



2021 Operating Budget

Financial Schedules & Supporting Information

Board of Governors Meeting

December 16, 2020



Board of Governors

Carlos Beruff, Chair

Carlos Lopez-Cantera, Vice-Chair

Bette Brown

Marc Dunbar

Lazaro Fields

Reynolds Henderson

James Holton

William Kastroll

M. Scott Thomas



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2021 Operating Budget

Executive Summary

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The operational impacts of Covid-19 that emerged in March of 2020 have underscored Citizens' resiliency as an organization and its ability to seamlessly adapt to the associated challenges. While the existing operating environment marks a substantial change, Citizens has continued to deliver industry-leading customer service, mobilize and respond to several catastrophic events, and accommodate policyholders who have been adversely impacted by circumstances caused by Covid-19. Additionally, over the last 12 months Citizens' policy count has steadily increased, driven by increases in new business and renewal rates. Evolving operating conditions associated with Covid-19 as well as increases in policy count emphasize the need to carefully evaluate each budgeted expenditure and how the new operating conditions impact those expenditures. In 2020, Citizens added more than 100,000 policyholders, far surpassing original budgeted estimates. In 2021, Citizens anticipates adding an additional 100,000 policyholders, representing an increase in customer growth of roughly 47% when 2021 estimates are compared against 2020 budgeted estimates. While the growth in Citizens' policyholder count by itself approximates the combined total policyholder count of a majority of Florida carriers, Citizens has been able to accommodate this growth using existing budgeted resources. While increased levels of policies may not persist on a longer-term basis, the transition to a flexible remote work environment is expected to continue into 2021.

As a continuation from 2020, strategic themes and objectives for 2021 align investments in people, process and technology to those corporate initiatives that transform business operations:

- **Identify and implement strategies that reduce Citizens' exposure:** explore and respond to emerging market conditions, trends and potential opportunities to devise and implement new strategies to further reduce exposure while continuing to fulfill Citizens' mission as a residual insurer.
- **Ensure scalability, flexibility and resiliency in operations to optimally serve customers:** exploit organizational capabilities to create a best-in-class customer experience and foster a culture of innovation, efficiency and effectiveness to ensure administrative costs are appropriate and relative to policy count, revenue and transactional volumes; utilize business intelligence and data analytics to drive informed decision-making; transition to a distributed workforce.

- **Proactively manage risk to improve loss ratios:** enhance existing programs to improve underwriting results, reduce litigation costs and influence change, as well as deliver a positive customer experience.
- **Invest in and leverage Citizens' greatest resource – its employees:** amplify the employee experience through cultivating a diverse and inclusive culture that inspires learning, collaboration and innovation while empowering and equipping employees to connect with customers; further professional growth to create a more flexible and adaptable workforce; align resources to business strategies.

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.

The expense ratio, which serves as one measure of operating efficiency, is expected to be 19.8% for the 2021 operating year, marking a decline of 1.0% from 2020. Citizens' operating costs as a percentage of written premium continue to be within or slightly below the average range for private market carriers.

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

Yours respectfully,

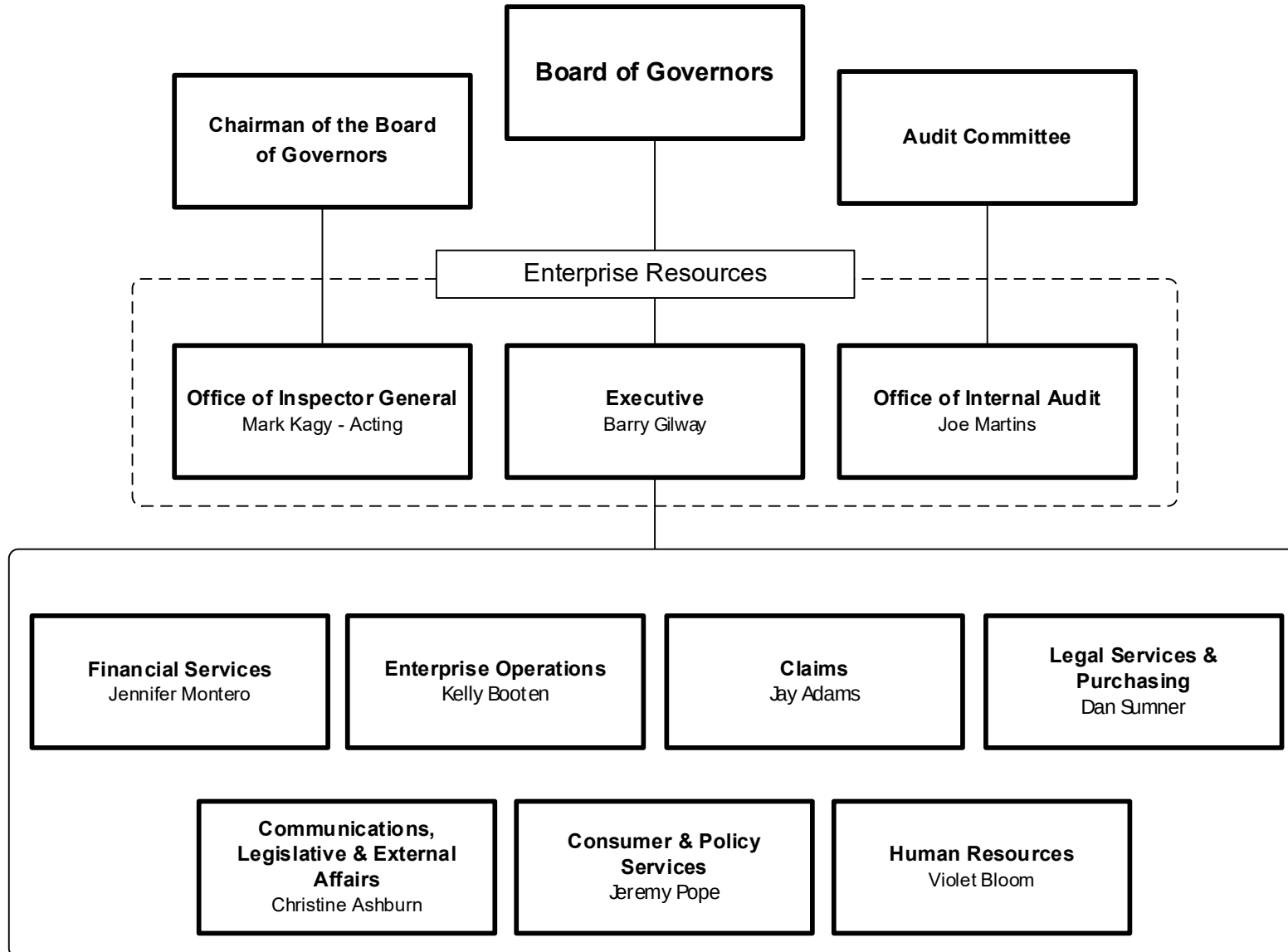


Barry Gilway
President, Chief Executive Officer and Executive Director



Jennifer Montero
Chief Financial Officer

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2021 Operating Budget

Budget Assumptions

2021 Operating Budget
Citizens Property Insurance Corporation

Budget Assumptions

I	Policies In-Force (PIF)	PLA	CLA	COASTAL	TOTAL
A	2021 Budgeted	476,862	845	152,549	630,257
	2020 Projected	398,403	774	132,958	532,135
	Total policy count change, net of depopulation	78,459	71	19,592	98,122
	Percentage change, net of depopulation	19.69%	9.19%	14.74%	18.44%
B	Depopulation Count				
	2021 Budgeted	4,521	-	3,332	7,853
	2020 Projected	3,046	-	5,168	8,214
	Change	1,475	-	(1,836)	(361)
	Change (%)	48.43%	0.00%	35.53%	4.39%
II	Written Premiums	PLA	CLA	COASTAL	TOTAL
A	2021 Budgeted	\$ 930,299,676	\$ 15,217,411	\$ 433,937,641	\$ 1,379,454,729
	2020 Projected	760,919,031	14,464,958	379,028,831	1,154,412,820
	Change (\$)	169,380,645	752,453	54,908,810	225,041,909
	Change (%)	22.26%	5.20%	14.49%	19.49%
III	Ceded Premiums	PLA	CLA	COASTAL	TOTAL
A	Depopulation				
	2021 Budgeted	(5,639,813)	-	(5,256,576)	(10,896,389)
	2020 Projected	(3,500,421)	-	(8,522,796)	(12,023,217)
	Change (\$)	(2,139,392)	-	3,266,220	1,126,828
	Change (%)	61.12%	0.00%	38.32%	9.37%
B	Florida Hurricane Catastrophe Fund - Mandatory Layer Only				
	2021 Budgeted	\$ (98,563,640)	\$ (3,352,228)	\$ (82,200,837)	\$ (184,116,705)
	2020 Projected	(72,862,953)	(2,856,983)	(67,000,142)	(142,720,078)
	Change (\$)	(25,700,687)	(495,245)	(15,200,695)	(41,396,627)
	Change (%)	35.27%	17.33%	22.69%	29.01%
C	Private Reinsurance				
	2021 Budgeted	\$ (60,000,000)	\$ -	\$ (150,000,000)	\$ (210,000,000)
	2020 Projected	(26,894,472)	-	(64,682,340)	(91,576,812)
	Change (\$)	(33,105,528)	-	(85,317,660)	(118,423,188)
	Change (%)	123.09%	0.00%	131.90%	129.32%

