



# Assessment Workshop

July 25, 2023

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# Today's Agenda

- FIGA Overview
- Funding Sources and Balances
- Assessment Capacity
- 2021, 2022 and 2022B Assessment Recap
- 2023 Assessment
- 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](http://www.figafacts.com)

# Insolvencies

	<b>Insolvency Date</b>	<b>Claims</b>	<b>Returned Premiums</b>	<b>Total Losses</b>
St Johns	2/25/2022	\$100M	\$171M	\$271M
Avatar	3/15/2022	\$59M	\$31M	\$90M
Lighthouse	4/28/2022	\$21M	\$30M	\$51M
Southern Fidelity	6/15/2022	\$83M	\$91M	\$174M
Weston	8/8/2022	\$16M	\$37M	\$53M
FedNat	9/27/2022	\$53M	\$2M	\$55M
UPCIC	2/27/2023	\$465M	\$35M	\$500M
	<b>Total</b>	<b>\$797M</b>	<b>\$397M</b>	<b>\$1,194M</b>

# Assessment Capacity

- FIGA assessments apply to a **broad range of insurance lines** (Auto, Homeowners, Commercial lines)
- 2022 Assessment Base **\$28.6 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 **\$1.7 Billion in Assessment Capacity**

# 2023A Assessment

- OIR levied a 1.0% **Emergency Assessment** on April 12<sup>th</sup> to fund the UPC insolvency.
- Effective for policies starting October 1, 2023 through September 30, 2024 and **continuing until the bonds are paid off.**
- Collection and reporting similar to past regular assessments
- FIGA issued \$600M in bonds to fund immediate claims and returned premiums.
  - Provides immediate cash flow
  - Allows member insurers to maintain liquidity
  - Provides flexibility to FIGA and cost efficient
- FIGA will evaluate the need to continue the assessment annually and will notify members by October 1 of each year

## 2021 - 2023 Assessments

- **2021** - OIR levied .70% surcharge on policies starting January 1, 2022 through December 31, 2022
- **2022A** - OIR levied another 1.3% surcharge on policies starting July 1, 2022 through June 30, 2023
- **2022B** - OIR levied another .70% surcharge on policies starting January 1, 2023 through December 31, 2023
- **2023A** - OIR levied a 1.0% Emergency Assessment on April 12<sup>th</sup> on policies starting October 1, 2023 through September 30, 2024 and continuing until the bonds are paid off.

Dates	Assessments in Effect	Total Assessment %
07/01/2023-09/30/2023	2022B 0.7%	0.7%
10/01/2023-12/31/2023	2022B 0.7% 2023A 1.0% Emergency	1.7%
01/01/2024- bonds paid in full	2023A 1.0% Emergency	1.0%

# Assessable Lines of Business

All assessments 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

Breakdown by Line #: [https://figafacts.com/wp-content/uploads/2022/01/2022-Assessment-FAQ-01112022\\_ExhibitA.pdf](https://figafacts.com/wp-content/uploads/2022/01/2022-Assessment-FAQ-01112022_ExhibitA.pdf)



# FIGA Assessment Due Dates

Thirty days prior to the payment due date, FIGA will send a DocuSign form to Members for reporting Direct Written Premium and the surcharge amounts collected. Forms are returned and remit amounts are paid to FIGA.

Members will remit surcharges collected to FIGA as follows:

Quarter	Policy Dates			
	1/1/2022 – 12/31/2022	7/1/2022 – 6/30/2023	1/1/2023 – 12/31/2023	10/1/2023 – 9/30/2024
	Reporting Due Dates			
	2021 0.7%	2022 1.3%	2022B 0.7%	2023A 1.0%
Q2 2023	07/31/2023	07/30/2023	07/31/2023	
Q3 2023	10/31/2023	10/30/2023	10/30/2023	
Q4 2023	01/31/2024	01/31/2024	01/31/2024	01/31/2024
Q1 2024		04/30/2024	04/30/2024	04/30/2024
Q2 2024		07/30/2024	07/31/2024	07/31/2024
Q3 2024			10/30/2024	10/30/2024
Q4 2024			01/31/2025	01/31/2025
OIR Annual Reconciliation	06/30/2023	09/30/2023	01/31/2024	01/31/2024
Final Settlement	03/31/2024	07/30/2024	01/31/2025	01/31/2025

