

2022 OPERATING BUDGET ACTION ITEM

 ACTION ITEM
 New Contract
 Contract Amendment
 Other_2022 Operating Budget_____
 CONSENT ITEM
 Contract Amendment
 Existing Contract Extension
 Existing Contract Additional Spend
 Previous Board Approval
 Other_____

Action Items: Items requiring detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

Move forward as Consent: This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

Consent Items: Items not requiring detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

Item Description	2022 Operating Budget
Purpose/Scope	
Contract ID	
Budgeted Item	<input type="checkbox"/> Yes <input type="checkbox"/> No
Procurement Method	
Contract Amount	
Contract Terms	
Board Recommendation (DOES NOT go through Committee)	Citizens' Staff recommends that the Board of Governors: a) Approve the 2022 Operating Budget Action Item as presented; and a) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
CONTACTS	Jennifer Montero, Chief Financial Officer



2022 Operating Budget

Financial Schedules & Supporting Information

Board of Governors Meeting

December 15, 2021



Board of Governors

Carlos Beruff, Chair

M. Scott Thomas, Vice Chair

Marc Dunbar

Lazaro Fields

Jillian Hasner

Reynolds Henderson

Erin Knight

Nelson Telemaco



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2022 Operating Budget

Executive Summary

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In 2018, Citizens ended the year with \$868 million in premium and served roughly 430,000 policyholders. Towards the end of 2019, Citizens' policy count began to increase and in 2020, Citizens ended the year with \$1.2 billion in premium and served 530,000 policyholders. Citizens anticipates that by the end of 2021, premium will exceed \$1.8 billion and more than 775,000 policyholders will be served. This trend in significant growth is expected to continue well into 2022 with budgeted premium exceeding \$3 billion and more than 1 million policyholders served. Contributing most significantly to the increase in premium are new policies, which in 2022 are expected to approximate the same levels as 2011, and rate changes that are expected to go into effect in February 2022 (reinsurance true-up filing) and August 2022 (annual rate filing). Additionally, increases in per-policy exposures also contribute to the overall increase in premium. Notwithstanding a budgeted growth rate of 65% in premium and an increase of more than 37% in policyholders, the growth in Citizens' net operating expenditures is roughly 29%. To accommodate this level of growth, several divisions that are directly impacted by policy count have planned for a combination of additional staff, contingent staffing resources, and business process outsourcing. This approach ensures that Citizens will be able to meet its high standards of customer service and processing requirements while giving Citizens the flexibility to downscale in the future to efficiently respond to fluctuations in policy count.

Strategic themes and corporate initiatives that launched in 2020 and that will continue through 2022 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 further reduce exposure while continuing to fulfill Citizens' mission as a residual insurer.
- **Ensure scalability, flexibility and resiliency in operations to optimally serve customers:** maximize organizational capabilities to create a best-in-class customer experience and foster a culture of innovation, efficiency and effectiveness to ensure: 1) administrative costs are appropriate and relative to policy count, revenue and transactional volumes, and 2) operations remain scalable and continue to accommodate significant policy count fluctuations.
- **Identify and implement strategies to reduce litigation and enhance litigation capabilities:** enhance existing programs and develop new

strategies focused on the reduction of litigation and the respective financial impacts associated with litigation defense.

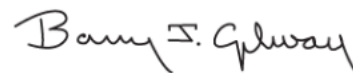
- **Invest in and leverage Citizens' greatest resource – employees:** amplify the employee experience through enhancing a culture of inclusion and belonging that embraces diverse perspectives; evolve our distributed workforce model, plan for future workforce and workplace requirements by aligning resources to business strategies.

While litigation rates for homeowners' water claims continue to be a dominant driver of losses and loss adjustment expenses, litigation rates for accident years 2018 to 2020 continue to show relative improvement with 2021 litigation rates showing the lowest rates in recent years. Although Citizens anticipates a lower loss and loss adjustment expense ratio in 2022, the increase in policy count will drive an increase in overall loss and loss adjustment expense activity. Additionally, 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 14.7% for the 2022 operating year, marking a decline of 2.0% from 2021 and 5.6% from 2020. Citizens' operating costs as a percentage of premium continue to be 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,

