



First Quarter 2020 Results

Earnings Call Presentation

April 28, 2020



Forward-looking statements and Regulation G Disclosure Statement

Forward-looking statements

This press release 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 the ongoing impact of the coronavirus (COVID-19) pandemic and those risks and uncertainties to be described under the heading “risk factors” and “Liquidity and Capital Resources” in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 as well as in the Form 8-K filed on April 27, 2020. 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

This presentation includes financial results with respect to adjusted operating income, 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 first quarter of 2020, filed with the SEC as an exhibit to a Current Report on Form 8 K on April 27, 2020, and also available on the Company’s website at <https://UniversalInsuranceHoldings.com> under “Investors” with the subheading of “Earnings Releases.”

1Q20 results against multi-year strategic priorities

1 Grow other states and Florida

- Total direct premiums written up 15.7%
- Other states (Non-Florida) direct premiums written up 19.0%
- Florida direct premiums written up 15.0%

2 Maintain strong balance sheet

- Continued progress on June 1st, 2020 renewals.
- Debt-to-equity ratio less than 2.0%.
- Total unrestricted cash and invested assets up 1.2 % to \$1.1B since year-end.

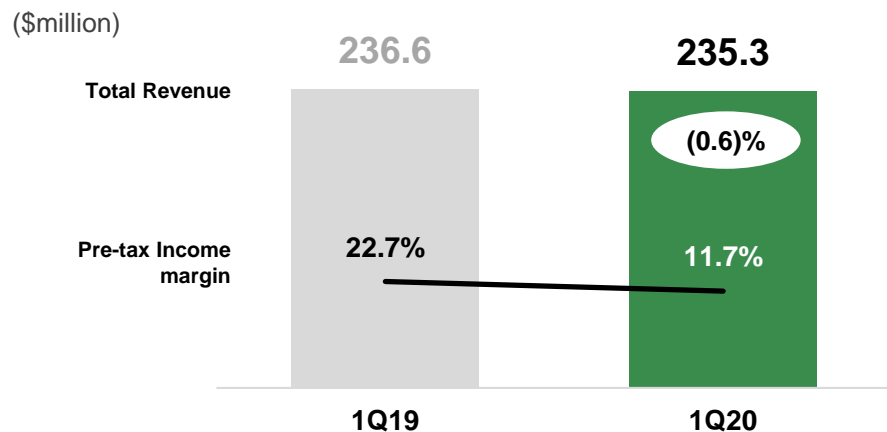
3 Focus on disciplined growth and maximize earnings stability

- 1Q20 Diluted GAAP EPS of \$0.61, non-GAAP adjusted EPS* of \$0.79
- UPCIC 12.4% overall primary rate increase in Florida pending.
- Annualized return on average equity of 16.1%.
- American Platinum Property and Casualty Insurance Company and direct-to-consumer distribution platform CloveredSM subsidiaries continue to position for success

1Q20 financial results

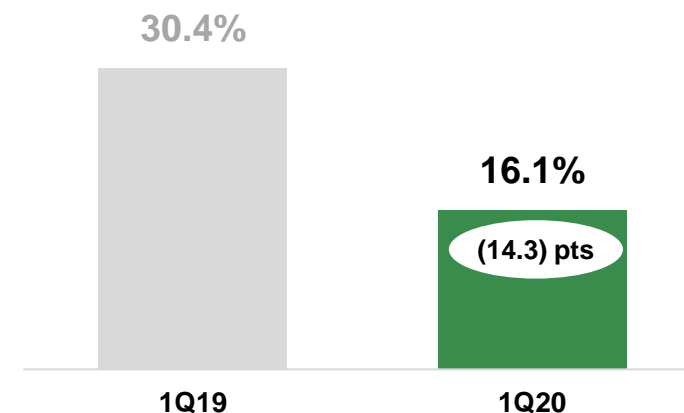
Total Revenue

Revenue: Higher reinsurance costs and unrealized losses on investments (driven by COVID-19 pandemic), partially offset by higher organic premium pricing and volume and our integrated services.