# Combined Quarterly Surcharge Remittance (QSR)

- DocuSign form and instructions received
- Update the company and contact information
- Quarterly reporting period will be listed at the top in red
- Assessment years will be listed for each levy on the form
- Report assessable premium collected for each levy listed (for effective policy dates), form calculates the **Amount Due** for each line and the **Total Amount 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
- **Total Amount Due** is the Total of the individual Amount Due figures for each levy line.
- Certify amounts reported with the electronic signature
- **The 2021 Assessment 0.7%, 2022 Assessment 1.3%, and the 2022B Assessment 0.7% will be combined into one DocuSign Envelope.**



FIGA Assessment [All Other Account]  
 Q4 2023 Quarterly Surcharge Remittance  
 Reporting Quarter: **10/1/2023 - 12/31/2023**  
 Remittance + Payment **DUE 01/31/2024**

COMPANY NAME: ABC INSURANCE COMPANY		
GROUP: 999 – ABC GROUP	NAIC: 99910	
ADDRESS: 8596 HILLMAN COLLEGE LANE	ADDRESS 2: SUITE 452B	
CITY: HAMPTON	STATE: VA	ZIP: 99999
CONTACT NAME: Whitley Gilbert - Wayne		TITLE: Controller
PHONE NUMBER: 800.777.9311	PHONE EXT.: 1859	EMAIL: wgwayne@abcinsurance.com

Assessment Levy	Assessment Year Policy Effective (Inception) Date Range	Direct Assessable Premiums Collected	Assessment Surcharge Rate	Total Assessment Surcharge Collected & Remitted	Balance Forward	Amount Due
2021 [0.70%]	01/01/2022 – 12/31/2022	5,888,263.40	0.007	41,217.84	0.00	41,217.84
2022 [1.30%]	07/01/2022 – 06/30/2023	13,366,556.56	0.013	173,765.23	250,000.00	423,765.23
2022B [0.70%]	01/01/2023 – 12/31/2023	3,221,253.25	0.007	22,548.77	5,532.00	28,080.77
2023A [1.00%]	10/01/2023 – 09/30/2024	2,565,663.50	0.010	25,656.63	0.00	25,656.63
<b>TOTAL AMOUNT DUE:</b>						<b>518,720.49</b>

If the company indicated above **WILL NOT WRITE ANY PREMIUM DURING ANY OF THE ASSESSMENT PERIODS**, please contact us at (850) 384-9200 or send an email to [assessments@aafgroup.org](mailto:assessments@aafgroup.org) to suspend subsequent quarterly reporting. Please note that the Annual Surcharge Reconciliation (ASR) reporting **WILL STILL BE REQUIRED FOR EACH LEVY**.

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: <b>Controller</b>	Date: <b>1/24/2024 4:18 PM EDT</b>
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# Combined Quarterly Surcharge Remittance (QSR)

The Instructions pages provide important information regarding the assessment, the remittance document, due dates, submission instructions, and surcharge payment instructions.



## FIGA Assessment [All Other Account] Q4 2023 Quarterly Surcharge Remittance Instructions

- a) The Florida Office of Insurance Regulation has levied 3 assessments on FIGA's **ALL OTHER** account. Section 631.62, Florida Statutes, explains the lines of business that FIGA will pay a covered claim, and therefore the lines of business deemed assessable. Section 631.55, Florida Statutes, further divides FIGA into two separate accounts [Auto and All Other] for the purpose of assessment. The Assessments are only for FIGA's **ALL OTHER Account** and include premium routinely reported on the following Annual Statement lines or related coverages reported on the write in lines:

FIGA ALL OTHER					
LINE NO	LINE NAME	LINE NO	LINE NAME	LINE NO	LINE NAME
1	Fire	5.1	Commercial Multiple Peril [Non Liability portion]	17.2	OTHER LIAB – CLAIMS - MADE
2.1	Allied Lines	5.2	Commercial Multiple Peril [Liability portion]	18	Products Liability
2.4	Private Crop	9	Inland Marine	22	Aircraft
2.5	Private Flood	11	Medical Malpractice	26	Burglary and Theft
3	Farmowners Multiple Peril	12	Earthquake	27	Boiler and Machinery
4	Homesteaders Multiple Peril	17.1	OTHER LIAB - OCCURRENCE		

- b) Member insurers shall collect a **2021 0.7%, 2022 1.3%, 2022B 0.7%, and 2023A 1.0% emergency surcharge on new and renewal policies** during the corresponding assessment period. Member insurers will remit surcharge assessments quarterly on or before the following dates:

