



2023 Operating Budget

Financial Schedules & Supporting Information

Board of Governors Meeting

December 7, 2022



Board of Governors

Carlos Beruff, Chair

M. Scott Thomas, Vice Chair

Josh Becksmith

Jason Butts

Jillian Hasner

Erin Knight

JoAnne Leznoff

Charlie Lydecker

Nelson Telemaco



Table of Contents

Executive Summary	7
Organizational Structure	9
Budget Assumptions	12
Budgeted Statements of Operations.....	16
Administrative Expenses	22
Capital Acquisitions	37
Probable Maximum Loss (PML) Scenarios	40

This page is intended to be blank



2023 Operating Budget

Executive Summary

This page is intended to be blank

By the end of 2023, Citizens anticipates that it will insure close to 1.7 million policyholders and write more than \$5.1 billion in premium volume. Owing largely to the continued instability within the Florida insurance market, Citizens is expected to write more premium in 2023 than it has in its 20-year history. By comparison, in 2019, Citizens wrote \$877 million in premium and insured roughly 447,000 policyholders – reflecting projected 5-year growth rates in premium and policyholders of 486% and 276%, respectively. As Citizens increases its resources to meet this growth, resource needs associated with Hurricanes Ian and Nicole will also continue into 2023. A hybrid staffing model that relies on a combination of employees, contingent workers and business process outsourcing will be used to support the necessary expansion in operating infrastructure. This staffing model provides Citizens with the flexibility to quickly ramp-up resources while also providing longer-term scalability if growth estimates are not realized or if policy count begins to decline.

Citizens' strategic theme for 2023 has a pronounced focus on investing in corporate initiatives and activities that deliver value and **stabilize** internal business operations and priorities necessary to achieve strategic objectives.

In support of the over-arching theme of Stability, a pronounced and continued emphasis will be placed on five Strategic Objectives surrounding:

1. **Reducing Citizens' exposure:** explore and respond to emerging market conditions, trends and potential opportunities to further reduce exposure while continuing to fulfill our mission as a residual insurer.
2. **Ensuring scalability, flexibility and resiliency in our operations:** foster a culture of innovation, efficiency and effectiveness; ensure operations remain scalable as we address significant policy count fluctuations; ensure administrative costs are appropriate and relative to policy count, revenue and transactional volumes.
3. **Optimally serving our customers:** maximize organizational capabilities to create a best-in-class customer experience.
4. **Reducing litigation and enhancing litigation capabilities:** enhance existing programs and develop new strategies focused on the reduction of litigation and the respective financial impacts associated with litigation defense.

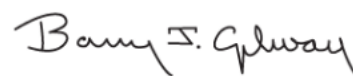
5. **Investing in and leveraging Citizens' greatest resource – our employees:** amplify the employee experience through enhancing our inclusive culture and sense of belonging; optimize a distributed workforce environment; plan for our future workforce and workplace, align resources to business strategies.

As the Florida insurance market continues to find solid footing, Citizens stands committed to serve its policyholders, especially those recently impacted by Hurricanes Ian and Nicole. Notwithstanding the financial impacts of these hurricanes, Citizens expects improvements to the 2023 loss and loss adjustment expense ratios driven largely by year-over-year reductions in litigation rates. However, 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.

For the 2023 fiscal year, Citizens projects that operating costs as a percentage of premium will be approximately 13.5%, reflecting an expense ratio that is substantially 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,

