



# 2017 Operating Budget

Financial Schedules & Supporting Information

Board of Governors Meeting

December 07, 2016

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## Board of Governors

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**Chris Gardner, Chairman of the Board**

**Don Glisson, Vice Chair**

**Gary Aubuchon**

**Bette Brown**

**Juan Cocuy**

**Jim Henderson**

**James Holton**

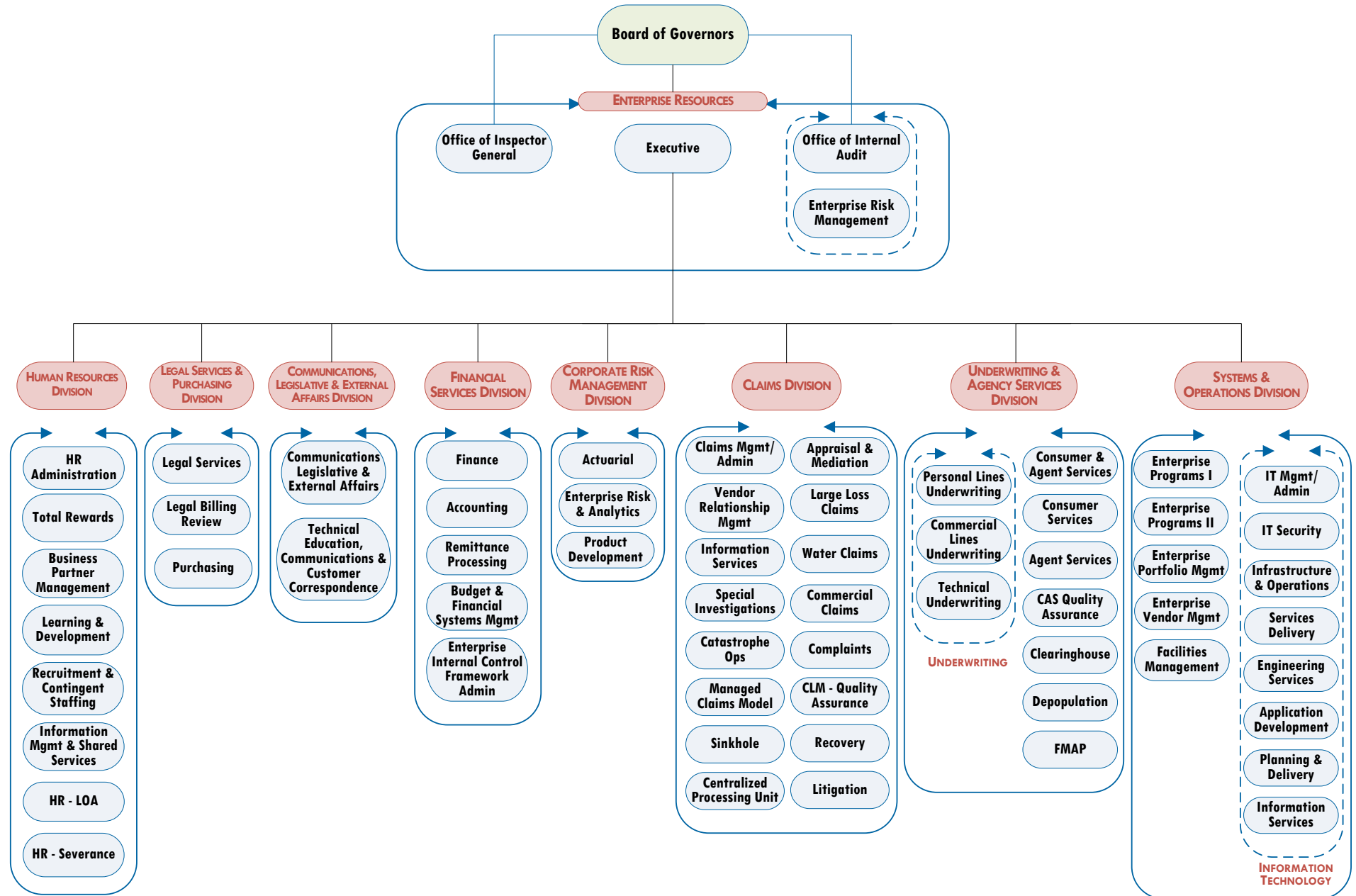
**Freddie Schinz**



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# 2017 Operating Budget

## Budget Assumptions

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**2017 Operating Budget**  
**Citizens Property Insurance Corporation**

**Budget Assumptions  
Comparison**

<b>I Policies In Force (PIF)</b>		<b>PLA</b>	<b>CLA</b>	<b>COASTAL</b>	<b>TOTAL</b>
<b>A</b>	Budgeted policy count as of: 12/31/2017	352,268	1,801	150,133	504,202
	Projected policy count as of: 12/31/2016	300,416	2,193	159,983	462,592
	Total policy count change, net of depopulation	51,852	(392)	(9,850)	41,610
	Percentage change, net of depopulation	17.26%	-17.88%	-6.16%	8.99%
<b>B</b>	Depopulation				
	2017 budgeted quantity of policies depopulated	-	138	9,035	9,173
	2016 projected quantity of policies depopulated	21,451	272	31,418	53,141
	Change	(21,451)	(134)	(22,383)	(43,968)
	Percentage change	-100.00%	-49.37%	-71.24%	-82.74%
<b>II Written Premiums</b>		<b>PLA</b>	<b>CLA</b>	<b>COASTAL</b>	<b>TOTAL</b>
<b>A</b>	2017 Budgeted	\$ 549,725,794	\$ 32,626,408	\$ 418,632,580	\$ 1,000,984,782
	2016 Projected	466,052,916	39,642,025	473,429,499	979,124,440
	Change	83,672,878	(7,015,617)	(54,796,919)	21,860,342
	Percentage change	17.95%	-17.70%	-11.57%	2.23%
<b>III Ceded Premiums</b>		<b>PLA</b>	<b>CLA</b>	<b>COASTAL</b>	<b>TOTAL</b>
<b>A</b>	Depopulation				
	2017 Budgeted	\$ 4,226,463	\$ (1,920,888)	\$ (11,988,209)	\$ (9,682,634)
	2016 Projected	(13,722,033)	(2,311,885)	(42,081,778)	(58,115,696)
	Change	17,948,496	390,997	30,093,569	48,433,062
	Percentage change	-130.80%	-16.91%	-71.51%	-83.34%
<b>B</b>	Florida Hurricane Catastrophe Fund Premium - Mandatory Layer Only				
	2017 Budgeted	\$ (63,251,047)	\$ (7,395,142)	\$ (92,183,534)	\$ (162,829,723)
	2016 Projected	(58,752,606)	(9,527,330)	(111,579,142)	(179,859,078)
	Change	(4,498,441)	2,132,188	19,395,608	17,029,355
	Percentage change	7.66%	-22.38%	-17.38%	-9.47%
<b>C</b>	Private Reinsurance				
	2017 Budgeted	\$ -	\$ -	\$ (70,000,000)	\$ (70,000,000)
	2016 Projected	-	-	(181,398,652)	(181,398,652)
	Change	-	-	111,398,652	111,398,652
	Percentage change	0.00%	0.00%	-61.41%	-61.41%
<b>IV Loss Ratios</b>		<b>PLA</b>	<b>CLA</b>	<b>COASTAL</b>	<b>TOTAL</b>
<b>A</b>	Loss and LAE Ratio (percent of direct premiums earned less ceded depop premium earned)				
	2017 Budgeted	86.08%	12.50%	23.99%	56.00%
	2016 Projected	70.08%	14.12%	26.45%	45.93%
	Change	15.99%	-1.62%	-2.45%	10.07%
	Percentage change	22.82%	-11.48%	-9.28%	21.92%



**2017 Operating Budget**  
**Citizens Property Insurance Corporation**

**Budget Assumptions  
Comparison**

<b>V</b>	<b>Probable Maximum Loss (PML)</b>	<b>PLA</b>	<b>CLA</b>	<b>COASTAL</b>	<b>COMBINED *</b>
<b>A</b>	<b>10 Year PML</b>				
	2017 Budgeted (As of 6/30/16 - projected through 6/30/17)	\$ 210,707,889	\$ 37,966,081	\$ 590,901,292	\$ 868,764,262
	2016 Budgeted (As of 9/30/15 - Excluding Actual October & Projected November Depopulation)	193,167,462	52,995,164	740,501,735	1,023,250,250
	Change	17,540,427	(15,029,083)	(149,600,443)	(154,485,988)
	Percentage change	9.08%	-28.36%	-20.20%	-15.10%
<b>B</b>	<b>25 Year PML</b>				
	2017 Budgeted (As of 6/30/16 - projected through 6/30/17)	\$ 546,114,895	\$ 106,464,343	\$ 1,668,436,832	\$ 2,321,744,650
	2016 Budgeted (As of 9/30/15 - Excluding Actual October & Projected November Depopulation)	515,391,745	147,626,254	2,049,947,462	2,711,051,561
	Change	30,723,150	(41,161,911)	(381,510,630)	(389,306,911)
	Percentage change	5.96%	-27.88%	-18.61%	-14.36%
<b>C</b>	<b>100 Year PML</b>				
	2017 Budgeted (As of 6/30/16 - projected through 6/30/17)	\$ 1,724,405,638	\$ 358,198,264	\$ 4,732,195,600	\$ 6,648,361,531
	2016 Budgeted (As of 9/30/15 - Excluding Actual October & Projected November Depopulation)	1,641,793,419	481,496,277	5,818,308,022	7,796,906,730
	Change	82,612,219	(123,298,013)	(1,086,112,422)	(1,148,545,199)
	Percentage change	5.03%	-25.61%	-18.67%	-14.73%

\* Combined PML does not equal the sum by account as PML is not additive.

<b>VI</b>	<b>Producer Commissions and Taxes and Assessments</b>	<b>PLA</b>	<b>CLA</b>	<b>COASTAL</b>	<b>TOTAL</b>
<b>A</b>	<b>Producer Commissions (percent of direct written premiums)</b>				
	2017 Budgeted	7.20%	10.70%	8.70%	7.90%
	2016 Projected	7.12%	10.85%	8.72%	8.13%
	Change	0.08%	-0.15%	-0.02%	-0.23%
	Percentage change	1.09%	-1.40%	-0.23%	-2.84%
<b>B</b>	<b>Taxes and Assessments (percent of direct written premiums)</b>				
	2017 Budgeted	1.50%	1.50%	1.50%	1.50%
	2016 Projected	1.56%	1.63%	1.40%	1.48%
	Change	-0.06%	-0.13%	0.10%	0.02%
	Percentage change	-3.62%	-8.09%	6.93%	1.20%

<b>VII</b>	<b>Allocation Between Accounts</b>	<b>PLA</b>	<b>CLA</b>	<b>COASTAL</b>	<b>TOTAL</b>
<b>A</b>	<b>Allocation between all three accounts</b>				
	2017 Budgeted	54.92%	3.26%	41.82%	100.00%
	2016 Projected	40.93%	5.36%	53.70%	100.00%
	Change	13.99%	-2.10%	-11.88%	0.00%
	Percentage change	34.17%	-39.22%	-22.12%	0.00%
<b>B</b>	<b>Allocation between PLA and CLA</b>				
	2017 Budgeted	86.36%	13.64%	N/A	100.00%
	2016 Projected	88.41%	11.59%	N/A	100.00%
	Change	-2.05%	2.05%	N/A	0.00%
	Percentage change	-2.32%	17.69%	N/A	0.00%

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# 2017 Operating Budget

Budgeted Statements of Operations

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**2017 Operating Budget**  
Citizens Property Insurance Corporation