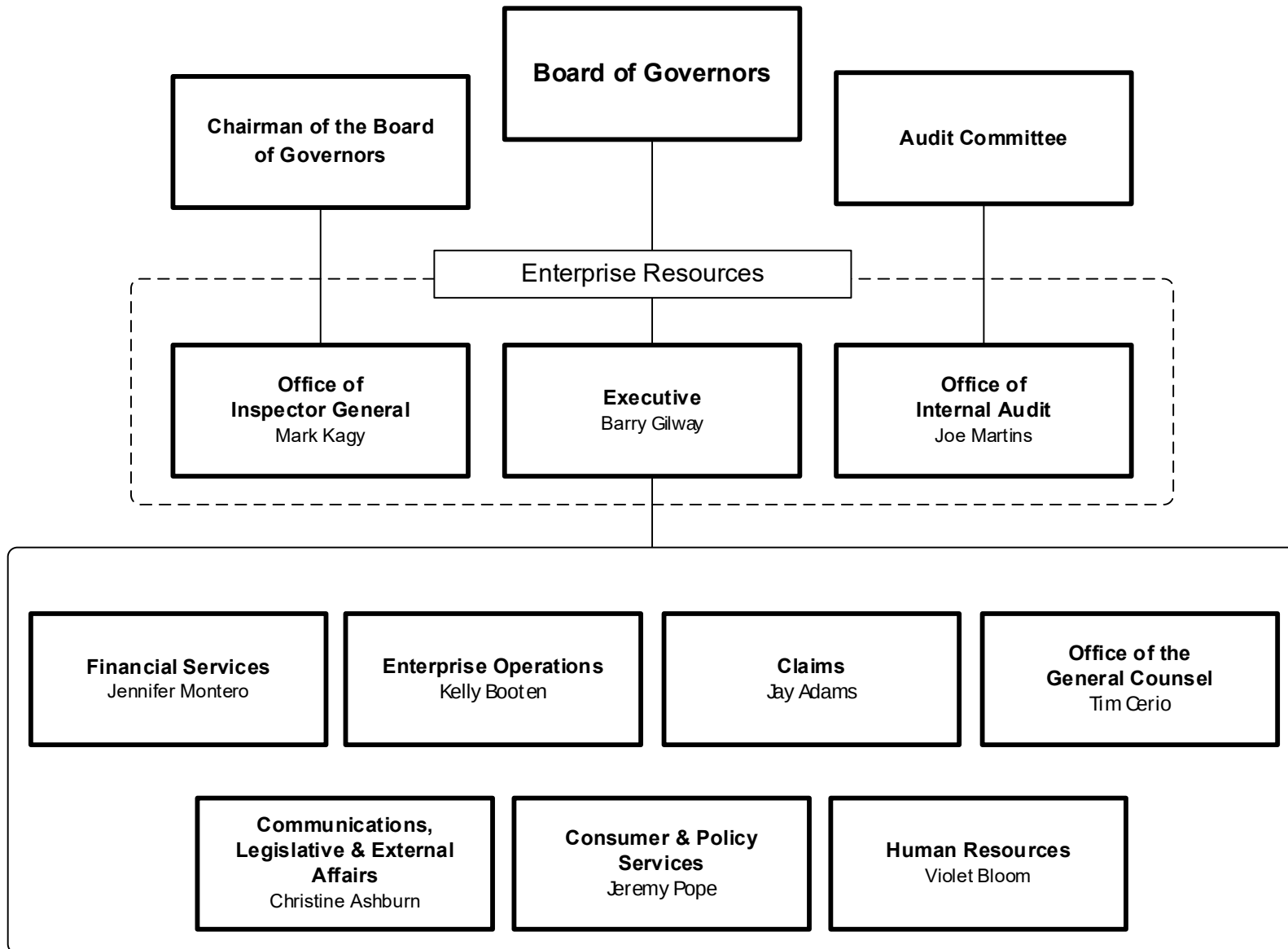


Barry Gilway
President, Chief Executive Officer and Executive Director



Jennifer Montero
Chief Financial Officer

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2022 Operating Budget

Budget Assumptions

2022 Operating Budget
Citizens Property Insurance Corporation

Budget Assumptions

I	Policies In-Force (PIF)	PLA	CLA	COASTAL	TOTAL
A	2022 Budgeted	827,699	704	235,817	1,064,220
	2021 Projected	597,572	698	177,161	775,431
	Total policy count change, net of depopulation	230,127	6	58,656	288,789
	Percentage change, net of depopulation	38.51%	0.82%	33.11%	37.24%
B	Depopulation Count				
	2022 Budgeted	4,775	-	2,006	6,782
	2021 Projected	3,612	-	1,640	5,252
	Change	1,164	-	366	1,530
	Change (%)	32.22%	-	22.34%	29.13%
II	Written Premiums	PLA	CLA	COASTAL	TOTAL
A	2022 Budgeted	\$ 2,142,501,727	\$ 20,116,328	\$ 839,200,329	\$ 3,001,818,384
	2021 Projected	1,275,387,096	17,704,736	528,269,469	1,821,361,301
	Change (\$)	867,114,631	2,411,591	310,930,860	1,180,457,082
	Change (%)	67.99%	13.62%	58.86%	64.81%
III	Ceded Premiums	PLA	CLA	COASTAL	TOTAL
A	Depopulation				
	2022 Budgeted	(8,677,931)	-	(4,329,409)	(13,007,340)
	2021 Projected	(5,691,960)	-	(3,068,461)	(8,760,421)
	Change (\$)	(2,985,971)	-	(1,260,948)	(4,246,919)
	Change (%)	52.46%	-	41.09%	48.48%
B	Florida Hurricane Catastrophe Fund - Mandatory Layer Only				
	2022 Budgeted	\$ (192,476,506)	\$ (3,900,625)	\$ (125,578,413)	\$ (321,955,544)
	2021 Projected	(106,158,488)	(3,352,228)	(85,162,172)	(194,672,888)
	Change (\$)	(86,318,018)	(548,397)	(40,416,241)	(127,282,656)
	Change (%)	81.31%	16.36%	47.46%	65.38%
C	Private Reinsurance				
	2022 Budgeted	\$ (190,000,000)	\$ -	\$ (210,000,000)	\$ (400,000,000)
	2021 Projected	(111,649,300)	-	(139,273,279)	(250,922,579)
	Change (\$)	(78,350,700)	-	(70,726,721)	(149,077,421)
	Change (%)	70.18%	-	50.78%	59.41%

IV	Non-CAT Loss and Loss Adjustment Expense (LAE) Ratios	PLA	CLA	COASTAL	TOTAL
A	Incurred Loss and LAE Ratio (Net of Depopulation)				
	2022 Budgeted	63.60%	14.30%	29.60%	53.60%
	2021 Projected	64.50%	14.40%	29.60%	53.40%
	Change	0.90%	0.10%	0.00%	0.20%
V	Total Exposure	PLA	CLA	COASTAL	TOTAL
A	Total Exposure				
	2022 Budgeted	\$236,829,474,494	\$3,933,441,779	\$77,389,915,035	\$318,152,831,308
	2021 Projected	164,283,890,400	3,890,854,247	60,749,371,716	228,924,116,363
	Change (\$)	72,545,584,094	42,587,531	16,640,543,319	89,228,714,945
	Change (%)	44.16%	1.09%	27.39%	38.98%
VI	Expense Ratio Summary	PLA	CLA	COASTAL	TOTAL
A	Underwriting and Policy Acquisition Cost Ratios				
	2022 Budgeted	9.29%	12.70%	9.79%	9.45%
	2021 Projected	9.21%	12.86%	9.73%	9.39%
	Change	0.08%	0.16%	0.06%	0.06%
B	Administrative Ratios				
	2022 Budgeted	5.28%	5.32%	5.29%	5.28%
	2021 Projected	7.29%	7.02%	7.33%	7.30%
	Change	2.02%	1.69%	2.04%	2.02%
C	Expense Ratios				
	2022 Budgeted	14.57%	18.02%	15.08%	14.73%
	2021 Projected	16.50%	19.87%	17.06%	16.70%
	Change	1.94%	1.85%	1.98%	1.96%

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2022 Operating Budget

Budgeted Statements of Operations

2022 Operating Budget
Citizens Property Insurance Corporation

Budgeted Statements of Operations - Total Company

	2022 Budget	2021 Projection	Change (\$)	Change (%)	2021 Budget	Change (\$)	Change (%)	2020 Actual	Change (\$)	Change (%)
Premiums										
Premiums Written - Direct	\$3,001,818,384	\$1,821,361,298	\$1,180,457,085	64.81%	\$1,379,454,729	\$1,622,363,655	117.61%	\$1,182,124,691	\$1,819,693,693	153.93%
Change in Direct UPR	(597,685,889)	(348,241,921)	(249,443,968)	71.63%	(109,565,608)	(488,120,282)	445.51%	(185,128,571)	(412,557,318)	222.85%
Premiums Ceded (FHCF)	(321,955,544)	(194,672,888)	(127,282,656)	65.38%	(184,116,705)	(137,838,838)	74.86%	(142,720,078)	(179,235,466)	125.59%
Premiums Ceded (Private)	(400,000,000)	(250,922,579)	(149,077,421)	59.41%	(210,000,000)	(190,000,000)	90.48%	(83,989,119)	(316,010,881)	376.25%
Premiums Ceded (Depop)	(13,007,340)	(8,760,421)	(4,246,919)	48.48%	(10,896,389)	(2,110,951)	19.37%	(12,372,344)	(634,995)	5.13%
Change in Ceded UPR (Depop)	2,366,249	(376,353,158)	378,719,407	100.63%	45,200	2,321,049	5,135.08%	3,662,248	(1,296,000)	35.39%
Net Premiums Earned	\$1,671,535,860	\$1,001,223,092	\$670,312,769	66.95%	\$864,921,226	\$806,614,634	93.26%	\$761,576,827	\$909,959,033	119.48%
Underwriting Expenses										
Losses and LAE Incurred	\$1,281,950,677	\$827,349,230	\$454,601,447	54.95%	\$683,291,163	\$598,659,514	87.61%	\$620,059,366	\$661,891,310	106.75%
Producer Commissions	206,346,320	127,591,776	78,754,543	61.72%	101,734,720	104,611,600	102.83%	87,857,974	118,488,346	134.86%
Taxes and Assessments	38,679,108	23,823,362	14,855,746	62.36%	18,204,457	20,474,651	112.47%	15,546,796	23,132,312	148.79%
Administrative Expenses	158,588,016	132,998,950	25,589,067	19.24%	139,363,021	19,224,995	13.79%	124,453,041	34,134,975	27.43%
Other Underwriting Expenses	38,617,043	19,683,276	18,933,767	96.19%	15,975,714	22,641,329	141.72%	11,986,666	26,630,377	222.17%
Total Underwriting	\$1,724,181,164	\$1,131,446,593	\$592,734,570	52.39%	\$958,569,075	\$765,612,089	79.87%	\$859,903,843	\$864,277,320	100.51%
Net Underwriting Gain (Loss)	\$(52,645,303)	\$(130,223,502)	\$77,578,199	59.57%	\$(93,647,849)	\$41,002,545	43.78%	\$(98,327,016)	\$45,681,713	46.46%
Other Income (Expense)										
Investment Income - Net	\$172,440,704	\$253,577,250	\$(81,136,546)	32.00%	\$162,991,129	\$9,449,575	5.80%	\$262,521,580	\$(90,080,876)	34.31%
Interest Expense - Net	(11,983,112)	(24,056,360)	12,073,249	50.19%	(24,589,181)	12,606,069	51.27%	(34,192,744)	22,209,632	64.95%
Other Income and Expenses	2,923,172	7,713,978	(4,790,807)	62.11%	2,127,548	795,623	37.40%	(1,035,137)	3,958,309	382.39%
Total Other Income (Expense)	\$163,380,764	\$237,234,869	\$(73,854,105)	31.13%	\$140,529,496	\$22,851,268	16.26%	\$227,293,700	\$(63,912,936)	28.12%
Net Income (Loss)	\$110,735,461	\$107,011,367	\$3,724,094	3.48%	\$46,881,648	\$63,853,813	136.20%	\$128,966,684	\$(18,231,223)	14.14%
Policies In-Force	1,064,220	775,431	288,789	37.24%	630,257	433,963	68.85%	531,172	533,048	100.35%

Note: All variances enumerated above are in reference to the 2022 Budget. All percentages are stated in absolute value.

