



2018 Operating Budget

Financial Schedules & Supporting Information

Board of Governors Meeting

December 13, 2017



Board of Governors

Chris Gardner, Chairman of the Board

Gary Aubuchon

Bette Brown

Blake Capps

James Holton

John McKay

Freddie Schinz

John Wortman



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2018 Operating Budget

Executive Summary

2018 Operating Budget

Citizens Property Insurance Corporation

Executive Summary

Citizens' fifteenth year since its formation in 2002 has proven to be as challenging as anticipated due to rising litigation rates and assignment of benefits (AOB) that have evolved from issues confined to Citizens, to issues disrupting the entire Florida insurance market. This, coupled with the occurrence of the second largest claim generating event in Citizens' history, have placed a demanding challenge on Citizens' infrastructure and leadership team. These challenges remind us of the need for continued investments in infrastructure and human capital.

The absence of legislative reform to address issues surrounding AOB and what has become known as the "one-way attorney fee statute" continue to have an adverse impact on Citizens' underwriting results and operating ratios, as well as the overall profitability of Florida's private insurance market. Citizens' litigation rate on reported non-weather water claims is at unprecedented levels for calendar year 2017. While Citizens' has observed a concentration in the tri-county area, an area of significant exposure and concentration within the state for Citizens, current indications provide evidence of a slow expansion statewide with respect to litigated non-weather water claims. While the overall operating environment presents ongoing challenges, Citizens has continued its efforts to take proactive measures aimed at mitigating the impact on operating results and has planned further measures in fiscal year 2018. Citizens partnered with an industry leading provider of a managed-repair program (MRP) in an effort to reduce contractor and third-party abuse of AOB on reported claims. In addition, Citizens adopted policy language changes that limit coverage for emergency services or permanent repairs made prior to Citizens' inspection or approval. In 2018, Citizens plans to implement additional coverage changes in the form of sub-limits on repairs in cases where the policyholder opts to forego participation in Citizens' MRP. In addition to MRP and policy language changes, Citizens has increased budgeted amounts for personnel and resources committed to its litigated claims and AOB response by approximately \$17.6 million as compared to budgeted amounts for 2017. Roughly 10% of Citizens' total personnel costs are within operating units directly supporting claims litigation activity. However, prolonged challenges in the

market and the infancy of these proactive measures lead to challenges in planning for expected financial results for 2018.

After nearly 11 years of relatively docile hurricane activity, on September 10th, 2017 Hurricane Irma made landfall in the Florida Keys and continued its path up the west coast of the state. Current estimates of 70,000 claims (64,000 reported claims to date) rank Irma as the second largest claim generating event in Citizens' history. Within 72 hours after the storm exited the state, Citizens deployed Catastrophe Response Centers (CRCs), staffed by Citizens' claims personnel and volunteers from across the company, to the Florida Keys and other areas of south Florida most impacted by the storm. In addition to the rapid deployment of CRCs, remote field offices were setup to provide direct face-to-face assistance with Citizens' policyholders. Citizens' response was overwhelmingly successful and can be credited to extensive planning, committed investments in resources and the dedication of staff during the response. The current projected financial impact of Hurricane Irma is \$1.1 billion, net of anticipated reinsurance recoveries, reducing pre-storm surplus by approximately 15%.

2018 Financial Outlook

Citizens' forecasting and planning strategy utilizes an internally-developed tool in developing the 2018 operating budget that effectively uses statistical methods to extend historical results, supplemented with judgment to consider disruptions to identified trends, which are often beyond Citizens' control. The forecast model gives consideration to two distinct potential outcomes. The "Baseline" scenario assumes that historical trends continue throughout 2018. This scenario would lead to a continuing decline in terms of Citizens' overall size as measured by policy count. The "Growth" scenario assumes that the private market's capacity to write policies in the voluntary market or acquire business through depopulation decreases. This scenario contemplates Citizens' policy count increasing as

private market policies are non-renewed at policy expiration with their current insurers. Citizens' 2018 operating budget assigns a 50% probability to the "Growth" scenario described above.

This selection is based upon Citizens' anticipation of a contraction of Florida's private market as a result of litigated claim activity, continuing challenges surrounding AOB and the private market's capacity as a result of Hurricane Irma. Market contraction in some segments is anticipated, however the extent of this contraction and how many of the impacted policies are to be consumed by well capitalized private carriers is unknown. As a result, Citizens anticipates modest growth in policy counts and direct premiums written within the Personal Lines Account (PLA) for 2018 as compared to projected year-end 2017, while the Commercial Lines Account (CLA) and Coastal Account are anticipated to decrease under these same measures due to a competitive market for commercial policies and wind-only business. Overall depopulation activity is anticipated to decline by over 18,000 policies or 50% as compared to the 2017 projection on a combined basis, with the PLA and Coastal Account contributing most notably to the overall decrease.

Citizens will again seek to protect surplus through prudent and measured risk transfer efforts in 2018. The 2018 budget includes a provision for \$100 million of private-risk transfer within the Coastal Account, marking an increase of approximately \$7.3 million or 8% as compared to 2017. While Citizens has enjoyed the relative favorable pricing within the market over the last several years, a hardening market is anticipated as a result of not only Hurricane Irma, but other catastrophes around the globe. The impact of these events are anticipated to apply a modest level of upward pressure on pricing for 2018 renewals, leading to an overall net increase in budgeted reinsurance costs despite decreases in reinsured exposure within the Coastal Account.

Losses and LAE as a percentage of direct earned premiums, excluding catastrophe claims, are anticipated to increase during 2018 as

compared to the 2017 projection. Non-weather water losses continue to be the dominant driver of overall loss activity and represent 75% of indemnity losses within the PLA as of September 30, 2017. An anticipated litigation rate of 50% on all non-weather water losses within the PLA are the result of the challenging market conditions expected to persist throughout 2018. Non-hurricane loss activity within the CLA and Coastal Account are not anticipated to deviate from the 2017 projection by a material amount for calendar year 2018. However, due to the anticipated continued decreases in premium within the CLA, potential development on prior accident years may be amplified in the loss and LAE ratio as a result of the overall decrease in its relative size.

For the 2018 budget, Citizens' total administrative expenses reflect an overall decrease of approximately \$6 million or 4% as compared to the 2017 budget. Overall decreases in budgeted employee costs (salaries, employee benefits and payroll taxes) are largely the result of the 2018 budget reflecting a decrease of 90 positions as compared to 2017. When removing the impact of Citizens' Corporate Initiative Budget, overall operating expenses for 2018 decreased by approximately \$2.5 million or 2% as compared to the 2017 budget. Citizens continues to seek opportunities to make prudent decisions in personnel and operating expense management in an effort to maintain an advantage with respect to expense ratios observed among private market insurers in the state. As a result, Citizens budgeted expense ratio (administrative and underwriting expenses divided by direct written premium) of 24.3% marks a decrease of approximately 1.7% as compared to projected results for 2017, and maintains a notable advantage over private market averages of 27.5% - 28%.

Contingent staffing includes approximately \$118 million for independent adjuster fees in response to operational demands for Hurricane Irma. These fees are subsequently allocated to LAE through the ULAE Expense Allocation displayed within the administrative expense exhibits. These resources permit Citizens to continue an industry-leading response to policyholder claims as the lifecycle of

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Executive Summary

claims from Hurricane Irma continues throughout 2018 and likely beyond.

In addition to expenses budgeted as a result of Citizens' ongoing response to Hurricane Irma, litigated claims and AOB claim activity is expected to remain the leading driver of loss and LAE activity throughout calendar year 2018, predominantly within the PLA. During budget preparation for 2018, Citizens' sought to identify and measure budgeted resource costs to be incurred as a result of this activity. As a result, approximately \$51 million of such expenses were identified and of this amount, approximately \$50 million is budgeted as an allocation to LAE through the ULAE Expense Allocation.

Investment income, excluding interest expense on outstanding debt, is anticipated to decrease within the 2018 budget as compared to the 2017 projection as a result of declines in total invested assets, largely due to the financial impact of Hurricane Irma. Despite the overall decrease in investment income, Citizens' return on invested assets is expected to increase from 1.55% to 1.90%. During the 4th quarter of 2016, changes to Citizens' investment policies were proposed and approved, allowing Citizens to take advantage of market conditions, provide additional diversification across portfolios, and increase overall portfolio returns by extending portfolio duration, increasing exposure to corporate spread products, and reducing permitted credit ratings. Additionally, a new investment policy was established to invest surplus funds above the 1-100 year probable maximum loss level in the Taxable Claims-Paying Long Duration Fund that extends the duration limit from 6 years to 10 years. Citizens will continue to evaluate market opportunities against its investment mandates to maximize investment returns while preserving principal.

Interest expense on outstanding debt is budgeted to decrease by approximately \$3.3 million following the maturity of \$998.5 million that occurred in June 2017, future redemptions of \$255 million June 2018, and the optional redemption executed in December 2017 of

\$350 million. The 2018 budget does not contemplate the issuance of pre-event notes in 2018.

2018 Corporate Initiatives

Centerpoint - Enterprise Resource Planning Solution

This initiative includes implementation of an Enterprise Resource Planning (ERP) solution branded as Centerpoint. The Centerpoint solution will replace Citizens' current fragmented systems with integrated modules, including finance and accounting, human resources, purchasing, procurement and vendor management, contract management, and project management. During the second quarter of 2017, Citizens successfully implemented Phase 1 of the Centerpoint Project. Phase 1 of the implementation provided back-office accounting, vendor management and procurement functionality all integrated within a single cloud-based software platform. In addition, Human Capital Management (HCM), which includes core human resource and payroll functionality will go-live prior to year-end. The remaining functionality, slated for delivery in 2018, is Advanced Procurement and Vendor Management, Budgeting, and Advanced HCM.

Expand Self-Service Capabilities and Customer Engagement

With a focus on Citizens' customers, Expand Self-Service Capabilities and Customer Engagement will extend current self-service capabilities to new and improved methods for interacting and transacting business with Citizens. This includes both moving on known opportunities to extend current self-service capabilities to enable more efficient, cost effective, and user-friendly transactions, while establishing programs and infrastructure that will provide Citizens with advanced insights into customer behavior, needs, desires and overall experience.

The Voice of the Customer (VoC) Program, currently in place within Citizens, will be leveraged as a means to solicit routine feedback to ultimately validate the customer experience.

This will assist Citizens in identifying servicing, operational and technological improvement opportunities, which in turn helps Citizens remain focused on preserving a customer-centric experience for its policyholders. A number of focal areas will be evaluated as part of identifying and acting on additional improvement opportunities to Citizens' products, services and delivery strategies, including Alert and Notification Services, Customer Portal, Customer Relationship Management (CRM), Dynamic Document Interaction, Electronic Disbursement, Electronic Policy Document Distribution (EPDD), and VoC Program.