IV	Non-CAT Loss and Loss Adjustment Expense (LAE) Ratios	PLA	CLA	COASTAL	TOTAL
A	Incurred Loss and LAE Ratio (Net of Depopulation)				
	2021 Budgeted	68.82%	14.37%	25.01%	54.27%
	2020 Projected	69.06%	26.21%	25.44%	53.75%
	Change	0.24%	11.85%	0.43%	0.52%
V	Total Exposure	PLA	CLA	COASTAL	TOTAL
A	Total Exposure				
	2021 Budgeted	\$ 112,744,893,491	\$ 3,764,151,861	\$ 50,989,932,598	\$ 167,498,977,950
	2020 Projected	90,895,062,977	3,390,940,846	44,378,016,372	138,664,020,195
	Change (\$)	21,849,830,514	373,211,015	6,611,916,227	28,834,957,755
	Change (%)	24.04%	11.01%	14.90%	20.79%
VI	Expense Ratio Summary	PLA	CLA	COASTAL	TOTAL
A	Underwriting and Policy Acquisition Cost Ratios				
	2021 Budgeted	9.56%	13.46%	10.36%	9.85%
	2020 Projected	9.44%	13.25%	10.23%	9.75%
	Change	0.12%	0.21%	0.13%	0.11%
B	Administrative Ratios				
	2021 Budgeted	10.10%	10.09%	10.11%	10.10%
	2020 Projected	11.03%	10.71%	11.07%	11.04%
	Change	0.93%	0.62%	0.96%	0.94%
C	Expense Ratios				
	2021 Budgeted	19.66%	23.54%	20.47%	19.96%
	2020 Projected	20.47%	23.96%	21.30%	20.79%
	Change	0.81%	0.42%	0.83%	0.83%

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2021 Operating Budget

Budgeted Statements of Operations

2021 Operating Budget
Citizens Property Insurance Corporation

Budgeted Statements of Operations - Total Company

	2021 Budget	2020 Projection	Change (\$)	Change (%)	2020 Budget	Change (\$)	Change (%)	2019 Actual	Change (\$)	Change (%)
Premiums										
Premiums Written - Direct	\$1,379,454,729	\$1,154,412,782	\$225,041,947	19.49%	\$873,412,230	\$506,042,499	57.94%	\$876,559,612	\$502,895,117	57.37%
Change in Direct UPR	(109,565,608)	(172,957,156)	63,391,549	36.65%	(9,056,674)	(100,508,933)	1,109.78%	(15,765,074)	(93,800,533)	594.99%
Premiums Ceded (FHCF)	(184,116,705)	(142,720,079)	(41,396,626)	29.01%	(134,869,863)	(49,246,843)	36.51%	(133,602,467)	(50,514,238)	37.81%
Premiums Ceded (Private)	(210,000,000)	(91,576,811)	(118,423,189)	129.32%	(125,000,000)	(85,000,000)	68.00%	(94,639,245)	(115,360,755)	121.90%
Premiums Ceded (Depop)	(10,896,389)	(12,023,217)	1,126,828	9.37%	(11,650,863)	754,474	6.48%	(9,327,580)	(1,568,809)	16.82%
Change in Ceded UPR (Depop)	45,200	(185,877,585)	185,922,785	100.02%	(1,245,168)	1,290,367	103.63%	(7,149,771)	7,194,971	100.63%
Net Premiums Earned	\$864,921,226	\$739,051,852	\$125,869,375	17.03%	\$591,589,663	\$273,331,564	46.20%	\$616,075,474	\$248,845,752	40.39%
Underwriting Expenses										
Losses and LAE Incurred	\$683,291,163	\$559,493,932	\$123,797,231	22.13%	\$456,066,231	\$227,224,932	49.82%	\$499,961,487	\$183,329,676	36.67%
Producer Commissions	101,734,720	85,635,475	16,099,245	18.80%	65,193,521	36,541,199	56.05%	65,154,697	36,580,023	56.14%
Taxes and Assessments	18,204,457	15,270,375	2,934,082	19.21%	10,909,879	7,294,578	66.86%	11,267,538	6,936,920	61.57%
Administrative Expenses	139,363,021	127,450,054	11,912,967	9.35%	133,840,286	5,522,735	4.13%	124,021,292	15,341,729	12.37%
Other Underwriting Expenses	15,975,714	11,616,977	4,358,737	37.52%	12,095,210	3,880,504	32.08%	12,729,294	3,246,420	25.50%
Total Underwriting	\$958,569,075	\$799,466,813	\$159,102,262	19.90%	\$678,105,128	\$280,463,947	41.36%	\$713,134,307	\$245,434,768	34.42%
Net Underwriting Gain (Loss)	\$(93,647,849)	\$(60,414,962)	\$(33,232,887)	55.01%	\$(86,515,465)	\$(7,132,383)	8.24%	\$(97,058,833)	\$3,410,984	3.51%
Other Income (Expense)										
Investment Income - Net	\$162,991,129	\$260,903,120	\$(97,911,992)	37.53%	\$191,281,662	\$162,991,129	-	\$232,446,937	\$(69,455,808)	29.88%
Interest Expense - Net	(24,589,181)	(34,192,743)	9,603,562	28.09%	(34,223,116)	9,633,935	28.15%	(51,621,400)	27,032,219	52.37%
Other Income and Expenses	2,127,548	2,655,367	(527,819)	19.88%	808,689	2,127,548	-	2,562,659	(435,111)	16.98%
Total Other Income (Expense)	\$140,529,496	\$229,365,744	\$(88,836,248)	38.73%	\$157,867,235	\$(17,337,739)	10.98%	\$183,388,197	\$(42,858,700)	23.37%
Net Income (Loss)	\$46,881,648	\$168,950,783	\$(122,069,135)	72.25%	\$71,351,770	\$(24,470,123)	34.30%	\$86,329,364	\$(39,447,716)	45.69%
Policies In-Force	630,257	532,135	98,122	18.44%	430,704	199,553	46.33%	447,433	182,824	40.86%

Note: All variances enumerated above are in reference to the 2021 Budget. All percentages are stated in absolute value.

