



2019 Operating Budget

Financial Schedules & Supporting Information

Board of Governors Meeting

December 12, 2018



Board of Governors

Gary Aubuchon, Interim Chair

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Marc Dunbar

James Holton

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2019 Operating Budget

Executive Summary

As Citizens approaches the completion of its sixteenth year following formation in 2002, the story of 2018 is the unprecedented stability experienced in the combined book of business. For approximately the last eighteen months, combined policies in-force (PIF) have remained between 430,000 and 460,000, despite several market influences having disparate impacts on each of Citizens' three Accounts. In summary, the 2019 Operating Budget contemplates a continuance of these trends which are anticipated to provide a level of stability in Citizens' overall size in the Florida marketplace, despite underlying changes in each Account.

Following the absence of meaningful legislative reform surrounding assignment of benefits (AOB) abuse and plaintiff attorney fees, Citizens continues to see increases in its personal residential multiperil (PR-M) book of business. The increases primarily impact the Personal Lines Account (PLA) and, to a lesser extent, the Coastal Account. It is not by coincidence that the increases in PIF are concentrated in areas of the state which continue to experience the highest levels of litigation and therefore yield the highest attritional loss and loss adjustment expense (LAE) ratios. As a result, the 2019 Operating Budget for the PLA contemplates a net loss for the third consecutive year.

As the PLA and Coastal Account experience moderate growth in PR-M policies, Citizens continues to realize decreases in most commercial lines business due to a highly competitive marketplace in both the admitted and surplus lines markets. In addition, with reinsurance prices remaining relatively flat throughout the industry, the Coastal Account continues to observe decreases in wind-only policies as well. As a result, overall PIF count decreases are anticipated during 2019 within the Commercial Lines Account (CLA) and Coastal Account. Decreases within the commercial book of business provide significant declines in terms of total exposure due to their size, while written premiums decrease at a higher rate than PIF due to the higher average premiums carried on this segment of

Citizens' book of business. Despite written premium declines within the CLA and Coastal Account, both accounts are budgeted to report net income for 2019, primarily as a result of a more favorable loss and LAE ratio due to much lower levels of anticipated litigation as compared to the PLA.

Calendar year 2018 was also marked by another devastating weather event in Hurricane Michael. Once again, Citizens' Catastrophe Response Centers (CRCs) were deployed to assist customers throughout the panhandle of the state. CRC volunteers assisted policyholders with filing claims while in the field and issued approximately \$500,000 of additional living expense payments to those in need. While Hurricane Michael was a devastating event causing significant property losses in concentrated areas of the state, Citizens' anticipated claim count of less than 4,000 paled in comparison to approximately 72,000 reported from Hurricane Irma. Modeled loss and LAE estimates within the 2018 Projection totaled \$142 million for Hurricane Michael.

2019 Financial Outlook

Citizens' forecasting and planning strategy utilizes an internally-developed program in forecasting the 2019 Operating Budget that utilizes statistical methods to extend historical results, supplemented with judgment to consider disruptions to identified trends, which are often beyond Citizens' control. The forecast model considers two distinct potential outcomes. The "Baseline" scenario assumes that historical trends continue throughout 2019. 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' selection for the remainder of 2018 and calendar year 2019 place an

increased reliance on the Baseline model as compared to the prior year budget, consistent with trends observed throughout 2018 noted above.

In both 2017 and 2018 Citizens' budget contemplated growth within the tri-county region of the state due primarily to the aforementioned AOB and litigation issues impacting the marketplace. Absent evidence of significant growth, the 2019 Operating Budget contemplates a continuance of the trends observed over the last eighteen months. As such, the PLA is anticipated to grow by 7,855 policies, while the CLA and Coastal Account are planned to decrease by 317 and 13,527, respectively, as compared to the 2018 projected results. Overall, the combined net decrease of approximately 6,000 policies contemplates no significant changes occurring in the Florida insurance market throughout 2019. In terms of written premiums, the PLA is anticipated to increase by approximately 5% while decreases in the CLA and Coastal of 28% and 12%, respectively, follow the anticipated decrease in overall PIF as compared to the 2018 Projection. Overall, on a combined basis Citizens' budget contemplates a decrease of approximately \$16 million or 2% in written premiums as compared to the 2018 Projection due to combined PIF decrease coupled with a delay in the effective date of the 2019 rate filing. Citizens' Board of Governors elected to defer the approval of Citizens' rate filing in recognition of the significant impacts felt throughout the state from Hurricane Irma. While rate filings have historically taken effect in February each year, the budget contemplates an effective date in September of 2019. It is worth noting that there are several factors that have the potential to cause significant variances in the planned size of Citizens within 2019.

Citizens will again seek to protect surplus through prudent and measured risk transfer efforts in 2019. Similar to 2018, the 2019 Operating Budget includes a provision for \$100 million of private-risk transfer within the Coastal Account. While the 2018 placement resulted in a total cost of \$88.6 million, or \$11.4 million less than budget, the 2019 provisional budget of \$100 million includes

approximately 45% of committed costs from multi-year treaties within the program, along with potential adjustments in reinsurance pricing following another relatively active storm season during 2018.

Losses and LAE as a percentage of direct earned premiums, excluding catastrophe claims, are anticipated to remain relatively flat in comparison to the 2018 Operating Budget. While Hurricane Michael added approximately 23% to the overall net incurred loss and LAE ratio for 2018, attritional loss and LAE ratios approximated the 2018 Operating Budget selection on a combined basis. Also, worth noting in the 2018 Projection is the absence of significant adverse development on Citizens' indicated loss and LAE costs attributable to Hurricane Irma. While a number of private carriers have reported additional costs above original estimates throughout 2018, Citizens' initial selection recorded in 2017 has remained unchanged throughout calendar year 2018.

Within the 2019 Operating Budget, Citizens' administrative expenses of \$138 million reflect a decrease of approximately \$2.3 million as compared to the prior year budget. Employee costs (comprised of salaries, employee benefits and payroll taxes) represent approximately 90% of the total budgeted administrative expenses for 2019 and reflect a budgeted decrease in personnel count of 39 as compared to the 2018 Operating Budget. Given the decrease of \$158.7 million or 18.5% in direct written premium as compared to the 2018 Operating Budget, over 80 members of Citizens' management team were challenged to remain relatively flat within personnel costs in planning their budget. As such, of the 54 budgeted vacancies projected for 2018 only 15 are anticipated to be filled. As a result, total personnel costs are budgeted to increase by less than 1%, while budgeted salaries reflect a slight decrease of less than 1%. As compared to the prior year budget, with few exceptions, nearly all other categories of administrative expenses reflect a decrease within the 2019 Operating Budget. Despite the level of fiscal prudence observed in planning, as a result of the 18.5% decrease in budgeted written premiums, Citizens' budgeted expense

ratio of 26.6% reflects an increase of 2.3% and 1.1% as compared to the 2018 Operating Budget and 2018 Projection, respectively. While Citizens' has historically enjoyed favorable comparisons to the private market in measuring its expense ratio, the 2019 value of 26.6% approximates the industry average as last measured by calendar year 2017 results for a composite of Florida private market carriers.

Investment income, excluding interest expense on outstanding debt, is anticipated to increase within the 2019 Operating Budget as compared to the 2018 Projection, and decrease as compared to the 2018 Operating Budget. Variances across the two scenarios are driven by realized losses incurred during 2018 following the liquidation of positions to fund claims and operational expenses. Citizens' return on invested assets is expected to increase from 1.65% to 1.90% in comparing the 2018 Projection and 2019 Operating Budget, respectively. Citizens will continue to evaluate market opportunities against its investment mandates to maximize investment returns while preserving principal and liquidity of its investment holdings.

Interest expense on outstanding pre-event debt within the 2019 Operating Budget is anticipated to decrease by approximately \$12 million following maturities of \$255 million in June 2018 and future redemptions of \$335 million in June 2019. Following an evaluation of Citizens' capital position, the 2019 Operating Budget does not contemplate the need for additional pre-event note proceeds in 2019.

2019 Corporate Initiatives

Centerpoint - Enterprise Resource Planning Solution

This initiative included the implementation of an Enterprise Resource Planning (ERP) solution branded as Centerpoint. The Centerpoint solution has replaced fragmented legacy systems with integrated modules across various segments of the organization over the last two calendar years including general ledger, budgeting, accounts payable,

procurement, vendor management and human resource solutions. Remaining activities contemplated in the 2019 Operating Budget include costs for software subscription fees as well as remaining retirement activities associated with Citizens' legacy systems. It is anticipated that 2019 will be the final year in which the Centerpoint initiative will be measured as a separate corporate initiative within the operating budget.

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. 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. Examples include, but are not limited to, features such as online claims reporting and electronic policy document generation, in addition to co-browsing and live chat customer service capabilities.

Guidewire V9 Upgrade

Guidewire software is used to support core insurance business functions at Citizens. The current platform version for BillingCenter© and PolicyCenter© is 7.0, which is more than five years old. Upgrade activities supporting ClaimCenter© were finalized in 2018. To stay current with support from Guidewire and take advantage of improved performance and features, Citizens is in the process of upgrading the full suite of software to version 9.0, which is the most current version

available. The remaining upgrade activity is anticipated to be completed within 2019.

Customer Relationship Management

The Customer Relationship Management initiative focuses primarily on the implementation of Salesforce, Citizens' selected software for Agency Management. The Salesforce software will provide Citizens with a modern platform to process both new and renewal appointments with authorized agents as well as handle all appointment fee billing and collection associated with approximately 4,500 and 7,000 authorized agencies and agents, respectively. Additional opportunities to leverage functionality to continue modernizing how Citizens interacts with other parties will be evaluated as part of this corporate initiative, including computer and telephony integration capabilities.