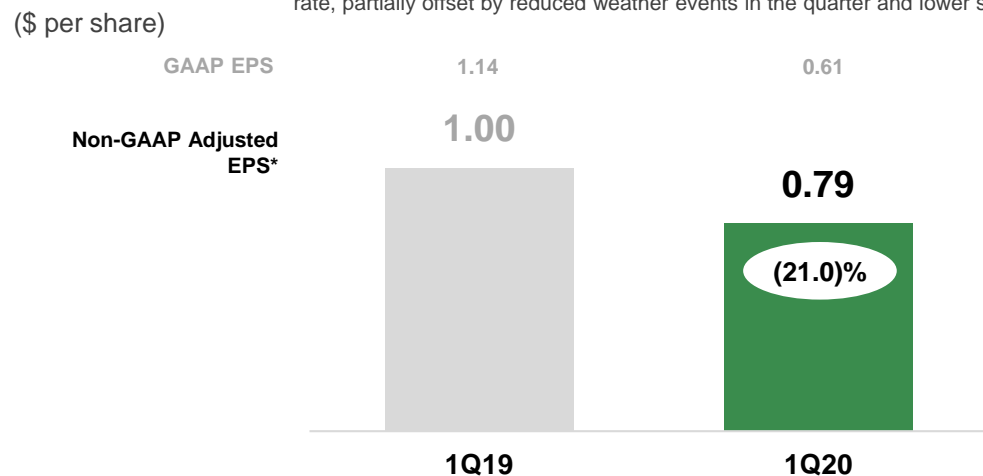
Income before income tax	53.7	27.6
Adjusted operating income*	47.3	35.4

Annualized Return on Average Equity (ROE)



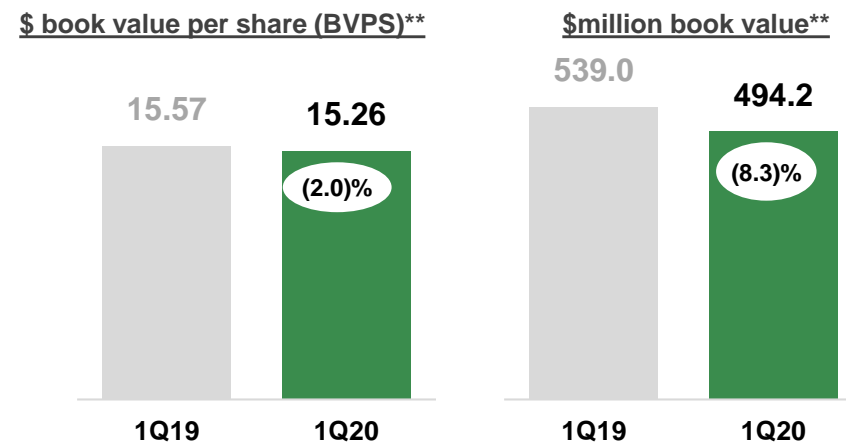
Earnings per Diluted Share (EPS)

Revenue compression, accruing incremental reserves, and a 2.0 point increase in the effective tax rate, partially offset by reduced weather events in the quarter and lower share count.



Book Value, end of period

Driven primarily by mid-March instability in the fixed income market as a result of COVID-19 impacts, prior to the Federal Reserve providing liquidity to the market, which has since improved subsequent to the end of the first quarter



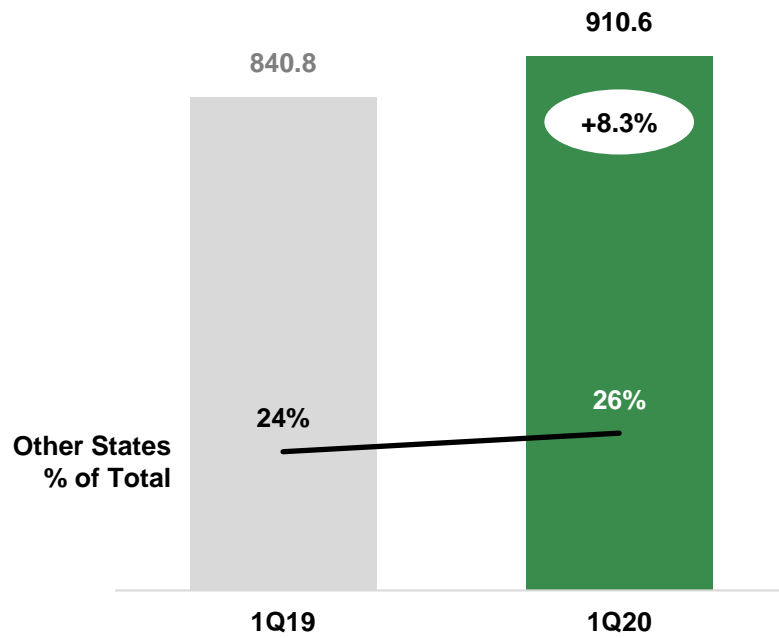
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**Excludes preferred stock