**Budgeted Statement of Operations Comparison - Consolidated**

Income Statement	2017 Budget		2016 Projection		Versus 2017 Budget		2016 Budget		Versus 2017 Budget		2015 Actual		Versus 2017 Budget	
	Total Year	Total Year	Total Year	Total Year	\$ Variance	% Var	Total Year	Total Year	\$ Variance	% Var	Total Year	Total Year	\$ Variance	% Var
<b>Premiums</b>														
Premiums Written - Direct	\$ 1,000,984,782	\$ 979,124,440	\$ 21,860,342	2.23%	\$ 909,235,682	\$ 91,749,100	10.09%	\$ 1,267,754,199	\$ (266,769,417)	-21.04%				
Change in Direct UPR	(32,592,932)	123,872,871	(156,465,803)	-126.31%	183,889,414	(216,482,346)	-117.72%	392,528,170	(425,121,102)	-108.30%				
Premiums Ceded (FHCF)	(162,829,722)	(179,859,078)	17,029,356	-9.47%	(165,500,000)	2,670,278	-1.61%	(226,437,139)	63,607,417	-28.09%				
Change in Ceded UPR (FHCF)	-	-	-	0.00%	-	-	0.00%	-	-	0.00%				
Premiums Ceded (Private)	(70,000,000)	(181,398,652)	111,398,652	-61.41%	(204,000,000)	134,000,000	-65.69%	(282,607,565)	212,607,565	-75.23%				
Change in Ceded UPR (Private)	-	-	-	0.00%	-	-	0.00%	-	-	0.00%				
Premiums Ceded (Depop)	(9,682,634)	(58,115,696)	48,433,062	-83.34%	(132,238,189)	122,555,555	-92.68%	(180,710,726)	171,028,092	-94.64%				
Change in Ceded UPR (Depop)	(21,552,247)	(75,416,254)	53,864,007	-71.42%	(74,394,993)	52,842,746	-71.03%	(209,777,346)	188,225,099	-89.73%				
<b>Net Premiums Earned</b>	<b>\$ 704,327,247</b>	<b>\$ 608,207,631</b>	<b>\$ 96,119,616</b>	<b>15.80%</b>	<b>\$ 516,991,914</b>	<b>\$ 187,335,333</b>	<b>36.24%</b>	<b>\$ 760,749,592</b>	<b>\$ (56,422,345)</b>	<b>-7.42%</b>				
<b>Underwriting Expenses</b>														
Losses Incurred	\$ 439,349,207	\$ 353,116,114	\$ 86,233,093	24.42%	\$ 201,974,495	\$ 237,374,712	117.53%	\$ 402,515,398	\$ 36,833,809	9.15%				
Loss Adjustment Expenses	85,657,386	92,223,796	(6,566,410)	-7.12%	72,990,528	12,666,858	17.35%	86,538,019	(880,633)	-1.02%				
Producer Commissions	79,492,317	78,985,873	506,444	0.64%	74,377,904	5,114,413	6.88%	102,871,622	(23,379,305)	-22.73%				
Taxes & Assessments	15,014,772	14,686,867	327,905	2.23%	13,438,301	1,576,471	11.73%	17,395,237	(2,380,466)	-13.68%				
Administrative Expenses	146,401,456	137,200,213	9,201,243	6.71%	140,215,387	6,186,069	4.41%	140,016,300	6,385,156	4.56%				
Other Underwriting Expenses	17,060,285	14,014,169	3,046,116	21.74%	17,599,106	(538,821)	-3.06%	18,503,322	(1,443,037)	-7.80%				
<b>Total Underwriting Expense</b>	<b>\$ 782,975,423</b>	<b>\$ 690,227,032</b>	<b>\$ 92,748,391</b>	<b>13.44%</b>	<b>\$ 520,595,721</b>	<b>\$ 262,379,702</b>	<b>50.40%</b>	<b>\$ 767,839,899</b>	<b>\$ 15,135,524</b>	<b>1.97%</b>				
<b>Net Underwriting Gain (Loss)</b>	<b>\$ (78,648,176)</b>	<b>\$ (82,019,401)</b>	<b>\$ 3,371,225</b>	<b>-4.11%</b>	<b>\$ (3,603,807)</b>	<b>\$ (75,044,369)</b>	<b>2082.36%</b>	<b>\$ (7,090,306)</b>	<b>\$ (71,557,870)</b>	<b>1009.24%</b>				
<b>Other Income (Expenses)</b>														
Investment Income - Net	\$ 173,373,823	\$ 195,136,391	\$ (21,762,568)	-11.15%	\$ 150,886,051	\$ 22,487,772	14.90%	\$ 160,130,859	\$ 13,242,964	8.27%				
Interest Expense - Net	(92,569,835)	(137,005,904)	44,436,069	-32.43%	(136,942,746)	44,372,911	-32.40%	(160,508,022)	67,938,187	-42.33%				
Note Issuance Costs	-	-	-	0.00%	-	-	0.00%	(5,291,699)	5,291,699	-100.00%				
Assessment Income	-	-	-	0.00%	-	-	0.00%	19,326,059	(19,326,059)	-100.00%				
Gain (Loss) Fixed Asset Disposal	-	-	-	0.00%	-	-	0.00%	-	-	0.00%				
Other Income and Expenses	2,423,427	2,235,135	188,292	8.42%	3,059,960	(636,533)	-20.80%	(862,916)	3,286,343	-380.84%				
<b>Total Other Income (Expenses)</b>	<b>\$ 83,227,415</b>	<b>\$ 60,365,622</b>	<b>\$ 22,861,793</b>	<b>37.87%</b>	<b>\$ 17,003,265</b>	<b>\$ 66,224,150</b>	<b>389.48%</b>	<b>\$ 12,794,281</b>	<b>\$ 70,433,134</b>	<b>550.50%</b>				
<b>Net Income (Loss)</b>	<b>\$ 4,579,239</b>	<b>\$ (21,653,779)</b>	<b>\$ 26,233,018</b>	<b>-121.15%</b>	<b>\$ 13,399,458</b>	<b>\$ (8,820,219)</b>	<b>-65.83%</b>	<b>\$ 5,703,975</b>	<b>\$ (1,124,736)</b>	<b>-19.72%</b>				
<b>Policies In-Force</b>	504,202	462,592	41,610	8.99%	417,019	87,183	20.91%	503,865	337	0.07%				

**2017 Operating Budget**  
**Citizens Property Insurance Corporation**

**Budgeted Statement of Operations Comparison -  
 PLA**

Income Statement	2017 Budget		2016 Projection		Versus 2017 Budget		2016 Budget		Versus 2017 Budget		2015 Actual		Versus 2017 Budget	
	Total Year	Total Year	Total Year	Total Year	\$ Variance	% Var	Total Year	Total Year	\$ Variance	% Var	Total Year	Total Year	\$ Variance	% Var
<b>Premiums</b>														
Premiums Written - Direct	\$ 549,725,794	\$ 466,052,916	\$ 83,672,878	17.95%	\$ 372,184,720	\$ 177,541,074	47.70%	\$ 554,134,055	\$ (4,408,261)	-0.80%				
Change in Direct UPR	(56,860,890)	32,894,478	(89,755,368)	-272.86%	97,742,859	(154,603,749)	-158.17%	178,936,593	(235,797,483)	-131.78%				
Premiums Ceded (FHCF)	(63,251,046)	(58,752,606)	(4,498,440)	7.66%	(50,000,000)	(13,251,046)	26.50%	(64,176,308)	925,262	-1.44%				
Change in Ceded UPR (FHCF)	-	-	-	0.00%	-	-	0.00%	-	-	0.00%				
Premiums Ceded (Private)	-	-	-	0.00%	-	-	0.00%	-	-	0.00%				
Change in Ceded UPR (Private)	-	-	-	0.00%	-	-	0.00%	-	-	0.00%				
Premiums Ceded (Depop)	4,226,463	(13,722,033)	17,948,496	-130.80%	(47,012,807)	51,239,270	-108.99%	(91,793,172)	96,019,635	-104.60%				
Change in Ceded UPR (Depop)	(7,794,702)	(42,006,210)	34,211,508	-81.44%	(40,920,853)	33,126,151	-80.95%	(112,541,320)	104,746,618	-93.07%				
<b>Net Premiums Earned</b>	<b>\$ 426,045,619</b>	<b>\$ 384,466,545</b>	<b>\$ 41,579,074</b>	<b>10.81%</b>	<b>\$ 331,993,919</b>	<b>\$ 94,051,700</b>	<b>28.33%</b>	<b>\$ 464,559,848</b>	<b>\$ (38,514,229)</b>	<b>-8.29%</b>				
<b>Underwriting Expenses</b>														
Losses Incurred	\$ 357,395,844	\$ 252,132,037	\$ 105,263,807	41.75%	\$ 158,768,816	\$ 198,627,028	125.10%	\$ 331,790,774	\$ 25,605,070	7.72%				
Loss Adjustment Expenses	63,900,084	59,201,491	4,698,593	7.94%	50,361,468	13,538,616	26.88%	61,195,526	2,704,558	4.42%				
Producer Commissions	39,580,257	33,555,810	6,024,447	17.95%	26,508,452	13,071,805	49.31%	39,538,832	41,425	0.10%				
Taxes & Assessments	8,245,887	6,990,794	1,255,093	17.95%	5,792,597	2,453,290	42.35%	8,045,673	200,214	2.49%				
Administrative Expenses	80,252,187	65,744,049	14,508,138	22.07%	57,785,743	22,466,444	38.88%	63,501,018	16,751,169	26.38%				
Other Underwriting Expenses	11,356,979	8,036,694	3,320,285	41.31%	7,203,314	4,153,665	57.66%	10,783,874	573,106	5.31%				
<b>Total Underwriting Expense</b>	<b>\$ 560,731,239</b>	<b>\$ 425,660,875</b>	<b>\$ 135,070,363</b>	<b>31.73%</b>	<b>\$ 306,420,390</b>	<b>\$ 254,310,849</b>	<b>82.99%</b>	<b>\$ 514,855,697</b>	<b>\$ 45,875,542</b>	<b>8.91%</b>				
<b>Net Underwriting Gain (Loss)</b>	<b>\$ (134,685,620)</b>	<b>\$ (41,194,330)</b>	<b>\$ (93,491,289)</b>	<b>226.95%</b>	<b>\$ 25,573,529</b>	<b>\$ (160,259,149)</b>	<b>-626.66%</b>	<b>\$ (50,295,849)</b>	<b>\$ (84,389,770)</b>	<b>167.79%</b>				
<b>Other Income (Expenses)</b>														
Investment Income - Net	\$ 56,122,621	\$ 64,945,893	\$ (8,823,272)	-13.59%	\$ 55,330,147	\$ 792,474	1.43%	\$ 58,648,973	\$ (2,526,352)	-4.31%				
Interest Expense - Net	(24,582,903)	(27,499,395)	2,916,492	-10.61%	(27,037,676)	2,454,773	-9.08%	(30,117,564)	5,534,661	-18.38%				
Note Issuance Costs	-	-	-	0.00%	-	-	0.00%	-	-	0.00%				
Assessment Income	-	-	-	0.00%	-	-	0.00%	-	-	0.00%				
Gain (Loss) Fixed Asset Disposal	-	-	-	0.00%	-	-	0.00%	-	-	0.00%				
Other Income and Expenses	1,860,636	1,577,432	283,204	17.95%	1,252,558	608,078	48.55%	275,407	1,585,229	575.60%				
<b>Total Other Income (Expenses)</b>	<b>\$ 33,400,354</b>	<b>\$ 39,023,930</b>	<b>\$ (5,623,576)</b>	<b>-14.41%</b>	<b>\$ 29,545,029</b>	<b>\$ 3,855,325</b>	<b>13.05%</b>	<b>\$ 28,806,817</b>	<b>\$ 4,593,537</b>	<b>15.95%</b>				
<b>Net Income (Loss)</b>	<b>\$ (101,285,266)</b>	<b>\$ (2,170,400)</b>	<b>\$ (99,114,865)</b>	<b>4566.66%</b>	<b>\$ 55,118,558</b>	<b>\$ (156,403,824)</b>	<b>-283.76%</b>	<b>\$ (21,489,033)</b>	<b>\$ (79,796,233)</b>	<b>371.33%</b>				
<b>Policies In-Force</b>	352,268	300,416	51,852	17.26%	261,936	90,332	34.49%	299,902	52,366	17.46%				

