

INVESTOR PRESENTATION

2025 RAYMOND JAMES CONFERENCE

MARCH 2-5, 2025



AMERICAN COASTAL
INSURANCE CORPORATION

American Coastal Insurance Corporation

Forward- Looking Statements

Statements made in this presentation that are not historical facts are “forward-looking statements”. The Company believes these statements are based on reasonable estimates, assumptions and plans. However, if the estimates, assumptions, or plans underlying the forward-looking statements prove inaccurate or if other risks or uncertainties arise, actual results could differ materially from those expressed in, or implied by, the forward-looking statements. These statements are made subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements do not relate strictly to historical or current facts and may be identified by their use of words such as “may,” “will,” “expect,” “endeavor,” “project,” “believe,” “plan,” “anticipate,” “intend,” “could,” “would,” “estimate” or “continue” or the negative variations thereof or comparable terminology. Factors that could cause actual results to differ materially may be found in the Company's filings with the U.S. Securities and Exchange Commission, in the “Risk Factors” section in the Company's most recent Annual Report on Form 10-K. Forward-looking statements speak only as of the date on which they are made, and, except as required by applicable law, the Company undertakes no obligation to update or revise any forward-looking statements.

American Coastal Insurance Corporation

Management



Dan Peed
Executive Chairman
& Former CEO



Brad Martz
President & CEO



Lana Castle
CFO

American Coastal Insurance Corporation

Management



Brooke Adler
General Counsel



Chris Griffith
COO & CIO



Andy Gray
Chief Compliance & Risk Officer

Corporate Overview

American Coastal Insurance Corporation® (ACIC) is a holding company that underwrites commercial residential property insurance policies in Florida through its wholly owned subsidiary, American Coastal Insurance Company (AmCoastal), founded in 2007.

AmCoastal has the #1 market share in commercial residential property insurance (commercial lines) in Florida with roughly 4,018 policies and \$646.1 million of premium in-force as of December 31, 2024.



Key Metrics

Nasdaq Ticker:	ACIC
Stock Price (2/28/2025):	\$12.14 per share
Market Cap:	\$585 M
Net Premiums Earned:	\$274 M
Net Income from Continuing Operations:	\$76 M
Kroll Credit Rating:	BB+
Headquarters:	St. Petersburg, FL
Employees:	64



Our P&C Carriers

\$648 M

2024
Continuing Operations
Direct Premiums Written



**Specialty
Commercial
Property**



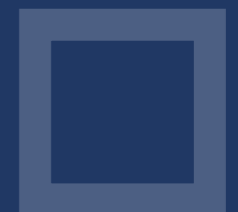
**Specialty
Homeowners**



*Executed definitive agreements to divest
of IIC; discontinued operations.*



Our commercial lines business, underwritten by AmCoastal, continues to demonstrate its resilience by posting an underwriting profit for the 17th consecutive year since its formation in 2007.



Strategic Transformation

July
2020

Dan Peed appointed as Chairman & CEO

Seeking to de-risk the Company's struggling personal lines business and allocate more resources towards our consistently profitable commercial lines segment.

2022

Personal lines business placed into run-off

Underwriting Initiatives

Increased rates, began non-renewing risks, and reduced exposure by selling large portions of its personal lines business in seven states to a third-party carrier.

March
2023

Disposal of United P&C Ins. Co. (UPC)

UPC ordered into receivership in early 2023.

Aug
2023

Rebrand to American Coastal

The Company began trading on NASDAQ under ticker 'ACIC' on August 15, 2023.

2024

Divest of IIC

Executed definitive agreements to divest Interboro Insurance Company; closing April 1, 2025.

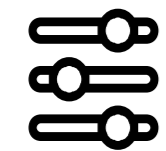
Our commercial lines business underwritten by AmCoastal has produced exceptional results over the long-term, which we expect to continue. **It is our primary focus going forward.**

Investment Thesis



Recently Completed Strategic Transformation

A compelling investment opportunity in a unique niche market.



Deep Underwriting Expertise

Sophisticated multi-model underwriting & best-in-industry data capture capabilities.



AmRisc – an Exclusive Partnership

The leading commercial property managing general agent (MGA) in the U.S.



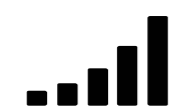
Above-average Risk Characteristics

Focusing on low-rise and garden-style condominium buildings.