Underwriting

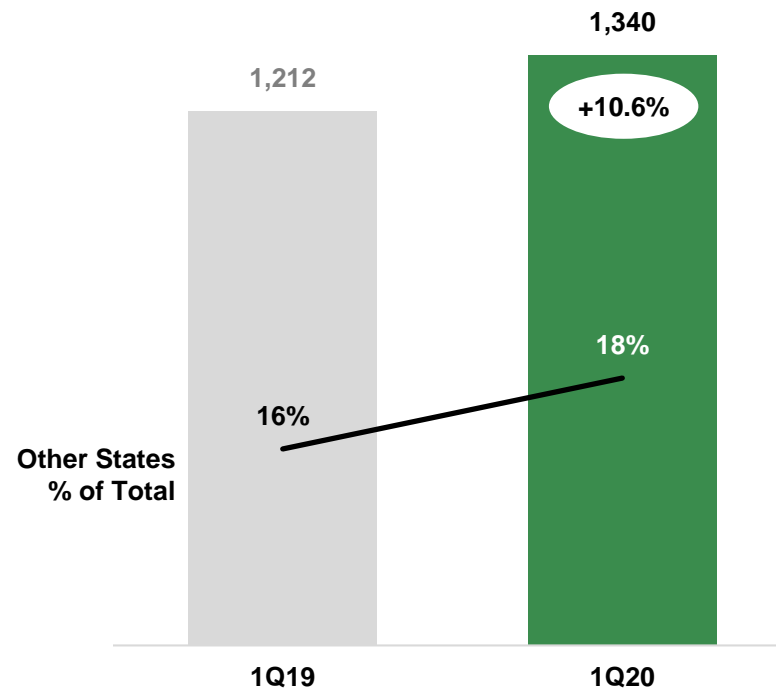
Policies in force

(thousands)



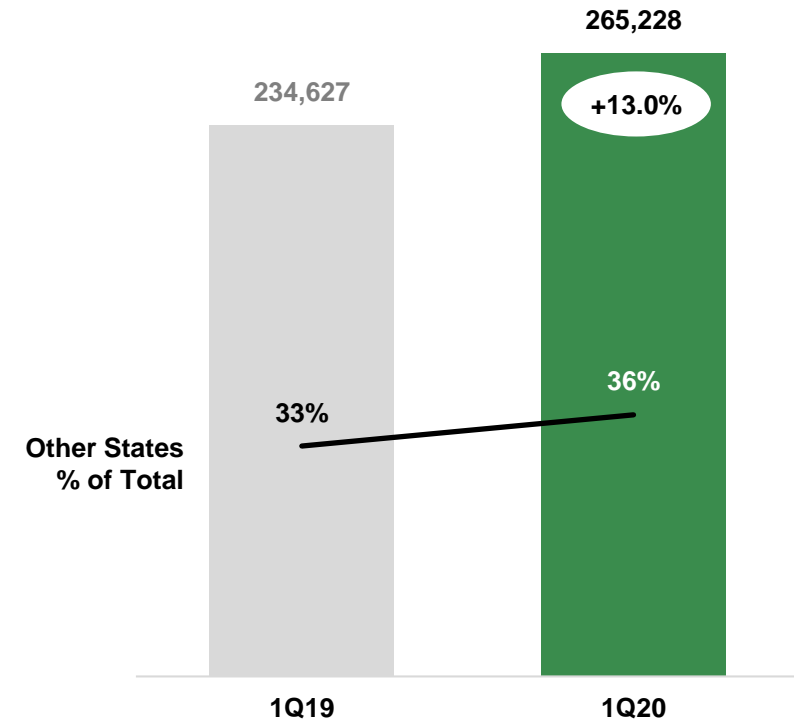
Premiums in force

(\$million)