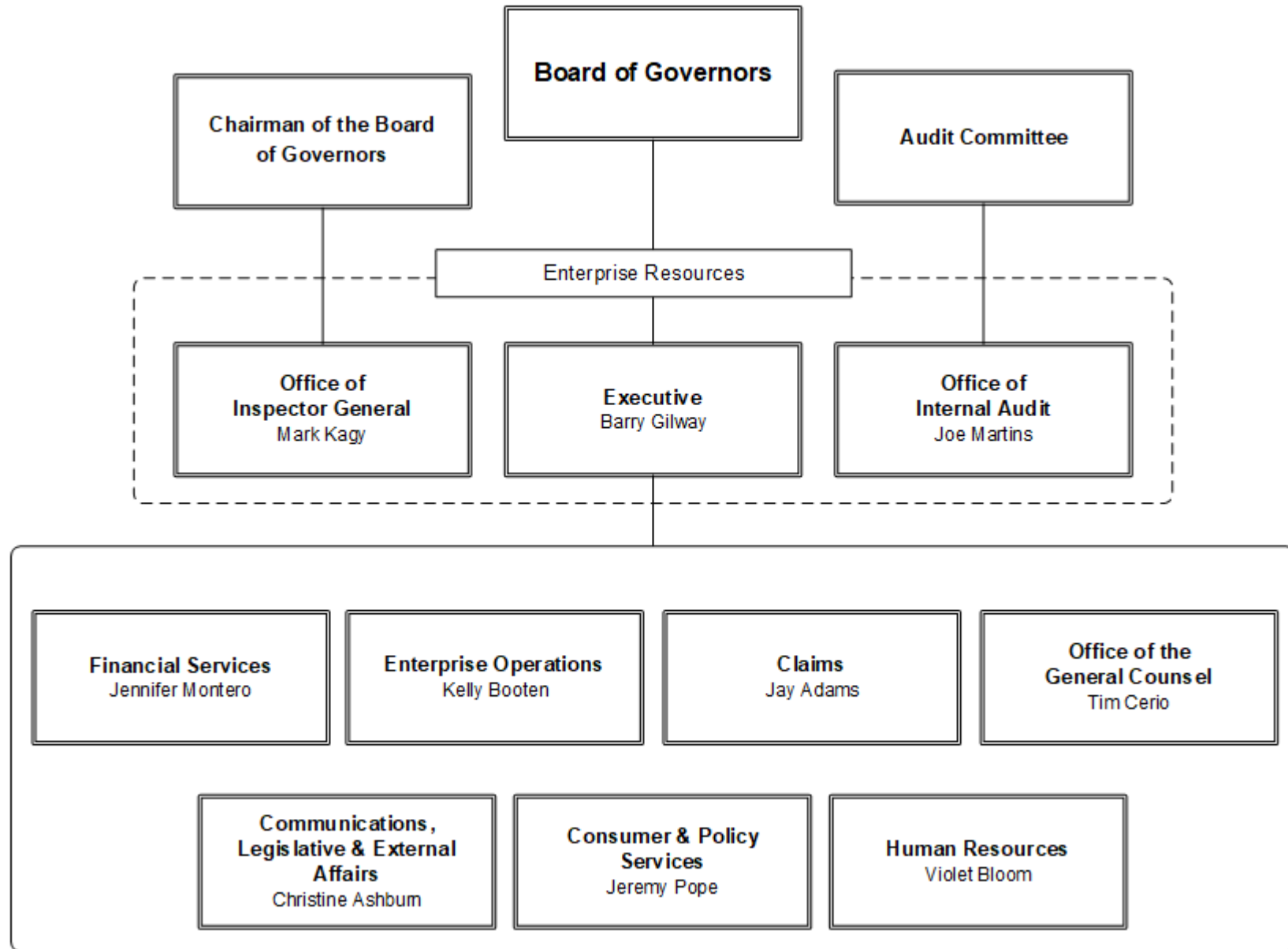


Barry Gilway
President, Chief Executive Officer and Executive Director



Jennifer Montero
Chief Financial Officer

This page is intended to be blank



This page is intended to be blank



2023 Operating Budget

Budget Assumptions

2023 Operating Budget
Citizens Property Insurance Corporation

Budget Assumptions

I Policies In-Force (PIF)		PLA	CLA	COASTAL	TOTAL
A	2023 Budgeted	1,378,114	1,595	301,259	1,680,967
	2022 Projected	921,293	1,057	230,812	1,153,162
	Total policy count change, net of depopulation	456,821	537	70,447	527,805
	Percentage change, net of depopulation	49.58%	50.84%	30.52%	45.77%
B	Depopulation Count				
	2023 Budgeted	14,983	-	736	15,720
	2022 Projected	17,465	-	820	18,285
	Change	(2,482)	-	(84)	(2,566)
	Change (%)	14.21%	-	10.22%	14.03%
II Written Premiums		PLA	CLA	COASTAL	TOTAL
A	2023 Budgeted	\$ 3,765,880,886	\$ 131,020,750	\$ 1,239,176,725	\$ 5,136,078,361
	2022 Projected	2,300,287,293	61,018,105	857,639,799	3,218,945,197
	Change (\$)	1,465,593,593	70,002,645	381,536,926	1,917,133,164
	Change (%)	63.71%	114.72%	44.49%	59.56%
III Ceded Premiums		PLA	CLA	COASTAL	TOTAL
A	Depopulation				
	2023 Budgeted	(29,326,400)	-	(2,195,876)	(31,522,276)
	2022 Projected	(29,898,367)	-	(2,081,677)	(31,980,044)
	Change (\$)	571,967	-	(114,199)	457,768
	Change (%)	1.91%	-	5.49%	1.43%
B	Florida Hurricane Catastrophe Fund - Mandatory Layer Only				
	2023 Budgeted	\$ (317,021,035)	\$ (11,679,798)	\$ (177,498,385)	\$ (506,199,218)
	2022 Projected	(195,369,932)	(6,429,941)	(122,755,579)	(324,555,452)
	Change (\$)	(121,651,103)	(5,249,857)	(54,742,806)	(181,643,766)
	Change (%)	62.27%	81.65%	44.59%	55.97%
C	Private Reinsurance				
	2023 Budgeted	\$ (400,000,000)	\$ -	\$ (325,000,000)	\$ (725,000,000)
	2022 Projected	(89,861,015)	-	(126,481,894)	(216,342,909)
	Change (\$)	(310,138,985)	-	(198,518,106)	(508,657,091)
	Change (%)	345.13%	-	156.95%	235.12%

IV	Non-CAT Loss and Loss Adjustment Expense (LAE) Ratios	PLA	CLA	COASTAL	TOTAL
A	Incurring Loss and LAE Ratio (Net of Depopulation)				
	2023 Budgeted	58.44%	15.04%	25.54%	49.10%
	2022 Projected	61.04%	18.01%	25.53%	50.70%
	Change	2.60%	2.98%	0.01%	1.60%
V	Total Exposure	PLA	CLA	COASTAL	TOTAL
A	Total Exposure				
	2023 Budgeted	\$506,202,885,393	\$ 23,241,329,497	\$124,817,843,615	\$654,262,058,506
	2022 Projected	316,477,539,768	11,091,556,284	94,168,856,242	421,737,952,295
	Change (\$)	189,725,345,625	12,149,773,213	30,648,987,373	232,524,106,211
	Change (%)	59.95%	109.54%	32.55%	55.13%
VI	Expense Ratio Summary	PLA	CLA	COASTAL	TOTAL
A	Underwriting and Policy Acquisition Cost Ratios				
	2023 Budgeted	9.67%	13.90%	10.38%	9.95%
	2022 Projected	9.76%	13.61%	10.49%	10.03%
	Change	0.08%	0.29%	0.11%	0.07%
B	Administrative Ratios				
	2023 Budgeted	3.61%	3.55%	3.66%	3.62%
	2022 Projected	4.34%	4.67%	4.51%	4.39%
	Change	0.73%	1.12%	0.85%	0.78%
C	Expense Ratios				
	2023 Budgeted	13.28%	17.45%	14.04%	13.57%
	2022 Projected	14.10%	18.28%	15.00%	14.42%
	Change	0.82%	0.83%	0.96%	0.85%

This page is intended to be blank



2023 Operating Budget

Budgeted Statements of Operations

2023 Operating Budget
Citizens Property Insurance Corporation

Budgeted Statements of Operations - Total Company

	2023 Budget	2022 Projection	Change (\$)	Change (%)	2022 Budget	Change (\$)	Change (%)	2021 Actual	Change (\$)	Change (%)
Premiums										
Premiums Written - Direct	\$5,136,078,361	\$3,218,945,197	\$1,917,133,164	59.56%	\$3,001,818,384	\$2,134,259,977	71.10%	\$1,814,135,214	\$3,321,943,147	183.11%
Change in Direct UPR	(995,805,516)	(775,260,270)	(220,545,247)	28.45%	(597,685,889)	(398,119,627)	66.61%	(343,309,105)	(652,496,411)	190.06%
Premiums Ceded (FHCF)	(506,199,218)	(324,555,452)	(181,643,766)	55.97%	(321,955,544)	(184,243,674)	57.23%	(199,826,693)	(306,372,525)	153.32%
Premiums Ceded (Private)	(725,000,000)	(216,342,909)	(508,657,091)	235.12%	(400,000,000)	(325,000,000)	81.25%	(251,646,707)	(473,353,293)	188.10%
Premiums Ceded (Depop)	(31,522,276)	(31,980,044)	457,768	1.43%	(13,007,340)	(18,514,936)	142.34%	(4,219,625)	(27,302,651)	647.04%
Change in Ceded UPR (Depop)	4,360,688	(436,363,332)	440,724,020	101.00%	2,366,249	1,994,439	84.29%	(6,013,313)	10,374,001	172.52%
Net Premiums Earned	\$2,881,912,038	\$1,885,227,817	\$996,684,222	52.87%	\$1,671,535,860	\$1,210,376,178	72.41%	\$1,009,119,771	\$1,872,792,267	185.59%
Underwriting Expenses										
Losses and LAE Incurred	\$2,019,651,706	\$3,656,611,654	\$(1,636,959,947)	44.77%	\$1,281,950,677	\$737,701,030	57.55%	\$874,145,935	\$1,145,505,771	131.04%
Producer Commissions	376,530,126	235,831,176	140,698,949	59.66%	206,346,320	170,183,806	82.47%	128,859,697	247,670,429	192.20%
Taxes and Assessments	74,781,598	48,167,382	26,614,216	55.25%	38,679,108	36,102,490	93.34%	23,328,663	51,452,935	220.56%
Administrative Expenses	185,784,654	142,984,344	42,800,310	29.93%	158,588,016	27,196,638	17.15%	130,369,158	55,415,496	42.51%
Other Underwriting Expenses	59,866,656	38,733,556	21,133,100	54.56%	38,617,043	21,249,613	55.03%	18,931,841	40,934,815	216.22%
Total Underwriting	\$2,716,614,740	\$4,122,328,112	\$(1,405,713,372)	34.10%	\$1,724,181,164	\$992,433,577	57.56%	\$1,175,635,294	\$1,540,979,446	131.08%
Net Underwriting Gain (Loss)	\$165,297,298	\$(2,237,100,296)	\$2,402,397,594	107.39%	\$(52,645,303)	\$217,942,601	413.98%	\$(166,515,523)	\$331,812,821	199.27%
Other Income (Expense)										
Investment Income - Net	\$241,979,133	\$213,445,634	\$28,533,500	13.37%	\$172,440,704	\$69,538,429	40.33%	\$262,813,330	\$(20,834,197)	7.93%
Interest Expense - Net	(9,314,424)	(11,983,112)	2,668,688	22.27%	(11,983,112)	2,668,688	22.27%	(24,056,359)	14,741,935	61.28%
Other Income and Expenses	9,444,886	4,987,041	4,457,846	89.39%	2,923,172	6,521,715	223.10%	7,886,572	1,558,315	19.76%
Total Other Income (Expense)	\$242,109,596	\$206,449,563	\$35,660,033	17.27%	\$163,380,764	\$78,728,832	48.19%	\$246,643,543	\$(4,533,947)	1.84%
Net Income (Loss)	\$407,406,894	\$(2,030,650,733)	\$2,438,057,627	120.06%	\$110,735,461	\$296,671,433	267.91%	\$80,128,020	\$327,278,874	408.44%
Policies In-Force	1,680,967	1,153,162	527,805	45.77%	1,064,220	616,747	57.95%	759,305	921,662	121.38%

Note: All variances enumerated above are in reference to the 2023 Budget. All percentages are stated in absolute value.