**2017 Operating Budget**  
**Citizens Property Insurance Corporation**

**Budgeted Statement of Operations Comparison -**  
**CLA**

Income Statement	2017 Budget	2016 Projection	Versus 2017 Budget		2016 Budget	Versus 2017 Budget		2015 Actual	Versus 2017 Budget	
	Total Year	Total Year	\$ Variance	% Var	Total Year	\$ Variance	% Var	Total Year	\$ Variance	% Var
<b>Premiums</b>										
Premiums Written - Direct	\$ 32,626,408	\$ 39,642,025	\$ (7,015,617)	-17.70%	\$ 48,777,772	\$ (16,151,364)	-33.11%	\$ 62,672,461	\$ (30,046,053)	-47.94%
Change in Direct UPR	2,901,912	9,165,939	(6,264,027)	-68.34%	8,931,961	(6,030,049)	-67.51%	46,809,222	(43,907,310)	-93.80%
Premiums Ceded (FHCF)	(7,395,142)	(9,527,330)	2,132,188	-22.38%	(11,500,000)	4,104,858	-35.69%	(14,855,252)	7,460,110	-50.22%
Change in Ceded UPR (FHCF)	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Premiums Ceded (Private)	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Change in Ceded UPR (Private)	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Premiums Ceded (Depop)	(1,920,888)	(2,311,885)	390,997	-16.91%	(8,129,629)	6,208,741	-76.37%	(8,722,504)	6,801,616	-77.98%
Change in Ceded UPR (Depop)	(866,275)	(4,399,285)	3,533,010	-80.31%	(4,537,257)	3,670,982	-80.91%	(24,182,948)	23,316,673	-96.42%
<b>Net Premiums Earned</b>	<b>\$ 25,346,015</b>	<b>\$ 32,569,464</b>	<b>\$ (7,223,449)</b>	<b>-22.18%</b>	<b>\$ 33,542,847</b>	<b>\$ (8,196,832)</b>	<b>-24.44%</b>	<b>\$ 61,720,979</b>	<b>\$ (36,374,964)</b>	<b>-58.93%</b>
<b>Underwriting Expenses</b>										
Losses Incurred	\$ 3,688,668	\$ 4,879,591	\$ (1,190,923)	-24.41%	\$ 5,162,792	\$ (1,474,124)	-28.55%	\$ (12,043,191)	\$ 15,731,859	-130.63%
Loss Adjustment Expenses	410,361	1,064,758	(654,397)	-61.46%	2,165,791	(1,755,430)	-81.05%	(1,930,811)	2,341,172	-121.25%
Producer Commissions	3,491,026	4,241,697	(750,671)	-17.70%	5,293,288	(1,802,262)	-34.05%	6,804,909	(3,313,883)	-48.70%
Taxes & Assessments	489,396	594,630	(105,234)	-17.70%	796,055	(306,659)	-38.52%	863,000	(373,604)	-43.29%
Administrative Expenses	4,770,912	6,167,357	(1,396,445)	-22.64%	7,845,872	(3,074,960)	-39.19%	7,460,458	(2,689,546)	-36.05%
Other Underwriting Expenses	385,630	619,386	(233,756)	-37.74%	943,312	(557,682)	-59.12%	661,509	(275,879)	-41.70%
<b>Total Underwriting Expense</b>	<b>\$ 13,235,993</b>	<b>\$ 17,567,419</b>	<b>\$ (4,331,427)</b>	<b>-24.66%</b>	<b>\$ 22,207,110</b>	<b>\$ (8,971,117)</b>	<b>-40.40%</b>	<b>\$ 1,815,874</b>	<b>\$ 11,420,119</b>	<b>628.90%</b>
<b>Net Underwriting Gain (Loss)</b>	<b>\$ 12,110,022</b>	<b>\$ 15,002,045</b>	<b>\$ (2,892,022)</b>	<b>-19.28%</b>	<b>\$ 11,335,737</b>	<b>\$ 774,285</b>	<b>6.83%</b>	<b>\$ 59,905,106</b>	<b>\$ (47,795,084)</b>	<b>-79.78%</b>
<b>Other Income (Expenses)</b>										
Investment Income - Net	\$ 29,074,669	\$ 29,797,705	\$ (723,036)	-2.43%	\$ 19,314,180	\$ 9,760,489	50.54%	\$ 27,078,022	\$ 1,996,647	7.37%
Interest Expense - Net	(3,882,709)	(4,343,351)	460,642	-10.61%	(4,805,070)	922,361	-19.20%	(5,352,421)	1,469,712	-27.46%
Note Issuance Costs	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Assessment Income	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Gain (Loss) Fixed Asset Disposal	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Other Income and Expenses	252,525	306,825	(54,300)	-17.70%	164,158	88,367	53.83%	(1,637)	254,162	-15527.22%
<b>Total Other Income (Expenses)</b>	<b>\$ 25,444,485</b>	<b>\$ 25,761,179</b>	<b>\$ (316,694)</b>	<b>-1.23%</b>	<b>\$ 14,673,268</b>	<b>\$ 10,771,217</b>	<b>73.41%</b>	<b>\$ 21,723,964</b>	<b>\$ 3,720,521</b>	<b>17.13%</b>
<b>Net Income (Loss)</b>	<b>\$ 37,554,507</b>	<b>\$ 40,763,224</b>	<b>\$ (3,208,716)</b>	<b>-7.87%</b>	<b>\$ 26,009,005</b>	<b>\$ 11,545,502</b>	<b>44.39%</b>	<b>\$ 81,629,070</b>	<b>\$ (44,074,563)</b>	<b>-53.99%</b>
<b>Policies In-Force</b>	1,801	2,193	(392)	-17.87%	2,423	(622)	-25.67%	3,121	(1,320)	-42.30%

**2017 Operating Budget**  
**Citizens Property Insurance Corporation**

**Budgeted Statement of Operations Comparison -  
Coastal**

Income Statement	2017 Budget		2016 Projection		Versus 2017 Budget		2016 Budget		Versus 2017 Budget		2015 Actual		Versus 2017 Budget	
	Total Year	Total Year	\$ Variance	% Var	Total Year	\$ Variance	% Var	Total Year	\$ Variance	% Var	Total Year	\$ Variance	% Var	
<b>Premiums</b>														
Premiums Written - Direct	\$ 418,632,580	\$ 473,429,499	\$ (54,796,919)	-11.57%	\$ 488,273,190	\$ (69,640,610)	-14.26%	\$ 650,947,683	\$ (232,315,103)	-35.69%				
Change in Direct UPR	21,366,046	81,812,454	(60,446,408)	-73.88%	77,214,594	(55,848,548)	-72.33%	166,782,355	(145,416,309)	-87.19%				
Premiums Ceded (FHCF)	(92,183,534)	(111,579,142)	19,395,608	-17.38%	(104,000,000)	11,816,466	-11.36%	(147,405,578)	55,222,044	-37.46%				
Change in Ceded UPR (FHCF)	-	-	-	0.00%	-	-	0.00%	-	-	0.00%				
Premiums Ceded (Private)	(70,000,000)	(181,398,652)	111,398,652	-61.41%	(204,000,000)	134,000,000	-65.69%	(282,607,565)	212,607,565	-75.23%				
Change in Ceded UPR (Private)	-	-	-	0.00%	-	-	0.00%	-	-	0.00%				
Premiums Ceded (Depop)	(11,988,209)	(42,081,778)	30,093,569	-71.51%	(77,095,754)	65,107,545	-84.45%	(80,195,050)	68,206,841	-85.05%				
Change in Ceded UPR (Depop)	(12,891,270)	(29,010,759)	16,119,489	-55.56%	(28,936,883)	16,045,613	-55.45%	(73,053,078)	60,161,808	-82.35%				
<b>Net Premiums Earned</b>	<b>\$ 252,935,613</b>	<b>\$ 191,171,622</b>	<b>\$ 61,763,991</b>	<b>32.31%</b>	<b>\$ 151,455,147</b>	<b>\$ 101,480,466</b>	<b>67.00%</b>	<b>\$ 234,468,766</b>	<b>\$ 18,466,847</b>	<b>7.88%</b>				
<b>Underwriting Expenses</b>														
Losses Incurred	\$ 78,264,695	\$ 96,104,486	\$ (17,839,791)	-18.56%	\$ 38,042,886	\$ 40,221,809	105.73%	\$ 82,767,814	\$ (4,503,119)	-5.44%				
Loss Adjustment Expenses	21,346,941	31,957,547	(10,610,606)	-33.20%	20,463,268	883,673	4.32%	27,273,304	(5,926,363)	-21.73%				
Producer Commissions	36,421,034	41,188,366	(4,767,332)	-11.57%	42,576,165	(6,155,131)	-14.46%	56,527,882	(20,106,847)	-35.57%				
Taxes & Assessments	6,279,489	7,101,442	(821,954)	-11.57%	6,849,650	(570,161)	-8.32%	8,486,564	(2,207,076)	-26.01%				
Administrative Expenses	61,378,357	65,288,807	(3,910,450)	-5.99%	74,585,532	(13,207,175)	-17.71%	69,054,824	(7,676,467)	-11.12%				
Other Underwriting Expenses	5,317,676	5,358,088	(40,413)	-0.75%	9,450,720	(4,133,044)	-43.73%	7,057,939	(1,740,264)	-24.66%				
<b>Total Underwriting Expense</b>	<b>\$ 209,008,192</b>	<b>\$ 246,998,737</b>	<b>\$ (37,990,545)</b>	<b>-15.38%</b>	<b>\$ 191,968,221</b>	<b>\$ 17,039,971</b>	<b>8.88%</b>	<b>\$ 251,168,328</b>	<b>\$ (42,160,137)</b>	<b>-16.79%</b>				
<b>Net Underwriting Gain (Loss)</b>	<b>\$ 43,927,421</b>	<b>\$ (55,827,115)</b>	<b>\$ 99,754,536</b>	<b>-178.68%</b>	<b>\$ (40,513,074)</b>	<b>\$ 84,440,495</b>	<b>-208.43%</b>	<b>\$ (16,699,562)</b>	<b>\$ 60,626,983</b>	<b>-363.05%</b>				
<b>Other Income (Expenses)</b>														
Investment Income - Net	\$ 88,176,533	\$ 100,392,793	\$ (12,216,260)	-12.17%	\$ 76,241,725	\$ 11,934,808	15.65%	\$ 74,403,864	\$ 13,772,669	18.51%				
Interest Expense - Net	(64,104,223)	(105,163,158)	41,058,935	-39.04%	(105,100,000)	40,995,777	-39.01%	(125,038,037)	60,933,814	-48.73%				
Note Issuance Costs	-	-	-	0.00%	-	-	0.00%	(5,291,699)	5,291,699	-100.00%				
Assessment Income	-	-	-	0.00%	-	-	0.00%	19,326,059	(19,326,059)	-100.00%				
Gain (Loss) Fixed Asset Disposal	-	-	-	0.00%	-	-	0.00%	-	-	0.00%				
Other Income and Expenses	310,266	350,878	(40,612)	-11.57%	1,643,244	(1,332,978)	-81.12%	(1,136,686)	1,446,952	-127.30%				
<b>Total Other Income (Expenses)</b>	<b>\$ 24,382,576</b>	<b>\$ (4,419,487)</b>	<b>\$ 28,802,063</b>	<b>-651.71%</b>	<b>\$ (27,215,031)</b>	<b>\$ 51,597,607</b>	<b>-189.59%</b>	<b>\$ (37,736,499)</b>	<b>\$ 62,119,075</b>	<b>-164.61%</b>				
<b>Net Income (Loss)</b>	<b>\$ 68,309,997</b>	<b>\$ (60,246,602)</b>	<b>\$ 128,556,599</b>	<b>-213.38%</b>	<b>\$ (67,728,105)</b>	<b>\$ 136,038,102</b>	<b>-200.86%</b>	<b>\$ (54,436,062)</b>	<b>\$ 122,746,059</b>	<b>-225.49%</b>				
<b>Policies In-Force</b>	150,133	159,983	(9,850)	-6.16%	152,661	(2,528)	-1.66%	200,842	(50,709)	-25.25%				

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# 2017 Operating Budget

## Administrative Expenses

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**2017 Operating Budget**  
**Citizens Property Insurance Corporation**

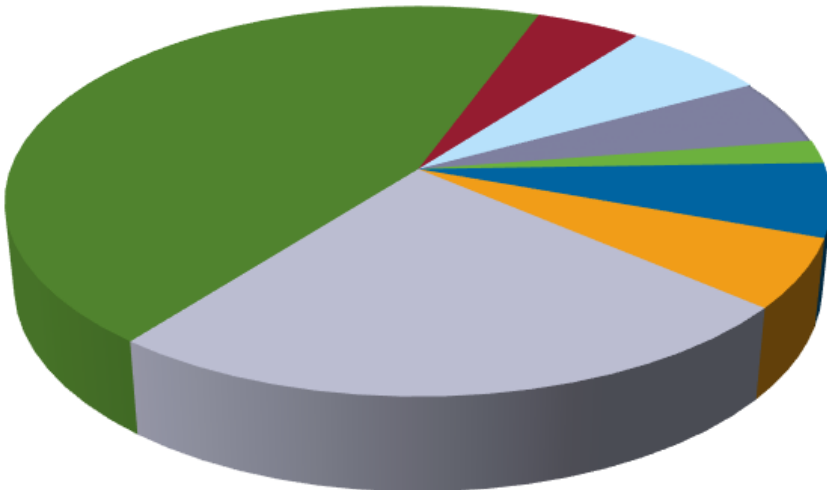
**Administrative Expenses**  
**By Division**

