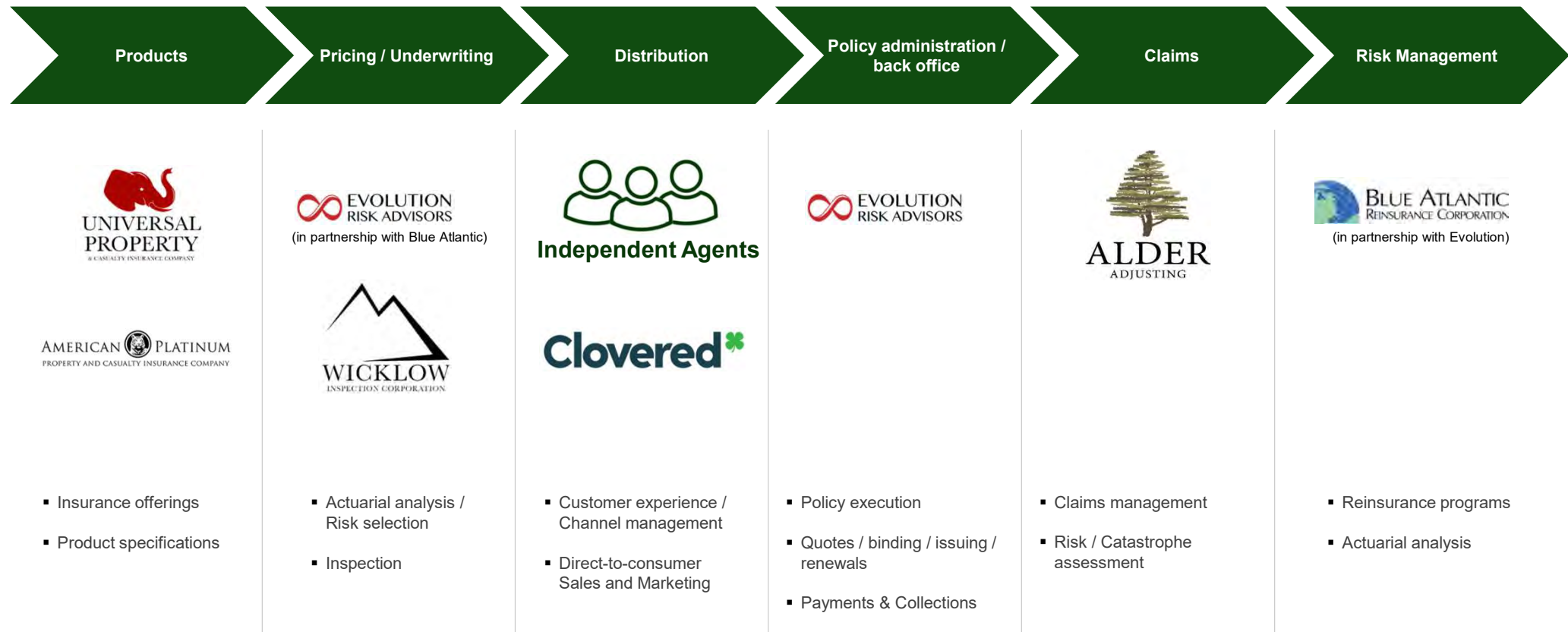
- **Fixed Income:** Focused on preservation of capital and liquidity for claims payments.
- **Equity Securities and Real Estate:** Seeks capital appreciation and diversification.

* 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.

Organized around protection and insurance systems capabilities ...



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



Proven track record ...

(\$ per share)

FY13 – FY22
CAGR
13.2%

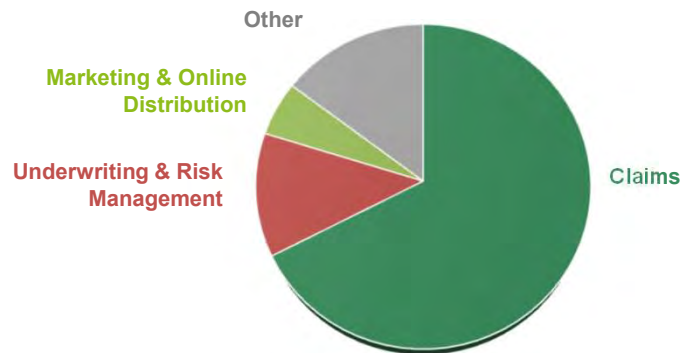
Cumulative
Dividends
Per Share

Book Value
Per Share

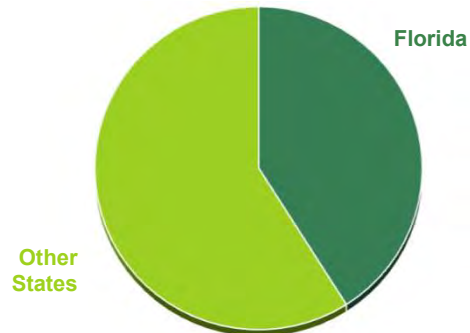


... backed by the strength of our employees and agents

Talent (as of 12/31/2022)



