LEMONADE INSURANCE COMPANY

State of Florida

Actuarial Memorandum

Lemonade Insurance Company (the Company) is proposing revisions to its rating factors for its current pet insurance program in Florida. The basis for the proposed rating variables is described below. The proposed rate level change for the Accident & Illness coverage is 23.0% and the proposed change for Preventative coverage is 0.0%. The overall proposed rate level change is 19.5%. Revised rate manual pages are included to replace those currently on file. Please see the attached rate indication for support of the proposed rate adjustment.

Program Information

The Company's pet insurance program was launched in the second quarter of 2020. The plan covers eligible veterinary expenses incurred from diagnostics and treatments related to unexpected accidents and illnesses. A preventative care add-on may also be selected by policyholders to provide coverage for services such as annual wellness exams, blood tests, vaccines, and more. Coverage is available for either cats or dogs.

We have 37,350 in-force policies in the state of Florida as of July 1, 2026 that will be impacted by the proposed rate changes.

Summary of Proposed Changes

Rule 1. Annual Base Rate

We are proposing an offset to the Base Rate of 24.0% to achieve the proposed Accident & Illness rate level change of 23.0%.

Rule 2. Zip Code Modifier Factors

The Company is proposing to modify several territory factors. Please refer to the Derivation of Territory Factors Exhibit for more details.

Rule 4. Age at Underwriting Factors

The Company is proposing a 16.5% increase to the age factor for dogs more than 9 years old (group 9+) and a 9.4% increase to the age factor for cats more than 9 years old (group 9+). The proposed factor change will only be applied to renewal business.