Expense Category	Total CPIC	Communications, Underwriting and Agency Services, Systems & Operations								
		Enterprise Resources	Human Resources	Legal Services & Purchasing	Legislative & External Affairs	Financial Services	Corporate Risk Mgmt	Claims	Underwriting and Agency Services	Systems & Operations
Salaries	\$ 96,782,738	\$ 6,043,677	\$ 5,094,388	\$ 4,808,725	\$ 2,165,870	\$ 3,915,050	\$ 4,272,766	\$ 24,241,082	\$ 18,626,445	\$ 27,614,735
Employee Benefits	19,810,652	759,263	1,291,978	944,012	513,467	837,540	801,045	4,911,129	4,645,100	5,107,119
Payroll Taxes	7,116,572	298,780	364,327	337,290	158,639	281,253	291,165	1,839,155	1,404,821	2,141,144
Contingent Staffing	31,752,725	109,200	100,006	160,368	19,500	72,400	-	28,414,100	207,748	2,669,403
Training	908,408	58,900	129,130	9,279	31,005	38,218	35,296	89,124	91,132	426,324
Recruiting	589,900	-	589,400	-	-	-	-	-	-	500
Printing	88,683	2,685	4,650	200	19,200	27,700	150	11,434	3,894	18,770
Operating Supplies	433,689	6,850	5,132	3,600	11,700	10,750	1,750	33,153	11,930	348,824
Subscriptions & Dues	1,509,458	118,850	106,650	39,684	30,426	38,680	41,182	885,443	8,702	239,841
Postage	404,092	700	1,540	-	90,550	8,100	30	25,236	796	277,140
Telecommunications	4,480,913	-	-	-	-	750	-	-	-	4,480,163
Legal	1,068,000	55,000	-	1,013,000	-	-	-	-	-	-
Insurance	735,890	-	-	735,890	-	-	-	-	-	-
Travel & Meals	1,800,136	277,030	131,740	115,761	48,700	70,735	53,436	559,187	218,642	324,905
Professional Consulting	14,994,388	205,600	2,629,776	866,190	134,020	4,249,109	140,000	251,000	3,060,985	3,457,710
Miscellaneous	2,500	-	2,500	-	-	-	-	-	-	-
Rent	7,428,440	6,300	-	15,340	-	-	-	388,080	-	7,018,720
Depreciation	5,549,064	-	-	-	-	-	-	-	-	5,549,064
Producer Fees Collected	(779,500)	-	-	-	-	-	-	-	(779,500)	-
Operations & Maintenance	2,477,639	3,250	-	-	-	64,717	-	38,150	4,912	2,366,610
Bank Charges	220,603	-	-	-	-	220,000	-	-	603	-
Software Maint & Licensing	17,154,124	144,295	845,455	141,490	29,710	489,750	290,314	2,225,030	78,024	12,910,055
Computer Hardware	3,647,882	250	250	-	125	-	-	31	39,586	3,607,640
FMAP Funding	(259,200)	-	-	-	-	(3,600)	-	-	(255,600)	-
ULAE Expense Allocation	(71,516,339)	-	-	-	-	(55,254)	-	(68,663,135)	-	(2,797,950)
<b>Total Administrative Expenses</b>	<b>\$ 146,401,456</b>	<b>\$ 8,090,630</b>	<b>\$ 11,296,921</b>	<b>\$ 9,190,828</b>	<b>\$ 3,252,911</b>	<b>\$ 10,265,897</b>	<b>\$ 5,927,133</b>	<b>\$ (4,751,803)</b>	<b>\$ 27,368,220</b>	<b>\$ 75,760,717</b>
<b>Total Underwriting Expenses</b>	<b>\$ 17,060,285</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,730,401</b>	<b>\$ -</b>	<b>\$ 13,329,884</b>	<b>\$ -</b>
<b>IT Expense Allocation</b>	<b>0</b>	<b>\$ 375,842</b>	<b>\$ 1,304,305</b>	<b>\$ 710,198</b>	<b>\$ 525,929</b>	<b>\$ 2,182,274</b>	<b>\$ 1,556,200</b>	<b>\$ 4,751,803</b>	<b>\$ 6,612,015</b>	<b>\$ (18,018,567)</b>
<b>Total Admin &amp; Other Expenses</b>	<b>\$ 163,461,741</b>	<b>\$ 8,466,473</b>	<b>\$ 12,601,226</b>	<b>\$ 9,901,026</b>	<b>\$ 3,778,840</b>	<b>\$ 12,448,171</b>	<b>\$ 11,213,735</b>	<b>\$ (0)</b>	<b>\$ 47,310,119</b>	<b>\$ 57,742,151</b>

**Before IT Expense Allocation**

Enterprise Resources	\$ 8,090,630	4.9%
Human Resources	\$ 11,296,921	6.9%
Legal Services & Purchasing	\$ 9,190,828	5.6%
Communications, Legislative & External Affairs	\$ 3,252,911	2.0%
Financial Services	\$ 10,265,897	6.3%
Corporate Risk Management	\$ 9,657,534	5.9%
Claims	\$ (4,751,803)	-2.9%
Underwriting and Agency Services	\$ 40,698,104	24.9%
Systems & Operations	\$ 75,760,717	46.3%
<b>Total 2017 Budgeted</b>	<b>\$ 163,461,741</b>	<b>100.0%</b>

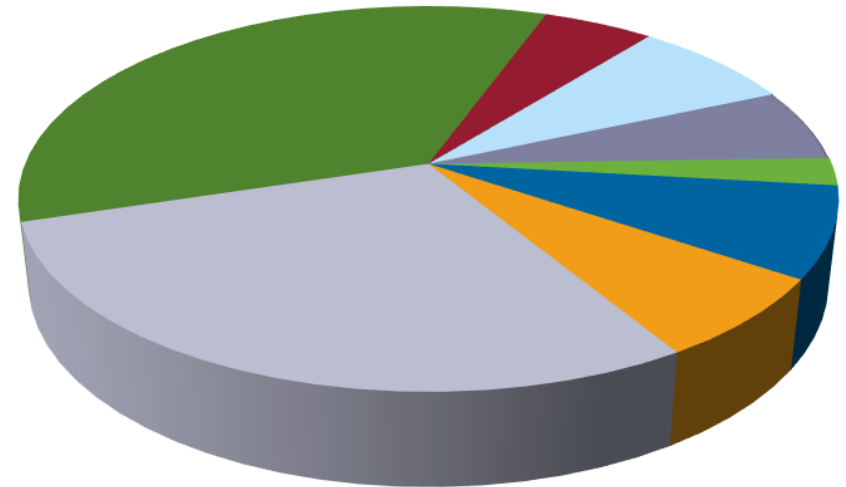
\* Refer to page 4 for composition of each division.



**After IT Expense Allocation**

Enterprise Resources	\$ 8,466,473	5.2%
Human Resources	\$ 12,601,226	7.7%
Legal Services & Purchasing	\$ 9,901,026	6.1%
Communications, Legislative & External Affairs	\$ 3,778,840	2.3%
Financial Services	\$ 12,448,171	7.6%
Corporate Risk Management	\$ 11,213,735	6.9%
Claims	\$ -	0.0%
Underwriting and Agency Services	\$ 47,310,119	28.9%
Systems & Operations	\$ 57,742,151	35.3%
<b>Total 2017 Budgeted</b>	<b>\$ 163,461,741</b>	<b>100.0%</b>

\* Refer to page 4 for composition of each division.



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Expense Category	Total	Normal		
		Operating Expenses	Consumer Clearinghouse	ERP Solution
Salaries	\$ 96,782,738	\$ 96,308,817	\$ 473,921	\$ -
Employee Benefits	19,810,652	19,728,838	79,314	2,500
Payroll Taxes	7,116,572	7,080,714	35,858	-
Contingent Staffing	31,752,725	31,480,286	-	272,438
Training	908,408	906,208	2,200	-
Recruiting	589,900	589,900	-	-
Printing	88,683	88,483	200	-
Operating Supplies	433,689	433,489	200	-
Subscriptions & Dues	1,509,458	1,508,958	-	500
Postage	404,092	403,992	100	-
Telecommunications	4,480,913	4,480,913	-	-
Legal	1,068,000	1,068,000	-	-
Insurance	735,890	735,890	-	-
Travel & Meals	1,800,136	1,719,483	5,940	74,713
Professional Services	14,994,388	6,591,573	2,646,885	5,755,930
Miscellaneous	2,500	2,500	-	-
Rent	7,428,440	7,428,440	-	-
Depreciation	5,549,064	5,549,064	-	-
Producer Fees Collected	(779,500)	(779,500)	-	-
Operations & Maintenance	2,477,639	2,477,639	-	-
Bank Charges	220,603	220,603	-	-
Software Maint & Licensing	17,154,124	16,262,649	-	891,475
Computer Hardware	3,647,882	3,647,882	-	-
FMAP Funding	(259,200)	(259,200)	-	-
ULAE Expense Allocation	(71,516,339)	(71,516,339)	-	-
<b>Total Administrative Expenses</b>	<b>\$ 146,401,456</b>	<b>\$ 136,159,282</b>	<b>\$ 3,244,617</b>	<b>\$ 6,997,556</b>
<b>Total Underwriting Expenses</b>	<b>17,060,285</b>	<b>16,810,285</b>	<b>250,000</b>	<b>-</b>
<b>IT Expense Allocation</b>	<b>0</b>	<b>(1,636,202)</b>	<b>76,292</b>	<b>1,559,910</b>
<b>Total Admin &amp; Other Expenses</b>	<b>\$ 163,461,741</b>	<b>\$ 151,333,365</b>	<b>\$ 3,570,910</b>	<b>\$ 8,557,466</b>

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**2017 Operating Budget**  
**Citizens Property Insurance Corporation**

