



2020 Operating Budget

Financial Schedules & Supporting Information

Board of Governors Meeting

December 11, 2019



CITIZENS

PROPERTY INSURANCE CORPORATION

Board of Governors

Bo Rivard, Chair

Bette Brown

Blake Capps

Marc Dunbar

Reynolds Henderson

James Holton

William Kastroll

Carlos Lopez-Cantera

John Wortman



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2020 Operating Budget

Executive Summary

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Citizens' 2020 Operating Budget marks the second successful budget prepared using Citizens' Enterprise Resource Planning system, Centerpoint, that has facilitated the use of several new tools that improve the budgeting process and promote a heightened transparency in operating costs. Over the last three years, Citizens has observed a stabilization in policy count. The 2020 Operating Budget establishes commensurate stability, with an emphasis on a flat staffing model that acknowledges market uncertainty, staffing challenges in certain areas that experience higher-than-average turnover in positions with specialized skills and knowledge, and a focus on continuous improvement in the overall operating structure. While litigation rates on homeowners water claims remain high, the anticipated litigation rate in 2020 is projected to be approximately 30%, marking a decline from recent years.

Strategic themes and corporate initiatives in 2020 align investments in people, process and technology that return optimal value to Citizens, its policyholders and its stakeholders. By connecting people to purpose, Citizens will ensure a distinct focus on:

- **Strengthening metric-driven decision-making:** evaluate, utilize and continuously improve business intelligence and data analytics
- **Proactively managing claims and litigation avoidance:** enhance existing programs to reduce litigation costs and influence change, as well as deliver a positive customer experience
- **Ensuring scalability and flexibility in our operations:** foster a culture of innovation and efficiency; ensure administrative costs, including staffing levels, are appropriate and relative to policy count, revenue and transactional volumes
- **Investing in and leveraging Citizens' greatest resource – our employees:** maximize the employee experience through cultivating a culture that inspires learning, collaboration and innovation.

Although 2019 brought with it comparatively dormant hurricane activity, the 2019 operating year and 2020 Operating Budget include provisions for expenses related to the 2017 and 2018 storms. Most notably, anticipated litigation on prior hurricane claims requires an appropriate level of internal and contingent resources within the Claims division. Similarly, the commitment of resources for inspections for proof of repairs of properties damaged by hurricanes are needed to ensure new and renewal policies meet underwriting guidelines.

Recent declines in litigation rates for homeowners water claims will result in reduced loss and loss adjustment expense costs. However, Citizens continues to adjust claims from prior periods when litigation rates were higher, thereby influencing the amount of paid losses and loss adjustment expenses in the coming months and years.

Maintaining its ability to respond to its policyholders while exercising prudent fiscal management remains a priority throughout the organization. In November of 2019, Citizens seamlessly absorbed more than 20,000 policies, highlighting the need for Citizens to remain flexible in its operating structure. Over the last five years, Citizens has significantly reduced its reliance on outsourced staffing functions while maintaining the ability to scale-up contingent resources as circumstances warrant. To that end, contingent resources within the Claims division have and continue to be used to ensure a rapid response to policyholder obligations without impacting longer term employee costs.

The expense ratio, which serves as a measure of operating efficiency, is expected to be 25.4% for the 2020 operating year, well within the average range for private market carriers and supportive of Citizens competitive operating structure.

We look forward to another successful year of serving our policyholders, stakeholders and the State of Florida.