Guidewire V9 Upgrade

Guidewire software is used to support core insurance business functions at Citizens. The current platform version is 7.0, which is more than five years old. In order to stay current with support from Guidewire and take advantage of improved performance and features, Citizens is in the process of upgrading to version 9.0, which is the most current version available. Upgrade activities supporting ClaimCenter© began in 2017 and will be finalized in 2018. Remaining upgrade activity to be delivered in 2018 and 2019 includes BillingCenter© and PolicyCenter© applications.

Closing Remarks

Each budgeting cycle brings its own unique set of challenges and opportunities as Citizens must carefully balance its operational demands with exercising prudent management of its expenses. The 2018 operating budget is a reflection of Citizens' commitment to continue disciplined investments in its infrastructure that establish and maintain customer service standards and honors commitments to

policyholders. The strategic theme for 2018 places a pronounced focus on continued increases in efficiency in order to maintain Citizens' advantageous position with respect to the industry's expense ratio and influencing change that lessens financial impacts absorbed by policyholders and, potentially, all Florida consumers. The pronounced focus of the 2018 strategic theme will materialize through enhancements to claims processes, including claims litigation and LAE, improvements within fraud analytics, management and visibility, and advances in administrative expense budgeting and monitoring.

We look forward to another year and the opportunity to serve our policyholders.

Yours respectfully,



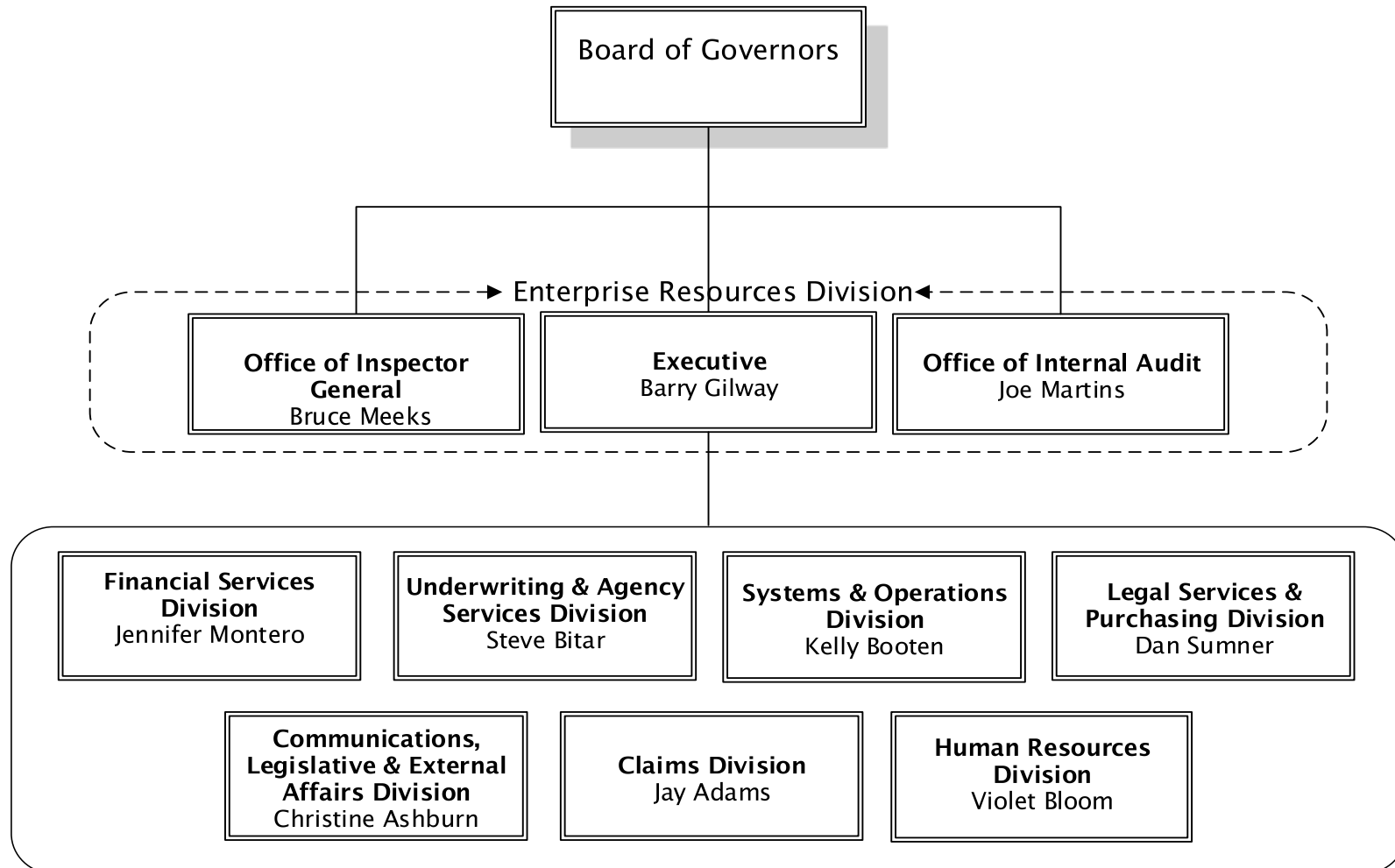
Barry Gilway
President, Chief Executive Officer and Executive Director



Jennifer Montero
Chief Financial Officer

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Citizens Organizational Structure by Division



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Budget Assumptions

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Budget Assumptions

I Policies In Force (PIF)		PLA	CLA	COASTAL	TOTAL
A	2018 Budgeted	366,204	930	133,039	500,173
	2017 Projected	301,965	1,410	139,264	442,639
	Total policy count change, net of depopulation	64,239	(480)	(6,225)	57,534
	Percentage change, net of depopulation	21.27%	-34.04%	-4.47%	13.00%
B	Depopulation Count				
	2018 Budgeted	7,672	200	9,645	17,517
	2017 Projected	18,660	48	17,353	36,061
	Change	(10,988)	152	(7,708)	(18,544)
	Percentage change	-58.89%	316.67%	-44.42%	-51.42%
II Written Premiums		PLA	CLA	COASTAL	TOTAL
A	2018 Budgeted	\$ 635,936,094	\$ 15,872,451	\$ 354,030,880	\$ 1,005,839,425
	2017 Projected	492,125,259	20,819,940	383,589,157	896,534,356
	Change	143,810,835	(4,947,489)	(29,558,277)	109,305,069
	Percentage change	29.22%	-23.76%	-7.71%	12.19%
III Ceded Premiums		PLA	CLA	COASTAL	TOTAL
A	Depopulation				
	2018 Budgeted	\$ (7,728,246)	\$ (1,095,443)	\$ (20,284,833)	\$ (29,108,522)
	2017 Projected	(12,513,097)	95,392	(22,369,738)	(34,787,443)
	Change	4,784,851	(1,190,835)	2,084,905	5,678,921
	Percentage change	-38.24%	-1248.36%	-9.32%	-16.32%
B	Florida Hurricane Catastrophe Fund Premium - Mandatory Layer Only				
	2018 Budgeted	\$ (69,142,954)	\$ (4,983,074)	\$ (75,251,193)	\$ (149,377,221)
	2017 Projected	(62,111,029)	(6,097,952)	(86,056,176)	(154,265,157)
	Change	(7,031,925)	1,114,878	10,804,983	4,887,936
	Percentage change	11.32%	-18.28%	-12.56%	-3.17%
C	Private Reinsurance				
	2018 Budgeted	\$ -	\$ -	\$ (100,000,000)	\$ (100,000,000)
	2017 Projected	-	-	(92,647,943)	(92,647,943)
	Change	-	-	(7,352,057)	(7,352,057)
	Percentage change	0.00%	0.00%	7.94%	7.94%
IV Loss and Loss Adjustment Expense (LAE) Ratios		PLA	CLA	COASTAL	TOTAL
A	Non-catastrophe Loss and LAE Ratio				
	2018 Budgeted	76.84%	12.15%	23.60%	55.24%
	2017 Projected	70.63%	11.96%	23.38%	47.83%
	Change	6.21%	0.19%	0.22%	7.41%
	Percentage change	8.79%	1.59%	0.94%	15.49%
B	Hurricane Irma - Catastrophe Loss and LAE Ratio (net of reinsurance)				
	2017 Projected	87.75%	151.13%	354.94%	179.04%

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Budget Assumptions

V Total Exposure		PLA	CLA	COASTAL	COMBINED
A	Total Exposure				
	2018 Budgeted	\$ 75,437,869,146	\$ 3,691,021,635	\$ 41,392,320,763	\$ 120,521,211,543
	2017 Projected	59,591,310,105	5,199,325,518	47,627,728,222	112,418,363,846
	Change	15,846,559,041	(1,508,303,883)	(6,235,407,459)	8,102,847,697
	Percentage change	26.59%	-29.01%	-13.09%	7.21%
VI Underwriting and Policy Acquisition Expense Ratios		PLA	CLA	COASTAL	TOTAL
A	Underwriting and Policy Acquisition Cost Ratios				
	2018 Budgeted	10.20%	13.10%	10.40%	10.32%
	2017 Projected	10.75%	13.85%	10.94%	10.90%
	Change	-0.55%	-0.75%	-0.54%	-0.58%
	Percentage change	-5.12%	-5.42%	-4.94%	-5.32%
VII Administrative Expense Ratios and Allocation by Account		PLA	CLA	COASTAL	TOTAL
A	Administrative Expense Ratios				
	2018 Budgeted	13.85%	14.35%	14.12%	13.95%
	2017 Projected	15.08%	13.52%	15.05%	15.03%
	Change	-1.23%	0.83%	-0.93%	-1.08%
	Percentage change	-8.16%	6.14%	-6.18%	-7.19%
B	Allocation of Administrative Expenses by Account				
	2018 Budgeted	62.75%	1.62%	35.63%	100.00%
	2017 Projected	55.06%	2.09%	42.85%	100.00%
	Change	7.69%	-0.47%	-7.22%	0.00%
	Percentage change	13.97%	-22.49%	-16.85%	0.00%