2021 Operating Budget
Citizens Property Insurance Corporation

Budgeted Statements of Operations - PLA

	2021 Budget	2020 Projection	Change (\$)	Change (%)	2020 Budget	Change (\$)	Change (%)	2019 Actual	Change (\$)	Change (%)
Premiums										
Premiums Written - Direct	\$930,299,676	\$760,919,031	\$169,380,645	22.26%	\$562,388,394	\$367,911,282	65.42%	\$558,477,481	\$371,822,195	66.58%
Change in Direct UPR	(80,418,378)	(126,391,496)	45,973,118	36.37%	(7,744,619)	(72,673,760)	938.38%	(23,972,811)	(56,445,567)	235.46%
Premiums Ceded (FHCF)	(98,563,640)	(72,862,956)	(25,700,684)	35.27%	(70,418,365)	(28,145,275)	39.97%	(66,113,542)	(32,450,098)	49.08%
Premiums Ceded (Private)	(60,000,000)	(26,894,470)	(33,105,530)	123.09%	(25,000,000)	(35,000,000)	140.00%	(18,394,693)	(41,605,307)	226.18%
Premiums Ceded (Depop)	(5,639,813)	(3,500,421)	(2,139,392)	61.12%	(3,514,804)	(2,125,008)	60.46%	(6,034,633)	394,821	6.54%
Change in Ceded UPR (Depop)	201,180	(80,871,299)	81,072,478	100.25%	(601,936)	803,116	133.42%	(318,336)	519,515	163.20%
Net Premiums Earned	\$685,879,025	\$531,687,740	\$154,191,284	29.00%	\$455,108,670	\$230,770,355	50.71%	\$443,643,466	\$242,235,558	54.60%
Underwriting Expenses										
Losses and LAE Incurred	\$581,160,214	\$446,230,403	\$134,929,811	30.24%	\$389,085,433	\$192,074,781	49.37%	\$386,908,256	\$194,251,958	50.21%
Producer Commissions	65,511,331	53,870,372	11,640,959	21.61%	39,872,011	25,639,320	64.30%	39,481,554	26,029,777	65.93%
Taxes and Assessments	12,633,842	10,388,886	2,244,956	21.61%	7,368,615	5,265,227	71.45%	7,435,265	5,198,577	69.92%
Administrative Expenses	93,969,230	83,950,729	10,018,501	11.93%	86,179,668	7,789,562	9.04%	78,944,140	15,025,090	19.03%
Other Underwriting Expenses	10,772,051	7,576,881	3,195,170	42.17%	7,788,097	2,983,953	38.31%	8,176,497	2,595,554	31.74%
Total Underwriting	\$764,046,667	\$602,017,271	\$162,029,396	26.91%	\$530,293,823	\$233,752,844	44.08%	\$520,945,712	\$243,100,955	46.67%
Net Underwriting Gain (Loss)	\$(78,167,643)	\$(70,329,531)	\$(7,838,112)	11.14%	\$(75,185,153)	\$(2,982,489)	3.97%	\$(77,302,246)	\$(865,397)	1.12%
Other Income (Expense)										
Investment Income - Net	\$40,740,280	\$83,902,240	\$(43,161,960)	51.44%	\$60,087,744	\$40,740,280	-	\$85,701,974	\$(44,961,694)	52.46%
Interest Expense - Net	(7,373,668)	(12,384,815)	5,011,147	40.46%	(12,384,815)	5,011,147	40.46%	(17,133,390)	9,759,722	56.96%
Other Income and Expenses	1,621,102	1,898,285	(277,184)	14.60%	574,628	1,621,102	-	1,872,756	(251,654)	13.44%
Total Other Income (Expense)	\$34,987,714	\$73,415,710	\$(38,427,996)	52.34%	\$48,277,557	\$(13,289,843)	27.53%	\$70,441,340	\$(35,453,626)	50.33%
Net Income (Loss)	\$(43,179,929)	\$3,086,179	\$(46,266,108)	1,499.14%	\$(26,907,597)	\$(16,272,332)	60.47%	\$(6,860,906)	\$(36,319,023)	529.36%
Policies In-Force	476,862	398,403	78,459	19.69%	318,474	158,389	49.73%	326,675	150,187	45.97%

Note: All variances enumerated above are in reference to the 2021 Budget. All percentages are stated in absolute value.

2021 Operating Budget
Citizens Property Insurance Corporation

Budgeted Statements of Operations - CLA

	2021 Budget	2020 Projection	Change (\$)	Change (%)	2020 Budget	Change (\$)	Change (%)	2019 Actual	Change (\$)	Change (%)
Premiums										
Premiums Written - Direct	\$15,217,411	\$14,464,958	\$752,453	5.20%	\$8,877,962	\$6,339,449	71.41%	\$11,971,532	\$3,245,879	27.11%
Change in Direct UPR	(580,575)	(1,829,692)	1,249,117	68.27%	1,074,158	(1,654,733)	154.05%	1,021,170	(1,601,745)	156.85%
Premiums Ceded (FHCF)	(3,352,228)	(2,856,983)	(495,245)	17.33%	(1,888,173)	(1,464,055)	77.54%	(2,468,014)	(884,214)	35.83%
Premiums Ceded (Private)	-	-	-	-	-	-	-	-	-	-
Premiums Ceded (Depop)	-	-	-	-	(91,618)	91,618	100.00%	(6,754)	6,754	100.00%
Change in Ceded UPR (Depop)	-	(2,382,727)	2,382,727	100.00%	(12,915)	12,915	100.00%	(40,851)	40,851	100.00%
Net Premiums Earned	\$11,284,608	\$9,778,283	\$1,506,325	15.40%	\$7,959,413	\$3,325,195	41.78%	\$10,477,084	\$807,525	7.71%
Underwriting Expenses										
Losses and LAE Incurred	\$2,102,782	\$4,417,603	\$(2,314,821)	52.40%	\$1,436,086	\$666,695	46.42%	\$11,322,678	\$(9,219,897)	81.43%
Producer Commissions	1,660,491	1,582,141	78,351	4.95%	955,399	705,092	73.80%	1,302,402	358,090	27.49%
Taxes and Assessments	211,250	201,282	9,968	4.95%	109,956	101,294	92.12%	165,418	45,832	27.71%
Administrative Expenses	1,534,927	1,549,326	(14,399)	0.93%	1,360,775	174,152	12.80%	1,694,972	(160,044)	9.44%
Other Underwriting Expenses	175,955	133,119	42,836	32.18%	122,974	52,981	43.08%	174,853	1,101	0.63%
Total Underwriting	\$5,685,405	\$7,883,471	\$(2,198,066)	27.88%	\$3,985,191	\$1,700,214	42.66%	\$14,660,323	\$(8,974,918)	61.22%
Net Underwriting Gain (Loss)	\$5,599,203	\$1,894,812	\$3,704,391	195.50%	\$3,974,223	\$1,624,981	40.89%	\$(4,183,239)	\$9,782,443	233.85%
Other Income (Expense)										
Investment Income - Net	\$42,378,002	\$61,521,878	\$(19,143,876)	31.12%	\$43,238,661	\$42,378,002	-	\$51,667,696	\$(9,289,694)	17.98%
Interest Expense - Net	(1,164,623)	(1,956,101)	791,478	40.46%	(1,956,101)	791,478	40.46%	(2,706,107)	1,541,484	56.96%
Other Income and Expenses	89,629	68,817	20,811	30.24%	55,093	89,629	-	59,929	29,700	49.56%
Total Other Income (Expense)	\$41,303,008	\$59,634,595	\$(18,331,587)	30.74%	\$41,337,653	\$(34,646)	0.08%	\$49,021,518	\$(7,718,511)	15.75%
Net Income (Loss)	\$46,902,211	\$61,529,407	\$(14,627,196)	23.77%	\$45,311,876	\$1,590,335	3.51%	\$44,838,279	\$2,063,932	4.60%
Policies In-Force	845	774	71	9.19%	520	325	62.47%	738	107	14.52%

Note: All variances enumerated above are in reference to the 2021 Budget. All percentages are stated in absolute value.