Yours respectfully,

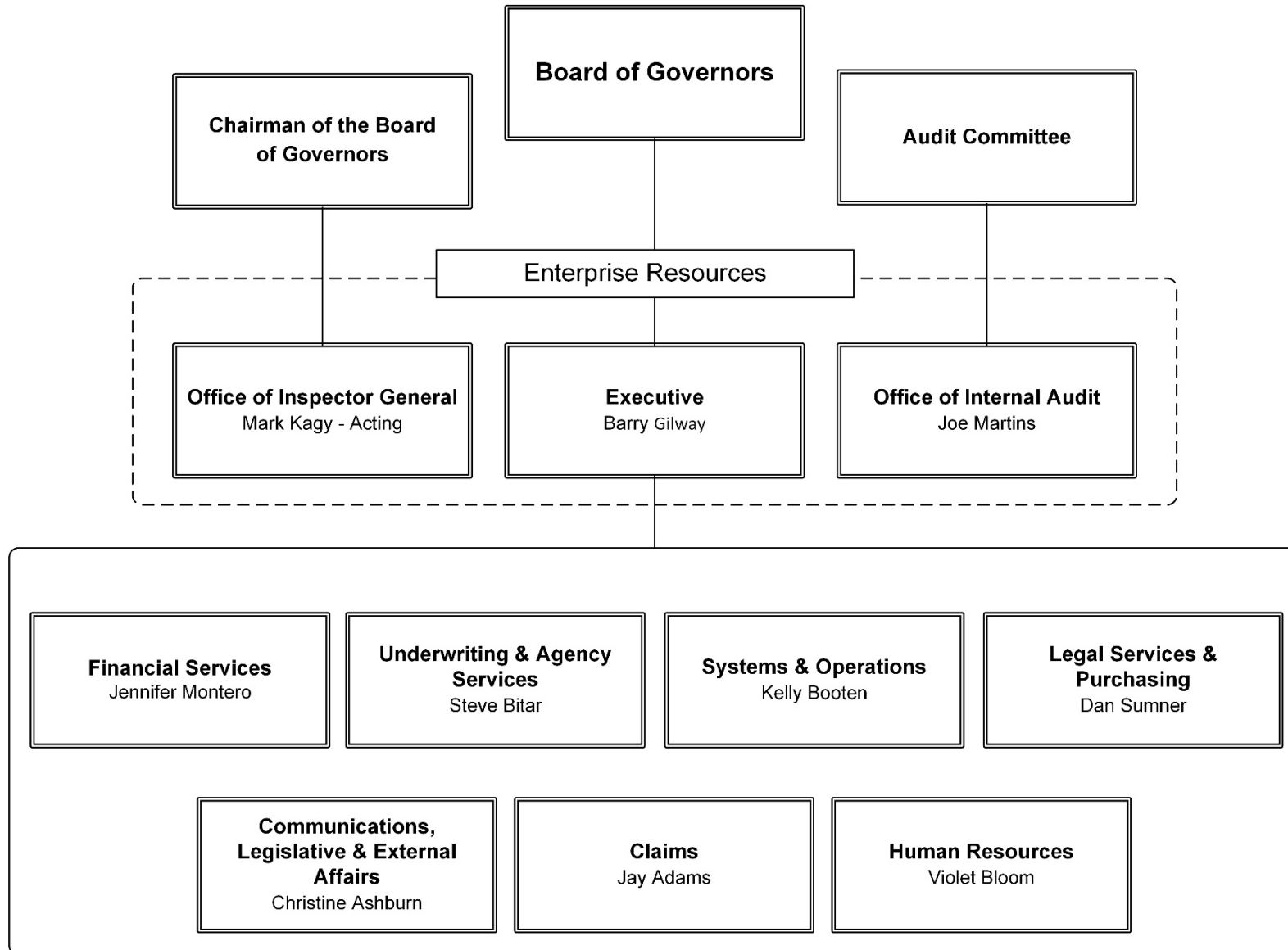


Barry Gilway
President, Chief Executive Officer and Executive Director



Jennifer Montero
Chief Financial Officer

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2020 Operating Budget

Budget Assumptions

2020 Operating Budget
Citizens Property Insurance Corporation

Budget Assumptions

I	Policies In-Force (PIF)	PLA	CLA	COASTAL	TOTAL
A	2020 Budgeted	318,474	520	111,710	430,704
	2019 Projected	318,159	682	114,035	432,876
	Total policy count change, net of depopulation	315	(162)	(2,326)	(2,173)
	Percentage change, net of depopulation	0.10%	23.72%	2.04%	0.50%
B	Depopulation Count				
	2020 Budgeted	4,545	23	4,484	9,052
	2019 Projected	7,371	31	5,542	12,944
	Change	(2,826)	(8)	(1,057)	(3,892)
	Change (%)	38.34%	26.96%	19.08%	30.06%
II	Written Premiums	PLA	CLA	COASTAL	TOTAL
A	2020 Budgeted	\$ 562,388,394	\$ 8,877,962	\$ 302,145,874	\$ 873,412,230
	2019 Projected	542,629,314	11,383,460	298,416,776	852,429,550
	Change (\$)	19,759,081	(2,505,498)	3,729,097	20,982,680
	Change (%)	3.64%	22.01%	1.25%	2.46%
III	Ceded Premiums	PLA	CLA	COASTAL	TOTAL
A	Depopulation				
	2020 Budgeted	(3,514,804)	(91,618)	(8,044,440)	(11,650,863)
	2019 Projected	(5,918,220)	(105,794)	(9,453,368)	(15,477,382)
	Change (\$)	2,403,416	14,175	1,408,928	3,826,519
	Change (%)	40.61%	13.40%	14.90%	24.72%
B	Florida Hurricane Catastrophe Fund - Mandatory Layer Only				
	2020 Budgeted	\$ (70,418,365)	\$ (1,888,173)	\$ (62,563,324)	\$ (134,869,863)
	2019 Projected	(66,113,538)	(2,468,014)	(65,020,912)	(133,602,464)
	Change (\$)	(4,304,827)	579,841	2,457,588	(1,267,399)
	Change (%)	6.51%	23.49%	3.78%	0.95%
C	Private Reinsurance				
	2020 Budgeted	\$ (25,000,000)	\$ -	\$ (100,000,000)	\$ (125,000,000)
	2019 Projected	(18,394,693)	-	(76,244,552)	(94,639,245)
	Change (\$)	(6,605,307)	-	(23,755,448)	(30,360,755)
	Change (%)	35.91%	0.00%	31.16%	32.08%

IV	Non-CAT Loss and Loss Adjustment Expense (LAE) Ratios	PLA	CLA	COASTAL	TOTAL
A	Incurred Loss and LAE Ratio (Net of Depopulation)				
	2020 Budgeted	70.68%	14.58%	22.52%	53.56%
	2019 Projected	68.74%	-32.79%	24.79%	51.32%
	Change	1.94%	47.37%	-2.27%	2.24%
V	Total Exposure	PLA	CLA	COASTAL	TOTAL
A	Total Exposure				
	2020 Budgeted	\$67,683,819,936	\$2,093,285,226	\$35,912,139,756	\$105,689,244,918
	2019 Projected	67,246,488,169	2,726,875,776	37,384,827,554	107,358,191,499
	Change (\$)	437,331,767	(633,590,550)	(1,472,687,798)	(1,668,946,581)
	Change (%)	0.65%	23.24%	3.94%	1.55%
VI	Expense Ratio Summary	PLA	CLA	COASTAL	TOTAL
A	Underwriting and Policy Acquisition Cost Ratios				
	2020 Budgeted	9.78%	13.39%	10.58%	10.10%
	2019 Projected	9.93%	13.53%	10.72%	10.26%
	Change	-0.14%	-0.15%	-0.14%	-0.16%
B	Administrative Expense Ratios				
	2020 Budgeted	15.32%	15.33%	15.32%	15.32%
	2019 Projected	14.96%	14.95%	15.00%	14.97%
	Change	0.37%	0.38%	0.32%	0.35%
C	Combined Expense Ratios				
	2020 Budgeted	25.11%	28.71%	25.91%	25.42%
	2019 Projected	24.89%	28.48%	25.72%	25.23%
	Change	0.22%	0.23%	0.18%	0.19%

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2020 Operating Budget

Budgeted Statements of Operations

2020 Operating Budget
Citizens Property Insurance Corporation

Budgeted Statements of Operations - Total Company

	2020 Budget	2019 Projection	Change (\$)	Change (%)	2019 Budget	Change (\$)	Change (%)	2018 Actual	Change (\$)	Change (%)
Premiums										
Premiums Written - Direct	\$873,412,230	\$852,429,550	\$20,982,680	2.46%	\$848,172,259	\$25,239,970	2.98%	\$868,417,110	\$4,995,120	0.58%
Change in Direct UPR	(9,056,674)	(6,731,552)	(2,325,122)	34.54%	5,627,202	(14,683,876)	260.94%	16,338,824	(25,395,498)	155.43%
Premiums Ceded (FHCF)	(134,869,863)	(133,602,464)	(1,267,399)	0.95%	(134,782,178)	(87,685)	0.07%	(146,150,838)	11,280,976	7.72%
Premiums Ceded (Private)	(125,000,000)	(94,639,245)	(30,360,755)	32.08%	(100,000,000)	(25,000,000)	25.00%	(88,408,617)	(36,591,383)	41.39%
Premiums Ceded (Depop)	(11,650,863)	(15,477,382)	3,826,519	24.72%	(21,270,867)	9,620,005	45.23%	(17,895,686)	6,244,823	34.90%
Change in Ceded UPR (Depop)	(1,245,168)	(2,394,459)	1,149,291	48.00%	(659,704)	(585,463)	88.75%	(9,324,785)	8,079,617	86.65%
Net Premiums Earned	\$591,589,663	\$599,584,449	\$(7,994,786)	1.33%	\$597,086,712	\$(5,497,049)	0.92%	\$622,976,009	\$(31,386,346)	5.04%
Underwriting Expenses										
Losses and LAE Incurred	\$456,066,231	\$543,978,046	\$(87,911,815)	16.16%	\$433,433,628	\$22,632,603	5.22%	\$689,712,621	\$(233,646,390)	33.88%
Producer Commissions	65,193,521	63,704,323	1,489,199	2.34%	63,531,817	1,661,705	2.62%	65,113,417	80,105	0.12%
Taxes and Assessments	10,909,879	10,629,702	280,178	2.64%	10,758,404	151,476	1.41%	11,181,078	(271,198)	2.43%
Administrative Expenses	133,840,286	127,632,904	6,207,382	4.86%	138,040,220	(4,199,934)	3.04%	126,262,380	7,577,906	6.00%
Other Underwriting Expenses	12,095,210	13,091,007	(995,797)	7.61%	13,195,254	(1,100,044)	8.34%	11,405,047	690,163	6.05%
Total Underwriting	\$678,105,128	\$759,035,982	\$(80,930,854)	10.66%	\$658,959,322	\$19,145,805	2.91%	\$903,674,542	\$(225,569,414)	24.96%
Net Underwriting Gain (Loss)	\$(86,515,465)	\$(159,451,533)	\$72,936,068	45.74%	\$(61,872,610)	\$(24,642,855)	39.83%	\$(280,698,533)	\$194,183,068	69.18%
Other Income (Expense)										
Investment Income - Net	\$191,281,662	\$226,750,991	\$(35,469,329)	15.64%	\$169,582,899	\$21,698,764	12.80%	\$197,798,232	\$(6,516,570)	3.29%
Interest Expense - Net	(34,223,116)	(51,621,401)	17,398,285	33.70%	(51,621,400)	17,398,285	33.70%	(63,570,509)	29,347,393	46.17%
Other Income and Expenses	808,689	1,293,739	(485,050)	37.49%	3,482,876	(2,674,187)	76.78%	(4,879,022)	5,687,711	116.57%
Total Other Income (Expense)	\$157,867,235	\$176,423,329	\$(18,556,094)	10.52%	\$121,444,374	\$36,422,861	29.99%	\$129,348,701	\$28,518,534	22.05%
Net Income (Loss)	\$71,351,770	\$16,971,796	\$54,379,974	320.41%	\$59,571,764	\$11,780,007	19.77%	\$(151,349,832)	\$222,701,602	147.14%
Policies In-Force	430,704	432,876	(2,173)	0.50%	425,736	4,968	1.17%	427,397	3,307	0.77%

Note: All variances enumerated above are in reference to the 2020 Budget. All percentages are stated in absolute value.