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2018 Operating Budget

Budgeted Statements of Operations

2018 Operating Budget
Citizens Property Insurance Corporation

Budgeted Statement of Operations Comparison - Consolidated

Income Statement	2018 Budget	2017 Projection	\$ Variance	% Var	2017 Budget	\$ Variance	% Var	2016 Actual	\$ Variance	% Var
Premiums										
Premiums Written - Direct	\$ 1,005,839,425	\$ 896,534,356	\$ 109,305,069	12.19%	\$ 1,000,984,782	\$ 4,854,643	0.48%	\$ 973,840,305	\$ 31,999,120	3.29%
Change in Direct UPR	(73,233,263)	21,807,621	(95,040,884)	-435.82%	(32,592,932)	(40,640,331)	124.69%	131,544,211	(204,777,474)	-155.67%
Premiums Ceded (FHCF)	(149,377,221)	(154,265,157)	4,887,936	-3.17%	(162,829,722)	13,452,501	-8.26%	(176,391,990)	27,014,769	-15.32%
Premiums Ceded (Private)	(100,000,000)	(92,647,943)	(7,352,057)	7.94%	(70,000,000)	(30,000,000)	42.86%	(181,398,651)	81,398,651	-44.87%
Premiums Ceded (Depop)	(29,108,522)	(34,787,443)	5,678,921	-16.32%	(9,682,634)	(19,425,888)	200.63%	(63,431,759)	34,323,237	-54.11%
Change in Ceded UPR (Depop)	(6,947,844)	(19,197,800)	12,249,956	-63.81%	(21,552,247)	14,604,403	-67.76%	(58,621,863)	51,674,019	-88.15%
Net Premiums Earned	\$ 647,172,575	\$ 617,443,634	\$ 29,728,941	4.81%	\$ 704,327,247	\$ (57,154,672)	-8.11%	\$ 625,540,253	\$ 21,632,322	3.46%
Underwriting Expenses										
Losses and LAE Incurred	\$ 495,256,778	\$ 1,519,362,869	\$(1,024,106,091)	-67.40%	\$ 525,006,593	\$ (29,749,815)	-5.67%	\$ 512,913,900	\$ (17,657,122)	-3.44%
Producer Commissions	76,234,378	71,033,010	5,201,368	7.32%	79,492,317	(3,257,939)	-4.10%	77,138,939	(904,561)	-1.17%
Taxes & Assessments	14,219,028	14,209,400	9,628	0.07%	15,014,772	(795,744)	-5.30%	13,012,379	1,206,649	9.27%
Administrative Expenses	140,330,554	134,728,814	5,601,740	4.16%	146,401,456	(6,070,902)	-4.15%	136,813,848	3,516,706	2.57%
Other Underwriting Expenses	13,310,578	12,499,009	811,569	6.49%	17,060,285	(3,749,707)	-21.98%	14,495,076	(1,184,498)	-8.17%
Total Underwriting Expense	\$ 739,351,316	\$ 1,751,833,102	\$(1,012,481,786)	-57.80%	\$ 782,975,423	\$ (43,624,107)	-5.57%	\$ 754,374,142	\$ (15,022,826)	-1.99%
Net Underwriting Gain (Loss)	\$ (92,178,741)	\$(1,134,389,468)	\$ 1,042,210,727	-91.87%	\$ (78,648,176)	\$ (13,530,565)	17.20%	\$ (128,833,889)	\$ 36,655,148	-28.45%
Other Income (Expenses)										
Investment Income - Net	\$ 179,620,150	\$ 222,378,890	\$ (42,758,740)	-19.23%	\$ 173,373,823	\$ 6,246,327	3.60%	\$ 237,277,247	\$ (57,657,097)	-24.30%
Interest Expense - Net	(63,570,509)	(94,395,945)	30,825,436	-32.66%	(92,569,835)	28,999,326	-31.33%	(137,928,031)	74,357,522	-53.91%
Other Income and Expenses	3,321,360	3,270,004	51,356	1.57%	2,423,427	897,933	37.05%	2,407,167	914,193	37.98%
Total Other Income (Expenses)	\$ 119,371,001	\$ 131,252,949	\$ (11,881,948)	-9.05%	\$ 83,227,415	\$ 36,143,586	43.43%	\$ 101,756,383	\$ 17,614,618	17.31%
Net Income (Loss)	\$ 27,192,260	\$(1,003,136,519)	\$ 1,030,328,779	-102.71%	\$ 4,579,239	\$ 22,613,021	493.82%	\$ (27,077,506)	\$ 54,269,766	-200.42%
Policies In-Force	500,173	442,639	57,534	13.00%	504,202	(4,029)	-0.80%	455,843	44,330	9.72%

Note: All variances above are in reference to the 2018 Budget

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**Budgeted Statement of Operations Comparison -
 PLA**

Income Statement	2018 Budget	2017 Projection	\$ Variance	% Var	2017 Budget	\$ Variance	% Var	2016 Actual	\$ Variance	% Var
Premiums										
Premiums Written - Direct	\$ 635,936,094	\$ 492,125,259	\$ 143,810,835	29.22%	\$ 549,725,794	\$ 86,210,300	15.68%	\$ 470,578,896	\$ 165,357,198	35.14%
Change in Direct UPR	(88,281,101)	(19,127,690)	(69,153,411)	361.54%	(56,860,890)	(31,420,211)	55.26%	35,601,217	(123,882,318)	-347.97%
Premiums Ceded (FHCF)	(69,142,954)	(62,111,029)	(7,031,925)	11.32%	(63,251,046)	(5,891,908)	9.32%	(59,896,891)	(9,246,063)	15.44%
Premiums Ceded (Private)	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Premiums Ceded (Depop)	(7,728,246)	(12,513,097)	4,784,851	-38.24%	4,226,463	(11,954,709)	-282.85%	(19,396,317)	11,668,071	-60.16%
Change in Ceded UPR (Depop)	(3,337,857)	(7,338,513)	4,000,656	-54.52%	(7,794,702)	4,456,845	-57.18%	(29,247,465)	25,909,608	-88.59%
Net Premiums Earned	\$ 467,445,936	\$ 391,034,930	\$ 76,411,006	19.54%	\$ 426,045,619	\$ 41,400,317	9.72%	\$ 397,639,440	\$ 69,806,496	17.56%
Underwriting Expenses										
Losses and LAE Incurred	\$ 412,319,700	\$ 663,860,219	(251,540,519)	-37.89%	\$ 421,295,928	(8,976,228)	-2.13%	\$ 367,859,029	44,460,671	12.09%
Producer Commissions	45,151,463	35,433,019	9,718,444	27.43%	39,580,257	5,571,206	14.08%	33,458,886	11,692,577	34.95%
Taxes & Assessments	9,646,907	7,801,098	1,845,809	23.66%	8,245,887	1,401,020	16.99%	6,565,667	3,081,240	46.93%
Administrative Expenses	88,060,000	74,188,266	13,871,734	18.70%	80,252,187	7,807,813	9.73%	65,256,788	22,803,212	34.94%
Other Underwriting Expenses	10,067,112	9,670,652	396,460	4.10%	11,356,979	(1,289,867)	-11.36%	8,709,287	1,357,825	15.59%
Total Underwriting Expense	\$ 565,245,182	\$ 790,953,254	\$ (225,708,072)	-28.54%	\$ 560,731,238	\$ 4,513,944	0.81%	\$ 481,849,657	\$ 83,395,525	17.31%
Net Underwriting Gain (Loss)	\$ (97,799,246)	\$ (399,918,324)	\$ 302,119,078	-75.55%	\$ (134,685,619)	\$ 36,886,373	-27.39%	\$ (84,210,217)	\$ (13,589,029)	16.14%
Other Income (Expenses)										
Investment Income - Net	\$ 61,799,174	\$ 75,487,634	\$ (13,688,460)	-18.13%	\$ 56,122,621	\$ 5,676,553	10.11%	\$ 75,247,596	\$ (13,448,422)	-17.87%
Interest Expense - Net	(21,256,583)	(24,582,902)	3,326,319	-13.53%	(24,582,903)	3,326,320	-13.53%	(27,499,395)	6,242,812	-22.70%
Other Income and Expenses	2,344,790	1,761,485	583,305	33.11%	1,860,636	484,154	26.02%	1,445,329	899,461	62.23%
Total Other Income (Expenses)	\$ 42,887,381	\$ 52,666,217	\$ (9,778,836)	-18.57%	\$ 33,400,354	\$ 9,487,027	28.40%	\$ 49,193,530	\$ (6,306,149)	-12.82%
Net Income (Loss)	\$ (54,911,865)	\$ (347,252,107)	\$ 292,340,242	-84.19%	\$ (101,285,265)	\$ 46,373,400	-45.78%	\$ (35,016,687)	\$ (19,895,178)	56.82%
Policies In-Force	366,204	301,965	64,239	21.27%	352,268	13,936	3.96%	293,118	73,086	24.93%

Note: All variances above are in reference to the 2018 Budget

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Citizens Property Insurance Corporation

