



Investor Presentation

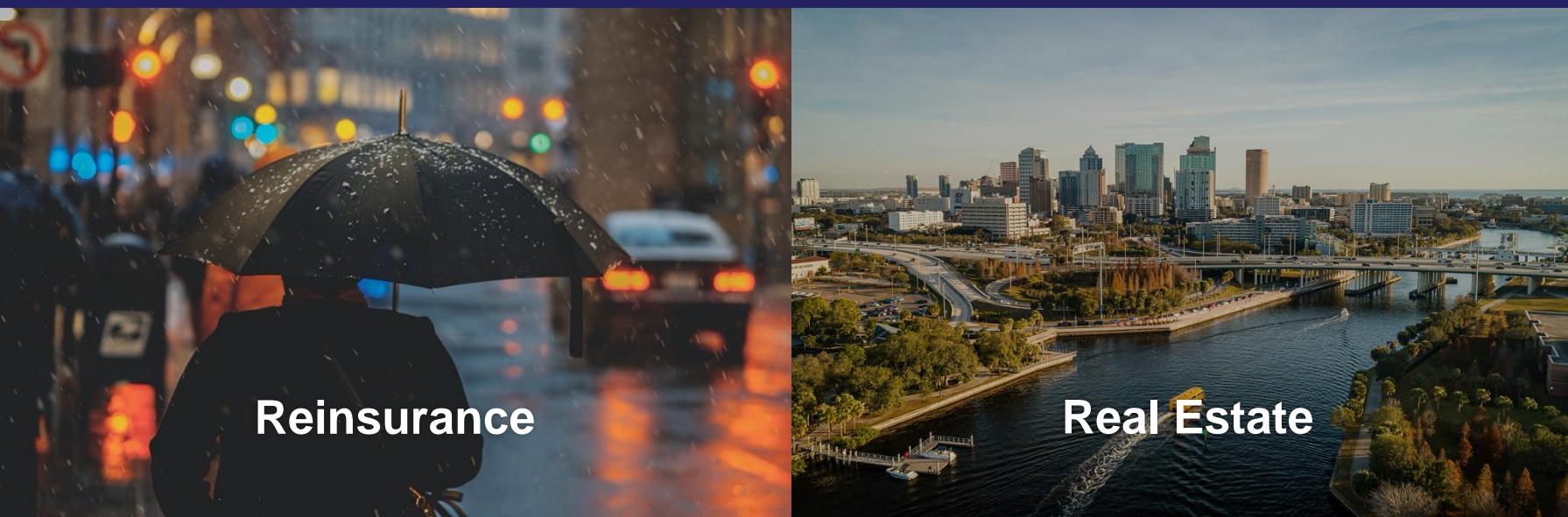
NYSE: HCI | MARCH 2024

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.



HCI at a Glance



Stock Price ²	\$116.08
Est. Market Capitalization ²	\$1.1B
Book Value/Share	\$33.36
Dividend Yield ²	1.4%
In-Force Premium	\$1,005M
Debt to Capital ³	39%
Founded/IPO	2006/2008
Management Tenure	13 years
Insider Ownership	19%

(1) All data as of 12/31/2023 except where noted

(2) As of 3/28/24

(3) Excludes preferreds securities



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

12%
TEN-YEAR ROE¹

19%
INSIDER OWNERSHIP



2006 founded

60/65 profitable quarters

53 consecutive quarters of dividends

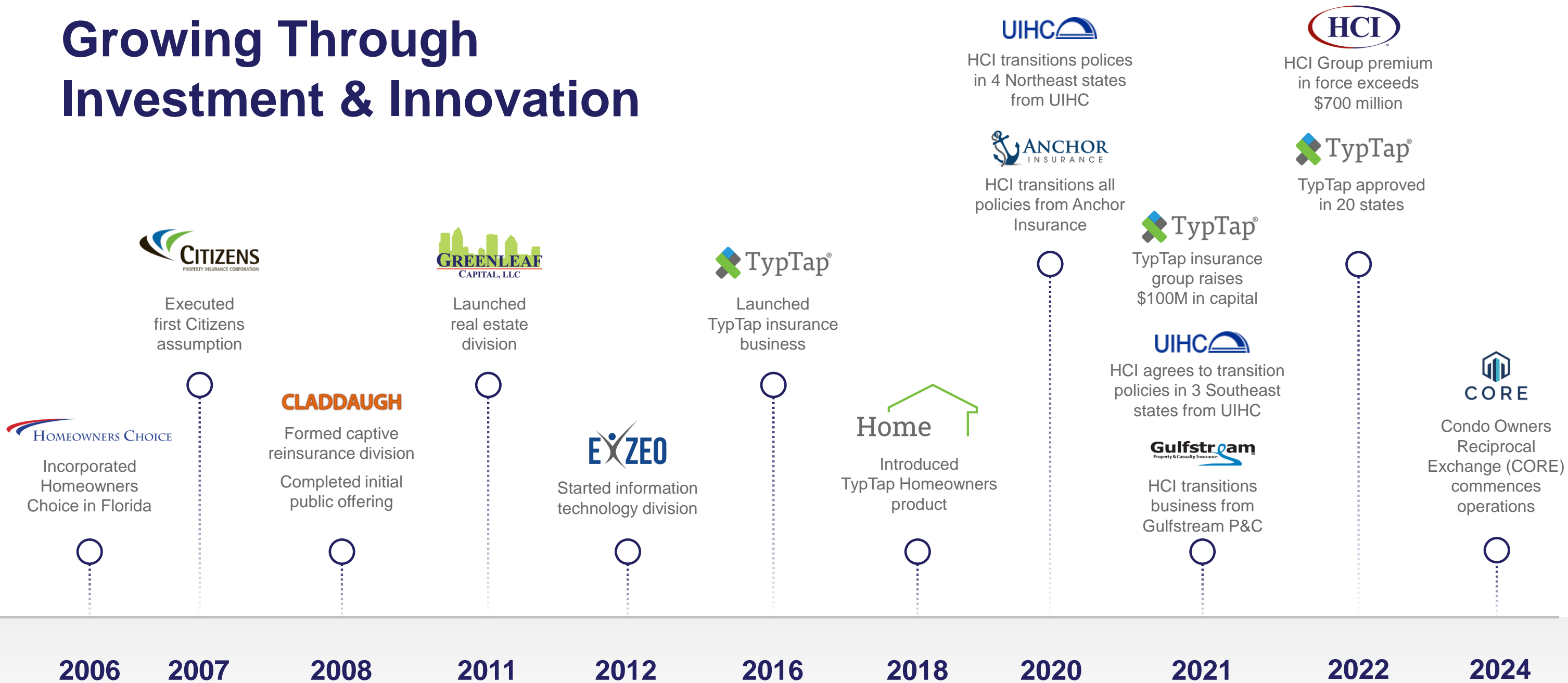
>\$425M capital returned to shareholders since inception²