2021 Operating Budget
Citizens Property Insurance Corporation

Budgeted Statements of Operations - Coastal

	2021 Budget	2020 Projection	Change (\$)	Change (%)	2020 Budget	Change (\$)	Change (%)	2019 Actual	Change (\$)	Change (%)
Premiums										
Premiums Written - Direct	\$433,937,641	\$379,028,793	\$54,908,848	14.49%	\$302,145,874	\$131,791,768	43.62%	\$306,110,599	\$127,827,042	41.76%
Change in Direct UPR	(28,566,654)	(44,735,969)	16,169,314	36.14%	(2,386,214)	(26,180,440)	1,097.15%	7,186,567	(35,753,221)	497.50%
Premiums Ceded (FHCF)	(82,200,837)	(67,000,140)	(15,200,697)	22.69%	(62,563,324)	(19,637,513)	31.39%	(65,020,911)	(17,179,926)	26.42%
Premiums Ceded (Private)	(150,000,000)	(64,682,341)	(85,317,659)	131.90%	(100,000,000)	(50,000,000)	50.00%	(76,244,552)	(73,755,448)	96.74%
Premiums Ceded (Depop)	(5,256,576)	(8,522,796)	3,266,220	38.32%	(8,044,440)	2,787,863	34.66%	(3,286,193)	(1,970,383)	59.96%
Change in Ceded UPR (Depop)	(155,980)	(102,623,560)	102,467,580	99.85%	(630,316)	474,336	75.25%	(6,790,585)	6,634,605	97.70%
Net Premiums Earned	\$167,757,594	\$197,585,828	\$(29,828,235)	15.10%	\$128,521,580	\$39,236,014	30.53%	\$161,954,924	\$5,802,670	3.58%
Underwriting Expenses										
Losses and LAE Incurred	\$100,028,167	\$108,845,926	\$(8,817,759)	8.10%	\$65,544,712	\$34,483,455	52.61%	\$101,730,552	\$(1,702,385)	1.67%
Producer Commissions	34,562,898	30,182,962	4,379,936	14.51%	24,366,112	10,196,786	41.85%	24,370,741	10,192,156	41.82%
Taxes and Assessments	5,359,365	4,680,207	679,158	14.51%	3,431,308	1,928,057	56.19%	3,666,855	1,692,510	46.16%
Administrative Expenses	43,858,864	41,949,999	1,908,865	4.55%	46,299,843	(2,440,979)	5.27%	43,382,180	476,684	1.10%
Other Underwriting Expenses	5,027,709	3,906,977	1,120,732	28.69%	4,184,139	843,570	20.16%	4,377,944	649,765	14.84%
Total Underwriting	\$188,837,003	\$189,566,071	\$(729,068)	0.38%	\$143,826,114	\$45,010,889	31.30%	\$177,528,272	\$11,308,731	6.37%
Net Underwriting Gain (Loss)	\$(21,079,409)	\$8,019,757	\$(29,099,167)	362.84%	\$(15,304,534)	\$(5,774,875)	37.73%	\$(15,573,348)	\$(5,506,062)	35.36%
Other Income (Expense)										
Investment Income - Net	\$79,872,847	\$115,479,003	\$(35,606,156)	30.83%	\$87,955,258	\$79,872,847	-	\$95,077,267	\$(15,204,420)	15.99%
Interest Expense - Net	(16,050,890)	(19,851,828)	3,800,938	19.15%	(19,882,200)	3,831,310	19.27%	(31,781,903)	15,731,013	49.50%
Other Income and Expenses	416,818	688,265	(271,447)	39.44%	178,968	416,818	-	629,974	(213,156)	33.84%
Total Other Income (Expense)	\$64,238,775	\$96,315,440	\$(32,076,665)	33.30%	\$68,252,026	\$(4,013,251)	5.88%	\$63,925,338	\$313,436	0.49%
Net Income (Loss)	\$43,159,366	\$104,335,197	\$(61,175,831)	58.63%	\$52,947,491	\$(9,788,125)	18.49%	\$48,351,991	\$(5,192,625)	10.74%
Policies In-Force	152,549	132,958	19,592	14.74%	111,710	40,840	36.56%	120,020	32,529	27.10%

Note: All variances enumerated above are in reference to the 2021 Budget. All percentages are stated in absolute value.

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2021 Operating Budget

Administrative Expenses

2021 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	Consumer and Policy Services	Enterprise Operations
Salaries	\$101,954,835	\$6,251,330	\$6,528,992	\$6,590,739	\$2,088,355	\$6,943,439	\$25,386,880	\$4,904,243	\$43,260,857
Employee Benefits	27,201,761	1,017,368	2,121,733	1,774,784	584,517	1,725,170	6,782,880	1,708,984	11,486,325
Payroll Taxes	7,309,653	327,472	520,033	475,576	155,330	487,698	1,865,871	355,575	3,122,099
Contingent Staffing	58,632,809	102,000	54,495	48,960	-	-	55,765,870	-	2,661,484
Training	1,023,575	67,300	124,008	12,115	57,900	56,143	34,458	18,500	653,151
Recruiting	506,468	-	506,468	-	-	-	-	-	-
Printing	93,814	2,600	19,000	120	24,400	20,646	17,062	5,000	4,986
Operating Supplies	277,206	6,700	183,482	4,140	6,600	11,050	21,409	10,450	33,375
Subscriptions & Dues	1,332,040	55,680	146,511	53,040	34,985	165,618	523,550	2,300	350,356
Postage	287,797	300	270,424	-	340	6,692	5,191	-	4,850
Telecommunications	2,712,188	-	-	-	-	-	-	-	2,712,188
Legal	1,703,450	98,250	-	1,285,200	-	-	320,000	-	-
Insurance	890,995	-	-	890,995	-	-	-	-	-
Travel & Meals	1,142,787	124,380	85,047	76,380	49,950	69,381	413,168	20,370	304,111
Professional Services	12,328,998	337,500	1,209,125	141,800	290,240	1,712,136	1,669,954	320,000	6,648,243
Miscellaneous	-	-	-	-	-	-	-	-	-
Rent	6,517,306	-	5,089,648	12,602	-	5,304	-	-	1,409,752
Depreciation	1,201,817	-	471,334	-	-	17,130	-	-	713,353
Producer Fees Collected	(717,455)	-	-	-	-	-	-	-	(717,455)
Operations & Maintenance	2,648,816	-	1,854,675	1,260	-	35,646	117,971	21,000	618,265
Bank Charges	202,512	-	-	-	-	202,272	-	-	240
Software Maint & Licensing	17,885,232	217,232	659,240	92,190	68,000	669,763	3,792,299	105,500	12,281,008
Computer Hardware	2,474,442	-	-	-	-	-	5,226	-	2,469,217
FMAP Funding	(318,405)	-	-	-	-	(3,600)	-	-	(314,805)
ULAE Expense Allocation	(107,929,618)	-	(1,920,799)	(4,683,777)	-	(66,750)	(96,721,788)	-	(4,536,504)
Administrative Expenses	\$139,363,021	\$8,608,112	\$17,923,415	\$6,776,123	\$3,360,616	\$12,057,738	-	\$7,471,922	\$83,165,094
Other Underwriting Expenses	15,975,714	-	-	-	-	-	-	2,589,898	13,385,816
Total Admin & Other Expenses	\$155,338,735	\$8,608,112	\$17,923,415	\$6,776,123	\$3,360,616	\$12,057,738	-	\$10,061,820	\$96,550,910

Expense Category	Total CPIC	Normal Operating	Enterprise Projects	IT Projects (Non-Enterprise)	Centerpoint - ERP	Customer Relationship Management	COVID-19
Salaries	\$101,954,835	\$101,954,835	-	-	-	-	-
Employee Benefits	27,201,761	27,201,761	-	-	-	-	-
Payroll Taxes	7,309,653	7,309,653	-	-	-	-	-
Contingent Staffing	56,223,259	56,223,259	-	-	-	-	-
Training	1,023,575	1,023,575	-	-	-	-	-
Recruiting	506,468	506,468	-	-	-	-	-
Printing	93,814	93,814	-	-	-	-	-
Operating Supplies	277,206	256,206	-	-	-	-	21,000
Subscriptions & Dues	1,332,040	1,331,740	-	-	300	-	-
Postage	287,797	287,797	-	-	-	-	-
Telecommunications	2,712,188	2,633,288	6,600	72,300	-	-	-
Legal	1,703,450	1,703,450	-	-	-	-	-
Insurance	890,995	890,995	-	-	-	-	-
Travel & Meals	1,142,787	1,142,787	-	-	-	-	-
Professional Services	12,328,998	10,702,865	1,411,000	183,333	31,800	-	-
Rent	6,517,306	6,517,306	-	-	-	-	-
Depreciation	1,201,817	1,201,817	-	-	-	-	-
Producer Fees Collected	(717,455)	(717,455)	-	-	-	-	-
Operations & Maintenance	2,648,816	2,416,616	-	-	-	-	232,200
Bank Charges	202,512	202,512	-	-	-	-	-
Software Maint & Licensing	17,885,232	14,885,071	1,578,676	428,702	412,311	580,472	-
Computer Hardware	2,474,442	2,474,442	-	-	-	-	-
FMAP Funding	(318,405)	(318,405)	-	-	-	-	-
ULAE Expense Allocation	(105,520,068)	(105,520,068)	-	-	-	-	-
Administrative Expenses	\$139,363,021	\$134,404,326	\$2,996,276	\$684,335	\$444,411	\$580,472	\$253,200
Other Underwriting Expenses	15,975,714	15,975,714	-	-	-	-	-
Total Admin & Other Expenses	\$155,338,735	\$150,380,040	\$2,996,276	\$684,335	\$444,411	\$580,472	\$253,200

Note: Administrative expenses associated with Citizens' ongoing response to catastrophe events (e.g., Hurricane Irma) are excluded from the exhibit above.