Budgeted Statement of Operations Comparison -
CLA

Income Statement	2018 Budget	2017 Projection	\$ Variance	% Var	2017 Budget	\$ Variance	% Var	2016 Actual	\$ Variance	% Var
Premiums										
Premiums Written - Direct	\$ 15,872,451	\$ 20,819,940	\$ (4,947,489)	-23.76%	\$ 32,626,408	\$ (16,753,957)	-51.35%	\$ 37,137,630	\$ (21,265,179)	-57.26%
Change in Direct UPR	2,619,196	6,729,980	(4,110,784)	-61.08%	2,901,912	(282,716)	-9.74%	11,010,855	(8,391,659)	-76.21%
Premiums Ceded (FHCF)	(4,983,074)	(6,097,952)	1,114,878	-18.28%	(7,395,142)	2,412,068	-32.62%	(3,660,868)	(1,322,206)	36.12%
Premiums Ceded (Private)	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Premiums Ceded (Depop)	(1,095,443)	95,392	(1,190,835)	-1248.36%	(1,920,888)	825,445	-42.97%	(1,607,999)	512,556	-31.88%
Change in Ceded UPR (Depop)	190,185	(1,316,977)	1,507,162	-114.44%	(866,275)	1,056,460	-121.95%	(2,457,122)	2,647,307	-107.74%
Net Premiums Earned	\$ 12,603,315	\$ 20,230,383	\$ (7,627,068)	-37.70%	\$ 25,346,015	\$ (12,742,700)	-50.27%	\$ 40,422,496	\$ (27,819,181)	-68.82%
Underwriting Expenses										
Losses and LAE Incurred	\$ 2,136,748	\$ 33,723,284	\$ (31,586,536)	-93.66%	\$ 4,099,029	\$ (1,962,281)	-47.87%	\$ 6,766,131	\$ (4,629,383)	-68.42%
Producer Commissions	1,698,352	2,227,734	(529,382)	-23.76%	3,491,026	(1,792,674)	-51.35%	3,955,852	(2,257,500)	-57.07%
Taxes & Assessments	172,383	328,212	(155,829)	-47.48%	489,396	(317,013)	-64.78%	571,626	(399,243)	-69.84%
Administrative Expenses	2,276,955	2,814,296	(537,341)	-19.09%	4,770,912	(2,493,957)	-52.27%	6,354,933	(4,077,978)	-64.17%
Other Underwriting Expenses	208,556	328,444	(119,888)	-36.50%	385,630	(177,074)	-45.92%	612,325	(403,769)	-65.94%
Total Underwriting Expense	\$ 6,492,994	\$ 39,421,970	\$ (32,928,976)	-83.53%	\$ 13,235,993	\$ (6,742,999)	-50.94%	\$ 18,260,867	\$ (11,767,873)	-64.44%
Net Underwriting Gain (Loss)	\$ 6,110,321	\$ (19,191,587)	\$ 25,301,908	-131.84%	\$ 12,110,022	\$ (5,999,701)	-49.54%	\$ 22,161,629	\$ (16,051,308)	-72.43%
Other Income (Expenses)										
Investment Income - Net	\$ 35,455,530	\$ 40,613,532	\$ (5,158,002)	-12.70%	\$ 29,074,669	\$ 6,380,861	21.95%	\$ 42,086,930	\$ (6,631,400)	-15.76%
Interest Expense - Net	(3,357,339)	(3,882,710)	525,371	-13.53%	(3,882,709)	525,370	-13.53%	(4,343,351)	986,012	-22.70%
Other Income and Expenses	86,821	109,777	(22,956)	-20.91%	252,525	(165,704)	-65.62%	203,876	(117,055)	-57.41%
Total Other Income (Expenses)	\$ 32,185,012	\$ 36,840,599	\$ (4,655,587)	-12.64%	\$ 25,444,485	\$ 6,740,527	26.49%	\$ 37,947,455	\$ (5,762,443)	-15.19%
Net Income (Loss)	\$ 38,295,333	\$ 17,649,012	\$ 20,646,321	116.98%	\$ 37,554,507	\$ 740,826	1.97%	\$ 60,109,084	\$ (21,813,751)	-36.29%
Policies In-Force	930	1,410	(480)	-34.04%	1,801	(871)	-48.36%	1,891	(961)	-50.82%

Note: All variances above are in reference to the 2018 Budget

2018 Operating Budget
Citizens Property Insurance Corporation

**Budgeted Statement of Operations Comparison -
Coastal Account**

Income Statement	2018 Budget	2017 Projection	\$ Variance	% Var	2017 Budget	\$ Variance	% Var	2016 Actual	\$ Variance	% Var
Premiums										
Premiums Written - Direct	\$ 354,030,880	\$ 383,589,157	\$ (29,558,277)	-7.71%	\$ 418,632,580	\$ (64,601,700)	-15.43%	\$ 466,123,779	\$ (112,092,899)	-24.05%
Change in Direct UPR	12,428,642	34,205,331	(21,776,689)	-63.66%	21,366,046	(8,937,404)	-41.83%	84,932,140	(72,503,498)	-85.37%
Premiums Ceded (FHCF)	(75,251,193)	(86,056,176)	10,804,983	-12.56%	(92,183,534)	16,932,341	-18.37%	(112,834,231)	37,583,038	-33.31%
Premiums Ceded (Private)	(100,000,000)	(92,647,943)	(7,352,057)	7.94%	(70,000,000)	(30,000,000)	42.86%	(181,398,651)	81,398,651	-44.87%
Premiums Ceded (Depop)	(20,284,833)	(22,369,738)	2,084,905	-9.32%	(11,988,209)	(8,296,624)	69.21%	(42,427,443)	22,142,610	-52.19%
Change in Ceded UPR (Depop)	(3,800,172)	(10,542,310)	6,742,138	-63.95%	(12,891,270)	9,091,098	-70.52%	(26,917,276)	23,117,104	-85.88%
Net Premiums Earned	\$ 167,123,324	\$ 206,178,321	\$ (39,054,997)	-18.94%	\$ 252,935,613	\$ (85,812,289)	-33.93%	\$ 187,478,318	\$ (20,354,994)	-10.86%
Underwriting Expenses										
Losses and LAE Incurred	\$ 80,800,330	\$ 821,779,366	\$ (740,979,036)	-90.17%	\$ 99,611,636	\$ (18,811,306)	-18.88%	\$ 138,288,741	\$ (57,488,411)	-41.57%
Producer Commissions	29,384,563	33,372,257	(3,987,694)	-11.95%	36,421,034	(7,036,471)	-19.32%	39,724,200	(10,339,637)	-26.03%
Taxes & Assessments	4,399,738	6,080,090	(1,680,352)	-27.64%	6,279,489	(1,879,751)	-29.93%	5,875,087	(1,475,349)	-25.11%
Administrative Expenses	49,993,599	57,726,252	(7,732,653)	-13.40%	61,378,357	(11,384,758)	-18.55%	65,202,127	(15,208,528)	-23.33%
Other Underwriting Expenses	3,034,910	2,499,913	534,997	21.40%	5,317,676	(2,282,766)	-42.93%	5,173,464	(2,138,554)	-41.34%
Total Underwriting Expense	\$ 167,613,140	\$ 921,457,878	\$ (753,844,738)	-81.81%	\$ 209,008,192	\$ (41,395,052)	-19.81%	\$ 254,263,619	\$ (86,650,479)	-34.08%
Net Underwriting Gain (Loss)	\$ (489,816)	\$ (715,279,557)	\$ 714,789,741	-99.93%	\$ 43,927,421	\$ (44,417,237)	-101.12%	\$ (66,785,301)	\$ 66,295,485	-99.27%
Other Income (Expenses)										
Investment Income - Net	\$ 82,365,446	\$ 106,277,724	\$ (23,912,278)	-22.50%	\$ 88,176,533	\$ (5,811,087)	-6.59%	\$ 119,942,721	\$ (37,577,275)	-31.33%
Interest Expense - Net	(38,956,587)	(65,930,333)	26,973,746	-40.91%	(64,104,223)	25,147,636	-39.23%	(106,085,285)	67,128,698	-63.28%
Other Income and Expenses	889,749	1,398,742	(508,993)	-36.39%	310,266	579,483	186.77%	757,961	131,788	17.39%
Total Other Income (Expenses)	\$ 44,298,608	\$ 41,746,133	\$ 2,552,475	6.11%	\$ 24,382,576	\$ 19,916,032	81.68%	\$ 14,615,397	\$ 29,683,211	203.10%
Net Income (Loss)	\$ 43,808,792	\$ (673,533,424)	\$ 717,342,216	-106.50%	\$ 68,309,997	\$ (24,501,205)	-35.87%	\$ (52,169,904)	\$ 95,978,696	-183.97%
Policies In-Force	133,039	139,264	(6,225)	-4.47%	150,133	(17,094)	-11.39%	160,834	(27,795)	-17.28%

Note: All variances above are in reference to the 2018 Budget

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2018 Operating Budget

Administrative Expenses

2018 Operating Budget
Citizens Property Insurance Corporation

**Administrative Expenses
By Division**

Expense Category	Total CPIC	Enterprise Resources	Human Resources	Legal Services and Purchasing	Communications, Legislative and External Affairs	Financial Services	Claims	Underwriting and Agency Services	Systems and Operations
Salaries	\$ 94,956,194	\$ 5,668,327	\$ 4,865,718	\$ 5,852,682	\$ 2,206,451	\$ 5,833,040	\$ 23,100,762	\$ 20,411,571	\$ 27,017,645
Employee Benefits	21,832,186	1,018,234	1,357,224	1,203,380	614,746	1,222,186	5,650,839	5,393,295	5,372,281
Payroll Taxes	6,621,758	294,611	338,083	403,389	157,089	388,326	1,654,101	1,426,464	1,959,694
Contingent Staffing	161,628,536	-	278,720	701,653	46,800	85,800	158,826,190	-	1,689,373
Training	1,129,022	68,100	115,385	12,000	29,187	55,945	78,656	201,001	568,748
Recruiting	658,250	-	658,250	-	-	-	-	-	-
Printing	344,400	1,800	3,750	-	277,500	27,650	11,800	3,300	18,600
Operating Supplies	377,435	7,000	7,950	3,300	7,700	12,750	29,950	10,320	298,465
Subscriptions & Dues	1,549,393	125,298	75,388	41,808	27,762	113,513	789,205	77,635	298,785
Postage	596,757	780	1,390	-	327,050	8,130	16,325	802	242,280
Telecommunications	3,534,220	-	-	-	-	-	-	-	3,534,220
Legal	1,215,000	55,000	-	1,160,000	-	-	-	-	-
Insurance	894,192	-	-	894,192	-	-	-	-	-
Travel & Meals	1,809,776	311,791	102,738	93,180	65,700	112,238	536,805	255,935	331,389
Professional Services	13,489,191	185,500	1,773,198	360,013	208,500	2,511,631	219,000	4,160,356	4,070,993
Miscellaneous	-	-	-	-	-	-	-	-	-
Rent	7,975,425	6,300	-	16,686	-	-	388,080	-	7,564,359
Depreciation	5,139,006	-	-	-	-	-	-	-	5,139,006
Producer Fees Collected	(779,500)	-	-	-	-	-	-	(779,500)	-
Operations & Maintenance	2,646,526	1,500	-	912	-	72,409	4,500	12,500	2,554,706
Bank Charges	215,762	-	-	-	-	215,000	-	762	-
Software Maint & Licensing	18,582,787	301,051	576,299	133,785	26,710	679,208	2,700,595	164,477	14,000,662
Computer Hardware	2,805,684	-	50	-	-	-	-	15,000	2,790,634
FMAP Funding	(207,221)	-	-	-	-	(3,600)	-	(189,221)	(14,400)
ULAE Expense Allocation	(206,684,225)	-	-	(4,951,838)	-	(52,290)	(194,006,809)	-	(7,673,287)
Total Administrative Expenses	\$ 140,330,554	\$ 8,045,292	\$ 10,154,142	\$ 5,925,141	\$ 3,995,194	\$ 11,281,935	\$ -	\$ 31,164,697	\$ 69,764,153
Total Underwriting Expenses	\$ 13,310,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,310,578	\$ -
Total Admin & Other Expenses	\$ 153,641,132	\$ 8,045,292	\$ 10,154,142	\$ 5,925,141	\$ 3,995,194	\$ 11,281,935	\$ -	\$ 44,475,275	\$ 69,764,153

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2018 Operating Budget
Citizens Property Insurance Corporation

