



Investor Presentation

NYSE: HCI | MAY 2024

Forward-Looking Statement

This presentation includes certain forward-looking statements and information, including statements regarding plans, strategies and expectations of HCI Group, Inc. (“HCI” or the “Company”). When used in this presentation, words such as “believes,” “anticipates,” “expects,” “estimates,” or words of similar meaning are generally intended to identify forward-looking statements. All statements other than statements of historical fact included in this presentation are forward-looking statements. These forward-looking statements are subject to risks, uncertainties, assumptions and other factors, many of which are beyond the control of the Company. Important factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements are described in the Company’s filings it makes from time to time with the Securities and Exchange Commission, including within the “Risk Factors” section of the Annual Report on Form 10-K for the year ended December 31, 2023, filed March 8, 2024.

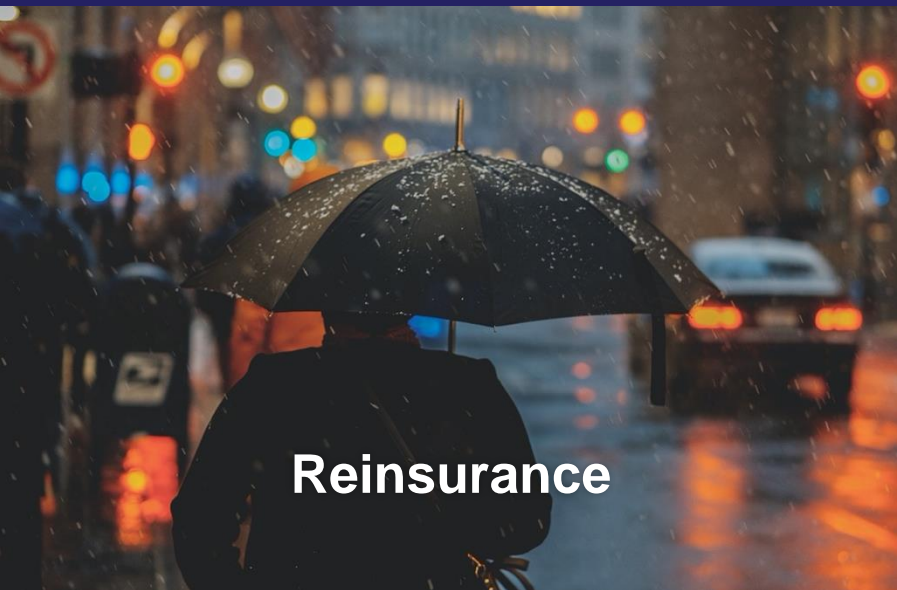


**Property & Casualty
Insurance**



**Insurance
Technology**

HCI at a Glance



Reinsurance



Real Estate

Stock Price ²	\$103.78
Est. Market Capitalization ²	\$1.1B
Price-to-TTM Earnings	10.6x
Book Value/Share	\$38.50
Dividend Yield ²	1.5%
In-Force Premium ³	\$1,069M
Debt to Capital	37%
Founded/IPO	2006/2008
Management Tenure	13 years
Insider Ownership	18%



(1) All data as of 3/31/2024 except where noted
(2) As of 5/10/24
(3) Includes Condo Owners Reciprocal Exchange ("CORE")

Investment Thesis

- ✓ An **insurance holding company** with operations in Homeowners Insurance, Information Technology Services, Reinsurance, and Real Estate
- ✓ Combining **technology** and **industry knowledge** to drive profitable growth
- ✓ Allocating capital with **purpose** and **discipline** while managing risk
- ✓ **Creating value** for our shareholders

36%
TRAILING
12-MONTHS ROE¹

13%
TEN-YEAR ROE¹

18%
INSIDER OWNERSHIP



2006 founded

54 consecutive quarters of dividends

>\$430M capital returned to shareholders since inception²

(1) As of 3/31/2024
(2) Includes \$269M buybacks and \$162M dividends



Growing Through Investment & Innovation

HOMEOWNERS CHOICE
 Incorporated Homeowners Choice in Florida



Executed first Citizens assumption



Launched real estate division

CLADDAUGH
 Formed captive reinsurance division
 Completed initial public offering