Quarter	Policy Dates			
	1/1/2022 – 12/31/2022	7/1/2022 – 6/30/2023	1/1/2023 – 12/31/2023	10/1/2023 – 9/30/2024
	Reporting Due Dates			
	2021 0.7%	2022 1.3%	2022B 0.7%	2023A 1.0%
Q4 2023	01/31/2024	01/30/2024	01/31/2024	01/31/2024
Q1 2024		04/30/2024	04/30/2024	04/30/2024
Q2 2024		07/30/2024	07/31/2024	07/31/2024
Q3 2024			10/30/2024	10/30/2024
Q4 2024			01/31/2025	01/31/2025
OIR Annual Reconciliation	06/30/2023	09/30/2023	01/31/2024	01/31/2024
Final Settlement	03/31/2024	07/30/2024	01/31/2025	01/31/2025



## FIGA Assessment [All Other Account] Q4 2023 Quarterly Surcharge Remittance Instructions

- c) Member insurers shall remit assessment surcharges collected to FIGA based on the remittance schedule (above). Please make check payable to and mail to:

Florida Insurance Guaranty Association, Inc.  
PO Box 14249 | Tallahassee, FL 32317

Alternatively, Member Insurers may wire funds or send ACH payments directly to FIGA as follows:

Wire	ACH Payments
Acct Name: Florida Insurance Guaranty Association	Acct Name: Florida Insurance Guaranty Assoc
Account Number: 2121080820446	ACH Routing Number: 121000248
Bank: Wells Fargo Bank, N.A.	Account Number: 2121080820446
ABA Number: 121000248	

WHEN REMITTING SURCHARGE PAYMENTS VIA WIRE OR ACH TRANSFER, PLEASE INCLUDE THE NAIC NUMBER AND COMPANY NAME IN THE PAYMENT REMITTANCE DETAILS.

IF REMITTING ONE PAYMENT FOR MULTIPLE COMPANIES IN A GROUP, PLEASE PROVIDE THE NAIC NUMBER AND SURCHARGE AMOUNT FOR EACH COMPANY [BY LEVY] ON THE CHECK REMITTANCE DOCUMENTATION OR IN THE WIRE/ACH PAYMENT REMITTANCE DETAILS TO ENSURE PAYMENTS ARE APPLIED CORRECTLY.

- d) **Direct Assessable Premiums Collected** is the sum of gross written premiums collected during the Reporting Quarter for policy periods that began during the Assessment Year [Assessment Year Policy Effective (Inception) Date Range column].
- e) **Balance Forward** amounts are any surcharge credits or debits carried forward to the current quarter.

# Annual Surcharge Reconciliation Affidavit (ASR)

- DocuSign form and instructions received
- Update the company and contact information [if necessary]
- Assessment year will be listed on the form
- The form calculates the Amount Due [Credited]
- The **Reported & Received To Date** column is pre-populated with the total premium amount reported to us, and the total amount we've received in surcharge payments
- The **Direct Assessable Premiums Collected** value entered in the **"UPDATED & CONFIRMED"** column should reflect all premium collected **to-date** on policies incepting during the Assessment Year less return premiums on policies not taken or reductions in coverage
- **Total Surcharge Received** means the total payments FIGA has received from Member Insurers from inception to date.
- **Amount due** is the excess policy holder surcharge due to FIGA or credited to future reconciliation periods
- Certify amounts reported with the electronic signature



FIGA 0.7% Assessment [All Other Account]  
2022 Annual Surcharge Reconciliation Affidavit  
Remittance + Payment DUE 6/30/2023

COMPANY NAME: XYZ Insurance Company		CONTACT NAME: Domonique Devereaux	
NAIC: 99991		TITLE: CFO	
GROUP: 0999 - XYZ Insurance Group		PHONE NUMBER: 555.867.5309	
ADDRESS: 8963 Dynasty Hills Lane		PHONE EXT: 5000	
ADDRESS 2:		EMAIL: d.devereaux@xyzinsurance.com	
CITY: Denver		STATE: CO	ZIP: 80014

ASSESSMENT YEAR Policy Effective (Inception) Date Range	REPORTED & RECEIVED TO DATE	UPDATED & CONFIRMED <small>(all premiums collected from 1/1/2022 - 12/31/2022)</small>
[1] DIRECT ASSESSABLE PREMIUMS COLLECTED	104,893.29	287,103
[2] ASSESSMENT/ SURCHARGE RATE	0.007	0.007
[3] TOTAL ASSESSMENT SURCHARGE COLLECTED & REMITTED [1 *2]	733	2,010
TOTAL SURCHARGE RECEIVED		<b>733</b>
AMOUNT DUE [CREDITED]		<b>\$ 1,277</b>

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

DocuSigned by: Authorized Representative: <i>Domonique Devereaux</i> <small>05EE01A228B5482</small>	Title: CFO	Date: 6/5/2023 10:49:16 AM
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# Annual Surcharge Reconciliation Affidavit (ASR)

The Instruction page provides important information regarding the annual reconciliation, the affidavit document, submission instructions, and instructions for additional surcharge payments.