Total CPIC	2021 Budget	2020 Projection	Change (\$)	Change (%)	2020 Budget	Change (\$)	Change (%)	2019 Actual	Change (\$)	Change (%)
Salaries	\$101,954,835	\$95,203,213	\$6,751,622	7.09%	\$97,570,910	\$4,383,925	4.49%	\$92,735,858	\$9,218,977	9.94%
Employee Benefits	27,201,761	23,769,400	3,432,360	14.44%	22,450,512	4,751,249	21.16%	19,551,356	7,650,404	39.13%
Payroll Taxes	7,309,653	6,776,355	533,298	7.87%	7,030,655	278,998	3.97%	6,655,688	653,965	9.83%
Contingent Staffing	58,632,809	61,961,640	(3,328,831)	5.37%	67,144,807	(8,511,998)	12.68%	61,716,247	(3,083,438)	5.00%
Training	1,023,575	669,746	353,829	52.83%	1,083,768	(60,193)	5.55%	923,638	99,937	10.82%
Recruiting	506,468	570,282	(63,815)	11.19%	595,795	(89,328)	14.99%	368,972	137,496	37.26%
Printing	93,814	56,273	37,540	66.71%	199,622	(105,808)	53.00%	42,810	51,003	119.14%
Operating Supplies	277,206	177,297	99,909	56.35%	270,927	6,279	2.32%	216,703	60,503	27.92%
Subscriptions & Dues	1,332,040	1,291,259	40,781	3.16%	1,693,534	(361,494)	21.35%	809,121	522,919	64.63%
Postage	287,797	230,380	57,417	24.92%	463,146	(175,349)	37.86%	284,081	3,715	1.31%
Telecommunications	2,712,188	2,711,489	699	0.03%	2,730,280	(18,092)	0.66%	2,850,753	(138,565)	4.86%
Legal	1,703,450	1,265,584	437,866	34.60%	1,583,000	120,450	7.61%	2,162,137	(458,687)	21.21%
Insurance	890,995	985,659	(94,663)	9.60%	876,272	14,724	1.68%	663,415	227,581	34.30%
Travel & Meals	1,142,787	447,452	695,335	155.40%	1,641,726	(498,939)	30.39%	1,527,835	(385,048)	25.20%
Professional Services	12,328,998	9,783,716	2,545,282	26.02%	11,949,362	379,636	3.18%	6,964,229	5,364,769	77.03%
Miscellaneous	-	5,240	(5,240)	100.00%	-	-	-	38,285	(38,285)	100.00%
Rent	6,517,306	6,387,283	130,023	2.04%	6,474,951	42,354	0.65%	7,168,232	(650,926)	9.08%
Depreciation	1,201,817	2,158,306	(956,490)	44.32%	2,184,160	(982,343)	44.98%	2,791,496	(1,589,680)	56.95%
Producer Fees Collected	(717,455)	(634,124)	(83,331)	13.14%	(717,000)	(455)	0.06%	(616,622)	(100,833)	16.35%
Operations & Maintenance	2,648,816	1,939,087	709,729	36.60%	2,370,564	278,252	11.74%	2,202,157	446,659	20.28%
Bank Charges	202,512	158,423	44,089	27.83%	110,341	92,171	83.53%	197,752	4,760	2.41%
Software Maint & Licensing	17,885,232	16,212,599	1,672,634	10.32%	18,675,510	(790,278)	4.23%	17,254,959	630,274	3.65%
Computer Hardware	2,474,442	2,288,120	186,322	8.14%	2,050,228	424,214	20.69%	1,701,981	772,461	45.39%
FMAP Funding	(318,405)	(192,311)	(126,094)	65.57%	(315,954)	(2,451)	0.78%	(151,953)	(166,452)	109.54%
ULAE Expense Allocation	(107,929,618)	(106,772,317)	(1,157,301)	1.08%	(114,276,829)	6,347,211	5.55%	(104,037,836)	(3,891,782)	3.74%
Administrative Expenses	\$139,363,021	\$127,450,052	\$11,912,969	9.35%	\$133,840,286	\$5,522,735	4.13%	\$124,021,292	\$15,341,729	12.37%
Other Underwriting Expenses	15,975,714	11,616,977	4,358,737	37.52%	12,095,210	3,880,504	32.08%	12,729,294	3,246,420	25.50%
Total Admin & Other Expenses	\$155,338,735	\$139,067,029	\$16,271,706	11.70%	\$145,935,496	\$9,403,239	6.44%	\$136,750,586	\$18,588,149	13.59%

Note: All variances enumerated above are in reference to the 2021 Budget. All percentages are stated in absolute value.

2021 Operating Budget
Citizens Property Insurance Corporation

Administrative Expenses
Comparisons of Annual Totals

Enterprise Resources

	2021 Budget	2020 Projection	Change (\$)	Change (%)	2020 Budget	Change (\$)	Change (%)	2019 Actual	Change (\$)	Change (%)
Salaries	\$6,251,330	\$5,803,805	\$447,525	7.71%	\$6,030,392	\$220,938	3.66%	\$5,687,986	\$563,344	9.90%
Employee Benefits	1,017,368	912,875	104,493	11.45%	920,402	96,967	10.54%	827,315	190,053	22.97%
Payroll Taxes	327,472	292,572	34,900	11.93%	319,744	7,727	2.42%	299,170	28,301	9.46%
Contingent Staffing	102,000	119,100	(17,100)	14.36%	7,200	94,800	1,316.67%	-	102,000	-
Training	67,300	32,985	34,315	104.03%	66,100	1,200	1.82%	71,256	(3,956)	5.55%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	2,600	864	1,736	200.95%	1,900	700	36.84%	592	2,008	339.38%
Operating Supplies	6,700	15,939	(9,239)	57.96%	6,700	-	-	7,384	(684)	9.26%
Subscriptions & Dues	55,680	86,890	(31,210)	35.92%	101,565	(45,885)	45.18%	79,588	(23,908)	30.04%
Postage	300	137	163	118.42%	300	-	-	-	300	-
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	98,250	140,067	(41,817)	29.85%	15,000	83,250	555.00%	5,845	92,405	1,580.92%
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	124,380	79,017	45,363	57.41%	246,452	(122,072)	49.53%	228,704	(104,324)	45.62%
Professional Services	337,500	240,151	97,349	40.54%	308,500	29,000	9.40%	249,238	88,262	35.41%
Miscellaneous	-	80	(80)	100.00%	-	-	-	172	(172)	100.00%
Rent	-	-	-	-	-	-	-	1,376	(1,376)	100.00%
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	-	-	-	-	-	-	-	35	(35)	100.00%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	217,232	109,122	108,110	99.07%	255,728	(38,496)	15.05%	137,900	79,332	57.53%
Computer Hardware	-	-	-	-	-	-	-	40	(40)	100.00%
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	-	-	-	-	-	-	-	-	-	-
Administrative Expenses	\$8,608,112	\$7,833,604	\$774,508	9.89%	\$8,279,983	\$328,129	3.96%	\$7,596,601	\$1,011,511	13.32%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$8,608,112	\$7,833,604	\$774,508	9.89%	\$8,279,983	\$328,129	3.96%	\$7,596,601	\$1,011,511	13.32%

Note: All variances enumerated above are in reference to the 2021 Budget. All percentages are stated in absolute value.