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%

20.0%

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

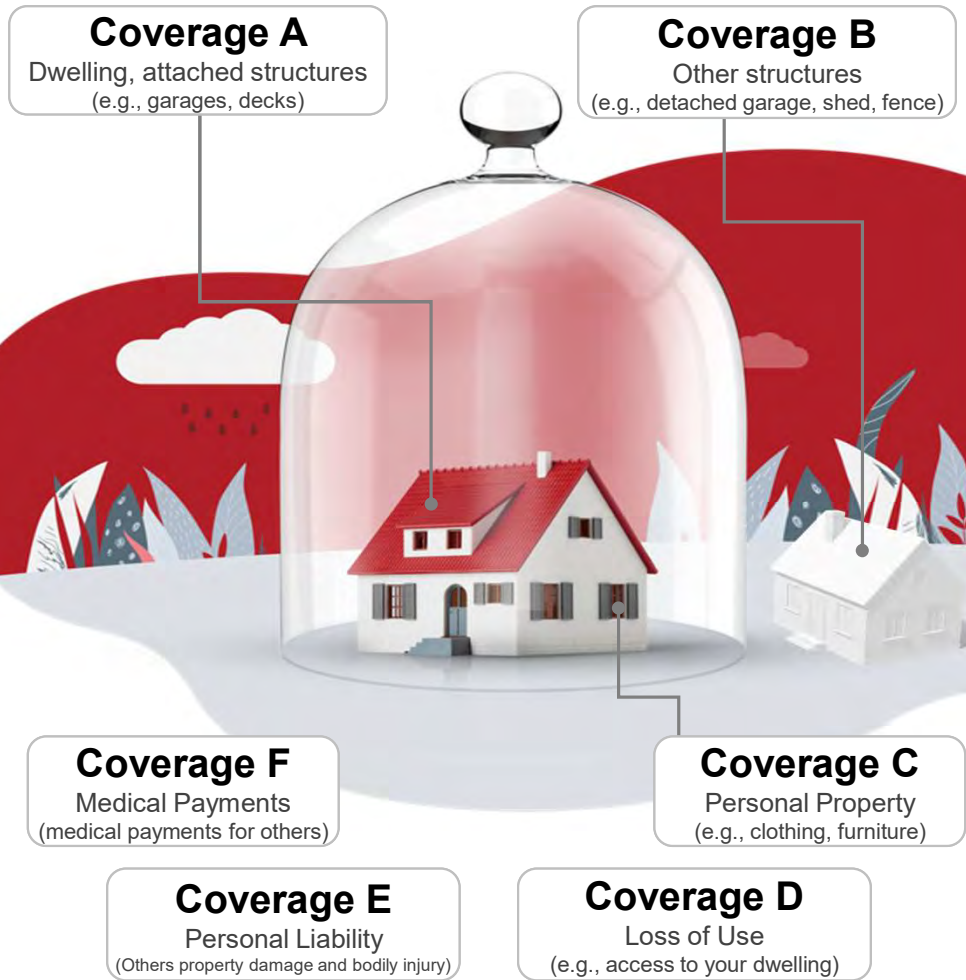
3

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

Underwriting

Overview of insurance offerings

Homeowners coverage



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

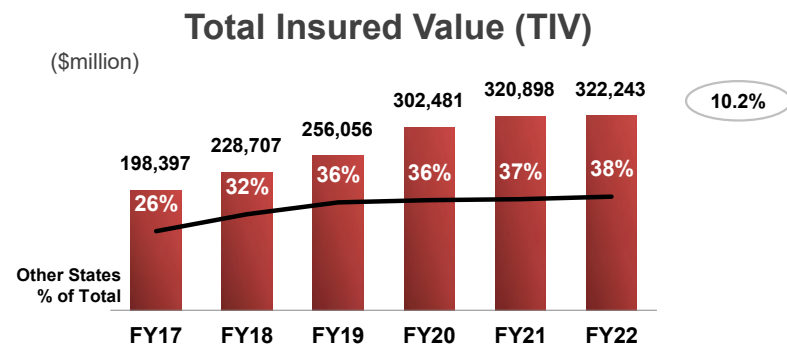
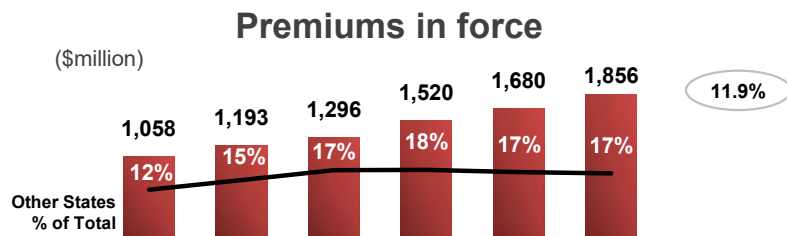
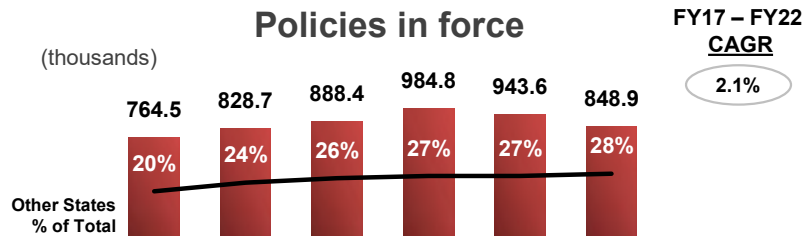
- HO3 – Special Form (Property values in excess of \$1M)