2023 Operating Budget
Citizens Property Insurance Corporation

Budgeted Statements of Operations - PLA

	2023 Budget	2022 Projection	Change (\$)	Change (%)	2022 Budget	Change (\$)	Change (%)	2021 Actual	Change (\$)	Change (%)
Premiums										
Premiums Written - Direct	\$3,765,880,886	\$2,300,287,293	\$1,465,593,593	63.71%	\$2,142,501,727	\$1,623,379,159	75.77%	\$1,280,549,312	\$2,485,331,574	194.08%
Change in Direct UPR	(764,637,169)	(556,312,770)	(208,324,399)	37.45%	(438,546,956)	(326,090,213)	74.36%	(266,435,096)	(498,202,073)	186.99%
Premiums Ceded (FHCF)	(317,021,035)	(195,369,932)	(121,651,103)	62.27%	(192,476,506)	(124,544,530)	64.71%	(111,626,228)	(205,394,807)	184.00%
Premiums Ceded (Private)	(400,000,000)	(89,861,015)	(310,138,985)	345.13%	(190,000,000)	(210,000,000)	110.53%	(112,373,428)	(287,626,572)	255.96%
Premiums Ceded (Depop)	(29,326,400)	(29,898,367)	571,967	1.91%	(8,677,931)	(20,648,469)	237.94%	(3,345,956)	(25,980,444)	776.47%
Change in Ceded UPR (Depop)	4,126,648	(224,283,040)	228,409,688	101.84%	1,516,434	2,610,214	172.13%	(3,026,072)	7,152,721	236.37%
Net Premiums Earned	\$2,259,022,930	\$1,442,256,286	\$816,766,644	56.63%	\$1,314,316,768	\$944,706,161	71.88%	\$783,742,531	\$1,475,280,398	188.24%
Underwriting Expenses										
Losses and LAE Incurred	\$1,739,055,322	\$2,501,025,003	\$(761,969,680)	30.47%	\$1,078,822,619	\$660,232,704	61.20%	\$742,708,919	\$996,346,403	134.15%
Producer Commissions	265,346,642	161,850,704	103,495,938	63.95%	142,736,029	122,610,613	85.90%	88,188,870	177,157,772	200.88%
Taxes and Assessments	55,414,963	34,959,295	20,455,667	58.51%	28,664,109	26,750,853	93.33%	16,880,211	38,534,751	228.28%
Administrative Expenses	135,832,952	101,453,619	34,379,333	33.89%	113,118,176	22,714,776	20.08%	91,422,183	44,410,770	48.58%
Other Underwriting Expenses	43,543,154	27,624,794	15,918,359	57.62%	27,544,890	15,998,263	58.08%	12,765,298	30,777,856	241.11%
Total Underwriting	\$2,239,193,033	\$2,826,913,415	\$(587,720,383)	20.79%	\$1,390,885,823	\$848,307,210	60.99%	\$951,965,481	\$1,287,227,552	135.22%
Net Underwriting Gain (Loss)	\$19,829,897	\$(1,384,657,130)	\$1,404,487,027	101.43%	\$(76,569,055)	\$96,398,952	125.90%	\$(168,222,950)	\$188,052,847	111.79%
Other Income (Expense)										
Investment Income - Net	\$76,439,510	\$71,621,823	\$4,817,688	6.73%	\$56,220,348	\$20,219,162	35.96%	\$80,765,695	\$(4,326,185)	5.36%
Interest Expense - Net	-	(2,181,230)	2,181,230	100.00%	(2,181,230)	2,181,230	100.00%	(7,373,668)	7,373,668	100.00%
Other Income and Expenses	7,450,295	3,794,897	3,655,399	96.32%	2,478,122	4,972,174	200.64%	5,689,643	1,760,652	30.94%
Total Other Income (Expense)	\$83,889,806	\$73,235,489	\$10,654,316	14.55%	\$56,517,239	\$27,372,566	48.43%	\$79,081,670	\$4,808,135	6.08%
Net Income (Loss)	\$103,719,702	\$(1,311,421,641)	\$1,415,141,343	107.91%	\$(20,051,815)	\$123,771,518	617.26%	\$(89,141,279)	\$192,860,982	216.35%
Policies In-Force	1,378,114	921,293	456,821	49.58%	827,699	550,415	66.50%	589,028	789,086	133.96%

Note: All variances enumerated above are in reference to the 2023 Budget. All percentages are stated in absolute value.

2023 Operating Budget
Citizens Property Insurance Corporation

Budgeted Statements of Operations - CLA

	2023 Budget	2022 Projection	Change (\$)	Change (%)	2022 Budget	Change (\$)	Change (%)	2021 Actual	Change (\$)	Change (%)
Premiums										
Premiums Written - Direct	\$131,020,750	\$61,018,105	\$70,002,645	114.72%	\$20,116,328	\$110,904,422	551.32%	\$17,986,096	\$113,034,654	628.46%
Change in Direct UPR	(37,876,386)	(25,589,368)	(12,287,018)	48.02%	(1,692,438)	(36,183,947)	2,137.98%	(2,501,487)	(35,374,899)	1,414.15%
Premiums Ceded (FHCF)	(11,679,798)	(6,429,941)	(5,249,857)	81.65%	(3,900,625)	(7,779,172)	199.43%	(3,356,940)	(8,322,858)	247.93%
Premiums Ceded (Private)	-	-	-	-	-	-	-	-	-	-
Premiums Ceded (Depop)	-	-	-	-	-	-	-	-	-	-
Change in Ceded UPR (Depop)	-	(5,310,375)	5,310,375	100.00%	-	-	-	-	-	-
Net Premiums Earned	\$81,464,567	\$28,998,796	\$52,465,771	180.92%	\$14,523,264	\$66,941,303	460.92%	\$12,127,669	\$69,336,897	571.72%
Underwriting Expenses										
Losses and LAE Incurred	\$14,006,174	\$58,412,483	\$(44,406,309)	76.02%	\$2,626,016	\$11,380,158	433.36%	\$3,114,330	\$10,891,844	349.73%
Producer Commissions	14,520,075	6,700,086	7,819,989	116.71%	2,031,717	12,488,358	614.67%	1,924,246	12,595,829	654.59%
Taxes and Assessments	2,202,247	1,064,711	1,137,536	106.84%	261,544	1,940,703	742.02%	243,421	1,958,826	804.71%
Administrative Expenses	4,650,557	2,849,067	1,801,489	63.23%	1,070,603	3,579,953	334.39%	1,328,623	3,321,933	250.03%
Other Underwriting Expenses	1,493,175	540,761	952,414	176.12%	260,698	1,232,477	472.76%	208,514	1,284,662	616.10%
Total Underwriting	\$36,872,228	\$69,567,108	\$(32,694,880)	47.00%	\$6,250,578	\$30,621,650	489.90%	\$6,819,134	\$30,053,094	440.72%
Net Underwriting Gain (Loss)	\$44,592,339	\$(40,568,312)	\$85,160,651	209.92%	\$8,272,686	\$36,319,653	439.03%	\$5,308,535	\$39,283,804	740.01%
Other Income (Expense)										
Investment Income - Net	\$60,616,850	\$50,975,431	\$9,641,419	18.91%	\$37,400,538	\$23,216,312	62.07%	\$70,268,375	\$(9,651,525)	13.74%
Interest Expense - Net	-	(344,511)	344,511	100.00%	(344,511)	344,511	100.00%	(1,164,623)	1,164,623	100.00%
Other Income and Expenses	593,123	151,678	441,445	291.04%	107,892	485,231	449.74%	57,473	535,650	932.00%
Total Other Income (Expense)	\$61,209,973	\$50,782,599	\$10,427,374	20.53%	\$37,163,919	\$24,046,054	64.70%	\$69,161,225	\$(7,951,252)	11.50%
Net Income (Loss)	\$105,802,312	\$10,214,286	\$95,588,026	935.83%	\$45,436,605	\$60,365,707	132.86%	\$74,469,761	\$31,332,552	42.07%
Policies In-Force	1,595	1,057	538	50.85%	704	891	126.50%	719	876	121.77%

Note: All variances enumerated above are in reference to the 2023 Budget. All percentages are stated in absolute value.