**Administrative Expenses
By Corporate Initiative**

Expense Category	Total	Operating Expenses	Centerpoint (ERP)	Guidewire V9 Upgrade	Self - Service Strategy
Salaries	\$ 94,956,194	\$ 94,956,194	\$ -	\$ -	\$ -
Employee Benefits	21,832,186	21,829,686	2,500	-	-
Payroll Taxes	6,621,758	6,621,758	-	-	-
Contingent Staffing	161,628,536	161,222,416	320,320	85,800	-
Training	1,129,022	1,104,022	-	25,000	-
Recruiting	658,250	658,250	-	-	-
Printing	344,400	344,400	-	-	-
Operating Supplies	377,435	377,435	-	-	-
Subscriptions & Dues	1,549,393	1,493,893	5,500	-	50,000
Postage	596,757	596,757	-	-	-
Telecommunications	3,534,220	3,534,220	-	-	-
Legal	1,215,000	1,215,000	-	-	-
Insurance	894,192	894,192	-	-	-
Travel & Meals	1,809,776	1,771,207	31,955	6,614	-
Professional Services	13,489,191	9,005,622	2,503,422	1,805,147	175,000
Miscellaneous	-	-	-	-	-
Rent	7,975,425	7,975,425	-	-	-
Depreciation	5,139,006	5,057,173	-	81,833	-
Producer Fees Collected	(779,500)	(779,500)	-	-	-
Operations & Maintenance	2,646,526	2,646,526	-	-	-
Bank Charges	215,762	215,762	-	-	-
Software Maint & Licensing	18,582,787	16,961,182	795,487	150,000	676,117
Computer Hardware	2,805,684	2,805,684	-	-	-
FMAP Funding	(207,221)	(207,221)	-	-	-
ULAE Expense Allocation	(206,684,225)	(206,684,225)	-	-	-
Total Administrative Expenses	\$ 140,330,554	\$ 133,615,858	\$ 3,659,184	\$ 2,154,394	\$ 901,117
Total Underwriting Expenses	13,310,578	13,310,578	-	-	-
Total Admin & Other Expenses	\$ 153,641,132	\$ 146,926,436	\$ 3,659,184	\$ 2,154,394	\$ 901,117

2018 Operating Budget

Citizens Property Insurance Corporation

Operating Expenses Analysis

Expense Category	Operating Expenses	Standard Operating Expenses	Hurricane Irma Response	Litigated Claims / AOB Response
Salaries	\$ 94,956,194	\$ 85,546,222	\$ -	\$ 9,409,972
Employee Benefits	21,829,686	19,784,473	-	2,045,213
Payroll Taxes	6,621,758	5,950,547	-	671,211
Contingent Staffing	161,222,416	5,077,794	118,098,412	38,046,210
Training	1,104,022	1,093,222	-	10,800
Recruiting	658,250	408,250	-	250,000
Printing	344,400	143,950	-	200,450
Operating Supplies	377,435	374,350	-	3,085
Subscriptions & Dues	1,493,893	1,488,518	-	5,375
Postage	596,757	220,357	-	376,400
Telecommunications	3,534,220	3,534,220	-	-
Legal	1,215,000	1,210,000	-	5,000
Insurance	894,192	894,192	-	-
Travel & Meals	1,771,207	1,684,127	-	87,080
Professional Services	9,005,622	8,880,622	-	125,000
Miscellaneous	-	-	-	-
Rent	7,975,425	7,975,425	-	-
Depreciation	5,057,173	5,057,173	-	-
Producer Fees Collected	(779,500)	(779,500)	-	-
Operations & Maintenance	2,646,526	2,646,526	-	-
Bank Charges	215,762	215,762	-	-
Software Maint & Licensing	16,961,182	16,961,182	-	-
Computer Hardware	2,805,684	2,805,684	-	-
FMAP Funding	(207,221)	(207,221)	-	-
ULAE Expense Allocation	(206,684,225)	(38,530,017)	(118,098,412)	(50,055,795)
Total Administrative Expenses	\$ 133,615,858	\$ 132,435,858	\$ -	\$ 1,180,000
Total Underwriting Expenses	13,310,578	13,310,578	-	-
Total Admin & Other Expenses	\$ 146,926,436	\$ 145,746,436	\$ -	\$ 1,180,000

Litigated claims and AOB Response costs above consist of budgeted expenses within Claims Litigation, Legal Billing Review, and Legal Claims Support cost centers in addition to identifiable budgeted expenditures within Human Resources, Information Technology and Communications.

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2018 Operating Budget
Citizens Property Insurance Corporation

Administrative Expenses
Comparison of Annual Totals

Total CPIC

Expense Category	2018 Budget	2017 Projection	\$ Variance	% Var	2017 Budget	\$ Variance	% Var	2016 Actual	\$ Variance	% Var
Salaries	\$ 94,956,194	\$ 95,364,030	\$ (407,836)	-0.43%	\$ 96,782,738	\$ (1,826,544)	-1.89%	\$ 92,300,546	\$ 2,655,649	2.88%
Employee Benefits	21,832,186	18,108,164	3,724,021	20.57%	19,810,651	2,021,534	10.20%	21,709,671	122,515	0.56%
Payroll Taxes	6,621,758	6,954,247	(332,490)	-4.78%	7,116,572	(494,814)	-6.95%	6,637,320	(15,562)	-0.23%
Contingent Staffing	161,628,536	58,921,542	102,706,994	174.31%	31,752,725	129,875,811	409.02%	22,686,161	138,942,375	612.45%
Training	1,129,022	693,892	435,130	62.71%	908,408	220,615	24.29%	516,876	612,146	118.43%
Recruiting	658,250	356,000	302,250	84.90%	589,900	68,350	11.59%	444,158	214,092	48.20%
Printing	344,400	102,644	241,756	235.53%	88,683	255,717	288.35%	94,635	249,765	263.93%
Operating Supplies	377,435	316,244	61,190	19.35%	433,689	(56,254)	-12.97%	375,404	2,031	0.54%
Subscriptions & Dues	1,549,393	895,671	653,723	72.99%	1,509,458	39,935	2.65%	1,339,330	210,063	15.68%
Postage	596,757	424,691	172,066	40.52%	404,092	192,665	47.68%	359,754	237,003	65.88%
Telecommunications	3,534,220	4,293,054	(758,834)	-17.68%	4,480,913	(946,693)	-21.13%	4,198,825	(664,605)	-15.83%
Legal	1,215,000	1,162,201	52,799	4.54%	1,068,000	147,000	13.76%	1,450,733	(235,733)	-16.25%
Insurance	894,192	1,026,958	(132,766)	-12.93%	735,890	158,302	21.51%	855,324	38,868	4.54%
Travel & Meals	1,809,776	3,491,103	(1,681,326)	-48.16%	1,800,136	9,641	0.54%	1,405,664	404,112	28.75%
Professional Services	13,489,191	13,314,610	174,582	1.31%	14,994,388	(1,505,197)	-10.04%	9,916,845	3,572,346	36.02%
Miscellaneous	-	245,546	(245,546)	-100.00%	2,500	(2,500)	-100.00%	-	-	0.00%
Rent	7,975,425	7,517,737	457,687	6.09%	7,428,440	546,985	7.36%	9,331,894	(1,356,469)	-14.54%
Depreciation	5,139,006	4,171,964	967,043	23.18%	5,549,064	(410,057)	-7.39%	4,369,690	769,316	17.61%
Producer Fees Collected	(779,500)	(619,977)	(159,523)	-25.73%	(779,500)	-	0.00%	(731,144)	(48,356)	-6.61%
Operations & Maintenance	2,646,526	2,384,199	262,327	11.00%	2,477,639	168,887	6.82%	2,534,607	111,919	4.42%
Bank Charges	215,762	202,301	13,461	6.65%	220,603	(4,841)	-2.19%	218,209	(2,447)	-1.12%
Software Maint & Licensing	18,582,787	15,465,894	3,116,893	20.15%	17,154,124	1,428,663	8.33%	13,414,491	5,168,296	38.53%
Computer Hardware	2,805,684	3,317,545	(511,860)	-15.43%	3,647,882	(842,198)	-23.09%	2,030,615	775,069	38.17%
FMAP Funding	(207,221)	(210,798)	3,576	1.70%	(259,200)	51,979	20.05%	(4,889)	(202,332)	-4138.24%
ULAE Expense Allocation	(206,684,225)	(103,170,649)	(103,513,576)	-100.33%	(71,516,339)	(135,167,886)	-189.00%	(58,640,870)	(148,043,355)	-252.46%
Total Administrative Expenses	\$ 140,330,554	\$ 134,728,814	\$ 5,601,741	4.16%	\$ 146,401,456	\$ (6,070,902)	-4.15%	\$ 136,813,848	\$ 3,516,707	2.57%
Total Underwriting Expenses	\$ 13,310,578	\$ 12,499,009	\$ 811,569	6.49%	\$ 17,060,285	\$ (3,749,707)	-21.98%	\$ 14,495,076	\$ (1,184,498)	-8.17%
IT Expense Allocation	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Total Admin & Other Expenses	\$ 153,641,132	\$ 147,227,823	\$ 6,413,309	4.36%	\$ 163,461,741	\$ (9,820,609)	-6.01%	\$ 151,308,924	\$ 2,332,208	1.54%