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

Carrier



Underwriting



Industry trends



Primary rate increases improving rate adequacy



Competitor constraints creating opportunities



Florida legislature eliminated one-way attorney fees and assignment-of-benefits, shortened the claims filing deadline to one year and took steps to reduce the competitiveness of Citizens' (FL's state-run insurer of last resort)



Catastrophe reinsurance pricing hardening



Inflationary pressures on replacement costs

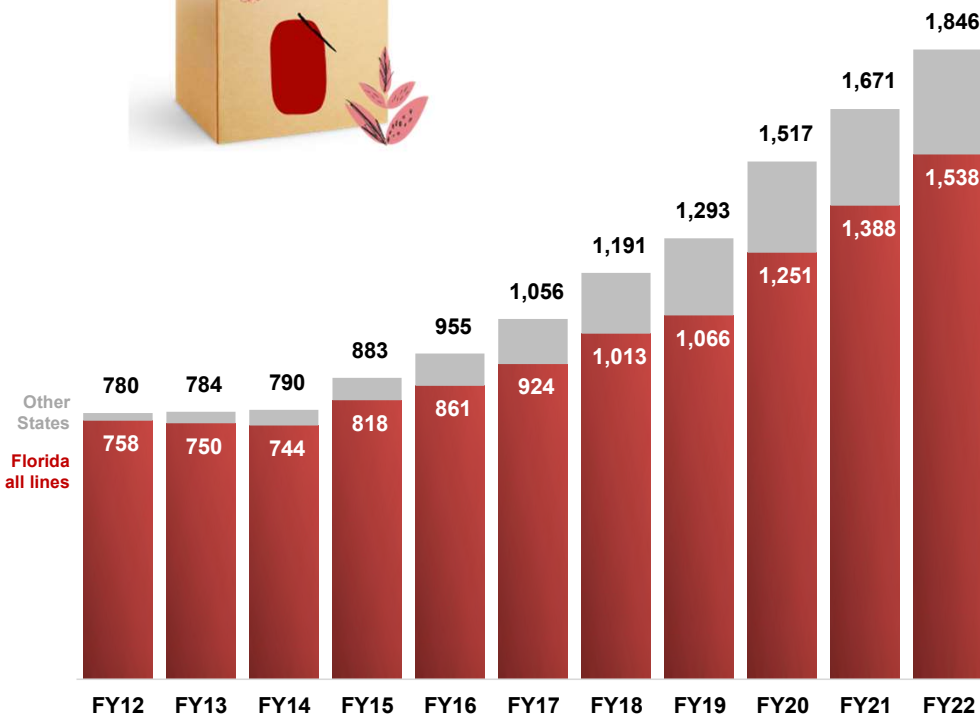


Heightened frequency of weather events

UVE organically grew into #1 in FL

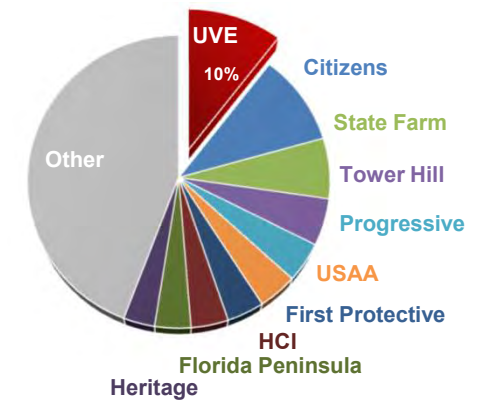
FL Direct premiums written growth ...

(\$million)

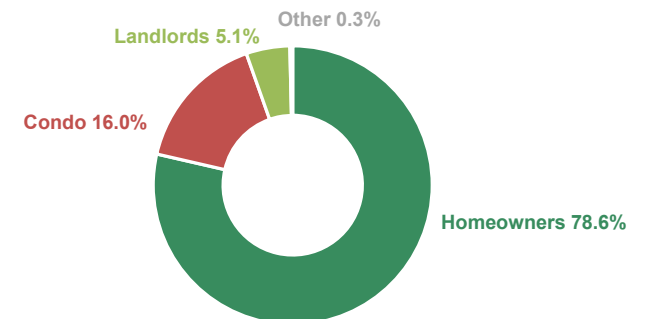


... led to #1 homeowner provider in FL

2021 Homeowners MP FL segment*



2022 UVE FL Homeowners MP by product



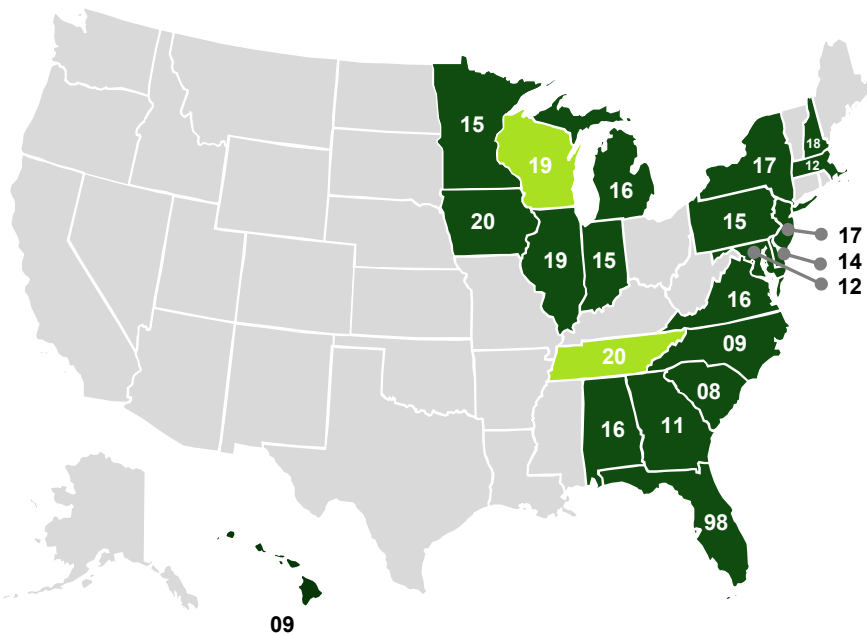
*Excludes Fire and Allied lines as defined by S&P Global Market Intelligence.