**Administrative Expenses**  
**Comparison of Annual Totals**

**Total CPIC**

Version	2017 Budget	2016 Projection	Versus 2017 Budget		2016 Budget	Versus 2017 Budget		2015 Actual	Versus 2017 Budget	
Expense Category	Total Year	Total Year	Variance	% Var	Total Year	Variance	% Var	Total Year	Variance	% Var
Salaries	\$ 96,782,738	\$ 93,136,198	\$ 3,646,541	3.92%	\$ 97,544,276	\$ (761,538)	-0.78%	\$ 93,421,123	\$ 3,361,616	3.60%
Employee Benefits	19,810,652	21,059,982	(1,249,330)	-5.93%	20,589,989	(779,338)	-3.79%	20,632,266	(821,615)	-3.98%
Payroll Taxes	7,116,572	6,695,528	421,044	6.29%	7,420,130	(303,558)	-4.09%	6,924,695	191,876	2.77%
Contingent Staffing	31,752,725	21,165,251	10,587,473	50.02%	24,597,498	7,155,226	29.09%	32,875,675	(1,122,950)	-3.42%
Training	908,408	630,231	278,176	44.14%	824,648	83,759	10.16%	458,566	449,841	98.10%
Recruiting	589,900	616,447	(26,547)	-4.31%	859,500	(269,600)	-31.37%	1,930,835	(1,340,935)	-69.45%
Printing	88,683	88,795	(112)	-0.13%	90,314	(1,631)	-1.81%	43,435	45,247	104.17%
Operating Supplies	433,689	503,662	(69,973)	-13.89%	509,217	(75,528)	-14.83%	561,659	(127,970)	-22.78%
Subscriptions & Dues	1,509,458	1,281,312	228,146	17.81%	1,440,843	68,615	4.76%	1,238,303	271,156	21.90%
Postage	404,092	402,808	1,284	0.32%	393,332	10,760	2.74%	423,868	(19,776)	-4.67%
Telecommunications	4,480,913	4,542,788	(61,875)	-1.36%	4,274,321	206,593	4.83%	4,370,400	110,513	2.53%
Legal	1,068,000	2,147,920	(1,079,920)	-50.28%	2,268,000	(1,200,000)	-52.91%	1,583,149	(515,149)	-32.54%
Insurance	735,890	830,896	(95,006)	-11.43%	759,950	(24,060)	-3.17%	778,995	(43,104)	-5.53%
Travel & Meals	1,800,136	1,377,706	422,430	30.66%	1,968,974	(168,838)	-8.57%	1,542,353	257,782	16.71%
Professional Services	14,994,388	9,348,723	5,645,666	60.39%	10,760,386	4,234,003	39.35%	7,322,781	7,671,607	104.76%
Miscellaneous	2,500	66,089	(63,589)	-96.22%	40,779	(38,279)	-93.87%	5,399	(2,899)	-53.69%
Rent	7,428,440	9,864,502	(2,436,062)	-24.70%	8,746,155	(1,317,715)	-15.07%	9,085,650	(1,657,210)	-18.24%
Depreciation	5,549,064	4,387,197	1,161,867	26.48%	4,076,988	1,472,076	36.11%	5,170,784	378,280	7.32%
Producer Fees Collected	(779,500)	(473,568)	(305,932)	-64.60%	(850,140)	70,640	8.31%	(764,888)	(14,612)	-1.91%
Operations & Maintenance	2,477,639	1,093,396	1,384,243	126.60%	1,352,867	1,124,773	83.14%	1,975,841	501,799	25.40%
Bank Charges	220,603	229,911	(9,308)	-4.05%	250,649	(30,046)	-11.99%	266,905	(46,302)	-17.35%
Software Maint & Licensing	17,154,124	14,207,713	2,946,411	20.74%	15,260,422	1,893,701	12.41%	13,444,992	3,709,131	27.59%
Computer Hardware	3,647,882	2,050,563	1,597,319	77.90%	3,425,523	222,359	6.49%	3,001,701	646,181	21.53%
FMAP Funding	(259,200)	(30,441)	(228,759)	-751.47%	(230,000)	(29,200)	-12.70%	(151,839)	(107,361)	-70.71%
ULAE Expense Allocation	(71,516,339)	(58,023,395)	(13,492,944)	-23.25%	(66,159,232)	(5,357,107)	-8.10%	(66,126,349)	(5,389,990)	-8.15%
<b>Total Administrative Expenses</b>	<b>\$ 146,401,456</b>	<b>\$ 137,200,213</b>	<b>\$ 9,201,242</b>	<b>6.71%</b>	<b>\$ 140,215,388</b>	<b>\$ 6,186,068</b>	<b>4.41%</b>	<b>\$ 140,016,300</b>	<b>\$ 6,385,156</b>	<b>4.56%</b>
<b>Total Underwriting Expenses</b>	<b>\$ 17,060,285</b>	<b>\$ 14,014,169</b>	<b>\$ 3,046,116</b>	<b>21.74%</b>	<b>\$ 17,599,106</b>	<b>\$ (538,821)</b>	<b>-3.06%</b>	<b>\$ 18,503,322</b>	<b>\$ (1,443,037)</b>	<b>-7.80%</b>
<b>IT Expense Allocation</b>	<b>0</b>	<b>(0)</b>	<b>-</b>	<b>0.00%</b>	<b>(0)</b>	<b>-</b>	<b>0.00%</b>	<b>0</b>	<b>-</b>	<b>0.00%</b>
<b>Total Admin &amp; Other Expenses</b>	<b>\$ 163,461,741</b>	<b>\$ 151,214,382</b>	<b>\$ 12,247,359</b>	<b>8.10%</b>	<b>\$ 157,814,494</b>	<b>\$ 5,647,247</b>	<b>3.58%</b>	<b>\$ 158,519,622</b>	<b>\$ 4,942,118</b>	<b>3.12%</b>

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**2017 Operating Budget**  
Citizens Property Insurance Corporation

**Administrative Expenses  
Comparison of Annual Totals**

**Enterprise Resources**

Version	2017 Budget	2016 Projection	Versus 2017 Budget		2016 Budget	Versus 2017 Budget		2015 Actual	Versus 2017 Budget	
Expense Category	Total Year	Total Year	Variance	% Var	Total Year	Variance	% Var	Total Year	Variance	% Var
Salaries	\$ 6,043,677	\$ 5,779,055	\$ 264,623	4.58%	\$ 6,125,756	\$ (82,078)	-1.34%	\$ 5,914,863	\$ 128,814	2.18%
Employee Benefits	759,263	1,412,652	(653,388)	-46.25%	963,127	(203,863)	-21.17%	581,105	178,158	30.66%
Payroll Taxes	298,780	304,420	(5,640)	-1.85%	337,657	(38,877)	-11.51%	316,404	(17,625)	-5.57%
Contingent Staffing	109,200	70,231	38,969	55.49%	99,540	9,660	9.70%	187,614	(78,414)	-41.80%
Training	58,900	53,687	5,213	9.71%	62,145	(3,245)	-5.22%	48,691	10,209	20.97%
Recruiting	-	49	(49)	-99.53%	-	-	0.00%	99	(99)	-100.49%
Printing	2,685	999	1,686	168.81%	1,510	1,175	77.81%	731	1,954	267.18%
Operating Supplies	6,850	7,021	(171)	-2.44%	8,477	(1,627)	-19.19%	5,991	859	14.34%
Subscriptions & Dues	118,850	104,563	14,287	13.66%	130,979	(12,129)	-9.26%	148,447	(29,597)	-19.94%
Postage	700	561	139	24.77%	880	(180)	-20.45%	823	(123)	-14.94%
Telecommunications	-	(0)	-	0.00%	-	-	0.00%	24,094	(24,094)	-100.00%
Legal	55,000	452,526	(397,526)	-87.85%	80,000	(25,000)	-31.25%	48,874	6,126	12.53%
Insurance	-	0	-	0.00%	-	-	0.00%	0	-	0.00%
Travel & Meals	277,030	201,327	75,703	37.60%	295,686	(18,656)	-6.31%	250,921	26,109	10.41%
Professional Services	205,600	166,826	38,774	23.24%	277,000	(71,400)	-25.78%	59,155	146,446	247.57%
Miscellaneous	-	467	(467)	-99.96%	-	-	0.00%	580	(580)	-99.97%
Rent	6,300	14,325	(8,025)	-56.02%	29,000	(22,700)	-78.28%	31,850	(25,550)	-80.22%
Depreciation	-	0	-	0.00%	-	-	0.00%	(0)	-	0.00%
Producer Fees Collected	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Operations & Maintenance	3,250	3,558	(308)	-8.66%	3,500	(250)	-7.14%	3,191	59	1.85%
Bank Charges	-	125	(125)	-100.00%	-	-	0.00%	-	-	0.00%
Software Maint & Licensing	144,295	119,292	25,003	20.96%	87,200	57,095	65.48%	68,749	75,546	109.89%
Computer Hardware	250	332	(82)	-24.71%	250	-	0.00%	84	166	196.47%
FMAP Funding	-	(0)	-	0.00%	-	-	0.00%	0	-	0.00%
ULAE Expense Allocation	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
<b>Total Administrative Expenses</b>	<b>\$ 8,090,630</b>	<b>\$ 8,692,014</b>	<b>\$ (601,384)</b>	<b>-6.92%</b>	<b>\$ 8,502,706</b>	<b>\$ (412,076)</b>	<b>-4.85%</b>	<b>\$ 7,692,268</b>	<b>\$ 398,362</b>	<b>5.18%</b>
<b>Total Underwriting Expenses</b>	<b>\$ -</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>-100.00%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>
IT Expense Allocation	375,842	370,268	5,575	1.51%	514,711	(138,869)	-26.98%	496,368	(120,525)	-24.28%
<b>Total Admin &amp; Other Expenses</b>	<b>\$ 8,466,473</b>	<b>\$ 9,062,282</b>	<b>\$ (595,809)</b>	<b>-6.57%</b>	<b>\$ 9,017,417</b>	<b>\$ (550,944)</b>	<b>-6.11%</b>	<b>\$ 8,188,636</b>	<b>\$ 277,837</b>	<b>3.39%</b>

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**2017 Operating Budget**  
Citizens Property Insurance Corporation

**Administrative Expenses  
Comparison of Annual Totals**

**Human Resources**

Version Expense Category	2017 Budget	2016 Projection	Versus 2017 Budget		2016 Budget	Versus 2017 Budget		2015 Actual	Versus 2017 Budget	
	Total Year	Total Year	Variance	% Var	Total Year	Variance	% Var	Total Year	Variance	% Var
Salaries	\$ 5,094,388	\$ 5,234,310	\$ (139,922)	-2.67%	\$ 5,240,719	\$ (146,331)	-2.79%	\$ 5,802,084	\$ (707,696)	-12.20%
Employee Benefits	1,291,978	1,340,805	(48,827)	-3.64%	1,276,130	15,848	1.24%	1,426,887	(134,910)	-9.45%
Payroll Taxes	364,327	380,183	(15,856)	-4.17%	398,562	(34,235)	-8.59%	424,562	(60,236)	-14.19%
Contingent Staffing	100,006	92,849	7,157	7.71%	96,096	3,910	4.07%	235,342	(135,335)	-57.51%
Training	129,130	79,861	49,269	61.69%	109,510	19,620	17.92%	64,007	65,123	101.74%
Recruiting	589,400	616,398	(26,998)	-4.38%	859,500	(270,100)	-31.43%	1,938,986	(1,349,586)	-69.60%
Printing	4,650	3,209	1,441	44.90%	6,950	(2,300)	-33.09%	3,470	1,180	34.01%
Operating Supplies	5,132	6,484	(1,352)	-20.85%	6,640	(1,508)	-22.71%	5,859	(727)	-12.41%
Subscriptions & Dues	106,650	40,347	66,303	164.33%	52,770	53,880	102.10%	67,522	39,128	57.95%
Postage	1,540	1,869	(329)	-17.60%	1,520	20	1.32%	2,224	(684)	-30.75%
Telecommunications	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Legal	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Insurance	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Travel & Meals	131,740	78,112	53,628	68.66%	88,290	43,450	49.21%	84,118	47,622	56.61%
Professional Services	2,629,776	794,013	1,835,762	231.20%	1,343,150	1,286,625	95.79%	344,027	2,285,748	664.41%
Miscellaneous	2,500	-	2,500	100.00%	-	2,500	100.00%	(0)	2,500	100.00%
Rent	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Depreciation	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Producer Fees Collected	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Operations & Maintenance	-	22	(22)	-98.79%	-	-	0.00%	240	(240)	-100.00%
Bank Charges	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Software Maint & Licensing	845,455	440,877	404,577	91.77%	518,917	326,537	62.93%	386,289	459,165	118.87%
Computer Hardware	250	192	58	30.13%	250	-	0.00%	778	(528)	-67.88%
FMAP Funding	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
ULAE Expense Allocation	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
<b>Total Administrative Expenses</b>	<b>\$ 11,296,921</b>	<b>\$ 9,109,531</b>	<b>\$ 2,187,390</b>	<b>24.01%</b>	<b>\$ 9,999,004</b>	<b>\$ 1,297,917</b>	<b>12.98%</b>	<b>\$ 10,786,395</b>	<b>\$ 510,525</b>	<b>4.73%</b>
<b>Total Underwriting Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>
<b>IT Expense Allocation</b>	<b>1,304,305</b>	<b>708,293</b>	<b>596,012</b>	<b>84.15%</b>	<b>1,209,319</b>	<b>94,986</b>	<b>7.85%</b>	<b>758,113</b>	<b>546,193</b>	<b>72.05%</b>
<b>Total Admin &amp; Other Expenses</b>	<b>\$ 12,601,226</b>	<b>\$ 9,817,824</b>	<b>\$ 2,783,402</b>	<b>28.35%</b>	<b>\$ 11,208,323</b>	<b>\$ 1,392,903</b>	<b>12.43%</b>	<b>\$ 11,544,508</b>	<b>\$ 1,056,718</b>	<b>9.15%</b>

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**2017 Operating Budget**  
Citizens Property Insurance Corporation