Note: All variances above are in reference to the 2018 Budget

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Enterprise Resources

Expense Category	2018 Budget	2017 Projection	\$ Variance	% Var	2017 Budget	\$ Variance	% Var	2016 Actual	\$ Variance	% Var
Salaries	\$ 5,668,327	\$ 5,622,615	\$ 45,712	0.81%	\$ 6,229,657	\$ (561,330)	-9.01%	\$ 5,871,037	\$ (202,710)	-3.45%
Employee Benefits	1,018,234	726,900	291,334	40.08%	791,919	226,315	28.58%	1,306,169	(287,935)	-22.04%
Payroll Taxes	294,611	297,954	(3,343)	-1.12%	312,147	(17,536)	-5.62%	307,559	(12,948)	-4.21%
Contingent Staffing	-	27,300	(27,300)	-100.00%	109,200	(109,200)	-100.00%	55,384	(55,384)	-100.00%
Training	68,100	51,524	16,576	32.17%	62,900	5,200	8.27%	65,069	3,031	4.66%
Recruiting	-	-	-	0.00%	-	-	0.00%	49	(49)	-99.53%
Printing	1,800	821	979	119.21%	2,685	(885)	-32.96%	881	919	104.28%
Operating Supplies	7,000	7,227	(227)	-3.14%	6,850	150	2.19%	6,285	715	11.38%
Subscriptions & Dues	125,298	74,959	50,339	67.16%	119,710	5,588	4.67%	111,362	13,936	12.51%
Postage	780	289	491	170.01%	700	80	11.43%	616	164	26.60%
Telecommunications	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Legal	55,000	14,396	40,604	282.05%	55,000	-	0.00%	4,383	50,617	1154.85%
Insurance	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Travel & Meals	311,791	419,666	(107,875)	-25.70%	284,355	27,436	9.65%	207,176	104,615	50.50%
Professional Services	185,500	57,417	128,083	223.08%	205,600	(20,100)	-9.78%	405,914	(220,414)	-54.30%
Miscellaneous	-	5,309	(5,309)	-100.00%	-	-	0.00%	-	-	0.00%
Rent	6,300	6,302	(2)	-0.03%	6,300	-	0.00%	7,075	(775)	-10.95%
Depreciation	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Producer Fees Collected	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Operations & Maintenance	1,500	1,162	338	29.08%	3,250	(1,750)	-53.85%	4,707	(3,207)	-68.13%
Bank Charges	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Software Maint & Licensing	301,051	82,668	218,383	264.17%	162,119	138,932	85.70%	130,983	170,068	129.84%
Computer Hardware	-	62	(62)	-99.20%	250	(250)	-100.00%	-	-	0.00%
FMAP Funding	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
ULAE Expense Allocation	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Total Administrative Expenses	\$ 8,045,292	\$ 7,396,572	\$ 648,720	8.77%	\$ 8,352,642	\$ (307,350)	-3.68%	\$ 8,484,650	\$ (439,358)	-5.18%
Total Underwriting Expenses	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
IT Expense Allocation	-	336,408	(336,408)	-100.00%	401,350	(401,350)	-100.00%	315,059	(315,059)	-100.00%
Total Admin & Other Expenses	\$ 8,045,292	\$ 7,732,980	\$ 312,312	4.04%	\$ 8,753,992	\$ (708,701)	-8.10%	\$ 8,799,709	\$ (754,417)	-8.57%

Note: All variances above are in reference to the 2018 Budget

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Human Resources

Expense Category	2018 Budget	2017 Projection	\$ Variance	% Var	2017 Budget	\$ Variance	% Var	2016 Actual	\$ Variance	% Var
Salaries	\$ 4,865,718	\$ 4,626,770	\$ 238,948	5.16%	\$ 5,094,388	\$ (228,670)	-4.49%	\$ 5,184,647	\$ (318,929)	-6.15%
Employee Benefits	1,357,224	1,044,442	312,782	29.95%	1,291,978	65,246	5.05%	1,424,609	(67,385)	-4.73%
Payroll Taxes	338,083	341,428	(3,345)	-0.98%	364,327	(26,244)	-7.20%	382,766	(44,684)	-11.67%
Contingent Staffing	278,720	41,821	236,899	566.47%	100,006	178,714	178.70%	87,545	191,175	218.37%
Training	115,385	88,883	26,502	29.82%	129,130	(13,745)	-10.64%	71,762	43,623	60.79%
Recruiting	658,250	356,000	302,250	84.90%	589,400	68,850	11.68%	444,109	214,141	48.22%
Printing	3,750	2,470	1,280	51.81%	4,650	(900)	-19.35%	2,909	841	28.91%
Operating Supplies	7,950	6,619	1,331	20.11%	5,132	2,818	54.91%	6,908	1,042	15.08%
Subscriptions & Dues	75,388	68,574	6,814	9.94%	106,650	(31,262)	-29.31%	46,444	28,944	62.32%
Postage	1,390	1,010	380	37.63%	1,540	(150)	-9.74%	1,800	(410)	-22.77%
Telecommunications	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Legal	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Insurance	-	60,900	(60,900)	-100.00%	-	-	0.00%	-	-	0.00%
Travel & Meals	102,738	108,322	(5,584)	-5.16%	131,740	(29,002)	-22.01%	93,299	9,439	10.12%
Professional Services	1,773,198	1,994,847	(221,649)	-11.11%	2,629,776	(856,578)	-32.57%	1,059,774	713,424	67.32%
Miscellaneous	-	(19,776)	19,776	100.00%	2,500	(2,500)	-100.00%	-	-	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	-	15	(15)	-100.00%	-	-	0.00%	465	(465)	-99.92%
Bank Charges	-	34	(34)	-100.06%	-	-	0.00%	-	-	0.00%
Software Maint & Licensing	576,299	743,160	(166,861)	-22.45%	845,455	(269,156)	-31.84%	478,675	97,624	20.39%
Computer Hardware	50	104	(54)	-51.84%	250	(200)	-80.00%	-	50	100.00%
FMAP Funding	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
ULAE Expense Allocation	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Total Administrative Expenses	\$ 10,154,142	\$ 9,465,622	\$ 688,520	7.27%	\$ 11,296,921	\$ (1,142,779)	-10.12%	\$ 9,285,712	\$ 868,430	9.35%
Total Underwriting Expenses	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
IT Expense Allocation	-	1,137,907	(1,137,907)	-100.00%	1,304,305	(1,304,305)	-100.00%	608,195	(608,195)	-100.00%
Total Admin & Other Expenses	\$ 10,154,142	\$ 10,603,529	\$ (449,387)	-4.24%	\$ 12,601,226	\$ (2,447,084)	-19.42%	\$ 9,893,907	\$ 260,235	2.63%

Note: All variances above are in reference to the 2018 Budget

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Legal Services and Purchasing

Expense Category	2018 Budget	2017 Projection	\$ Variance	% Var	2017 Budget	\$ Variance	% Var	2016 Actual	\$ Variance	% Var
Salaries	\$ 5,852,682	\$ 4,866,598	\$ 986,084	20.26%	\$ 4,808,725	\$ 1,043,957	21.71%	\$ 4,663,029	\$ 1,189,653	25.51%
Employee Benefits	1,203,380	907,700	295,680	32.57%	944,012	259,368	27.48%	882,452	320,928	36.37%
Payroll Taxes	403,389	349,237	54,152	15.51%	337,290	66,100	19.60%	324,002	79,387	24.50%
Contingent Staffing	701,653	350,000	351,653	100.47%	160,368	541,285	337.53%	241,035	460,618	191.10%
Training	12,000	8,161	3,839	47.04%	9,279	2,721	29.32%	13,041	(1,041)	-7.98%
Recruiting	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Printing	-	90	(90)	-100.00%	200	(200)	-100.00%	1,146	(1,146)	-100.04%
Operating Supplies	3,300	2,200	1,100	50.00%	3,600	(300)	-8.33%	2,191	1,109	50.61%
Subscriptions & Dues	41,808	39,095	2,713	6.94%	39,684	2,124	5.35%	40,632	1,176	2.89%
Postage	-	-	-	0.00%	-	-	0.00%	26	(26)	-99.69%
Telecommunications	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Legal	1,160,000	1,147,805	12,195	1.06%	1,013,000	147,000	14.51%	1,414,591	(254,591)	-18.00%
Insurance	894,192	966,058	(71,866)	-7.44%	735,890	158,302	21.51%	855,324	38,868	4.54%
Travel & Meals	93,180	81,472	11,708	14.37%	115,761	(22,581)	-19.51%	103,300	(10,120)	-9.80%
Professional Services	360,013	456,533	(96,520)	-21.14%	866,190	(506,176)	-58.44%	359,152	861	0.24%
Miscellaneous	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Rent	16,686	10,000	6,686	66.86%	15,340	1,346	8.77%	12,707	3,978	31.31%
Depreciation	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Producer Fees Collected	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Operations & Maintenance	912	2,000	(1,088)	-54.40%	-	912	100.00%	619	293	47.36%
Bank Charges	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Software Maint & Licensing	133,785	122,041	11,744	9.62%	141,490	(7,706)	-5.45%	55,875	77,910	139.44%
Computer Hardware	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
FMAP Funding	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
ULAE Expense Allocation	(4,951,838)	-	(4,951,838)	-100.00%	-	(4,951,838)	-100.00%	-	(4,951,838)	-100.00%
Total Administrative Expenses	\$ 5,925,141	\$ 9,308,990	\$ (3,383,849)	-36.35%	\$ 9,190,828	\$ (3,265,687)	-35.53%	\$ 8,969,122	\$ (3,043,980)	-33.94%
Total Underwriting Expenses	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
IT Expense Allocation	-	560,552	(560,552)	-100.00%	710,198	(710,198)	-100.00%	411,223	(411,223)	-100.00%
Total Admin & Other Expenses	\$ 5,925,141	\$ 9,869,542	\$ (3,944,401)	-39.97%	\$ 9,901,026	\$ (3,975,885)	-40.16%	\$ 9,380,344	\$ (3,455,203)	-36.83%

Note: All variances above are in reference to the 2018 Budget

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Communications, Legislative and External Affairs

Expense Category	2018 Budget	2017 Projection	\$ Variance	% Var	2017 Budget	\$ Variance	% Var	2016 Actual	\$ Variance	% Var
Salaries	\$ 2,206,451	\$ 2,182,424	\$ 24,027	1.10%	\$ 2,165,870	\$ 40,581	1.87%	\$ 2,049,749	\$ 156,701	7.64%
Employee Benefits	614,746	484,793	129,953	26.81%	513,467	101,279	19.72%	485,026	129,719	26.74%
Payroll Taxes	157,089	157,106	(17)	-0.01%	158,639	(1,549)	-0.98%	151,569	5,520	3.64%
Contingent Staffing	46,800	20,590	26,210	127.29%	19,500	27,300	140.00%	-	46,800	100.00%
Training	29,187	13,590	15,597	114.77%	31,005	(1,818)	-5.86%	17,337	11,850	68.35%
Recruiting	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Printing	277,500	31,822	245,678	772.05%	19,200	258,300	1345.31%	31,187	246,313	789.80%
Operating Supplies	7,700	4,438	3,262	73.50%	11,700	(4,000)	-34.19%	2,299	5,401	234.90%
Subscriptions & Dues	27,762	18,515	9,246	49.94%	30,426	(2,665)	-8.76%	29,055	(1,293)	-4.45%
Postage	327,050	133,725	193,325	144.57%	90,550	236,500	261.18%	60,343	266,707	441.99%
Telecommunications	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Legal	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Insurance	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Travel & Meals	65,700	58,114	7,586	13.05%	48,700	17,000	34.91%	54,470	11,230	20.62%
Professional Services	208,500	136,026	72,474	53.28%	134,020	74,480	55.57%	82,520	125,980	152.67%
Miscellaneous	-	157,759	(157,759)	-100.00%	-	-	0.00%	-	-	0.00%
Rent	-	-	-	0.00%	-	-	0.00%	237	(237)	-100.12%
Depreciation	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Producer Fees Collected	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Operations & Maintenance	-	330	(330)	-100.12%	-	-	0.00%	100	(100)	-100.04%
Bank Charges	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Software Maint & Licensing	26,710	6,178	20,532	332.33%	29,710	(3,000)	-10.10%	16,421	10,289	62.66%
Computer Hardware	-	31	(31)	-99.20%	125	(125)	-100.00%	-	-	0.00%
FMAP Funding	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
ULAE Expense Allocation	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Total Administrative Expenses	\$ 3,995,194	\$ 3,405,441	\$ 589,753	17.32%	\$ 3,252,911	\$ 742,283	22.82%	\$ 2,980,314	\$ 1,014,880	34.05%
Total Underwriting Expenses	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
IT Expense Allocation	-	515,597	(515,597)	-100.00%	525,929	(525,929)	-100.00%	492,548	(492,548)	-100.00%
Total Admin & Other Expenses	\$ 3,995,194	\$ 3,921,038	\$ 74,156	1.89%	\$ 3,778,840	\$ 216,354	5.73%	\$ 3,472,862	\$ 522,332	15.04%