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

Geographic Expansion

Doing business | Licensed

(# = Year commenced)



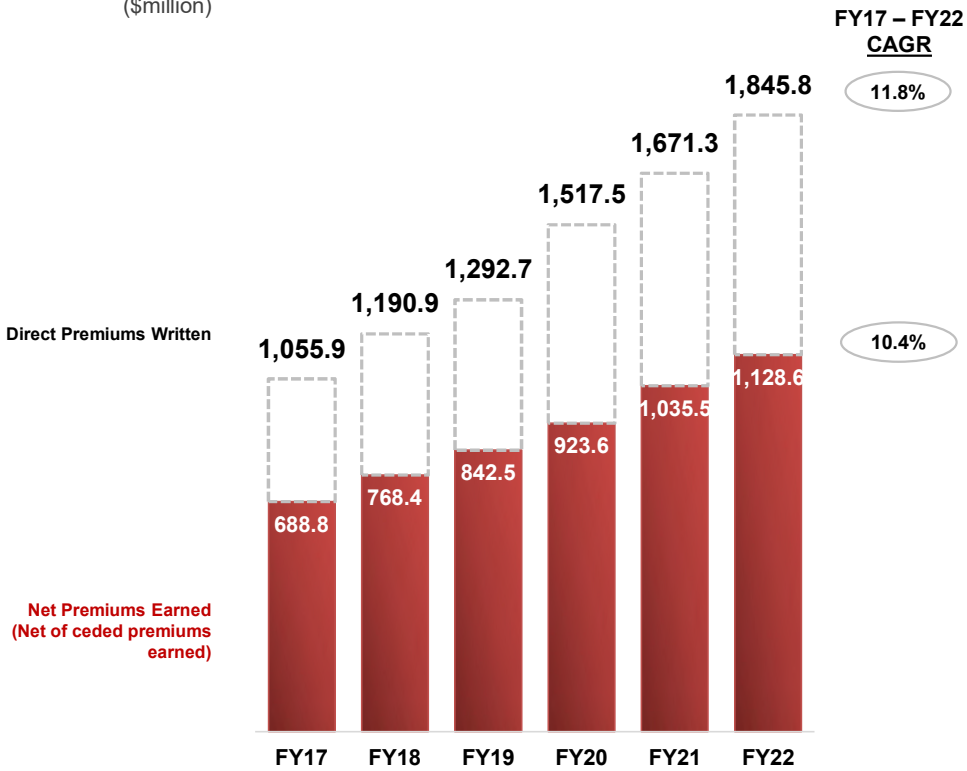
Complementary lines expansion (partners)

Homeowners	
Auto	
Flood	E&S homeowners
Commercial	Commercial Auto
Home hurricane deductible	
In-house commercial-res risk bearing program	
Personal Umbrella	

Performance

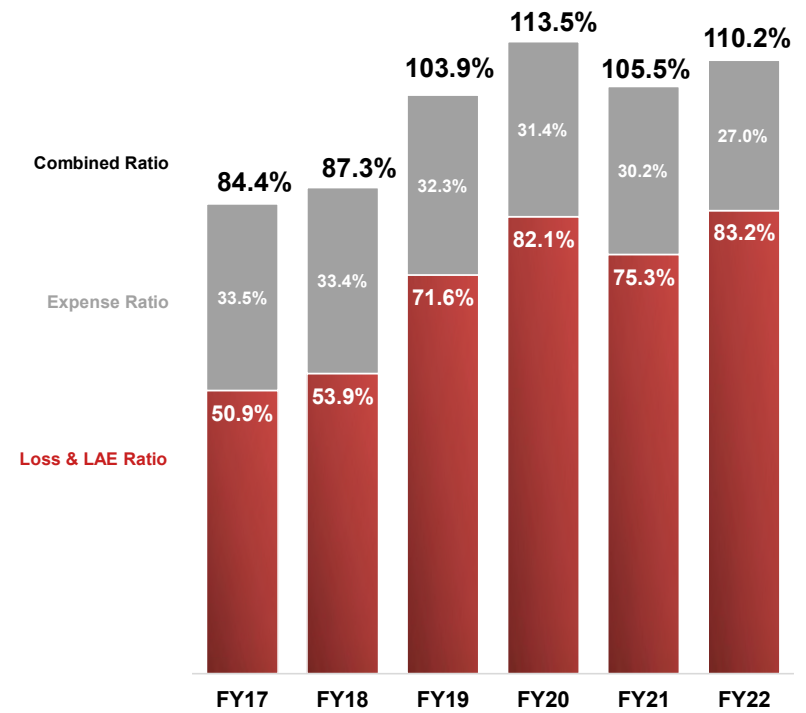
Revenue (Direct and net premiums)

