



Assessment Workshop

March 30, 2022

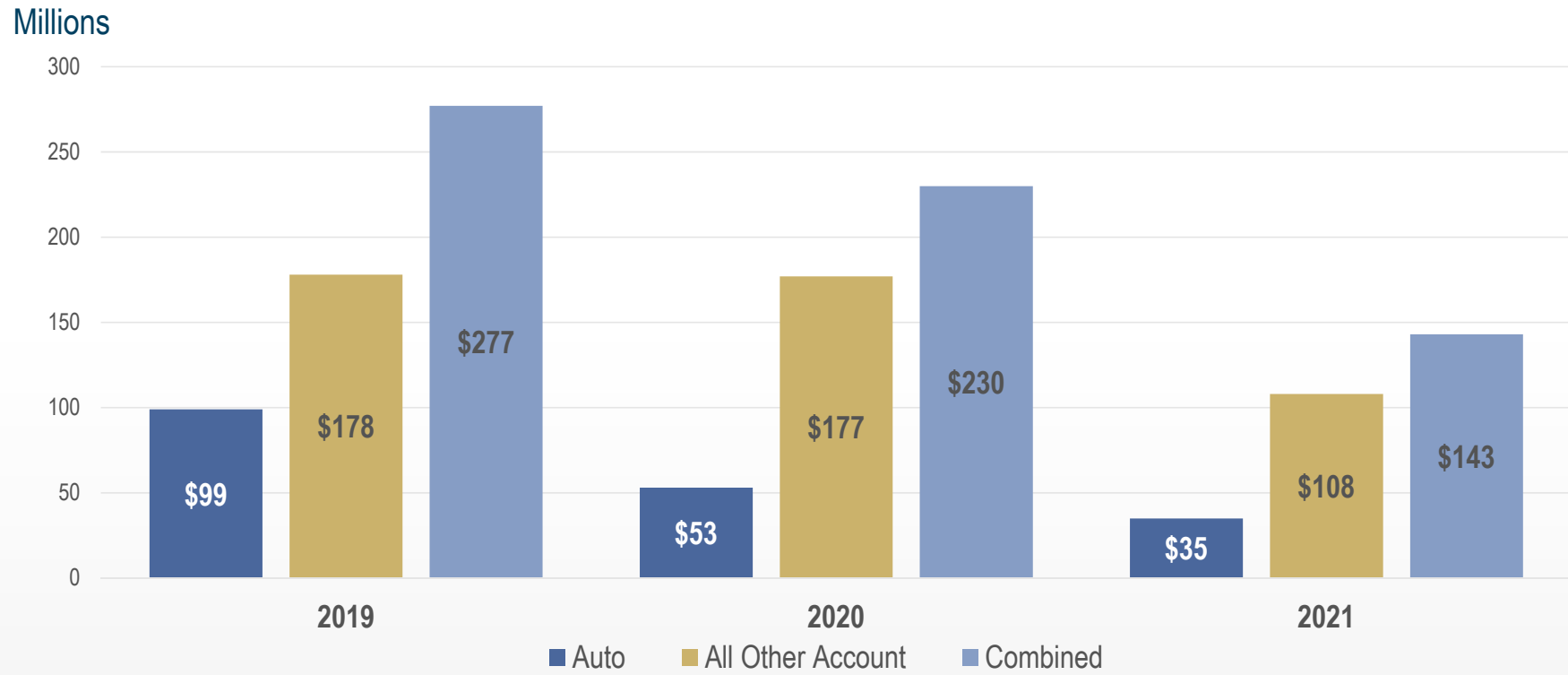
Today's Agenda

- FIGA Overview
- Funding Sources and Balances
- Assessment Capacity
- 2021 / 2022 Assessment Recap
- Assessable Lines of Business
- Reporting and Remittance Schedule
- FAQ's and Participant Questions