Note: All variances above are in reference to the 2018 Budget

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Financial Services

Expense Category	2018 Budget	2017 Projection	\$ Variance	% Var	2017 Budget	\$ Variance	% Var	2016 Actual	\$ Variance	% Var
Salaries	\$ 5,833,040	\$ 5,666,196	\$ 166,844	2.94%	\$ 5,707,826	\$ 125,214	2.19%	\$ 5,779,407	\$ 53,633	0.93%
Employee Benefits	1,222,186	1,042,883	179,303	17.19%	1,138,935	83,252	7.31%	1,290,559	(68,373)	-5.30%
Payroll Taxes	388,326	400,180	(11,854)	-2.96%	402,727	(14,401)	-3.58%	407,884	(19,558)	-4.79%
Contingent Staffing	85,800	38,415	47,385	123.35%	72,400	13,400	18.51%	49,316	36,484	73.98%
Training	55,945	50,687	5,258	10.37%	56,564	(619)	-1.09%	35,692	20,253	56.74%
Recruiting	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Printing	27,650	41,738	(14,088)	-33.75%	27,700	(50)	-0.18%	19,385	8,265	42.64%
Operating Supplies	12,750	5,986	6,764	113.00%	11,050	1,700	15.38%	8,070	4,680	57.99%
Subscriptions & Dues	113,513	104,364	9,148	8.77%	76,495	37,018	48.39%	97,928	15,584	15.91%
Postage	8,130	2,827	5,303	187.61%	8,130	-	0.00%	10,199	(2,069)	-20.29%
Telecommunications	-	-	-	0.00%	750	(750)	-100.00%	-	-	0.00%
Legal	-	-	-	0.00%	-	-	0.00%	31,759	(31,759)	-100.00%
Insurance	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Travel & Meals	112,238	97,432	14,806	15.20%	101,846	10,392	10.20%	82,342	29,896	36.31%
Professional Services	2,511,631	3,555,595	(1,043,964)	-29.36%	4,389,109	(1,877,478)	-42.78%	2,407,049	104,582	4.34%
Miscellaneous	-	588	(588)	100.00%	-	-	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	72,409	63,387	9,022	14.23%	64,717	7,692	11.89%	53,697	18,711	34.85%
Bank Charges	215,000	201,506	13,494	6.70%	220,000	(5,000)	-2.27%	217,560	(2,560)	-1.18%
Software Maint & Licensing	679,208	633,014	46,195	7.30%	762,240	(83,032)	-10.89%	501,844	177,364	35.34%
Computer Hardware	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
FMAP Funding	(3,600)	(3,600)	-	0.00%	(3,600)	-	0.00%	(3,600)	-	0.00%
ULAE Expense Allocation	(52,290)	(46,516)	(5,774)	-12.41%	(55,254)	2,964	5.36%	(51,029)	(1,261)	-2.47%
Total Administrative Expenses	\$ 11,281,935	\$ 11,854,681	\$ (572,746)	-4.83%	\$ 12,981,633	\$ (1,699,698)	-13.09%	\$ 10,938,062	\$ 343,873	3.14%
Total Underwriting Expenses	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
IT Expense Allocation	-	2,564,916	(2,564,916)	-100.00%	2,430,242	(2,430,242)	-100.00%	3,203,669	(3,203,669)	-100.00%
Total Admin & Other Expenses	\$ 11,281,935	\$ 14,419,597	\$ (3,137,662)	-21.76%	\$ 15,411,875	\$ (4,129,940)	-26.80%	\$ 14,141,731	\$ (2,859,796)	-20.22%

Note: All variances above are in reference to the 2018 Budget

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2018 Operating Budget
Citizens Property Insurance Corporation

Administrative Expenses
Comparison of Annual Totals

Claims										
Expense Category	2018 Budget	2017 Projection	\$ Variance	% Var	2017 Budget	\$ Variance	% Var	2016 Actual	\$ Variance	% Var
Salaries	\$ 23,100,762	\$ 27,113,996	\$ (4,013,234)	-14.80%	\$ 24,241,082	\$ (1,140,320)	-4.70%	\$ 21,585,008	\$ 1,515,755	7.02%
Employee Benefits	5,650,839	4,650,000	1,000,839	21.52%	4,911,129	739,710	15.06%	4,963,041	687,798	13.86%
Payroll Taxes	1,654,101	2,041,684	(387,583)	-18.98%	1,839,155	(185,053)	-10.06%	1,602,684	51,417	3.21%
Contingent Staffing	158,826,190	56,284,272	102,541,918	182.19%	28,414,100	130,412,090	458.97%	18,743,443	140,082,747	747.37%
Training	78,656	39,475	39,181	99.26%	89,124	(10,468)	-11.75%	21,729	56,927	261.98%
Recruiting	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Printing	11,800	9,250	2,550	27.57%	11,434	366	3.20%	26,095	(14,295)	-54.78%
Operating Supplies	29,950	20,080	9,870	49.15%	33,153	(3,203)	-9.66%	14,826	15,124	102.01%
Subscriptions & Dues	789,205	365,000	424,205	116.22%	885,443	(96,238)	-10.87%	761,226	27,979	3.68%
Postage	16,325	15,100	1,225	8.11%	25,236	(8,911)	-35.31%	20,862	(4,537)	-21.75%
Telecommunications	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Legal	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Insurance	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Travel & Meals	536,805	2,182,256	(1,645,451)	-75.40%	559,187	(22,382)	-4.00%	378,181	158,624	41.94%
Professional Services	219,000	78,000	141,000	180.77%	251,000	(32,000)	-12.75%	83,555	135,445	162.10%
Miscellaneous	-	14,700	(14,700)	-100.00%	-	-	0.00%	-	-	0.00%
Rent	388,080	505,300	(117,220)	-23.20%	388,080	-	0.00%	466,865	(78,785)	-16.88%
Depreciation	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Producer Fees Collected	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Operations & Maintenance	4,500	15,000	(10,500)	-70.00%	38,150	(33,650)	-88.20%	28,948	(24,448)	-84.45%
Bank Charges	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Software Maint & Licensing	2,700,595	2,254,800	445,795	19.77%	2,225,030	475,565	21.37%	1,663,133	1,037,462	62.38%
Computer Hardware	-	13	(13)	-100.00%	31	(31)	-100.91%	9,042	(9,042)	-100.00%
FMAP Funding	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
ULAE Expense Allocation	(194,006,809)	(100,462,469)	(93,544,340)	-93.11%	(68,663,135)	(125,343,674)	-182.55%	(55,724,827)	(138,281,982)	-248.15%
Total Administrative Expenses	\$ -	\$ (4,873,543)	\$ 4,873,543	100.00%	\$ (4,751,803)	\$ 4,751,803	100.00%	\$ (5,356,189)	\$ 5,356,189	100.00%
Total Underwriting Expenses	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
IT Expense Allocation	-	4,873,543	(4,873,543)	-100.00%	4,751,803	(4,751,803)	-100.00%	5,356,189	(5,356,189)	-100.00%
Total Admin & Other Expenses	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%

Note: All variances above are in reference to the 2018 Budget

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2018 Operating Budget
Citizens Property Insurance Corporation

Administrative Expenses
Comparison of Annual Totals

Underwriting and Agency Services

Expense Category	2018 Budget	2017 Projection	\$ Variance	% Var	2017 Budget	\$ Variance	% Var	2016 Actual	\$ Variance	% Var
Salaries	\$ 20,411,571	\$ 19,094,756	\$ 1,316,814	6.90%	\$ 20,920,456	\$ (508,885)	-2.43%	\$ 21,056,509	\$ (644,938)	-3.06%
Employee Benefits	5,393,295	4,624,016	769,279	16.64%	5,112,094	281,201	5.50%	5,673,851	(280,556)	-4.94%
Payroll Taxes	1,426,464	1,530,766	(104,302)	-6.81%	1,561,145	(134,681)	-8.63%	1,540,630	(114,166)	-7.41%
Contingent Staffing	-	61,247	(61,247)	-100.00%	207,748	(207,748)	-100.00%	233,250	(233,250)	-100.00%
Training	201,001	49,795	151,206	303.66%	104,082	96,919	93.12%	37,212	163,789	440.15%
Recruiting	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Printing	3,300	2,639	661	25.05%	4,044	(744)	-18.40%	2,803	497	17.73%
Operating Supplies	10,320	9,847	473	4.80%	13,380	(3,060)	-22.87%	13,375	(3,055)	-22.84%
Subscriptions & Dues	77,635	13,628	64,007	469.67%	11,209	66,426	592.61%	52,400	25,235	48.16%
Postage	802	856	(54)	-6.31%	796	6	0.75%	512	290	56.64%
Telecommunications	-	-	-	0.00%	-	-	0.00%	51	(51)	-100.33%
Legal	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Insurance	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Travel & Meals	255,935	229,716	26,219	11.41%	233,642	22,293	9.54%	266,237	(10,302)	-3.87%
Professional Services	4,160,356	3,898,210	262,146	6.72%	3,060,985	1,099,371	35.92%	2,918,871	1,241,485	42.53%
Miscellaneous	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Rent	-	-	-	0.00%	-	-	0.00%	752	(752)	-100.03%
Depreciation	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Producer Fees Collected	(779,500)	(619,977)	(159,523)	-25.73%	(779,500)	-	0.00%	(731,144)	(48,356)	-6.61%
Operations & Maintenance	12,500	7,669	4,831	62.99%	4,912	7,588	154.48%	5,188	7,312	140.95%
Bank Charges	762	761	1	0.13%	603	159	26.37%	649	113	17.41%
Software Maint & Licensing	164,477	59,512	104,965	176.38%	78,024	86,453	110.80%	55,893	108,584	194.27%
Computer Hardware	15,000	20,000	(5,000)	-25.00%	39,586	(24,586)	-62.11%	-	15,000	100.00%
FMAP Funding	(189,221)	(200,000)	10,779	5.39%	(255,600)	66,379	25.97%	(22,550)	(166,671)	-739.11%
ULAE Expense Allocation	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Total Administrative Expenses	\$ 31,164,697	\$ 28,783,442	\$ 2,381,255	8.27%	\$ 30,317,606	\$ 847,091	2.79%	\$ 31,104,489	\$ 60,208	0.19%
Total Underwriting Expenses	\$ 13,310,578	\$ 12,499,009	\$ 811,569	6.49%	\$ 17,060,285	\$ (3,749,707)	-21.98%	\$ 14,495,076	\$ (1,184,498)	-8.17%
IT Expense Allocation	-	6,474,992	(6,474,992)	-100.00%	7,894,739	(7,894,739)	-100.00%	6,647,263	(6,647,263)	-100.00%
Total Admin & Other Expenses	\$ 44,475,275	\$ 47,757,443	\$ (3,282,168)	-6.87%	\$ 55,272,630	\$ (10,797,355)	-19.53%	\$ 52,246,828	\$ (7,771,553)	-14.87%