(\$million)



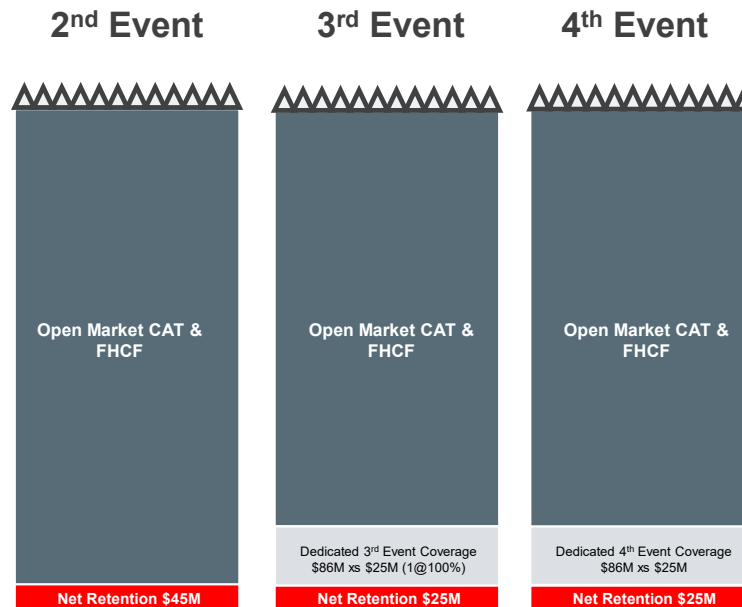
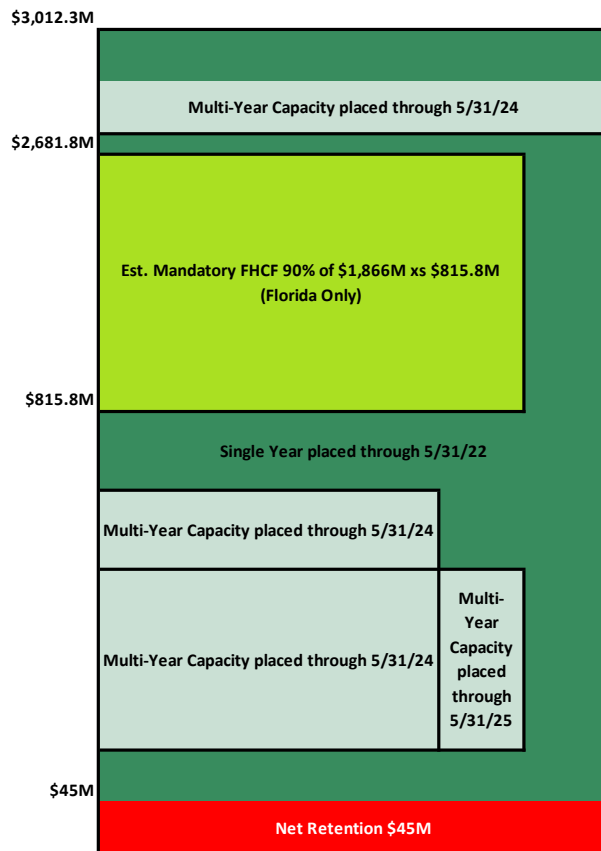
Direct Premiums Earned	999.2	1,121.6	1,233.1	1,395.6	1,596.6	1,759.7
Ceded Premium Ratio	31.1%	31.5%	31.7%	33.8%	35.1%	35.9%

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

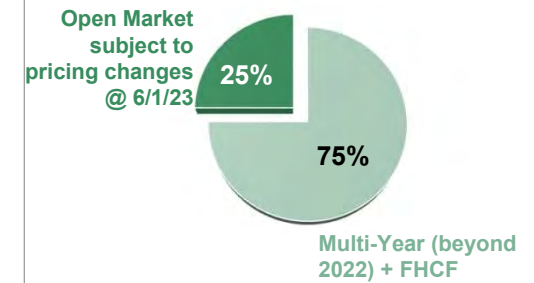


Resilient balance sheet supported by robust reinsurance program (All States)

1st Event coverage up to \$3.012B



First event CAT contracts



● Expiring contracts

● Florida Hurricane CAT Fund (FHCF)