Enterprise and IT Projects

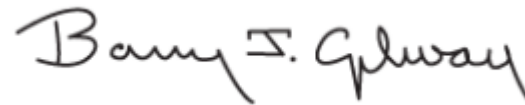
Capital investment into candidate projects is evaluated on an annual basis by the Executive Leadership Team. Projects which are included in the 2019 Operating Budget include 35 of the top 101 Board approved initiatives. Citizens employs a formal analysis of candidate projects received from across the organization on an annual basis and follows established guidelines in prioritization under Citizens' strategic goals among other criteria. Resources are evaluated, and candidate projects are pursued using existing resource constraints in order of priority. This subset of project spend has historically been included as part of normal operating expenses but has been discretely presented within the 2019 Operating Budget.

Closing Remarks

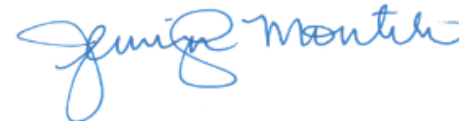
Citizens remains committed to exercising fiscal prudence within our position as the residual market in the state of Florida. The 2019 Operating Budget represents the results of extensive planning and analysis and bears the mark of our Executive Leadership Team's vast experience in carefully planning in an environment of significant uncertainty in respect of Citizens' overall size in the Florida insurance market. The consumption of financial resources planned for 2019 is reflective of Citizens' commitment to continue the preservation of its surplus through successful risk transfer efforts, retention of a highly skilled workforce through competitive compensation and benefit offerings, as well as deliberate efforts to focus administrative expense spend on best value alternatives to continue the level of service policyholders have come to expect from Citizens Property Insurance Corporation.

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

Yours respectfully,

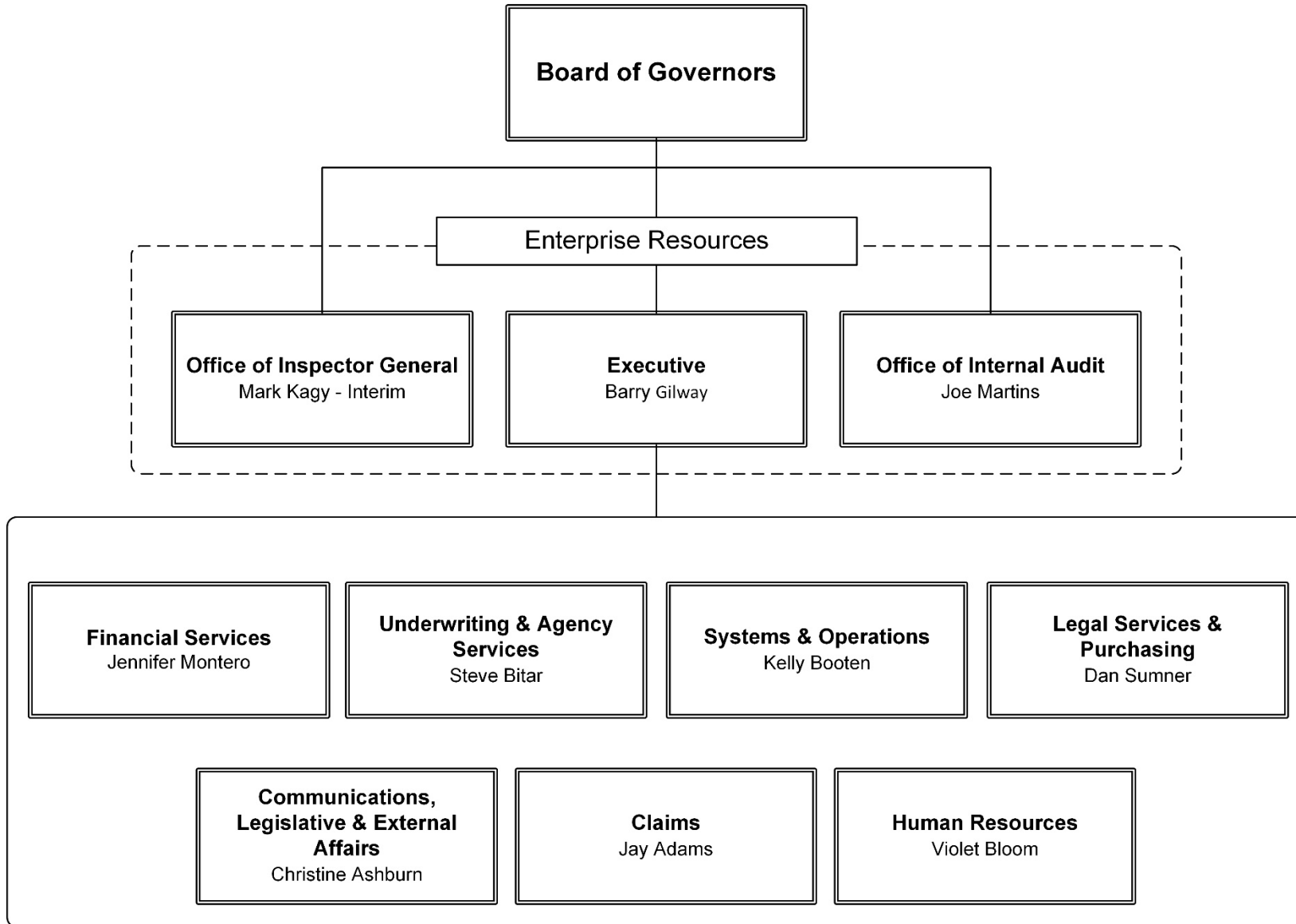


Barry Gilway
President, Chief Executive Officer and Executive Director



Jennifer Montero
Chief Financial Officer

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2019 Operating Budget

Budget Assumptions

2019 Operating Budget
Citizens Property Insurance Corporation

Budget Assumptions

I Policies In-Force (PIF)		PLA	CLA	COASTAL	TOTAL
A	2019 Budgeted	314,474	648	110,614	425,736
	2018 Projected	306,619	965	124,141	431,725
	Total policy count change, net of depopulation	7,855	(317)	(13,527)	(5,989)
	Percentage change, net of depopulation	2.56%	32.85%	10.90%	1.39%
B	Depopulation Count				
	2019 Budgeted	5,802	96	7,009	12,907
	2018 Projected	8,974	25	7,807	16,806
	Change	(3,172)	71	(798)	(3,899)
	Percentage change	35.35%	284.00%	10.22%	23.20%
II Written Premiums		PLA	CLA	COASTAL	TOTAL
A	2019 Budgeted	\$ 545,914,429	\$ 11,551,086	\$ 290,706,744	\$ 848,172,259
	2018 Projected	518,860,316	16,118,948	329,179,932	864,159,195
	Change	27,054,113	(4,567,862)	(38,473,188)	(15,986,936)
	Percentage change	5.21%	28.34%	11.69%	1.85%
III Ceded Premiums		PLA	CLA	COASTAL	TOTAL
A	Depopulation				
	2019 Budgeted	\$ (5,478,280)	\$ (398,387)	\$ (15,394,201)	\$ (21,270,867)
	2018 Projected	(8,411,555)	12,244	(9,984,860)	(18,384,171)
	Change	2,933,275	(410,631)	(5,409,341)	(2,886,697)
	Percentage change	34.87%	3353.65%	54.18%	15.70%
B	Florida Hurricane Catastrophe Fund Premium - Mandatory Layer Only				
	2019 Budgeted	\$ (67,156,169)	\$ (3,447,040)	\$ (64,178,969)	\$ (134,782,178)
	2018 Projected	(67,112,655)	(4,494,333)	(74,444,929)	(146,051,917)
	Change	(43,514)	1,047,293	10,265,960	11,269,739
	Percentage change	0.06%	23.30%	13.79%	7.72%
C	Private Reinsurance				
	2019 Budgeted	\$ -	\$ -	\$ (100,000,000)	\$ (100,000,000)
	2018 Projected	-	-	(88,573,021)	(88,573,021)
	Change	-	-	(11,426,979)	(11,426,979)
	Percentage change	0.00%	0.00%	12.90%	12.90%

IV	Loss and Loss Adjustment Expense (LAE) Ratios	PLA	CLA	COASTAL	TOTAL
A	Net Incurred Loss and LAE Ratio				
	2019 Budgeted	80.59%	18.49%	48.88%	72.59%
	2018 Projected	97.19%	193.84%	95.04%	98.69%
	Change	-16.60%	-175.35%	-46.16%	-26.10%
	Percentage change	17.08%	90.46%	48.57%	26.45%
V	Total Exposure	PLA	CLA	COASTAL	COMBINED
A	Total Exposure				
	2019 Budgeted	\$64,836,896,328	\$2,828,116,791	\$35,354,410,197	\$103,019,423,316
	2018 Projected	63,253,757,962	3,916,848,368	41,913,813,772	109,084,420,102
	Change	1,583,138,366	(1,088,731,577)	(6,559,403,575)	(6,064,996,786)
	Percentage change	2.50%	27.80%	15.65%	5.56%
VI	Expense Ratio Summary	PLA	CLA	COASTAL	TOTAL
A	Underwriting and Policy Acquisition Cost Ratios				
	2019 Budgeted	9.95%	13.67%	10.86%	10.31%
	2018 Projected	9.86%	13.54%	10.74%	10.26%
	Change	0.09%	0.13%	0.12%	0.05%
	Percentage change	0.91%	0.96%	1.12%	0.49%
B	Administrative Expense Ratios				
	2019 Budgeted	16.24%	16.42%	16.33%	16.28%
	2018 Projected	15.23%	15.26%	15.33%	15.27%
	Change	1.01%	1.16%	1.00%	1.01%
	Percentage change	6.63%	7.60%	6.52%	6.61%
C	Combined Expense Ratios				
	2019 Budgeted	26.19%	30.08%	27.19%	26.59%
	2018 Projected	25.09%	28.80%	26.07%	25.53%
	Change	1.10%	1.28%	1.12%	1.06%
	Percentage change	4.38%	4.44%	4.30%	4.15%