Note: All variances above are in reference to the 2018 Budget

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2018 Operating Budget
Citizens Property Insurance Corporation

Administrative Expenses
Comparison of Annual Totals

Systems and Operations

Expense Category	2018 Budget	2017 Projection	\$ Variance	% Var	2017 Budget	\$ Variance	% Var	2016 Actual	\$ Variance	% Var
Salaries	\$ 27,017,645	\$ 26,190,675	\$ 826,969	3.16%	\$ 27,614,735	\$ (597,091)	-2.16%	\$ 26,111,160	\$ 906,485	3.47%
Employee Benefits	5,372,281	4,627,430	744,851	16.10%	5,107,119	265,162	5.19%	5,683,964	(311,683)	-5.48%
Payroll Taxes	1,959,694	1,835,892	123,802	6.74%	2,141,144	(181,450)	-8.47%	1,920,226	39,469	2.06%
Contingent Staffing	1,689,373	2,097,897	(408,525)	-19.47%	2,669,403	(980,030)	-36.71%	3,276,187	(1,586,814)	-48.43%
Training	568,748	391,777	176,971	45.17%	426,324	142,424	33.41%	255,034	313,714	123.01%
Recruiting	-	-	-	0.00%	500	(500)	-100.00%	-	-	0.00%
Printing	18,600	13,814	4,786	34.65%	18,770	(170)	-0.91%	10,229	8,371	81.84%
Operating Supplies	298,465	259,848	38,617	14.86%	348,824	(50,359)	-14.44%	321,449	(22,984)	-7.15%
Subscriptions & Dues	298,785	211,535	87,250	41.25%	239,841	58,944	24.58%	200,283	98,502	49.18%
Postage	242,280	270,885	(28,605)	-10.56%	277,140	(34,860)	-12.58%	265,395	(23,115)	-8.71%
Telecommunications	3,534,220	4,293,054	(758,834)	-17.68%	4,480,163	(945,943)	-21.11%	4,198,774	(664,554)	-15.83%
Legal	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Insurance	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Travel & Meals	331,389	314,126	17,263	5.50%	324,905	6,484	2.00%	220,658	110,731	50.18%
Professional Services	4,070,993	3,137,981	933,012	29.73%	3,457,710	613,284	17.74%	2,600,010	1,470,983	56.58%
Miscellaneous	-	86,966	(86,966)	-100.00%	-	-	0.00%	-	-	0.00%
Rent	7,564,359	6,996,135	568,224	8.12%	7,018,720	545,639	7.77%	8,844,258	(1,279,899)	-14.47%
Depreciation	5,139,006	4,171,964	967,043	23.18%	5,549,064	(410,057)	-7.39%	4,369,690	769,316	17.61%
Producer Fees Collected	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Operations & Maintenance	2,554,706	2,294,636	260,070	11.33%	2,366,610	188,095	7.95%	2,440,883	113,822	4.66%
Bank Charges	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Software Maint & Licensing	14,000,662	11,564,521	2,436,141	21.07%	12,910,055	1,090,606	8.45%	10,511,666	3,488,996	33.19%
Computer Hardware	2,790,634	3,297,334	(506,699)	-15.37%	3,607,640	(817,006)	-22.65%	2,021,574	769,061	38.04%
FMAP Funding	(14,400)	(7,198)	(7,202)	-100.06%	-	(14,400)	-100.00%	21,261	(35,661)	-167.73%
ULAE Expense Allocation	(7,673,287)	(2,661,664)	(5,011,623)	-188.29%	(2,797,950)	(4,875,337)	-174.25%	(2,865,014)	(4,808,274)	-167.83%
Total Administrative Expenses	\$ 69,764,153	\$ 69,387,609	\$ 376,544	0.54%	\$ 75,760,717	\$ (5,996,564)	-7.92%	\$ 70,407,688	\$ (643,535)	-0.91%
Total Underwriting Expenses	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
IT Expense Allocation	-	(16,463,915)	16,463,915	100.00%	(18,018,567)	18,018,567	100.00%	(17,034,146)	17,034,146	100.00%
Total Admin & Other Expenses	\$ 69,764,153	\$ 52,923,694	\$ 16,840,459	31.82%	\$ 57,742,151	\$ 12,022,003	20.82%	\$ 53,373,543	\$ 16,390,611	30.71%

Note: All variances above are in reference to the 2018 Budget

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2018 Operating Budget

Capital Acquisitions

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2018 Operating Budget

Citizens Property Insurance Corporation

Capital Acquisitions

Asset Category	2018 Budget	2017 Projection	\$ Variance	% Var	2017 Budget	\$ Variance	% Var	2016 Actual	\$ Variance
EDP Equipment	\$ 4,828,000	\$ 3,226,639	\$ 1,601,361	49.63%	\$ 5,787,520	\$ (959,520)	-16.58%	\$ 1,726,262	\$ 3,101,738
Software	1,350,000	158,724	1,191,276	750.53%	805,000	545,000	67.70%	76,723	1,273,277
Office Equipment	58,200	8,550	49,650	580.69%	101,000	(42,800)	-42.38%	98,516	(40,316)
Furniture	8,000	-	8,000	100.00%	15,000	(7,000)	-46.67%	1,014,666	(1,006,666)
Leasehold Improvements	205,000	13,000	192,000	1476.92%	65,000	140,000	215.38%	-	205,000
Automobiles	140,000	-	140,000	100.00%	40,000	100,000	250.00%	49,150	90,850
Total Capital Acquisitions	\$ 6,589,200	\$ 3,406,913	\$ 3,182,287	93.41%	\$ 6,813,520	\$ (224,320)	-3.29%	\$ 2,965,318	\$ 3,623,882

Note: All variances above are in reference to the 2018 Budget

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2018 Operating Budget

Probable Maximum Loss (PML) Scenarios

2018 Operating Budget
Citizens Property Insurance Corporation

Probable Maximum Loss (PML)
Scenarios

All values in \$ millions

	PLA	CLA	Coastal	Combined
Budgeted Net Income (Loss)	\$ (54.9)	\$ 38.3	\$ 43.8	\$ 27.2
Budgeted Surplus	\$ 2,014.1	\$ 1,755.5	\$ 2,596.0	\$ 6,365.7
1-10 Year Event				
Gross Losses and LAE	\$ 259.8	\$ 22.3	\$ 460.0	\$ 742.1
FHCF Recovery	-	-	-	-
Private Risk Transfer Recovery	-	-	-	-
Net Losses and LAE	259.8	22.3	460.0	742.1
Post-Event Net Income (Loss)	(314.7)	16.0	(416.2)	(714.9)
Post-Event Surplus (Deficit)	1,699.4	1,771.5	2,179.8	5,650.8
1-25 Year Event				
Gross Losses and LAE	\$ 662.0	\$ 63.2	\$ 1,305.6	\$ 2,030.8
FHCF Recovery	250.1	23.9	593.5	867.5
Private Risk Transfer Recovery	-	-	160.9	160.9
Net Losses and LAE	411.8	39.3	551.2	1,002.4
Post-Event Net Income (Loss)	(466.8)	(1.0)	(507.4)	(975.2)
Post-Event Surplus (Deficit)	1,547.3	1,754.5	2,088.7	5,390.5
1-100 Year Event				
Gross Losses and LAE	\$ 2,075.3	\$ 208.7	\$ 3,712.2	\$ 5,996.2
FHCF Recovery	976.1	98.2	1,090.6	2,164.8
Private Risk Transfer Recovery	-	-	1,310.0	1,310.0
Net Losses and LAE	1,099.2	110.5	1,311.6	2,521.4
Post-Event Net Income (Loss)	(1,154.1)	(72.2)	(1,267.8)	(2,494.2)
Post-Event Surplus (Deficit)	860.0	1,683.3	1,328.2	3,871.5

2018 Operating Budget

Citizens Property Insurance Corporation

Assumptions:

1) 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, are based on Single-Event Occurrences and do not include any provision for the adjustment of claims (LAE). The LAE load as a percentage of loss is set to 10%. PML estimates were modeled using AIR Touchstone, Version 4, including demand surge, excluding storm surge, on exposures as of September 30, 2017 adjusted for forecasted changes in exposure through June 2018.

2) Each account is accounted for separately as required by Florida Statute where deficit calculation and assessments are determined at the account level. However, the PLA and the CLA are evaluated together for reinsurance and credit purposes. The loss amounts above illustrate the effect of the accounts aggregated, not combined as one account.

3) FHCF recoveries are based on 2017 retention and payout multiples. The actual retention and limits for 2018 may be significantly different from these estimates.

4) The private risk transfer program assumed and corresponding recoveries may significantly change due to market conditions and/or Citizens' exposures in 2018. Loss adjustment expense (LAE) is assumed to be recovered in 2018 in the same manner as in the 2017 Risk Transfer Program.

5) PLA/CLA is projected to have sufficient resources to cover a 1-100 year storm followed by a 1-118 year storm.
The Coastal Account is projected to have sufficient resources to cover a 1-100 year storm followed by a 1-24 year storm.