● Multi-Year Contracts

● Net UPCIC Retention

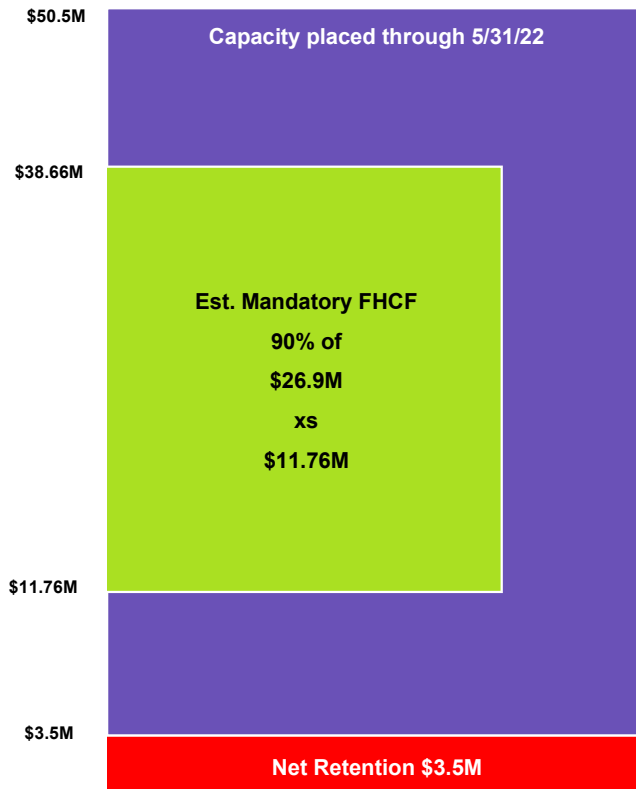
xs = in excess

Resilient balance sheet supported by robust reinsurance program ()

Property Catastrophe

Coverage up to \$50.5M

Capacity placed through 5/31/22



Property and liability per risk

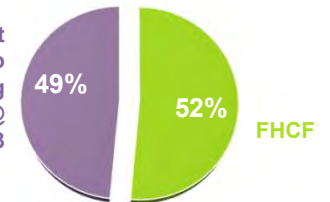
Property

Liability



CAT contracts

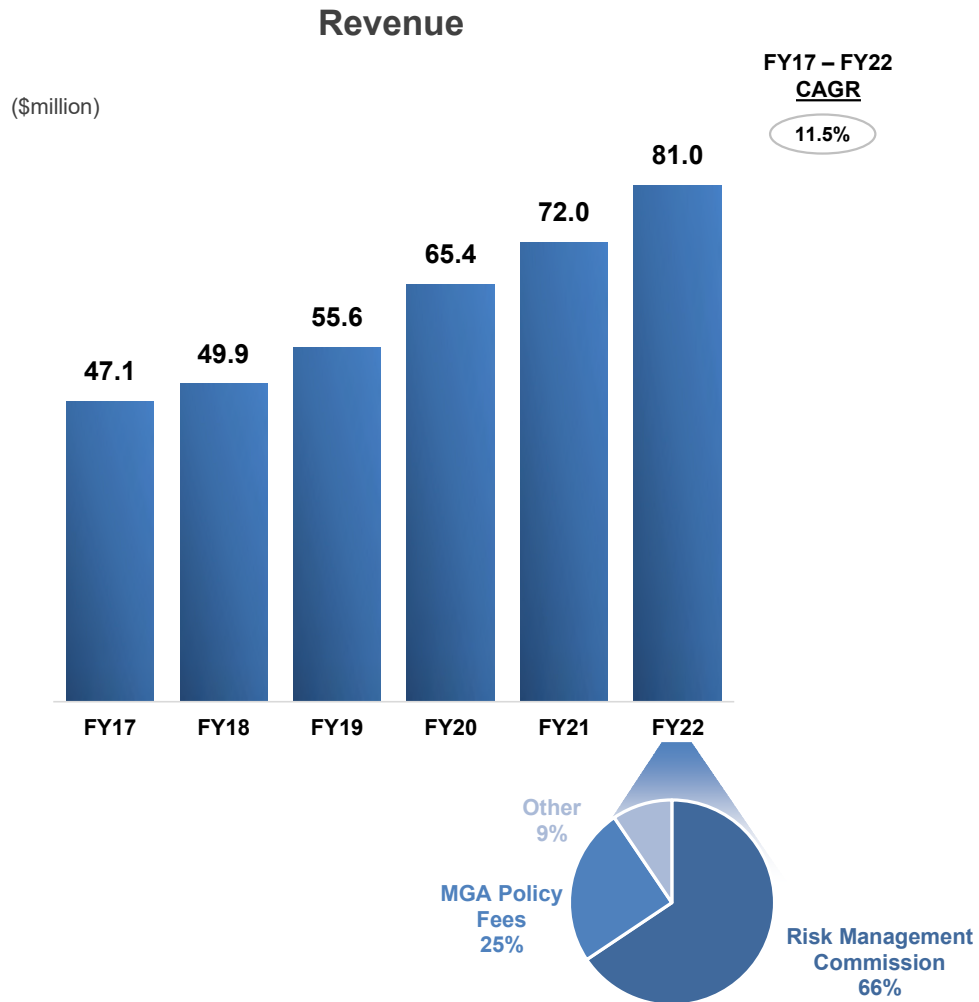
Open Market
subject to
pricing
changes @
6/1/23



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

Non risk-bearing insurance

Non risk-bearing insurance revenues



Industry trends



Revenues 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:

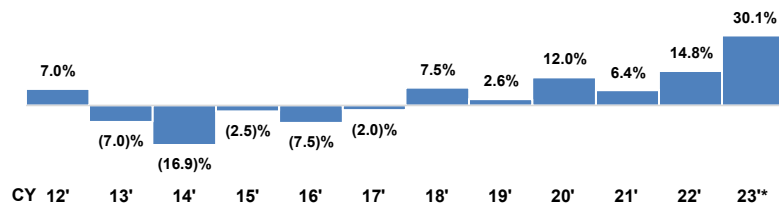


Strong relationships with traditional reinsurance partners

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*



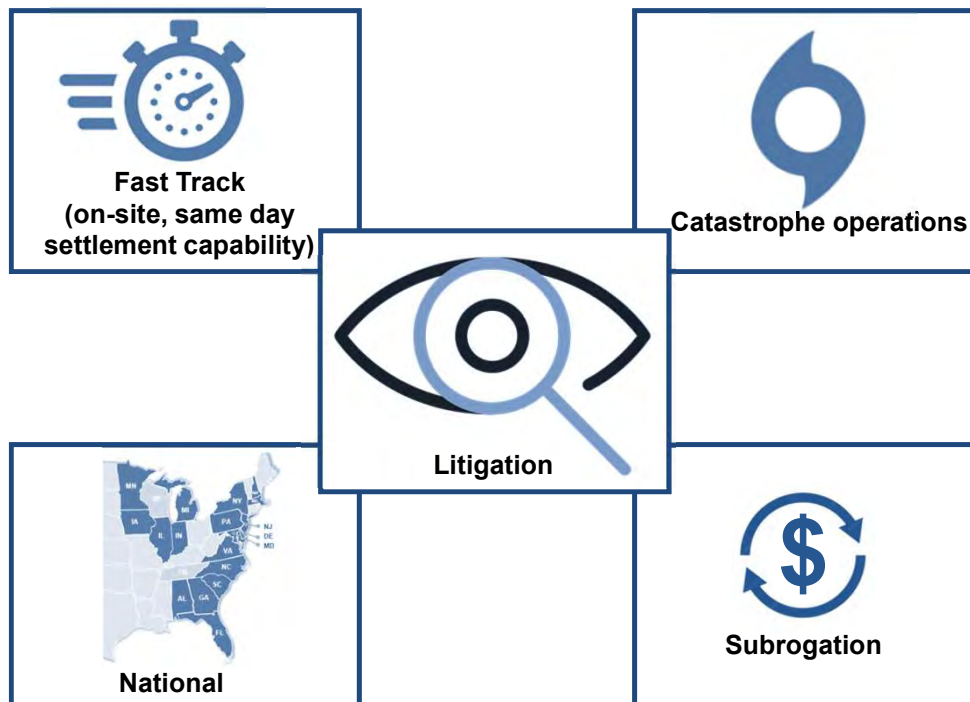
Utilize single and multi-year capacity and actively monitor pricing trends

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
*2023 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

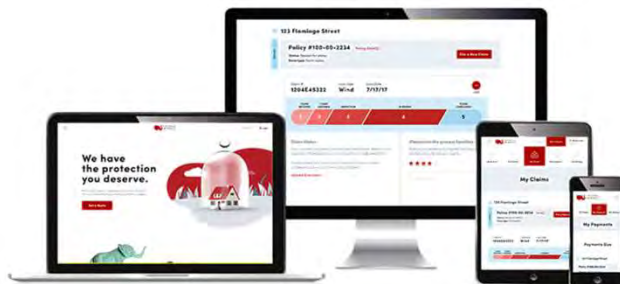
Environmentally and Socially Conscious



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

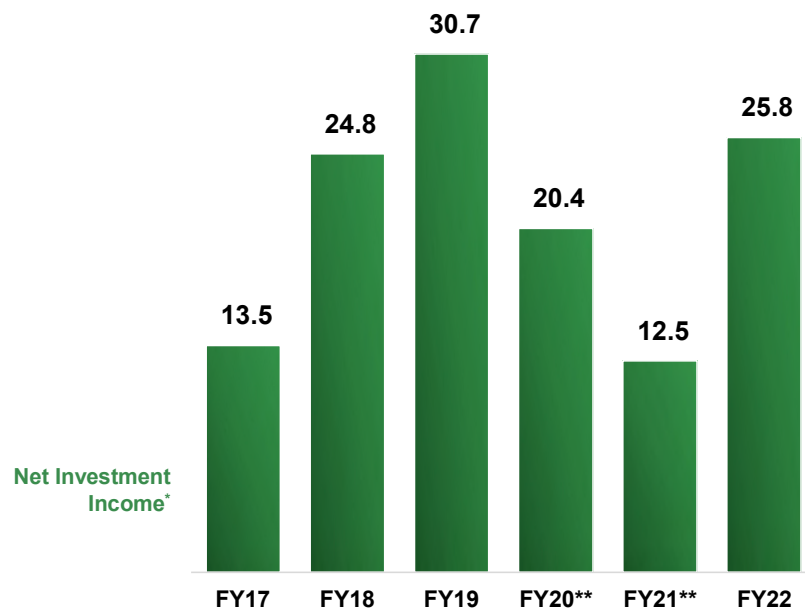


Investments

Investments

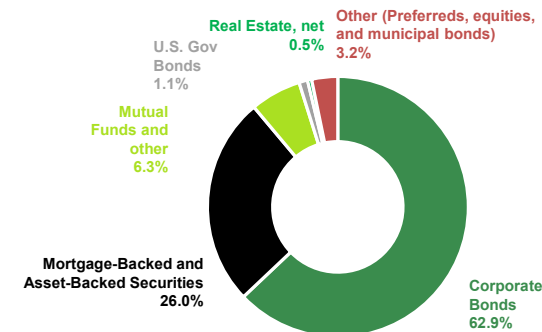
Net investment income

(\$million)