2020 Operating Budget
Citizens Property Insurance Corporation

Budgeted Statements of Operations - PLA

	2020 Budget	2019 Projection	Change (\$)	Change (%)	2019 Budget	Change (\$)	Change (%)	2018 Actual	Change (\$)	Change (%)
Premiums										
Premiums Written - Direct	\$562,388,394	\$542,629,314	\$19,759,081	3.64%	\$545,914,429	\$16,473,965	3.02%	\$527,770,361	\$34,618,033	6.56%
Change in Direct UPR	(7,744,619)	(20,146,493)	12,401,874	61.56%	(15,931,394)	8,186,776	51.39%	(14,332,090)	6,587,471	45.96%
Premiums Ceded (FHCF)	(70,418,365)	(66,113,538)	(4,304,827)	6.51%	(67,156,169)	(3,262,196)	4.86%	(67,128,194)	(3,290,171)	4.90%
Premiums Ceded (Private)	(25,000,000)	(18,394,693)	(6,605,307)	35.91%	-	(25,000,000)	-	-	(25,000,000)	-
Premiums Ceded (Depop)	(3,514,804)	(5,918,220)	2,403,416	40.61%	(5,478,280)	1,963,475	35.84%	(6,163,935)	2,649,131	42.98%
Change in Ceded UPR (Depop)	(601,936)	4,717	(606,653)	12,861.54%	(1,446,728)	844,792	58.39%	(2,471,652)	1,869,716	75.65%
Net Premiums Earned	\$455,108,670	\$432,061,086	\$23,047,583	5.33%	\$455,901,858	\$(793,188)	0.17%	\$437,674,490	\$17,434,179	3.98%
Underwriting Expenses										
Losses and LAE Incurred	\$389,085,433	\$462,668,778	\$(73,583,345)	15.90%	\$367,433,537	\$21,651,896	5.89%	\$485,349,654	\$(96,264,222)	19.83%
Producer Commissions	39,872,011	38,426,841	1,445,169	3.76%	38,518,814	1,353,197	3.51%	37,236,939	2,635,072	7.08%
Taxes and Assessments	7,368,615	7,101,538	267,077	3.76%	7,337,998	30,616	0.42%	7,061,179	307,435	4.35%
Administrative Expenses	86,179,668	81,167,625	5,012,043	6.17%	88,668,339	(2,488,671)	2.81%	76,715,154	9,464,514	12.34%
Other Underwriting Expenses	7,788,097	8,353,615	(565,518)	6.77%	8,475,800	(687,702)	8.11%	8,563,706	(775,609)	9.06%
Total Underwriting	\$530,293,823	\$597,718,398	\$(67,424,575)	11.28%	\$510,434,488	\$19,859,336	3.89%	\$614,926,633	\$(84,632,810)	13.76%
Net Underwriting Gain (Loss)	\$(75,185,153)	\$(165,657,311)	\$90,472,158	54.61%	\$(54,532,630)	\$(20,652,524)	37.87%	\$(177,252,143)	\$102,066,989	57.58%
Other Income (Expense)										
Investment Income - Net	\$60,087,744	\$73,797,090	\$(13,709,346)	18.58%	\$54,274,229	\$5,813,515	10.71%	\$66,125,244	\$(6,037,500)	9.13%
Interest Expense - Net	(12,384,815)	(17,133,390)	4,748,575	27.72%	(17,133,390)	4,748,575	27.72%	(21,256,584)	8,871,769	41.74%
Other Income and Expenses	574,628	904,847	(330,219)	36.49%	2,715,796	(2,141,169)	78.84%	(3,477,863)	4,052,490	116.52%
Total Other Income (Expense)	\$48,277,557	\$57,568,547	\$(9,290,990)	16.14%	\$39,856,635	\$8,420,921	21.13%	\$41,390,797	\$6,886,759	16.64%
Net Income (Loss)	\$(26,907,597)	\$(108,088,765)	\$81,181,168	75.11%	\$(14,675,994)	\$(12,231,603)	83.34%	\$(135,861,345)	\$108,953,748	80.19%
Policies In-Force	318,474	318,159	315	0.10%	314,474	4,000	1.27%	304,507	13,967	4.59%

Note: All variances enumerated above are in reference to the 2020 Budget. All percentages are stated in absolute value.

2020 Operating Budget
Citizens Property Insurance Corporation

Budgeted Statements of Operations - CLA

	2020 Budget	2019 Projection	Change (\$)	Change (%)	2019 Budget	Change (\$)	Change (%)	2018 Actual	Change (\$)	Change (%)
Premiums										
Premiums Written - Direct	\$8,877,962	\$11,383,460	\$(2,505,498)	22.01%	\$11,551,086	\$(2,673,125)	23.14%	\$14,665,266	\$(5,787,304)	39.46%
Change in Direct UPR	1,074,158	1,534,704	(460,545)	30.01%	2,129,999	(1,055,840)	49.57%	3,076,264	(2,002,105)	65.08%
Premiums Ceded (FHCF)	(1,888,173)	(2,468,014)	579,841	23.49%	(3,447,040)	1,558,867	45.22%	(4,494,332)	2,606,159	57.99%
Premiums Ceded (Private)	-	-	-	-	-	-	-	-	-	-
Premiums Ceded (Depop)	(91,618)	(105,794)	14,175	13.40%	(398,387)	306,769	77.00%	(51,213)	(40,406)	78.90%
Change in Ceded UPR (Depop)	(12,915)	(20,885)	7,970	38.16%	62,771	(75,686)	120.58%	(175,787)	162,871	92.65%
Net Premiums Earned	\$7,959,413	\$10,323,471	\$(2,364,058)	22.90%	\$9,898,429	\$(1,939,016)	19.59%	\$13,020,198	\$(5,060,785)	38.87%
Underwriting Expenses										
Losses and LAE Incurred	\$1,436,086	\$7,170,252	\$(5,734,166)	79.97%	\$1,830,434	\$(394,347)	21.54%	\$33,702,397	\$(32,266,310)	95.74%
Producer Commissions	955,399	1,223,554	(268,155)	21.92%	1,246,733	(291,334)	23.37%	1,586,137	(630,738)	39.77%
Taxes and Assessments	109,956	140,818	(30,862)	21.92%	150,949	(40,992)	27.16%	204,262	(94,305)	46.17%
Administrative Expenses	1,360,775	1,701,485	(340,710)	20.02%	1,896,162	(535,387)	28.24%	2,139,804	(779,029)	36.41%
Other Underwriting Expenses	122,974	176,165	(53,191)	30.19%	181,254	(58,280)	32.15%	172,142	(49,168)	28.56%
Total Underwriting	\$3,985,191	\$10,412,274	\$(6,427,084)	61.73%	\$5,305,531	\$(1,320,341)	24.89%	\$37,804,742	\$(33,819,552)	89.46%
Net Underwriting Gain (Loss)	\$3,974,223	\$(88,804)	\$4,063,026	4,575.29%	\$4,592,898	\$(618,675)	13.47%	\$(24,784,544)	\$28,758,766	116.04%
Other Income (Expense)										
Investment Income - Net	\$43,238,661	\$48,941,410	\$(5,702,749)	11.65%	\$35,444,676	\$7,793,985	21.99%	\$41,119,583	\$2,119,077	5.15%
Interest Expense - Net	(1,956,101)	(2,706,108)	750,007	27.72%	(2,706,107)	750,007	27.72%	(3,357,338)	1,401,237	41.74%
Other Income and Expenses	55,093	65,968	(10,875)	16.49%	92,846	(37,752)	40.66%	(36,350)	91,443	251.57%
Total Other Income (Expense)	\$41,337,653	\$46,301,270	\$(4,963,617)	10.72%	\$32,831,414	\$8,506,239	25.91%	\$37,725,896	\$3,611,757	9.57%
Net Income (Loss)	\$45,311,876	\$46,212,467	\$(900,590)	1.95%	\$37,424,312	\$7,887,564	21.08%	\$12,941,352	\$32,370,524	250.13%
Policies In-Force	520	682	(162)	23.72%	648	(128)	19.72%	919	(399)	43.40%

Note: All variances enumerated above are in reference to the 2020 Budget. All percentages are stated in absolute value.