(1) As of 12/31/2023

(2) Includes \$269M buybacks and \$158M dividends



Growing Through Investment & Innovation



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

\$620M of In-Force Premiums⁽¹⁾



INSURANCE TECHNOLOGY

Technology-driven homeowners insurance

Nationwide expansion announced in 2020

Differentiated technology yields best-in-class loss ratio

\$386M of In-Force Premiums⁽¹⁾



RECIPROCAL EXCHANGE

Writing Florida-based commercial residential lines

Licensed and announced first Citizens takeout in November 2023

\$38 million of in-force premium assumed from Citizens in February 2024⁽²⁾

Fills gap created by limited condo association coverage and growing demand



REINSURANCE

Provides Reinsurance Flexibility



TECHNOLOGY PLATFORM

Powers Technology Development



REAL ESTATE

>\$100M Real Estate Portfolio⁽¹⁾



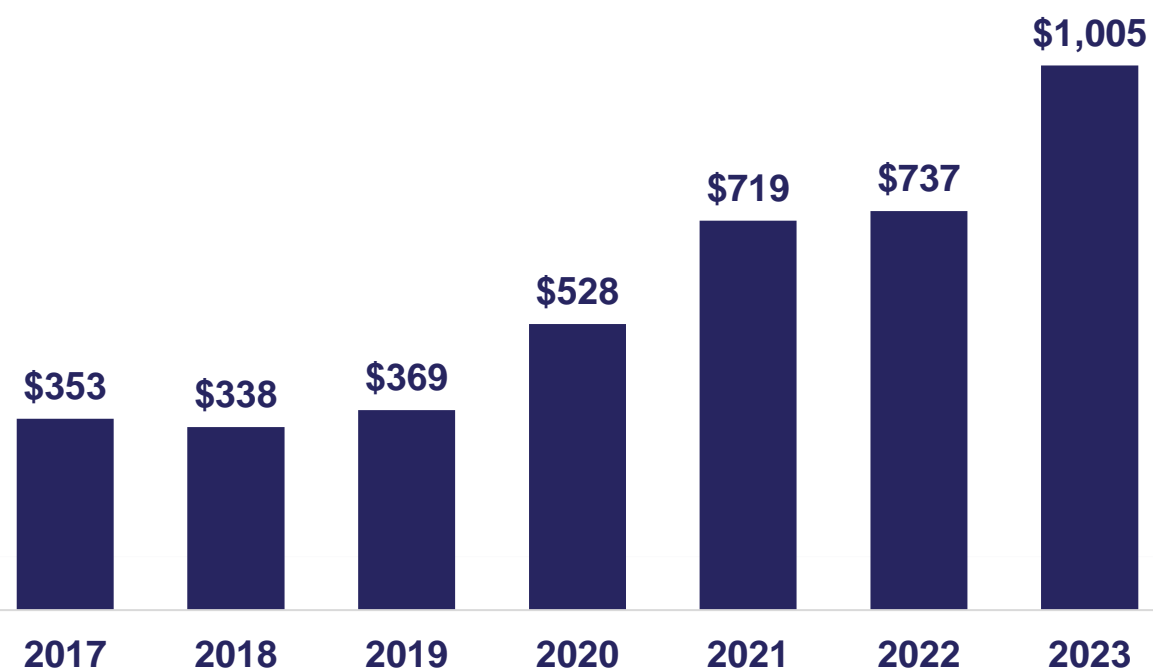
(1) As of 12/31/2023.

(2) As disclosed on 3/8/2024.

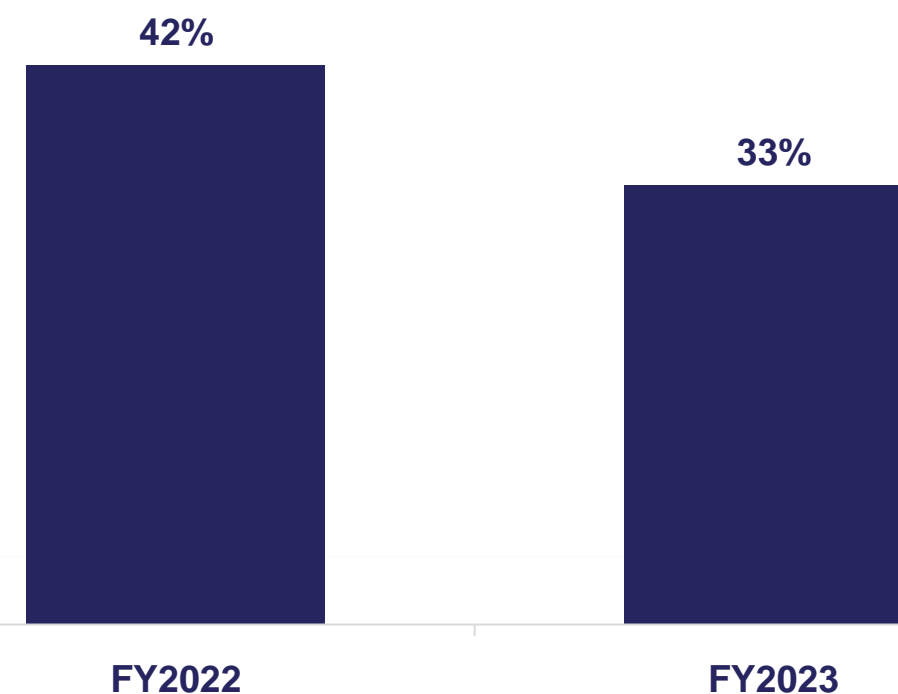
A Growing Homeowners Business

Two Carriers in 13 States With Over \$810M⁽¹⁾ in Annual Premium

 Premium in Force (in \$M)



 Loss Ratio ²



Premium growth... ...with profitability

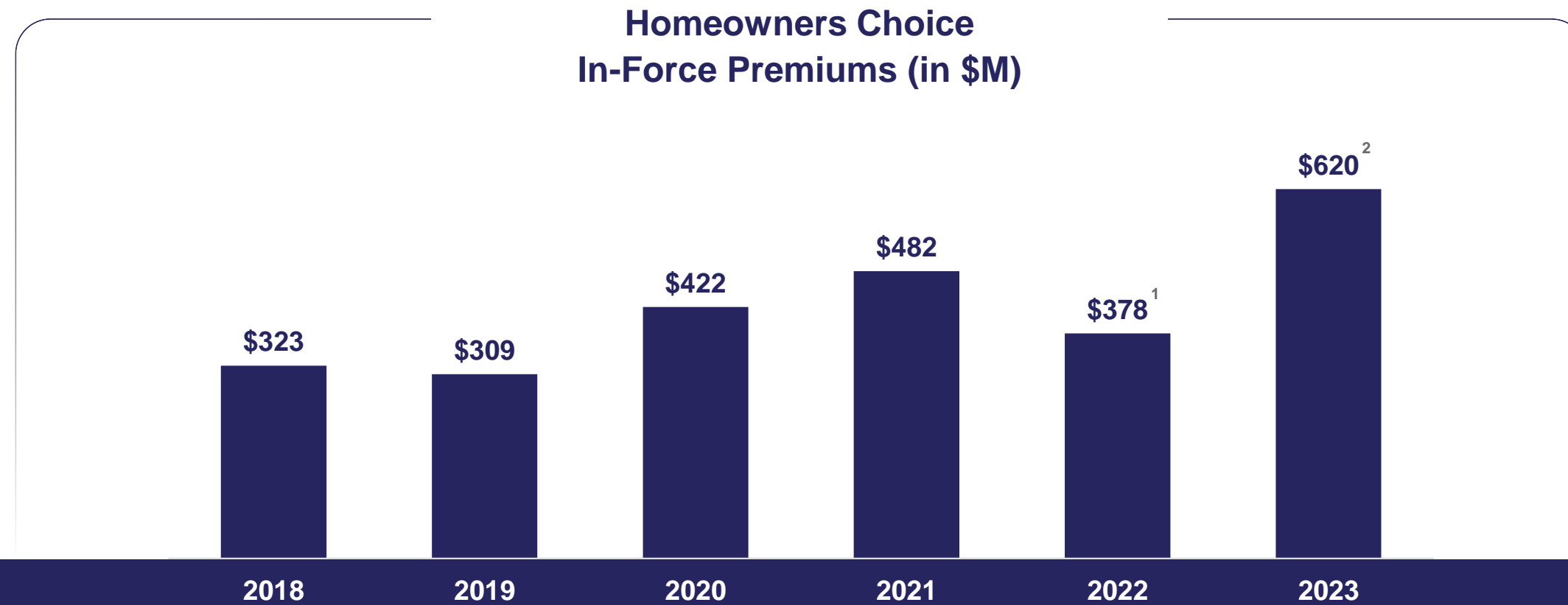
(1) Trailing twelve-months gross premiums earned

(2) Losses and loss adjustment expenses divided by gross premiums earned. Loss ratios excludes Hurricane Ian losses in 2022.



