

Heritage Insurance 2017-2018 Reinsurance Program

CLEARWATER, Fla., Sept. 6, 2017 /PRNewswire/ -- Heritage Insurance Holdings, Inc. (NYSE: HRTG) ("Heritage" or the "Company"), a property and casualty insurance holding company, previously announced that its insurance subsidiary, Heritage Property & Casualty Insurance Company ("Heritage P&C") has a catastrophe reinsurance program that provides approximately \$1.75 billion in reinsurance protection for catastrophic losses and exceeds the requirements established by the Company's rating agency, Demotech, Inc., the Florida Office of Insurance Regulation. Under the reinsurance program, Heritage has a consolidated retention of approximately \$20 million pretax before reinsurance coverage begins.

Bruce Lucas, Chairman and CEO of Heritage, said, "With the approach of Hurricane Irma, it's important to remember that our current year's program reduced our windstorm retention by half from \$40 million to only \$20 million for the first catastrophic event. We have approximately \$1.75 billion of first event reinsurance in Florida. To put this amount in perspective, Hurricane Andrew, a powerful category 5 hurricane that struck southeast Florida, is estimated to produce a gross loss on our portfolio of \$813.1 million. Furthermore, our reinsurance models provide that even after enduring a Hurricane Andrew loss, Heritage will only have exhausted approximately 30% of its catastrophe reinsurance. Since we were not exposed to Harvey losses in Texas or Louisiana, and we do not cover flood losses, our Q3 results should closely approximate our prior guidance, which would be offset by an amount up to \$20 million pretax if Irma makes a Florida landfall. Heritage had approximately \$189 million of statutory surplus as of June 30, 2017. Heritage also has over \$600 million of multiyear catastrophe bonds with set pricing. This fixed pricing provides a hedge against future reinsurance rate increases that is unique in the Florida market."

About Heritage Insurance Holdings Inc.

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 personal and commercial residential premium through a large network of experienced agents in Florida, Hawaii, North Carolina, South Carolina, Georgia and Alabama. Heritage Insurance Holdings, Inc. is led by a seasoned senior management team with an average of 30 years of insurance industry experience.

Forward-Looking Statements:

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements, including, without limitation, statements about the Company's expected use of proceeds and the proposed NBIC Acquisition, relate to Heritage's current expectations, beliefs, projections and similar expressions concerning matters that are not historical facts and are not guarantees of future performance. Forward-looking statements involve uncertainties, risks, assumptions and contingencies, many of which are outside Heritage's control that may cause actual results to differ materially from those described in or implied by any forward-looking statements. All forward-looking statements are based on currently available information and speak only as of the date on which they are made. Heritage assumes no obligation to update any forward-looking statement made in this press release that becomes untrue because of subsequent events, new information or otherwise, except to the extent it is required to do so in connection with its ongoing requirements under Federal securities laws. For a further discussion of factors that could cause Heritage's future results to differ materially from any forward-looking statements, see the section entitled "Risk Factors" in Heritage's Annual Report on Form 10-K for the year ended December 31, 2016 and other risks described in documents filed by Heritage from time to time with the Securities and Exchange Commission.

Heritage Insurance Holdings Inc.

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