2020 Operating Budget
Citizens Property Insurance Corporation

Budgeted Statements of Operations - Coastal

	2020 Budget	2019 Projection	Change (\$)	Change (%)	2019 Budget	Change (\$)	Change (%)	2018 Actual	Change (\$)	Change (%)
Premiums										
Premiums Written - Direct	\$302,145,874	\$298,416,776	\$3,729,097	1.25%	\$290,706,744	\$11,439,130	3.93%	\$325,981,483	\$(23,835,609)	7.31%
Change in Direct UPR	(2,386,214)	11,880,238	(14,266,451)	120.09%	19,428,598	(21,814,812)	112.28%	27,594,650	(29,980,864)	108.65%
Premiums Ceded (FHCF)	(62,563,324)	(65,020,912)	2,457,588	3.78%	(64,178,969)	1,615,645	2.52%	(74,528,312)	11,964,988	16.05%
Premiums Ceded (Private)	(100,000,000)	(76,244,552)	(23,755,448)	31.16%	(100,000,000)	-	-	(88,408,617)	(11,591,383)	13.11%
Premiums Ceded (Depop)	(8,044,440)	(9,453,368)	1,408,928	14.90%	(15,394,201)	7,349,761	47.74%	(11,680,538)	3,636,098	31.13%
Change in Ceded UPR (Depop)	(630,316)	(2,378,290)	1,747,974	73.50%	724,253	(1,354,569)	187.03%	(6,677,346)	6,047,030	90.56%
Net Premiums Earned	\$128,521,580	\$157,199,891	\$(28,678,312)	18.24%	\$131,286,425	\$(2,764,846)	2.11%	\$172,281,320	\$(43,759,740)	25.40%
Underwriting Expenses										
Losses and LAE Incurred	\$65,544,712	\$74,139,016	\$(8,594,304)	11.59%	\$64,169,657	\$1,375,055	2.14%	\$170,660,570	\$(105,115,857)	61.59%
Producer Commissions	24,366,112	24,053,927	312,185	1.30%	23,766,270	599,841	2.52%	26,290,341	(1,924,229)	7.32%
Taxes and Assessments	3,431,308	3,387,346	43,963	1.30%	3,269,457	161,852	4.95%	3,915,636	(484,328)	12.37%
Administrative Expenses	46,299,843	44,763,794	1,536,049	3.43%	47,475,719	(1,175,876)	2.48%	47,407,422	(1,107,579)	2.34%
Other Underwriting Expenses	4,184,139	4,561,227	(377,088)	8.27%	4,538,200	(354,062)	7.80%	2,669,199	1,514,940	56.76%
Total Underwriting	\$143,826,114	\$150,905,309	\$(7,079,195)	4.69%	\$143,219,304	\$606,810	0.42%	\$250,943,167	\$(107,117,053)	42.69%
Net Underwriting Gain (Loss)	\$(15,304,534)	\$6,294,582	\$(21,599,117)	343.14%	\$(11,932,879)	\$(3,371,656)	28.26%	\$(78,661,847)	\$63,357,313	80.54%
Other Income (Expense)										
Investment Income - Net	\$87,955,258	\$104,012,491	\$(16,057,233)	15.44%	\$79,863,994	\$8,091,264	10.13%	\$90,553,405	\$(2,598,147)	2.87%
Interest Expense - Net	(19,882,200)	(31,781,903)	11,899,703	37.44%	(31,781,903)	11,899,703	37.44%	(38,956,587)	19,074,387	48.96%
Other Income and Expenses	178,968	322,924	(143,956)	44.58%	674,234	(495,266)	73.46%	(1,364,810)	1,543,778	113.11%
Total Other Income (Expense)	\$68,252,026	\$72,553,512	\$(4,301,487)	5.93%	\$48,756,325	\$19,495,701	39.99%	\$50,232,008	\$18,020,017	35.87%
Net Income (Loss)	\$52,947,491	\$78,848,094	\$(25,900,603)	32.85%	\$36,823,446	\$16,124,045	43.79%	\$(28,429,839)	\$81,377,330	286.24%
Policies In-Force	111,710	114,035	(2,326)	2.04%	110,614	1,096	0.99%	121,971	(10,261)	8.41%

Note: All variances enumerated above are in reference to the 2020 Budget. All percentages are stated in absolute value.

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2020 Operating Budget

Administrative Expenses

2020 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	\$97,570,910	\$6,030,392	\$4,953,427	\$6,483,467	\$2,284,591	\$6,570,539	\$24,312,897	\$19,241,978	\$27,693,621
Employee Benefits	22,450,512	920,402	1,491,932	1,451,644	525,414	1,391,632	5,628,604	4,762,382	6,278,502
Payroll Taxes	7,030,655	319,744	362,244	462,691	170,533	455,558	1,813,546	1,405,635	2,040,703
Contingent Staffing	67,144,807	7,200	-	94,003	-	-	65,269,195	13,224	1,761,184
Training	1,083,768	66,100	115,440	18,880	55,295	68,886	49,355	132,367	577,445
Recruiting	595,795	-	595,795	-	-	-	-	-	-
Printing	199,622	1,900	6,500	120	139,000	19,050	8,616	6,100	18,336
Operating Supplies	270,927	6,700	9,850	3,420	11,200	15,046	18,714	17,565	188,432
Subscriptions & Dues	1,693,534	101,565	106,680	52,249	34,195	165,628	795,711	16,229	421,277
Postage	463,146	300	1,300	-	150,100	3,930	5,329	587	301,600
Telecommunications	2,730,280	-	-	-	-	-	-	-	2,730,280
Legal	1,583,000	15,000	-	1,236,000	-	-	332,000	-	-
Insurance	876,272	-	-	876,272	-	-	-	-	-
Travel & Meals	1,641,726	246,452	106,410	99,425	60,700	133,645	471,607	245,374	278,113
Professional Services	11,949,362	308,500	1,131,500	147,500	250,000	1,872,434	547,850	3,085,600	4,605,978
Miscellaneous	-	-	-	-	-	-	-	-	-
Rent	6,474,951	-	-	12,002	-	-	-	-	6,462,950
Depreciation	2,184,160	-	-	-	-	50,296	-	-	2,133,863
Producer Fees Collected	(717,000)	-	-	-	-	-	-	(717,000)	-
Operations & Maintenance	2,370,564	-	-	1,260	-	33,837	2,720	22,800	2,309,947
Bank Charges	110,341	-	-	-	-	110,101	-	240	-
Software Maint & Licensing	18,675,510	255,728	577,610	62,537	41,000	627,413	4,233,403	1,186,231	11,691,588
Computer Hardware	2,050,228	-	-	-	-	-	5,225	-	2,045,003
FMAP Funding	(315,954)	-	-	-	-	(3,600)	-	(297,154)	(15,200)
ULAE Expense Allocation	(114,276,829)	-	-	(4,601,117)	-	(36,333)	(103,494,772)	-	(6,144,607)
Administrative Expenses	\$133,840,286	\$8,279,983	\$9,458,688	\$6,400,353	\$3,722,027	\$11,478,062	-	\$29,122,157	\$65,379,015
Other Underwriting Expenses	12,095,210	-	-	-	-	-	-	12,095,210	-
Total Admin & Other Expenses	\$145,935,496	\$8,279,983	\$9,458,688	\$6,400,353	\$3,722,027	\$11,478,062	-	\$41,217,367	\$65,379,015

Expense Category	Total CPIC	Normal Operating	Enterprise Projects	IT Projects (Non-Enterprise)	Centerpoint - ERP	Guidewire V9 Upgrade	Self-Service Strategy	Customer Relationship Management
Salaries	\$97,570,910	\$97,570,910	-	-	-	-	-	-
Employee Benefits	22,450,512	22,450,512	-	-	-	-	-	-
Payroll Taxes	7,030,655	7,030,655	-	-	-	-	-	-
Contingent Staffing	61,078,282	61,078,282	-	-	-	-	-	-
Training	1,083,768	1,083,768	-	-	-	-	-	-
Recruiting	595,795	595,795	-	-	-	-	-	-
Printing	199,622	199,622	-	-	-	-	-	-
Operating Supplies	270,927	270,927	-	-	-	-	-	-
Subscriptions & Dues	1,693,534	1,693,534	-	-	-	-	-	-
Postage	463,146	463,146	-	-	-	-	-	-
Telecommunications	2,730,280	2,694,280	36,000	-	-	-	-	-
Legal	1,583,000	1,583,000	-	-	-	-	-	-
Insurance	876,272	876,272	-	-	-	-	-	-
Travel & Meals	1,641,726	1,639,326	-	-	2,400	-	-	-
Professional Services	11,949,362	9,737,552	1,361,000	220,810	50,000	-	-	580,000
Miscellaneous	-	-	-	-	-	-	-	-
Rent	6,474,951	6,474,951	-	-	-	-	-	-
Depreciation	2,184,160	2,058,426	9,600	86,133	-	-	30,000	-
Producer Fees Collected	(717,000)	(717,000)	-	-	-	-	-	-
Operations & Maintenance	2,370,564	2,370,564	-	-	-	-	-	-
Bank Charges	110,341	110,341	-	-	-	-	-	-
Software Maint & Licensing	18,675,510	15,702,737	1,332,257	160,619	416,913	-	291,643	771,342
Computer Hardware	2,050,228	2,016,895	-	33,334	-	-	-	-
FMAP Funding	(315,954)	(315,954)	-	-	-	-	-	-
ULAE Expense Allocation	(108,210,304)	(108,210,304)	-	-	-	-	-	-
Administrative Expenses	\$133,840,286	\$128,458,236	\$2,738,857	\$500,896	\$469,313	-	\$321,643	\$1,351,342
Other Underwriting Expenses	12,095,210	12,095,210	-	-	-	-	-	-
Total Admin & Other Expenses	\$145,935,496	\$140,553,446	\$2,738,857	\$500,896	\$469,313	-	\$321,643	\$1,351,342