Strong Reinsurance Support

Low retention minimizes potential volatility from potential hurricane losses.



Consistent Profitability¹

Pre-tax income (10-year average) of \$55.4 M with an attritional loss & LAE ratio of 8.1%.



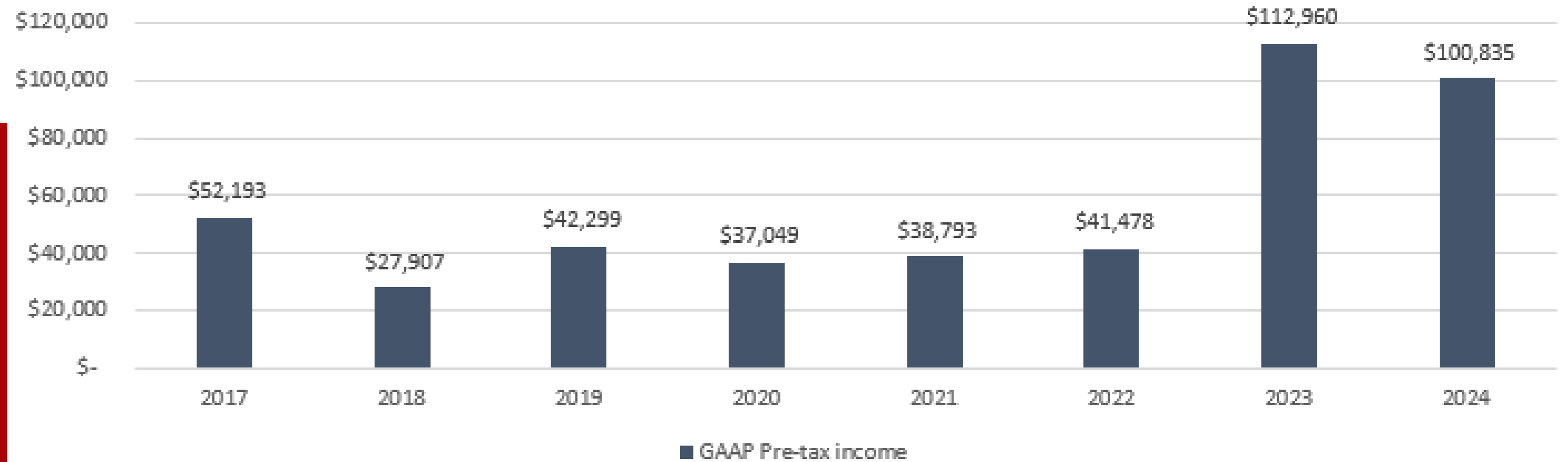
Favorable Market Conditions

Compounding rate increases YOY, positioning ACIC for future profitable growth.

¹ GAAP results for AmCoastal only

Profitability Metrics Reset in 2023

GAAP Pre-tax Income*
(\$ in thousands)



**PROFITABILITY HAS
SHIFTED HIGHER IN THE
RECENT HARD MARKET**

**PROFITABLE EVERY
YEAR SINCE INCEPTION**

Inclusive of all major
hurricane losses

Hurricane Irma

Hurricane Michael

Hurricane Sally

Hurricane Ian

*Reflects GAAP pre-tax income from American Coastal Insurance Company



American Coastal Insurance Corporation

Exclusive Partnership



6th largest insurance broker in the U.S.
7th largest insurance broker in the world



Exclusive MGA Agreement for the Admitted Commercial Residential Condominium Association Market in Florida

Distribution, underwriting, policy issuance, inspection, claims services and portfolio management



American Coastal provides underwriting strategy, direction and pricing targets to AmRisc.

AmRisc was founded by ACIC
Executive Chairman and Former CEO, Dan Peed, in 2000.

American Coastal Insurance Corporation

Underwriting Strategy

\$ 14.7 M

Average insured value per policy

Focus on habitational commercial residential property in Florida.

Underwriting profitability is job #1

Target risk is Florida low-rise, garden-style condo buildings

Exposure managed via 3rd party catastrophe modeling software

Maintain low net retention of catastrophe risk vs. expected annual earnings

Aiming to achieve predictable risk and profitability of each potential policy.