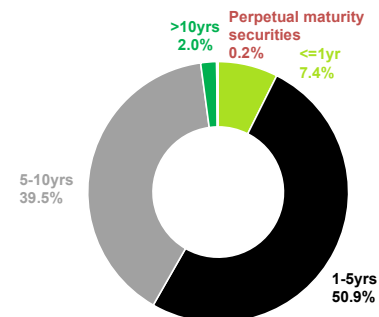
Investment Portfolio

(\$1.1B as of 12/31/22)

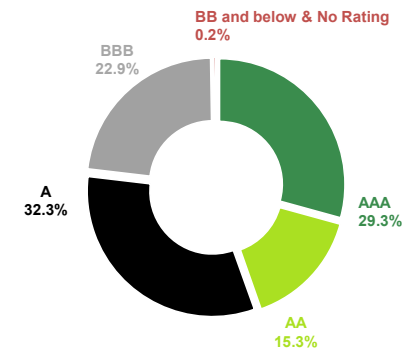


Fixed maturities

Effective Maturity (5.0 yrs)



Average Rating (A+)



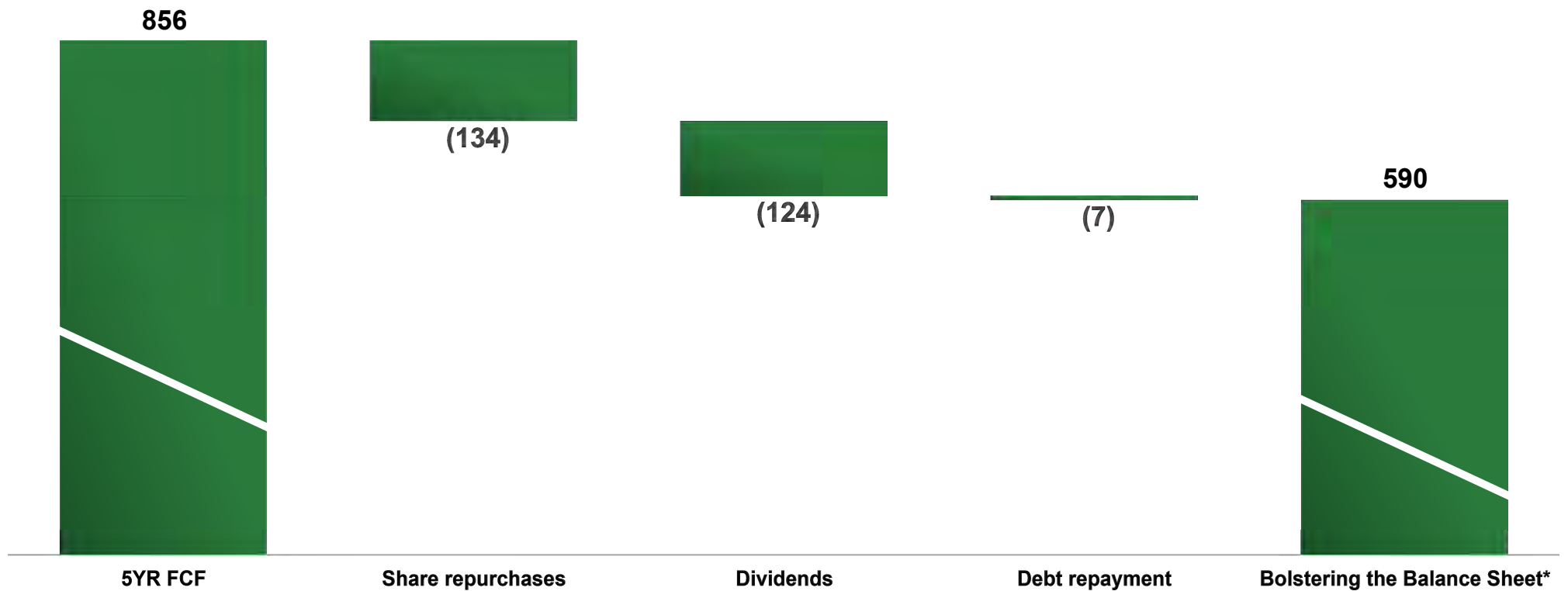
* Includes interest earned on cash and cash equivalents and restricted cash and investment income earned on real estate investments. Net of custodial fees, investment accounting, advisory fees and expenses associated with real estate investments.

** 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 (period ending 2022) less share repurchases, dividends, repayment of debt.

*FCF is defined as operating cash flow minus CAPEX

Fourth Quarter 2022 Results



Fourth Quarter 2022 Results

4Q22 results

- Diluted GAAP earnings per common share (EPS) of \$0.82; diluted adjusted* EPS of \$0.72
- Book value per share of \$9.47, up 10.9% from third quarter 2022; adjusted book value per share of \$12.89, up 4.5% from third quarter 2022
- Net combined ratio of 101.4%, down from 131.4% in the prior year quarter
- Direct premiums written of \$416.1 million, up 4.2% from the prior year quarter

* 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 fourth quarter of 2022, filed with the SEC as an exhibit to a Current Report on Form 8-K on February 23, 2023, and also available on the Company's website at <https://universalinsuranceholdings.com> under "Investors" with the subheading of "Earnings Releases."