Started information technology division



Launched TypTap insurance business

Home
 Introduced TypTap Homeowners product



HCI transitions policies in 4 Northeast states from UIHC



HCI transitions all policies from Anchor Insurance



TypTap insurance group raises \$100M in capital



HCI agrees to transition policies in 3 Southeast states from UIHC



HCI transitions business from Gulfstream P&C



HCI Group premium in force exceeds \$700 million



TypTap approved in 20 states



Condo Owners Reciprocal Exchange (CORE) commences operations

2006 2007 2008 2011 2012 2016 2018 2020 2021 2022 2024



Overview of HCI Business Divisions



PROPERTY & CASUALTY

Homeowners and condominium insurance primarily in Florida

Track record of consistent underwriting profitability

Strong cash flow helps to fund growth initiatives

Growth fueled by opportunistic acquisitions

\$597M of In-Force Premiums⁽¹⁾



INSURANCE TECHNOLOGY

Technology-driven homeowners insurance

Nationwide expansion announced in 2020

Differentiated technology yields best-in-class loss ratio

\$434M of In-Force Premiums⁽¹⁾



RECIPROCAL EXCHANGE

Writing Florida-based commercial residential lines

Licensed and announced first Citizens takeout in November 2023

Fills gap created by limited condo association coverage and growing demand

\$37M of In-Force Premiums⁽¹⁾



REINSURANCE

Provides Reinsurance Flexibility



TECHNOLOGY PLATFORM

Powers Technology Development



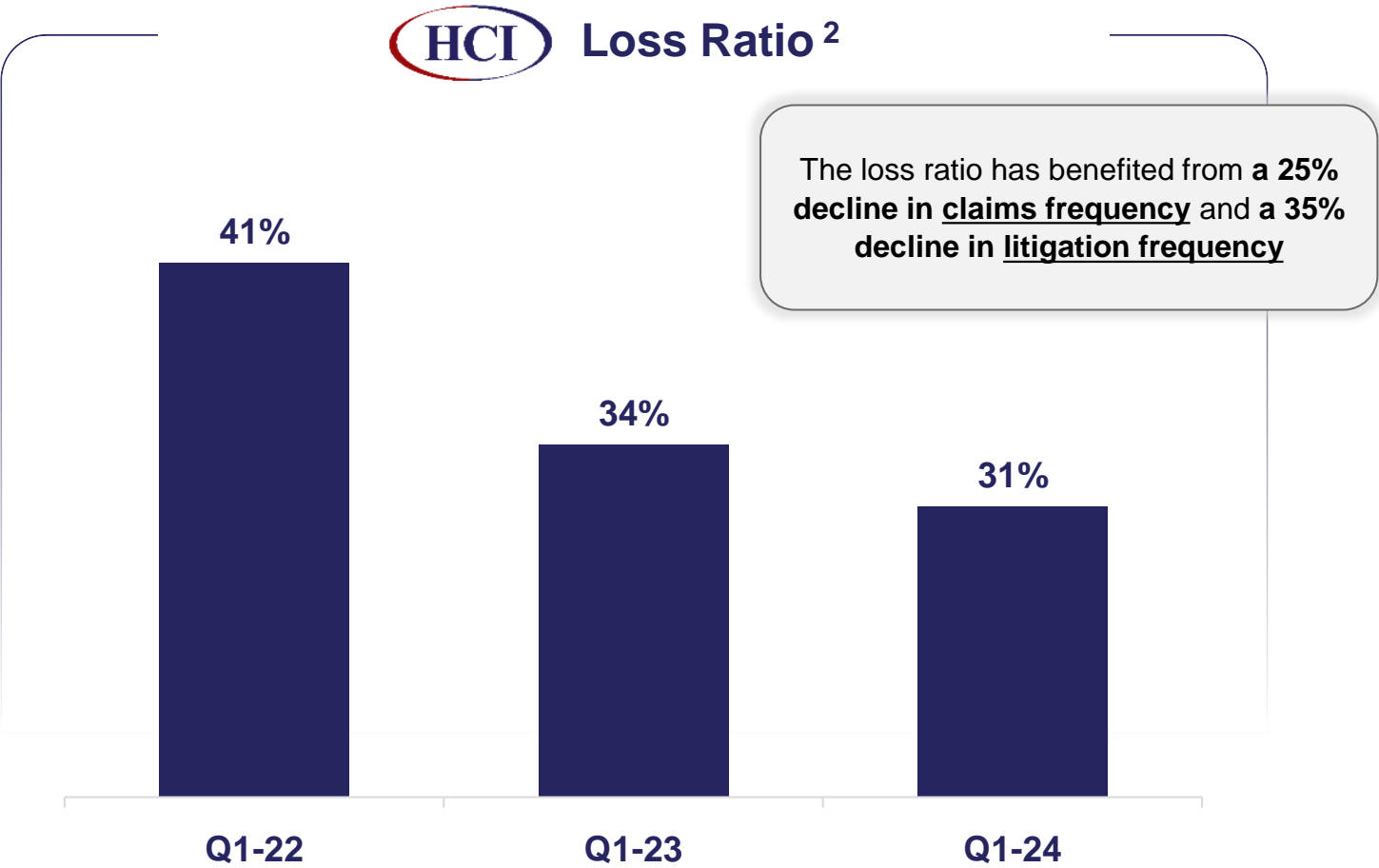
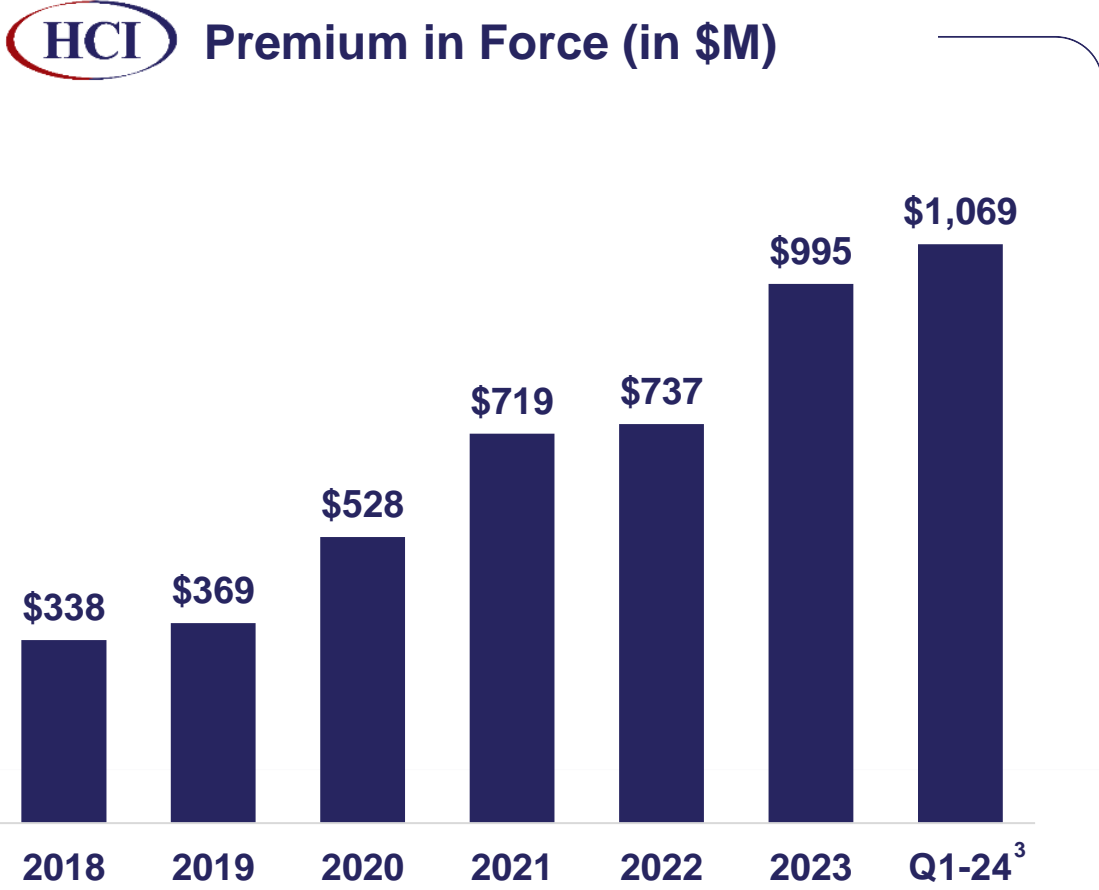
REAL ESTATE

>\$100M Real Estate Portfolio⁽¹⁾



(1) As of 3/31/2024.

A Growing Homeowners Business

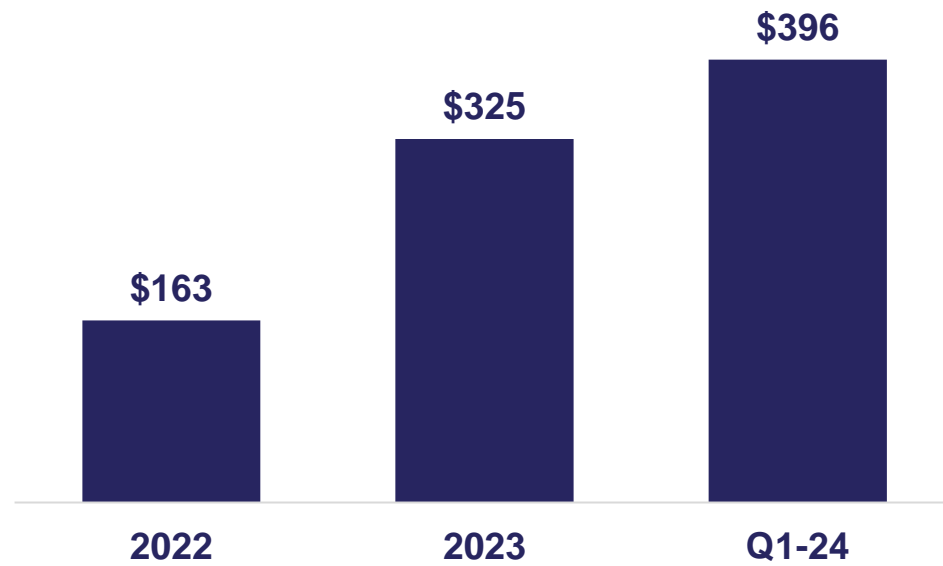


Premium growth... ...with profitability

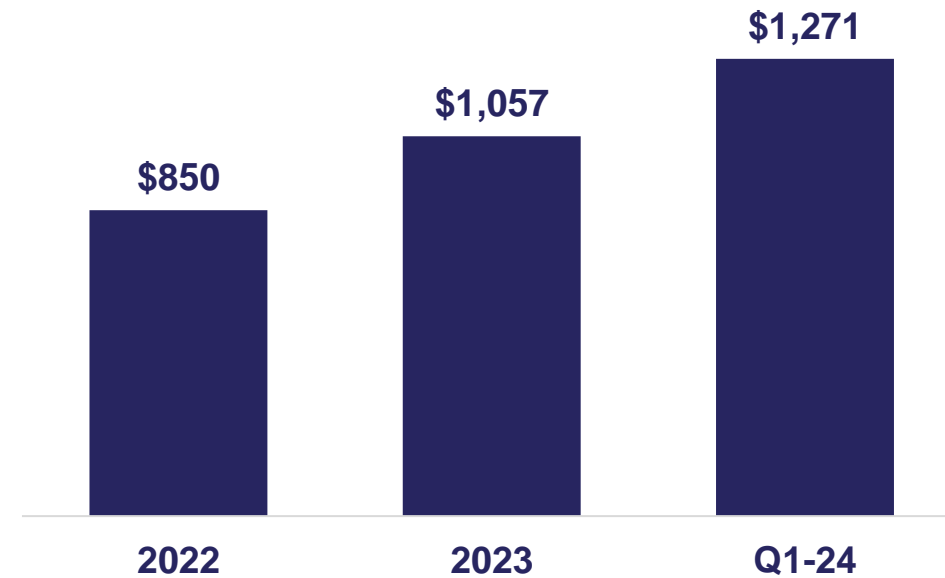
(1) Trailing twelve-months gross premiums earned
 (2) Losses and loss adjustment expenses divided by gross premiums earned.
 (3) Includes CORE in-force premium