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.

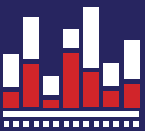
Customer Centric Model Delivers High Customer Retention



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

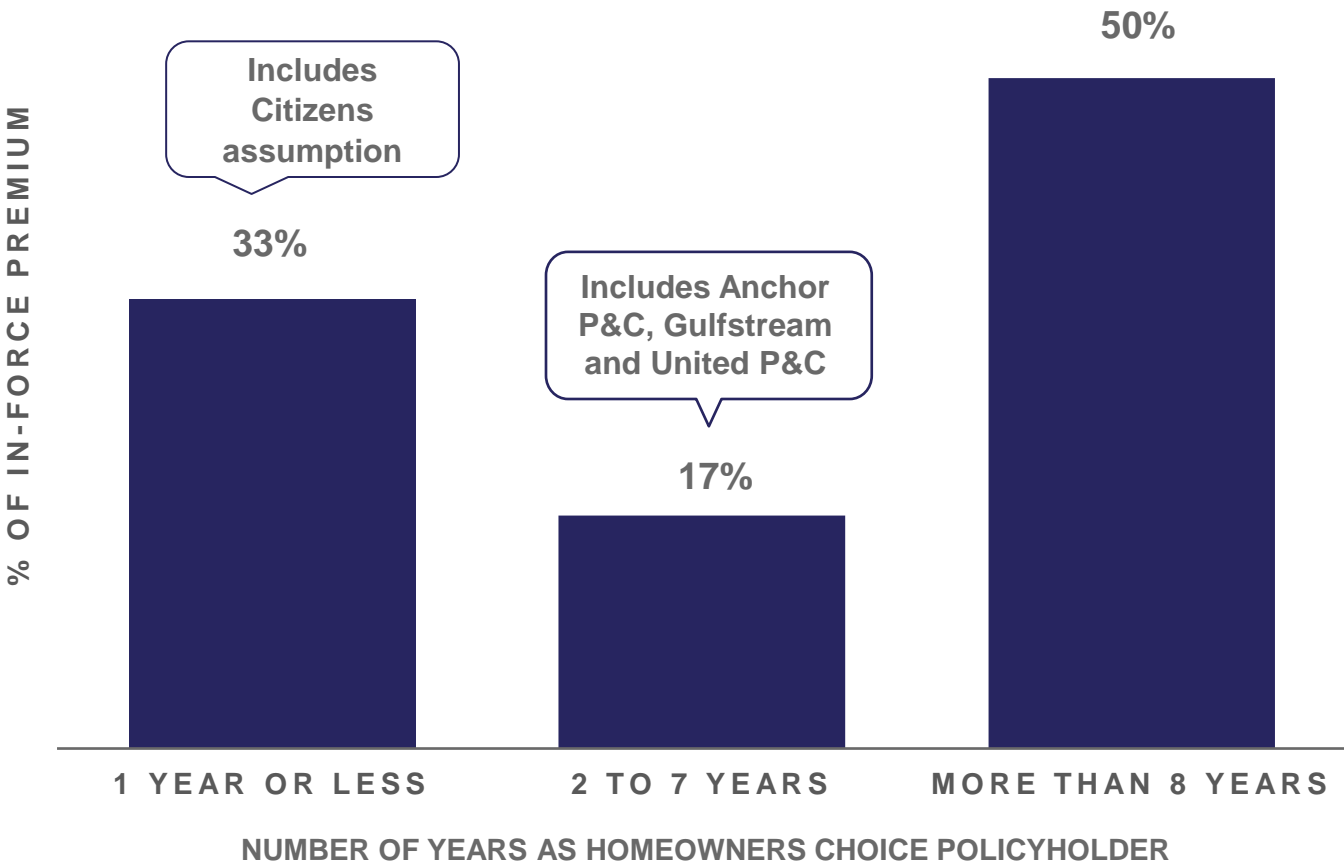


>70%⁽¹⁾ of in-force premium retained **more than 6 years** and counting (excluding Citizens assumption in 2023)