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

2020 Operating Budget
Citizens Property Insurance Corporation

Administrative Expenses
Comparisons of Annual Totals

Total CPIC	2020 Budget	2019 Projection	Change (\$)	Change (%)	2019 Budget	Change (\$)	Change (%)	2018 Actual	Change (\$)	Change (%)
	Salaries	\$97,570,910	\$92,914,607	\$4,656,303	5.01%	\$94,555,768	\$3,015,142	3.19%	\$90,909,159	\$6,661,751
Employee Benefits	22,450,512	20,105,214	2,345,298	11.67%	22,169,258	281,254	1.27%	19,764,926	2,685,586	13.59%
Payroll Taxes	7,030,655	6,592,505	438,150	6.65%	7,111,855	(81,200)	1.14%	6,583,944	446,711	6.78%
Contingent Staffing	67,144,807	63,343,339	3,801,468	6.00%	93,940,174	(26,795,367)	28.52%	92,862,183	(25,717,377)	27.69%
Training	1,083,768	1,088,237	(4,469)	0.41%	1,144,293	(60,525)	5.29%	787,189	296,579	37.68%
Recruiting	595,795	608,027	(12,232)	2.01%	749,658	(153,863)	20.52%	389,807	205,988	52.84%
Printing	199,622	90,010	109,611	121.78%	341,154	(141,532)	41.49%	39,376	160,245	406.96%
Operating Supplies	270,927	261,668	9,258	3.54%	287,192	(16,265)	5.66%	248,263	22,664	9.13%
Subscriptions & Dues	1,693,534	1,120,245	573,289	51.18%	1,627,545	65,989	4.05%	791,558	901,975	113.95%
Postage	463,146	421,193	41,953	9.96%	638,629	(175,483)	27.48%	333,232	129,914	38.99%
Telecommunications	2,730,280	2,940,564	(210,284)	7.15%	2,900,300	(170,020)	5.86%	3,173,354	(443,074)	13.96%
Legal	1,583,000	1,433,509	149,491	10.43%	1,267,000	316,000	24.94%	1,221,667	361,333	29.58%
Insurance	876,272	662,498	213,774	32.27%	861,405	14,867	1.73%	890,583	(14,311)	1.61%
Travel & Meals	1,641,726	1,620,929	20,797	1.28%	1,765,544	(123,817)	7.01%	2,882,078	(1,240,351)	43.04%
Professional Services	11,949,362	9,505,987	2,443,375	25.70%	12,425,151	(475,789)	3.83%	9,462,438	2,486,924	26.28%
Miscellaneous	-	(6,913)	6,913	100.00%	-	-	-	(384)	384	100.00%
Rent	6,474,951	7,108,826	(633,875)	8.92%	7,488,441	(1,013,490)	13.53%	7,835,570	(1,360,618)	17.36%
Depreciation	2,184,160	2,851,606	(667,446)	23.41%	2,807,043	(622,883)	22.19%	3,908,194	(1,724,035)	44.11%
Producer Fees Collected	(717,000)	(552,853)	(164,147)	29.69%	(684,500)	(32,500)	4.75%	(631,275)	(85,725)	13.58%
Operations & Maintenance	2,370,564	2,468,082	(97,518)	3.95%	2,726,466	(355,902)	13.05%	2,472,313	(101,749)	4.12%
Bank Charges	110,341	192,618	(82,278)	42.72%	228,728	(118,387)	51.76%	206,193	(95,852)	46.49%
Software Maint & Licensing	18,675,510	17,970,131	705,379	3.93%	18,873,678	(198,168)	1.05%	18,053,736	621,774	3.44%
Computer Hardware	2,050,228	2,062,651	(12,423)	0.60%	2,217,861	(167,633)	7.56%	2,943,739	(893,511)	30.35%
FMAP Funding	(315,954)	(248,199)	(67,756)	27.30%	(264,495)	(51,459)	19.46%	(156,602)	(159,352)	101.76%
ULAE Expense Allocation	(114,276,829)	(106,921,580)	(7,355,249)	6.88%	(137,137,928)	22,861,099	16.67%	(138,708,861)	24,432,032	17.61%
Administrative Expenses	\$133,840,286	\$127,632,904	\$6,207,381	4.86%	\$138,040,220	(4,199,934)	3.04%	\$126,262,380	\$7,577,906	6.00%
Other Underwriting Expenses	12,095,210	13,091,007	(995,797)	7.61%	13,195,254	(1,100,044)	8.34%	11,405,047	690,163	6.05%
Total Admin & Other Expenses	\$145,935,496	\$140,723,911	\$5,211,584	3.70%	\$151,235,474	(5,299,978)	3.50%	\$137,667,427	\$8,268,069	6.01%

Note: All variances enumerated above are in reference to the 2020 Budget. All percentages are stated in absolute value.

Enterprise Resources	2020 Budget	2019 Projection	Change (\$)	Change (%)	2019 Budget	Change (\$)	Change (%)	2018 Actual	Change (\$)	Change (%)
Salaries	\$6,030,392	\$5,659,504	\$370,888	6.55%	\$5,961,500	\$68,892	1.16%	\$5,543,085	\$487,307	8.79%
Employee Benefits	920,402	842,404	77,998	9.26%	890,249	30,153	3.39%	869,730	50,671	5.83%
Payroll Taxes	319,744	283,051	36,693	12.96%	327,595	(7,851)	2.40%	294,637	25,107	8.52%
Contingent Staffing	7,200	-	7,200	-	-	7,200	-	2,765	4,435	160.41%
Training	66,100	93,063	(26,963)	28.97%	72,100	(6,000)	8.32%	70,632	(4,532)	6.42%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	1,900	1,075	825	76.74%	1,900	-	-	499	1,401	281.10%
Operating Supplies	6,700	6,612	88	1.33%	4,600	2,100	45.65%	7,555	(855)	11.32%
Subscriptions & Dues	101,565	92,678	8,887	9.59%	102,158	(593)	0.58%	93,564	8,001	8.55%
Postage	300	225	75	33.33%	500	(200)	40.00%	-	300	-
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	15,000	11,025	3,975	36.05%	55,000	(40,000)	72.73%	565	14,435	2,554.87%
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	246,452	246,907	(455)	0.18%	273,460	(27,008)	9.88%	241,479	4,973	2.06%
Professional Services	308,500	302,718	5,782	1.91%	276,500	32,000	11.57%	177,866	130,634	73.45%
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Rent	-	4,001	(4,001)	100.00%	6,300	(6,300)	100.00%	5,643	(5,643)	100.00%
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	-	335	(335)	100.00%	600	(600)	100.00%	656	(656)	100.00%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	255,728	143,868	111,860	77.75%	142,117	113,612	79.94%	168,086	87,643	52.14%
Computer Hardware	-	-	-	-	-	-	-	-	-	-
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	-	-	-	-	-	-	-	(6,929)	6,929	100.00%
Administrative Expenses	\$8,279,983	\$7,687,467	\$592,516	7.71%	\$8,114,578	\$165,405	2.04%	\$7,469,833	\$810,150	10.85%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$8,279,983	\$7,687,467	\$592,516	7.71%	\$8,114,578	\$165,405	2.04%	\$7,469,833	\$810,150	10.85%

Note: All variances enumerated above are in reference to the 2020 Budget. All percentages are stated in absolute value.