2023 Operating Budget
Citizens Property Insurance Corporation

Budgeted Statements of Operations - Coastal

	2023 Budget	2022 Projection	Change (\$)	Change (%)	2022 Budget	Change (\$)	Change (%)	2021 Actual	Change (\$)	Change (%)
Premiums										
Premiums Written - Direct	\$1,239,176,725	\$857,639,799	\$381,536,926	44.49%	\$839,200,329	\$399,976,396	47.66%	\$515,599,806	\$723,576,919	140.34%
Change in Direct UPR	(193,291,962)	(193,358,132)	66,171	0.03%	(157,446,495)	(35,845,467)	22.77%	(74,372,522)	(118,919,439)	159.90%
Premiums Ceded (FHCF)	(177,498,385)	(122,755,579)	(54,742,806)	44.59%	(125,578,413)	(51,919,972)	41.34%	(84,843,525)	(92,654,860)	109.21%
Premiums Ceded (Private)	(325,000,000)	(126,481,894)	(198,518,106)	156.95%	(210,000,000)	(115,000,000)	54.76%	(139,273,279)	(185,726,721)	133.35%
Premiums Ceded (Depop)	(2,195,876)	(2,081,677)	(114,199)	5.49%	(4,329,409)	2,133,533	49.28%	(873,669)	(1,322,207)	151.34%
Change in Ceded UPR (Depop)	234,039	(206,769,918)	207,003,957	100.11%	849,815	(615,775)	72.46%	(2,987,241)	3,221,280	107.83%
Net Premiums Earned	\$541,424,542	\$413,972,736	\$127,451,806	30.79%	\$342,695,828	\$198,728,714	57.99%	\$213,249,570	\$328,174,972	153.89%
Underwriting Expenses										
Losses and LAE Incurred	\$266,590,210	\$1,097,174,168	\$(830,583,958)	75.70%	\$200,502,043	\$66,088,168	32.96%	\$128,322,686	\$138,267,524	107.75%
Producer Commissions	96,663,408	67,280,387	29,383,021	43.67%	61,578,573	35,084,835	56.98%	38,746,581	57,916,828	149.48%
Taxes and Assessments	17,164,388	12,143,376	5,021,012	41.35%	9,753,455	7,410,934	75.98%	6,205,030	10,959,358	176.62%
Administrative Expenses	45,301,146	38,681,657	6,619,488	17.11%	44,399,237	901,909	2.03%	37,618,353	7,682,793	20.42%
Other Underwriting Expenses	14,830,328	10,568,001	4,262,327	40.33%	10,811,455	4,018,872	37.17%	5,958,030	8,872,298	148.91%
Total Underwriting	\$440,549,480	\$1,225,847,589	\$(785,298,109)	64.06%	\$327,044,763	\$113,504,717	34.71%	\$216,850,679	\$223,698,801	103.16%
Net Underwriting Gain (Loss)	\$100,875,062	\$(811,874,853)	\$912,749,916	112.42%	\$15,651,065	\$85,223,997	544.53%	\$(3,601,109)	\$104,476,171	2,901.22%
Other Income (Expense)										
Investment Income - Net	\$104,922,773	\$90,848,379	\$14,074,393	15.49%	\$78,819,818	\$26,102,955	33.12%	\$111,779,260	\$(6,856,487)	6.13%
Interest Expense - Net	(9,314,424)	(9,457,370)	142,946	1.51%	(9,457,370)	142,946	1.51%	(15,518,069)	6,203,645	39.98%
Other Income and Expenses	1,401,468	1,040,466	361,003	34.70%	337,158	1,064,310	315.67%	2,139,456	(737,987)	34.49%
Total Other Income (Expense)	\$97,009,817	\$82,431,475	\$14,578,342	17.69%	\$69,699,606	\$27,310,211	39.18%	\$98,400,647	\$(1,390,830)	1.41%
Net Income (Loss)	\$197,884,879	\$(729,443,378)	\$927,328,258	127.13%	\$85,350,671	\$112,534,208	131.85%	\$94,799,538	\$103,085,341	108.74%
Policies In-Force	301,259	230,812	70,447	30.52%	235,817	65,442	27.75%	169,558	131,701	77.67%

Note: All variances enumerated above are in reference to the 2023 Budget. All percentages are stated in absolute value.

This page is intended to be blank



2023 Operating Budget

Administrative Expenses

2023 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	\$144,388,985	\$6,682,427	\$7,907,766	\$10,114,885	\$2,592,004	\$8,323,433	\$44,660,732	\$11,484,848	\$52,622,890
Employee Benefits	42,592,646	994,171	2,805,166	2,630,472	833,489	2,148,627	13,347,062	4,932,622	14,901,036
Payroll Taxes	11,614,949	396,331	663,457	773,667	220,138	649,476	3,714,339	966,544	4,230,997
Contingent Staffing	137,526,112	-	665,724	312,312	-	32,512	129,831,655	-	6,683,910
Training	1,159,568	74,800	145,648	21,950	36,695	83,758	82,015	37,500	677,202
Recruiting	560,886	-	560,886	-	-	-	-	-	-
Printing	123,649	2,100	30,100	2,213	40,000	20,646	13,380	5,000	10,210
Operating Supplies	190,770	6,740	61,154	32,880	2,000	15,706	18,040	15,450	38,800
Subscriptions & Dues	2,334,766	173,167	161,452	111,754	38,950	395,077	846,815	95,000	512,551
Postage	446,076	390	437,300	-	-	-	3,616	-	4,770
Telecommunications	3,317,884	-	-	-	-	-	-	-	3,317,884
Legal	1,068,500	65,000	-	1,000,000	-	-	3,500	-	-
Insurance	890,099	-	-	890,099	-	-	-	-	-
Travel & Meals	1,848,816	259,856	106,845	146,150	47,750	113,861	563,098	62,000	549,256
Professional Services	21,359,603	360,000	1,202,533	-	518,050	2,107,748	2,406,200	270,000	14,495,073
Miscellaneous	-	-	-	-	-	-	-	-	-
Rent	5,884,230	-	4,470,878	14,050	-	5,304	-	-	1,393,998
Depreciation	197,099	-	87,464	-	-	10,796	-	-	98,839
Producer Fees	(807,989)	-	-	-	-	-	-	-	(807,989)
Operations & Maintenance	2,378,889	-	1,658,738	1,825	-	2,400	123,198	70,000	522,728
Bank Charges	391,813	-	-	-	-	391,813	-	-	-
Software Maint & Licensing	25,005,689	320,816	781,289	-	87,000	911,702	4,664,486	755,040	17,485,355
Computer Hardware	3,064,242	-	-	-	-	20,000	-	-	3,044,242
FMAP Funding	(530,589)	-	-	-	-	(3,600)	-	-	(526,989)
ULAE Expense Allocation	(219,222,037)	-	(1,592,994)	(10,721,608)	-	(129,298)	(200,278,136)	-	(6,500,000)
Administrative Expenses	\$185,784,654	\$9,335,798	\$20,153,406	\$5,330,648	\$4,416,075	\$15,099,962	-	\$18,694,004	\$112,754,762
Other Underwriting Expenses	59,866,656	-	-	-	-	-	-	9,085,276	50,781,380
Total Admin & Other Expenses	\$245,651,311	\$9,335,798	\$20,153,406	\$5,330,648	\$4,416,075	\$15,099,962	-	\$27,779,280	\$163,536,142

Expense Category	Total CPIC	Normal Operating	Enterprise Projects	IT Projects (Non-Enterprise)	Centerpoint - ERP	Customer Relationship Management	Identity and Access Management	Exposure Reduction Program	Unified Communication as a Service (UCaaS)	Citizens Eligibility Reimagined	Holistic Inspections Program	HURRICANE IAN - 2022
Salaries	\$144,388,985	\$144,388,985	-	-	-	-	-	-	-	-	-	-
Employee Benefits	42,592,646	42,592,646	-	-	-	-	-	-	-	-	-	-
Payroll Taxes	11,614,949	11,614,949	-	-	-	-	-	-	-	-	-	-
Contingent Staffing	137,526,112	120,667,437	-	-	-	-	-	-	-	-	-	16,858,675
Training	1,159,568	1,159,568	-	-	-	-	-	-	-	-	-	-
Recruiting	560,886	560,886	-	-	-	-	-	-	-	-	-	-
Printing	123,649	123,649	-	-	-	-	-	-	-	-	-	-
Operating Supplies	190,770	190,770	-	-	-	-	-	-	-	-	-	-
Subscriptions & Dues	2,334,766	1,839,766	495,000	-	-	-	-	-	-	-	-	-
Postage	446,076	446,076	-	-	-	-	-	-	-	-	-	-
Telecommunications	3,317,884	2,967,884	-	-	-	-	-	-	350,000	-	-	-
Legal	1,068,500	1,068,500	-	-	-	-	-	-	-	-	-	-
Insurance	890,099	890,099	-	-	-	-	-	-	-	-	-	-
Travel & Meals	1,848,816	1,848,816	-	-	-	-	-	-	-	-	-	-
Professional Services	21,359,603	14,406,629	3,252,975	-	-	-	1,000,000	500,000	200,000	2,000,000	-	-
Rent	5,884,230	5,884,230	-	-	-	-	-	-	-	-	-	-
Depreciation	197,099	197,099	-	-	-	-	-	-	-	-	-	-
Producer Fees	(807,989)	(807,989)	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	2,378,889	2,378,889	-	-	-	-	-	-	-	-	-	-
Bank Charges	391,813	391,813	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	25,005,689	18,860,083	2,922,356	57,660	433,080	1,931,739	457,887	-	-	342,883	-	-
Computer Hardware	3,064,242	2,730,742	283,500	-	-	-	-	-	50,000	-	-	-
FMAP Funding	(530,589)	(530,589)	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	(219,222,037)	(219,222,037)	-	-	-	-	-	-	-	-	-	-
Administrative Expenses	\$185,784,654	\$154,648,899	\$6,953,831	\$57,660	\$433,080	\$1,931,739	\$1,457,887	\$500,000	\$600,000	\$2,342,883	-	\$16,858,675
Other Underwriting Expenses	59,866,656	42,081,023	-	-	-	-	-	-	-	-	17,785,634	-
Total Admin & Other Expenses	\$245,651,311	\$196,729,922	\$6,953,831	\$57,660	\$433,080	\$1,931,739	\$1,457,887	\$500,000	\$600,000	\$2,342,883	\$17,785,634	-