Steady Improvement

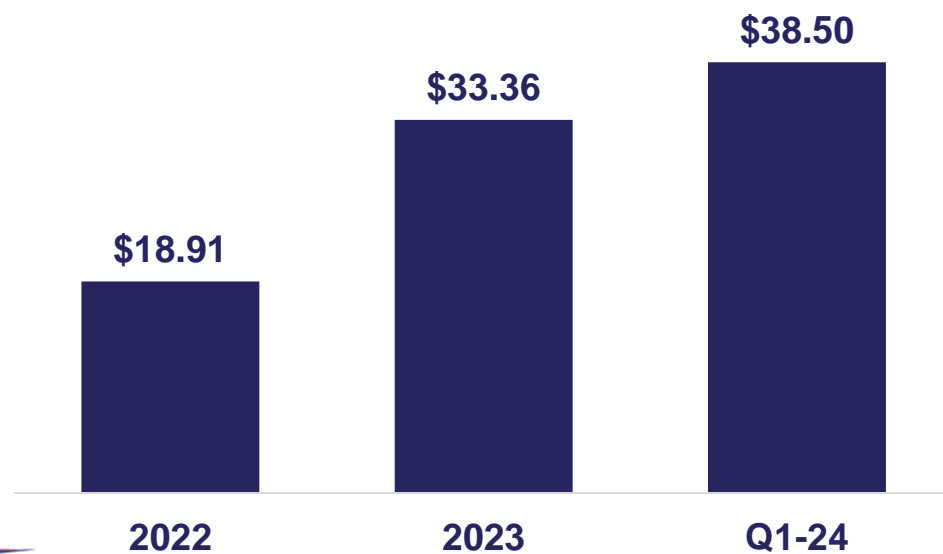
Shareholders Equity (in \$M)



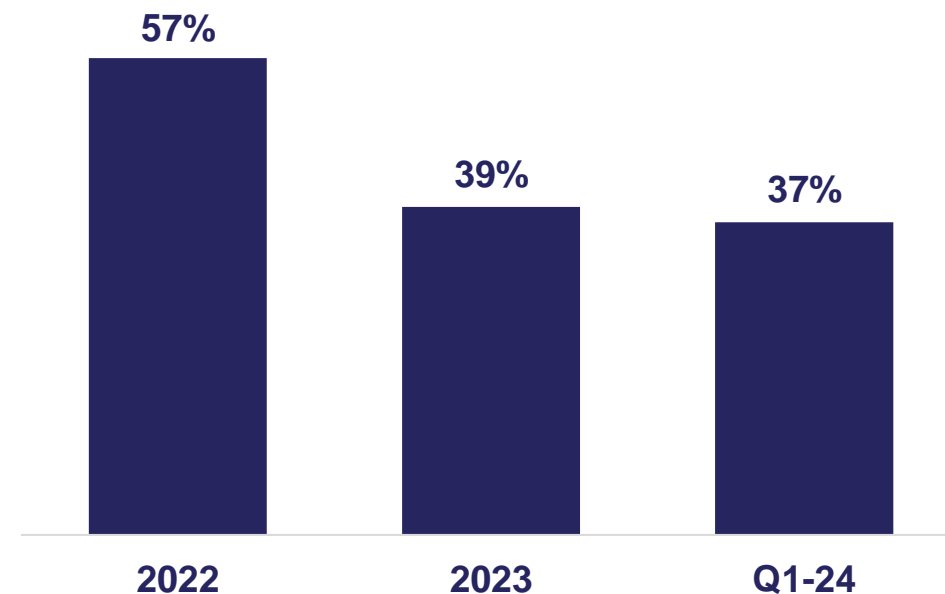
Invested Assets (in \$M)



Book Value Per Share



Debt Leverage (%)¹

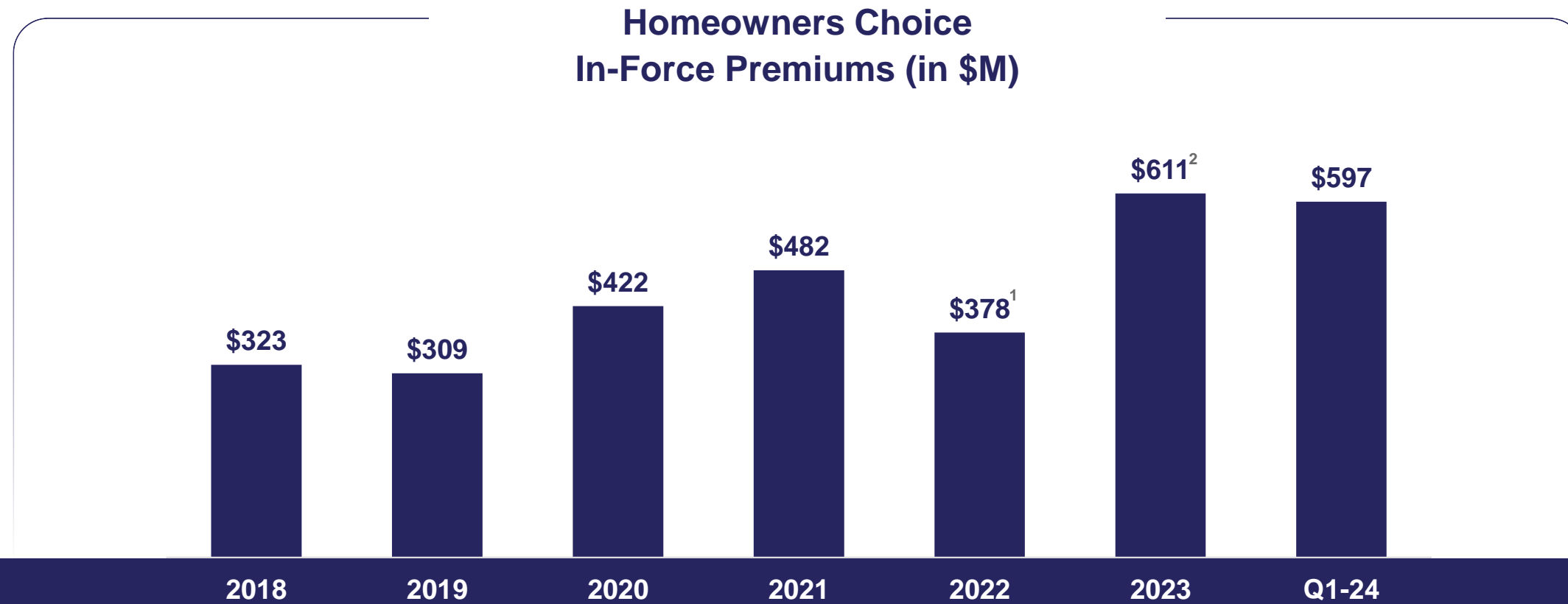




HOMEOWNERS CHOICE

Property & Casualty Insurance

Florida Focused Insurance Business with Strong Operating Performance



✓ **Best-in-class Underwriter in the Florida Market**

✓ **Opportunistically Acquiring Profitable Books of Business**

✓ **Proactively Managing Risk and Loss Costs**

✓ **Deploying Excess Capital Into Investments & Growth Initiatives**

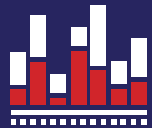
(1) The decline in in-force premium from 2021 to 2022 reflects the transition of business assumed from United Property & Casualty Insurance Company to TypTap Insurance Company.

