

Heritage Insurance Announces Completion of 2015-2016 Reinsurance Program

CLEARWATER, Fla., June 5, 2015 [/PRNewswire/](#) -- Heritage Insurance Holdings, Inc. (NYSE: HRTG) ("Heritage" or the "Company"), a property and casualty insurance holding company, today announced that its subsidiary, Heritage Property & Casualty Insurance Company (Heritage P&C) completed the placement of its 2015-2016 reinsurance program. The program is allocated amongst traditional reinsurers, catastrophe bonds issued by Citrus Re, and the Florida Hurricane Catastrophe Fund (FHCF). The program provides approximately \$1.76 billion in reinsurance protection for catastrophic losses, and exceeds requirements established by its rating agency, Demotech, Inc., and the Florida Office of Insurance Regulation.

"We are pleased with the balance and magnitude of our reinsurance program. Our reinsurance program is unique in that approximately one-third of the reinsurance was placed with traditional reinsurers, catastrophe bond investors, and the FHCF. Our 2015 reinsurance program reduced reliance on the FHCF and expanded multi-year, fully collateralized catastrophe bonds," said Heritage Chairman and CEO Bruce Lucas. "The completion of a \$1.76 billion reinsurance program protects our investors and policyholders, and utilizes excess of loss cover without reliance on quota share reinsurance."

About Heritage

Heritage Insurance Holdings, Inc. (NYSE: HRTG) is a property and casualty insurance holding company headquartered in Clearwater, Florida. Its subsidiary, Heritage Property & Casualty Insurance Company, writes approximately \$500 million of personal and commercial residential premium through a large network of experienced agents. Heritage is led by an experienced senior management team with an average of 28 years of insurance industry experience.

Forward-Looking Statements

Statements in this press release that are not historical facts are forward-looking statements that are subject to certain risks and uncertainties that could cause actual events and results to differ materially from those discussed herein. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "would," "estimate," "or" "continue" or the other negative variations thereof or comparable terminology are intended to identify forward-looking statements. The risks and uncertainties that could cause our actual results to differ from those expressed or implied herein include, without limitation: the success of the Company's marketing initiatives, inflation and other changes in economic conditions (including changes in interest rates and financial markets); the impact of new federal and state regulations that affect the property and casualty insurance market; the costs of reinsurance and the collectability of reinsurance; assessments charged by various governmental agencies; pricing competition and other initiatives by competitors; our ability to obtain regulatory approval for requested rate changes, and the timing thereof; legislative and regulatory developments; the outcome of litigation pending against us, including the terms of any settlements; risks related to the nature of our business; dependence on investment income and the composition of our investment portfolio; the adequacy of our liability for losses and loss adjustment expense; insurance agents; claims experience; ratings by industry services; catastrophe losses; reliance on key personnel; weather conditions (including the severity and frequency of storms, hurricanes, tornadoes and hail); changes in loss trends; acts of war and terrorist activities; court decisions and trends in litigation; and other matters described from time to time by us in our filings with the Securities and Exchange Commission, including, but not limited to, the Company's Annual Report on Form 10-K for the year ended December 31, 2014 filed with the Securities and Exchange Commission on March 18, 2015. In addition, investors should be aware that generally accepted accounting principles prescribe when a company may reserve for particular risks, including litigation exposures. Accordingly, results for a given reporting period could be significantly affected if and when a reserve is established for a major contingency. Reported results may therefore appear to be volatile in certain accounting periods. The Company undertakes no obligations to update, change or revise any forward-looking statement, whether as a result of new information, additional or subsequent developments or otherwise.

Heritage Insurance Holdings Inc.

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