

Florida Hurricane Catastrophe Fund Emergency Assessment Reporting

(now called the General Emergency Assessment Reporting or GEAR)

Frequently Asked Questions

The following frequently asked questions document will serve as an aid to the information found in documents posted on the Florida Hurricane Catastrophe Fund, FHCF, website: <http://www.sbafla.com/fhcf/index.asp>. This document is by no means a summary or replacement of the above mentioned material.

Please Note: Information for the **Citizens Emergency Assessment**, including payment information, is located on the Citizens Website: <http://www.citizensfla.com/> and is titled “**2005 HRA Emergency Assessment – Workshop Presentation & FAQs**”.

General Questions

1. How often are the filings done and when are the due dates? (4/26/07)

Per the Order for Authorized Insurers dated June 12, 2006, the following are the due dates for the quarterly filings:

- 1st Quarter: No later than May 15
- 2nd Quarter: No later than August 15
- 3rd Quarter: No later than November 15
- 4th Quarter: No later than March 1 of the following year.

2. Are extensions granted?

No.

3. What happens if the filing is late? (7/20/07)

Per the Order for Authorized Insurers dated June 12, 2006, “The payment of emergency assessments by the Authorized Insurer is subject to interest on delinquent remittances at a rate determined by the BOARD and invoiced by the FUND.”

4. What components are required for a complete filing? (9/24/07)

DATA Filing

- Company Data
- Data Template
- Originator Information
- Wire Transfer Confirmation number from bank **NEW**
- Other Pertinent Information

NO DATA Filing

- Company Data
- Originator Information

5. What type of filing am I required to report?

- a. NO DATA – All companies with zero Direct Written Premiums in all lines of business, whether assessable or not, are required to submit a NO DATA report.
- b. NO DATA – All companies with DWP in non-assessable lines of business only are required to submit a NO DATA report.
- c. DATA – All companies who have Direct Written Premiums in one or more assessable lines of business are required to file a DATA report.

6. Are Surplus Lines companies required to submit a report to the Office of Insurance Regulation? (9/24/07)

No. Surplus Lines agents are invoiced by the Florida Surplus Lines Service Office, FLSO, and do not make payments to the same bank account listed below. For more information, see the Order for Florida Surplus Lines Service Office dated June 12, 2006: <http://www.floir.com/pdf/EO-86443-06.pdf> and the FLSO website: www.flsso.com.

7. Is the company required to report if it only writes business in non-assessable lines? (7/27/07)

Yes, since implementing Order 86203-06 mandates ALL actively authorized insurers to file. If a company writes only non-assessable lines of business, a “NO DATA” filing is required.

8. Is the company required to report if it does not intend to write premiums or renew policies in the current year? (7/20/07)

Yes. As long as the company maintains an active Property and Casualty certificate of authority, the company must file. If no premiums have been written or renewed during the reporting cycle, a “NO DATA” filing is required.

9. How long will this emergency assessment be effective? (4/26/07)

The Office projects the emergency assessment’s duration to be 6 years.

10. Is there a requirement for how the assessment must appear on the declaration page? (4/26/07)

Per the July 27th Memorandum, the Office recommends that the company provides a separate line item on the declarations page. This is especially important as the FHCF assessment continues for multiple years, during which other assessments could be levied concurrently.

11. Is the company required to submit any rate or form filings in order to collect the FHCF assessment? (4/26/07)

No.

12. Can the company pay the assessment without passing the assessment to the policyholder? (4/26/07)

Yes, the company can pay the assessment without passing the cost to the policyholders, especially if the cost of the assessment is less than the cost of making the necessary system changes for billing policyholders. The company cannot recoup the cost later.

13. When should the company collect the assessment from the policyholder? (4/26/07)

The assessment must be collected at the first payment the company receives from the policyholder. This payment can include the down-payment if that is the first payment received from the policyholder. If the first payment occurs in the first installment, then it is then that the assessment is collected. The total assessment due from the insurer shall be included with the first payment.

14. Is the emergency assessment applied to the MGA fee or policy fee? (4/26/07)

The assessment is applicable to an MGA fee or policy fee, as long as the insurance company considers those fees “premium” when reporting the financial statement. Note that the assessment is not to be applied to any premium finance charges or installment fees.

15. The assessment will be applicable to endorsements. Would this be endorsements on policies effective on or after 1/1/07; or any endorsement issued after 1/1/07 regardless of the fact if the policy was effective prior to 1/1/07? (4/26/07)

The assessment should be applied to all policies issued or renewed effective 1/1/07. Endorsements and other transactions occurring on policies issued or renewed prior to 1/1/07 will not be subject to the assessment.

16. Is Federal Crop exempt from the FHCF Assessment? (4/26/07)

Yes. More information can be found in the Federal Crop Insurance Act.

Payment Questions

17. What is the payment method for the assessment? (10/03/07)

Payments via wire transfer or ACH are accepted using different routing numbers. See # 18.

18. Where do I submit the assessment due? (9/24/07)

Please note: The Citizens Emergency Assessment is due monthly and is paid to a separate bank account. This information is located on their site: <http://www.citizensfla.com/> and is titled “**2005 HRA Emergency Assessment – Workshop Presentation & FAQs**”.