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2019 Operating Budget

Budgeted Statements of Operations

2019 Operating Budget
Citizens Property Insurance Corporation

Budgeted Statements of Operations - Total Company

	2019 Budget	2018 Projection	\$ Variance	% Change	2018 Budget	\$ Variance	% Change	2017 Actual	\$ Variance	% Change
Premiums										
Premiums Written - Direct	\$848,172,259	\$864,159,195	\$(15,986,936)	1.85%	\$1,005,839,426	\$(157,667,167)	15.68%	\$893,989,776	\$(45,817,517)	5.13%
Change in Direct UPR	5,627,202	12,603,552	(6,976,350)	55.35%	(73,233,263)	78,860,466	107.68%	29,861,934	(24,234,732)	81.16%
Premiums Ceded (FHCF)	(134,782,178)	(146,051,917)	11,269,739	7.72%	(149,377,223)	14,595,045	9.77%	(153,934,815)	19,152,637	12.44%
Premiums Ceded (Private)	(100,000,000)	(88,573,021)	(11,426,979)	12.90%	(100,000,000)	-	-	(92,709,527)	(7,290,473)	7.86%
Premiums Ceded (Depop)	(21,270,867)	(18,384,171)	(2,886,696)	15.70%	(29,108,524)	7,837,656	26.93%	(30,726,512)	9,455,645	30.77%
Change in Ceded UPR (Depop)	(659,704)	(8,942,120)	8,282,416	92.62%	(6,947,843)	6,288,139	90.50%	(20,034,967)	19,375,263	96.71%
Net Premiums Earned	\$597,086,712	\$614,811,518	\$(17,724,806)	2.88%	\$647,172,573	\$(50,085,861)	7.74%	\$626,445,889	\$(29,359,177)	4.69%
Underwriting Expenses										
Losses and LAE Incurred	\$433,433,628	\$606,781,209	\$(173,347,581)	28.57%	\$495,256,780	\$(61,823,152)	12.48%	\$1,565,094,328	\$(1,131,660,701)	72.31%
Producer Commissions	63,531,817	65,223,406	(1,691,589)	2.59%	76,234,378	(12,702,562)	16.66%	68,412,668	(4,880,851)	7.13%
Taxes and Assessments	10,758,404	10,865,632	(107,228)	0.99%	14,219,028	(3,460,624)	24.34%	11,434,528	(676,124)	5.91%
Administrative Expenses	138,040,220	131,924,971	6,115,249	4.64%	140,330,554	(2,290,334)	1.63%	130,777,512	7,262,708	5.55%
Other Underwriting Expenses	13,195,254	12,616,027	579,227	4.59%	13,310,578	(115,324)	0.87%	15,692,137	(2,496,883)	15.91%
Total Underwriting	\$658,959,322	\$827,411,245	\$(168,451,923)	20.36%	\$739,351,318	\$(80,391,996)	10.87%	\$1,791,411,173	\$(1,132,451,851)	63.22%
Net Underwriting Gain (Loss)	\$(61,872,610)	\$(212,599,727)	\$150,727,116	70.90%	\$(92,178,746)	\$30,306,135	32.88%	\$(1,164,965,284)	\$1,103,092,673	94.69%
Other Income (Expense)										
Investment Income - Net	\$169,582,899	\$159,475,212	\$10,107,687	6.34%	\$179,620,152	\$(10,037,253)	5.59%	\$225,710,253	\$(56,127,355)	24.87%
Interest Expense - Net	(51,621,400)	(63,570,510)	11,949,110	18.80%	(63,570,509)	11,949,109	18.80%	(94,243,113)	42,621,713	45.23%
Other Income and Expenses	3,482,876	(1,574,098)	5,056,974	321.26%	3,321,361	161,515	4.86%	5,115,006	(1,632,130)	31.91%
Total Other Income (Expense)	\$121,444,374	\$94,330,604	\$27,113,770	28.74%	\$119,371,004	\$2,073,371	1.74%	\$136,582,146	\$(15,137,771)	11.08%
Net Income (Loss)	\$59,571,764	\$(118,269,123)	\$177,840,887	150.37%	\$27,192,258	\$32,379,506	119.08%	\$(1,028,383,138)	\$1,087,954,902	105.79%
Policies In-Force	425,736	431,725	(5,989)	1.39%	500,173	(74,437)	14.88%	440,405	(14,669)	3.33%

Note: All variances enumerated above are in reference to the 2019 Budget. All percentages are stated in absolute value.

2019 Operating Budget
Citizens Property Insurance Corporation

Budgeted Statements of Operations - PLA

	2019 Budget	2018 Projection	\$ Variance	% Change	2018 Budget	\$ Variance	% Change	2017 Actual	\$ Variance	% Change
Premiums										
Premiums Written - Direct	\$545,914,429	\$518,860,316	\$27,054,113	5.21%	\$635,936,094	\$(90,021,665)	14.16%	\$495,433,563	\$50,480,866	10.19%
Change in Direct UPR	(15,931,394)	(14,648,085)	(1,283,309)	8.76%	(88,281,101)	72,349,707	81.95%	(15,023,387)	(908,008)	6.04%
Premiums Ceded (FHCF)	(67,156,169)	(67,112,655)	(43,514)	0.06%	(69,142,955)	1,986,786	2.87%	(62,111,026)	(5,045,143)	8.12%
Premiums Ceded (Private)	-	-	-	-	-	-	-	-	-	-
Premiums Ceded (Depop)	(5,478,280)	(8,411,555)	2,933,275	34.87%	(7,728,246)	2,249,967	29.11%	(9,004,089)	3,525,809	39.16%
Change in Ceded UPR (Depop)	(1,446,728)	(490,063)	(956,665)	195.21%	(3,337,857)	1,891,129	56.66%	(8,618,287)	7,171,559	83.21%
Net Premiums Earned	\$455,901,858	\$428,197,957	\$27,703,900	6.47%	\$467,445,935	\$(11,544,077)	2.47%	\$400,676,775	\$55,225,083	13.78%
Underwriting Expenses										
Losses and LAE Incurred	\$367,433,537	\$416,157,592	\$(48,724,055)	11.71%	\$412,319,701	\$(44,886,164)	10.89%	\$888,485,542	\$(521,052,005)	58.64%
Producer Commissions	38,518,814	36,303,210	2,215,604	6.10%	45,151,463	(6,632,649)	14.69%	35,077,648	3,441,165	9.81%
Taxes and Assessments	7,337,998	6,915,916	422,082	6.10%	9,646,907	(2,308,909)	23.93%	6,780,555	557,443	8.22%
Administrative Expenses	88,668,339	79,017,806	9,650,533	12.21%	88,059,999	608,340	0.69%	74,172,254	14,496,085	19.54%
Other Underwriting Expenses	8,475,800	7,935,748	540,052	6.81%	10,067,112	(1,591,312)	15.81%	10,446,209	(1,970,409)	18.86%
Total Underwriting	\$510,434,488	\$546,330,273	\$(35,895,785)	6.57%	\$565,245,182	\$(54,810,694)	9.70%	\$1,014,962,208	\$(504,527,720)	49.71%
Net Underwriting Gain (Loss)	\$(54,532,630)	\$(118,132,315)	\$63,599,685	53.84%	\$(97,799,247)	\$43,266,617	44.24%	\$(614,285,433)	\$559,752,803	91.12%
Other Income (Expense)										
Investment Income - Net	\$54,274,229	\$52,684,568	\$1,589,662	3.02%	\$61,799,175	\$(7,524,946)	12.18%	\$80,375,971	\$(26,101,742)	32.47%
Interest Expense - Net	(17,133,390)	(21,256,582)	4,123,192	19.40%	(21,256,583)	4,123,193	19.40%	(24,582,903)	7,449,513	30.30%
Other Income and Expenses	2,715,796	(1,907,252)	4,623,049	242.39%	2,344,790	371,006	15.82%	3,017,165	(301,369)	9.99%
Total Other Income (Expense)	\$39,856,635	\$29,520,733	\$10,335,903	35.01%	\$42,887,382	\$(3,030,747)	7.07%	\$58,810,233	\$(18,953,598)	32.23%
Net Income (Loss)	\$(14,675,994)	\$(88,611,582)	\$73,935,588	83.44%	\$(54,911,865)	\$40,235,870	73.27%	\$(555,475,200)	\$540,799,205	97.36%
Policies In-Force	314,474	306,619	7,855	2.56%	366,204	(51,730)	14.13%	300,507	13,967	4.65%

Note: All variances enumerated above are in reference to the 2019 Budget. All percentages are stated in absolute value.

