CITIZENS PROPERTY INSURANCE CORPORATION
2312 KILLEARN CENTER BLVD., BUILDING A
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October 8, 2012

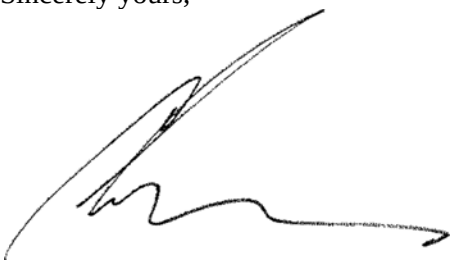
Mr. Barry Gilway
President and Chief Executive Officer
Citizens Property Insurance Corporation
2312 Killearn Center Blvd.
Building A
Tallahassee, Florida 32309

Dear Mr. Gilway:

Thank you for all of the hard work you and your staff have invested in the development of the proposed Surplus Notes Program (SNP). I am grateful for the staff's dedication to identifying innovative ways to help return Citizens policies to the private market. As you know, the SNP has been the subject of a healthy and vigorous public debate. Many important questions have been raised by public officials, including Chief Financial Officer Jeff Atwater, Speaker Designate Will Weatherford, Insurance Consumer Advocate Robin Westcott, and others regarding the program's financial impact and deal structure.

These questions and concerns mirror my own discussions with you and our Chief Financial Officer, Sharon Binnun, regarding the technical aspects of the transaction and the importance of ensuring that Citizens has the back office capabilities to administer the program on a long term basis. In principle, I agree with you that the SNP makes good business sense and sound public policy. However, given the nature of Citizens and the need for heightened transparency, further review is paramount. I am therefore requesting that you engage one or more independent firms with expertise in the area of surplus-note banking to assess the design of the proposal and to ensure that we have properly vetted the transaction from all angles. An outside assessment will give the public added confidence that, if we move forward with the SNP, we are doing so with all available information and a firm understanding of its potential impact on our policyholders and Florida taxpayers.

Sincerely yours,



Carlos A. Lacasa
Chairman of the Board