2022 Operating Budget
Citizens Property Insurance Corporation

Budgeted Statements of Operations - PLA

	2022 Budget	2021 Projection	Change (\$)	Change (%)	2021 Budget	Change (\$)	Change (%)	2020 Actual	Change (\$)	Change (%)
Premiums										
Premiums Written - Direct	\$2,142,501,727	\$1,275,387,096	\$867,114,631	67.99%	\$930,299,676	\$1,212,202,051	130.30%	\$788,483,364	\$1,354,018,363	171.72%
Change in Direct UPR	(438,546,956)	(263,309,879)	(175,237,077)	66.55%	(80,418,378)	(358,128,578)	445.33%	(141,180,026)	(297,366,931)	210.63%
Premiums Ceded (FHCF)	(192,476,506)	(106,158,488)	(86,318,018)	81.31%	(98,563,640)	(93,912,865)	95.28%	(72,862,955)	(119,613,551)	164.16%
Premiums Ceded (Private)	(190,000,000)	(111,649,300)	(78,350,700)	70.18%	(60,000,000)	(130,000,000)	216.67%	(24,084,968)	(165,915,032)	688.87%
Premiums Ceded (Depop)	(8,677,931)	(5,691,960)	(2,985,971)	52.46%	(5,639,813)	(3,038,118)	53.87%	(4,971,498)	(3,706,433)	74.55%
Change in Ceded UPR (Depop)	1,516,434	(186,313,630)	187,830,064	100.81%	201,180	1,315,254	653.77%	1,792,581	(276,147)	15.40%
Net Premiums Earned	\$1,314,316,768	\$771,680,293	\$542,636,476	70.32%	\$685,879,025	\$628,437,744	91.63%	\$547,176,498	\$767,140,270	140.20%
Underwriting Expenses										
Losses and LAE Incurred	\$1,078,822,619	\$694,189,282	\$384,633,336	55.41%	\$581,160,214	\$497,662,405	85.63%	\$492,249,922	\$586,572,697	119.16%
Producer Commissions	142,736,029	86,464,705	56,271,324	65.08%	65,511,331	77,224,698	117.88%	56,121,149	86,614,880	154.34%
Taxes and Assessments	28,664,109	17,363,757	11,300,352	65.08%	12,633,842	16,030,267	126.88%	10,682,037	17,982,072	168.34%
Administrative Expenses	113,118,176	93,039,088	20,079,088	21.58%	93,969,230	19,148,947	20.38%	82,677,040	30,441,136	36.82%
Other Underwriting Expenses	27,544,890	13,588,153	13,956,738	102.71%	10,772,051	16,772,839	155.71%	7,718,142	19,826,748	256.88%
Total Underwriting	\$1,390,885,823	\$904,644,985	\$486,240,838	53.75%	\$764,046,667	\$626,839,156	82.04%	\$649,448,290	\$741,437,533	114.16%
Net Underwriting Gain (Loss)	\$(76,569,055)	\$(132,964,692)	\$56,395,637	42.41%	\$(78,167,643)	\$1,598,588	2.05%	\$(102,271,792)	\$25,702,737	25.13%
Other Income (Expense)										
Investment Income - Net	\$56,220,348	\$83,105,877	\$(26,885,529)	32.35%	\$40,740,280	\$15,480,068	38.00%	\$89,872,654	\$(33,652,306)	37.44%
Interest Expense - Net	(2,181,230)	(7,373,668)	5,192,438	70.42%	(7,373,668)	5,192,438	70.42%	(12,384,815)	10,203,584	82.39%
Other Income and Expenses	2,478,122	5,194,118	(2,715,997)	52.29%	1,621,102	857,020	52.87%	(328,964)	2,807,085	853.31%
Total Other Income (Expense)	\$56,517,239	\$80,926,327	\$(24,409,088)	30.16%	\$34,987,714	\$21,529,526	61.53%	\$77,158,876	\$(20,641,637)	26.75%
Net Income (Loss)	\$(20,051,815)	\$(52,038,365)	\$31,986,550	61.47%	\$(43,179,929)	\$23,128,114	53.56%	\$(25,112,916)	\$5,061,100	20.15%
Policies In-Force	827,699	597,572	230,127	38.51%	476,862	350,837	73.57%	398,849	428,850	107.52%

Note: All variances enumerated above are in reference to the 2022 Budget. All percentages are stated in absolute value.

2022 Operating Budget
Citizens Property Insurance Corporation

Budgeted Statements of Operations - CLA

	2022 Budget	2021 Projection	Change (\$)	Change (%)	2021 Budget	Change (\$)	Change (%)	2020 Actual	Change (\$)	Change (%)
Premiums										
Premiums Written - Direct	\$20,116,328	\$17,704,733	\$2,411,594	13.62%	\$15,217,411	\$4,898,917	32.19%	\$13,164,029	\$6,952,299	52.81%
Change in Direct UPR	(1,692,438)	(2,479,245)	786,806	31.74%	(580,575)	(1,111,863)	191.51%	(518,569)	(1,173,869)	226.37%
Premiums Ceded (FHCF)	(3,900,625)	(3,352,228)	(548,397)	16.36%	(3,352,228)	(548,398)	16.36%	(2,856,983)	(1,043,642)	36.53%
Premiums Ceded (Private)	-	-	-	-	-	-	-	-	-	-
Premiums Ceded (Depop)	-	-	-	-	-	-	-	-	-	-
Change in Ceded UPR (Depop)	-	(2,797,503)	2,797,503	100.00%	-	-	-	-	-	-
Net Premiums Earned	\$14,523,264	\$11,869,281	\$2,653,983	22.36%	\$11,284,608	\$3,238,656	28.70%	\$9,788,477	\$4,734,788	48.37%
Underwriting Expenses										
Losses and LAE Incurred	\$2,626,016	\$2,190,513	\$435,502	19.88%	\$2,102,782	\$523,234	24.88%	\$1,748,559	\$877,457	50.18%
Producer Commissions	2,031,717	1,838,461	193,257	10.51%	1,660,491	371,226	22.36%	1,466,784	564,933	38.52%
Taxes and Assessments	261,544	236,666	24,878	10.51%	211,250	50,294	23.81%	185,808	75,736	40.76%
Administrative Expenses	1,070,603	1,242,194	(171,591)	13.81%	1,534,927	(464,324)	30.25%	1,344,564	(273,961)	20.38%
Other Underwriting Expenses	260,698	201,063	59,635	29.66%	175,955	84,743	48.16%	121,872	138,825	113.91%
Total Underwriting	\$6,250,578	\$5,708,897	\$541,681	9.49%	\$5,685,405	\$565,173	9.94%	\$4,867,587	\$1,382,990	28.41%
Net Underwriting Gain (Loss)	\$8,272,686	\$6,160,384	\$2,112,302	34.29%	\$5,599,203	\$2,673,483	47.75%	\$4,920,889	\$3,351,797	68.11%
Other Income (Expense)										
Investment Income - Net	\$37,400,538	\$61,203,785	\$(23,803,247)	38.89%	\$42,378,002	\$(4,977,464)	11.75%	\$63,463,890	\$(26,063,352)	41.07%
Interest Expense - Net	(344,511)	(1,164,623)	820,112	70.42%	(1,164,623)	820,112	70.42%	(1,956,101)	1,611,590	82.39%
Other Income and Expenses	107,892	72,467	35,426	48.89%	89,629	18,264	20.38%	40,907	66,985	163.75%
Total Other Income (Expense)	\$37,163,919	\$60,111,629	\$(22,947,710)	38.18%	\$41,303,008	\$(4,139,089)	10.02%	\$61,548,697	\$(24,384,778)	39.62%
Net Income (Loss)	\$45,436,605	\$66,272,013	\$(20,835,407)	31.44%	\$46,902,211	\$(1,465,605)	3.12%	\$66,469,586	\$(21,032,981)	31.64%
Policies In-Force	704	698	6	0.86%	845	(141)	16.70%	708	(4)	0.56%

Note: All variances enumerated above are in reference to the 2022 Budget. All percentages are stated in absolute value.