(2) The increase in in-force premium from 2022 to 2023 includes the assumption of over 53,000 policies from Citizens Property Insurance Corporation.

Customer Centric Model Delivers High Customer Retention



Strict underwriting, exposure management, and industry-leading claims technology support risk selection, customer retention and loss control



Average non-cat gross loss ratio at **approximately 30%**



>70%⁽¹⁾ of in-force premium retained **more than 6 years** and counting (excluding Citizens assumption in 2023)

Value-Added Portfolio Acquisitions

DECEMBER 2021



Has acquired



Georgia, North Carolina & South Carolina personal insurance lines

\$87 million of annual premiums **\$3.1 million cash consideration**

AUGUST 2021



Has selected policies of



Florida insurance policies

\$25 million of annual premiums **\$0 upfront consideration**

DECEMBER 2020



Has acquired



Connecticut, New Jersey, Massachusetts & Rhode Island personal insurance lines

\$112 million of annual premiums **\$5.4 million equity consideration**

APRIL 2020



Has acquired



Florida insurance policies

\$62 million of annual premiums **\$3 million cash consideration**

~\$300M of in-force premiums acquired for \$12M, resulting in earnings accretion

- ✓ Thoughtful acquisition strategy drives profitable growth

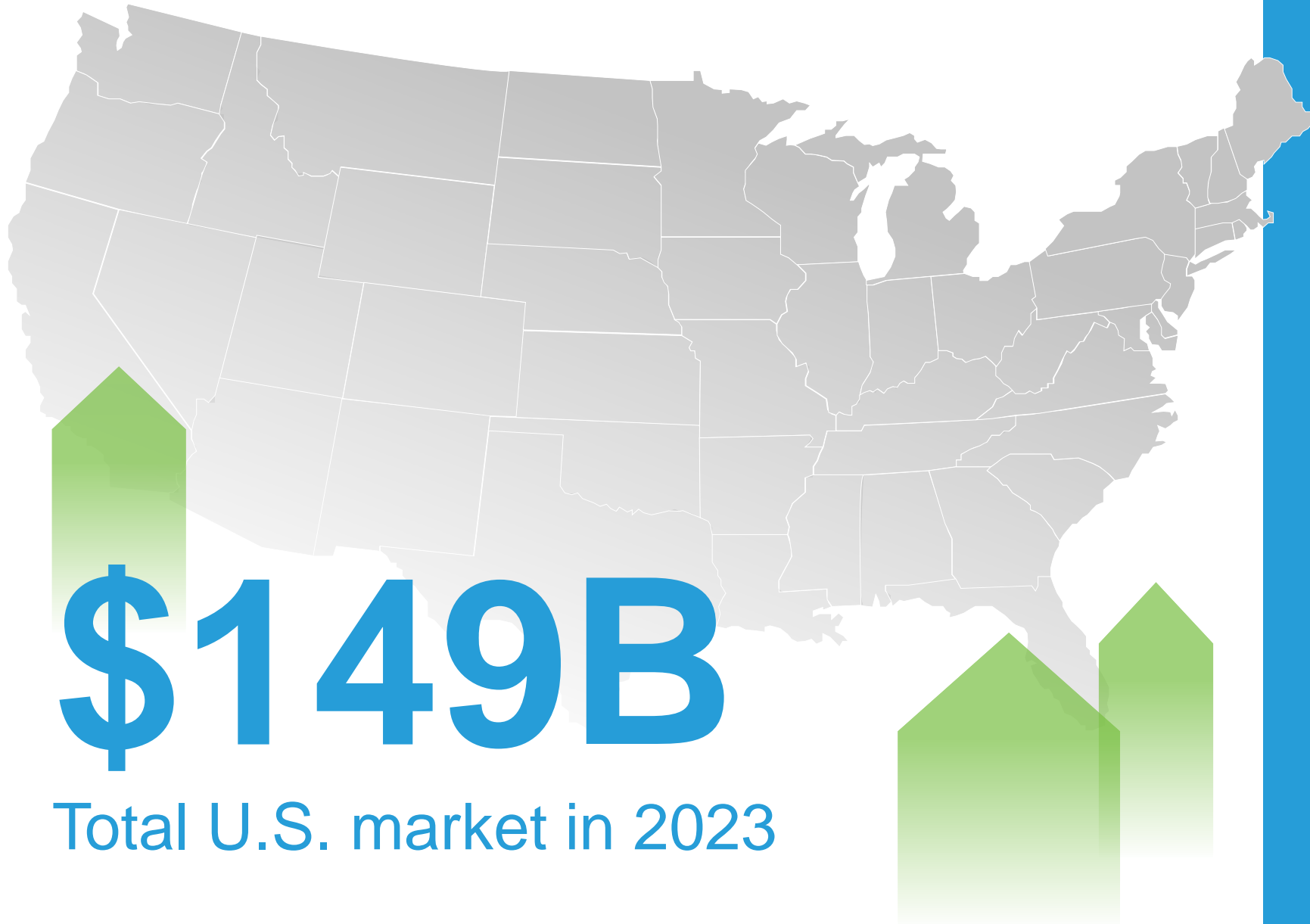
- ✓ Financial strength and integration capabilities make HCI a preferred acquisition partner

- ✓ Underwriting algorithms and proprietary use of data allows for improved profitability of acquired portfolios



Insurance Technology

U.S. Homeowners Insurance is a Massive Opportunity...

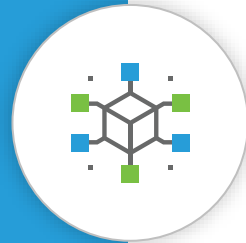


...with Attractive Features

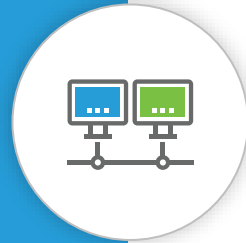
- ✓ Homeowners market is large and growing
- ✓ Fragmented with one company > 10% share
- ✓ High average premium and strong retention
- ✓ Incumbents under-investing in technology
- ✓ Opportunity to capture market share

**Strong customer retention
is leading to a subscription-like
business model**

TypTap's Advantages



Purpose-built technology suite 100% owned by TypTap



Differentiated data and proprietary analytics creating superior underwriting results



Aggregation of profitable properties is enhanced by high customer retention rate



Ease of use for a frictionless policyholder and agent experience

We Use Technology to Underwrite at the Individual Property Level

TypTap's Differentiated Strategy

Individual property level risk evaluation

Only write insurance for homes that are expected to be profitable on a standalone basis over the life of the policy

Optimizing for profitable growth

Source: S&P Market Intelligence (U.S. homeowners insurance industry direct expenses).