Human Resources

	2021 Budget	2020 Projection	Change (\$)	Change (%)	2020 Budget	Change (\$)	Change (%)	2019 Actual	Change (\$)	Change (%)
Salaries	\$6,528,992	\$6,171,514	\$357,478	5.79%	\$6,337,808	\$191,184	3.02%	\$5,985,073	\$543,919	9.09%
Employee Benefits	2,121,733	1,662,372	459,361	27.63%	1,917,541	204,192	10.65%	1,681,080	440,653	26.21%
Payroll Taxes	520,033	451,910	68,123	15.07%	464,115	55,919	12.05%	481,410	38,623	8.02%
Contingent Staffing	54,495	45,413	9,083	20.00%	-	54,495	-	76,658	(22,163)	28.91%
Training	124,008	88,023	35,985	40.88%	128,100	(4,092)	3.19%	69,528	54,480	78.36%
Recruiting	506,468	570,282	(63,815)	11.19%	595,795	(89,328)	14.99%	368,926	137,542	37.28%
Printing	19,000	17,436	1,564	8.97%	20,800	(1,800)	8.65%	10,469	8,531	81.48%
Operating Supplies	183,482	103,520	79,962	77.24%	166,882	16,600	9.95%	146,655	36,827	25.11%
Subscriptions & Dues	146,511	78,482	68,029	86.68%	110,424	36,087	32.68%	83,175	63,336	76.15%
Postage	270,424	220,966	49,458	22.38%	298,400	(27,976)	9.38%	275,167	(4,743)	1.72%
Telecommunications	-	-	-	-	-	-	-	55	(55)	100.00%
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	85,047	65,940	19,107	28.98%	146,913	(61,866)	42.11%	135,367	(50,320)	37.17%
Professional Services	1,209,125	820,580	388,545	47.35%	1,152,000	57,125	4.96%	224,228	984,897	439.24%
Miscellaneous	-	(12)	12	100.00%	-	-	-	24,786	(24,786)	100.00%
Rent	5,089,648	5,018,805	70,843	1.41%	5,107,614	(17,966)	0.35%	5,764,500	(674,852)	11.71%
Depreciation	471,334	503,792	(32,458)	6.44%	521,467	(50,133)	9.61%	510,027	(38,693)	7.59%
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	1,854,675	1,294,248	560,427	43.30%	1,690,290	164,384	9.73%	1,574,341	280,333	17.81%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	659,240	543,889	115,351	21.21%	642,842	16,398	2.55%	682,151	(22,911)	3.36%
Computer Hardware	-	-	-	-	-	-	-	220	(220)	100.00%
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	(1,920,799)	(1,783,451)	(137,348)	7.70%	(1,896,607)	(24,192)	1.28%	(1,857,398)	(63,401)	3.41%
Administrative Expenses	\$17,923,415	\$15,873,710	\$2,049,705	12.91%	\$17,404,384	\$519,031	2.98%	\$16,236,419	\$1,686,996	10.39%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$17,923,415	\$15,873,710	\$2,049,705	12.91%	\$17,404,384	\$519,031	2.98%	\$16,236,419	\$1,686,996	10.39%

Note: All variances enumerated above are in reference to the 2021 Budget. All percentages are stated in absolute value.

Legal Services & Purchasing

	2021 Budget	2020 Projection	Change (\$)	Change (%)	2020 Budget	Change (\$)	Change (%)	2019 Actual	Change (\$)	Change (%)
Salaries	\$6,590,739	\$6,292,859	\$297,880	4.73%	\$6,483,467	\$107,272	1.65%	\$6,007,077	\$583,662	9.72%
Employee Benefits	1,774,784	1,617,574	157,209	9.72%	1,451,644	323,140	22.26%	1,278,300	496,484	38.84%
Payroll Taxes	475,576	440,366	35,209	8.00%	462,691	12,884	2.78%	433,891	41,685	9.61%
Contingent Staffing	48,960	79,563	(30,603)	38.46%	94,003	(45,043)	47.92%	112,258	(63,298)	56.39%
Training	12,115	8,660	3,455	39.89%	18,880	(6,765)	35.83%	4,317	7,798	180.63%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	120	148	(28)	19.06%	120	-	-	120	-	-
Operating Supplies	4,140	2,431	1,709	70.28%	3,420	720	21.05%	2,533	1,607	63.46%
Subscriptions & Dues	53,040	54,891	(1,851)	3.37%	52,249	791	1.51%	41,565	11,475	27.61%
Postage	-	45	(45)	100.00%	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	1,285,200	812,592	472,608	58.16%	1,236,000	49,200	3.98%	1,995,361	(710,161)	35.59%
Insurance	890,995	775,112	115,883	14.95%	876,272	14,724	1.68%	663,415	227,581	34.30%
Travel & Meals	76,380	24,558	51,822	211.02%	99,425	(23,045)	23.18%	57,136	19,244	33.68%
Professional Services	141,800	33,598	108,202	322.05%	147,500	(5,700)	3.86%	(35,171)	176,971	503.17%
Miscellaneous	-	-	-	-	-	-	-	(88)	88	100.00%
Rent	12,602	12,203	399	3.27%	12,002	600	5.00%	10,835	1,767	16.31%
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	1,260	1,112	148	13.35%	1,260	-	-	1,183	77	6.51%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	92,190	57,986	34,204	58.99%	62,537	29,653	47.42%	79,400	12,790	16.11%
Computer Hardware	-	-	-	-	-	-	-	-	-	-
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	(4,683,777)	(4,519,488)	(164,289)	3.64%	(4,601,117)	(82,660)	1.80%	(4,165,936)	(517,842)	12.43%
Administrative Expenses	\$6,776,123	\$5,694,210	\$1,081,914	19.00%	\$6,400,353	\$375,770	5.87%	\$6,486,195	\$289,929	4.47%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$6,776,123	\$5,694,210	\$1,081,914	19.00%	\$6,400,353	\$375,770	5.87%	\$6,486,195	\$289,929	4.47%

Note: All variances enumerated above are in reference to the 2021 Budget. All percentages are stated in absolute value.

Communications, Legislative & External Affairs	2021 Budget	2020 Projection	Change (\$)	Change (%)	2020 Budget	Change (\$)	Change (%)	2019 Actual	Change (\$)	Change (%)
Salaries	\$2,088,355	\$2,349,552	(261,198)	11.12%	\$2,284,591	(196,236)	8.59%	\$2,248,491	(160,136)	7.12%
Employee Benefits	584,517	679,111	(94,594)	13.93%	525,414	59,103	11.25%	559,762	24,755	4.42%
Payroll Taxes	155,330	174,704	(19,374)	11.09%	170,533	(15,203)	8.91%	167,066	(11,736)	7.02%
Contingent Staffing	-	-	-	-	-	-	-	1,494	(1,494)	100.00%
Training	57,900	21,936	35,964	163.96%	55,295	2,605	4.71%	12,246	45,654	372.81%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	24,400	10,410	13,990	134.40%	139,000	(114,600)	82.45%	4,129	20,271	490.91%
Operating Supplies	6,600	5,990	610	10.18%	11,200	(4,600)	41.07%	4,928	1,672	33.92%
Subscriptions & Dues	34,985	31,707	3,278	10.34%	34,195	790	2.31%	16,460	18,525	112.54%
Postage	340	50	290	575.05%	150,100	(149,760)	99.77%	2,628	(2,288)	87.06%
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	49,950	10,981	38,969	354.89%	60,700	(10,750)	17.71%	51,136	(1,186)	2.32%
Professional Services	290,240	261,791	28,449	10.87%	250,000	40,240	16.10%	80,276	209,964	261.55%
Miscellaneous	-	-	-	-	-	-	-	(2,550)	2,550	100.00%
Rent	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	-	-	-	-	-	-	-	269	(269)	100.00%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	68,000	46,015	21,985	47.78%	41,000	27,000	65.85%	29,867	38,133	127.68%
Computer Hardware	-	-	-	-	-	-	-	-	-	-
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	-	-	-	-	-	-	-	105,929	(105,929)	100.00%
Administrative Expenses	\$3,360,616	\$3,592,247	(231,630)	6.45%	\$3,722,027	(361,411)	9.71%	\$3,282,133	\$78,484	2.39%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$3,360,616	\$3,592,247	(231,630)	6.45%	\$3,722,027	(361,411)	9.71%	\$3,282,133	\$78,484	2.39%

Note: All variances enumerated above are in reference to the 2021 Budget. All percentages are stated in absolute value.