2023 Operating Budget
Citizens Property Insurance Corporation

24
Administrative Expenses
Comparisons of Annual Totals

Total CPIC

	2023 Budget	2022 Projection	Change (\$)	Change (%)	2022 Budget	Change (\$)	Change (%)	2021 Actual	Change (\$)	Change (%)
Salaries	\$144,388,985	\$115,066,269	\$29,322,716	25.48%	\$118,125,887	\$26,263,098	22.23%	\$103,183,967	\$41,205,018	39.93%
Employee Benefits	42,592,646	28,645,433	13,947,214	48.69%	32,786,631	9,806,015	29.91%	23,844,008	18,748,638	78.63%
Payroll Taxes	11,614,949	8,703,845	2,911,103	33.45%	9,485,282	2,129,667	22.45%	7,401,984	4,212,965	56.92%
Contingent Staffing	137,526,112	109,244,369	28,281,743	25.89%	78,485,873	59,040,239	75.22%	62,000,217	75,525,895	121.82%
Training	1,159,568	730,153	429,415	58.81%	953,644	205,924	21.59%	559,913	599,655	107.10%
Recruiting	560,886	444,849	116,037	26.08%	581,000	(20,114)	3.46%	525,881	35,005	6.66%
Printing	123,649	82,371	41,278	50.11%	99,026	24,623	24.87%	39,681	83,968	211.61%
Operating Supplies	190,770	127,007	63,763	50.20%	181,227	9,542	5.27%	69,459	121,311	174.65%
Subscriptions & Dues	2,334,766	1,526,006	808,760	53.00%	1,637,301	697,465	42.60%	1,099,776	1,234,990	112.29%
Postage	446,076	399,511	46,565	11.66%	327,041	119,035	36.40%	283,739	162,337	57.21%
Telecommunications	3,317,884	2,439,799	878,085	35.99%	3,444,088	(126,204)	3.66%	2,881,845	436,039	15.13%
Legal	1,068,500	737,384	331,116	44.90%	1,388,600	(320,100)	23.05%	1,245,366	(176,866)	14.20%
Insurance	890,099	843,904	46,195	5.47%	1,000,643	(110,544)	11.05%	735,825	154,274	20.97%
Travel & Meals	1,848,816	1,184,784	664,032	56.05%	1,448,944	399,871	27.60%	303,759	1,545,057	508.65%
Professional Services	21,359,603	12,116,292	9,243,312	76.29%	17,684,925	3,674,678	20.78%	8,175,047	13,184,556	161.28%
Miscellaneous	-	-	-	-	-	-	-	-	-	100.00%
Rent	5,884,230	5,881,421	2,810	0.05%	6,194,946	(310,716)	5.02%	6,103,843	(219,613)	3.60%
Depreciation	197,099	594,994	(397,895)	66.87%	656,104	(459,005)	69.96%	1,171,636	(974,537)	83.18%
Producer Fees	(807,989)	(908,711)	100,722	11.08%	(866,802)	58,813	6.79%	(812,675)	4,686	0.58%
Operations & Maintenance	2,378,889	2,010,799	368,090	18.31%	2,231,128	147,760	6.62%	1,674,541	704,348	42.06%
Bank Charges	391,813	288,976	102,837	35.59%	255,372	136,441	53.43%	209,915	181,898	86.65%
Software Maint & Licensing	25,005,689	19,833,528	5,172,161	26.08%	22,510,209	2,495,479	11.09%	15,907,222	9,098,466	57.20%
Computer Hardware	3,064,242	2,646,913	417,329	15.77%	2,751,020	313,222	11.39%	2,214,958	849,284	38.34%
FMAP Funding	(530,589)	(258,279)	(272,310)	105.43%	(339,296)	(191,293)	56.38%	(167,182)	(363,407)	217.37%
ULAE Expense Allocation	(219,222,037)	(169,397,271)	(49,824,767)	29.41%	(142,434,779)	(76,787,258)	53.91%	(108,283,567)	(110,938,471)	102.45%
Administrative Expenses	\$185,784,654	\$142,984,345	\$42,800,310	29.93%	\$158,588,016	\$27,196,638	17.15%	\$130,369,158	\$55,415,496	42.51%
Other Underwriting Expenses	59,866,656	38,733,556	21,133,100	54.56%	38,617,043	21,249,613	55.03%	18,931,841	40,934,815	216.22%
Total Admin & Other Expenses	\$245,651,311	\$181,717,901	\$63,933,410	35.18%	\$197,205,059	\$48,446,251	24.57%	\$149,301,000	\$96,350,311	64.53%

Note: All variances enumerated above are in reference to the 2023 Budget. All percentages are stated in absolute value.

2023 Operating Budget
Citizens Property Insurance Corporation

Administrative Expenses
Comparisons of Annual Totals

Enterprise Resources

	2023 Budget	2022 Projection	Change (\$)	Change (%)	2022 Budget	Change (\$)	Change (%)	2021 Actual	Change (\$)	Change (%)
Salaries	\$6,682,427	\$6,277,184	\$405,243	6.46%	\$6,297,828	\$384,599	6.11%	\$6,249,632	\$432,795	6.93%
Employee Benefits	994,171	1,058,854	(64,683)	6.11%	1,236,598	(242,426)	19.60%	638,814	355,358	55.63%
Payroll Taxes	396,331	342,771	53,559	15.63%	366,710	29,621	8.08%	328,467	67,864	20.66%
Contingent Staffing	-	-	-	-	100,000	(100,000)	100.00%	104,800	(104,800)	100.00%
Training	74,800	53,282	21,518	40.38%	68,200	6,600	9.68%	36,006	38,794	107.74%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	2,100	1,521	579	38.07%	2,100	-	-	180	1,920	1,066.67%
Operating Supplies	6,740	7,174	(434)	6.05%	6,740	-	-	5,347	1,393	26.04%
Subscriptions & Dues	173,167	141,564	31,603	22.32%	55,062	118,105	214.49%	93,894	79,273	84.43%
Postage	390	155	235	151.61%	390	-	-	46	344	739.07%
Telecommunications	-	-	-	-	-	-	-	151	(151)	100.00%
Legal	65,000	6,250	58,750	940.00%	65,000	-	-	55,762	9,238	16.57%
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	259,856	336,608	(76,752)	22.80%	257,086	2,770	1.08%	101,448	158,408	156.15%
Professional Services	360,000	278,036	81,964	29.48%	510,000	(150,000)	29.41%	176,138	183,862	104.39%
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	-	-	-	-	-	-	-	101	(101)	100.00%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	320,816	251,085	69,731	27.77%	238,120	82,696	34.73%	249,826	70,990	28.42%
Computer Hardware	-	-	-	-	-	-	-	208	(208)	100.00%
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	-	(125,927)	125,927	100.00%	-	-	-	-	-	-
Administrative Expenses	\$9,335,798	\$8,628,557	\$707,241	8.20%	\$9,203,833	\$131,965	1.43%	\$8,040,821	\$1,294,978	16.11%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$9,335,798	\$8,628,557	\$707,241	8.20%	\$9,203,833	\$131,965	1.43%	\$8,040,821	\$1,294,978	16.11%

Note: All variances enumerated above are in reference to the 2023 Budget. All percentages are stated in absolute value.