Flexible, judgement-based pricing for most risks

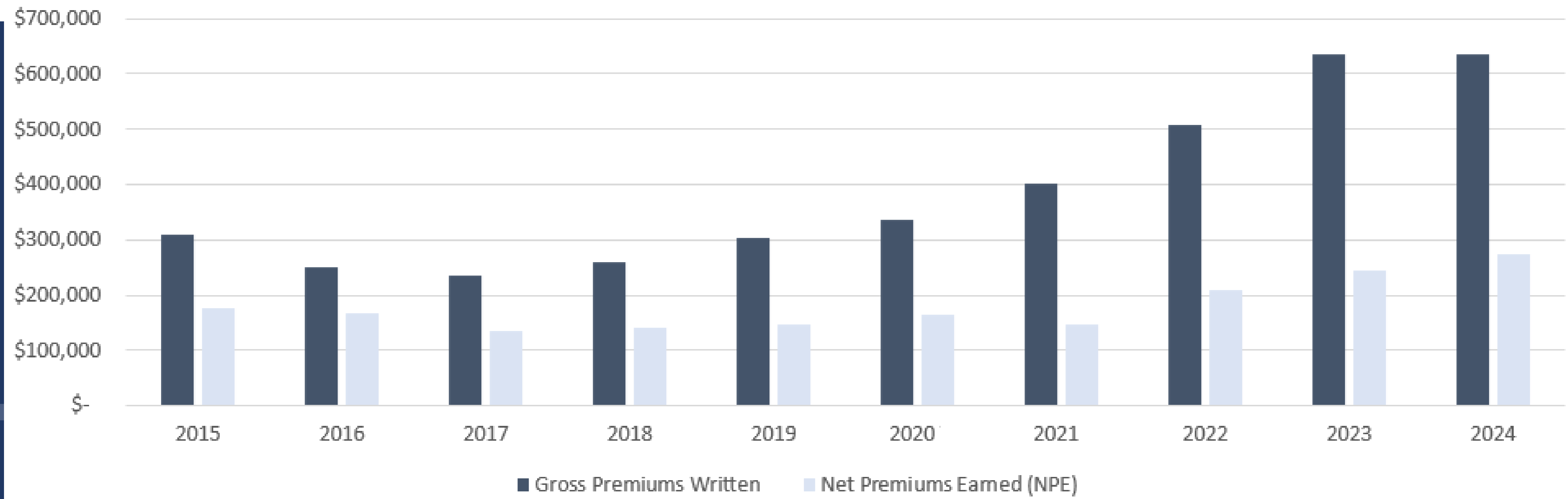
Cover physical damage to the condo building (no contents, flood, or liability)

Exclusive distribution with AmRisc in the Florida admitted market

Long-term reinsurance relationships supporting risk transfer strategy

Underwriting Discipline

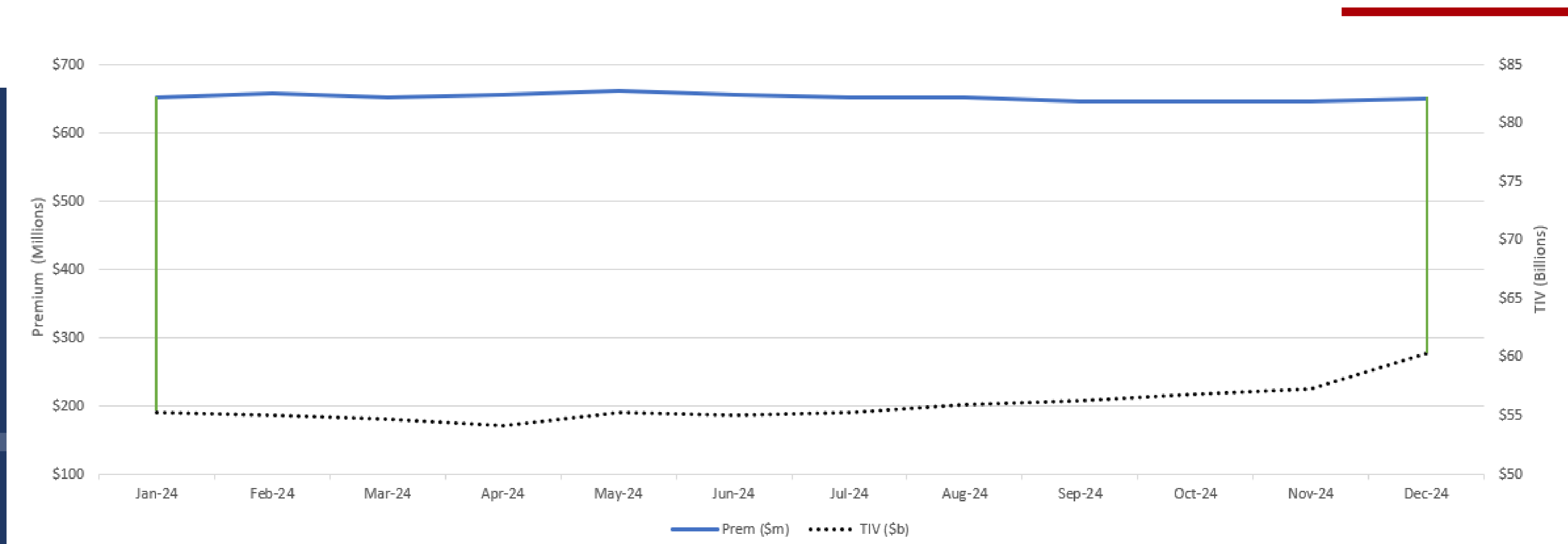
The Florida property insurance market has experienced several hard and soft market cycles since our inception in 2007. AmCoastal has a strong track record of taking appropriate underwriting action to ensure sustainability and profitability.