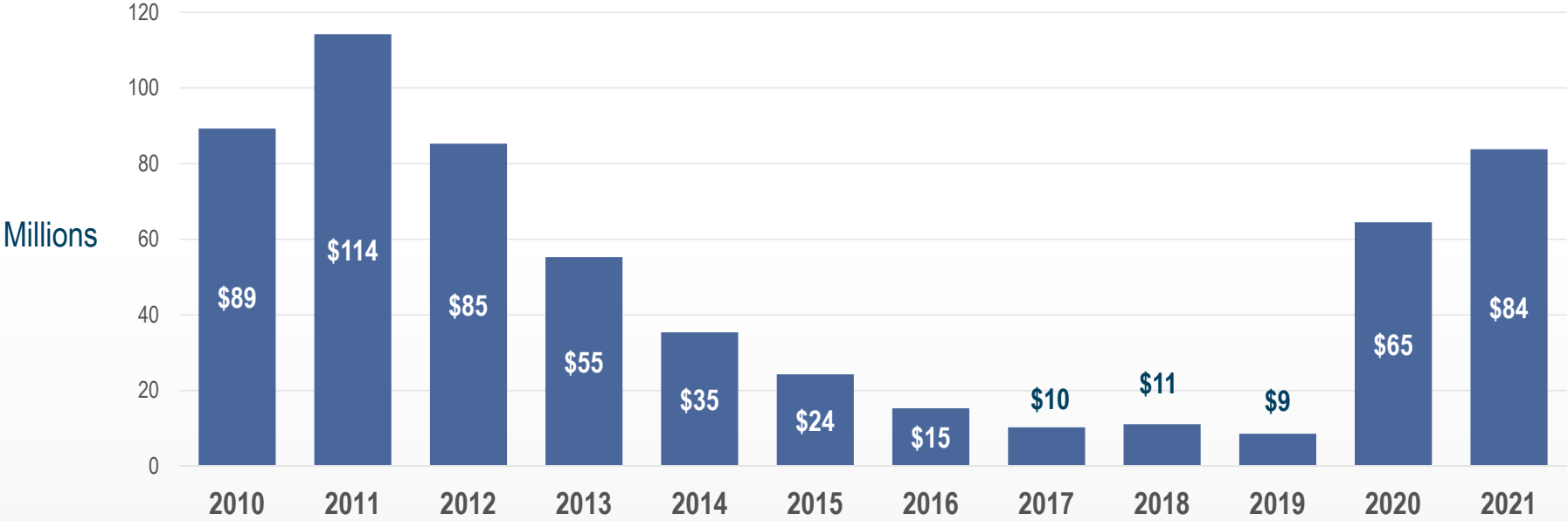
FIGA Overview

- The Florida Insurance Guaranty Association (FIGA) was created in 1970 to **ensure that insurance contracts are honored after an insurance company fails**
- **631.51, Florida Statutes** (the “**FIGA Act**”)
- Membership is **mandatory** for all insurers authorized to transact business in Florida
- Organized into **two separate accounts** (Auto and All Other)
- Governed by **nine (9) member Board of Industry Representatives** serving 4 year terms
- Managed by **American Guaranty Fund Group, Inc.** located in Tallahassee, Florida
- www.figafacts.com

FIGA Fund Balance (2019 - 2021)



Historical Claim Payments (2010 - 2021)



Funding Sources

- **Primary funding sources** for FIGA are:
 - Assessments
 - Estate Distributions
 - Investment Income
- Recently, FIGA is **largely funded through Estate Distributions**
 - **\$181 Million or 88%** over the last 5 years (2017 – 2021)
- Estate distributions are made by the Receiver **if funds are available**
- FHCF reimbursements to insolvent insurers are **sent directly to FIGA**

Assessment Capacity

- FIGA assessments apply to a **broad range of insurance lines** (Auto, Homeowners, Commercial lines)
- 2022 Projected Assessment Base **\$24 Billion**
- Regular Assessment => Up to **2% per year** on each insurer's **Direct Written Premium**
- Emergency Assessment => **Additional 4% per year** to pay claims of insurers rendered insolvent by effects of a hurricane
- Over **\$1.5 Billion in Assessment Capacity**

2021 - 2022 Assessments

- The All Other Fund Balance as of **February 28, 2022** is currently **\$71 million**
- Monthly claims payments are averaging **\$20 million**
- OIR levied .70% surcharge on policies starting January 1, 2022 through December 31, 2022 (**2021 Pass Through Assessment**)
- New insolvencies – St. Johns Insurance Company 2/25/2022 and Avatar Property & Casualty 3/15/2022
 - Expect FIGA losses for St Johns are **\$247 million** (\$57 million claim losses and \$190 million for premium refunds)
 - Expected FIGA losses for Avatar are **\$70 million** (\$35 million claim losses and \$35 million for premium refunds)
- OIR levied another 1.3% surcharge on policies starting July 1, 2022 through June 30, 2023 (**2022 Pass Through Assessment**)

Assessable Lines of Business

The 2021 Assessment 0.7% & 2022 Assessment 1.3% are for FIGA's All Other Account and includes the following lines of business:

- Aircraft
- Boiler & Machinery
- Burglary & Theft
- Commercial Multi-peril, Liability and Property (Non-Auto)
- Farm Owners, Private Crop
- Fire, Allied, Earthquake, Homeowners, Personal Liability
- Inland Marine, Watercraft
- Medical Malpractice
- Product Liability
- Private Flood

FIGA Assessment 2021 0.7% Pass-Through

The pass-through method will be used for FIGA's 2021 Assessment. Members will first collect a 0.7% premium surcharge from its policyholders on Direct Written Premium (DWP) for new or renewal policies effective January 1, 2022 through December 31, 2022 (Assessment Year). Thirty days prior to the payment due date, FIGA will send a DocuSign form to Members for reporting DWP and the surcharge amounts collected. Forms are returned and remit amounts are paid to FIGA.