Excludes reinsurance expense

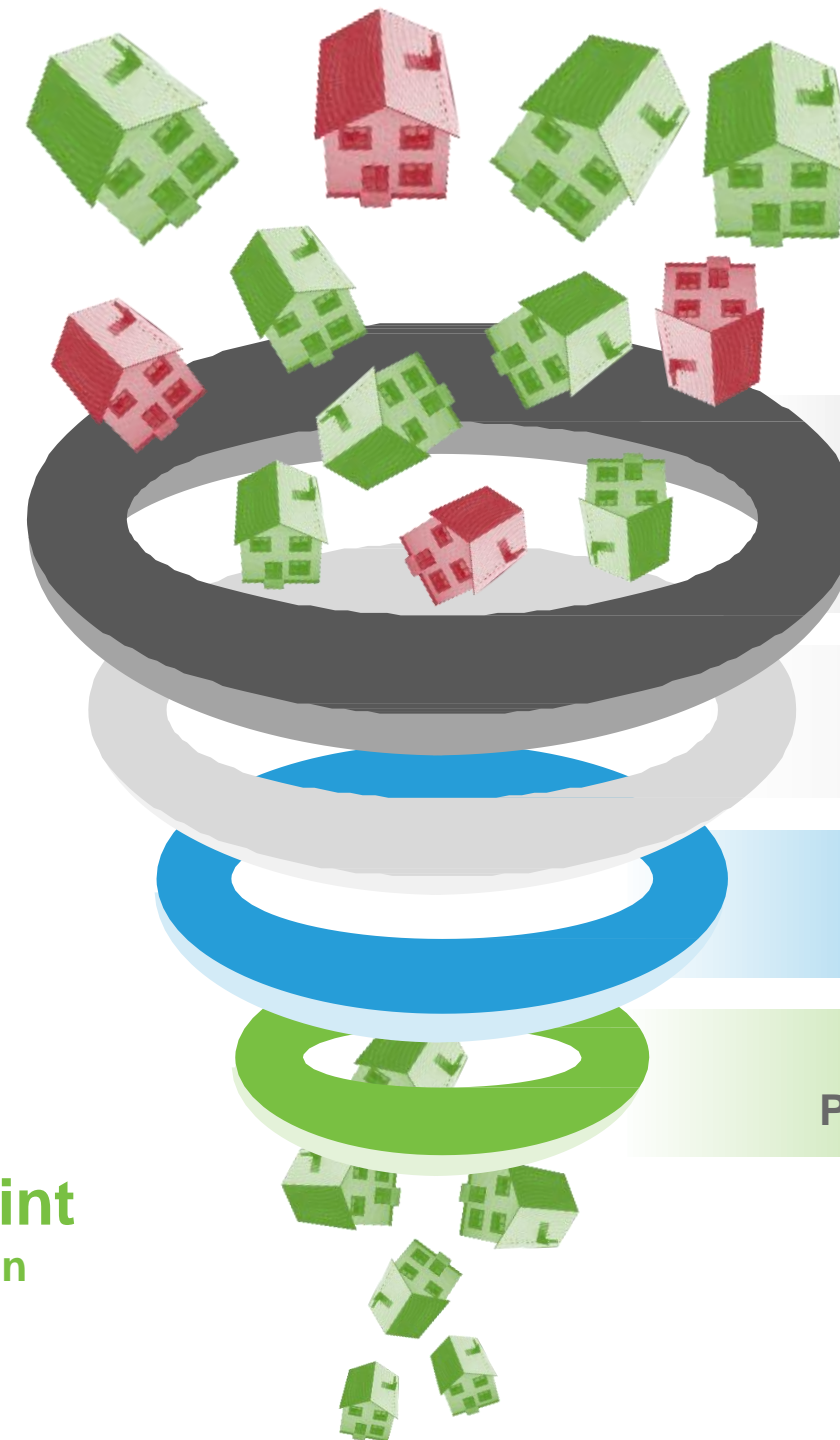
(1) Represents industry average from 2014-2023



73%¹
industry
average
loss ratio



~25 point
decrease in
loss ratio



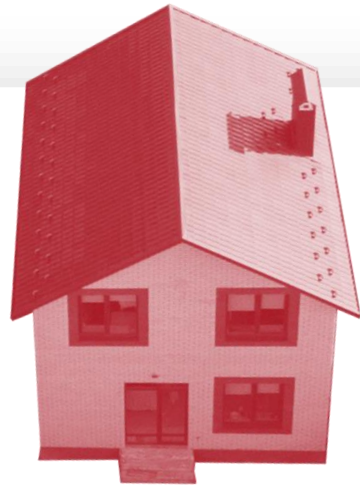
Up to 1000 Data
Points per Property

Individual Property
Level Risk Selection

Trained Algorithms

Track Record of
Profitable Underwriting

Individual Level Risk Evaluation Results in TypTap's Lower Loss Ratio



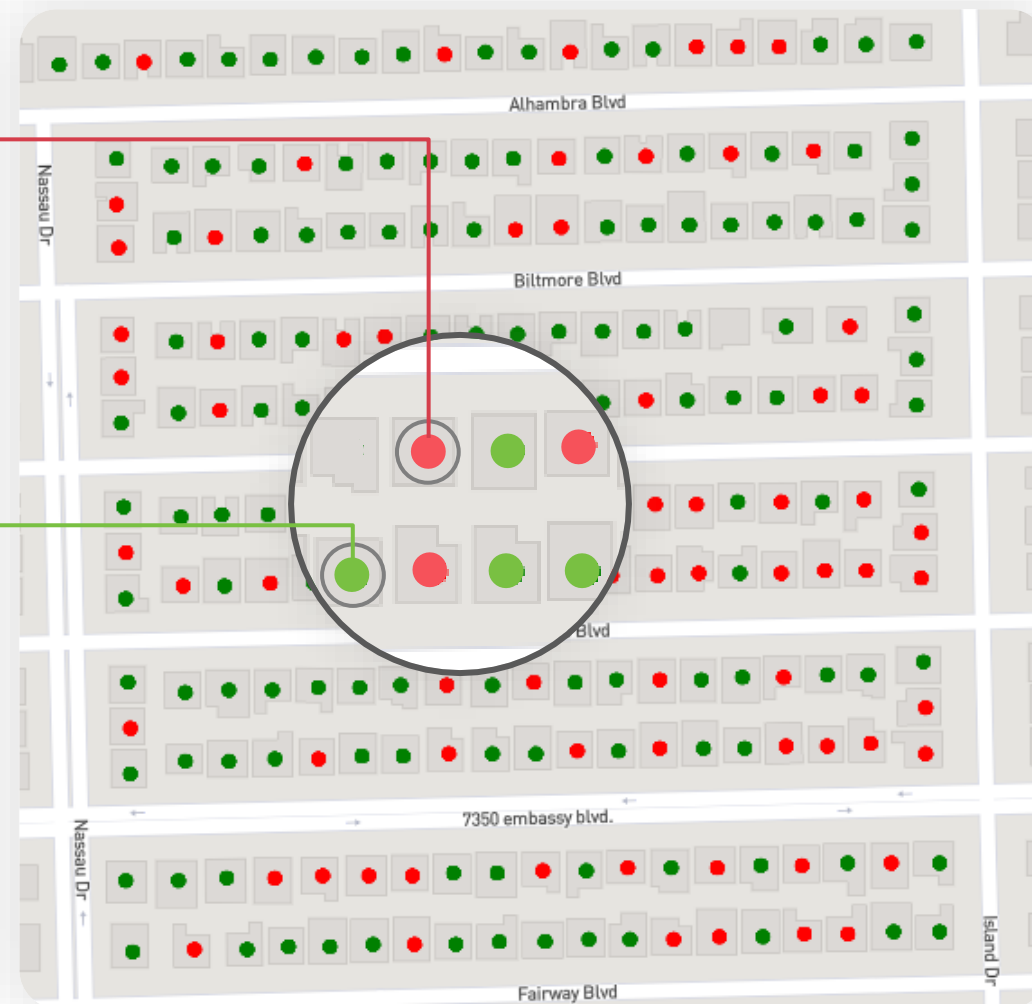
RED PROPERTIES (not approved):

Risks that we expect to be unprofitable and will not bind



GREEN PROPERTIES (approved):