Human Resources

	2023 Budget	2022 Projection	Change (\$)	Change (%)	2022 Budget	Change (\$)	Change (%)	2021 Actual	Change (\$)	Change (%)
Salaries	\$7,907,766	\$6,838,056	\$1,069,711	15.64%	\$6,951,539	\$956,227	13.76%	\$6,340,705	\$1,567,061	24.71%
Employee Benefits	2,805,166	1,981,186	823,980	41.59%	2,275,540	529,626	23.27%	1,749,722	1,055,444	60.32%
Payroll Taxes	663,457	531,925	131,532	24.73%	585,135	78,323	13.39%	479,037	184,420	38.50%
Contingent Staffing	665,724	750,224	(84,500)	11.26%	773,774	(108,051)	13.96%	193,900	471,823	243.33%
Training	145,648	130,701	14,947	11.44%	118,464	27,184	22.95%	58,329	87,319	149.70%
Recruiting	560,886	444,849	116,037	26.08%	581,000	(20,114)	3.46%	517,530	43,355	8.38%
Printing	30,100	20,429	9,671	47.34%	25,800	4,300	16.67%	6,803	23,297	342.45%
Operating Supplies	61,154	47,567	13,587	28.56%	82,825	(21,672)	26.17%	38,932	22,222	57.08%
Subscriptions & Dues	161,452	120,590	40,862	33.88%	197,925	(36,473)	18.43%	70,602	90,850	128.68%
Postage	437,300	394,810	42,490	10.76%	317,364	119,936	37.79%	283,450	153,850	54.28%
Telecommunications	-	-	-	-	-	-	-	5,630	(5,630)	100.00%
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	106,845	65,393	41,452	63.39%	104,233	2,612	2.51%	21,554	85,291	395.71%
Professional Services	1,202,533	522,818	679,715	130.01%	1,136,180	66,353	5.84%	572,832	629,701	109.93%
Miscellaneous	-	-	-	-	-	-	-	-	-	100.00%
Rent	4,470,878	4,535,798	(64,920)	1.43%	4,740,043	(269,164)	5.68%	4,760,124	(289,246)	6.08%
Depreciation	87,464	391,558	(304,094)	77.66%	417,864	(330,400)	79.07%	449,126	(361,662)	80.53%
Producer Fees	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	1,658,738	1,409,143	249,595	17.71%	1,545,849	112,889	7.30%	1,110,636	548,102	49.35%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	781,289	654,665	126,624	19.34%	666,995	114,294	17.14%	567,235	214,054	37.74%
Computer Hardware	-	-	-	-	-	-	-	9,291	(9,291)	100.00%
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	(1,592,994)	(1,634,746)	41,752	2.55%	(1,661,674)	68,680	4.13%	(1,635,559)	42,565	2.60%
Administrative Expenses	\$20,153,406	\$17,204,965	\$2,948,440	17.14%	\$18,858,853	\$1,294,552	6.86%	\$15,599,879	\$4,553,526	29.19%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$20,153,406	\$17,204,965	\$2,948,440	17.14%	\$18,858,853	\$1,294,552	6.86%	\$15,599,879	\$4,553,526	29.19%

Note: All variances enumerated above are in reference to the 2023 Budget. All percentages are stated in absolute value.

2023 Operating Budget
Citizens Property Insurance Corporation

Administrative Expenses
Comparisons of Annual Totals

Office of the General Counsel

	2023 Budget	2022 Projection	Change (\$)	Change (%)	2022 Budget	Change (\$)	Change (%)	2021 Actual	Change (\$)	Change (%)
Salaries	\$10,114,885	\$5,214,407	\$4,900,478	93.98%	\$5,431,559	\$4,683,325	86.22%	\$4,385,755	\$5,729,130	130.63%
Employee Benefits	2,630,472	1,115,273	1,515,199	135.86%	1,269,024	1,361,448	107.28%	812,060	1,818,412	223.93%
Payroll Taxes	773,667	375,735	397,932	105.91%	419,273	354,394	84.53%	314,871	458,796	145.71%
Contingent Staffing	312,312	36,390	275,922	758.24%	-	312,312	-	-	312,312	-
Training	21,950	1,710	20,240	1,183.63%	6,935	15,015	216.51%	(93)	22,043	23,765.77%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	2,213	132	2,081	1,576.52%	240	1,973	822.08%	-	2,213	-
Operating Supplies	32,880	1,915	30,965	1,617.36%	3,180	29,700	933.96%	759	32,121	4,229.33%
Subscriptions & Dues	111,754	98,907	12,847	12.99%	51,819	59,935	115.66%	50,465	61,289	121.45%
Postage	-	-	-	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	1,000,000	728,134	271,866	37.34%	1,320,000	(320,000)	24.24%	1,089,120	(89,120)	8.18%
Insurance	890,099	843,904	46,195	5.47%	1,000,643	(110,544)	11.05%	735,825	154,274	20.97%
Travel & Meals	146,150	36,479	109,671	300.64%	58,900	87,250	148.13%	897	145,253	16,194.83%
Professional Services	-	-	-	-	-	-	-	408	(408)	100.00%
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Rent	14,050	14,307	(257)	1.80%	12,602	1,448	11.49%	13,036	1,014	7.78%
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	1,825	1,327	498	37.55%	1,260	565	44.84%	1,149	676	58.84%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	-	-	-	-	-	-	-	-	-	-
Computer Hardware	-	125	(125)	100.00%	300	(300)	100.00%	197	(197)	100.00%
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	(10,721,608)	(4,198,642)	(6,522,967)	155.36%	(4,510,565)	(6,211,044)	137.70%	(3,133,508)	(7,588,100)	242.16%
Administrative Expenses	\$5,330,648	\$4,270,102	\$1,060,546	24.84%	\$5,065,171	\$265,477	5.24%	\$4,270,939	\$1,059,709	24.81%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$5,330,648	\$4,270,102	\$1,060,546	24.84%	\$5,065,171	\$265,477	5.24%	\$4,270,939	\$1,059,709	24.81%

Note: All variances enumerated above are in reference to the 2023 Budget. All percentages are stated in absolute value.

Communications, Legislative & External Affairs	2023 Budget	2022 Projection	Change (\$)	Change (%)	2022 Budget	Change (\$)	Change (%)	2021 Actual	Change (\$)	Change (%)
Salaries	\$2,592,004	\$2,249,840	\$342,163	15.21%	\$2,322,968	\$269,036	11.58%	\$1,953,593	\$638,411	32.68%
Employee Benefits	833,489	668,998	164,491	24.59%	646,800	186,688	28.86%	446,850	386,639	86.53%
Payroll Taxes	220,138	180,179	39,959	22.18%	198,230	21,908	11.05%	146,644	73,494	50.12%
Contingent Staffing	-	-	-	-	-	-	-	-	-	-
Training	36,695	23,888	12,807	53.61%	57,900	(21,205)	36.62%	20,826	15,869	76.20%
Recruiting	-	-	-	-	-	-	-	8,350	(8,350)	100.00%
Printing	40,000	36,954	3,046	8.24%	24,400	15,600	63.93%	12,197	27,803	227.94%
Operating Supplies	2,000	2,082	(83)	3.96%	6,600	(4,600)	69.70%	2,046	(46)	2.26%
Subscriptions & Dues	38,950	29,128	9,821	33.72%	35,625	3,325	9.33%	35,953	2,997	8.33%
Postage	-	-	-	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-	61	(61)	100.00%
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	47,750	29,459	18,291	62.09%	49,750	(2,000)	4.02%	2,531	45,219	1,786.90%
Professional Services	518,050	343,433	174,617	50.84%	438,540	79,510	18.13%	226,116	291,933	129.11%
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	-	-	-	-	-	-	-	989	(989)	100.00%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	87,000	67,438	19,562	29.01%	115,500	(28,500)	24.68%	23,834	63,166	265.03%
Computer Hardware	-	-	-	-	-	-	-	-	-	-
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	-	-	-	-	-	-	-	-	-	-
Administrative Expenses	\$4,416,075	\$3,631,401	\$784,674	21.61%	\$3,896,313	\$519,762	13.34%	\$2,879,991	\$1,536,084	53.34%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$4,416,075	\$3,631,401	\$784,674	21.61%	\$3,896,313	\$519,762	13.34%	\$2,879,991	\$1,536,084	53.34%

Note: All variances enumerated above are in reference to the 2023 Budget. All percentages are stated in absolute value.