Members will remit surcharges collected to FIGA as follows:

Collection Period	Payment Due Date
1/1/22 – 3/31/22 (22Q1)	July 1, 2022
4/1/22 – 6/30/22 (22Q2)	October 1, 2022
7/1/22 – 9/30/22 (22Q3)	December 1, 2022
10/1/22 – 12/31/22 (22Q4)	March 31, 2023*
1/1/23 – 3/31/23 (23Q1)	April 30, 2023
4/1/23 – 6/30/23 (23Q2)	July 31, 2023
7/1/23 – 9/30/23 (23Q3)	October 31, 2023
10/1/23 – 12/31/23 (23Q4)	January 31, 2024**

* OIR Annual Reconciliation due June 30, 2023

** Final settlement will occur March 31, 2024

FIGA Assessment 2022 1.3% Pass-Through

The pass-through method will be used for FIGA's 2022 Assessment. Members will first collect a 1.3% premium surcharge from its policyholders on Direct Written Premium (DWP) for new or renewal policies effective July 1, 2022 through June 30, 2023 (Assessment Year). Thirty days prior to the payment due date, FIGA will send a DocuSign form to Members for reporting DWP and the surcharge amounts collected. Forms are returned and remit amounts are paid to FIGA's bank trustee.

Members will remit surcharges collected to FIGA as follows:


Collection Period	Payment Due Date
7/1/22 – 9/30/22 (22Q3)	October 30, 2022
10/1/22 – 12/31/22 (22Q4)	January 30, 2023
1/1/23 – 3/31/23 (23Q1)	April 30, 2023
4/1/23 – 6/30/23 (23Q2)	July 30, 2023*
7/1/23 – 9/30/23 (23Q3)	October 30, 2023
10/1/23 – 12/31/23 (23Q4)	January 30, 2024
1/1/24 – 3/31/24 (24Q1)	April 30, 2024
4/1/24 – 6/30/24 (24Q2)	July 30, 2024**

* OIR Annual Reconciliation due September 30, 2023

** Final settlement will occur July 30, 2024

Quarterly Surcharge Remittance (QSR)

- DocuSign form and instructions received
- Enter the company and contact information
- Quarterly reporting period will be listed
- Assessment year will be listed – 1/1-12/31/2022 for 2021 Assessment 0.7% or 7/1-6/30/2023 for 2022 Assessment 1.3%
- Report assessable premium collected for the assessment year in the quarter listed, form calculates surcharge due
- If a difference is found from prior quarter (over or under payment), reported as balance forward
- Amount due is Total Assessment surcharge collected & remitted plus/minus the balance forward amount
- Certify amounts reported with the electronic signature



Q1 2022 Quarterly Surcharge Remittance
Remittance + Payment DUE 07/01/2022

COMPANY NAME:		CONTACT NAME:	
NAIC:		TITLE:	
GROUP:		PHONE NUMBER:	
ADDRESS:		PHONE EXT.:	
ADDRESS 2:		EMAIL:	
CITY:	STATE:	ZIP:	

REPORTING QUARTER:	ASSESSMENT YEAR <small>Policy Effective (Inception) Date Range</small>	ASSESSMENT CALCULATION <small>(See Instructions)</small>
	(1) DIRECT ASSESSABLE PREMIUMS COLLECTED	
	(2) ASSESSMENT/SURCHARGE RATE	
	TOTAL ASSESSMENT SURCHARGE COLLECTED & REMITTED (1 * 2)	
	BALANCE FORWARD	
	AMOUNT DUE (CREDITED)	

If the company indicated above **WILL NOT WRITE ANY PREMIUM DURING THIS ASSESSMENT PERIOD**, please contact us at (850) 386-9200 or send an email to assessments@cafifgroup.org to suspend subsequent reporting. Please note that the **Annual Surcharge Reconciliation** reporting **WILL STILL BE REQUIRED**.

The undersigned certifies that this remittance has been examined and is, to the best of the undersigned's knowledge, accurate, complete and made in good faith.

Authorized Representative:	Title:	Date:
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Quarterly Surcharge Remittance

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Most Frequently Asked Questions

- Are there any filings due to the Office of Insurance Regulation (OIR) with regards to the Assessments? *No filings are required.*
- Is our company required to recoup the Surcharge? *Yes, the OIR requires member companies to recoup the surcharge from their policyholders.*
- Do the Assessments have to be listed separately to policyholders? *There is no preference from FIGA. This is a business decision for all members*
- Where/how are the Assessment collections remitted? *Collections can be remitted to FIGA via check, wire or ACH. Because of financing requirements, Assessment 2021 0.7% collections will be made directly to FIGA and Assessment 2022 1.3% collections will be remitted to a bank trustee. Banking details will be provided on the FIGA website as well as in the DocuSign form instructions sent quarterly.*

Next Steps

- Members finish programming as needed and collection of surcharge
- Update your member information with FIGA if needed
- Look for DocuSign QSR forms and remittance instructions 30 days in advance of the due dates of the Assessment 2021 0.7% and Assessment 2022 1.3%
- Contact us if you have any questions or need assistance

QUESTIONS?



How to Contact Us

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www.figafacts.com