FIGA 0.7% Assessment [All Other Account]  
2022 Annual Surcharge Reconciliation Affidavit  
Instructions

- a) The Florida Office of Insurance Regulation has ordered that all Member Insurers of the Florida Insurance Guaranty Association, Inc. [FIGA] shall be assessed for the purpose of securing funds to handle, adjust and pay covered claims pursuant to Section 631.57,4(3)(a).
- b) Member Insurers shall collect surcharges at a uniform percentage rate on new and renewal policies effective where the policy term begins between **January 1, 2022 and December 31, 2022** ("Assessment Year").
- c) Member Insurers must submit a reconciliation report to FIGA pursuant to Section 631.57 (1)(2e). The reconciliation report allows Member Insurers to update previously collected policyholder surcharge and reported premium amounts applicable to the Assessment Year.
- d) If the Updated and Confirmed amount is the same as Reported to Date, rekey amounts in the Reported to Date column and sign the affidavit. If the Updated and Confirmed amount is more than the amount Reported to Date, Member Insurers shall pay to FIGA the excess policyholder surcharge collected. If the Updated and Confirmed amount is less than the Reported to Date Amount, FIGA will credit Member Insurers that amount against future assessments.
- e) Member Insurers shall furthermore remit any assessment surcharge due to FIGA as a result of the annual reconciliation. Please make check payable to and mail to:

Florida Insurance Guaranty Association, Inc.  
PO Box 14249 | Tallahassee, FL 32317

Alternatively, Member Insurers may wire funds or send ACH payments directly to FIGA as follows:

Wire	ACH Payments
Acct Name: <b>Florida Insurance Guaranty Association</b>	Acct Name: <b>Florida Insurance Guaranty Assoc</b>
Account Number: <b>2121080820446</b>	ACH Routing Number: <b>121000248</b>
Bank: <b>Wells Fargo Bank, N.A.</b>	Account Number: <b>2121080820446</b>
ABA Number: <b>121000248</b>	

**WHEN REMITTING SURCHARGE PAYMENTS VIA WIRE OR ACH TRANSFER, PLEASE INCLUDE THE NAIC NUMBER AND COMPANY NAME IN THE PAYMENT REMITTANCE DETAILS. IF REMITTING ONE PAYMENT FOR MULTIPLE COMPANIES IN A GROUP, PLEASE PROVIDE THE NAIC NUMBER AND SURCHARGE AMOUNT FOR EACH COMPANY ON THE CHECK REMITTANCE DOCUMENTATION OR IN THE WIRE/ACH PAYMENT REMITTANCE DETAILS TO ENSURE PAYMENTS ARE APPLIED CORRECTLY.**

- f) **Direct Assessable Premiums Collected** means the sum of the gross premiums collected during prior Reporting Quarters for policy periods incepting during the applicable Assessment Year less return premiums on policies not taken or reductions in coverage.
- g) **Total Surcharge Received** means the total payments FIGA has received from Member Insurers from inception to date.
- h) **Amount Due (Credited)** means the excess policy holder surcharge due to FIGA or credited to future reconciliation periods.

# Assessment Payment/Remittances

- Make note of the payment/remittance instructions on the DocuSign forms.
- Assessment payments for separate NAIC's should be made separately. If you do combine, please provide documentation for which NAIC's the check applies to.
- **DocuSign Remittance Guide:**  
<https://figafacts.com/wp-content/uploads/2022/06/FIGA-Assessment-QSR-Reporting-Guide.pdf>

## Next Steps

- Members update programming as needed and collection/remittance 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 Assessments.
- Contact us if you have any questions or need assistance

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# Question and Answer Session





## How to Contact Us

**Florida Insurance Guaranty Association, Inc.**

PO Box 14249

Tallahassee, Florida 32317

(800) 988-1450 OR (850) 386-9200

[www.figafacts.com](http://www.figafacts.com)

[Assessments@agfgroup.org](mailto:Assessments@agfgroup.org)