2023 Operating Budget
Citizens Property Insurance Corporation

Administrative Expenses
Comparisons of Annual Totals

Financial Services

	2023 Budget	2022 Projection	Change (\$)	Change (%)	2022 Budget	Change (\$)	Change (%)	2021 Actual	Change (\$)	Change (%)
Salaries	\$8,323,433	\$7,412,265	\$911,168	12.29%	\$7,456,705	\$866,728	11.62%	\$7,076,335	\$1,247,099	17.62%
Employee Benefits	2,148,627	1,600,952	547,676	34.21%	1,977,090	171,537	8.68%	1,542,616	606,012	39.28%
Payroll Taxes	649,476	549,805	99,671	18.13%	582,355	67,121	11.53%	494,530	154,946	31.33%
Contingent Staffing	32,512	40,503	(7,991)	19.73%	-	32,512	-	-	32,512	-
Training	83,758	44,493	39,265	88.25%	79,835	3,923	4.91%	26,967	56,791	210.60%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	20,646	5,626	15,020	266.98%	20,646	-	-	12,892	7,754	60.15%
Operating Supplies	15,706	17,042	(1,336)	7.84%	12,006	3,700	30.82%	6,765	8,941	132.16%
Subscriptions & Dues	395,077	151,065	244,012	161.53%	176,333	218,744	124.05%	58,673	336,404	573.36%
Postage	-	45	(45)	100.00%	-	-	-	93	(93)	100.00%
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	1,558	(1,558)	100.00%
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	113,861	45,888	67,973	148.13%	105,470	8,391	7.96%	4,970	108,891	2,191.01%
Professional Services	2,107,748	1,906,943	200,805	10.53%	1,814,158	293,590	16.18%	1,917,757	189,991	9.91%
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Rent	5,304	5,138	166	3.22%	5,304	-	-	5,249	55	1.05%
Depreciation	10,796	10,796	-	-	41,908	(31,111)	74.24%	17,130	(6,333)	36.97%
Producer Fees	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	2,400	4,782	(2,382)	49.81%	22,000	(19,600)	89.09%	36,897	(34,497)	93.50%
Bank Charges	391,813	288,961	102,852	35.59%	255,372	136,441	53.43%	209,915	181,898	86.65%
Software Maint & Licensing	911,702	777,727	133,975	17.23%	812,057	99,645	12.27%	676,288	235,415	34.81%
Computer Hardware	20,000	11,849	8,151	68.79%	-	20,000	-	11,062	8,938	80.79%
FMAP Funding	(3,600)	(18,600)	15,000	80.65%	(3,600)	-	-	(18,600)	15,000	80.65%
ULAE Expense Allocation	(129,298)	(102,808)	(26,491)	25.77%	(84,273)	(45,026)	53.43%	(69,272)	(60,026)	86.65%
Administrative Expenses	\$15,099,962	\$12,752,473	\$2,347,489	18.41%	\$13,273,367	\$1,826,595	13.76%	\$12,011,823	\$3,088,139	25.71%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	\$15,099,962	\$12,752,473	\$2,347,489	18.41%	\$13,273,367	\$1,826,595	13.76%	\$12,011,823	\$3,088,139	25.71%

Note: All variances enumerated above are in reference to the 2023 Budget. All percentages are stated in absolute value.

Claims	2023 Budget	2022 Projection	Change (\$)	Change (%)	2022 Budget	Change (\$)	Change (%)	2021 Actual	Change (\$)	Change (%)
Salaries	\$44,660,732	\$33,631,488	\$11,029,244	32.79%	\$34,336,362	\$10,324,371	30.07%	\$26,522,968	\$18,137,765	68.39%
Employee Benefits	13,347,062	8,890,112	4,456,950	50.13%	9,644,044	3,703,019	38.40%	6,418,905	6,928,158	107.93%
Payroll Taxes	3,714,339	2,640,543	1,073,796	40.67%	2,853,575	860,764	30.16%	1,958,052	1,756,287	89.70%
Contingent Staffing	129,831,655	104,895,043	24,936,612	23.77%	73,482,510	56,349,145	76.68%	58,463,803	71,367,852	122.07%
Training	82,015	37,476	44,539	118.85%	46,420	35,596	76.68%	22,917	59,098	257.87%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	13,380	10,559	2,821	26.72%	14,100	(720)	5.11%	6,069	7,311	120.47%
Operating Supplies	18,040	13,741	4,299	31.28%	23,276	(5,236)	22.50%	6,393	11,647	182.16%
Subscriptions & Dues	846,815	523,884	322,931	61.64%	578,428	268,387	46.40%	439,860	406,955	92.52%
Postage	3,616	1,511	2,105	139.33%	4,537	(921)	20.30%	29	3,587	12,309.06%
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	3,500	3,000	500	16.67%	3,600	(100)	2.78%	98,927	(95,427)	96.46%
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	563,098	296,170	266,928	90.13%	429,569	133,528	31.08%	136,562	426,536	312.34%
Professional Services	2,406,200	1,172,861	1,233,339	105.16%	3,029,000	(622,800)	20.56%	572,958	1,833,242	319.96%
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	123,198	139,429	(16,231)	11.64%	121,547	1,651	1.36%	111,727	11,471	10.27%
Bank Charges	-	15	(15)	100.00%	-	-	-	-	-	-
Software Maint & Licensing	4,664,486	4,579,410	85,076	1.86%	5,791,299	(1,126,813)	19.46%	2,850,826	1,813,660	63.62%
Computer Hardware	-	-	-	-	-	-	-	373	(373)	100.00%
FMAP Funding	-	-	-	-	-	-	-	-	-	-
ULAE Expense Allocation	(200,278,136)	(156,835,242)	(43,442,894)	27.70%	(130,358,267)	(69,919,869)	53.64%	(97,660,484)	(102,617,652)	105.08%
Administrative Expenses	-	-	-	-	-	-	100.00%	(50,115)	\$50,115	100.00%
Other Underwriting Expenses	-	-	-	-	-	-	-	-	-	-
Total Admin & Other Expenses	-	-	-	-	-	-	100.00%	(50,115)	\$50,115	100.00%

Note: All variances enumerated above are in reference to the 2023 Budget. All percentages are stated in absolute value.

2023 Operating Budget
Citizens Property Insurance Corporation

Administrative Expenses
Comparisons of Annual Totals

Consumer and Policy Services	2023 Budget	2022 Projection	Change (\$)	Change (%)	2022 Budget	Change (\$)	Change (%)	2021 Actual	Change (\$)	Change (%)
Salaries	\$11,484,848	\$7,405,215	\$4,079,632	55.09%	\$8,045,660	\$3,439,187	42.75%	\$5,421,841	\$6,063,006	111.83%
Employee Benefits	4,932,622	2,555,943	2,376,679	92.99%	2,940,701	1,991,921	67.74%	1,606,492	3,326,130	207.04%
Payroll Taxes	966,544	579,464	387,080	66.80%	676,452	290,092	42.88%	399,356	567,188	142.03%
Contingent Staffing	-	-	-	-	-	-	-	-	-	-
Training	37,500	25,811	11,689	45.29%	29,500	8,000	27.12%	15,120	22,380	148.02%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	5,000	3,451	1,549	44.87%	5,000	-	-	247	4,753	1,920.61%
Operating Supplies	15,450	10,437	5,013	48.03%	10,450	5,000	47.85%	3,283	12,167	370.66%
Subscriptions & Dues	95,000	77,059	17,941	23.28%	77,800	17,200	22.11%	7,770	87,230	1,122.58%
Postage	-	-	-	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	62,000	32,436	29,564	91.15%	29,220	32,780	112.18%	2,262	59,738	2,641.30%
Professional Services	270,000	126,500	143,500	113.44%	151,000	119,000	78.81%	6,499	263,501	4,054.49%
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Producer Fees	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance	70,000	16,500	53,500	324.24%	16,500	53,500	324.24%	4,817	65,183	1,353.16%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	755,040	242,756	512,284	211.03%	243,000	512,040	210.72%	67,431	687,610	1,019.73%
Computer Hardware	-	-	-	-	-	-	-	-	-	-
FMAP Funding	-	(42,928)	42,928	100.00%	-	-	-	(58,374)	58,374	100.00%
ULAE Expense Allocation	-	-	-	-	-	-	-	-	-	-
Administrative Expenses	\$18,694,004	\$11,032,644	\$7,661,359	69.44%	\$12,225,283	\$6,468,721	52.91%	\$7,476,745	\$11,217,259	150.03%
Other Underwriting Expenses	9,085,276	6,702,253	2,383,023	35.56%	6,396,152	2,689,124	42.04%	2,958,336	6,126,940	207.11%
Total Admin & Other Expenses	\$27,779,280	\$17,734,898	\$10,044,382	56.64%	\$18,621,435	\$9,157,845	49.18%	\$10,435,080	\$17,344,199	166.21%

Note: All variances enumerated above are in reference to the 2023 Budget. All percentages are stated in absolute value.