2022 Operating Budget
Citizens Property Insurance Corporation

Budgeted Statements of Operations - Coastal

	2022 Budget	2021 Projection	Change (\$)	Change (%)	2021 Budget	Change (\$)	Change (%)	2020 Actual	Change (\$)	Change (%)
Premiums										
Premiums Written - Direct	\$839,200,329	\$528,269,469	\$310,930,860	58.86%	\$433,937,641	\$405,262,688	93.39%	\$380,477,298	\$458,723,031	120.57%
Change in Direct UPR	(157,446,495)	(82,452,797)	(74,993,697)	90.95%	(28,566,654)	(128,879,840)	451.15%	(43,429,976)	(114,016,519)	262.53%
Premiums Ceded (FHCF)	(125,578,413)	(85,162,172)	(40,416,241)	47.46%	(82,200,837)	(43,377,575)	52.77%	(67,000,140)	(58,578,273)	87.43%
Premiums Ceded (Private)	(210,000,000)	(139,273,279)	(70,726,721)	50.78%	(150,000,000)	(60,000,000)	40.00%	(59,904,151)	(150,095,849)	250.56%
Premiums Ceded (Depop)	(4,329,409)	(3,068,461)	(1,260,948)	41.09%	(5,256,576)	927,168	17.64%	(7,400,847)	3,071,438	41.50%
Change in Ceded UPR (Depop)	849,815	(187,242,025)	188,091,840	100.45%	(155,980)	1,005,794	644.82%	1,869,668	(1,019,853)	54.55%
Net Premiums Earned	\$342,695,828	\$217,673,517	\$125,022,310	57.44%	\$167,757,594	\$174,938,234	104.28%	\$204,611,852	\$138,083,975	67.49%
Underwriting Expenses										
Losses and LAE Incurred	\$200,502,043	\$130,969,434	\$69,532,608	53.09%	\$100,028,167	\$100,473,875	100.45%	\$126,060,885	\$74,441,157	59.05%
Producer Commissions	61,578,573	39,288,611	22,289,962	56.73%	34,562,898	27,015,676	78.16%	30,270,041	31,308,532	103.43%
Taxes and Assessments	9,753,455	6,222,939	3,530,516	56.73%	5,359,365	4,394,089	81.99%	4,678,951	5,074,504	108.45%
Administrative Expenses	44,399,237	38,717,667	5,681,570	14.67%	43,858,864	540,373	1.23%	40,431,436	3,967,801	9.81%
Other Underwriting Expenses	10,811,455	5,894,060	4,917,395	83.43%	5,027,709	5,783,747	115.04%	4,146,652	6,664,803	160.73%
Total Underwriting	\$327,044,763	\$221,092,711	\$105,952,051	47.92%	\$188,837,003	\$138,207,760	73.19%	\$205,587,966	\$121,456,797	59.08%
Net Underwriting Gain (Loss)	\$15,651,065	\$(3,419,194)	\$19,070,259	557.74%	\$(21,079,409)	\$36,730,474	174.25%	\$(976,113)	\$16,627,178	1,703.41%
Other Income (Expense)										
Investment Income - Net	\$78,819,818	\$109,267,589	\$(30,447,771)	27.87%	\$79,872,847	\$(1,053,029)	1.32%	\$109,185,035	\$(30,365,217)	27.81%
Interest Expense - Net	(9,457,370)	(15,518,069)	6,060,699	39.06%	(16,050,890)	6,593,520	41.08%	(19,851,828)	10,394,458	52.36%
Other Income and Expenses	337,158	2,447,394	(2,110,236)	86.22%	416,818	(79,660)	19.11%	(747,081)	1,084,239	145.13%
Total Other Income (Expense)	\$69,699,606	\$96,196,913	\$(26,497,307)	27.54%	\$64,238,775	\$5,460,831	8.50%	\$88,586,127	\$(18,886,521)	21.32%
Net Income (Loss)	\$85,350,671	\$92,777,719	\$(7,427,048)	8.01%	\$43,159,366	\$42,191,305	97.76%	\$87,610,013	\$(2,259,342)	2.58%
Policies In-Force	235,817	177,161	58,656	33.11%	152,549	83,268	54.58%	131,615	104,202	79.17%

Note: All variances enumerated above are in reference to the 2022 Budget. All percentages are stated in absolute value.

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2022 Operating Budget

Administrative Expenses

2022 Operating Budget
Citizens Property Insurance Corporation

Administrative Expenses by Division

Expense Category	Total CPIC	Enterprise Resources	Human Resources	Office of the General Counsel	Communications, Legislative & External Affairs	Financial Services	Claims	Consumer and Policy Services	Enterprise Operations
Salaries	\$118,125,887	\$6,297,828	\$6,951,539	\$5,431,559	\$2,322,968	\$7,456,705	\$34,336,362	\$8,045,660	\$47,283,266
Employee Benefits	32,786,631	1,236,598	2,275,540	1,269,024	646,800	1,977,090	9,644,044	2,940,701	12,796,834
Payroll Taxes	9,485,282	366,710	585,135	419,273	198,230	582,355	2,853,575	676,452	3,803,552
Contingent Staffing	78,485,873	100,000	773,774	-	-	-	73,482,510	-	4,129,589
Training	953,644	68,200	118,464	6,935	57,900	79,835	46,420	29,500	546,391
Recruiting	581,000	-	581,000	-	-	-	-	-	-
Printing	99,026	2,100	25,800	240	24,400	20,646	14,100	5,000	6,740
Operating Supplies	181,227	6,740	82,825	3,180	6,600	12,006	23,276	10,450	36,150
Subscriptions & Dues	1,637,301	55,062	197,925	51,819	35,625	176,333	578,428	77,800	464,309
Postage	327,041	390	317,364	-	-	-	4,537	-	4,750
Telecommunications	3,444,088	-	-	-	-	-	-	-	3,444,088
Legal	1,388,600	65,000	-	1,320,000	-	-	3,600	-	-
Insurance	1,000,643	-	-	1,000,643	-	-	-	-	-
Travel & Meals	1,448,944	257,086	104,233	58,900	49,750	105,470	429,569	29,220	414,716
Professional Services	17,684,925	510,000	1,136,180	-	438,540	1,814,158	3,029,000	151,000	10,606,047
Miscellaneous	-	-	-	-	-	-	-	-	-
Rent	6,194,946	-	4,740,043	12,602	-	5,304	-	-	1,436,998
Depreciation	656,104	-	417,864	-	-	41,908	-	-	196,333
Producer Fees Collected	(866,802)	-	-	-	-	-	-	-	(866,802)
Operations & Maintenance	2,231,128	-	1,545,849	1,260	-	22,000	121,547	16,500	523,973
Bank Charges	255,372	-	-	-	-	255,372	-	-	-
Software Maint & Licensing	22,510,209	238,120	666,995	-	115,500	812,057	5,791,299	243,000	14,643,238
Computer Hardware	2,751,020	-	-	300	-	-	-	-	2,750,720
FMAP Funding	(339,296)	-	-	-	-	(3,600)	-	-	(335,696)
ULAE Expense Allocation	(142,434,779)	-	(1,661,674)	(4,510,565)	-	(84,273)	(130,358,267)	-	(5,820,000)
Administrative Expenses	\$158,588,016	\$9,203,833	\$18,858,853	\$5,065,171	\$3,896,313	\$13,273,367	-	\$12,225,283	\$96,065,196
Other Underwriting Expenses	38,617,043	-	-	-	-	-	-	6,396,152	32,220,891
Total Admin & Other Expenses	\$197,205,059	\$9,203,833	\$18,858,853	\$5,065,171	\$3,896,313	\$13,273,367	-	\$18,621,435	\$128,286,087