Total Insured Value (TIV)

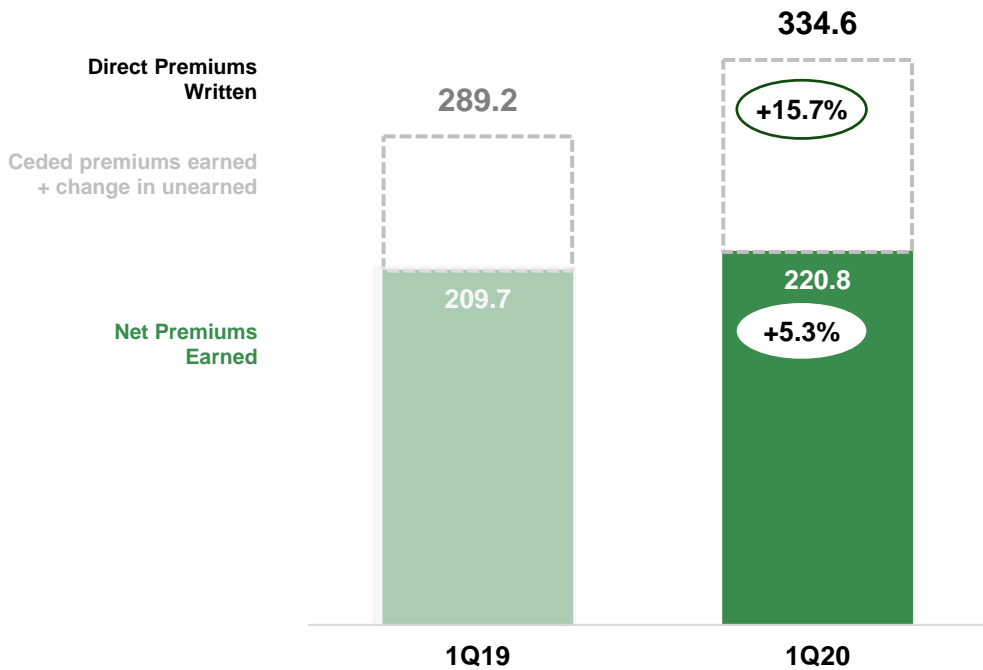
(\$million)



Underwriting

Revenue (Direct and net premiums)

(\$million)



1Q Direct premiums written up 15.7%

- 16.8% of total direct premiums written in 1Q from Other States
- 1Q other states direct premiums written up 19.0% to \$56.0M
- 1Q Florida direct premiums written up 15.0% to \$278.5M

1Q Ceded premiums earned (excluding reinstatement premium) as a percent of direct premiums earned increased 3.3 points to 32.3%

- 1Q ceded premiums earned of \$105.1M*
 - Dollar cost of reinsurance program driven by volume
 - Increased ratio driven by higher reinsurance costs in the 2019-2020 reinsurance program that was effective June 1, 2019

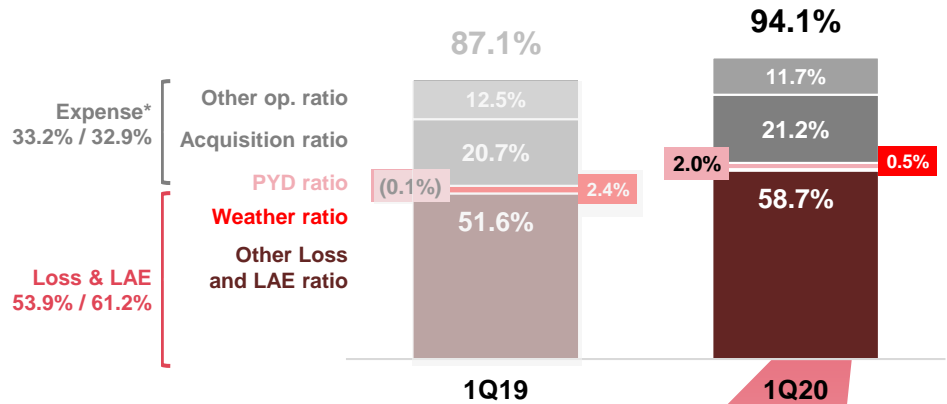
Direct Premiums Earned	295.4	326.0
Ceded premiums earned as % of Direct Premiums Earned*	29.0%	32.3%

