

Heritage Insurance Holdings, Inc. Prepares for Hurricane Matthew and Highlights Strength of Catastrophe Reinsurance Program

CLEARWATER, Fla., Oct. 7, 2016 /PRNewswire/ -- Heritage Insurance Holdings, Inc. (NYSE: HRTG) ("Heritage" or the "Company"), a property and casualty insurance holding company, commented on its preparations for Hurricane Matthew and guarded optimism that losses sustained based on the storm's projected path can be absorbed by the insurance providers and the reinsurance industry.

Bruce Lucas, Chairman and CEO of Heritage Insurance, appeared on CNBC's October 6 Closing Bell and commented on the current situation. "Our estimated loss scenario appears more favorable than 24 hours ago based on Hurricane Matthew's most recent trajectory and our latest risk modeling guidance. While only a preliminary estimate, based on what we see now, estimated losses could be approximately \$500 million, well within our \$1.9 billion catastrophe reinsurance coverage tower." Heritage noted upon completion of its 2016-2017 reinsurance program the Company's conservative approach with catastrophe reinsurance was designed to protect both the policyholder and stockholders against the peril of a hurricane. Lucas added, "At this time, our focus is on the people and families being impacted by Hurricane Matthew. We stand ready to help our policyholders in their time of need."

Lucas continued, "As of this morning, Hurricane Matthew has remained east of the Florida coast. As a result, projected losses could be substantially lower than the estimated loss guidance of \$500 million."

The Company previously announced its 2016-2017 reinsurance program on June 8, 2016. The program provides approximately \$3.0 billion in reinsurance protection from catastrophic losses for its subsidiaries Heritage Property & Casualty Company ("Heritage P&C") and Zephyr Insurance Company ("Zephyr") and exceeds the requirements established by the Company's rating agency, Demotech Inc, the Florida Office of Insurance Regulation and the Hawaii Insurance Department.

The 2016-2017 reinsurance program provides first event coverage up to \$1.9 billion in Florida and subsequent multiple event coverage up to \$3.0 billion. Heritage P&C has a first event primary retention of \$20 million and Osprey Re, Heritage's captive reinsurance company, has an additional \$20 million first event primary retention. Heritage P&C is well capitalized with statutory surplus of \$209 million as of June 30, 2016.

About Heritage

Heritage Insurance Holdings, Inc. is a property and casualty insurance holding company headquartered in Clearwater, Florida. Its subsidiaries, Heritage Property & Casualty Insurance Company and Zephyr Insurance Company, write approximately \$600 million and \$60 million, respectively, of personal and commercial residential premium through a large network of experienced agents. The Company is currently writing property and casualty insurance policies in Florida, Hawaii, North Carolina and South Carolina. Heritage Insurance Holdings, Inc. is led by a seasoned senior management team with an average of 30 years of insurance industry experience.

Heritage Insurance Holdings Inc.

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