Average non-cat gross loss ratio **below 40%**

High Retention of In-Force Premium



(1) As of 12/31/23

Value-Added Portfolio Acquisitions

DECEMBER 2021



Has acquired



Georgia, North Carolina & South Carolina
personal insurance lines

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

AUGUST 2021



Has selected policies of



Florida insurance policies

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

DECEMBER 2020



Has acquired



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

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

APRIL 2020



Has acquired



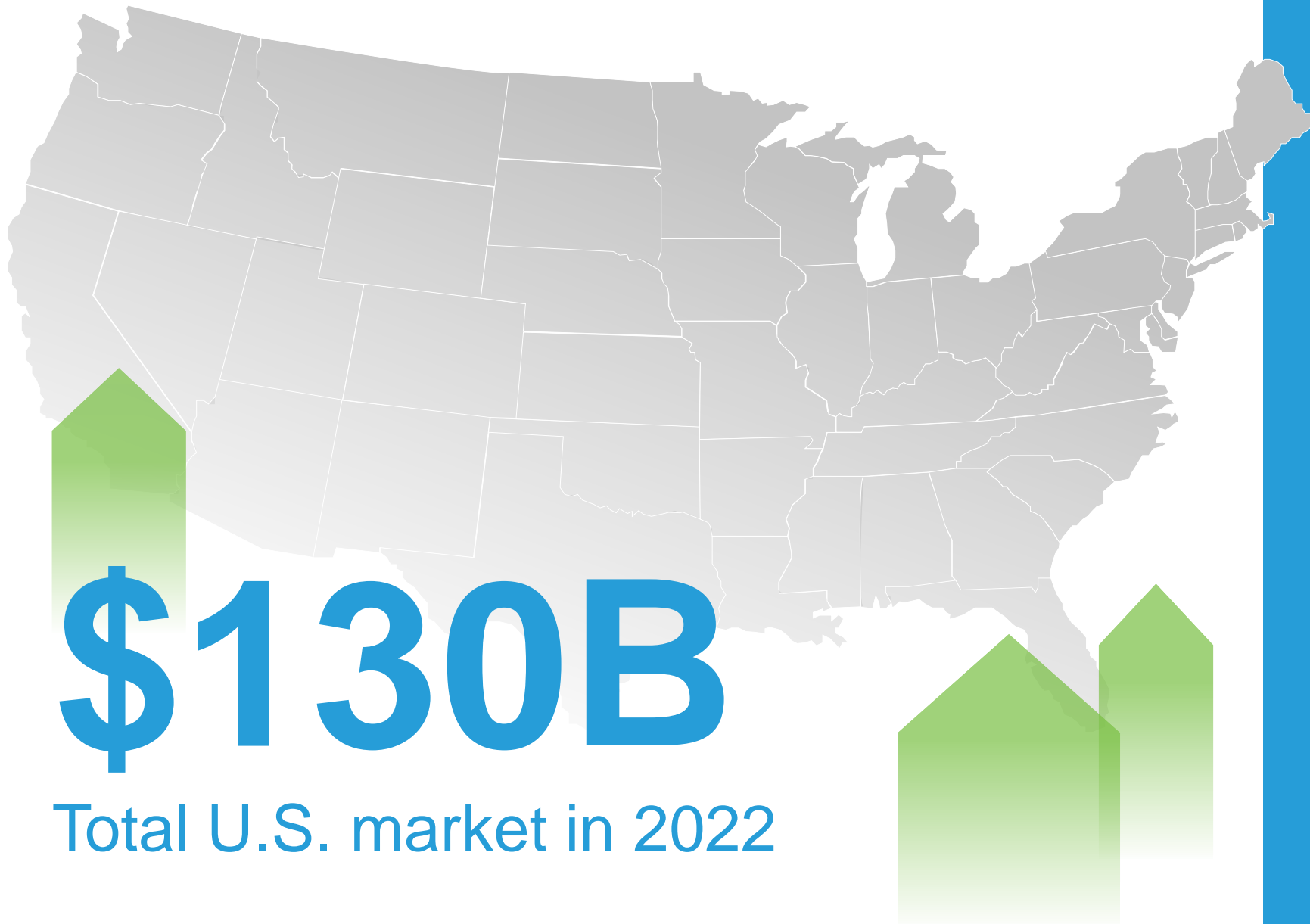
Florida insurance policies

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



**Insurance
Technology**

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



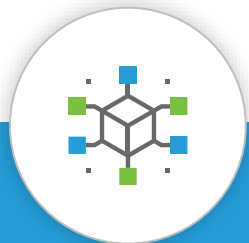
...with Attractive Features

- ✓ 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**



Technology-Driven Insurance Company



**Proprietary
Technology**



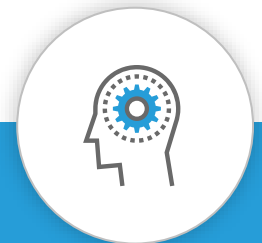
**National
Expansion**



**Superior
Underwriting**



**Positive
Cash Flow**



**Experienced
Management**

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

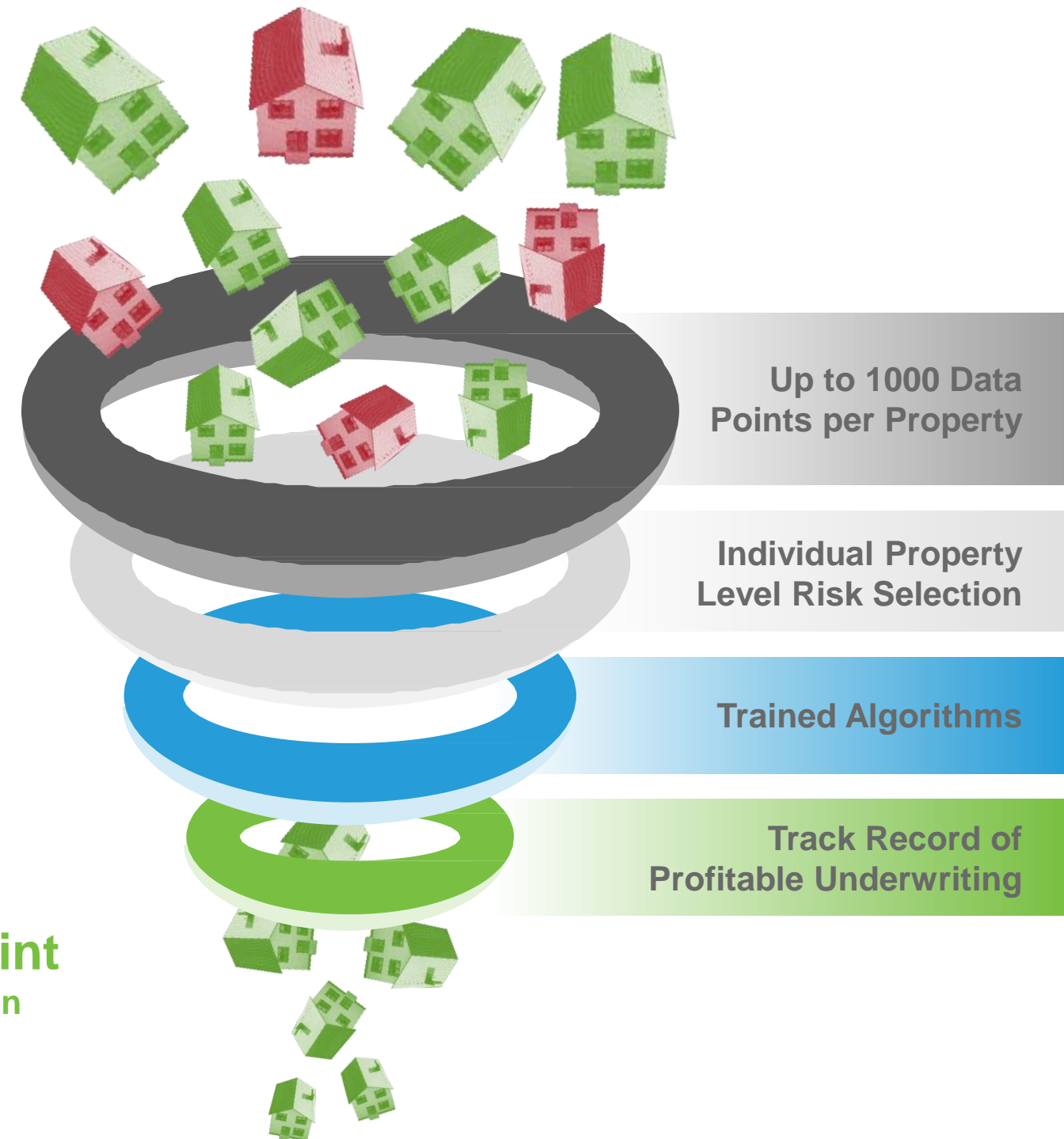
(1) Represents industry average from 2014-2022



72%¹
industry
average
loss ratio



~25 point
decrease in
loss ratio



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

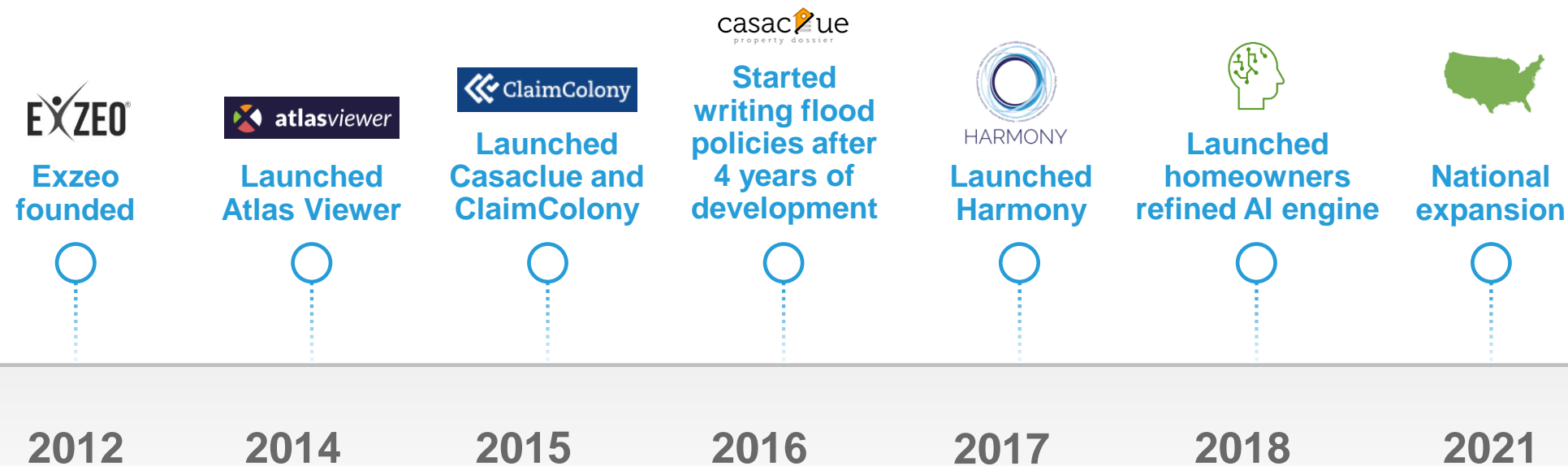


Property level
(TypTap) vs. zip code
level (industry)

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

Exzeo's Full-stack Tech Platforms Power TypTap

Simplified Customer Experience...