2020 Operating Budget
Citizens Property Insurance Corporation

Administrative Expenses
Comparisons of Annual Totals

Human Resources	2020 Budget	2019 Projection	Change (\$)	Change (%)	2019 Budget	Change (\$)	Change (%)	2018 Actual	Change (\$)	Change (%)
	Salaries	\$4,953,427	\$4,524,563	\$428,864	9.48%	\$4,562,591	\$390,836	8.57%	\$4,522,993	\$430,433
Employee Benefits	1,491,932	1,084,363	407,569	37.59%	1,390,032	101,900	7.33%	1,098,568	393,364	35.81%
Payroll Taxes	362,244	339,428	22,816	6.72%	345,319	16,926	4.90%	401,410	(39,166)	9.76%
Contingent Staffing	-	110,168	(110,168)	100.00%	105,000	(105,000)	100.00%	258,098	(258,098)	100.00%
Training	115,440	123,292	(7,852)	6.37%	85,279	30,161	35.37%	42,632	72,808	170.78%
Recruiting	595,795	607,981	(12,186)	2.00%	749,658	(153,863)	20.52%	389,793	206,002	52.85%
Printing	6,500	3,757	2,743	73.02%	6,750	(250)	3.70%	853	5,647	662.14%
Operating Supplies	9,850	8,271	1,579	19.09%	7,400	2,450	33.11%	8,032	1,818	22.63%
Subscriptions & Dues	106,680	103,909	2,771	2.67%	112,339	(5,659)	5.04%	88,007	18,673	21.22%
Postage	1,300	925	375	40.53%	1,660	(360)	21.69%	-	1,300	-
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	106,410	106,354	56	0.05%	101,876	4,534	4.45%	78,949	27,462	34.78%
Professional Services	1,131,500	829,149	302,351	36.47%	1,147,492	(15,992)	1.39%	868,058	263,442	30.35%
Miscellaneous	-	110	(110)	100.00%	-	-	-	(320)	320	100.00%
Rent	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	-	268	(268)	100.00%	-	-	-	544	(544)	100.00%
Bank Charges	-	-	-	-	-	-	-	25	(25)	100.00%
Software Maint & Licensing	577,610	612,225	(34,615)	5.65%	491,862	85,748	17.43%	638,624	(61,014)	9.55%
Computer Hardware	-	-	-	-	-	-	-	-	-	-
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	-	-	-	-	-	-	-	(954)	954	100.00%
Administrative Expenses	\$9,458,688	\$8,454,763	\$1,003,925	11.87%	\$9,107,256	\$351,431	3.86%	\$8,395,311	\$1,063,377	12.67%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$9,458,688	\$8,454,763	\$1,003,925	11.87%	\$9,107,256	\$351,431	3.86%	\$8,395,311	\$1,063,377	12.67%

Note: All variances enumerated above are in reference to the 2020 Budget. All percentages are stated in absolute value.

Legal Services & Purchasing	2020 Budget	2019 Projection	Change (\$)	Change (%)	2019 Budget	Change (\$)	Change (%)	2018 Actual	Change (\$)	Change (%)
Salaries	\$6,483,467	\$6,053,474	\$429,994	7.10%	\$6,263,076	\$220,391	3.52%	\$5,283,043	\$1,200,424	22.72%
Employee Benefits	1,451,644	1,305,987	145,658	11.15%	1,496,007	(44,363)	2.97%	1,264,277	187,367	14.82%
Payroll Taxes	462,691	420,902	41,789	9.93%	472,484	(9,793)	2.07%	379,235	83,456	22.01%
Contingent Staffing	94,003	132,814	(38,810)	29.22%	177,689	(83,686)	47.10%	420,105	(326,102)	77.62%
Training	18,880	7,287	11,593	159.10%	8,100	10,780	133.09%	6,417	12,463	194.20%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	120	90	30	33.33%	60	60	100.00%	270	(150)	55.56%
Operating Supplies	3,420	2,907	513	17.63%	1,820	1,600	87.91%	3,286	134	4.08%
Subscriptions & Dues	52,249	43,847	8,402	19.16%	7,505	44,744	596.19%	51,700	549	1.06%
Postage	-	-	-	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	1,236,000	1,209,025	26,975	2.23%	1,212,000	24,000	1.98%	1,221,102	14,898	1.22%
Insurance	876,272	662,498	213,774	32.27%	861,405	14,867	1.73%	890,793	(14,521)	1.63%
Travel & Meals	99,425	82,869	16,556	19.98%	115,692	(16,267)	14.06%	62,850	36,575	58.19%
Professional Services	147,500	60,368	87,132	144.33%	143,277	4,223	2.95%	288,276	(140,776)	48.83%
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Rent	12,002	11,366	636	5.60%	16,686	(4,684)	28.07%	10,729	1,273	11.86%
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	1,260	1,089	171	15.70%	-	1,260	-	983	277	28.22%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	62,537	113,313	(50,776)	44.81%	76,073	(13,536)	17.79%	69,941	(7,404)	10.59%
Computer Hardware	-	-	-	-	-	-	-	-	-	-
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	(4,601,117)	(4,275,039)	(326,078)	7.63%	(4,883,959)	282,842	5.79%	(3,964,396)	(636,721)	16.06%
Administrative Expenses	\$6,400,353	\$5,832,795	\$567,558	9.73%	\$5,967,914	\$432,439	7.25%	\$5,988,611	\$411,743	6.88%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$6,400,353	\$5,832,795	\$567,558	9.73%	\$5,967,914	\$432,439	7.25%	\$5,988,611	\$411,743	6.88%

Note: All variances enumerated above are in reference to the 2020 Budget. All percentages are stated in absolute value.

2020 Operating Budget
Citizens Property Insurance Corporation

Administrative Expenses
Comparisons of Annual Totals

Communications, Legislative & External Affairs	2020 Budget	2019 Projection	Change (\$)	Change (%)	2019 Budget	Change (\$)	Change (%)	2018 Actual	Change (\$)	Change (%)
Salaries	\$2,284,591	\$2,246,612	\$37,979	1.69%	\$2,249,284	\$35,307	1.57%	\$2,179,220	\$105,371	4.84%
Employee Benefits	525,414	523,954	1,460	0.28%	553,720	(28,306)	5.11%	556,567	(31,153)	5.60%
Payroll Taxes	170,533	166,597	3,936	2.36%	177,304	(6,771)	3.82%	162,586	7,947	4.89%
Contingent Staffing	-	1,494	(1,494)	100.00%	53,136	(53,136)	100.00%	39,861	(39,861)	100.00%
Training	55,295	22,230	33,065	148.75%	22,630	32,665	144.34%	12,461	42,834	343.76%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	139,000	40,863	98,137	240.16%	278,000	(139,000)	50.00%	2,783	136,217	4,893.84%
Operating Supplies	11,200	8,343	2,857	34.24%	9,700	1,500	15.46%	18,132	(6,932)	38.23%
Subscriptions & Dues	34,195	16,352	17,843	109.12%	27,605	6,590	23.87%	18,325	15,870	86.61%
Postage	150,100	114,003	36,097	31.66%	329,100	(179,000)	54.39%	75,978	74,122	97.56%
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	60,700	56,344	4,356	7.73%	62,700	(2,000)	3.19%	56,978	3,722	6.53%
Professional Services	250,000	134,739	115,261	85.54%	305,000	(55,000)	18.03%	401,862	(151,862)	37.79%
Miscellaneous	-	(2,628)	2,628	100.00%	-	-	-	2,628	(2,628)	100.00%
Rent	-	-	-	-	-	-	-	225	(225)	100.00%
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	-	-	-	-	-	-	-	413	(413)	100.00%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	41,000	33,298	7,702	23.13%	27,200	13,800	50.74%	25,855	15,145	58.57%
Computer Hardware	-	-	-	-	-	-	-	(429)	429	100.00%
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	-	105,929	(105,929)	100.00%	-	-	-	(222,556)	222,556	100.00%
Administrative Expenses	\$3,722,027	\$3,468,130	\$253,898	7.32%	\$4,095,379	(373,352)	9.12%	\$3,330,889	\$391,138	11.74%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$3,722,027	\$3,468,130	\$253,898	7.32%	\$4,095,379	(373,352)	9.12%	\$3,330,889	\$391,138	11.74%

Note: All variances enumerated above are in reference to the 2020 Budget. All percentages are stated in absolute value.