*Excludes reinstatement premium

Underwriting

Consolidated GAAP Combined Ratio

(related expense / Net Premium Earned)



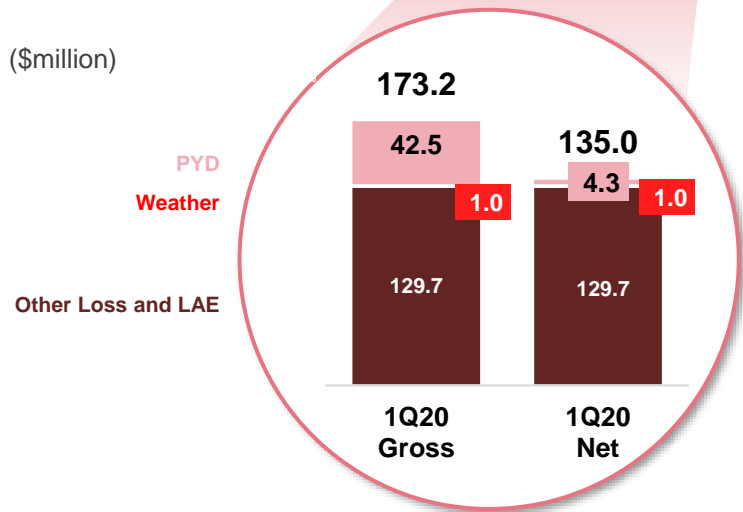
1Q Expense ratio improvement driven by economies of scale and lower executive compensation, partially offset by increased policy acquisitions costs as a result of geographic expansion into states outside Florida

1Q Other Loss and LAE: Gross and net of \$129.7M

- Diversified growth
- Accruing incremental reserves for the current accident year

Loss and LAE (gross and net of reinsurance)

(\$million)



1Q Prior Year Development: Gross \$42.5M, \$4.3M net were primarily related to the 2017 accident year

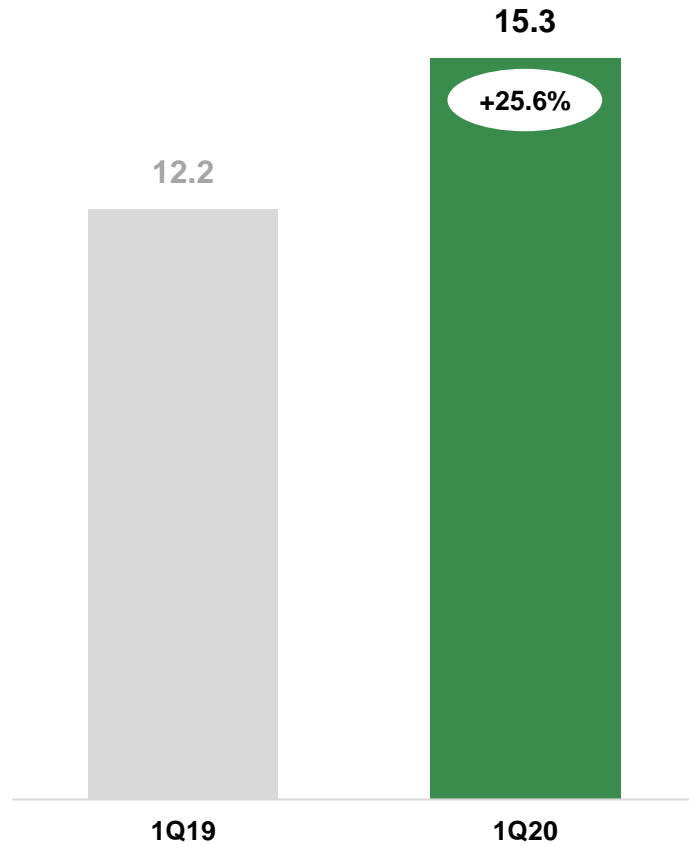
1Q Weather events in excess of plan: Gross and net of \$1.0M (\$5.0M net in 1Q19)