Expense Category	Total CPIC	Normal Operating	Enterprise Projects	IT Projects (Non-Enterprise)	Centerpoint - ERP	Customer Relationship Management	Identity and Access Management	Exposure Reduction Initiative	Unified Communication as a Service (UCaaS)	Property Inspections Program
Salaries	\$118,125,887	\$118,125,887	-	-	-	-	-	-	-	-
Employee Benefits	32,786,631	32,786,631	-	-	-	-	-	-	-	-
Payroll Taxes	9,485,282	9,485,282	-	-	-	-	-	-	-	-
Contingent Staffing	78,485,873	78,485,873	-	-	-	-	-	-	-	-
Training	953,644	953,644	-	-	-	-	-	-	-	-
Recruiting	581,000	581,000	-	-	-	-	-	-	-	-
Printing	99,026	99,026	-	-	-	-	-	-	-	-
Operating Supplies	181,227	181,227	-	-	-	-	-	-	-	-
Subscriptions & Dues	1,637,301	1,637,301	-	-	-	-	-	-	-	-
Postage	327,041	327,041	-	-	-	-	-	-	-	-
Telecommunications	3,444,088	2,595,128	-	-	-	-	-	-	848,960	-
Legal	1,388,600	1,388,600	-	-	-	-	-	-	-	-
Insurance	1,000,643	1,000,643	-	-	-	-	-	-	-	-
Travel & Meals	1,448,944	1,448,944	-	-	-	-	-	-	-	-
Professional Services	17,684,925	12,209,606	3,901,120	324,199	-	-	550,000	500,000	200,000	-
Rent	6,194,946	6,194,946	-	-	-	-	-	-	-	-
Depreciation	656,104	656,104	-	-	-	-	-	-	-	-
Producer Fees Collected	(866,802)	(866,802)	-	-	-	-	-	-	-	-
Operations & Maintenance	2,231,128	2,231,128	-	-	-	-	-	-	-	-
Bank Charges	255,372	255,372	-	-	-	-	-	-	-	-
Software Maint & Licensing	22,510,209	16,952,670	3,168,705	193,702	419,086	1,183,164	250,000	342,883	-	-
Computer Hardware	2,751,020	2,417,520	283,500	-	-	-	-	-	50,000	-
FMAP Funding	(339,296)	(339,296)	-	-	-	-	-	-	-	-
ULAE Expense Allocation	(142,434,779)	(142,434,779)	-	-	-	-	-	-	-	-
Administrative Expenses	\$158,588,016	\$146,372,698	\$7,353,325	\$517,901	\$419,086	\$1,183,164	\$800,000	\$842,883	\$1,098,960	-
Other Underwriting Expenses	38,617,043	29,927,425	-	-	-	-	-	-	-	8,689,618
Total Admin & Other Expenses	\$197,205,059	\$176,300,123	\$7,353,325	\$517,901	\$419,086	\$1,183,164	\$800,000	\$842,883	\$1,098,960	\$8,689,618

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

Total CPIC	2022 Budget	2021 Projection	Change (\$)	Change (%)	2021 Budget	Change (\$)	Change (%)	2020 Actual	Change (\$)	Change (%)
Salaries	\$118,125,887	\$103,933,153	\$14,192,734	13.66%	\$101,954,835	\$16,171,052	15.86%	\$95,895,507	\$22,230,380	23.18%
Employee Benefits	32,786,631	25,362,614	7,424,017	29.27%	27,201,761	5,584,871	20.53%	22,161,362	10,625,269	47.95%
Payroll Taxes	9,485,282	7,286,964	2,198,318	30.17%	7,309,653	2,175,629	29.76%	6,832,888	2,652,393	38.82%
Contingent Staffing	78,485,873	58,936,031	19,549,842	33.17%	58,632,809	19,853,064	33.86%	61,967,892	16,517,981	26.66%
Training	953,644	757,791	195,854	25.85%	1,023,575	(69,931)	6.83%	543,411	410,234	75.49%
Recruiting	581,000	592,209	(11,209)	1.89%	506,468	74,533	14.72%	530,058	50,942	9.61%
Printing	99,026	57,711	41,314	71.59%	93,814	5,212	5.56%	44,921	54,104	120.44%
Operating Supplies	181,227	115,305	65,922	57.17%	277,206	(95,979)	34.62%	159,437	21,790	13.67%
Subscriptions & Dues	1,637,301	1,165,656	471,645	40.46%	1,332,040	305,261	22.92%	1,101,920	535,381	48.59%
Postage	327,041	292,107	34,934	11.96%	287,797	39,244	13.64%	181,397	145,644	80.29%
Telecommunications	3,444,088	2,579,887	864,201	33.50%	2,712,188	731,900	26.99%	2,665,753	778,335	29.20%
Legal	1,388,600	1,511,217	(122,617)	8.11%	1,703,450	(314,850)	18.48%	1,228,394	160,206	13.04%
Insurance	1,000,643	737,955	262,688	35.60%	890,995	109,648	12.31%	983,386	17,257	1.75%
Travel & Meals	1,448,944	512,264	936,680	182.85%	1,142,787	306,157	26.79%	406,013	1,042,932	256.87%
Professional Services	17,684,925	9,254,655	8,430,270	91.09%	12,328,998	5,355,927	43.44%	8,895,965	8,788,960	98.80%
Miscellaneous	-	-	-	-	-	-	-	5,645	(5,645)	100.00%
Rent	6,194,946	6,174,416	20,530	0.33%	6,517,306	(322,360)	4.95%	6,355,160	(160,214)	2.52%
Depreciation	656,104	1,178,636	(522,532)	44.33%	1,201,817	(545,712)	45.41%	2,130,249	(1,474,145)	69.20%
Producer Fees Collected	(866,802)	(739,320)	(127,482)	17.24%	(717,455)	(149,347)	20.82%	(532,578)	(334,224)	62.76%
Operations & Maintenance	2,231,128	1,889,862	341,266	18.06%	2,648,816	(417,688)	15.77%	1,693,256	537,872	31.77%
Bank Charges	255,372	210,785	44,587	21.15%	202,512	52,860	26.10%	159,612	95,760	60.00%
Software Maint & Licensing	22,510,209	16,101,832	6,408,378	39.80%	17,885,232	4,624,977	25.86%	15,481,903	7,028,307	45.40%
Computer Hardware	2,751,020	2,286,557	464,463	20.31%	2,474,442	276,578	11.18%	1,954,437	796,584	40.76%
FMAP Funding	(339,296)	(293,275)	(46,021)	15.69%	(318,405)	(20,891)	6.56%	(177,845)	(161,451)	90.78%
ULAE Expense Allocation	(142,434,779)	(106,906,062)	(35,528,716)	33.23%	(107,929,618)	(34,505,161)	31.97%	(106,215,101)	(36,219,677)	34.10%
Administrative Expenses	\$158,588,016	\$132,998,950	\$25,589,067	19.24%	\$139,363,021	\$19,224,995	13.79%	\$124,453,041	\$34,134,975	27.43%
Other Underwriting Expenses	38,617,043	19,683,276	18,933,767	96.19%	15,975,714	22,641,329	141.72%	11,986,666	26,630,377	222.17%
Total Admin & Other Expenses	\$197,205,059	\$152,682,225	\$44,522,834	29.16%	\$155,338,735	\$41,866,324	26.95%	\$136,439,707	\$60,765,352	44.54%

Note: All variances enumerated above are in reference to the 2022 Budget. All percentages are stated in absolute value.

2022 Operating Budget
Citizens Property Insurance Corporation

Administrative Expenses
Comparisons of Annual Totals

Enterprise Resources

	2022 Budget	2021 Projection	Change (\$)	Change (%)	2021 Budget	Change (\$)	Change (%)	2020 Actual	Change (\$)	Change (%)
Salaries	\$6,297,828	\$6,200,046	\$97,782	1.58%	\$6,251,330	\$46,498	0.74%	\$5,781,813	\$516,014	8.92%
Employee Benefits	1,236,598	901,787	334,810	37.13%	1,017,368	219,229	21.55%	922,205	314,393	34.09%
Payroll Taxes	366,710	391,737	(25,027)	6.39%	327,472	39,238	11.98%	293,544	73,166	24.92%
Contingent Staffing	100,000	104,800	(4,800)	4.58%	102,000	(2,000)	1.96%	115,200	(15,200)	13.19%
Training	68,200	45,341	22,859	50.42%	67,300	900	1.34%	25,134	43,066	171.35%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	2,100	275	1,825	663.64%	2,600	(500)	19.23%	139	1,961	1,411.44%
Operating Supplies	6,740	6,133	607	9.90%	6,700	40	0.60%	15,672	(8,932)	56.99%
Subscriptions & Dues	55,062	88,665	(33,603)	37.90%	55,680	(618)	1.11%	78,669	(23,607)	30.01%
Postage	390	125	265	212.00%	300	90	30.00%	12	378	3,057.89%
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	65,000	53,957	11,043	20.47%	98,250	(33,250)	33.84%	101,679	(36,679)	36.07%
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	257,086	103,939	153,147	147.34%	124,380	132,706	106.69%	43,758	213,328	487.52%
Professional Services	510,000	168,757	341,243	202.21%	337,500	172,500	51.11%	650,526	(140,526)	21.60%
Miscellaneous	-	-	-	-	-	-	-	80	(80)	100.00%
Rent	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	-	96	(96)	100.00%	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	238,120	275,545	(37,425)	13.58%	217,232	20,888	9.62%	159,737	78,383	49.07%
Computer Hardware	-	-	-	-	-	-	-	-	-	-
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	-	-	-	-	-	-	-	-	-	-
Administrative Expenses	\$9,203,833	\$8,341,203	\$862,631	10.34%	\$8,608,112	\$595,721	6.92%	\$8,188,167	\$1,015,666	12.40%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$9,203,833	\$8,341,203	\$862,631	10.34%	\$8,608,112	\$595,721	6.92%	\$8,188,167	\$1,015,666	12.40%

Note: All variances enumerated above are in reference to the 2022 Budget. All percentages are stated in absolute value.