Financial Services	2020 Budget	2019 Projection	Change (\$)	Change (%)	2019 Budget	Change (\$)	Change (%)	2018 Actual	Change (\$)	Change (%)
	Salaries	\$6,570,539	\$6,405,796	\$164,742	2.57%	\$6,291,857	\$278,681	4.43%	\$5,863,254	\$707,284
Employee Benefits	1,391,632	1,231,639	159,994	12.99%	1,416,580	(24,948)	1.76%	1,343,974	47,658	3.55%
Payroll Taxes	455,558	440,481	15,077	3.42%	465,231	(9,673)	2.08%	409,391	46,167	11.28%
Contingent Staffing	-	1,550	(1,550)	100.00%	-	-	-	1,791	(1,791)	100.00%
Training	68,886	41,512	27,375	65.94%	47,736	21,150	44.31%	29,702	39,185	131.93%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	19,050	18,115	935	5.16%	19,050	-	-	15,524	3,526	22.72%
Operating Supplies	15,046	10,629	4,417	41.56%	14,496	550	3.79%	11,684	3,362	28.77%
Subscriptions & Dues	165,628	152,255	13,373	8.78%	133,047	32,581	24.49%	110,192	55,436	50.31%
Postage	3,930	7,280	(3,350)	46.01%	8,030	(4,100)	51.06%	5,700	(1,770)	31.05%
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	133,645	133,659	(14)	0.01%	145,690	(12,045)	8.27%	117,093	16,552	14.14%
Professional Services	1,872,434	1,633,075	239,359	14.66%	1,819,347	53,087	2.92%	2,255,453	(383,019)	16.98%
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Rent	-	3,978	(3,978)	100.00%	-	-	-	1,326	(1,326)	100.00%
Depreciation	50,296	32,796	17,500	53.36%	32,615	17,681	54.21%	6,765	43,531	643.43%
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	33,837	6,239	27,598	442.36%	14,760	19,077	129.25%	74,950	(41,113)	54.85%
Bank Charges	110,101	192,381	(82,280)	42.77%	227,892	(117,791)	51.69%	205,546	(95,445)	46.43%
Software Maint & Licensing	627,413	749,064	(121,651)	16.24%	839,922	(212,509)	25.30%	610,376	17,037	2.79%
Computer Hardware	-	16,505	(16,505)	100.00%	-	-	-	24,734	(24,734)	100.00%
FMAP Funding	(3,600)	(3,600)	-	-	(3,600)	-	-	(3,600)	-	-
ULAE Expense Allocation	(36,333)	(63,481)	27,147	42.76%	(75,204)	38,871	51.69%	(79,131)	42,797	54.08%
Administrative Expenses	\$11,478,062	\$11,009,872	\$468,190	4.25%	\$11,397,449	\$80,613	0.71%	\$11,004,725	\$473,337	4.30%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$11,478,062	\$11,009,872	\$468,190	4.25%	\$11,397,449	\$80,613	0.71%	\$11,004,725	\$473,337	4.30%

Note: All variances enumerated above are in reference to the 2020 Budget. All percentages are stated in absolute value.

2020 Operating Budget
Citizens Property Insurance Corporation

Administrative Expenses
Comparisons of Annual Totals

Claims	2020 Budget	2019 Projection	Change (\$)	Change (%)	2019 Budget	Change (\$)	Change (%)	2018 Actual	Change (\$)	Change (%)
	Salaries	\$24,312,897	\$22,832,327	\$1,480,569	6.48%	\$23,490,696	\$822,200	3.50%	\$22,017,177	\$2,295,719
Employee Benefits	5,628,604	5,061,375	567,230	11.21%	5,267,625	360,980	6.85%	4,886,853	741,752	15.18%
Payroll Taxes	1,813,546	1,672,934	140,613	8.41%	1,815,365	(1,819)	0.10%	1,626,284	187,263	11.51%
Contingent Staffing	65,269,195	61,302,757	3,966,438	6.47%	91,532,486	(26,263,291)	28.69%	90,717,570	(25,448,375)	28.05%
Training	49,355	33,047	16,308	49.35%	44,757	4,598	10.27%	13,216	36,139	273.44%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	8,616	10,254	(1,638)	15.98%	10,736	(2,120)	19.75%	6,137	2,479	40.39%
Operating Supplies	18,714	15,098	3,616	23.95%	20,807	(2,093)	10.06%	12,067	6,647	55.09%
Subscriptions & Dues	795,711	338,012	457,699	135.41%	790,067	5,644	0.71%	144,426	651,285	450.95%
Postage	5,329	2,377	2,952	124.21%	10,132	(4,803)	47.40%	250	5,079	2,028.19%
Telecommunications	-	656	(656)	100.00%	-	-	-	61	(61)	100.00%
Legal	332,000	213,459	118,541	55.53%	-	332,000	-	-	332,000	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	471,607	471,096	511	0.11%	460,864	10,744	2.33%	1,565,660	(1,094,052)	69.88%
Professional Services	547,850	181,613	366,237	201.66%	142,008	405,842	285.79%	77,924	469,926	603.06%
Miscellaneous	-	(4,295)	4,295	100.00%	-	-	-	-	-	-
Rent	-	70,531	(70,531)	100.00%	-	-	-	472,173	(472,173)	100.00%
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	2,720	5,978	(3,258)	54.50%	3,239	(519)	16.02%	18,511	(15,791)	85.31%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	4,233,403	3,510,733	722,669	20.58%	2,415,262	1,818,141	75.28%	5,405,129	(1,171,726)	21.68%
Computer Hardware	5,225	50	5,175	10,291.81%	-	5,225	-	-	5,225	-
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	(103,494,772)	(95,718,002)	(7,776,770)	8.12%	(126,004,044)	22,509,272	17.86%	(126,963,438)	23,468,666	18.48%
Administrative Expenses	-	-	-	-	-	-	-	-	-	-
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	-	-	-	-	-	-	-	-	-	-

Note: All variances enumerated above are in reference to the 2020 Budget. All percentages are stated in absolute value.

Underwriting & Agency Services	2020 Budget	2019 Projection	Change (\$)	Change (%)	2019 Budget	Change (\$)	Change (%)	2018 Actual	Change (\$)	Change (%)
Salaries	\$19,241,978	\$18,791,281	\$450,697	2.40%	\$18,773,148	\$468,830	2.50%	\$19,272,996	(31,018)	0.16%
Employee Benefits	4,762,382	4,541,351	221,031	4.87%	4,961,991	(199,609)	4.02%	4,647,837	114,545	2.46%
Payroll Taxes	1,405,635	1,358,359	47,277	3.48%	1,449,408	(43,772)	3.02%	1,400,247	5,388	0.38%
Contingent Staffing	13,224	12,542	682	5.44%	-	13,224	-	2,529	10,695	422.89%
Training	132,367	149,686	(17,319)	11.57%	264,012	(131,646)	49.86%	55,649	76,718	137.86%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	6,100	3,655	2,445	66.91%	5,150	950	18.45%	2,098	4,002	190.73%
Operating Supplies	17,565	17,346	219	1.26%	16,485	1,080	6.55%	14,520	3,045	20.97%
Subscriptions & Dues	16,229	13,337	2,892	21.69%	12,912	3,317	25.69%	13,892	2,337	16.82%
Postage	587	294	293	99.76%	687	(100)	14.56%	52	535	1,020.23%
Telecommunications	-	110	(110)	100.00%	-	-	-	70	(70)	100.00%
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	245,374	245,449	(75)	0.03%	279,581	(34,207)	12.24%	431,433	(186,059)	43.13%
Professional Services	3,085,600	2,742,257	343,343	12.52%	3,981,800	(896,200)	22.51%	2,974,653	110,947	3.73%
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	(717,000)	(552,853)	(164,147)	29.69%	(684,500)	(32,500)	4.75%	(631,275)	(85,725)	13.58%
Operations & Maintenance	22,800	24,577	(1,777)	7.23%	35,000	(12,200)	34.86%	2,622	20,178	769.56%
Bank Charges	240	238	2	0.90%	836	(596)	71.30%	623	(383)	61.46%
Software Maint & Licensing	1,186,231	645,549	540,682	83.76%	793,951	392,280	49.41%	295,092	891,139	301.99%
Computer Hardware	-	-	-	-	140	(140)	100.00%	-	-	-
FMAP Funding	(297,154)	(235,733)	(61,421)	26.06%	(245,695)	(51,459)	20.94%	(147,343)	(149,812)	101.68%
ULAE Expense Allocation	-	(407)	407	100.00%	-	-	-	(879,602)	879,602	100.00%
Administrative Expenses	\$29,122,157	\$27,757,037	\$1,365,121	4.92%	\$29,644,906	(522,748)	1.76%	\$27,456,093	\$1,666,064	6.07%
Other Underwriting Expenses	12,095,210	13,091,007	(995,797)	7.61%	13,195,254	(1,100,044)	8.34%	11,405,047	690,163	6.05%
Total Admin & Other Expenses	\$41,217,367	\$40,848,044	\$369,324	0.90%	\$42,840,160	(1,622,793)	3.79%	\$38,861,140	\$2,356,227	6.06%

Note: All variances enumerated above are in reference to the 2020 Budget. All percentages are stated in absolute value.