2019 Operating Budget
Citizens Property Insurance Corporation

Budgeted Statements of Operations - CLA

	2019 Budget	2018 Projection	\$ Variance	% Change	2018 Budget	\$ Variance	% Change	2017 Actual	\$ Variance	% Change
Premiums										
Premiums Written - Direct	\$11,551,086	\$16,118,948	\$(4,567,862)	28.34%	\$15,872,451	\$(4,321,365)	27.23%	\$19,794,620	\$(8,243,534)	41.65%
Change in Direct UPR	2,129,999	2,074,146	55,852	2.69%	2,619,196	(489,198)	18.68%	7,135,967	(5,005,968)	70.15%
Premiums Ceded (FHCF)	(3,447,040)	(4,494,333)	1,047,293	23.30%	(4,983,075)	1,536,035	30.83%	(6,097,953)	2,650,913	43.47%
Premiums Ceded (Private)	-	-	-	-	-	-	-	-	-	-
Premiums Ceded (Depop)	(398,387)	12,244	(410,631)	3,353.65%	(1,095,444)	697,057	63.63%	(175,762)	(222,626)	126.66%
Change in Ceded UPR (Depop)	62,771	(290,513)	353,284	121.61%	190,185	(127,414)	66.99%	(1,110,553)	1,173,324	105.65%
Net Premiums Earned	\$9,898,429	\$13,420,492	\$(3,522,063)	26.24%	\$12,603,314	\$(2,704,885)	21.46%	\$19,546,319	\$(9,647,890)	49.36%
Underwriting Expenses										
Losses and LAE Incurred	\$1,830,434	\$26,014,361	\$(24,183,927)	92.96%	\$2,136,749	\$(306,315)	14.34%	\$16,275,453	\$(14,445,019)	88.75%
Producer Commissions	1,246,733	1,743,420	(496,687)	28.49%	1,698,352	(451,619)	26.59%	2,124,709	(877,977)	41.32%
Taxes and Assessments	150,949	211,085	(60,137)	28.49%	172,383	(21,434)	12.43%	186,988	(36,040)	19.27%
Administrative Expenses	1,896,162	2,459,237	(563,075)	22.90%	2,276,955	(380,793)	16.72%	3,113,799	(1,217,637)	39.10%
Other Underwriting Expenses	181,254	228,492	(47,238)	20.67%	208,556	(27,302)	13.09%	354,705	(173,451)	48.90%
Total Underwriting	\$5,305,531	\$30,656,595	\$(25,351,063)	82.69%	\$6,492,995	\$(1,187,464)	18.29%	\$22,055,655	\$(16,750,124)	75.94%
Net Underwriting Gain (Loss)	\$4,592,898	\$(17,236,102)	\$21,829,000	126.65%	\$6,110,319	\$(1,517,421)	24.83%	\$(2,509,336)	\$7,102,234	283.03%
Other Income (Expense)										
Investment Income - Net	\$35,444,676	\$31,720,784	\$3,723,892	11.74%	\$35,455,531	\$(10,855)	0.03%	\$43,403,603	\$(7,958,928)	18.34%
Interest Expense - Net	(2,706,107)	(3,357,340)	651,233	19.40%	(3,357,339)	651,232	19.40%	(3,882,709)	1,176,602	30.30%
Other Income and Expenses	92,846	99,388	(6,542)	6.58%	86,821	6,025	6.94%	277,315	(184,470)	66.52%
Total Other Income (Expense)	\$32,831,414	\$28,462,832	\$4,368,583	15.35%	\$32,185,013	\$646,401	2.01%	\$39,798,210	\$(6,966,796)	17.51%
Net Income (Loss)	\$37,424,312	\$11,226,729	\$26,197,583	233.35%	\$38,295,332	\$(871,020)	2.27%	\$37,288,874	\$135,438	0.36%
Policies In-Force	648	965	(317)	32.85%	930	(282)	30.32%	1,308	(660)	50.46%

Note: All variances enumerated above are in reference to the 2019 Budget. All percentages are stated in absolute value.

2019 Operating Budget
Citizens Property Insurance Corporation

Budgeted Statements of Operations - Coastal

	2019 Budget	2018 Projection	\$ Variance	% Change	2018 Budget	\$ Variance	% Change	2017 Actual	\$ Variance	% Change
Premiums										
Premiums Written - Direct	\$290,706,744	\$329,179,932	\$(38,473,188)	11.69%	\$354,030,880	\$(63,324,137)	17.89%	\$378,761,593	\$(88,054,849)	23.25%
Change in Direct UPR	19,428,598	25,177,491	(5,748,893)	22.83%	12,428,642	6,999,956	56.32%	37,749,354	(18,320,756)	48.53%
Premiums Ceded (FHCF)	(64,178,969)	(74,444,929)	10,265,960	13.79%	(75,251,193)	11,072,224	14.71%	(85,725,836)	21,546,867	25.13%
Premiums Ceded (Private)	(100,000,000)	(88,573,021)	(11,426,979)	12.90%	(100,000,000)	-	-	(92,709,527)	(7,290,473)	7.86%
Premiums Ceded (Depop)	(15,394,201)	(9,984,860)	(5,409,340)	54.18%	(20,284,833)	4,890,633	24.11%	(21,546,662)	6,152,461	28.55%
Change in Ceded UPR (Depop)	724,253	(8,161,544)	8,885,797	108.87%	(3,800,172)	4,524,425	119.06%	(10,306,128)	11,030,381	107.03%
Net Premiums Earned	\$131,286,425	\$173,193,068	\$(41,906,643)	24.20%	\$167,123,324	\$(35,836,899)	21.44%	\$206,222,795	\$(74,936,370)	36.34%
Underwriting Expenses										
Losses and LAE Incurred	\$64,169,657	\$164,609,256	\$(100,439,599)	61.02%	\$80,800,330	\$(16,630,673)	20.58%	\$660,333,334	\$(596,163,676)	90.28%
Producer Commissions	23,766,270	27,176,776	(3,410,506)	12.55%	29,384,563	(5,618,293)	19.12%	31,210,310	(7,444,040)	23.85%
Taxes and Assessments	3,269,457	3,738,630	(469,173)	12.55%	4,399,738	(1,130,281)	25.69%	4,466,984	(1,197,527)	26.81%
Administrative Expenses	47,475,719	50,447,928	(2,972,209)	5.89%	49,993,600	(2,517,881)	5.04%	53,491,459	(6,015,741)	11.25%
Other Underwriting Expenses	4,538,200	4,451,787	86,413	1.94%	3,034,910	1,503,290	49.53%	4,891,223	(353,023)	7.22%
Total Underwriting	\$143,219,304	\$250,424,378	\$(107,205,074)	42.81%	\$167,613,142	\$(24,393,838)	14.55%	\$754,393,310	\$(611,174,006)	81.02%
Net Underwriting Gain (Loss)	\$(11,932,879)	\$(77,231,309)	\$65,298,431	84.55%	\$(489,818)	\$(11,443,061)	2,336.19%	\$(548,170,515)	\$536,237,637	97.82%
Other Income (Expense)										
Investment Income - Net	\$79,863,994	\$75,069,860	\$4,794,133	6.39%	\$82,365,446	\$(2,501,452)	3.04%	\$101,930,679	\$(22,066,685)	21.65%
Interest Expense - Net	(31,781,903)	(38,956,587)	7,174,684	18.42%	(38,956,587)	7,174,684	18.42%	(65,777,502)	33,995,599	51.68%
Other Income and Expenses	674,234	233,766	440,467	188.42%	889,750	(215,516)	24.22%	1,820,525	(1,146,291)	62.96%
Total Other Income (Expense)	\$48,756,325	\$36,347,039	\$12,409,285	34.14%	\$44,298,609	\$4,457,716	10.06%	\$37,973,703	\$10,782,622	28.39%
Net Income (Loss)	\$36,823,446	\$(40,884,270)	\$77,707,716	190.07%	\$43,808,791	\$(6,985,345)	15.95%	\$(510,196,813)	\$547,020,259	107.22%
Policies In-Force	110,614	124,141	(13,527)	10.90%	133,039	(22,425)	16.86%	138,590	(27,976)	20.19%

Note: All variances enumerated above are in reference to the 2019 Budget. All percentages are stated in absolute value.

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2019 Operating Budget

Administrative Expenses

2019 Operating Budget
Citizens Property Insurance Corporation

Administrative Expenses by Division

Expense Category	Total CPIC	Enterprise Resources	Human Resources	Legal Services & Purchasing	Communications, Legislative & External Affairs	Financial Services	Claims	Underwriting & Agency Services	Systems & Operations
Salaries	\$94,555,768	\$5,961,500	\$4,562,591	\$6,263,076	\$2,249,284	\$6,291,857	\$23,490,696	\$18,773,148	\$26,963,617
Employee Benefits	22,169,258	890,249	1,390,032	1,496,007	553,720	1,416,580	5,267,625	4,961,991	6,193,054
Payroll Taxes	7,111,855	327,595	345,319	472,484	177,304	465,231	1,815,365	1,449,408	2,059,149
Contingent Staffing	93,940,174	-	105,000	177,689	53,136	-	91,532,486	-	2,071,863
Training	1,144,293	72,100	85,279	8,100	22,630	47,736	44,757	264,012	599,678
Recruiting	749,658	-	749,658	-	-	-	-	-	-
Printing	341,154	1,900	6,750	60	278,000	19,050	10,736	5,150	19,508
Operating Supplies	287,192	4,600	7,400	1,820	9,700	14,496	20,807	16,485	211,884
Subscriptions & Dues	1,627,545	102,158	112,339	7,505	27,605	133,047	790,067	12,912	441,912
Postage	638,629	500	1,660	-	329,100	8,030	10,132	687	288,520
Telecommunications	2,900,300	-	-	-	-	-	-	-	2,900,300
Legal	1,267,000	55,000	-	1,212,000	-	-	-	-	-
Insurance	861,405	-	-	861,405	-	-	-	-	-
Travel & Meals	1,765,544	273,460	101,876	115,692	62,700	145,690	460,864	279,581	325,681
Professional Services	12,425,151	276,500	1,147,492	143,277	305,000	1,819,347	142,008	3,981,800	4,609,727
Miscellaneous	-	-	-	-	-	-	-	-	-
Rent	7,488,441	6,300	-	16,686	-	-	-	-	7,465,456
Depreciation	2,807,043	-	-	-	-	32,615	-	-	2,774,428
Producer Fees Collected	(684,500)	-	-	-	-	-	-	(684,500)	-
Operations & Maintenance	2,726,466	600	-	-	-	14,760	3,239	35,000	2,672,867
Bank Charges	228,728	-	-	-	-	227,892	-	836	-
Software Maint & Licensing	18,873,678	142,117	491,862	76,073	27,200	839,922	2,415,262	793,951	14,087,293
Computer Hardware	2,217,861	-	-	-	-	-	-	140	2,217,721
FMAP Funding	(264,495)	-	-	-	-	(3,600)	-	(245,695)	(15,200)
ULAE Expense Allocation	(137,137,928)	-	-	(4,883,959)	-	(75,204)	(126,004,044)	-	(6,174,721)
Total Administrative Expenses	\$138,040,220	\$8,114,578	\$9,107,256	\$5,967,914	\$4,095,379	\$11,397,449	-	\$29,644,906	\$69,712,737
Other Underwriting Expenses	13,195,254	-	-	-	-	-	-	13,195,254	-
Total Admin & Other Expenses	\$151,235,474	\$8,114,578	\$9,107,256	\$5,967,914	\$4,095,379	\$11,397,449	-	\$42,840,160	\$69,712,737