Human Resources

	2022 Budget	2021 Projection	Change (\$)	Change (%)	2021 Budget	Change (\$)	Change (%)	2020 Actual	Change (\$)	Change (%)
Salaries	\$6,951,539	\$6,380,636	\$570,903	8.95%	\$6,528,992	\$422,547	6.47%	\$6,213,888	\$737,651	11.87%
Employee Benefits	2,275,540	1,842,594	432,946	23.50%	2,121,733	153,807	7.25%	1,772,638	502,901	28.37%
Payroll Taxes	585,135	468,505	116,630	24.89%	520,033	65,101	12.52%	476,788	108,347	22.72%
Contingent Staffing	773,774	190,304	583,470	306.60%	54,495	719,279	1,319.90%	37,833	735,941	1,945.23%
Training	118,464	79,586	38,878	48.85%	124,008	(5,544)	4.47%	59,221	59,243	100.04%
Recruiting	581,000	591,284	(10,284)	1.74%	506,468	74,533	14.72%	530,058	50,942	9.61%
Printing	25,800	12,171	13,629	111.98%	19,000	6,800	35.79%	7,516	18,284	243.26%
Operating Supplies	82,825	63,749	19,076	29.92%	183,482	(100,657)	54.86%	101,434	(18,609)	18.35%
Subscriptions & Dues	197,925	102,944	94,981	92.26%	146,511	51,414	35.09%	53,370	144,555	270.86%
Postage	317,364	287,566	29,798	10.36%	270,424	46,940	17.36%	177,902	139,462	78.39%
Telecommunications	-	5,630	(5,630)	100.00%	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	104,233	41,029	63,204	154.04%	85,047	19,186	22.56%	40,111	64,122	159.86%
Professional Services	1,136,180	812,377	323,803	39.86%	1,209,125	(72,945)	6.03%	688,666	447,514	64.98%
Miscellaneous	-	-	-	-	-	-	-	7	(7)	100.00%
Rent	4,740,043	4,795,765	(55,722)	1.16%	5,089,648	(349,605)	6.87%	5,006,590	(266,547)	5.32%
Depreciation	417,864	456,126	(38,262)	8.39%	471,334	(53,471)	11.34%	476,458	(58,595)	12.30%
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	1,545,849	1,204,964	340,884	28.29%	1,854,675	(308,826)	16.65%	1,143,884	401,964	35.14%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	666,995	583,676	83,318	14.27%	659,240	7,755	1.18%	688,240	(21,245)	3.09%
Computer Hardware	-	4,634	(4,634)	100.00%	-	-	-	-	-	-
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	(1,661,674)	(1,661,999)	324	0.02%	(1,920,799)	259,125	13.49%	(1,749,955)	88,281	5.04%
Administrative Expenses	\$18,858,853	\$16,261,541	\$2,597,312	15.97%	\$17,923,415	\$935,438	5.22%	\$15,724,649	\$3,134,204	19.93%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$18,858,853	\$16,261,541	\$2,597,312	15.97%	\$17,923,415	\$935,438	5.22%	\$15,724,649	\$3,134,204	19.93%

Note: All variances enumerated above are in reference to the 2022 Budget. All percentages are stated in absolute value.

Office of the General Counsel

	2022 Budget	2021 Projection	Change (\$)	Change (%)	2021 Budget	Change (\$)	Change (%)	2020 Actual	Change (\$)	Change (%)
Salaries	\$5,431,559	\$4,446,059	\$985,500	22.17%	\$4,452,616	\$978,943	21.99%	\$4,281,898	\$1,149,661	26.85%
Employee Benefits	1,269,024	903,803	365,221	40.41%	1,065,811	203,213	19.07%	971,958	297,067	30.56%
Payroll Taxes	419,273	327,712	91,561	27.94%	315,739	103,534	32.79%	297,639	121,634	40.87%
Contingent Staffing	-	-	-	-	-	-	-	(1,303)	1,303	100.00%
Training	6,935	1,594	5,341	335.07%	5,935	1,000	16.85%	3,297	3,638	110.33%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	240	50	190	380.00%	120	120	100.00%	98	142	144.27%
Operating Supplies	3,180	1,200	1,980	164.94%	3,180	-	-	1,184	1,996	168.58%
Subscriptions & Dues	51,819	54,186	(2,367)	4.37%	49,775	2,044	4.11%	49,743	2,076	4.17%
Postage	-	-	-	-	-	-	-	45	(45)	100.00%
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	1,320,000	1,230,833	89,167	7.24%	1,285,200	34,800	2.71%	708,498	611,502	86.31%
Insurance	1,000,643	737,955	262,688	35.60%	890,995	109,648	12.31%	772,839	227,804	29.48%
Travel & Meals	58,900	10,381	48,519	467.40%	57,880	1,020	1.76%	7,003	51,897	741.13%
Professional Services	-	408	(408)	100.00%	50,000	(50,000)	100.00%	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Rent	12,602	12,383	219	1.77%	12,602	-	-	12,020	582	4.84%
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	1,260	1,228	32	2.58%	1,260	-	-	1,096	164	14.94%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	-	-	-	-	-	-	-	-	-	-
Computer Hardware	300	197	103	52.62%	-	300	-	-	300	-
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	(4,510,565)	(3,284,665)	(1,225,899)	37.32%	(3,328,760)	(1,181,805)	35.50%	(3,120,378)	(1,390,187)	44.55%
Administrative Expenses	\$5,065,171	\$4,443,324	\$621,847	14.00%	\$4,862,354	\$202,817	4.17%	\$3,985,637	\$1,079,534	27.09%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$5,065,171	\$4,443,324	\$621,847	14.00%	\$4,862,354	\$202,817	4.17%	\$3,985,637	\$1,079,534	27.09%

Note: All variances enumerated above are in reference to the 2022 Budget. All percentages are stated in absolute value.

Communications, Legislative & External Affairs	2022 Budget	2021 Projection	Change (\$)	Change (%)	2021 Budget	Change (\$)	Change (%)	2020 Actual	Change (\$)	Change (%)
Salaries	\$2,322,968	\$1,975,152	\$347,816	17.61%	\$2,088,355	\$234,613	11.23%	\$2,355,224	(32,256)	1.37%
Employee Benefits	646,800	476,236	170,564	35.82%	584,517	62,283	10.66%	609,906	36,894	6.05%
Payroll Taxes	198,230	148,288	49,942	33.68%	155,330	42,900	27.62%	175,763	22,467	12.78%
Contingent Staffing	-	-	-	-	-	-	-	-	-	-
Training	57,900	23,244	34,656	149.10%	57,900	-	-	22,276	35,624	159.93%
Recruiting	-	926	(926)	100.00%	-	-	-	-	-	-
Printing	24,400	15,578	8,822	56.63%	24,400	-	-	12,121	12,279	101.30%
Operating Supplies	6,600	3,106	3,494	112.49%	6,600	-	-	1,439	5,161	358.72%
Subscriptions & Dues	35,625	34,984	641	1.83%	34,985	640	1.83%	24,930	10,695	42.90%
Postage	-	-	-	-	340	(340)	100.00%	9	(9)	100.00%
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	49,750	(284)	50,034	17,635.51%	49,950	(200)	0.40%	13,468	36,282	269.39%
Professional Services	438,540	240,317	198,223	82.48%	290,240	148,300	51.10%	221,460	217,080	98.02%
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	-	324	(324)	100.00%	-	-	-	2,101	(2,101)	100.00%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	115,500	53,785	61,715	114.74%	68,000	47,500	69.85%	27,564	87,936	319.03%
Computer Hardware	-	-	-	-	-	-	-	-	-	-
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	-	-	-	-	-	-	-	-	-	-
Administrative Expenses	\$3,896,313	\$2,971,656	\$924,657	31.12%	\$3,360,616	\$535,696	15.94%	\$3,466,261	\$430,051	12.41%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$3,896,313	\$2,971,656	\$924,657	31.12%	\$3,360,616	\$535,696	15.94%	\$3,466,261	\$430,051	12.41%

Note: All variances enumerated above are in reference to the 2022 Budget. All percentages are stated in absolute value.