Intuitive agent interface

Enter an address to start a quote, and then answer 4-8 simple questions

Intelligent data repository

Casacue, our intelligent data repository, provides the rest of the information needed to complete the quote

Real time decisions

The information is fed to the Underwriting, Cost and Rating Engines to determine if it is a red or green property

Frictionless, automated quote & bind

All this is done with no TypTap human intervention

... Powered by a Full Suite Solution



Our Data Repository is Curated for Precise Risk Evaluation

- ✓ Data sourced through in-house proprietary research and 3rd party resources
- ✓ Curated and validated data delivered to decision algorithms
- ✓ Information continuously accumulates, creating a perpetual evolution of data



¹ In Hip roofs, all sides slope downward over the walls of the home; in Gable roofs, there are two sides or peaks that slope downward over the walls of the home
Source: Oliver Wyman analysis (from discussions with TypTap management and expert interviews).

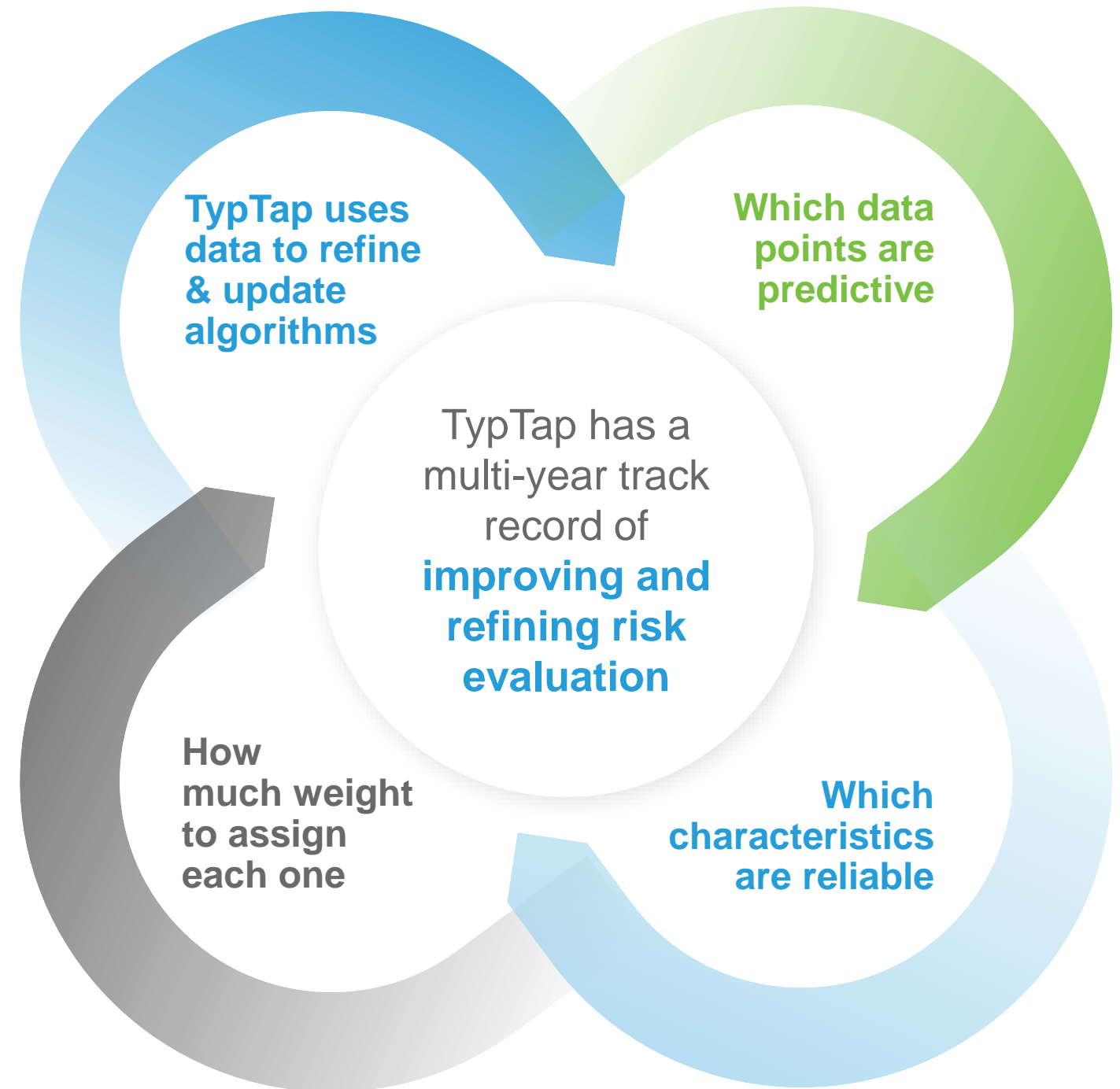
Algorithms Transforming Data Into Profit

The curated data is fed into our underwriting, cost rating engines

Algorithm-enabled engines determine red or green properties

Historical trends are applied to underwriting and costs to refine and improve the risk selection algorithms

