

Universal Insurance Holdings Company Announces Successful Conclusion of Claim Data Review

Fort Lauderdale, Fla., April 1, 2025 – Universal Insurance Holdings, Inc. (the “Company”) announced today the successful conclusion of a state review of its claims data related to Hurricane Irma, which occurred in September 2017. The Company refuted all allegations of fraudulent submission, and the matter has been formally dismissed by the state. The Company successfully commuted its Hurricane Irma losses in 2023 with full transparency and all parties were in complete agreement with the result. The Company is pleased that the state acknowledged its cooperation, noting that the Company “fully and completely cooperated” with the state and provided all requested information. Today’s resolution is within an accrued amount established by the Company more than two years ago. As a result, there is no current or future financial impact to the Company or its subsidiaries.

The review arose when a former employee in the Company’s claims operation who left the company in mid-2018 and who had no involvement in or familiarity with the Company’s data analytics team or Florida Hurricane Catastrophe Fund (“Fund”) reporting procedures alleged that the Company improperly included certain non-Irma claims in preliminary reports submitted to the Fund. The assertions contain numerous fundamental factual inaccuracies and gross mischaracterizations.

The Company’s estimated Hurricane Irma losses during the former employee’s tenure remained well below the Fund threshold. Further, the Fund has an extensive multi-year interim reporting process, in which data is subject to review and examination. The Fund also has a thorough final analysis known as commutation in which the Fund and insurer evaluate loss data to determine a full and final settlement. This process, which is standard for all insurers, resulted in the parties’ mutual commutation agreement.

The Company recognized throughout the review that the underlying assertions lacked merit and were frivolous. The Company monitors and tracks claims data on a daily basis. Over time, information about each claim evolves as the insurer gains information about the cause and origin of the loss. This inherently means that some claims initially identified as hurricane claims are later determined to not be associated with the hurricane, and conversely that some claims intentionally or unintentionally not reported as hurricane claims are determined to be associated with a storm. The Company commenced a comprehensive review of its Hurricane Irma data prior to and during commutation. This extensive analysis resulted in the Company’s reassessment of approximately one percent of its Hurricane Irma claims.

Today's conclusion includes the state's full and final dismissal of the former employee's assertions. The Company has agreed to pay certain fees and costs associated with the review to avoid costs of litigation. Hurricane Irma was the single largest loss event in the Company's history. Florida's pre-reform laws and resulting abuses that generated an excessive litigation environment drove the storm's costs from an initial estimate of \$450 million to \$2 billion.

"We are pleased the review has come to a close and the state dismissed the case," said Chief Executive Officer Stephen Donaghy. "We look forward to continuing to serve Floridians as market reforms are leading to more affordable home insurance options for consumers."

About Universal

Universal Insurance Holdings, Inc. (NYSE: UVE) is a holding company providing property and casualty insurance and value-added insurance services. We develop, market, and write insurance products for consumers predominantly in the personal residential homeowners lines of business and perform substantially all other insurance-related services for our primary insurance entities, including risk management, claims management and distribution. We provide insurance products in the United States through both our appointed independent agents and our direct online distribution channels, primarily in Florida. Learn more at universalinsuranceholdings.com or get an insurance quote at Clovered.com.

Investors/Media:

Arash Soleimani, CFA, CPA, CPCU, ARe
Chief Strategy Officer
954-804-8874
asoleimani@universalproperty.com