2022 Operating Budget
Citizens Property Insurance Corporation

Administrative Expenses
Comparisons of Annual Totals

Financial Services	2022 Budget	2021 Projection	Change (\$)	Change (%)	2021 Budget	Change (\$)	Change (%)	2020 Actual	Change (\$)	Change (%)
Salaries	\$7,456,705	\$7,062,070	\$394,635	5.59%	\$6,943,439	\$513,266	7.39%	\$6,588,579	\$868,126	13.18%
Employee Benefits	1,977,090	1,713,831	263,259	15.36%	1,725,170	251,921	14.60%	1,475,758	501,333	33.97%
Payroll Taxes	582,355	519,181	63,174	12.17%	487,698	94,657	19.41%	459,383	122,972	26.77%
Contingent Staffing	-	-	-	-	-	-	-	-	-	-
Training	79,835	38,454	41,381	107.61%	56,143	23,692	42.20%	29,092	50,743	174.42%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	20,646	14,604	6,042	41.37%	20,646	-	-	17,313	3,333	19.25%
Operating Supplies	12,006	9,885	2,121	21.46%	11,050	956	8.65%	4,878	7,128	146.14%
Subscriptions & Dues	176,333	110,434	65,899	59.67%	165,618	10,715	6.47%	101,817	74,516	73.19%
Postage	-	24	(24)	100.00%	6,692	(6,692)	100.00%	3,312	(3,312)	100.00%
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	150,438	(150,438)	100.00%
Insurance	-	-	-	-	-	-	-	210,547	(210,547)	100.00%
Travel & Meals	105,470	18,494	86,976	470.28%	69,381	36,089	52.02%	22,233	83,237	374.39%
Professional Services	1,814,158	1,813,950	208	0.01%	1,712,136	102,022	5.96%	1,753,313	60,845	3.47%
Miscellaneous	-	-	-	-	-	-	-	4,077	(4,077)	100.00%
Rent	5,304	31,854	(26,550)	83.35%	5,304	-	-	5,304	-	-
Depreciation	41,908	17,130	24,778	144.65%	17,130	24,778	144.65%	20,296	21,611	106.48%
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	22,000	16,207	5,793	35.74%	35,646	(13,646)	38.28%	28,023	(6,023)	21.49%
Bank Charges	255,372	210,785	44,587	21.15%	202,272	53,100	26.25%	159,400	95,972	60.21%
Software Maint & Licensing	812,057	629,414	182,644	29.02%	669,763	142,294	21.25%	661,564	150,493	22.75%
Computer Hardware	-	154	(154)	100.00%	-	-	-	9,883	(9,883)	100.00%
FMAP Funding	(3,600)	(18,600)	15,000	80.65%	(3,600)	-	-	(3,600)	-	-
ULAE Expense Allocation	(84,273)	(69,559)	(14,714)	21.15%	(66,750)	(17,523)	26.25%	(52,610)	(31,662)	60.18%
Administrative Expenses	\$13,273,367	\$12,118,312	\$1,155,055	9.53%	\$12,057,738	\$1,215,629	10.08%	\$11,648,999	\$1,624,368	13.94%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$13,273,367	\$12,118,312	\$1,155,055	9.53%	\$12,057,738	\$1,215,629	10.08%	\$11,648,999	\$1,624,368	13.94%

Note: All variances enumerated above are in reference to the 2022 Budget. All percentages are stated in absolute value.

Claims	2022 Budget	2021 Projection	Change (\$)	Change (%)	2021 Budget	Change (\$)	Change (%)	2020 Actual	Change (\$)	Change (%)
Salaries	\$34,336,362	\$27,338,537	\$6,997,825	25.60%	\$26,284,370	\$8,051,991	30.63%	\$24,952,497	\$9,383,865	37.61%
Employee Benefits	9,644,044	6,884,159	2,759,885	40.09%	7,115,461	2,528,583	35.54%	5,896,390	3,747,654	63.56%
Payroll Taxes	2,853,575	2,006,866	846,709	42.19%	1,936,171	917,404	47.38%	1,835,168	1,018,408	55.49%
Contingent Staffing	73,482,510	55,342,168	18,140,342	32.78%	55,814,830	17,667,680	31.65%	59,889,534	13,592,976	22.70%
Training	46,420	24,637	21,782	88.41%	34,638	11,782	34.01%	12,429	33,990	273.48%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	14,100	12,326	1,774	14.39%	17,062	(2,962)	17.36%	7,440	6,660	89.51%
Operating Supplies	23,276	12,009	11,267	93.81%	21,649	1,627	7.52%	14,581	8,695	59.63%
Subscriptions & Dues	578,428	409,662	168,766	41.20%	523,815	54,613	10.43%	403,419	175,009	43.38%
Postage	4,537	1,971	2,566	130.21%	5,191	(654)	12.60%	88	4,449	5,069.19%
Telecommunications	-	-	-	-	-	-	-	256	(256)	100.00%
Legal	3,600	226,427	(222,827)	98.41%	320,000	(316,400)	98.88%	267,779	(264,179)	98.66%
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	429,569	229,079	200,490	87.52%	418,168	11,401	2.73%	208,635	220,934	105.89%
Professional Services	3,029,000	940,409	2,088,591	222.09%	1,669,954	1,359,046	81.38%	609,300	2,419,700	397.13%
Miscellaneous	-	-	-	-	-	-	-	564	(564)	100.00%
Rent	-	-	-	-	-	-	-	26,031	(26,031)	100.00%
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	121,547	133,489	(11,942)	8.95%	117,971	3,576	3.03%	88,595	32,952	37.19%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	5,791,299	2,700,392	3,090,908	114.46%	3,792,299	1,999,000	52.71%	3,004,304	2,786,995	92.77%
Computer Hardware	-	312	(312)	100.00%	5,226	(5,226)	100.00%	-	-	-
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	(130,358,267)	(96,262,442)	(34,095,825)	35.42%	(98,076,805)	(32,281,462)	32.91%	(97,217,012)	(33,141,255)	34.09%
Administrative Expenses	-	-	-	-	-	-	-	-	-	-
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	-	-	-	-	-	-	-	-	-	-

Note: All variances enumerated above are in reference to the 2022 Budget. All percentages are stated in absolute value.

Consumer and Policy Services	2022 Budget	2021 Projection	Change (\$)	Change (%)	2021 Budget	Change (\$)	Change (%)	2020 Actual	Change (\$)	Change (%)
Salaries	\$8,045,660	\$5,409,668	\$2,635,992	48.73%	\$4,904,243	\$3,141,417	64.06%	\$4,313,503	\$3,732,157	86.52%
Employee Benefits	2,940,701	1,713,719	1,226,982	71.60%	1,708,984	1,231,717	72.07%	1,212,965	1,727,736	142.44%
Payroll Taxes	676,452	351,965	324,487	92.19%	355,575	320,877	90.24%	317,409	359,043	113.12%
Contingent Staffing	-	-	-	-	-	-	-	-	-	-
Training	29,500	15,948	13,552	84.98%	18,500	11,000	59.46%	8,169	21,331	261.11%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	5,000	1,210	3,790	313.22%	5,000	-	-	172	4,828	2,813.58%
Operating Supplies	10,450	2,820	7,630	270.61%	10,450	-	-	10,318	132	1.28%
Subscriptions & Dues	77,800	7,167	70,633	985.53%	2,300	75,500	3,282.61%	3,898	73,902	1,896.10%
Postage	-	-	-	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	29,220	4,416	24,804	561.61%	20,370	8,850	43.45%	1,380	27,840	2,016.76%
Professional Services	151,000	6,499	144,501	2,223.43%	320,000	(169,000)	52.81%	34,800	116,200	333.91%
Miscellaneous	-	-	-	-	-	-	-	69	(69)	100.00%
Rent	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees Collected	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	16,500	5,317	11,183	210.32%	21,000	(4,500)	21.43%	-	16,500	-
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	243,000	64,915	178,085	274.34%	105,500	137,500	130.33%	1,983	241,017	12,156.76%
Computer Hardware	-	-	-	-	-	-	-	-	-	-
FMAP Funding	-	(23,169)	23,169	100.00%	-	-	-	-	-	-
ULAE Expense Allocation	-	-	-	-	-	-	-	(600)	600	100.00%
Administrative Expenses	\$12,225,283	\$7,560,475	\$4,664,808	61.70%	\$7,471,922	\$4,753,361	63.62%	\$5,904,065	\$6,321,218	107.07%
Other Underwriting Expenses	6,396,152	3,023,395	3,372,757	111.56%	2,589,898	3,806,254	146.97%	5,652,396	743,756	13.16%
Total Admin & Other Expenses	\$18,621,435	\$10,583,870	\$8,037,565	75.94%	\$10,061,820	\$8,559,615	85.07%	\$11,556,461	\$7,064,974	61.13%

Note: All variances enumerated above are in reference to the 2022 Budget. All percentages are stated in absolute value.