Expense Category	Total CPIC	Normal Operating	Enterprise Projects	IT Projects (Non-Enterprise)	Centerpoint - ERP	Guidewire V9 Upgrade	Self-Service Strategy	Customer Relationship Management
Salaries	\$94,555,768	\$94,555,768	-	-	-	-	-	-
Employee Benefits	22,169,258	22,169,258	-	-	-	-	-	-
Payroll Taxes	7,111,855	7,111,855	-	-	-	-	-	-
Contingent Staffing	54,946,499	54,428,051	174,048	-	-	344,400	-	-
Training	1,144,293	992,202	37,000	-	-	110,090	5,000	-
Recruiting	749,658	749,658	-	-	-	-	-	-
Printing	341,154	340,454	700	-	-	-	-	-
Operating Supplies	287,192	286,192	1,000	-	-	-	-	-
Subscriptions & Dues	1,627,545	1,627,545	-	-	-	-	-	-
Postage	638,629	638,629	-	-	-	-	-	-
Telecommunications	2,900,300	2,900,300	-	-	-	-	-	-
Legal	1,267,000	1,267,000	-	-	-	-	-	-
Insurance	861,405	861,405	-	-	-	-	-	-
Travel & Meals	1,765,544	1,722,710	2,244	-	2,400	34,245	-	3,945
Professional Services	12,425,151	7,395,743	1,637,004	396,000	355,180	1,253,424	90,000	1,297,800
Miscellaneous	-	-	-	-	-	-	-	-
Rent	7,488,441	7,488,441	-	-	-	-	-	-
Depreciation	2,807,043	2,675,754	9,600	104,189	-	-	17,500	-
Producer Fees Collected	(684,500)	(684,500)	-	-	-	-	-	-
Operations & Maintenance	2,726,466	2,578,366	148,100	-	-	-	-	-
Bank Charges	228,728	228,728	-	-	-	-	-	-
Software Maint & Licensing	18,873,678	15,095,812	1,393,929	499,910	507,170	-	659,959	716,898
Computer Hardware	2,217,861	1,689,861	60,000	468,000	-	-	-	-
FMAP Funding	(264,495)	(264,495)	-	-	-	-	-	-
ULAE Expense Allocation	(98,144,253)	(98,144,253)	-	-	-	-	-	-
Total Administrative Expenses	\$138,040,220	\$127,710,484	\$3,463,625	\$1,468,099	\$864,750	\$1,742,160	\$772,459	\$2,018,643
Other Underwriting Expenses	13,195,254	13,195,254	-	-	-	-	-	-
Total Admin & Other Expenses	\$151,235,474	\$140,905,738	\$3,463,625	\$1,468,099	\$864,750	\$1,742,160	\$772,459	\$2,018,643

Note: Administrative expenses associated with Citizens' ongoing response to Hurricanes Irma and Michael are excluded from the exhibit above.

2019 Operating Budget
Citizens Property Insurance Corporation

Administrative Expenses
Comparisons of Annual Totals

Total CPIC	2019 Budget	2018 Projection	Variance \$	% Change	2018 Budget	Variance \$	% Change	2017 Actual	Variance \$	% Change
	Salaries	\$94,555,768	\$90,151,464	\$4,404,304	4.89%	\$94,956,194	(400,426)	0.42%	\$96,023,551	(1,467,783)
Employee Benefits	22,169,258	21,259,086	910,172	4.28%	21,832,186	337,072	1.54%	18,707,593	3,461,665	18.50%
Payroll Taxes	7,111,855	6,775,640	336,215	4.96%	6,621,758	490,097	7.40%	6,884,045	227,810	3.31%
Contingent Staffing	93,940,174	126,411,119	(32,470,944)	25.69%	161,628,536	(67,688,362)	41.88%	77,169,468	16,770,706	21.73%
Training	1,144,293	936,814	207,479	22.15%	1,129,022	15,271	1.35%	587,900	556,393	94.64%
Recruiting	749,658	493,370	256,288	51.95%	658,250	91,408	13.89%	342,017	407,641	119.19%
Printing	341,154	261,051	80,103	30.68%	344,400	(3,246)	0.94%	84,871	256,282	301.97%
Operating Supplies	287,192	301,412	(14,220)	4.72%	377,435	(90,243)	23.91%	291,901	(4,709)	1.61%
Subscriptions & Dues	1,627,545	266,698	1,360,846	510.26%	1,549,393	78,152	5.04%	1,946,415	(318,870)	16.38%
Postage	638,629	583,501	55,128	9.45%	596,757	41,872	7.02%	444,942	193,686	43.53%
Telecommunications	2,900,300	3,583,744	(683,444)	19.07%	3,534,220	(633,920)	17.94%	4,361,822	(1,461,522)	33.51%
Legal	1,267,000	1,154,492	112,508	9.75%	1,215,000	52,000	4.28%	1,411,954	(144,954)	10.27%
Insurance	861,405	951,124	(89,719)	9.43%	894,192	(32,787)	3.67%	889,852	(28,447)	3.20%
Travel & Meals	1,765,544	2,838,998	(1,073,454)	37.81%	1,809,776	(44,232)	2.44%	4,437,261	(2,671,717)	60.21%
Professional Services	12,425,151	12,625,043	(199,891)	1.58%	13,489,191	(1,064,040)	7.89%	11,420,864	1,004,287	8.79%
Miscellaneous	-	90,548	(90,548)	100.00%	-	-	-	33,738	(33,738)	100.00%
Rent	7,488,441	7,886,695	(398,254)	5.05%	7,975,425	(486,984)	6.11%	7,419,245	69,196	0.93%
Depreciation	2,807,043	3,926,423	(1,119,380)	28.51%	5,139,006	(2,331,963)	45.38%	4,003,332	(1,196,289)	29.88%
Producer Fees Collected	(684,500)	(949,415)	264,915	27.90%	(779,500)	95,000	12.19%	(690,958)	6,458	0.93%
Operations & Maintenance	2,726,466	2,472,140	254,326	10.29%	2,646,526	79,940	3.02%	2,340,151	386,315	16.51%
Bank Charges	228,728	209,390	19,338	9.24%	215,762	12,966	6.01%	215,792	12,936	5.99%
Software Maint & Licensing	18,873,678	18,496,023	377,656	2.04%	18,582,787	290,892	1.57%	14,741,629	4,132,049	28.03%
Computer Hardware	2,217,861	2,826,595	(608,734)	21.54%	2,805,684	(587,824)	20.95%	3,230,947	(1,013,086)	31.36%
FMAP Funding	(264,495)	(166,968)	(97,527)	58.41%	(207,221)	(57,274)	27.64%	(123,024)	(141,471)	114.99%
ULAE Expense Allocation	(137,137,928)	(171,460,015)	34,322,087	20.02%	(206,684,225)	69,546,297	33.65%	(125,397,796)	(11,740,132)	9.36%
Total Administrative Expenses	\$138,040,220	\$131,924,971	\$6,115,248	4.64%	\$140,330,554	(2,290,334)	1.63%	\$130,777,512	\$7,262,708	5.55%
Other Underwriting Expenses	13,195,254	12,616,027	579,227	4.59%	13,310,578	(115,324)	0.87%	15,692,137	(2,496,883)	15.91%
Total Admin & Other Expenses	\$151,235,474	\$144,540,999	\$6,694,476	4.63%	\$153,641,132	(2,405,658)	1.57%	\$146,469,649	\$4,765,825	3.25%

Note: All variances enumerated above are in reference to the 2019 Budget. All percentages are stated in absolute value.