2021 Operating Budget
Citizens Property Insurance Corporation

Administrative Expenses
Comparisons of Annual Totals

Financial Services	2021 Budget	2020 Projection	Change (\$)	Change (%)	2020 Budget	Change (\$)	Change (%)	2019 Actual	Change (\$)	Change (%)
Salaries	\$6,943,439	\$6,578,438	\$365,001	5.55%	\$6,570,539	\$372,900	5.68%	\$6,393,097	\$550,342	8.61%
Employee Benefits	1,725,170	1,528,257	196,913	12.88%	1,391,632	333,537	23.97%	1,266,390	458,780	36.23%
Payroll Taxes	487,698	455,638	32,060	7.04%	455,558	32,140	7.06%	448,989	38,709	8.62%
Contingent Staffing	-	-	-	-	-	-	-	1,550	(1,550)	100.00%
Training	56,143	35,610	20,533	57.66%	68,886	(12,743)	18.50%	43,560	12,583	28.89%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	20,646	19,510	1,136	5.82%	19,050	1,596	8.38%	16,920	3,726	22.02%
Operating Supplies	11,050	8,104	2,946	36.35%	15,046	(3,996)	26.56%	8,103	2,947	36.36%
Subscriptions & Dues	165,618	159,862	5,756	3.60%	165,628	(10)	0.01%	147,892	17,726	11.99%
Postage	6,692	3,852	2,840	73.75%	3,930	2,762	70.28%	6,185	507	8.20%
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	-	148,438	(148,438)	100.00%	-	-	-	7,523	(7,523)	100.00%
Insurance	-	210,547	(210,547)	100.00%	-	-	-	-	-	-
Travel & Meals	69,381	28,543	40,838	143.08%	133,645	(64,264)	48.09%	147,923	(78,542)	53.10%
Professional Services	1,712,136	1,757,584	(45,448)	2.59%	1,872,434	(160,298)	8.56%	1,478,969	233,167	15.77%
Miscellaneous	-	4,077	(4,077)	100.00%	-	-	-	(14)	14	100.00%
Rent	5,304	5,304	-	-	-	5,304	-	5,304	-	-
Depreciation	17,130	20,296	(3,167)	15.60%	50,296	(33,167)	65.94%	20,296	(3,167)	15.60%
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	35,646	30,045	5,601	18.64%	33,837	1,809	5.35%	8,514	27,132	318.68%
Bank Charges	202,272	158,191	44,081	27.87%	110,101	92,171	83.71%	197,490	4,782	2.42%
Software Maint & Licensing	669,763	662,719	7,044	1.06%	627,413	42,350	6.75%	552,337	117,426	21.26%
Computer Hardware	-	448	(448)	100.00%	-	-	-	25,750	(25,750)	100.00%
FMAP Funding	(3,600)	(3,600)	-	-	(3,600)	-	-	(3,600)	-	-
ULAE Expense Allocation	(66,750)	(52,198)	(14,552)	27.88%	(36,333)	(30,416)	83.71%	(65,167)	(1,583)	2.43%
Administrative Expenses	\$12,057,738	\$11,759,665	\$298,073	2.53%	\$11,478,062	\$579,676	5.05%	\$10,708,012	\$1,349,726	12.60%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$12,057,738	\$11,759,665	\$298,073	2.53%	\$11,478,062	\$579,676	5.05%	\$10,708,012	\$1,349,726	12.60%

Note: All variances enumerated above are in reference to the 2021 Budget. All percentages are stated in absolute value.

Claims	2021 Budget	2020 Projection	Change (\$)	Change (%)	2020 Budget	Change (\$)	Change (%)	2019 Actual	Change (\$)	Change (%)
Salaries	\$25,386,880	\$23,931,019	\$1,455,861	6.08%	\$24,312,897	\$1,073,984	4.42%	\$22,558,049	\$2,828,831	12.54%
Employee Benefits	6,782,880	6,041,458	741,422	12.27%	5,628,604	1,154,275	20.51%	4,981,727	1,801,153	36.16%
Payroll Taxes	1,865,871	1,763,074	102,798	5.83%	1,813,546	52,325	2.89%	1,657,146	208,725	12.60%
Contingent Staffing	55,765,870	59,641,904	(3,876,034)	6.50%	65,269,195	(9,503,325)	14.56%	59,811,689	(4,045,819)	6.76%
Training	34,458	25,633	8,825	34.43%	49,355	(14,897)	30.18%	26,653	7,805	29.29%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	17,062	3,628	13,434	370.34%	8,616	8,446	98.03%	9,694	7,367	75.99%
Operating Supplies	21,409	12,655	8,754	69.17%	18,714	2,695	14.40%	10,493	10,916	104.04%
Subscriptions & Dues	523,550	479,568	43,981	9.17%	795,711	(272,161)	34.20%	74,759	448,791	600.32%
Postage	5,191	1,858	3,333	179.42%	5,329	(138)	2.59%	95	5,096	5,364.79%
Telecommunications	-	187	(187)	100.00%	-	-	-	706	(706)	100.00%
Legal	320,000	164,488	155,512	94.54%	332,000	(12,000)	3.61%	153,408	166,592	108.59%
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	413,168	155,733	257,435	165.31%	471,607	(58,439)	12.39%	439,460	(26,292)	5.98%
Professional Services	1,669,954	706,665	963,289	136.31%	547,850	1,122,104	204.82%	290,488	1,379,466	474.88%
Miscellaneous	-	178	(178)	100.00%	-	-	-	(4,320)	4,320	100.00%
Rent	-	26,031	(26,031)	100.00%	-	-	-	105,362	(105,362)	100.00%
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	-	-	-	-	-	-	-	250	(250)	100.00%
Operations & Maintenance	117,971	54,599	63,372	116.07%	2,720	115,251	4,237.17%	7,303	110,668	1,515.41%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	3,792,299	3,052,535	739,764	24.23%	4,233,403	(441,104)	10.42%	2,985,418	806,881	27.03%
Computer Hardware	5,226	360	4,866	1,351.53%	5,225	1	0.01%	1,534	3,691	240.59%
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	(96,721,788)	(96,061,573)	(660,215)	0.69%	(103,494,772)	6,772,984	6.54%	(93,109,915)	(3,611,874)	3.88%
Administrative Expenses	-	-	-	-	-	-	-	-	-	-
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	-	-	-	-	-	-	-	-	-	-

Note: All variances enumerated above are in reference to the 2021 Budget. All percentages are stated in absolute value.

Consumer and Policy Services	2021 Budget	2020 Projection	Change (\$)	Change (%)	2020 Budget	Change (\$)	Change (%)	2019 Actual	Change (\$)	Change (%)
Salaries	\$4,904,243	\$4,261,003	\$643,240	15.10%	\$4,559,346	\$344,897	7.56%	\$4,258,180	\$646,063	15.17%
Employee Benefits	1,708,984	1,391,165	317,819	22.85%	1,354,790	354,194	26.14%	1,134,503	574,481	50.64%
Payroll Taxes	355,575	310,241	45,334	14.61%	329,672	25,903	7.86%	308,763	46,812	15.16%
Contingent Staffing	-	-	-	-	-	-	-	-	-	-
Training	18,500	22,882	(4,382)	19.15%	26,760	(8,260)	30.87%	16,198	2,302	14.21%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	5,000	3,472	1,528	44.03%	5,000	-	-	323	4,677	1,447.99%
Operating Supplies	10,450	10,198	252	2.47%	10,200	250	2.45%	8,689	1,761	20.27%
Subscriptions & Dues	2,300	2,676	(376)	14.04%	2,000	300	15.00%	1,650	651	39.44%
Postage	-	-	-	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	20,370	1,332	19,038	1,428.82%	39,720	(19,350)	48.72%	70,130	(49,760)	70.95%
Professional Services	320,000	34,800	285,200	819.54%	50,000	270,000	540.00%	7,605	312,395	4,107.75%
Miscellaneous	-	69	(69)	100.00%	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	21,000	21,000	-	-	21,000	-	-	11,021	9,980	90.55%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	105,500	24,599	80,901	328.89%	25,000	80,500	322.00%	1,210	104,290	8,621.89%
Computer Hardware	-	-	-	-	-	-	-	-	-	-
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	-	-	-	-	-	-	-	(1,060)	1,060	100.00%
Administrative Expenses	\$7,471,922	\$6,083,436	\$1,388,486	22.82%	\$6,423,488	\$1,048,434	16.32%	\$5,817,212	\$1,654,711	28.45%
Other Underwriting Expenses	2,589,898	5,186,899	(2,597,001)	50.07%	5,274,560	(2,684,662)	50.90%	6,462,523	(3,872,625)	59.92%
Total Admin & Other Expenses	\$10,061,820	\$11,270,336	(1,208,515)	10.72%	\$11,698,048	(1,636,228)	13.99%	\$12,279,734	(2,217,914)	18.06%

Note: All variances enumerated above are in reference to the 2021 Budget. All percentages are stated in absolute value.