Enterprise Operations

	2022 Budget	2021 Projection	Change (\$)	Change (%)	2021 Budget	Change (\$)	Change (%)	2020 Actual	Change (\$)	Change (%)
Salaries	\$47,283,266	\$45,120,985	\$2,162,281	4.79%	\$44,501,489	\$2,781,777	6.25%	\$41,408,104	\$5,875,162	14.19%
Employee Benefits	12,796,834	10,926,485	1,870,349	17.12%	11,862,716	934,118	7.87%	9,474,498	3,322,336	35.07%
Payroll Taxes	3,803,552	3,072,709	730,843	23.78%	3,211,635	591,917	18.43%	2,977,195	826,358	27.76%
Contingent Staffing	4,129,589	3,298,759	830,830	25.19%	2,661,484	1,468,105	55.16%	1,926,628	2,202,961	114.34%
Training	546,391	528,988	17,403	3.29%	659,151	(112,760)	17.11%	383,793	162,598	42.37%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	6,740	1,497	5,243	350.25%	4,986	1,754	35.18%	121	6,619	5,454.18%
Operating Supplies	36,150	16,403	19,747	120.38%	34,095	2,055	6.03%	9,932	26,218	263.98%
Subscriptions & Dues	464,309	357,613	106,696	29.84%	353,356	110,953	31.40%	386,075	78,234	20.26%
Postage	4,750	2,421	2,329	96.20%	4,850	(100)	2.06%	30	4,720	15,952.72%
Telecommunications	3,444,088	2,574,257	869,831	33.79%	2,712,188	731,900	26.99%	2,665,496	778,592	29.21%
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	414,716	105,209	309,507	294.18%	317,611	97,106	30.57%	69,425	345,291	497.36%
Professional Services	10,606,047	5,271,938	5,334,109	101.18%	6,740,043	3,866,004	57.36%	4,937,899	5,668,148	114.79%
Miscellaneous	-	-	-	-	-	-	-	849	(849)	100.00%
Rent	1,436,998	1,334,415	102,583	7.69%	1,409,752	27,246	1.93%	1,305,216	131,782	10.10%
Depreciation	196,333	705,381	(509,048)	72.17%	713,353	(517,020)	72.48%	1,633,494	(1,437,161)	87.98%
Producer Fees Collected	(866,802)	(739,320)	(127,482)	17.24%	(717,455)	(149,347)	20.82%	(532,578)	(334,224)	62.76%
Operations & Maintenance	523,973	528,236	(4,263)	0.81%	618,265	(94,292)	15.25%	429,556	94,417	21.98%
Bank Charges	-	-	-	-	240	(240)	100.00%	212	(212)	100.00%
Software Maint & Licensing	14,643,238	11,794,105	2,849,133	24.16%	12,373,198	2,270,041	18.35%	10,938,512	3,704,727	33.87%
Computer Hardware	2,750,720	2,281,262	469,458	20.58%	2,469,217	281,504	11.40%	1,944,553	806,167	41.46%
FMAP Funding	(335,696)	(251,507)	(84,189)	33.47%	(314,805)	(20,891)	6.64%	(174,245)	(161,451)	92.66%
ULAE Expense Allocation	(5,820,000)	(5,627,397)	(192,603)	3.42%	(4,536,504)	(1,283,496)	28.29%	(4,074,546)	(1,745,454)	42.84%
Administrative Expenses	\$96,065,196	\$81,302,438	\$14,762,758	18.16%	\$85,078,864	\$10,986,332	12.91%	\$75,710,218	\$20,354,978	26.89%
Other Underwriting Expenses	32,220,891	16,659,881	15,561,010	93.40%	13,385,816	18,835,075	140.71%	6,334,271	25,886,620	408.68%
Total Admin & Other Expenses	\$128,286,087	\$97,962,319	\$30,323,768	30.95%	\$98,464,680	\$29,821,407	30.29%	\$82,044,489	\$46,241,599	56.36%

Note: All variances enumerated above are in reference to the 2022 Budget. All percentages are stated in absolute value.

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2022 Operating Budget

Capital Acquisitions

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Asset Category	2022 Budget	2021 Projection	Change (\$)	Change (%)	2021 Budget	Change (\$)	Change (%)	2020 Actual	Change (\$)	Change (%)
EDP Equipment	\$ 365,000	\$ -	\$ 365,000	0.00%	\$ -	\$ 365,000	0.00%	\$ 133,930	\$ 231,070	172.53%
Software	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Office Equipment	-	-	-	0.00%	40,000	(40,000)	100.00%	47,357	(47,357)	100.00%
Furniture	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Leasehold Improvements	-	-	-	0.00%	175,000	(175,000)	100.00%	-	-	0.00%
Automobiles	35,000	-	35,000	0.00%	40,000	(5,000)	12.50%	-	35,000	0.00%
Total Capital Acquisitions	\$ 400,000	\$ -	\$ 400,000	0.00%	\$ 255,000	\$ 145,000	56.86%	\$ 181,287	\$ 218,713	120.64%

Note: All variances enumerated above are in reference to the 2022 Budget. All percentages are stated in absolute value.

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2022 Operating Budget

Probable Maximum Loss (PML) Scenarios

2022 Operating Budget
Citizens Property Insurance Corporation

Probable Maximum Loss (PML) Scenarios

All values in \$ millions

	PLA	CLA	Coastal	Combined
2022 Budgeted Net Income (Loss)	\$ (20.1)	\$ 45.4	\$ 85.4	\$ 110.7
2022 Projected Year-End Surplus	\$ 1,671.2	\$ 1,974.4	\$ 3,037.1	\$ 6,682.7
1-10 Year Event				
Gross Losses and LAE	\$ 853.3	\$ 17.5	\$ 655.2	\$ 1,526.0
FHCF Recovery	-	-	-	-
Private Risk Transfer Recovery	-	-	-	-
Net Losses and LAE	853.3	17.5	655.2	1,526.0
Post-Event Net Income (Loss)	(873.3)	27.9	(569.9)	(1,415.3)
Post-Event Surplus (Deficit)	817.9	1,956.9	2,381.8	5,156.6
1-25 Year Event				
Gross Losses and LAE	\$ 2,122.2	\$ 51.8	\$ 1,948.9	\$ 4,122.8
FHCF Recovery	688.4	21.8	825.6	1,535.9
Private Risk Transfer Recovery	76.5	-	91.7	168.2
Net Losses and LAE	1,357.3	29.9	1,031.5	2,418.7
Post-Event Net Income (Loss)	(1,377.3)	15.5	(946.2)	(2,308.0)
Post-Event Surplus (Deficit)	313.9	1,944.5	2,005.6	4,263.9
1-100 Year Event				
Gross Losses and LAE	\$ 6,270.8	\$ 168.9	\$ 5,996.2	\$ 12,435.9
FHCF Recovery	2,713.5	55.0	1,770.4	4,538.9
Private Risk Transfer Recovery	1,886.1	-	2,510.0	4,396.1
Net Losses and LAE	1,671.1	113.9	1,715.8	3,500.9
Post-Event Net Income (Loss)	(1,691.2)	(68.5)	(1,630.4)	(3,390.1)
Post-Event Surplus (Deficit)	0.0	1,860.5	1,321.3	3,181.8

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 7.3.0, including demand surge, excluding storm surge, on exposures as of September 30, 2021 adjusted for forecasted changes in exposure through September 30, 2022.

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 2021 retention and payout multiples. The actual retention and limits for 2022 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 2022.
- 5) PLA resources are fully exhausted with a single 1-100 year storm.

CLA is projected to have sufficient resources to cover a 1-100 year storm followed by 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 1-17 year storm.