Enterprise Resources

	2019 Budget	2018 Projection	Variance \$	% Change	2018 Budget	Variance \$	% Change	2017 Actual	Variance \$	% Change
Salaries	\$5,961,500	\$5,561,632	\$399,868	7.19%	\$5,668,327	\$293,173	5.17%	\$5,539,548	\$421,951	7.62%
Employee Benefits	890,249	897,149	(6,900)	0.77%	1,018,234	(127,985)	12.57%	669,920	220,329	32.89%
Payroll Taxes	327,595	302,307	25,288	8.36%	294,611	32,984	11.20%	306,651	20,944	6.83%
Contingent Staffing	-	9,156	(9,156)	100.00%	-	-	-	2,502	(2,502)	100.00%
Training	72,100	79,189	(7,089)	8.95%	68,100	4,000	5.87%	49,822	22,278	44.72%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	1,900	275	1,625	590.91%	1,800	100	5.56%	220	1,680	763.64%
Operating Supplies	4,600	6,820	(2,220)	32.55%	7,000	(2,400)	34.29%	7,198	(2,598)	36.09%
Subscriptions & Dues	102,158	111,257	(9,099)	8.18%	125,298	(23,140)	18.47%	75,948	26,210	34.51%
Postage	500	208	292	140.00%	780	(280)	35.90%	125	375	300.64%
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	55,000	7,285	47,715	654.98%	55,000	-	-	3,125	51,876	1,660.28%
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	273,460	270,084	3,376	1.25%	311,791	(38,331)	12.29%	475,313	(201,853)	42.47%
Professional Services	276,500	193,201	83,299	43.12%	185,500	91,000	49.06%	32,385	244,115	753.78%
Miscellaneous	-	1,139	(1,139)	100.00%	-	-	-	494	(494)	100.00%
Rent	6,300	5,703	597	10.46%	6,300	-	-	6,780	(480)	7.07%
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	600	1,058	(458)	43.26%	1,500	(900)	60.00%	427	173	40.55%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	142,117	180,640	(38,523)	21.33%	301,051	(158,934)	52.79%	87,925	54,191	61.63%
Computer Hardware	-	-	-	-	-	-	-	3,355	(3,355)	100.00%
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	-	(1,413)	1,413	100.00%	-	-	-	(233,678)	233,678	100.00%
Total Administrative Expenses	\$8,114,578	\$7,625,692	\$488,886	6.41%	\$8,045,292	\$69,287	0.86%	\$7,367,477	\$747,101	10.14%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$8,114,578	\$7,625,692	\$488,886	6.41%	\$8,045,292	\$69,287	0.86%	\$7,367,477	\$747,101	10.14%

Note: All variances enumerated above are in reference to the 2019 Budget. All percentages are stated in absolute value.

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Human Resources

	2019 Budget	2018 Projection	Variance \$	% Change	2018 Budget	Variance \$	% Change	2017 Actual	Variance \$	% Change
Salaries	\$4,562,591	\$4,484,197	\$78,393	1.75%	\$4,865,718	(303,127)	6.23%	\$4,685,374	(122,783)	2.62%
Employee Benefits	1,390,032	1,448,697	(58,665)	4.05%	1,357,224	32,808	2.42%	1,055,822	334,209	31.65%
Payroll Taxes	345,319	339,138	6,180	1.82%	338,083	7,236	2.14%	355,908	(10,589)	2.98%
Contingent Staffing	105,000	257,566	(152,566)	59.23%	278,720	(173,720)	62.33%	118,881	(13,881)	11.68%
Training	85,279	71,042	14,237	20.04%	115,385	(30,106)	26.09%	57,130	28,149	49.27%
Recruiting	749,658	492,370	257,288	52.25%	658,250	91,408	13.89%	342,017	407,641	119.19%
Printing	6,750	1,546	5,204	336.69%	3,750	3,000	80.00%	1,448	5,303	366.32%
Operating Supplies	7,400	5,692	1,708	30.01%	7,950	(550)	6.92%	10,805	(3,405)	31.51%
Subscriptions & Dues	112,339	97,333	15,006	15.42%	75,388	36,951	49.01%	226,805	(114,466)	50.47%
Postage	1,660	579	1,081	186.58%	1,390	270	19.41%	288	1,372	476.49%
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	101,876	102,251	(375)	0.37%	102,738	(862)	0.84%	90,913	10,963	12.06%
Professional Services	1,147,492	1,376,977	(229,485)	16.67%	1,773,198	(625,706)	35.29%	1,576,742	(429,250)	27.22%
Miscellaneous	-	490	(490)	100.00%	-	-	-	7,170	(7,170)	100.00%
Rent	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	-	-	-	-	-	-	-	15	(15)	100.00%
Bank Charges	-	25	(25)	100.00%	-	-	-	34	(34)	100.00%
Software Maint & Licensing	491,862	698,607	(206,746)	29.59%	576,299	(84,437)	14.65%	496,123	(4,261)	0.86%
Computer Hardware	-	21	(21)	100.00%	50	(50)	100.00%	-	-	-
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	-	(954)	954	100.00%	-	-	-	(6,228)	6,228	100.00%
Total Administrative Expenses	\$9,107,256	\$9,375,578	(268,322)	2.86%	\$10,154,142	(1,046,885)	10.31%	\$10,097,726	(990,469)	9.81%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$9,107,256	\$9,375,578	(268,322)	2.86%	\$10,154,142	(1,046,885)	10.31%	\$10,097,726	(990,469)	9.81%

Note: All variances enumerated above are in reference to the 2019 Budget. All percentages are stated in absolute value.

Legal Services & Purchasing	2019 Budget				2018 Projection			2018 Budget			2017 Actual		
	2019 Budget	2018 Projection	Variance \$	% Change	2018 Budget	Variance \$	% Change	2017 Actual	Variance \$	% Change	2017 Actual	Variance \$	% Change
Salaries	\$6,263,076	\$5,280,926	\$982,150	18.60%	\$5,852,682	\$410,394	7.01%	\$4,609,821	\$1,653,255	35.86%	\$4,609,821	\$1,653,255	35.86%
Employee Benefits	1,496,007	1,307,286	188,721	14.44%	1,203,380	292,627	24.32%	892,022	603,985	67.71%	892,022	603,985	67.71%
Payroll Taxes	472,484	397,534	74,950	18.85%	403,389	69,095	17.13%	333,093	139,391	41.85%	333,093	139,391	41.85%
Contingent Staffing	177,689	526,106	(348,417)	66.23%	701,653	(523,965)	74.68%	368,850	(191,161)	51.83%	368,850	(191,161)	51.83%
Training	8,100	8,639	(539)	6.24%	12,000	(3,900)	32.50%	3,925	4,175	106.39%	3,925	4,175	106.39%
Recruiting	-	-	-	-	-	-	-	-	-	-	-	-	-
Printing	60	300	(240)	80.00%	-	60	-	60	-	-	60	-	-
Operating Supplies	1,820	3,162	(1,342)	42.44%	3,300	(1,480)	44.85%	2,261	(441)	19.50%	2,261	(441)	19.50%
Subscriptions & Dues	7,505	68,134	(60,629)	88.98%	41,808	(34,303)	82.05%	76,386	(68,881)	90.17%	76,386	(68,881)	90.17%
Postage	-	-	-	-	-	-	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal	1,212,000	1,147,207	64,793	5.65%	1,160,000	52,000	4.48%	1,398,150	(186,150)	13.31%	1,398,150	(186,150)	13.31%
Insurance	861,405	951,124	(89,719)	9.43%	894,192	(32,787)	3.67%	889,852	(28,447)	3.20%	889,852	(28,447)	3.20%
Travel & Meals	115,692	65,538	50,154	76.53%	93,180	22,512	24.16%	78,074	37,618	48.18%	78,074	37,618	48.18%
Professional Services	143,277	345,231	(201,954)	58.50%	360,013	(216,736)	60.20%	580,184	(436,907)	75.30%	580,184	(436,907)	75.30%
Miscellaneous	-	49	(49)	100.00%	-	-	-	2,196	(2,196)	100.00%	2,196	(2,196)	100.00%
Rent	16,686	13,365	3,321	24.85%	16,686	-	-	11,371	5,315	46.74%	11,371	5,315	46.74%
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	-	889	(889)	100.00%	912	(912)	100.00%	1,941	(1,941)	100.00%	1,941	(1,941)	100.00%
Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	76,073	90,105	(14,032)	15.57%	133,785	(57,712)	43.14%	77,630	(1,557)	2.01%	77,630	(1,557)	2.01%
Computer Hardware	-	-	-	-	-	-	-	-	-	-	-	-	-
FMAP Funding	-	-	-	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	(4,883,959)	(4,127,676)	(756,283)	18.32%	(4,951,838)	67,879	1.37%	(3,961)	(4,879,998)	23,214.23%	(3,961)	(4,879,998)	23,214.23%
Total Administrative Expenses	\$5,967,914	\$6,077,919	(110,004)	1.81%	\$5,925,141	\$42,773	0.72%	\$9,922,133	(3,954,219)	39.85%	\$9,922,133	(3,954,219)	39.85%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$5,967,914	\$6,077,919	(110,004)	1.81%	\$5,925,141	\$42,773	0.72%	\$9,922,133	(3,954,219)	39.85%	\$9,922,133	(3,954,219)	39.85%

Note: All variances enumerated above are in reference to the 2019 Budget. All percentages are stated in absolute value.