Underwriting algorithms are customized per state



TypTap delivers value for **agents** and **consumers**



Why TypTap Partners with Agents

We partner with agents because that's where most policies are written

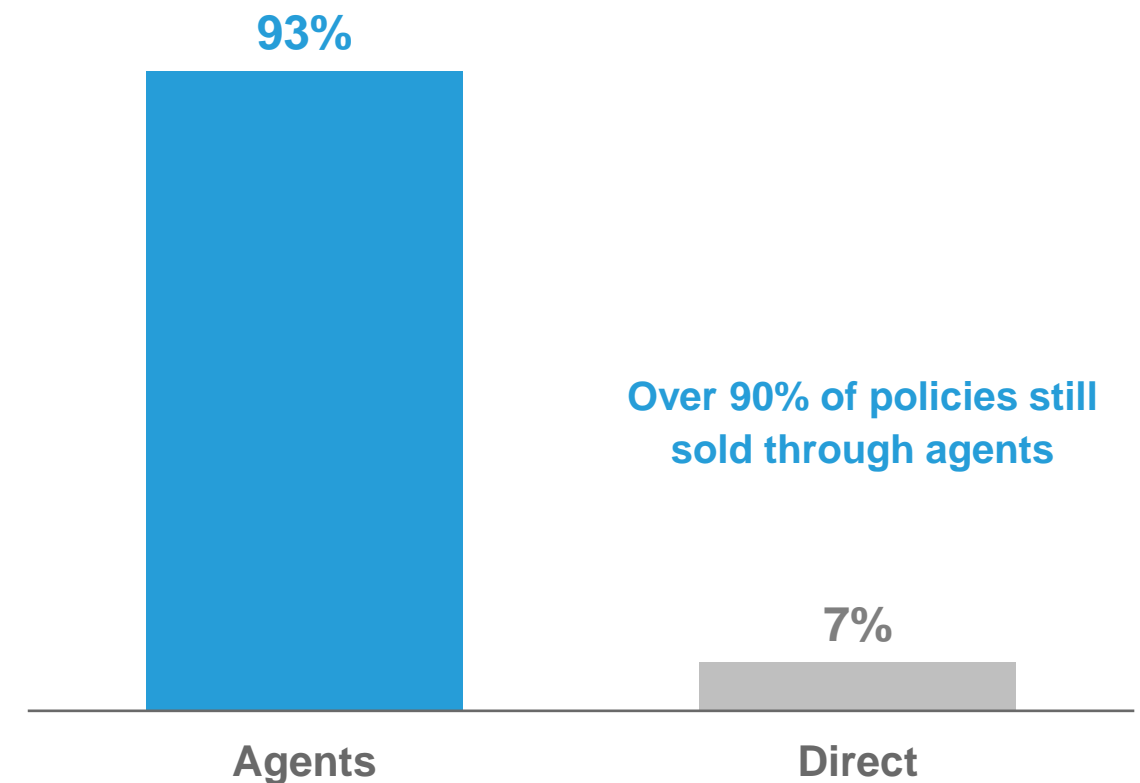
Overwhelming majority of homeowners insurance is bought through the independent agent channel

Independent agent model allows us to scale and we do not have to change consumer behavior for our growth plan

The predictability of our customer acquisition cost ("CAC") improves the efficiency to utilize our capital for growth

At the same time, we built our technology platform to be distribution agnostic

Direct Written Premium by Distribution Channel



Source: McKinsey & Company (2020 report)

TypTap's Advantages



Purpose-built technology suite 100% owned by TypTap



Differentiated data and proprietary analytics creating superior underwriting results



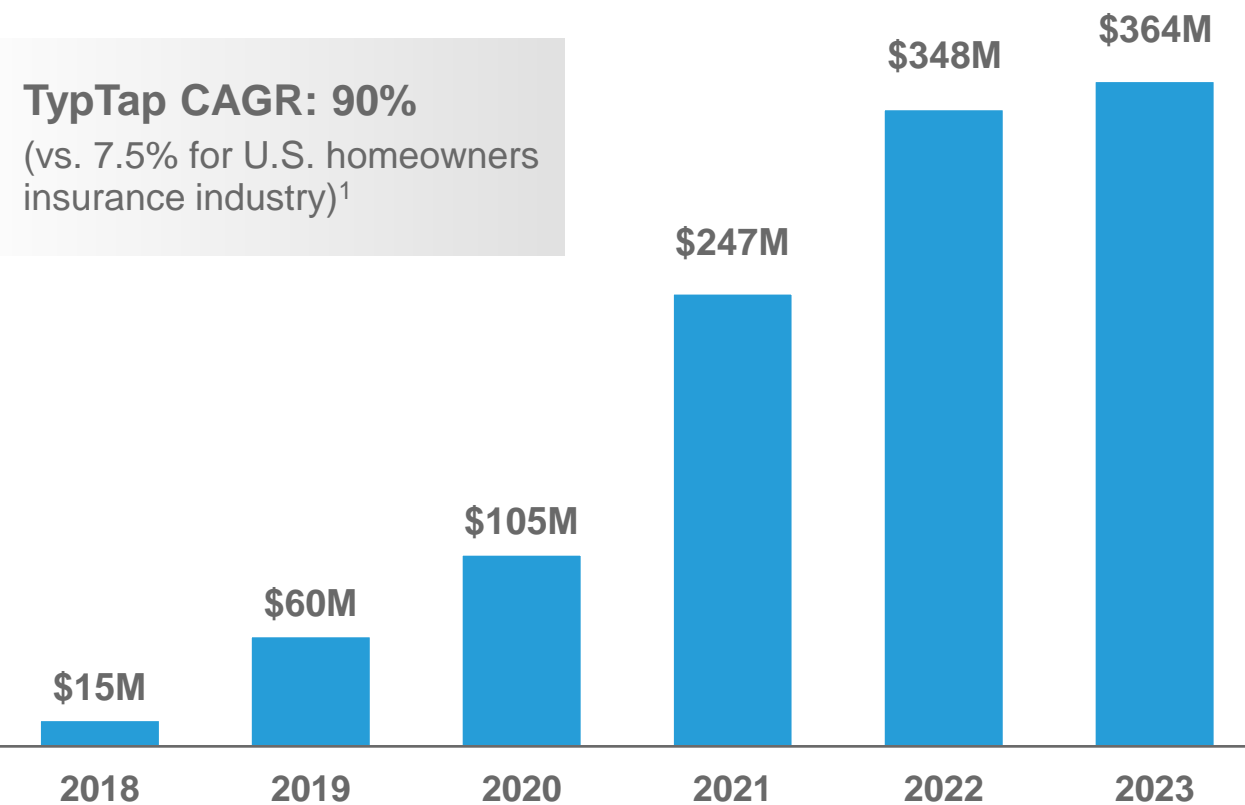
Aggregation of profitable properties is enhanced by high customer retention rate



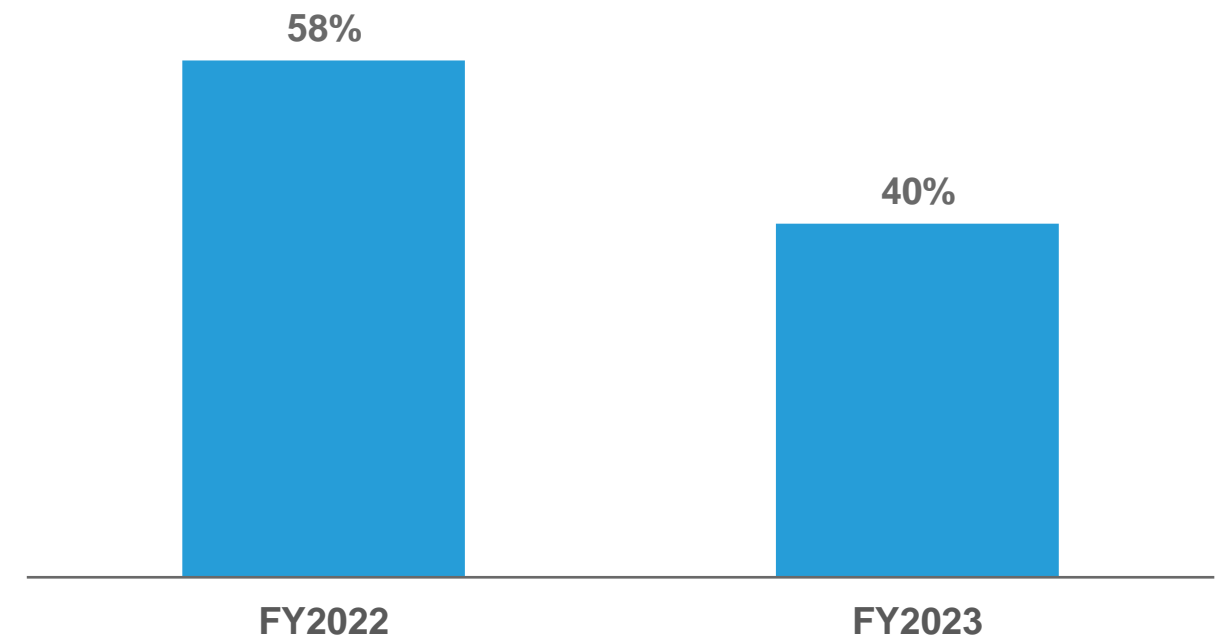
Ease of use for a frictionless policyholder and agent experience