Those that meet our return thresholds based on our underwriting algorithm

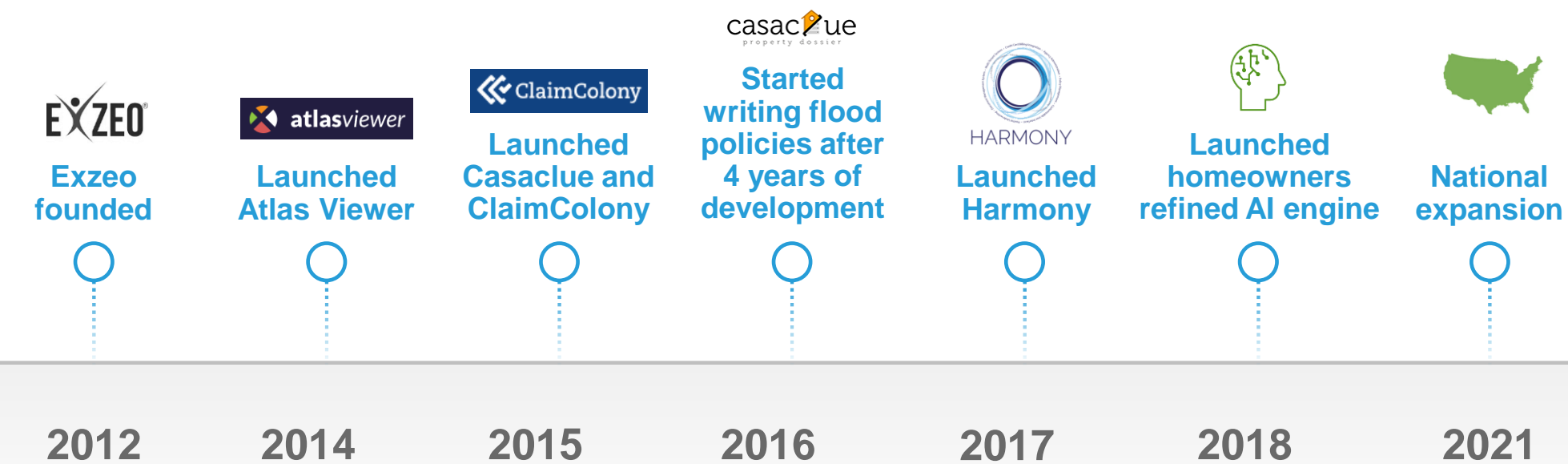


Property level (TypTap) vs. zip code level (industry)

TypTap's algorithms can determine "green properties" vs. "red properties" in the same neighborhood

HCI Developed its Own Technology

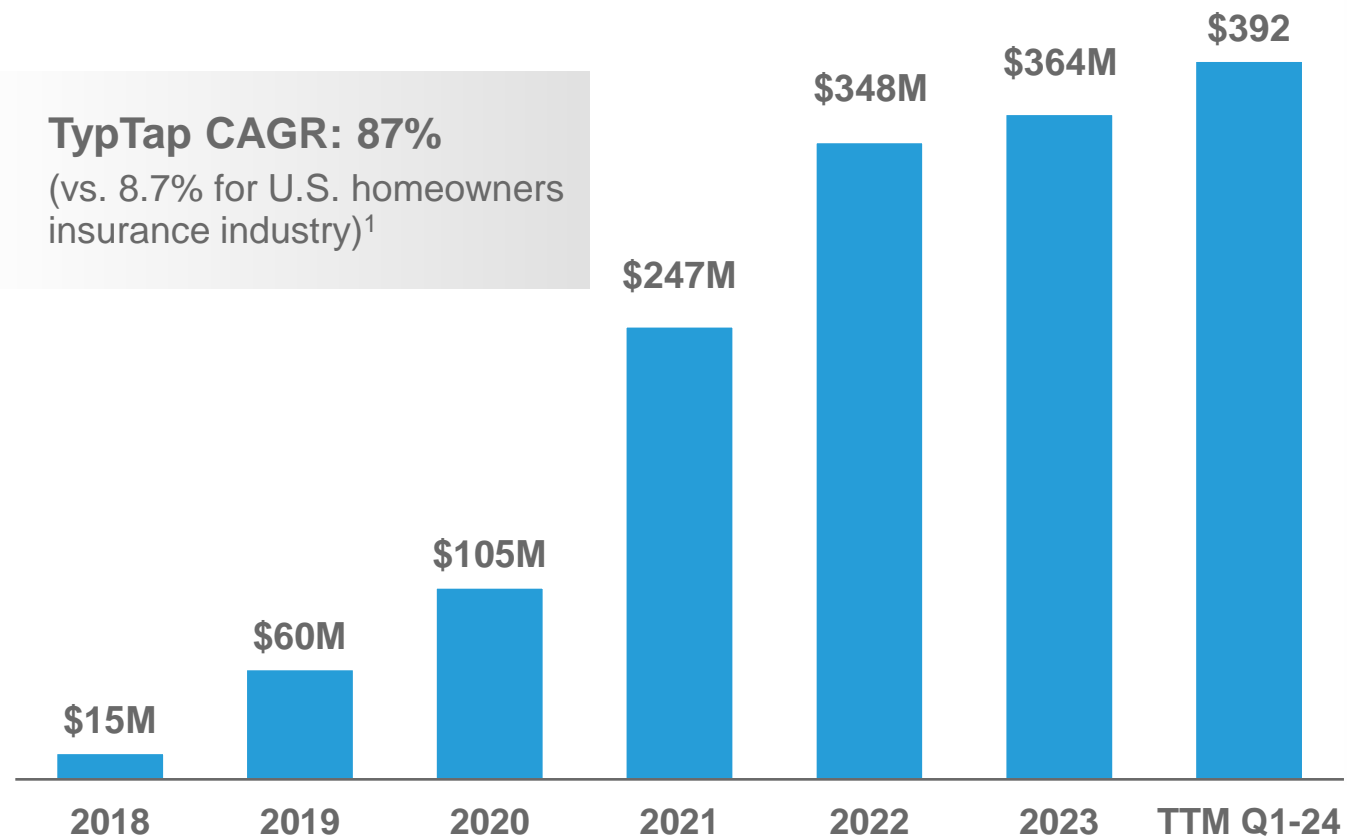
Exzeo Was Launched in 2012 to Build and Develop TypTap's Entire Technology Stack



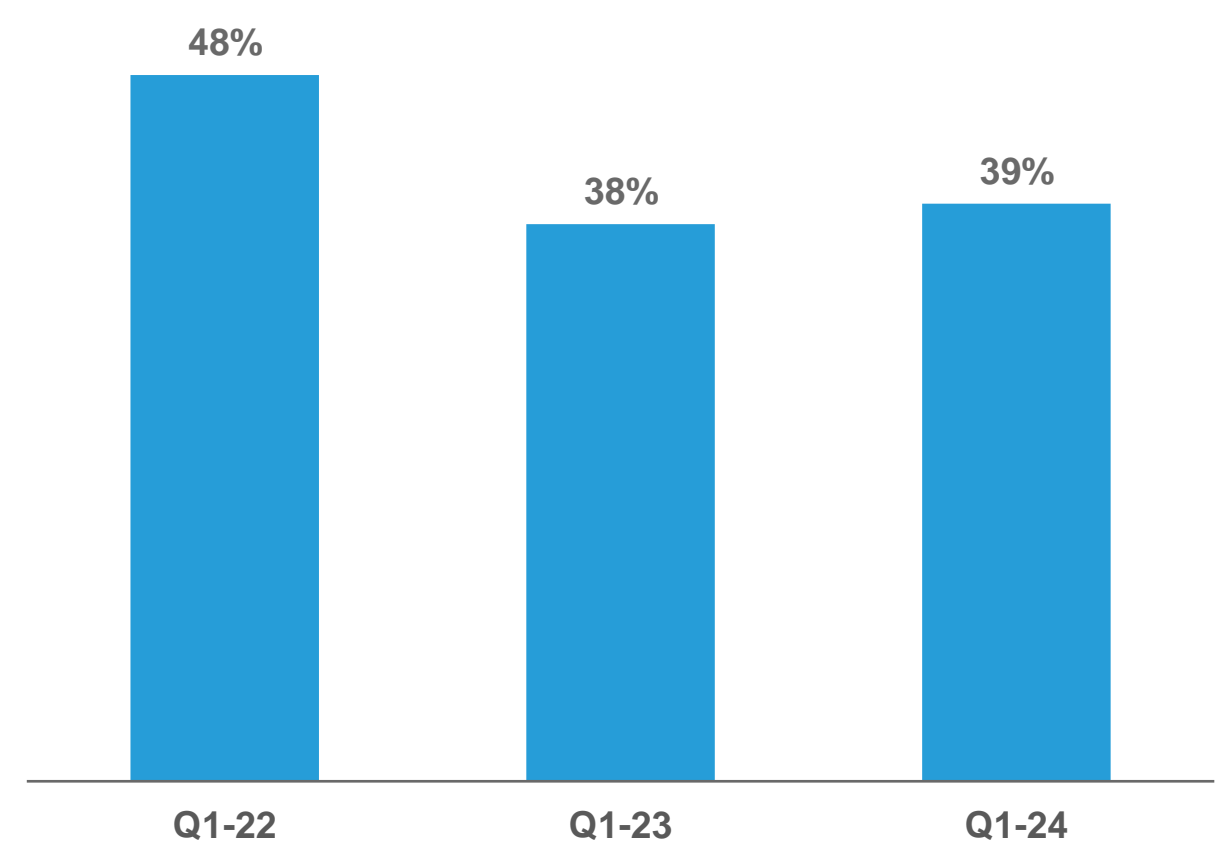
- ✓ Wholly-owned technology subsidiary
- ✓ A team of over 150 experienced developers and data scientists
- ✓ 100% internally developed technology platform powers every aspect of TypTap's and HCI's day-to-day operations