2023 Operating Budget
Citizens Property Insurance Corporation

32
Administrative Expenses
Comparisons of Annual Totals

Enterprise Operations

	2023 Budget	2022 Projection	Change (\$)	Change (%)	2022 Budget	Change (\$)	Change (%)	2021 Actual	Change (\$)	Change (%)
Salaries	\$52,622,890	\$46,037,814	\$6,585,076	14.30%	\$47,283,266	\$5,339,624	11.29%	\$45,233,138	\$7,389,752	16.34%
Employee Benefits	14,901,036	10,774,115	4,126,921	38.30%	12,796,834	2,104,202	16.44%	10,256,025	4,645,011	45.29%
Payroll Taxes	4,230,997	3,503,424	727,574	20.77%	3,803,552	427,445	11.24%	3,281,027	949,970	28.95%
Contingent Staffing	6,683,910	3,522,210	3,161,700	89.76%	4,129,589	2,554,321	61.85%	3,237,714	3,446,196	106.44%
Training	677,202	412,792	264,410	64.05%	546,391	130,811	23.94%	379,841	297,362	78.29%
Recruiting	-	-	-	-	-	-	-	-	-	-
Printing	10,210	3,699	6,511	176.02%	6,740	3,470	51.48%	1,292	8,918	690.28%
Operating Supplies	38,800	27,049	11,751	43.45%	36,150	2,650	7.33%	5,933	32,867	554.00%
Subscriptions & Dues	512,551	383,807	128,744	33.54%	464,309	48,242	10.39%	342,558	169,993	49.62%
Postage	4,770	2,990	1,780	59.53%	4,750	20	0.42%	120	4,650	3,871.03%
Telecommunications	3,317,884	2,439,799	878,085	35.99%	3,444,088	(126,204)	3.66%	2,876,003	441,881	15.36%
Legal	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel & Meals	549,256	342,351	206,905	60.44%	414,716	134,540	32.44%	33,535	515,721	1,537.86%
Professional Services	14,495,073	7,765,701	6,729,372	86.66%	10,606,047	3,889,026	36.67%	4,702,339	9,792,734	208.25%
Miscellaneous	-	-	-	-	-	-	-	-	-	100.00%
Rent	1,393,998	1,326,177	67,821	5.11%	1,436,998	(43,000)	2.99%	1,325,434	68,564	5.17%
Depreciation	98,839	192,639	(93,800)	48.69%	196,333	(97,494)	49.66%	705,381	(606,542)	85.99%
Producer Fees	(807,989)	(908,711)	100,722	11.08%	(866,802)	58,813	6.79%	(812,675)	4,686	0.58%
Operations & Maintenance	522,728	439,618	83,110	18.90%	523,973	(1,245)	0.24%	408,225	114,503	28.05%
Bank Charges	-	-	-	-	-	-	-	-	-	-
Software Maint & Licensing	17,485,355	13,260,447	4,224,908	31.86%	14,643,238	2,842,116	19.41%	11,471,784	6,013,571	52.42%
Computer Hardware	3,044,242	2,634,939	409,303	15.53%	2,750,720	293,522	10.67%	2,193,828	850,414	38.76%
FMAP Funding	(526,989)	(196,751)	(330,237)	167.84%	(335,696)	(191,293)	56.98%	(90,208)	(436,781)	484.19%
ULAE Expense Allocation	(6,500,000)	(6,499,906)	(94)	-	(5,820,000)	(680,000)	11.68%	(5,784,742)	(715,258)	12.36%
Administrative Expenses	\$112,754,762	\$85,464,201	\$27,290,561	31.93%	\$96,065,196	\$16,689,566	17.37%	\$79,766,551	\$32,988,211	41.36%
Other Underwriting Expenses	50,781,380	32,031,303	18,750,078	58.54%	32,220,891	18,560,489	57.60%	15,973,506	34,807,875	217.91%
Total Admin & Other Expenses	\$163,536,142	\$117,495,504	\$46,040,638	39.19%	\$128,286,087	\$35,250,055	27.48%	\$95,740,057	\$67,796,085	70.81%

Note: All variances enumerated above are in reference to the 2023 Budget. All percentages are stated in absolute value.

This page is intended to be blank

This page is intended to be blank



2023 Operating Budget

Capital Acquisitions

This page is intended to be blank

Asset Category	2023 Budget	2022 Projection	Change (\$)	Change (%)	2022 Budget	Change (\$)	Change (%)	2021 Actual	Change (\$)	Change (%)
EDP Equipment	\$ 126,000	\$ -	\$ 126,000	0.00%	\$ 365,000	\$ (239,000)	65.48%	\$ -	\$ 126,000	0.00%
Software	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Office Equipment	45,000	28,183	16,817	59.67%	-	45,000	0.00%	-	45,000	0.00%
Furniture	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Leasehold Improvements	-	-	-	0.00%	-	-	0.00%	-	-	0.00%
Automobiles	129,481	33,950	95,531	281.39%	35,000	94,481	269.95%	-	129,481	0.00%
Total Capital Acquisitions	\$ 300,481	\$ 62,133	\$ 238,348	383.61%	\$ 400,000	\$ (99,519)	24.88%	\$ -	\$ 300,481	0.00%

Note: All variances enumerated above are in reference to the 2023 Budget. All percentages are stated in absolute value.

This page is intended to be blank



2023 Operating Budget

Probable Maximum Loss (PML) Scenarios

2023 Operating Budget
Citizens Property Insurance Corporation

Probable Maximum Loss (PML) Scenarios

All values in \$ millions

2023 Budgeted Net Income (Loss)

2023 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
\$ 84.2	\$ 115.6	\$ 205.8	\$ 405.6
\$ 405.8	\$ 2,063.2	\$ 2,432.3	\$ 4,901.3
\$ 1,413.2	\$ 67.8	\$ 897.2	\$ 2,378.2
-	-	-	-
-	-	-	-
1,413.2	67.8	897.2	2,378.2
(1,329.0)	47.8	(691.3)	(1,972.6)
(1,007.4)	1,995.4	1,535.1	2,523.2
\$ 3,529.6	\$ 198.4	\$ 2,633.3	\$ 6,361.3
1,311.8	109.8	1,181.1	2,602.8
145.8	-	131.2	277.0
2,072.0	88.5	1,321.0	3,481.6
(1,987.9)	27.0	(1,115.2)	(3,076.0)
(1,666.2)	1,974.7	1,111.3	1,419.8
\$ 10,228.2	\$ 673.1	\$ 8,053.8	\$ 18,955.1
3,877.2	142.8	2,170.8	6,190.9
2,504.0	-	2,781.0	5,285.0
3,847.0	530.2	3,101.9	7,479.2
(3,762.8)	(414.7)	(2,896.1)	(7,073.6)
(3,441.1)	1,533.0	(669.6)	(2,577.8)

- 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 developed using AIR Hurricane Model for the United States Version 1.0.0 as implemented in Touchstone 2021 (version 9.0.3). All PMLs reflect the 50K US Hurricane - Florida Regulatory Event Set including Demand Surge, excluding Storm Surge, and include a load of 10% of loss to account for loss adjustment expense (LAE).
- 2) Each account is considered 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 2022 retention and payout multiples. The actual retention and limits for 2023 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 2023.
- 5) PLA resources are fully exhausted with a single 1-10 year storm.
CLA is projected to have sufficient resources to cover a 1-100 year storm followed by a 1-10,000 year storm.
Coastal Account resources are fully exhausted with a single 1-100 year storm.

2023 OPERATING BUDGET ACTION ITEM

☒ ACTION ITEM

☐ New Contract

☐ Contract Amendment

☒ Other_2023 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	2023 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 2023 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