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 - 2022

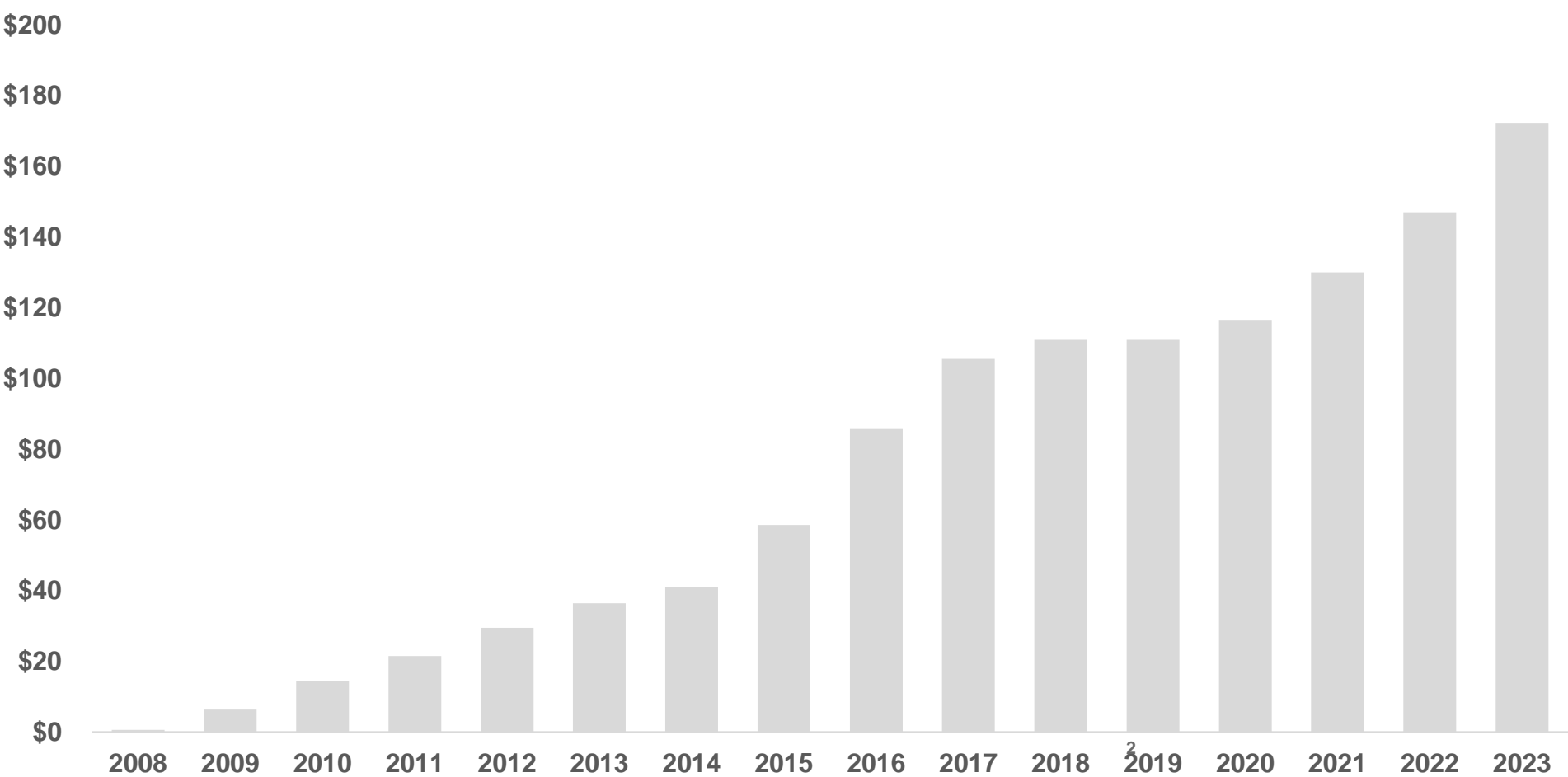
(2) Losses and loss adjustment expenses divided by gross premiums earned.

A person is seen from behind, holding a black umbrella. They are standing on a city street at night during a rainstorm. The background is filled with blurred city lights, including traffic lights and car lights, creating a bokeh effect. The rain is visible as white streaks falling around the umbrella. The overall mood is atmospheric and urban.

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

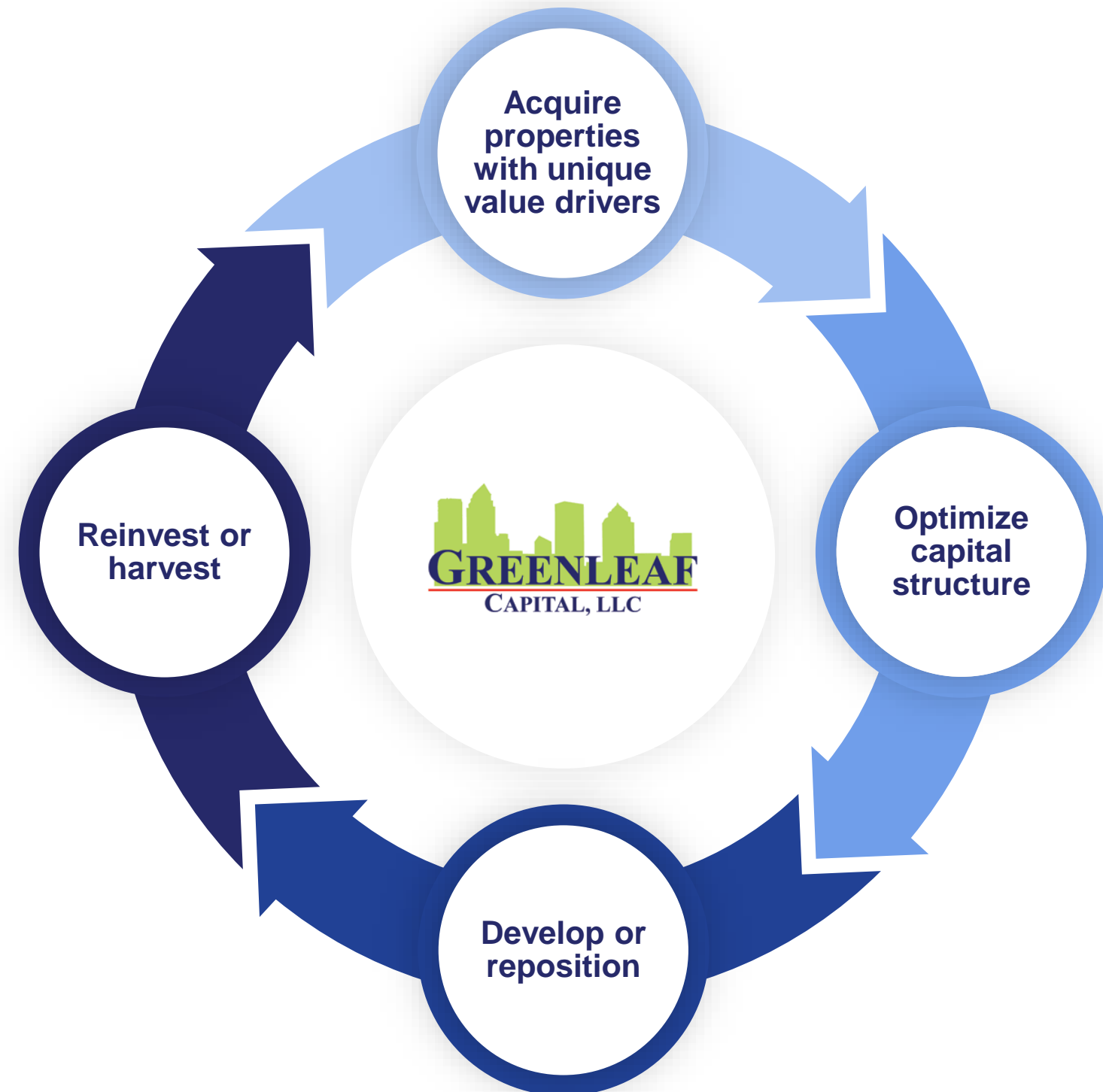
(1) As of 12/31/23. Excludes the impact of intercompany stop loss agreement.