**Administrative Expenses**  
**Comparison of Annual Totals**

**Legal Services and Purchasing**

Version Expense Category	2017 Budget		2016 Projection		Versus 2017 Budget		2016 Budget		Versus 2017 Budget		2015 Actual		Versus 2017 Budget	
	Total Year	Total Year	Total Year	Total Year	Variance	% Var	Total Year	Total Year	Variance	% Var	Total Year	Total Year	Variance	% Var
Salaries	\$ 4,808,725	\$ 4,568,815	\$ 4,568,815	\$ 239,909	5.25%	\$ 4,459,929	\$ 348,796	7.82%	\$ 4,327,214	\$ 481,511	11.13%			
Employee Benefits	944,012	818,620	818,620	125,391	15.32%	750,620	193,391	25.76%	806,121	137,891	17.11%			
Payroll Taxes	337,290	330,724	330,724	6,566	1.99%	338,408	(1,119)	-0.33%	305,305	31,984	10.48%			
Contingent Staffing	160,368	149,953	149,953	10,415	6.95%	-	160,368	100.00%	341,049	(180,681)	-52.98%			
Training	9,279	6,316	6,316	2,963	46.91%	11,161	(1,882)	-16.86%	7,379	1,900	25.75%			
Recruiting	-	-	-	-	0.00%	-	-	0.00%	-	-	0.00%			
Printing	200	1,166	1,166	(966)	-82.88%	200	-	0.00%	240	(40)	-16.67%			
Operating Supplies	3,600	2,535	2,535	1,065	42.01%	3,637	(37)	-1.02%	2,778	822	29.59%			
Subscriptions & Dues	39,684	39,984	39,984	(300)	-0.75%	39,011	673	1.73%	41,860	(2,176)	-5.20%			
Postage	-	23	23	(23)	-102.22%	-	-	0.00%	51	(51)	-100.14%			
Telecommunications	-	-	-	-	0.00%	-	-	0.00%	-	-	0.00%			
Legal	1,013,000	1,666,155	1,666,155	(653,155)	-39.20%	2,188,000	(1,175,000)	-53.70%	1,534,275	(521,275)	-33.98%			
Insurance	735,890	830,896	830,896	(95,006)	-11.43%	757,950	(22,060)	-2.91%	778,995	(43,104)	-5.53%			
Travel & Meals	115,761	103,047	103,047	12,714	12.34%	88,372	27,389	30.99%	96,455	19,306	20.02%			
Professional Services	866,190	214,578	214,578	651,611	303.67%	341,475	524,715	153.66%	7,683	858,507	11174.11%			
Miscellaneous	-	439	439	(439)	-100.02%	-	-	0.00%	163	(163)	-100.00%			
Rent	15,340	14,584	14,584	756	5.19%	18,398	(3,058)	-16.62%	18,432	(3,092)	-16.78%			
Depreciation	-	-	-	-	0.00%	-	-	0.00%	-	-	0.00%			
Producer Fees Collected	-	-	-	-	0.00%	-	-	0.00%	-	-	0.00%			
Operations & Maintenance	-	220	220	(220)	-99.89%	-	-	0.00%	502	(502)	-100.10%			
Bank Charges	-	-	-	-	0.00%	-	-	0.00%	-	-	0.00%			
Software Maint & Licensing	141,490	85,324	85,324	56,167	65.83%	30,897	110,594	357.95%	29,435	112,056	380.69%			
Computer Hardware	-	187	187	(187)	-99.89%	500	(500)	-100.00%	1,128	(1,128)	-99.98%			
FMAP Funding	-	-	-	-	0.00%	-	-	0.00%	-	-	0.00%			
ULAE Expense Allocation	-	-	-	-	0.00%	-	-	0.00%	-	-	0.00%			
<b>Total Administrative Expenses</b>	<b>\$ 9,190,828</b>	<b>\$ 8,833,566</b>	<b>\$ 8,833,566</b>	<b>\$ 357,262</b>	<b>4.04%</b>	<b>\$ 9,028,557</b>	<b>\$ 162,271</b>	<b>1.80%</b>	<b>\$ 8,299,065</b>	<b>\$ 891,764</b>	<b>10.75%</b>			
<b>Total Underwriting Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>			
IT Expense Allocation	710,198	466,919	466,919	243,279	52.10%	705,106	5,092	0.72%	374,330	335,868	89.73%			
<b>Total Admin &amp; Other Expenses</b>	<b>\$ 9,901,026</b>	<b>\$ 9,300,485</b>	<b>\$ 9,300,485</b>	<b>\$ 600,541</b>	<b>6.46%</b>	<b>\$ 9,733,663</b>	<b>\$ 167,363</b>	<b>1.72%</b>	<b>\$ 8,673,395</b>	<b>\$ 1,227,631</b>	<b>14.15%</b>			

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**2017 Operating Budget**  
Citizens Property Insurance Corporation

**Administrative Expenses  
Comparison of Annual Totals**

**Communications, Legislative and External Affairs**

Version Expense Category	2017 Budget	2016 Projection	Versus 2017 Budget		2016 Budget	Versus 2017 Budget		2015 Actual	Versus 2017 Budget	
	Total Year	Total Year	Variance	% Var	Total Year	Variance	% Var	Total Year	Variance	% Var
Salaries	\$ 2,165,870	\$ 2,019,517	\$ 146,353	7.25%	\$ 2,029,200	\$ 136,670	6.74%	\$ 1,922,618	\$ 243,252	12.65%
Employee Benefits	513,467	456,209	57,257	12.55%	448,516	64,951	14.48%	455,310	58,156	12.77%
Payroll Taxes	158,639	146,186	12,452	8.52%	153,775	4,863	3.16%	144,935	13,703	9.45%
Contingent Staffing	19,500	-	19,500	100.00%	-	19,500	100.00%	-	19,500	100.00%
Training	31,005	14,001	17,003	121.44%	20,195	10,810	53.53%	18,739	12,266	65.46%
Recruiting	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Printing	19,200	28,637	(9,437)	-32.95%	5,230	13,970	267.11%	2,922	16,278	557.02%
Operating Supplies	11,700	1,812	9,888	545.65%	1,650	10,050	609.09%	1,299	10,401	800.69%
Subscriptions & Dues	30,426	26,497	3,930	14.83%	21,675	8,752	40.38%	19,649	10,777	54.85%
Postage	90,550	36,835	53,715	145.83%	6,600	83,950	1271.97%	39,157	51,393	131.25%
Telecommunications	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Legal	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Insurance	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Travel & Meals	48,700	51,909	(3,209)	-6.18%	54,000	(5,300)	-9.81%	48,540	160	0.33%
Professional Services	134,020	8,953	125,067	1396.95%	38,000	96,020	252.68%	25,518	108,502	425.20%
Miscellaneous	-	55,750	(55,750)	-100.00%	23,000	(23,000)	-100.00%	74	(74)	-100.11%
Rent	-	237	(237)	-100.00%	-	-	0.00%	337	(337)	-100.00%
Depreciation	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Producer Fees Collected	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Operations & Maintenance	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Bank Charges	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Software Maint & Licensing	29,710	3,712	25,998	700.38%	1,100	28,610	2600.81%	320	29,390	9184.38%
Computer Hardware	125	118	7	5.94%	-	125	100.00%	1,124	(999)	-88.90%
FMAP Funding	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
ULAE Expense Allocation	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
<b>Total Administrative Expenses</b>	<b>\$ 3,252,911</b>	<b>\$ 2,850,373</b>	<b>\$ 402,538</b>	<b>14.12%</b>	<b>\$ 2,802,942</b>	<b>\$ 449,970</b>	<b>16.05%</b>	<b>\$ 2,680,542</b>	<b>\$ 572,370</b>	<b>21.35%</b>
<b>Total Underwriting Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>
<b>IT Expense Allocation</b>	<b>525,929</b>	<b>529,265</b>	<b>(3,336)</b>	<b>-0.63%</b>	<b>703,275</b>	<b>(177,346)</b>	<b>-25.22%</b>	<b>351,803</b>	<b>174,126</b>	<b>49.50%</b>
<b>Total Admin &amp; Other Expenses</b>	<b>\$ 3,778,840</b>	<b>\$ 3,379,638</b>	<b>\$ 399,203</b>	<b>11.81%</b>	<b>\$ 3,506,217</b>	<b>\$ 272,624</b>	<b>7.78%</b>	<b>\$ 3,032,345</b>	<b>\$ 746,495</b>	<b>24.62%</b>

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**2017 Operating Budget**  
**Citizens Property Insurance Corporation**

**Administrative Expenses**  
**Comparison of Annual Totals**

**Financial Services**

Version Expense Category	2017 Budget	2016 Projection	Versus 2017 Budget		2016 Budget	Versus 2017 Budget		2015 Actual	Versus 2017 Budget	
	Total Year	Total Year	Variance	% Var	Total Year	Variance	% Var	Total Year	Variance	% Var
Salaries	\$ 3,915,050	\$ 4,030,674	\$ (115,624)	-2.87%	\$ 3,984,069	\$ (69,019)	-1.73%	\$ 4,070,198	\$ (155,148)	-3.81%
Employee Benefits	837,540	936,125	(98,585)	-10.53%	897,262	(59,723)	-6.66%	933,926	(96,386)	-10.32%
Payroll Taxes	281,253	290,447	(9,195)	-3.17%	306,398	(25,146)	-8.21%	295,469	(14,217)	-4.81%
Contingent Staffing	72,400	31,045	41,355	133.21%	-	72,400	100.00%	170,500	(98,100)	-57.54%
Training	38,218	23,243	14,975	64.43%	32,538	5,680	17.46%	22,483	15,735	69.99%
Recruiting	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Printing	27,700	24,988	2,712	10.85%	31,500	(3,800)	-12.06%	18,487	9,213	49.83%
Operating Supplies	10,750	9,026	1,724	19.10%	12,088	(1,338)	-11.07%	10,184	566	5.56%
Subscriptions & Dues	38,680	44,603	(5,923)	-13.28%	37,640	1,040	2.76%	38,893	(213)	-0.55%
Postage	8,100	10,766	(2,666)	-24.76%	8,200	(100)	-1.22%	6,081	2,019	33.20%
Telecommunications	750	150	600	400.00%	600	150	25.00%	-	750	100.00%
Legal	-	29,239	(29,239)	-100.00%	-	-	0.00%	-	-	0.00%
Insurance	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Travel & Meals	70,735	60,087	10,648	17.72%	65,197	5,538	8.49%	63,281	7,454	11.78%
Professional Services	4,249,109	2,102,476	2,146,632	102.10%	2,620,150	1,628,959	62.17%	1,944,971	2,304,138	118.47%
Miscellaneous	-	1,910	(1,910)	-100.00%	-	-	0.00%	2,536	(2,536)	-100.01%
Rent	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Depreciation	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Producer Fees Collected	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Operations & Maintenance	64,717	43,438	21,279	48.99%	18,299	46,418	253.67%	38,016	26,702	70.24%
Bank Charges	220,000	229,191	(9,191)	-4.01%	250,000	(30,000)	-12.00%	266,256	(46,256)	-17.37%
Software Maint & Licensing	489,750	217,278	272,472	125.40%	219,900	269,850	122.71%	226,773	262,977	115.96%
Computer Hardware	-	93	(93)	-99.96%	500	(500)	-100.00%	7,178	(7,178)	-100.00%
FMAP Funding	(3,600)	(3,600)	-	0.00%	(3,600)	-	0.00%	(3,600)	-	0.00%
ULAE Expense Allocation	(55,254)	(54,190)	(1,064)	-1.96%	(62,221)	6,967	11.20%	(58,943)	3,689	6.26%
<b>Total Administrative Expenses</b>	<b>\$ 10,265,897</b>	<b>\$ 8,026,990</b>	<b>\$ 2,238,907</b>	<b>27.89%</b>	<b>\$ 8,418,520</b>	<b>\$ 1,847,377</b>	<b>21.94%</b>	<b>\$ 8,052,689</b>	<b>\$ 2,213,208</b>	<b>27.48%</b>
<b>Total Underwriting Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>
<b>IT Expense Allocation</b>	<b>2,182,274</b>	<b>1,926,717</b>	<b>255,557</b>	<b>13.26%</b>	<b>2,284,979</b>	<b>(102,705)</b>	<b>-4.49%</b>	<b>1,919,164</b>	<b>263,110</b>	<b>13.71%</b>
<b>Total Admin &amp; Other Expenses</b>	<b>\$ 12,448,171</b>	<b>\$ 9,953,707</b>	<b>\$ 2,494,465</b>	<b>25.06%</b>	<b>\$ 10,703,499</b>	<b>\$ 1,744,672</b>	<b>16.30%</b>	<b>\$ 9,971,853</b>	<b>\$ 2,476,318</b>	<b>24.83%</b>

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**2017 Operating Budget**  
**Citizens Property Insurance Corporation**