TypTap is Operating to Maximize Growth AND Profitability

TypTap Gross Written Premium (in \$M)



TypTap Insurance Group Loss Ratio²



(1) Direct Premium Written from 2018 - 2023

(2) Losses and loss adjustment expenses divided by gross premiums earned.

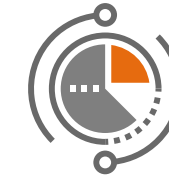
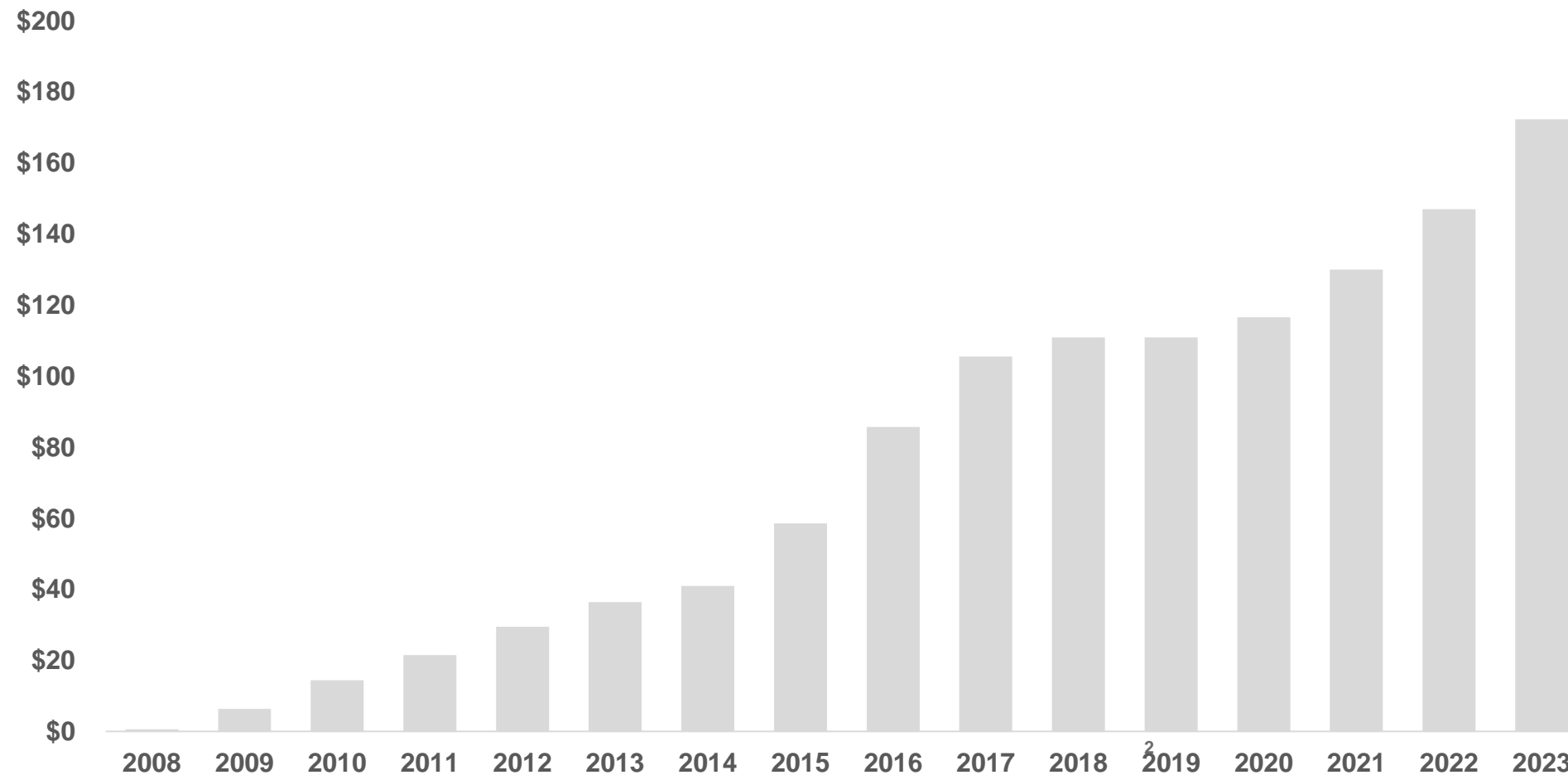


CLADDAUGH

Reinsurance

Claddaugh Generating Profits for Our Shareholders

Cumulative Net Premium Earned Since 2008



Claddaugh is used to opportunistically manage reinsurance cycles for HCI's insurance divisions.



Since its formation in 2008, Claddaugh has contributed \$58M in pre-tax income to HCI.¹

(1) As of 12/31/23. Excludes the impact of intercompany stop loss agreement.



**GREENLEAF**
CAPITAL

Real Estate

Creating Value in Real Estate

Greenleaf Capital owns and operates HCI's growing real estate portfolio. Its holdings include a set of premier commercial assets in rapidly growing Florida.



Generating Gains from our Real Estate Portfolio

Recent Sales Transactions	PROPERTY	LOCATION	DATE PURCHASED	GROSS PROCEEDS ²	BOOK VALUE	PRE-TAX GAIN ¹
	Office Building	Downtown Tampa	2010	\$44.0M	\$7.0M	\$37.0M
	Office Building	Downtown Tampa	2017	\$14.5M	\$1.1M	\$13.4M
	Grocery Anchored Retail	Eustis, FL	2016	\$13.0M	\$10.6M	\$2.5M
	Grocery Anchored Retail	Melbourne, FL	2016	\$18.0M	\$11.5M	\$6.4M
				\$90M	\$30M	\$59M
				GROSS PROCEEDS	BOOK VALUE	PRE-TAX GAIN

(1) Includes gains associated with bargain purchase

(2) Gross proceeds are net of transaction costs and commissions

Florida Real Estate Portfolio With Embedded Value

	PROPERTY	APPRAISED VALUE ⁽¹⁾	BOOK VALUE ⁽³⁾	DEBT ON PROPERTY
OPERATING	Office Portfolio	\$25M	\$18M	\$4M
	Anchored Retail	28M	17M	\$11M
	Waterfront Specialty Use Portfolio	40M	17M	-
UNDER DEVELOPMENT	Properties Under Development	42M	38M	-
		\$135M¹	\$90M	
		APPRAISED VALUE	BOOK VALUE	