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Communications, Legislative & External Affairs	2019 Budget	2018 Projection	Variance \$	% Change	2018 Budget	Variance \$	% Change	2017 Actual	Variance \$	% Change
Salaries	\$2,249,284	\$2,169,697	\$79,587	3.67%	\$2,206,451	\$42,833	1.94%	\$2,196,059	\$53,225	2.42%
Employee Benefits	553,720	562,907	(9,187)	1.63%	614,746	(61,026)	9.93%	485,681	68,039	14.01%
Payroll Taxes	177,304	171,111	6,193	3.62%	157,089	20,215	12.87%	160,281	17,023	10.62%
Contingent Staffing	53,136	51,900	1,236	2.38%	46,800	6,336	13.54%	35,922	17,214	47.92%
Training	22,630	19,167	3,463	18.07%	29,187	(6,557)	22.46%	9,136	13,494	147.70%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	278,000	217,282	60,718	27.94%	277,500	500	0.18%	27,948	250,052	894.70%
Operating Supplies	9,700	16,665	(6,965)	41.80%	7,700	2,000	25.97%	1,978	7,722	390.34%
Subscriptions & Dues	27,605	23,912	3,693	15.44%	27,762	(157)	0.56%	33,120	(5,515)	16.65%
Postage	329,100	295,582	33,518	11.34%	327,050	2,050	0.63%	158,893	170,207	107.12%
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	62,700	62,493	207	0.33%	65,700	(3,000)	4.57%	59,412	3,288	5.53%
Professional Services	305,000	483,056	(178,056)	36.86%	208,500	96,500	46.28%	435,897	(130,897)	30.03%
Miscellaneous	-	2,628	(2,628)	100.00%	-	-	-	66	(66)	100.00%
Rent	-	225	(225)	100.00%	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	-	413	(413)	100.00%	-	-	-	330	(330)	100.00%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	27,200	34,965	(7,765)	22.21%	26,710	490	1.83%	4,678	22,522	481.41%
Computer Hardware	-	(429)	429	100.00%	-	-	-	-	-	-
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	-	(215,486)	215,486	100.00%	-	-	-	(49,755)	49,755	100.00%
Total Administrative Expenses	\$4,095,379	\$3,896,089	\$199,290	5.12%	\$3,995,194	\$100,185	2.51%	\$4,074,167	\$21,213	0.52%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$4,095,379	\$3,896,089	\$199,290	5.12%	\$3,995,194	\$100,185	2.51%	\$4,074,167	\$21,213	0.52%

Note: All variances enumerated above are in reference to the 2019 Budget. All percentages are stated in absolute value.

Financial Services

	2019 Budget	2018 Projection	Variance \$	% Change	2018 Budget	Variance \$	% Change	2017 Actual	Variance \$	% Change
Salaries	\$6,291,857	\$5,882,359	\$409,498	6.96%	\$5,833,040	\$458,818	7.87%	\$5,729,746	\$562,112	9.81%
Employee Benefits	1,416,580	1,304,154	112,426	8.62%	1,222,186	194,394	15.91%	1,048,061	368,519	35.16%
Payroll Taxes	465,231	437,753	27,478	6.28%	388,326	76,905	19.80%	398,238	66,993	16.82%
Contingent Staffing	-	2,160	(2,160)	100.00%	85,800	(85,800)	100.00%	38,415	(38,415)	100.00%
Training	47,736	37,939	9,797	25.82%	55,945	(8,209)	14.67%	42,768	4,968	11.61%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	19,050	16,316	2,734	16.75%	27,650	(8,600)	31.10%	36,298	(17,248)	47.52%
Operating Supplies	14,496	13,527	969	7.16%	12,750	1,746	13.69%	10,988	3,508	31.93%
Subscriptions & Dues	133,047	97,480	35,567	36.49%	113,512	19,535	17.21%	156,171	(23,124)	14.81%
Postage	8,030	6,524	1,506	23.08%	8,130	(100)	1.23%	2,367	5,663	239.31%
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	10,680	(10,680)	100.00%
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	145,690	115,744	29,946	25.87%	112,238	33,452	29.80%	92,050	53,640	58.27%
Professional Services	1,819,347	2,456,070	(636,723)	25.92%	2,511,631	(692,284)	27.56%	3,354,654	(1,535,307)	45.77%
Miscellaneous	-	-	-	-	-	-	-	14	(14)	100.00%
Rent	-	-	-	-	-	-	-	-	-	-
Depreciation	32,615	5,038	27,577	547.34%	-	32,615	-	-	32,615	-
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	14,760	76,243	(61,483)	80.64%	72,409	(57,649)	79.62%	41,935	(27,175)	64.80%
Bank Charges	227,892	208,011	19,881	9.56%	215,000	12,892	6.00%	216,667	11,225	5.18%
Software Maint & Licensing	839,922	611,287	228,635	37.40%	679,208	160,714	23.66%	535,464	304,458	56.86%
Computer Hardware	-	18,734	(18,734)	100.00%	-	-	-	17,667	(17,667)	100.00%
FMAP Funding	(3,600)	(3,600)	-	-	(3,600)	-	-	(3,600)	-	-
ULAE Expense Allocation	(75,204)	(73,413)	(1,792)	2.44%	(52,290)	(22,914)	43.82%	(87,027)	11,823	13.59%
Total Administrative Expenses	\$11,397,449	\$11,212,328	\$185,121	1.65%	\$11,281,935	\$115,514	1.02%	\$14,080,621	(2,683,172)	19.06%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$11,397,449	\$11,212,328	\$185,121	1.65%	\$11,281,935	\$115,514	1.02%	\$14,080,621	(2,683,172)	19.06%

Note: All variances enumerated above are in reference to the 2019 Budget. All percentages are stated in absolute value.

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Claims	2019 Budget	2018 Projection	Variance \$	% Change	2018 Budget	Variance \$	% Change	2017 Actual	Variance \$	% Change
	Salaries	\$23,490,696	\$21,704,844	\$1,785,853	8.23%	\$23,100,762	\$389,934	1.69%	\$26,122,249	(2,631,552)
Employee Benefits	5,267,625	5,089,570	178,055	3.50%	5,650,839	(383,215)	6.78%	4,550,119	717,506	15.77%
Payroll Taxes	1,815,365	1,673,324	142,042	8.49%	1,654,101	161,264	9.75%	1,905,369	(90,004)	4.72%
Contingent Staffing	91,532,486	123,734,392	(32,201,906)	26.03%	158,826,190	(67,293,704)	42.37%	74,653,934	16,878,552	22.61%
Training	44,757	36,133	8,624	23.87%	78,656	(33,899)	43.10%	19,853	24,904	125.44%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	10,736	10,638	98	0.92%	11,800	(1,064)	9.02%	5,356	5,380	100.44%
Operating Supplies	20,807	20,274	533	2.63%	29,950	(9,143)	30.53%	13,776	7,030	51.03%
Subscriptions & Dues	790,067	423,035	367,032	86.76%	789,205	862	0.11%	172,086	617,981	359.11%
Postage	10,132	6,196	3,936	63.54%	16,325	(6,193)	37.94%	8,821	1,311	14.86%
Telecommunications	-	-	-	-	-	-	-	70,379	(70,379)	100.00%
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	460,864	1,394,714	(933,851)	66.96%	536,805	(75,941)	14.15%	2,793,294	(2,332,430)	83.50%
Professional Services	142,008	211,845	(69,837)	32.97%	219,000	(76,992)	35.16%	34,809	107,199	307.97%
Miscellaneous	-	18	(18)	100.00%	-	-	-	7,707	(7,707)	100.00%
Rent	-	446,142	(446,142)	100.00%	388,080	(388,080)	100.00%	498,979	(498,979)	100.00%
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	3,239	13,960	(10,721)	76.80%	4,500	(1,261)	28.02%	8,260	(5,021)	60.79%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	2,415,262	5,100,683	(2,685,421)	52.65%	2,700,595	(285,333)	10.57%	2,359,403	55,859	2.37%
Computer Hardware	-	-	-	-	-	-	-	-	-	-
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	(126,004,044)	(159,865,781)	33,861,737	21.18%	(194,006,809)	68,002,765	35.05%	(118,034,394)	(7,969,649)	6.75%
Total Administrative Expenses	-	(15)	\$15	100.00%	-	-	100.00%	(43,607)	\$43,607	100.00%
Other Underwriting Expenses	-	15	(15)	100.00%	-	-	-	43,378	(43,378)	100.00%
Total Admin & Other Expenses	-	-	-	-	-	-	100.00%	(230)	\$230	100.00%

Note: All variances enumerated above are in reference to the 2019 Budget. All percentages are stated in absolute value.

Underwriting & Agency Services	2019 Budget	2018 Projection	Variance \$	% Change	2018 Budget	Variance \$	% Change	2017 Actual	Variance \$	% Change
Salaries	\$18,773,148	\$19,048,213	(275,065)	1.44%	\$20,411,571	(1,638,423)	8.03%	\$20,740,886	(1,967,739)	9.49%
Employee Benefits	4,961,991	4,869,334	92,657	1.90%	5,393,295	(431,304)	8.00%	4,661,422	300,569	6.45%
Payroll Taxes	1,449,408	1,469,836	(20,428)	1.39%	1,426,464	22,944	1.61%	1,485,932	(36,524)	2.46%
Contingent Staffing	-	-	-	-	-	-	-	29,010	(29,010)	100.00%
Training	264,012	138,120	125,893	91.15%	201,001	63,011	31.35%	37,267	226,745	608.43%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	5,150	2,926	2,224	76.01%	3,300	1,850	56.06%	1,308	3,842	293.69%
Operating Supplies	16,485	13,728	2,757	20.08%	10,320	6,165	59.74%	8,645	7,840	90.70%
Subscriptions & Dues	12,912	36,425	(23,513)	64.55%	77,635	(64,723)	83.37%	917,248	(904,336)	98.59%
Postage	687	462	225	48.57%	802	(115)	14.34%	188	499	266.28%
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	279,581	482,813	(203,232)	42.09%	255,935	23,646	9.24%	307,809	(28,228)	9.17%
Professional Services	3,981,800	4,515,453	(533,653)	11.82%	4,160,356	(178,556)	4.29%	2,639,523	1,342,277	50.85%
Miscellaneous	-	86,490	(86,490)	100.00%	-	-	-	129	(129)	100.00%
Rent	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	(684,500)	(949,415)	264,915	27.90%	(779,500)	95,000	12.19%	(690,958)	6,458	0.93%
Operations & Maintenance	35,000	5,670	29,330	517.25%	12,500	22,500	180.00%	6,423	28,577	444.91%
Bank Charges	836	1,354	(518)	38.28%	762	74	9.71%	(909)	1,745	191.94%
Software Maint & Licensing	793,951	390,645	403,306	103.24%	164,477	629,474	382.71%	37,942	756,009	1,992.56%
Computer Hardware	140	6,250	(6,110)	97.76%	15,000	(14,860)	99.07%	(699)	839	120.03%
FMAP Funding	(245,695)	(151,979)	(93,716)	61.66%	(189,221)	(56,474)	29.85%	(106,760)	(138,935)	130.14%
ULAE Expense Allocation	-	(550,180)	550,180	100.00%	-	-	-	(3,744,460)	3,744,460	100.00%
Total Administrative Expenses	\$29,644,906	\$29,416,146	\$228,760	0.78%	\$31,164,697	(1,519,791)	4.88%	\$32,822,164	(3,177,258)	9.68%
Other Underwriting Expenses	13,195,254	12,616,012	579,242	4.59%	13,310,578	(115,324)	0.87%	14,627,616	(1,432,362)	9.79%
Total Admin & Other Expenses	\$42,840,160	\$42,032,158	\$808,002	1.92%	\$44,475,275	(1,635,115)	3.68%	\$47,449,780	(4,609,620)	9.71%