*Excludes interest expense

Services

Revenue

(\$million)

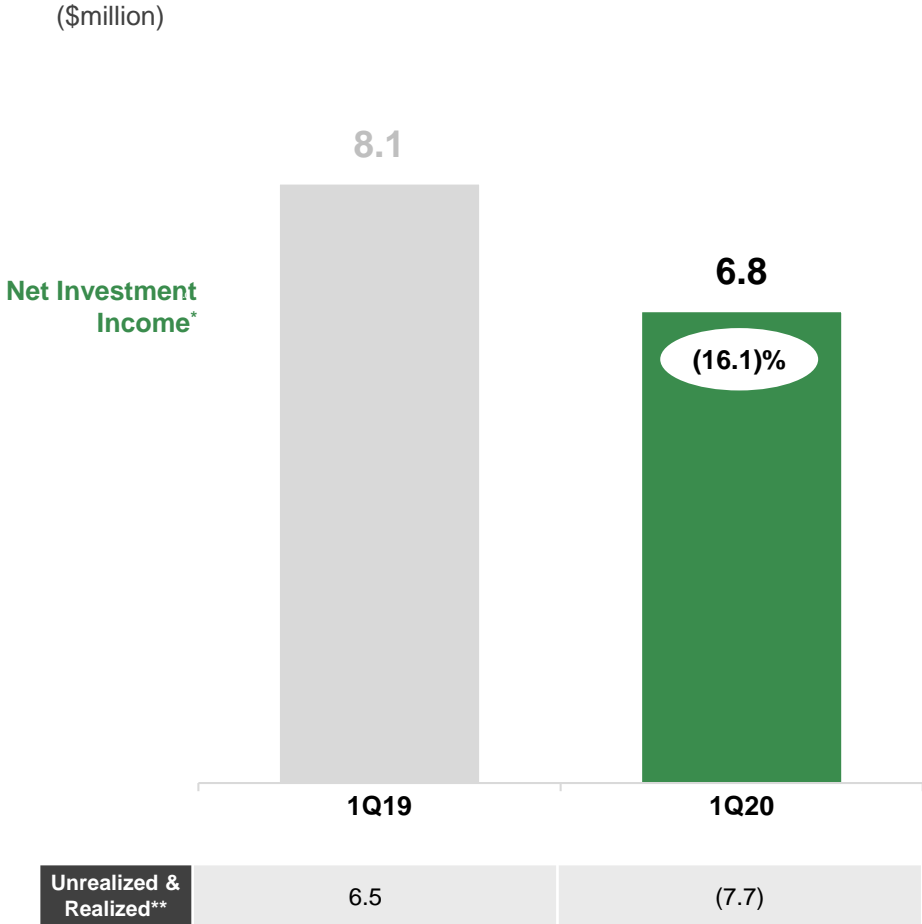


1Q Services revenue up 25.6%

- 1Q risk management commissions up 27.4% to \$7.0M
- 1Q MGA policy fees up 10.3% to \$5.5M
- 4Q policy installment fees, premium financing, and other revenue up 65.2% to \$2.8M

Investments

Net investment income



Total unrestricted cash and invested assets up 1.2% to \$1.1B since year-end

- Invested Assets: \$928.6M
- Unrestricted cash: \$180.8M

1Q Net investment income down 16.1% to \$6.8M

- Instability in the fixed income market in mid-March as a result of COVID-19 impacts, prior to the Federal Reserve providing liquidity to the market, which has since improved subsequent to the end of the first quarter
- Prior year compare also included one-time income benefits from a special dividend received and a one-time reduction in investment expenses
- Average fixed income credit rating of A+ during 1Q20 with duration of 3.6 years

*Includes interest earned on restricted cash and cash equivalents 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 and realized gains (losses) on investments