(1) Based on appraisals obtained by Fifth Third bank. As of 3/31/2024

(2) Book value is net of depreciation

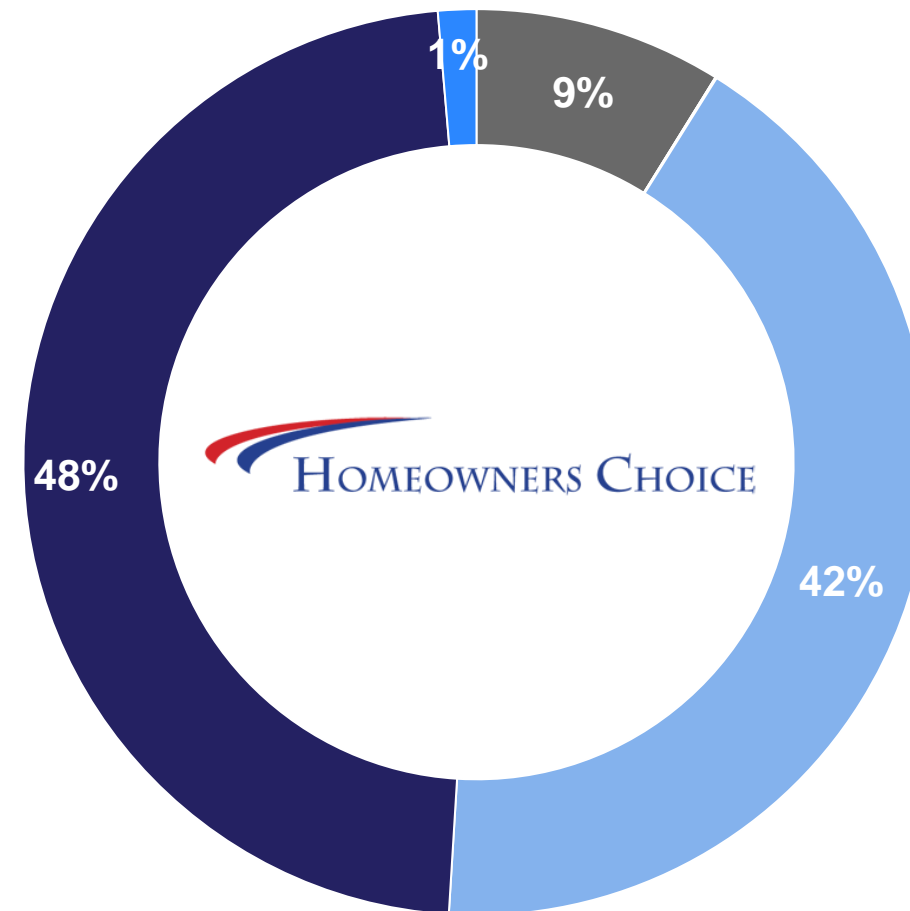
(3) All data as of 3/31/2024

Homeowners Choice Investment Portfolio

A conservative allocation, positioned for higher rates and opportunistic investments

Total invested assets¹
\$441 million

Fixed Income Average
Duration ~1 year



- Cash
- Fixed Income
- Real Estate & Other
- Short Term Investments
- Equity
- Limited Partnerships

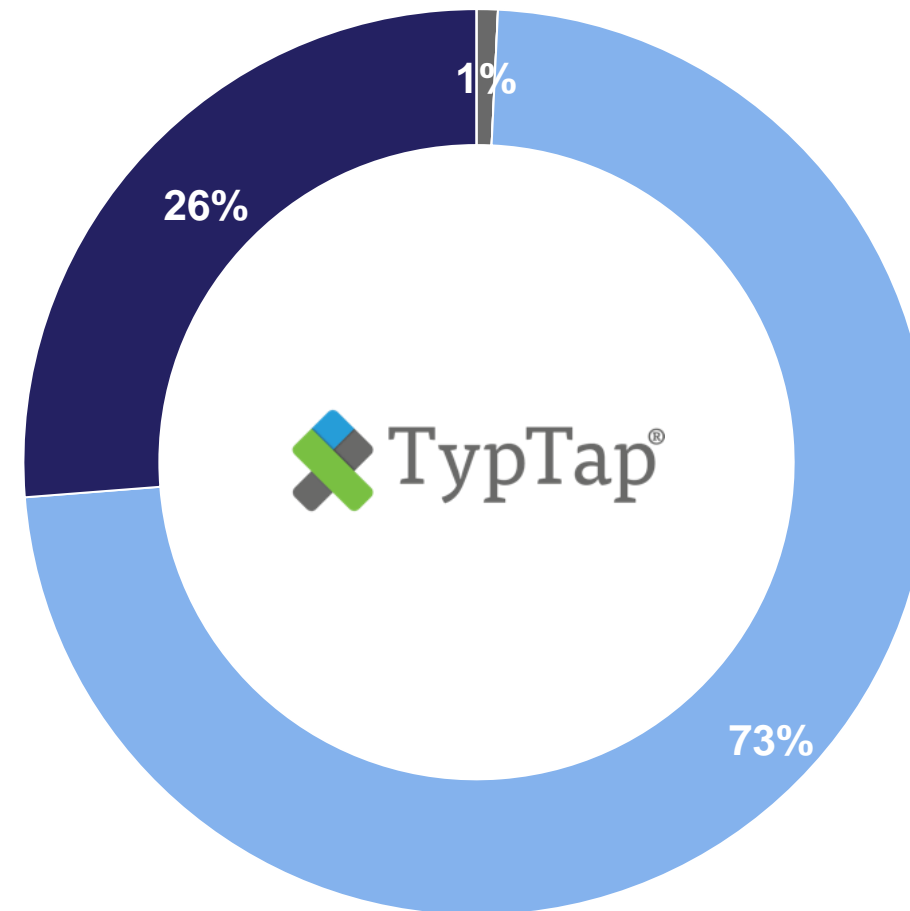
(1) As of 3/31/24

TypTap Investment Portfolio

A conservative allocation, positioned for higher rates and opportunistic investments

Total invested assets¹
\$390 million

Fixed Income Average
Duration ~1 year



- Cash
- Fixed Income
- Real Estate & Other
- Short Term Investments
- Equity
- Limited Partnerships

(1) As of 3/31/24

Experienced & Focused Leadership Team



PARESH PATEL
Chairman & Chief Executive Officer

- Founder; Chairman since 2007 & CEO since 2011
- Designed HCI's policy administration systems, leveraging software development experience
- Founded NorthStar Bank in 2004 and served as Director (2006-2011)



MARK HARMSWORTH
Chief Financial Officer, HCI Group

- CFO since 2017; previously SVP of Finance
- Former senior advisor to Stewart Information Services (NYSE: STC)
- CFO of First American Title Insurance Company (2006-2011)
- Senior EVP of First Canadian Title Insurance Company (2002-2006)



KARIN COLEMAN
President, Homeowners Choice
Chief Operating Officer, HCI Group

- Director since February 2021
- Previously, EVP (2017-2019) and VP of Corp. Services (2009-2017)
- Former VP Strategic Alliances, TSIC, Inc. (2001-2009)
- Served in various capacities at Florida Progress Corp (NYSE: FPC), a utility holding company, now part of Duke Energy (NYSE: DUK) (1987-2000)



ANDREW GRAHAM
General Counsel, HCI Group

- General Counsel since 2008
- Served in various capacities, including General Counsel for Trinsic (1999-2007)
- Served on Internal Audit Committee of Hillsborough County, Florida, since 2011
- Hillsborough Community College trustee (2007-2011)



KEVIN MITCHELL
President, TypTap Insurance
Executive Vice President, TypTap Insurance Group

- Previously, SVP and VP of Investor Relations (2013-2019)
- Former Area Director of Financial Institutions practice at Arthur J. Gallagher (NYSE: AJG) (2008-2013)
- Previously, employed by Oswald Companies, one of the nation's largest independent insurance brokerage firms (2005-2008)



ANTHONY SARAVANOS
President, Greenleaf Capital

- Director since 2007; President of Greenleaf Capital since 2013
- Former VP of full-service real estate firm in Palm Harbor, Florida (2005-2013)
- Managing Partner of 13 commercial CRE entities in Florida and New York since 2001
- Director of First Home Bank since 2011; Chairman since 2015

Delivering Shareholder Value



>\$430M

capital returned to shareholders since inception²

18%

inside ownership

13%

10-year average ROE¹

>2700%

Total Shareholder Return since IPO

1) As of 3/31/2024
 2) Includes \$269M buybacks and \$162M dividends





Contact Us

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