Systems & Operations

	2020 Budget	2019 Projection	Change (\$)	Change (%)	2019 Budget	Change (\$)	Change (%)	2018 Actual	Change (\$)	Change (%)
Salaries	\$27,693,621	\$26,401,051	\$1,292,569	4.90%	\$26,963,617	\$730,004	2.71%	\$26,227,391	\$1,466,230	5.59%
Employee Benefits	6,278,502	5,514,143	764,359	13.86%	6,193,054	85,447	1.38%	5,245,751	1,032,750	19.69%
Payroll Taxes	2,040,703	1,910,754	129,949	6.80%	2,059,149	(18,446)	0.90%	1,910,154	130,549	6.83%
Contingent Staffing	1,761,184	1,782,013	(20,828)	1.17%	2,071,863	(310,679)	15.00%	1,419,463	341,721	24.07%
Training	577,445	618,122	(40,677)	6.58%	599,678	(22,233)	3.71%	556,480	20,965	3.77%
Recruiting	-	46	(46)	100.00%	-	-	-	14	(14)	100.00%
Printing	18,336	12,202	6,135	50.28%	19,508	(1,172)	6.01%	11,213	7,123	63.53%
Operating Supplies	188,432	192,462	(4,030)	2.09%	211,884	(23,452)	11.07%	172,987	15,445	8.93%
Subscriptions & Dues	421,277	359,856	61,421	17.07%	441,912	(20,635)	4.67%	271,451	149,826	55.19%
Postage	301,600	296,089	5,511	1.86%	288,520	13,080	4.53%	251,251	50,349	20.04%
Telecommunications	2,730,280	2,939,798	(209,518)	7.13%	2,900,300	(170,020)	5.86%	3,173,224	(442,944)	13.96%
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	(210)	210	100.00%
Travel & Meals	278,113	278,112	1	-	325,681	(47,568)	14.61%	327,636	(49,523)	15.12%
Professional Services	4,605,978	3,622,068	983,910	27.16%	4,609,727	(3,749)	0.08%	2,418,348	2,187,630	90.46%
Miscellaneous	-	(100)	100	100.00%	-	-	-	(2,693)	2,693	100.00%
Rent	6,462,950	7,018,950	(556,001)	7.92%	7,465,456	(1,002,506)	13.43%	7,345,474	(882,524)	12.01%
Depreciation	2,133,863	2,818,810	(684,946)	24.30%	2,774,428	(640,565)	23.09%	3,901,429	(1,767,566)	45.31%
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	2,309,947	2,429,597	(119,650)	4.92%	2,672,867	(362,920)	13.58%	2,373,635	(63,687)	2.68%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	11,691,588	12,162,080	(470,492)	3.87%	14,087,293	(2,395,704)	17.01%	10,818,633	872,955	8.07%
Computer Hardware	2,045,003	2,046,096	(1,093)	0.05%	2,217,721	(172,718)	7.79%	2,919,434	(874,431)	29.95%
FMAP Funding	(15,200)	(8,865)	(6,335)	71.45%	(15,200)	-	-	(5,659)	(9,541)	168.59%
ULAE Expense Allocation	(6,144,607)	(6,970,580)	825,974	11.85%	(6,174,721)	30,115	0.49%	(6,591,856)	447,250	6.78%
Administrative Expenses	\$65,379,015	\$63,422,701	\$1,956,314	3.08%	\$69,712,737	(4,333,721)	6.22%	\$62,743,549	\$2,635,466	4.20%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$65,379,015	\$63,422,701	\$1,956,314	3.08%	\$69,712,737	(4,333,721)	6.22%	\$62,743,549	\$2,635,466	4.20%

Note: All variances enumerated above are in reference to the 2020 Budget. All percentages are stated in absolute value.

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2020 Operating Budget

Capital Acquisitions

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Asset Category	2020 Budget	2019 Projection	Change (\$)	Change (%)	2019 Budget	Change (\$)	Change (%)	2018 Actual	Change (\$)	Change (%)
EDP Equipment	\$ 40,000	\$ 307,203	\$ (267,203)	86.98%	\$ 258,400	\$ (218,400)	84.52%	\$ 1,246,287	\$ (1,206,287)	96.79%
Software	-	178,000	(178,000)	100.00%	328,000	(328,000)	100.00%	981,520	(981,520)	100.00%
Office Equipment	210,000	34,900	175,100	501.72%	345,000	(135,000)	39.13%	75,575	134,425	177.87%
Furniture	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Leasehold Improvements	50,000	75,000	(25,000)	33.33%	171,000	(121,000)	70.76%	-	50,000	0.00%
Automobiles	-	71,500	(71,500)	100.00%	-	-	0.00%	42,662	(42,662)	100.00%
Total Capital Acquisitions	\$ 300,000	\$ 666,603	\$ (366,603)	55.00%	\$ 1,102,400	\$ (802,400)	72.79%	\$ 2,346,044	\$ (2,046,044)	87.21%

Note: All variances enumerated above are in reference to the 2020 Budget. All percentages are stated in absolute value.

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2020 Operating Budget

Probable Maximum Loss (PML) Scenarios

2020 Operating Budget
Citizens Property Insurance Corporation

Probable Maximum Loss (PML) Scenarios

All values in \$ millions

	PLA	CLA	Coastal	Combined
2020 Budgeted Net Income (Loss)	\$ (26.9)	\$ 45.3	\$ 52.9	\$ 71.4
2020 Budgeted Year-End Surplus	\$ 1,617.2	\$ 1,843.1	\$ 2,856.0	\$ 6,316.3
1-10 Year Event				
Gross Losses and LAE	\$ 278.2	\$ 10.4	\$ 341.5	\$ 630.0
FHCF Recovery	-	-	-	-
Private Risk Transfer Recovery	-	-	-	-
Net Losses and LAE	278.2	10.4	341.5	630.0
Post-Event Net Income (Loss)	(305.1)	34.9	(288.5)	(558.6)
Post-Event Surplus (Deficit)	1,339.0	1,832.7	2,514.6	5,686.3
1-25 Year Event				
Gross Losses and LAE	\$ 705.9	\$ 29.2	\$ 1,002.6	\$ 1,737.6
FHCF Recovery	244.1	15.7	445.7	705.5
Private Risk Transfer Recovery	26.7	-	83.3	110.0
Net Losses and LAE	435.0	13.4	473.7	922.1
Post-Event Net Income (Loss)	(461.9)	31.9	(420.7)	(850.7)
Post-Event Surplus (Deficit)	1,182.2	1,829.7	2,382.4	5,394.3
1-100 Year Event				
Gross Losses and LAE	\$ 2,164.8	\$ 92.6	\$ 2,930.9	\$ 5,188.4
FHCF Recovery	997.7	26.8	886.4	1,910.9
Private Risk Transfer Recovery	225.0	-	1,475.0	1,700.0
Net Losses and LAE	942.1	65.9	569.5	1,577.4
Post-Event Net Income (Loss)	(969.0)	(20.5)	(516.5)	(1,506.1)
Post-Event Surplus (Deficit)	675.1	1,777.3	2,286.6	4,738.9

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 6, including demand surge, excluding storm surge, on exposures as of September 30, 2019 adjusted for forecasted changes in exposure through June 2020.
- 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 FHCF 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 2019 retention and payout multiples. The actual retention and limits for 2020 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 2020.
- 5) PLA is projected to have sufficient resources to cover a 1-100 year storm followed by a 1-26 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 1-65 year storm.