Note: All variances enumerated above are in reference to the 2019 Budget. All percentages are stated in absolute value.

2019 Operating Budget
Citizens Property Insurance Corporation

Administrative Expenses
Comparisons of Annual Totals

Systems & Operations	2018				2018			2017		
	Budget	Projection	Variance \$	% Change	Budget	Variance \$	% Change	Actual	Variance \$	% Change
Salaries	\$26,963,617	\$26,019,597	\$944,020	3.63%	\$27,017,645	(54,028)	0.20%	\$26,039,322	\$924,294	3.55%
Employee Benefits	6,193,054	5,779,989	413,065	7.15%	5,372,281	820,774	15.28%	4,756,828	1,436,226	30.19%
Payroll Taxes	2,059,149	1,984,636	74,513	3.75%	1,959,694	99,455	5.08%	1,897,150	161,999	8.54%
Contingent Staffing	2,071,863	1,829,839	242,024	13.23%	1,689,373	382,491	22.64%	1,821,219	250,644	13.76%
Training	599,678	546,585	53,093	9.71%	568,748	30,930	5.44%	364,646	235,032	64.46%
Recruiting	-	1,000	(1,000)	100.00%	-	-	-	-	-	-
Printing	19,508	11,768	7,740	65.77%	18,600	908	4.88%	11,986	7,522	62.75%
Operating Supplies	211,884	221,544	(9,660)	4.36%	298,465	(86,581)	29.01%	235,409	(23,525)	9.99%
Subscriptions & Dues	441,912	312,148	129,764	41.57%	298,785	143,127	47.90%	286,477	155,435	54.26%
Postage	288,520	273,949	14,571	5.32%	242,280	46,240	19.09%	274,020	14,500	5.29%
Telecommunications	2,900,300	3,583,744	(683,444)	19.07%	3,534,220	(633,920)	17.94%	4,291,444	(1,391,144)	32.42%
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	325,681	345,359	(19,678)	5.70%	331,389	(5,708)	1.72%	537,488	(211,807)	39.41%
Professional Services	4,609,727	3,043,209	1,566,518	51.48%	4,070,993	538,734	13.23%	2,766,670	1,843,057	66.62%
Miscellaneous	-	(267)	267	100.00%	-	-	-	15,847	(15,847)	100.00%
Rent	7,465,456	7,421,260	44,195	0.60%	7,564,359	(98,904)	1.31%	6,886,936	578,519	8.40%
Depreciation	2,774,428	3,921,385	(1,146,957)	29.25%	5,139,006	(2,364,578)	46.01%	4,003,332	(1,228,904)	30.70%
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	2,672,867	2,373,907	298,960	12.59%	2,554,706	118,161	4.63%	2,280,401	392,467	17.21%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	14,087,293	11,389,091	2,698,201	23.69%	14,000,662	86,631	0.62%	11,142,464	2,944,829	26.43%
Computer Hardware	2,217,721	2,802,019	(584,298)	20.85%	2,790,634	(572,914)	20.53%	3,198,293	(980,572)	30.66%
FMAP Funding	(15,200)	(11,388)	(3,812)	33.47%	(14,400)	(800)	5.56%	(12,665)	(2,535)	20.02%
ULAE Expense Allocation	(6,174,721)	(6,624,991)	450,270	6.80%	(7,673,287)	1,498,566	19.53%	(3,238,021)	(2,936,700)	90.69%
Total Administrative Expenses	\$69,712,737	\$65,224,384	\$4,488,353	6.88%	\$69,764,153	(51,417)	0.07%	\$51,328,872	\$18,383,864	35.82%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$69,712,737	\$65,224,384	\$4,488,353	6.88%	\$69,764,153	(51,417)	0.07%	\$51,328,872	\$18,383,864	35.82%

Note: All variances enumerated above are in reference to the 2019 Budget. All percentages are stated in absolute value.

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2019 Operating Budget

Capital Acquisitions

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2019 Operating Budget
Citizens Property Insurance Corporation

Capital Acquisitions

Asset Category	2019 Budget	2018 Projection	\$ Variance	% Change	2018 Budget	\$ Variance	% Change	2017 Actual	\$ Variance	% Change
EDP Equipment	\$ 258,400	\$ 957,609	\$ (699,209)	73.02%	\$ 4,828,000	\$ (4,569,600)	94.65%	\$ 2,557,884	\$ (2,299,484)	89.90%
Software	328,000	1,200,607	(872,607)	72.68%	1,350,000	(1,022,000)	75.70%	572,560	(244,560)	42.71%
Office Equipment	345,000	75,575	269,425	356.50%	58,200	286,800	492.78%	12,308	332,692	2703.01%
Furniture	-	-	-	0.00%	8,000	(8,000)	100.00%	-	-	0.00%
Leasehold Improvements	171,000	125,789	45,211	35.94%	205,000	(34,000)	16.59%	-	171,000	0.00%
Automobiles	-	114,500	(114,500)	100.00%	140,000	(140,000)	100.00%	-	-	0.00%
Total Capital Acquisitions	\$ 1,102,400	\$ 2,474,080	\$ (1,371,680)	55.44%	\$ 6,589,200	\$ (5,486,800)	83.27%	\$ 3,142,752	\$ (2,040,352)	64.92%

Note: All variances enumerated above are in reference to the 2019 Budget. All percentages are stated in absolute value.

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2019 Operating Budget

Probable Maximum Loss (PML) Scenarios

2019 Operating Budget
Citizens Property Insurance Corporation

Probable Maximum Loss (PML) Scenarios

All values in \$ millions

Budgeted Net Income (Loss)

	PLA	CLA	Coastal	Combined
Budgeted Net Income (Loss)	\$ (14.7)	\$ 37.4	\$ 36.8	\$ 59.6
Budgeted Surplus	\$ 1,793.5	\$ 1,749.5	\$ 2,685.5	\$ 6,228.5
1-10 Year Event				
Gross Losses and LAE	\$ 280.6	\$ 14.5	\$ 373.8	\$ 668.9
FHCF Recovery	-	-	-	-
Private Risk Transfer Recovery	-	-	-	-
Net Losses and LAE	280.6	14.5	373.8	668.9
Post-Event Net Income (Loss)	(295.3)	22.9	(336.9)	(609.3)
Post-Event Surplus (Deficit)	1,512.9	1,735.0	2,311.8	5,559.6
1-25 Year Event				
Gross Losses and LAE	\$ 713.6	\$ 42.8	\$ 1,073.0	\$ 1,829.3
FHCF Recovery	228.5	19.2	436.9	684.6
Private Risk Transfer Recovery	-	-	108.8	108.8
Net Losses and LAE	485.1	23.6	527.2	1,035.9
Post-Event Net Income (Loss)	(499.7)	13.8	(490.4)	(976.3)
Post-Event Surplus (Deficit)	1,308.4	1,725.9	2,158.3	5,192.6
1-100 Year Event				
Gross Losses and LAE	\$ 2,223.2	\$ 142.2	\$ 3,114.2	\$ 5,479.6
FHCF Recovery	1,029.1	52.8	983.5	2,065.5
Private Risk Transfer Recovery	-	-	1,511.0	1,511.0
Net Losses and LAE	1,194.0	89.4	619.6	1,903.0
Post-Event Net Income (Loss)	(1,208.7)	(52.0)	(582.8)	(1,843.5)
Post-Event Surplus (Deficit)	599.4	1,660.1	2,065.9	4,325.5

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 19.2% for PLA, 10.8% for CLA, 18.1% for Coastal Residential, and 11.6% for Coastal Non-Residential. PML estimates were modeled using AIR Touchstone, Version 5, including demand surge, excluding storm surge, on exposures as of September 30, 2018 adjusted for forecasted changes in exposure through June 2019.
- 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 2018 retention and payout multiples. The actual retention and limits for 2019 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 2019. Loss adjustment expense (LAE) is assumed to be recovered in 2019 in the same manner as in the 2018 Risk Transfer Program.
- 5) PLA is projected to have sufficient resources to cover a 1-100 year storm followed by a 1-20 year storm.
CLA is projected to have sufficient resources to cover a 1-100 year storm followed by more than a 1-10,000 year storm.
The Coastal Account is projected to have sufficient resources to cover a 1-100 year storm followed by a 1-55 year storm.