Favorable Underwriting Trends

Hard Market Conditions

Achieving record rate levels relative to total insured values along with higher deductibles.



Retention Trends



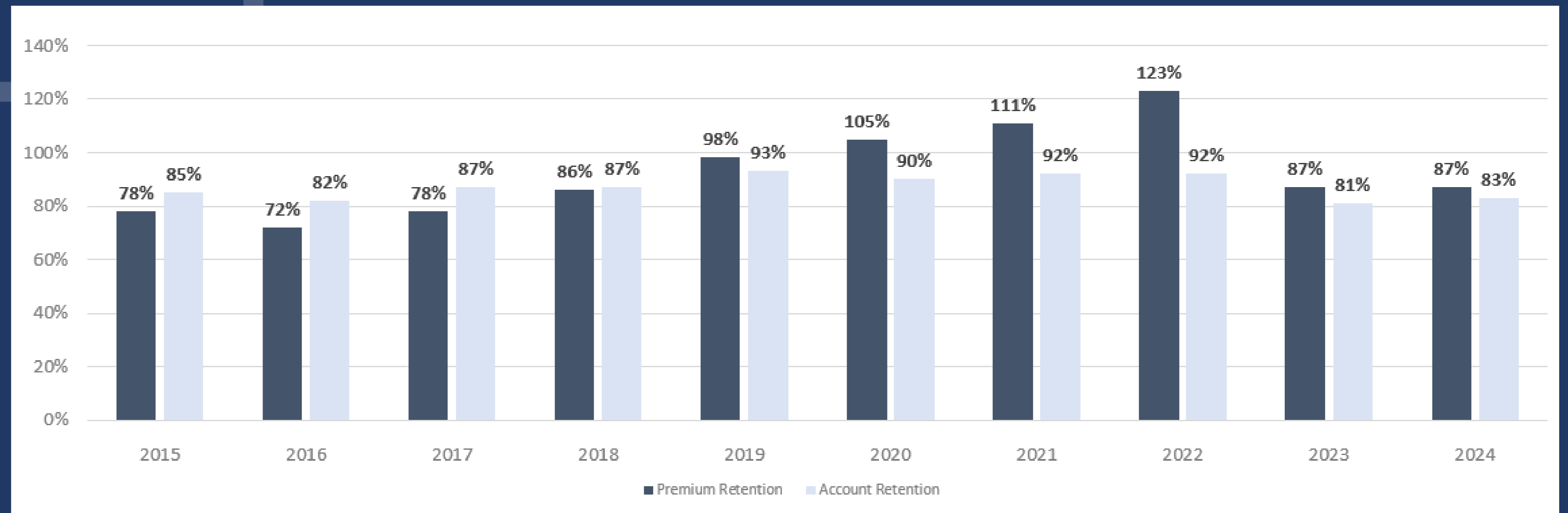
At December 31, 2024, account retention was near our target of 85% and submission volume remains strong.

