

Heritage Increases Catastrophe Reinsurance Program at Reduced Cost

CLEARWATER, Fla., June 3, 2019 /PRNewswire/ -- Heritage Insurance Holdings, Inc. (NYSE: HRTG) ("Heritage" or the "Company"), a property and casualty insurance holding company, announced today that it placed its 2019-2020 catastrophe reinsurance program for its statutory insurance subsidiaries, including Heritage Property Casualty Insurance Company (HPCIC), Narragansett Bay Insurance Company (NBIC) and Zephyr Insurance Company (ZIC).

2019-2020 catastrophe reinsurance program key points:

- Significantly increased return period to the highest level in the Company's history.
- First event reinsurance exhaustion point increases to \$1.5 billion.
- Reduced catastrophe reinsurance spend by \$10 million vs. prior year. Total cost to Heritage of \$249.2 million (26.8% of first quarter 2019 premiums-in-force), down from \$259.5 million (28.1% of first quarter 2018 premiums-in-force) last year.
- Heritage's first event retentions in the southeast and Hawaii remain at \$20 million, accounting for 4.6% of first quarter 2019 GAAP equity (pre-tax), down from 5.1% in the prior year. First event retention increases slightly in the northeast to \$13.8 million from \$12.8 million in the prior year, but accounts for just 3.2% of first quarter 2019 GAAP equity (pre-tax), down 10 basis points year-over-year.

Bruce Lucas, Heritage's Chairman and CEO, said, "Over the past four years we have led the market on diversifying away from Florida and the Tri-County. Our differentiated business plan is creating very favorable results for our shareholders as evidenced by lower attritional loss trends and better reinsurance terms and pricing. Despite a hard market, we were able to significantly increase our reinsurance program to the highest point in the Company's history at a cost savings of \$10 million. I would like to thank all of our reinsurance partners for their strong support."

Financial information, including material announcements about Heritage, is routinely posted on investors.heritagepci.com.

About Heritage

Heritage Insurance Holdings, Inc. is a super-regional property and casualty insurance holding company headquartered in Clearwater, Florida. Through its insurance subsidiaries and a large network of experienced agents, the Company writes over \$900 million of gross personal and commercial residential premium across its multi-state footprint.

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, the 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, 2018 filed with the Securities and Exchange Commission on March 12, 2019. 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.

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