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 GROSS PROCEEDS	\$30M BOOK VALUE	\$59M 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	\$19M	\$4M
	Anchored Retail	28M	17M	\$11M
	Waterfront Specialty Use Portfolio	40M	17M	-
UNDER DEVELOPMENT	Properties Under Development	44M	36M	-
		\$137M¹	\$89M	
		APPRAISED VALUE	BOOK VALUE	

(1) Based on appraisals obtained by Fifth Third bank. As of 12/31/2023

(2) Book value is net of depreciation

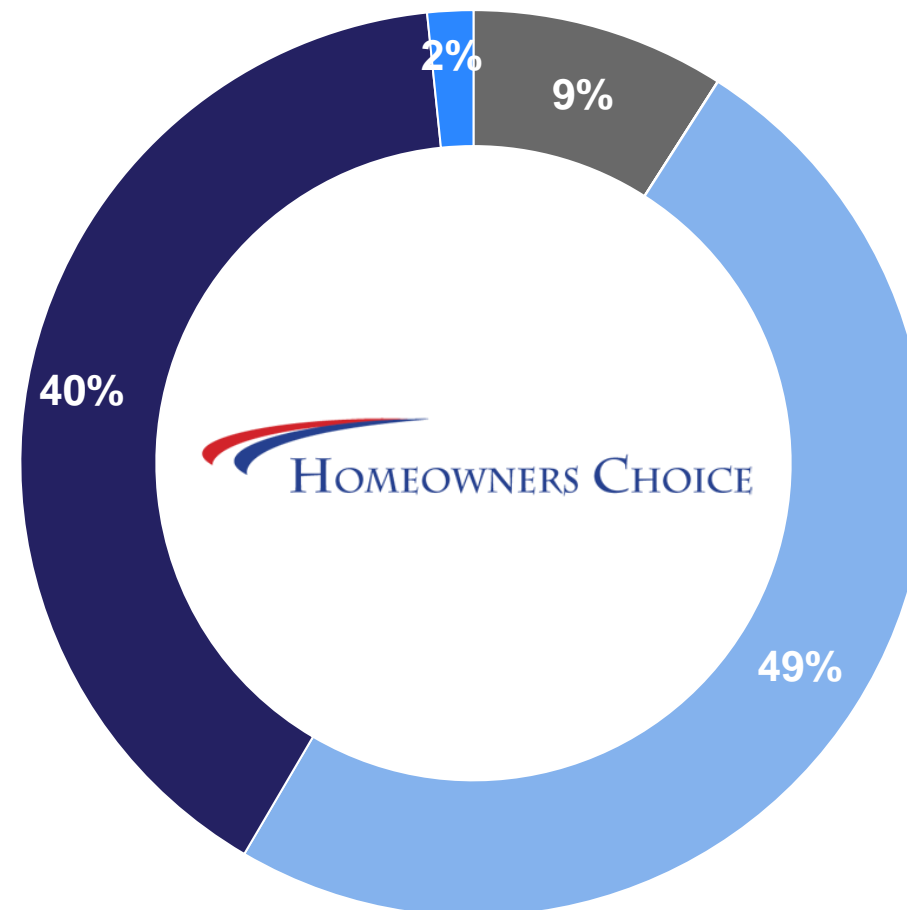
(3) All data as of 12/31/2023

Homeowners Choice Investment Portfolio

A conservative allocation, positioned for higher rates and opportunistic investments

Total invested assets¹
\$371 million

Fixed Income Average
Duration ~1 year



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

(1) As of 12/31/23

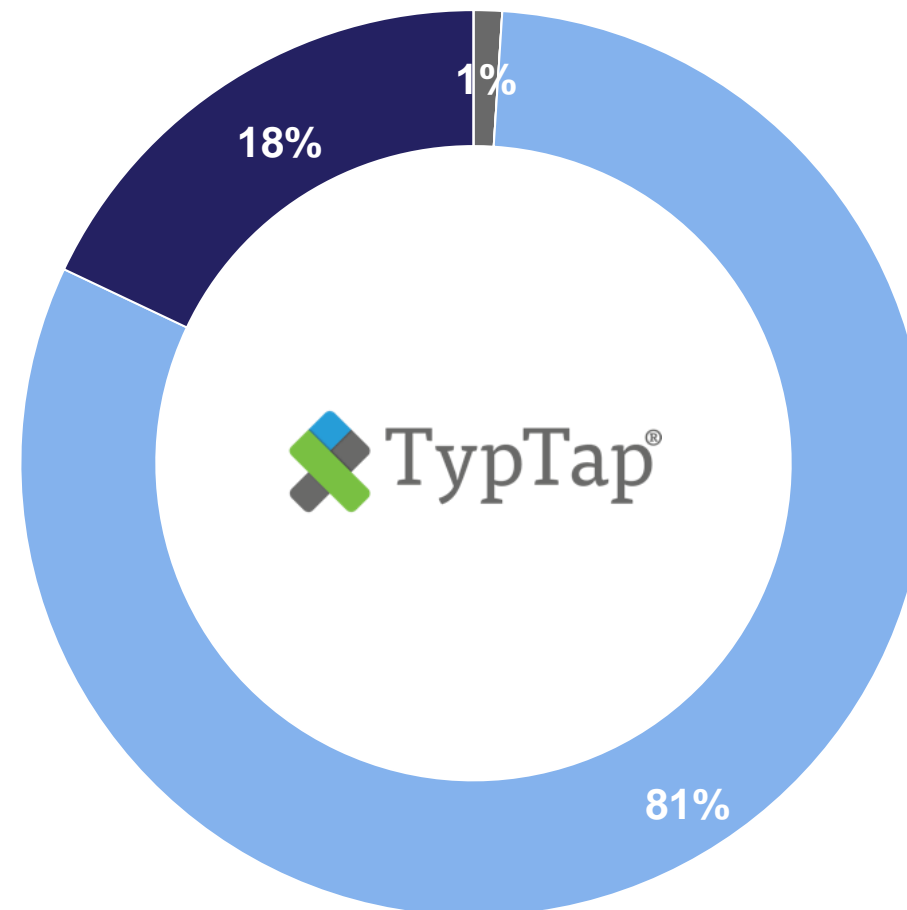


TypTap Investment Portfolio

A conservative allocation, positioned for higher rates and opportunistic investments

Total invested assets¹
\$246 million

Fixed Income Average
Duration ~1 year



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

(1) As of 12/31/23

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



>\$425M

capital returned to
shareholders since
inception²

19%

inside
ownership

12%

10-year average
ROE¹

>2900%
Total Shareholder
Return since IPO

1) As of December 31, 2023
2) Includes \$269M buybacks and \$158M dividends





Contact Us

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