87.1%

Premium Retention in 2024

82.9%

Account Retention in 2024



American Coastal Insurance Corporation

Core CAT Reinsurance



Named Windstorm Protection



Our core catastrophe reinsurance program provides protection against hurricanes and tropical storms, named or numbered by the National Hurricane Center, as part of our catastrophe management strategy, which is intended to provide our stockholders an acceptable return on the risks assumed in our property business, and to reduce variability of earnings, while providing protection to our policyholders.

We have long-term relationships with a diversified panel of highly rated reinsurers and fully collateralized reinsurance providers that help ensure continuity of our risk transfer strategy over time.

Catastrophe reinsurance 1st event coverage up to

\$1.3 billion

from named or numbered windstorms

First event retention limited to:

\$20.5 million

Second and third event retention limited to:

\$13.0 million

Effective

Jun 1, 2024 – May 31, 2025



All Perils Aggregate Protection



Aggregate (AGG) catastrophe reinsurance provides protection from aggregate catastrophe losses in excess of \$40 million during the coverage year. This reinsurance covers all perils.

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CAT AGG Reinsurance

up to

\$40 million

of coverage triggering after \$40 million of aggregate losses

Occurrence Cap of

\$20 million



Effective

Jan 1, 2025 – Dec 31, 2025



Secondary Perils Protection



All other perils (AOP) catastrophe reinsurance provides protection from catastrophe loss events other than named windstorms such as hailstorms, tornados, and other severe convective storm events.

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AOP CAT Reinsurance

up to **\$100 million**

on the first & second events

AOP CAT retention generally limited to:

\$10 million

on the first & second events



**Effective
Jan 1, 2025 – Dec 31, 2025**

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Excess Per Risk Reinsurance



Non-catastrophe Protection



Our excess per risk reinsurance protection is designed to limit our losses from non-catastrophe perils including, but not limited to, fire, water damage (excluding flood), sinkhole, and collapse on a per building or per policy basis.



Non-catastrophe reinsurance coverage up to:

\$60 million

Non-catastrophe retention per risk generally limited to:

\$4 million

Effective
Feb 1, 2025 – Jan 31, 2026

Approximately **\$20 million**
of written premiums in 2025

New Apartment Program

On October 27, 2024, we completed our first Citizens assumption, assuming 87 policies with approximately \$10.7 million of expiring premium. This includes 14 apartment policies, kicking off our new apartment program.



Similar to our Condo book of business, we plan to target garden style apartment buildings and complexes, with a TIV of \$5 million to \$65 million.

Distribution through wholesale brokerage channels, with underwriting and policy management through our wholly-owned MGU, Skyway Underwriters. We believe these risks belong in the admitted market, not the E&S market that most reside in today.

Market Opportunity of **\$100 to \$200 million**
in annual premium by Year 5.

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Skyway Underwriters



In tandem with the launch of our apartment program, we've developed capabilities to underwrite and manage policies through our wholly-owned MGU, Skyway Underwriters.

Skyway Underwriters licenses and completed development of a no-code policy administration system to launch with our apartment product.

The system is versatile and scalable with our strategic growth goals.

American Coastal Insurance Corporation

The Numbers



01.

**Financial
Results**

03.

**Select Balance
Sheet Data**

02.

Profitability

Consolidated Financial Results



2024

Core Return on Equity

34.0%

*based on GAAP earnings from
continuing operations, net of tax*

Return on equity is calculated by dividing the core income for the period by the average stockholders' equity for the trailing twelve months.

\$ in millions, except per share data	Three Months Ended			Year Ended		
	2024	2023	% Chg.	December 31, 2024	2023	% Chg.
Gross Premiums Written	\$141	\$128	10.2%	\$648	\$636	1.9%
Gross Premiums Earned	\$163	\$159	2.5%	\$639	\$605	5.6%
Net Premiums Earned	\$73	\$49	49.0%	\$274	\$262	4.6%
Total Revenue	\$79	\$51	54.9%	\$297	\$264	12.5%
Total Expenses	\$70	\$32	118.8%	\$197	\$171	15.2%
*Core Income	\$6	\$18	(66.7)%	\$77	\$92	(16.3)%
*Core Income Per Diluted Share	\$0.12	\$0.39	(69.2)%	\$1.56	\$2.08	(25.0)%
Book Value per Share				\$4.89	\$3.61	35.5%

Prior year financial results have been reclassified to reflect continuing and discontinued operations appropriately.