**Administrative Expenses**  
**Comparison of Annual Totals**

**Corporate Risk Mgmt**

Version Expense Category	2017 Budget	2016 Projection	Versus 2017 Budget		2016 Budget	Versus 2017 Budget		2015 Actual	Versus 2017 Budget	
	Total Year	Total Year	Variance	% Var	Total Year	Variance	% Var	Total Year	Variance	% Var
Salaries	\$ 4,272,766	\$ 4,172,502	\$ 100,264	2.40%	\$ 4,296,349	\$ (23,583)	-0.55%	\$ 4,252,720	\$ 20,046	0.47%
Employee Benefits	801,045	894,540	(93,495)	-10.45%	1,032,371	(231,326)	-22.41%	885,833	(84,788)	-9.57%
Payroll Taxes	291,165	292,861	(1,696)	-0.58%	321,199	(30,033)	-9.35%	298,060	(6,895)	-2.31%
Contingent Staffing	-	-	-	0.00%	-	-	0.00%	16,534	(16,534)	-100.00%
Training	35,296	25,069	10,227	40.80%	38,686	(3,391)	-8.77%	17,242	18,053	104.70%
Recruiting	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Printing	150	30	120	400.00%	150	-	0.00%	121	29	23.88%
Operating Supplies	1,750	1,907	(157)	-8.23%	2,400	(650)	-27.08%	3,345	(1,595)	-47.68%
Subscriptions & Dues	41,182	45,059	(3,877)	-8.60%	39,862	1,320	3.31%	35,401	5,781	16.33%
Postage	30	57	(27)	-47.29%	100	(70)	-70.03%	51	(21)	-41.53%
Telecommunications	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Legal	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Insurance	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Travel & Meals	53,436	36,894	16,542	44.84%	56,511	(3,075)	-5.44%	37,884	15,552	41.05%
Professional Services	140,000	103,623	36,377	35.11%	125,000	15,000	12.00%	66,329	73,671	111.07%
Miscellaneous	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Rent	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Depreciation	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Producer Fees Collected	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Operations & Maintenance	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Bank Charges	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Software Maint & Licensing	290,314	329,602	(39,287)	-11.92%	302,929	(12,615)	-4.16%	310,075	(19,761)	-6.37%
Computer Hardware	-	221	(221)	-99.86%	500	(500)	-99.99%	66	(66)	-99.52%
FMAP Funding	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
ULAE Expense Allocation	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
<b>Total Administrative Expenses</b>	<b>\$ 5,927,133</b>	<b>\$ 5,902,364</b>	<b>\$ 24,769</b>	<b>0.42%</b>	<b>\$ 6,216,055</b>	<b>\$ (288,922)</b>	<b>-4.65%</b>	<b>\$ 5,923,662</b>	<b>\$ 3,471</b>	<b>0.06%</b>
<b>Total Underwriting Expenses</b>	<b>\$ 3,730,401</b>	<b>\$ 2,688,581</b>	<b>\$ 1,041,820</b>	<b>38.75%</b>	<b>\$ 3,584,776</b>	<b>\$ 145,625</b>	<b>4.06%</b>	<b>\$ 3,411,657</b>	<b>\$ 318,744</b>	<b>9.34%</b>
<b>IT Expense Allocation</b>	<b>1,556,200</b>	<b>2,232,296</b>	<b>(676,096)</b>	<b>-30.29%</b>	<b>2,097,160</b>	<b>(540,960)</b>	<b>-25.79%</b>	<b>1,778,874</b>	<b>(222,674)</b>	<b>-12.52%</b>
<b>Total Admin &amp; Other Expenses</b>	<b>\$ 11,213,735</b>	<b>\$ 10,823,241</b>	<b>\$ 390,494</b>	<b>3.61%</b>	<b>\$ 11,897,991</b>	<b>\$ (684,256)</b>	<b>-5.75%</b>	<b>\$ 11,114,193</b>	<b>\$ 99,542</b>	<b>0.90%</b>

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**2017 Operating Budget**  
Citizens Property Insurance Corporation

**Administrative Expenses  
Comparison of Annual Totals**

**Claims**

Version Expense Category	2017 Budget	2016 Projection	Versus 2017 Budget		2016 Budget	Versus 2017 Budget		2015 Actual	Versus 2017 Budget	
	Total Year	Total Year	Variance	% Var	Total Year	Variance	% Var	Total Year	Variance	% Var
Salaries	\$ 24,241,082	\$ 21,917,411	\$ 2,323,671	10.60%	\$ 24,186,337	\$ 54,745	0.23%	\$ 20,630,908	\$ 3,610,174	17.50%
Employee Benefits	4,911,129	4,819,152	91,977	1.91%	4,817,693	93,436	1.94%	4,658,427	252,703	5.42%
Payroll Taxes	1,839,155	1,619,435	219,720	13.57%	1,855,236	(16,082)	-0.87%	1,570,183	268,972	17.13%
Contingent Staffing	28,414,100	16,804,323	11,609,777	69.09%	19,973,021	8,441,078	42.26%	25,105,425	3,308,675	13.18%
Training	89,124	32,371	56,753	175.32%	82,248	6,876	8.36%	40,048	49,076	122.54%
Recruiting	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Printing	11,434	12,975	(1,542)	-11.88%	22,895	(11,461)	-50.06%	5,609	5,825	103.85%
Operating Supplies	33,153	21,325	11,828	55.46%	45,742	(12,589)	-27.52%	16,733	16,420	98.13%
Subscriptions & Dues	885,443	755,462	129,981	17.21%	913,994	(28,552)	-3.12%	718,188	167,255	23.29%
Postage	25,236	24,296	940	3.87%	35,625	(10,389)	-29.16%	26,151	(915)	-3.50%
Telecommunications	-	-	-	0.00%	-	-	0.00%	554	(554)	-100.06%
Legal	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Insurance	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Travel & Meals	559,187	424,955	134,231	31.59%	695,233	(136,046)	-19.57%	467,101	92,086	19.71%
Professional Services	251,000	125,901	125,099	99.36%	303,000	(52,000)	-17.16%	279,043	(28,043)	-10.05%
Miscellaneous	-	19	(19)	-99.79%	-	-	0.00%	(0)	-	0.00%
Rent	388,080	439,181	(51,101)	-11.64%	352,875	35,205	9.98%	440,900	(52,820)	-11.98%
Depreciation	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Producer Fees Collected	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Operations & Maintenance	38,150	24,976	13,174	52.75%	26,214	11,936	45.53%	43,047	(4,897)	-11.38%
Bank Charges	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Software Maint & Licensing	2,225,030	1,758,107	466,923	26.56%	2,367,363	(142,333)	-6.01%	1,626,957	598,073	36.76%
Computer Hardware	31	9,712	(9,681)	-99.69%	8,492	(8,461)	-99.63%	18,215	(18,184)	-99.83%
FMAP Funding	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
ULAE Expense Allocation	(68,663,135)	(54,641,695)	(14,021,440)	-25.66%	(62,079,985)	(6,583,150)	-10.60%	(63,516,766)	(5,146,369)	-8.10%
<b>Total Administrative Expenses</b>	<b>\$ (4,751,803)</b>	<b>\$ (5,852,094)</b>	<b>\$ 1,100,292</b>	<b>18.80%</b>	<b>\$ (6,394,015)</b>	<b>\$ 1,642,213</b>	<b>25.68%</b>	<b>\$ (7,869,278)</b>	<b>\$ 3,117,476</b>	<b>39.62%</b>
<b>Total Underwriting Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>
<b>IT Expense Allocation</b>	<b>4,751,803</b>	<b>5,610,295</b>	<b>(858,492)</b>	<b>-15.30%</b>	<b>6,394,014</b>	<b>(1,642,212)</b>	<b>-25.68%</b>	<b>7,959,526</b>	<b>(3,207,723)</b>	<b>-40.30%</b>
<b>Total Admin &amp; Other Expenses</b>	<b>\$ (0)</b>	<b>\$ (241,799)</b>	<b>\$ 241,799</b>	<b>100.00%</b>	<b>\$ (1)</b>	<b>\$ 1</b>	<b>99.68%</b>	<b>\$ 90,248</b>	<b>\$ (90,248)</b>	<b>-100.00%</b>

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**2017 Operating Budget**  
Citizens Property Insurance Corporation

**Administrative Expenses**  
**Comparison of Annual Totals**

**Underwriting and Agency Services**

Version	2017 Budget	2016 Projection	Versus 2017 Budget		2016 Budget	Versus 2017 Budget		2015 Actual	Versus 2017 Budget	
Expense Category	Total Year	Total Year	Variance	% Var	Total Year	Variance	% Var	Total Year	Variance	% Var
Salaries	\$ 18,626,445	\$ 19,211,377	\$ (584,932)	-3.04%	\$ 20,641,389	\$ (2,014,945)	-9.76%	\$ 19,886,394	\$ (1,259,949)	-6.34%
Employee Benefits	4,645,100	5,137,333	(492,233)	-9.58%	5,196,344	(551,243)	-10.61%	5,331,270	(686,170)	-12.87%
Payroll Taxes	1,404,821	1,406,677	(1,856)	-0.13%	1,602,746	(197,925)	-12.35%	1,501,198	(96,378)	-6.42%
Contingent Staffing	207,748	261,829	(54,081)	-20.66%	338,411	(130,663)	-38.61%	490,827	(283,079)	-57.67%
Training	91,132	57,778	33,354	57.73%	121,262	(30,129)	-24.85%	51,736	39,397	76.15%
Recruiting	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Printing	3,894	3,520	374	10.62%	5,819	(1,925)	-33.08%	1,952	1,942	99.49%
Operating Supplies	11,930	9,514	2,416	25.39%	11,743	187	1.59%	12,524	(594)	-4.74%
Subscriptions & Dues	8,702	34,589	(25,887)	-74.84%	10,254	(1,552)	-15.14%	(4,972)	13,674	275.01%
Postage	796	707	89	12.58%	1,337	(541)	-40.46%	726	70	9.64%
Telecommunications	-	51	(51)	-100.33%	-	-	0.00%	4,713	(4,713)	-100.00%
Legal	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Insurance	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Travel & Meals	218,642	212,049	6,593	3.11%	240,828	(22,186)	-9.21%	203,949	14,692	7.20%
Professional Services	3,060,985	2,790,271	270,714	9.70%	2,440,620	620,365	25.42%	2,674,763	386,222	14.44%
Miscellaneous	-	3,712	(3,712)	-100.00%	2,679	(2,679)	-100.00%	1,948	(1,948)	-100.00%
Rent	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Depreciation	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Producer Fees Collected	(779,500)	(473,568)	(305,932)	-64.60%	(850,140)	70,640	8.31%	(764,888)	(14,612)	-1.91%
Operations & Maintenance	4,912	3,627	1,285	35.42%	4,014	898	22.37%	3,701	1,211	32.72%
Bank Charges	603	595	8	1.34%	649	(46)	-7.09%	649	(46)	-7.09%
Software Maint & Licensing	78,024	72,762	5,262	7.23%	77,278	746	0.97%	11,630	66,394	570.89%
Computer Hardware	39,586	7,499	32,087	427.90%	18,213	21,373	117.35%	20,850	18,736	89.86%
FMAP Funding	(255,600)	(47,114)	(208,486)	-442.51%	(206,400)	(49,200)	-23.84%	(95,170)	(160,430)	-168.57%
ULAE Expense Allocation	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
<b>Total Administrative Expenses</b>	<b>\$ 27,368,220</b>	<b>\$ 28,693,209</b>	<b>\$ (1,324,989)</b>	<b>-4.62%</b>	<b>\$ 29,657,045</b>	<b>\$ (2,288,825)</b>	<b>-7.72%</b>	<b>\$ 29,333,800</b>	<b>\$ (1,965,579)</b>	<b>-6.70%</b>
<b>Total Underwriting Expenses</b>	<b>\$ 13,329,884</b>	<b>\$ 11,325,588</b>	<b>\$ 2,004,296</b>	<b>17.70%</b>	<b>\$ 14,014,330</b>	<b>\$ (684,446)</b>	<b>-4.88%</b>	<b>\$ 15,091,665</b>	<b>\$ (1,761,781)</b>	<b>-11.67%</b>
<b>IT Expense Allocation</b>	<b>6,612,015</b>	<b>6,353,181</b>	<b>258,834</b>	<b>4.07%</b>	<b>7,233,311</b>	<b>(621,296)</b>	<b>-8.59%</b>	<b>6,079,491</b>	<b>532,524</b>	<b>8.76%</b>
<b>Total Admin &amp; Other Expenses</b>	<b>\$ 47,310,119</b>	<b>\$ 46,371,978</b>	<b>\$ 938,141</b>	<b>2.02%</b>	<b>\$ 50,904,686</b>	<b>\$ (3,594,567)</b>	<b>-7.06%</b>	<b>\$ 50,504,956</b>	<b>\$ (3,194,837)</b>	<b>-6.33%</b>

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**2017 Operating Budget**  
Citizens Property Insurance Corporation