Enterprise Operations

	2021 Budget	2020 Projection	Change (\$)	Change (%)	2020 Budget	Change (\$)	Change (%)	2019 Actual	Change (\$)	Change (%)
Salaries	\$43,260,857	\$39,815,023	\$3,445,834	8.65%	\$40,991,870	\$2,268,986	5.54%	\$39,597,905	\$3,662,952	9.25%
Employee Benefits	11,486,325	9,936,588	1,549,737	15.60%	9,260,484	2,225,841	24.04%	8,146,903	3,339,422	40.99%
Payroll Taxes	3,122,099	2,887,850	234,249	8.11%	3,014,796	107,303	3.56%	2,859,253	262,845	9.19%
Contingent Staffing	2,661,484	2,075,661	585,823	28.22%	1,774,408	887,076	49.99%	1,712,597	948,887	55.41%
Training	653,151	434,017	219,134	50.49%	670,392	(17,241)	2.57%	679,880	(26,729)	3.93%
Recruiting	-	-	-	-	-	-	-	46	(46)	100.00%
Printing	4,986	806	4,180	518.61%	5,136	(150)	2.92%	563	4,423	786.31%
Operating Supplies	33,375	18,464	14,911	80.76%	38,765	(5,390)	13.90%	27,919	5,456	19.54%
Subscriptions & Dues	350,356	397,183	(46,827)	11.79%	431,762	(81,406)	18.85%	364,032	(13,676)	3.76%
Postage	4,850	3,472	1,378	39.69%	5,087	(237)	4.66%	6	4,844	76,884.13%
Telecommunications	2,712,188	2,711,302	886	0.03%	2,730,280	(18,092)	0.66%	2,849,992	(137,804)	4.84%
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	304,111	81,348	222,762	273.84%	443,264	(139,154)	31.39%	397,979	(93,868)	23.59%
Professional Services	6,648,243	5,928,548	719,696	12.14%	7,621,078	(972,835)	12.77%	4,668,597	1,979,646	42.40%
Miscellaneous	-	849	(849)	100.00%	-	-	-	20,299	(20,299)	100.00%
Rent	1,409,752	1,324,940	84,812	6.40%	1,355,336	54,416	4.01%	1,280,854	128,898	10.06%
Depreciation	713,353	1,634,218	(920,865)	56.35%	1,612,396	(899,044)	55.76%	2,261,173	(1,547,820)	68.45%
Producer Fees Collected	(717,455)	(634,124)	(83,331)	13.14%	(717,000)	(455)	0.06%	(616,872)	(100,583)	16.31%
Operations & Maintenance	618,265	538,083	80,182	14.90%	621,457	(3,192)	0.51%	599,491	18,774	3.13%
Bank Charges	240	232	8	3.31%	240	-	0.02%	262	(22)	8.34%
Software Maint & Licensing	12,281,008	11,715,733	565,275	4.82%	12,787,588	(506,580)	3.96%	12,786,675	(505,667)	3.95%
Computer Hardware	2,469,217	2,287,312	181,905	7.95%	2,045,003	424,214	20.74%	1,674,436	794,780	47.47%
FMAP Funding	(314,805)	(188,711)	(126,094)	66.82%	(312,354)	(2,451)	0.78%	(148,353)	(166,452)	112.20%
ULAE Expense Allocation	(4,536,504)	(4,355,607)	(180,897)	4.15%	(4,248,000)	(288,504)	6.79%	(4,944,291)	407,787	8.25%
Administrative Expenses	\$83,165,094	\$76,613,186	\$6,551,908	8.55%	\$80,131,988	\$3,033,106	3.79%	\$74,219,345	\$8,945,749	12.05%
Other Underwriting Expenses	13,385,816	6,430,077	6,955,739	108.18%	6,820,650	6,565,166	96.25%	6,266,771	7,119,045	113.60%
Total Admin & Other Expenses	\$96,550,910	\$83,043,263	\$13,507,647	16.27%	\$86,952,638	\$9,598,272	11.04%	\$80,486,116	\$16,064,794	19.96%

Note: All variances enumerated above are in reference to the 2021 Budget. All percentages are stated in absolute value.

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2021 Operating Budget

Capital Acquisitions

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Asset Category	2021 Budget	2020 Projection	Change (\$)	Change (%)	2020 Budget	Change (\$)	Change (%)	2019 Actual	Change (\$)	Change (%)
EDP Equipment	\$ -	\$ 40,000	\$ (40,000)	100.00%	\$ 40,000	\$ (40,000)	100.00%	\$ 641,070	\$ (641,070)	100.00%
Software	-	-	-	0.00%	-	-	0.00%	171,531	(171,531)	100.00%
Office Equipment	40,000	47,357	(7,357)	15.53%	210,000	(170,000)	80.95%	-	40,000	0.00%
Furniture	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Leasehold Improvements	175,000	-	175,000	0.00%	50,000	125,000	250.00%	94,721	80,279	84.75%
Automobiles	40,000	-	40,000	0.00%	-	40,000	0.00%	71,500	(31,500)	44.06%
Total Capital Acquisitions	\$ 255,000	\$ 87,357	\$ 167,643	191.91%	\$ 300,000	\$ (45,000)	15.00%	\$ 978,822	\$ (723,822)	73.95%

Note: All variances enumerated above are in reference to the 2021 Budget. All percentages are stated in absolute value.

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2021 Operating Budget

Probable Maximum Loss (PML) Scenarios

2021 Operating Budget
Citizens Property Insurance Corporation

Probable Maximum Loss (PML) Scenarios

All values in \$ millions

2021 Budgeted Net Income (Loss)

2021 Projected Year-End Surplus

1-10 Year Event

Gross Losses and LAE

FHCF Recovery

Private Risk Transfer Recovery

Net Losses and LAE

Post-Event Net Income (Loss)

Post-Event Surplus (Deficit)

1-25 Year Event

Gross Losses and LAE

FHCF Recovery

Private Risk Transfer Recovery

Net Losses and LAE

Post-Event Net Income (Loss)

Post-Event Surplus (Deficit)

1-100 Year Event

Gross Losses and LAE

FHCF Recovery

Private Risk Transfer Recovery

Net Losses and LAE

Post-Event Net Income (Loss)

Post-Event Surplus (Deficit)

	PLA	CLA	Coastal	Combined
2021 Budgeted Net Income (Loss)	\$ (43.1)	\$ 46.9	\$ 43.2	\$ 47.0
2021 Projected Year-End Surplus	\$ 1,704.9	\$ 1,904.4	\$ 2,919.3	\$ 6,528.5
1-10 Year Event				
Gross Losses and LAE	\$ 415.4	\$ 12.4	\$ 439.5	\$ 867.3
FHCF Recovery	-	-	-	-
Private Risk Transfer Recovery	-	-	-	-
Net Losses and LAE	415.4	12.4	439.5	867.3
Post-Event Net Income (Loss)	(458.5)	34.5	(396.3)	(820.3)
Post-Event Surplus (Deficit)	1,289.4	1,892.0	2,479.8	5,661.2
1-25 Year Event				
Gross Losses and LAE	\$ 1,039.5	\$ 35.2	\$ 1,321.1	\$ 2,395.8
FHCF Recovery	329.1	11.1	550.5	890.7
Private Risk Transfer Recovery	36.4	-	61.1	97.5
Net Losses and LAE	674.0	24.1	709.5	1,407.6
Post-Event Net Income (Loss)	(717.1)	22.8	(666.3)	(1,360.6)
Post-Event Surplus (Deficit)	1,030.9	1,880.2	2,209.9	5,120.9
1-100 Year Event				
Gross Losses and LAE	\$ 3,176.3	\$ 114.8	\$ 3,978.0	\$ 7,269.1
FHCF Recovery	1,404.8	47.8	1,171.6	2,624.2
Private Risk Transfer Recovery	706.0	-	1,680.0	2,386.0
Net Losses and LAE	1,065.4	67.0	1,126.4	2,258.9
Post-Event Net Income (Loss)	(1,108.6)	(20.1)	(1,083.2)	(2,211.9)
Post-Event Surplus (Deficit)	639.4	1,837.3	1,792.9	4,269.7

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 7, including demand surge, excluding storm surge, on exposures as of September 30, 2020 adjusted for forecasted changes in exposure through June 2021.
- 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 2020 retention and payout multiples. The actual retention and limits for 2021 may be significantly different from these estimates.
- 4) The assumed private risk transfer program and corresponding recoveries may significantly change due to market conditions and/or Citizens' exposures in 2021.
- 5) PLA is projected to have sufficient resources to cover a 1-100 year storm followed by a 1-19 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 1-35 year storm.

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