**Core income and core income per diluted share, both of which are measures that are not based on GAAP, are reconciled above to net income and net income per diluted share, respectively, the most directly comparable GAAP measures. Additional information regarding non-GAAP financial measures presented in this press release can be found in the "Definitions of Non-GAAP Measures" section, on slide 28.*

2024 Combined Ratio



Loss Ratio

25.3%

71.2% IIC



Expense Ratio

42.2%

44.9% IIC



Combined Ratio

67.5%

116.1% IIC

Executed definitive agreements to divest of Interboro Insurance Company, closing April 1, 2025.

IIC is included in discontinued operations.

Select Balance Sheet Data

Improving Capitalization = Growth Opportunity

We have resumed underwriting new commercial business after several years of shrinking due to capital constraints.

<i>\$ in millions</i>	December 31, 2024	December 31, 2023
Total Investments	\$341	\$155
Cash and Cash Equivalents	\$137	\$139
Cash & Investments	\$540	\$294
Total Assets	\$1,216	\$1,062
Unpaid Losses & LAE	\$322	\$348
Notes Payable	\$149	\$149
Total Liabilities	\$980	\$894
Total Stockholders' Equity	\$236	\$169
Total Liabilities and Stockholders' Equity	\$1,216	\$1,062

Consolidated Balance Sheet components have been reclassified to reflect continuing and discontinued operations appropriately.

2025 Guidance



**Net Income from Continuing
Operations**

\$70M to \$90M

(7.9)% to +18.4%

vs. \$76M in FY2024



Net Premiums Earned

\$290M to \$320M

+5.8% to +16.8%

vs. \$274M in FY2024

Capital Allocation

Debt

- In the long-term, we plan to target a 20% to 25% debt to total capital ratio.
- We plan to reduce, but not fully eliminate our long-term debt upon maturity.

Equity

- When management believes ACIC stock is undervalued, we may participate in stock buybacks.
- Where the Company determines prudent, we may issue further shares to raise capital in lieu of debt issuance.

Dividends

- When our capital position is in excess of our projected needs, particularly, when we experience lower catastrophe losses than what management considers to be a typical year, a special dividend may be declared for shareholders.
- As a catastrophe exposed underwriter, we believe this approach provides the Company with a stronger capital position than a regular quarterly dividend.
- In December 2024, our Board of Directors declared a special cash dividend of \$0.50 per share of common stock paid on January 10, 2025.

American Coastal Insurance Corporation

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Definitions of Non-GAAP Measures and Discontinued Operations

Definitions of Non-GAAP Measures

The Company believes that investors' understanding of ACIC's performance is enhanced by the Company's disclosure of the following non-GAAP measures. The Company's methods for calculating these measures may differ from those used by other companies and therefore comparability may be limited.

Core return on equity is a non-GAAP ratio calculated using non-GAAP measures. It is calculated by dividing the core income (loss) for the period by the average stockholders' equity for the trailing twelve months (or one quarter of such average, in the case of quarterly periods). Core income (loss) is an after-tax non-GAAP measure that is calculated by excluding from net income (loss) the effect of income (loss) from discontinued operations, net of tax, non-cash amortization of intangible assets, including goodwill, unrealized gains or losses on the Company's equity security investments and net realized gains or losses on the Company's investment portfolio. In the opinion of the Company's management, core income (loss), core income (loss) per share and core return on equity are meaningful indicators to investors of the Company's underwriting and operating results, since the excluded items are not necessarily indicative of operating trends. Internally, the Company's management uses core income (loss), core income (loss) per share and core return on equity to evaluate performance against historical results and establish financial targets on a consolidated basis. The most directly comparable GAAP measure is return on equity. The core return on equity measure should not be considered a substitute for return on equity and does not reflect the overall profitability of the Company's business.

Discontinued Operations

On May 9, 2024, the Company entered into the Sale Agreement with Forza Insurance Holdings, LLC ("Forza") in which ACIC will sell and Forza will acquire 100% of the issued and outstanding stock of the Company's subsidiary, IIC. In addition, on February 27, 2023, the Florida Department of Financial Services was appointed as a receiver of the Company's former subsidiary, UPC. As such, prior year financial results and Consolidated Balance Sheet components have been reclassified to reflect continuing and discontinued operations appropriately.