**Administrative Expenses**  
**Comparison of Annual Totals**

**Systems and Operations**

Version	2017 Budget	2016 Projection	Versus 2017 Budget		2016 Budget	Versus 2017 Budget		2015 Actual	Versus 2017 Budget	
Expense Category	Total Year	Total Year	Variance	% Var	Total Year	Variance	% Var	Total Year	Variance	% Var
Salaries	\$ 27,614,735	\$ 26,202,537	\$ 1,412,199	5.39%	\$ 26,580,529	\$ 1,034,206	3.89%	\$ 26,614,123	\$ 1,000,612	3.76%
Employee Benefits	5,107,119	5,244,545	(137,426)	-2.62%	5,207,927	(100,808)	-1.94%	5,553,388	(446,269)	-8.04%
Payroll Taxes	2,141,144	1,924,596	216,548	11.25%	2,106,149	34,995	1.66%	2,068,577	72,567	3.51%
Contingent Staffing	2,669,403	3,755,022	(1,085,619)	-28.91%	4,090,430	(1,421,027)	-34.74%	6,328,385	(3,658,982)	-57.82%
Training	426,324	337,905	88,419	26.17%	346,904	79,420	22.89%	188,242	238,082	126.48%
Recruiting	500	-	500	100.00%	-	500	100.00%	(8,249)	8,749	106.06%
Printing	18,770	13,271	5,499	41.44%	16,060	2,710	16.87%	9,902	8,868	89.55%
Operating Supplies	348,824	444,038	(95,214)	-21.44%	416,840	(68,016)	-16.32%	502,947	(154,123)	-30.64%
Subscriptions & Dues	239,841	190,209	49,632	26.09%	194,658	45,183	23.21%	173,314	66,527	38.39%
Postage	277,140	327,694	(50,554)	-15.43%	339,069	(61,929)	-18.26%	348,603	(71,463)	-20.50%
Telecommunications	4,480,163	4,542,588	(62,424)	-1.37%	4,273,721	206,443	4.83%	4,341,040	139,123	3.20%
Legal	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Insurance	-	-	-	0.00%	2,000	(2,000)	-100.00%	-	-	0.00%
Travel & Meals	324,905	209,326	115,579	55.21%	384,858	(59,953)	-15.58%	290,103	34,802	12.00%
Professional Services	3,457,710	3,042,081	415,628	13.66%	3,271,991	185,719	5.68%	1,921,293	1,536,417	79.97%
Miscellaneous	-	3,792	(3,792)	-100.01%	15,100	(15,100)	-100.00%	99	(99)	-100.45%
Rent	7,018,720	9,396,176	(2,377,456)	-25.30%	8,345,882	(1,327,162)	-15.90%	8,594,130	(1,575,410)	-18.33%
Depreciation	5,549,064	4,387,197	1,161,867	26.48%	4,076,988	1,472,076	36.11%	5,170,784	378,280	7.32%
Producer Fees Collected	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Operations & Maintenance	2,366,610	1,017,554	1,349,056	132.58%	1,300,840	1,065,770	81.93%	1,887,146	479,465	25.41%
Bank Charges	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Software Maint & Licensing	12,910,055	11,180,760	1,729,296	15.47%	11,654,839	1,255,217	10.77%	10,784,764	2,125,291	19.71%
Computer Hardware	3,607,640	2,032,209	1,575,431	77.52%	3,396,817	210,823	6.21%	2,952,277	655,363	22.20%
FMAP Funding	-	20,273	(20,273)	-100.00%	(20,000)	20,000	100.00%	(53,069)	53,069	100.00%
ULAE Expense Allocation	(2,797,950)	(3,327,510)	529,560	15.91%	(4,017,026)	1,219,076	30.35%	(2,550,640)	(247,310)	-9.70%
<b>Total Administrative Expenses</b>	<b>\$ 75,760,717</b>	<b>\$ 70,944,261</b>	<b>\$ 4,816,456</b>	<b>6.79%</b>	<b>\$ 71,984,575</b>	<b>\$ 3,776,142</b>	<b>5.25%</b>	<b>\$ 75,117,158</b>	<b>\$ 643,560</b>	<b>0.86%</b>
<b>Total Underwriting Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>
<b>IT Expense Allocation</b>	<b>(18,018,567)</b>	<b>(18,197,234)</b>	<b>178,667</b>	<b>0.98%</b>	<b>(21,141,876)</b>	<b>3,123,309</b>	<b>14.77%</b>	<b>(19,717,668)</b>	<b>1,699,102</b>	<b>8.62%</b>
<b>Total Admin &amp; Other Expenses</b>	<b>\$ 57,742,151</b>	<b>\$ 52,747,027</b>	<b>\$ 4,995,123</b>	<b>9.47%</b>	<b>\$ 50,842,699</b>	<b>\$ 6,899,452</b>	<b>13.57%</b>	<b>\$ 55,399,489</b>	<b>\$ 2,342,662</b>	<b>4.23%</b>

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# 2017 Operating Budget

## Capital Acquisitions



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## 2017 Operating Budget

### Citizens Property Insurance Corporation

Acquisitions by Division	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2017
Enterprise Resources	0	0	0	0	0	0	0	0	0	0	0	0	0
Human Resources	0	0	0	0	0	0	0	0	0	0	0	0	0
Legal Services and Purchasing	0	0	0	0	0	0	0	0	0	0	0	0	0
Communications Legislative and External Affairs	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Services	0	0	0	0	0	0	0	0	0	0	0	0	0
Corporate Risk Management	0	0	0	0	0	0	0	0	0	0	0	0	0
Claims	0	0	0	0	0	0	0	0	0	0	0	0	0
Underwriting and Agency Services	0	0	0	0	0	0	0	0	0	0	0	0	0
Systems and Operations	665,520	2,480,000	792,000	586,000	715,000	505,000	480,000	440,000	0	150,000	0	0	6,813,520
Facilities Management	20,000	0	60,000	6,000	0	55,000	10,000	0	0	0	0	0	151,000
Information Technology	645,520	2,480,000	732,000	580,000	715,000	450,000	470,000	440,000	0	150,000	0	0	6,662,520
<b>2017 Budgeted Capital Acquisitions</b>	<b>665,520</b>	<b>2,480,000</b>	<b>792,000</b>	<b>586,000</b>	<b>715,000</b>	<b>505,000</b>	<b>480,000</b>	<b>440,000</b>	<b>0</b>	<b>150,000</b>	<b>0</b>	<b>0</b>	<b>6,813,520</b>

Acquisitions by Asset Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2017
1 - EDP	390,520	2,480,000	732,000	320,000	715,000	150,000	470,000	380,000	0	150,000	0	0	5,787,520
2 - Software	255,000	0	0	190,000	0	300,000	0	60,000	0	0	0	0	805,000
3 - Automobiles	0	0	0	0	0	40,000	0	0	0	0	0	0	40,000
4 - Office Equipment	20,000	0	0	76,000	0	5,000	0	0	0	0	0	0	101,000
5 - Office Furniture	0	0	5,000	0	0	10,000	0	0	0	0	0	0	15,000
6 - Leasehold Improvements	0	0	55,000	0	0	0	10,000	0	0	0	0	0	65,000
<b>2017 Budgeted Capital Acquisitions</b>	<b>665,520</b>	<b>2,480,000</b>	<b>792,000</b>	<b>586,000</b>	<b>715,000</b>	<b>505,000</b>	<b>480,000</b>	<b>440,000</b>	<b>0</b>	<b>150,000</b>	<b>0</b>	<b>0</b>	<b>6,813,520</b>

Estimated Depreciation	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2017
1 - EDP	219,227	287,923	392,748	271,191	291,053	295,219	308,275	318,830	318,831	322,996	322,998	319,732	3,669,023
2 - Software	42,887	42,887	41,700	46,978	46,978	55,311	55,311	56,978	56,978	56,978	56,978	55,317	615,280
3 - Automobiles	5,720	5,720	5,917	4,737	4,737	5,404	5,404	5,404	5,404	5,404	5,404	5,404	64,660
4 - Office Equipment	34,891	34,891	44,447	33,439	33,439	33,522	33,522	33,522	33,522	33,522	33,522	33,522	415,759
5 - Office Furniture	39,016	39,016	42,906	38,337	38,338	38,504	38,504	38,504	38,504	38,504	38,126	37,970	466,229
6 - Leasehold Improvements	34,458	32,747	98,225	16,875	16,876	16,875	17,043	17,042	17,043	17,042	17,023	16,865	318,113
<b>Total 2017 Depreciation</b>	<b>376,199</b>	<b>443,184</b>	<b>625,944</b>	<b>411,557</b>	<b>431,420</b>	<b>444,835</b>	<b>458,059</b>	<b>470,279</b>	<b>470,282</b>	<b>474,445</b>	<b>474,051</b>	<b>468,809</b>	<b>5,549,064</b>

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# 2017 Operating Budget

Contingency Statement of Operations

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## 2017 Operating Budget

Citizens Property Insurance Corporation

Version	2017 Budget	10 Year	25 Year	100 Year
Income Statement	Total Year	PML	PML	PML
<b>Premiums</b>				
<b>Premiums Written - Direct</b>	\$1,000,984,782	\$1,000,984,782	\$1,000,984,782	\$1,000,984,782
<b>Change in Direct UPR</b>	(32,592,932)	(\$32,592,932)	(\$32,592,932)	(\$32,592,932)
<b>Premiums Ceded</b>	(242,512,356)	(\$242,512,356)	(\$242,512,356)	(\$242,512,356)
<b>Change in Ceded UPR</b>	(21,552,247)	(\$21,552,247)	(\$21,552,247)	(\$21,552,247)
<b>Net Premiums Earned</b>	\$704,327,247	\$704,327,247	\$704,327,247	\$704,327,247
<b>Underwriting Expenses</b>				
<b>Losses Incurred</b>	439,349,207	752,436,086	1,057,867,167	2,876,989,621
<b>Loss Adjustment Expenses</b>	85,657,386	75,243,609	151,615,332	401,581,295
<b>Producer Commissions</b>	79,492,317	79,492,317	79,492,317	79,492,317
<b>Taxes &amp; Assessments</b>	15,014,772	15,014,772	15,014,772	15,014,772
<b>Administrative &amp; Other Underwriting</b>	163,461,741	165,359,238	165,359,238	165,359,238
<b>Total Underwriting Expenses</b>	782,975,423	\$1,087,546,022	\$1,469,348,825	\$3,538,437,243
<b>Net Underwriting Income</b>	(\$78,648,176)	(\$383,218,775)	(\$765,021,578)	(\$2,834,109,996)
<b>Other Income (Expense)</b>				
<b>Investment Income - Net</b>	173,373,823	168,866,104	166,473,545	150,228,418
<b>Interest Expense - Net</b>	(92,569,835)	(92,569,835)	(92,569,835)	(92,569,835)
<b>L.O.C. Fees &amp; Notes Issued Cost</b>	-	-	-	-
<b>Take-out Bonuses</b>	-	-	-	-
<b>Assessment Income</b>	-	-	-	-
<b>Other Income (Expense) / Gain (Loss)</b>	2,423,427	2,423,427	2,423,427	2,423,427
<b>Total Other Income (Expense)</b>	\$83,227,415	\$78,719,696	\$76,327,137	60,082,010
<b>Net Income (Loss)</b>	\$4,579,239	(\$304,499,079)	(\$688,694,441)	(\$2,774,027,986)
<b>Projected 12/31/16 Surplus</b>	<b>\$7,372,617,272</b>			
<b>Projected 12/31/17 Surplus</b>	<b>\$7,377,196,511</b>			



### Contingency Statement of Operations Notes

- A loss event for one account will not be the same size event for other accounts. The relative magnitude of an event will depend on the size, severity and path of the storm. Probable Maximum Loss ("PML") estimates are Standard Sea-Surface Temperature (Long-Term), are based on Single-Event Occurrences and do not include any provision for the adjustment of claims (LAE). PML estimates were modeled using AIR Touchstone, Version 3.1, including Demand Surge, excluding Storm Surge, on exposures as of June 30, 2016 adjusted for forecasted changes in exposure through June 2017.
- Ceded Losses and LAE (Reinsurance Recoverables) are based on 2016 retention and payment multiples and preliminary 2017 limits. The actual retention and limits for 2017 may be significantly different from these estimates.
- Assumes Private Risk Transfer of \$1,054,000,000 in Coastal Account (\$754 million new purchase + \$300 million carryover from existing risk transfer).
- LAE is assumed at 10% of the modeled indemnity loss.
- Projected investment income is adjusted downward for each cat loss scenario assuming a 9/1/2017 cat event.
- NOTE: only losses/loss adjustment expenses, investment income, and administrative expenses have been adjusted within the Catastrophe Contingency Statement of Operations – no other adjustments have been made to reflect potential increases or decreases in Citizens' policy count or related expenses. Administrative expenses include provisions for additional costs that Citizens may incur as a result of a catastrophic event – these provisions are not adjusted for varying storm severity levels (i.e. 10 year, 25 year, or 100 year).