For the Florida Hurricane Catastrophe Fund Only, the wire shall be submitted to:

Bank of America

ABA # 026009593 (for wire transfer only)

ABA # 063100277 (for ACH only) For ACH transactions, payment is considered paid on date of receipt not date of payment.

Account # 5566388313

Account Name: SBA Florida Hurricane Catastrophe Fund Emergency Assessment

Payment Detail: NAIC XXXXX; QX

Payment information continued on next page.

For group payments, the NAIC codes and payment amounts for all companies included in the payment need to be included in the Payment Detail. Ex. NAIC XXXXX \$231, XXXXX \$687

Employer ID: 59-6001872
SBA Florida Hurricane Catastrophe Fund
1801 Hermitage Blvd.
Tallahassee, FL 32308-7772

Bank of America
100 W. 33rd St.
NY, NY 10001

19. Is there a need to send proof of payment to the Office? (9/24/07)

A bank confirmation number of the wire transfer or ACH transaction is required in the Data Template. If a proof of payment is deemed necessary while reviewing the filing, it will be requested. Any other pertinent information, such as a group payment breakout or an explanation of a previous overpayment, will need to be uploaded as supplemental information.

20. If the amount due is a small amount, can I wait until a subsequent quarter to make the payment? (10/16/07)

The FHCF has decided that Insurers are allowed to accumulate emergency assessment payments until the earlier of the fourth quarter in the calendar year or such time as the accumulated emergency assessment due reaches \$100.

21. If I report for more than one company, do I pay individually or as a group? (9/24/07)

Companies can make a single payment for all the companies for which they are reporting. See question 18 for how to enter the information into the Payment Detail for the wire transfer or ACH. Also, in each company's filing, include a document explaining the group's payment breakout by company.

22. How do companies reporting Independently Procured Coverage (IPC) policies that are tax-exempt under F.S. 626.932(4) report and remit payments? (10/19/07)

The Office has determined that FHCF assessment payments for IPC policies which are tax-exempt under F.S. 626.932(4) should be paid to the account detailed in Question #18. (Checks are not permitted.) An email should also be sent to QuarterlyAssessmentsReporting@fldfs.com with the following information:

- (1) Line of business in which the premium was written,
- (2) Effective date of policy,
- (3) Amount of premium,
- (4) Amount of assessment,
- (5) Amount paid (paid to account), and
- (6) Date paid (paid to account).
- (7) Reporting Contact's Name, Address, and Phone Number

The payment and email should follow the same quarterly due dates as in Question #1 based upon the effective date of the policy.

Reporting Questions

23. How do I file the information? (7/20/07)

The Cat Fund Reporting system is located on the Office's Industry Portal (IPortal) at <https://iportal.fldfs.com/ifile/default.asp>. Please see <http://www.floir.com/Hurricanes/FHCF.htm> for further reporting instructions.

24. What are assessments uncollected? (9/24/07)

Per the Order for Authorized Insurers dated June 12, 2006, "An Authorized Insurer shall diligently attempt to collect all assessments owed by an insured. An Authorized Insurer must treat the failure of an insured to pay an assessment as a failure to pay the premium." For the assessment to be deemed uncollectible, the assessment should be billed to the policyholder, and the company has not received payment from the policyholder by the payment due date. This number should be based upon the company not receiving payment by the quarter-end date. The company must pay the assessment uncollected the next reporting quarter if the payment is received; if the policy was cancelled, the company is not liable.

NOTE: Citizens does not allow uncollected assessments to be subtracted from the amount paid.

25. I receive an error message when I try to upload the template. This happens even when all the fields have a value. What is the problem? (4/26/07)

Sometimes the system will reject templates that have a long filename or that have special characters. For example, if your file is called Cat-Fund_XCompany-2007-08-15.xls, try to rename it to a shorter filename such as CatFund1Q2007.xls.

26. I need to correct my template, how is it done? (4/26/07)

You need to log into the I-Portal system and go to the filing workbench. Once you are in there, click on "add to a submitted filing." You will then be able to upload another template that will contain any corrections you have made. The corrected Data Template must be uploaded as a Data Template. Please note that you cannot edit the previous template you submitted. See <http://www.floir.com/Hurricanes/FHCF.htm> for further instructions.

27. What is the File Log Number? Is it the same as the Work Unit Number? (4/26/07)

The file log number starts with a CAT07 followed by 5 digits (i.e. CAT 07-12345). This is the number assigned to a filing once it passes validation tests and is received by the Office. This number is not the same as the work unit number. The work unit number is assigned to each filing created to help insurers distinguish between different filings.

28. How can I determine if my filing went through successfully? (4/26/07)

There are two ways to confirm a successful submission:

- (1) In your filing workbench, go to "review submitted filings." You will see the filing you submitted and the file log number assigned to it. If your filing has no file log number, it means that your filing has not been submitted, or that it had validation errors during the submission process. Please check your filing and/or template and try submitting again.
- (2) You will get a confirmation email once your filing went through successfully. Your email will tell you the assigned file log number for that particular filing.