

# 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 at the Florida Hurricane Catastrophe Fund (FHCF) website: <http://www.sbafla.com/fhcf/>. This document is by no means a summary or replacement of the information on the above mentioned website.

**Please Note:** Information for the **Citizens Emergency Assessment**, including payment information, is located on the **Citizens Website**: [https://www.citizensfla.com/about/2005\\_hra.cfm](https://www.citizensfla.com/about/2005_hra.cfm)

### General Questions

#### 1. How often are the filings done and when are the due dates?

Per the Order for Authorized Insurers dated July 22, 2014, the following are the due dates for the quarterly filings:

1<sup>st</sup> Quarter: No later than May 15

2<sup>nd</sup> Quarter: No later than August 15

3<sup>rd</sup> Quarter: No later than November 15

4<sup>th</sup> Quarter: No later than March 1 of the following year.

If the due date is a Saturday, Sunday or a legal holiday, then the actual due date will be the first business day immediately following the applicable due date.

#### 2. Are extensions granted?

No.

#### 3. What happens if the filing is late?

Per the Order for Authorized Insurers – Emergency Assessment Terminated dated July 22, 2014, “The payment of emergency assessments by the Insurer is subject to interest on delinquent remittances at a rate determined by the BOARD and invoiced by the FUND.”

#### 4. What type of filing am I required to report and what should be included?

- a. DATA – All companies with zero Direct Written Premiums in all lines of business, whether assessable or not, are required to submit a DATA report.
- b. DATA – All companies with Direct Written Premiums in non-assessable lines of business only are required to submit a 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.

**All filings should include the following components:**

- Data Template
- Survey
- Notarized Affidavit
- Other Pertinent Information

**5. Are Surplus Lines companies required to submit a report to the Office of Insurance Regulation?**

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 July 22, 2014:

<http://www.flor.com/siteDocuments/2014CATFundEmergAssessmentSurplusLines156729-14-O.pdf> the FLSO website: [www.fslso.com](http://www.fslso.com).

**6. Is the company required to report if it only writes business in non-assessable lines?**

Yes, since implementing Order 154708-14 (156729-14 for Surplus Lines) mandates ALL actively authorized insurers to file. If a company writes only non-assessable lines of business, a "DATA" is required.

**7. Is the company required to report if it does not intend to write premiums or renew policies in the current year?**

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 "DATA" filing is required.

**8. How long will this emergency assessment be effective?**

The Emergency Assessments will be terminated for policies issued or renewed on or after January 1, 2015. The GEAR reporting requirements will continue to remain in effect until direct written premium information for the 4<sup>th</sup> quarter of 2016 (due March 1, 2017) has been reported.

**9. Is there a requirement for how the assessment must appear on the declaration page?**

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.

**10. Is the company required to submit any rate or form filings in order to collect the FHCF assessment?**

No.

**11. Can the company pay the assessment without passing the assessment to the policyholder?**

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.

**12. When should the company collect the assessment from the policyholder?**

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 emergency assessment remittance to the FHCF from the Insurer is due on the full amount of direct written premium attributable to policies issued or renewed within the Assessment Period even if the Insurer collects the premium through installment billing plans or similar mechanisms.

**13. Is the emergency assessment applied to the MGA fee or policy fee?**

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.

**14. 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?**

Endorsements and other transactions occurring on policies issued or renewed prior to 1/1/07 will not be subject to the assessment. The assessment of 1% should be applied to all policies issued or renewed on or after 1/1/07 to 12/31/2010 and any endorsements on those policies. The assessment of 1.3% should be applied to all policies issued or renewed on or after 1/1/2011 to 12/31/2014 and any endorsements on those policies. Endorsements and other transactions occurring on policies issued or renewed after 1/1/2015 will not be subject to the assessment.

**15. Are the following exempt from the FHCF Assessment?**

- a. **Federal Crop:** Yes. More information can be found in the Federal Crop Insurance Act.
- b. **Workers’ Compensation and Excess Workers’ Compensation Policies:** The FHCF Emergency Assessment is not applicable to these policies pursuant to Section 215.555(2) (f) and (6) (b), F.S.
- c. **Ocean Marine** (on a vessel): The FHCF Emergency Assessments are applicable to policies covering commercial and non-commercial vessels that are registered, documented or flagged (not the mailing address of the insured or where the vessel is moored) in Florida. By law, vessels are required to be registered or flagged in multiple jurisdictions; therefore the FHCF Emergency Assessment is applicable but the **amount** of the FHCF emergency assessment would depend upon the allocation of risk between and among Florida and other jurisdictions where the vessel is registered, documented or flagged.
- d. **Risk Retention:** Risk Retention Groups are unique entities which are subject to some state laws and not subject to others pursuant to the Federal Liability Risk Retention Act, 15 U.S.C. 1901 et seq. They are, however, subject to the FHCF Emergency Assessment. While the emergency assessment is imposed upon the policyholder, the insurance provider must collect and remit the assessment. Domestic Risk Retention Groups must collect and remit the emergency assessment to the same extent as all Florida authorized insurers. Foreign risk retention groups collect the emergency assessment only as to those risks located in Florida. The insurer from whom the

Risk Retention Group purchases insurance is responsible for collecting the FHCF Emergency Assessment from the Risk Retention group and remitting it.

- e. **Hospital Risk Pooling:** Florida law allows any two or more hospitals licensed and located in Florida to form an alliance for the purpose of pooling and spreading liabilities. If the alliance meets all the requirements of Section 395.106, F.S., then such alliance is not subject to the FHCF Emergency Assessment pursuant to paragraph (4) of Section 395.106, F.S.
- f. **Public Housing Authority Self-Insurance Fund:** Any entity which meets the statutory requirements set forth in Section 624.46226, F.S. and qualifies as a Public Housing Authority Self-Insurance Fund is exempt from the FHCF Emergency Assessment. See Section 624.46226(6), F.S.
- g. **Contract Bonds:** Regardless of whether the work is to be done in Florida, if the insurer reports this business on the Florida page of the NAIC's Exhibit of Premiums and Losses, then the FHCF Emergency Assessment is applicable and should be collected and remitted.
- h. **A Policy issued to a tax-exempt entity:** The insurer is required to collect and remit the FHCF Emergency Assessment unless the tax-exempt entity has a statutory exemptions specifically stating that the entity is exempt from the emergency assessment imposed pursuant to Section 215.555, F.S. Exemption from premium taxes or any other fee or assessment does not include exemption from the FHCF Emergency Assessment.

## Payment Questions

### 16. What is the payment method for the assessment?

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

### 17. Where do I submit the assessment due?

Please note: The Citizens Emergency Assessment is due monthly and is paid to a separate bank account. This information is located on their site: [https://www.citizensfla.com/about/2005\\_hra.cfm](https://www.citizensfla.com/about/2005_hra.cfm)

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

Bank of America, Tampa, Florida

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**

For group payments, the NAIC codes and payment amounts for all companies included in the payment need to be included in the Survey Component of the filing. . Ex. NAICXXXXX \$231, XXXXX \$687

**Employer ID:** 59-6001872

**SBA Florida Hurricane Catastrophe Fund**

1801 Hermitage Blvd.

Tallahassee, FL 32308-7772

**Bank of America**

100 W. 33<sup>rd</sup> St.

NY, NY 10001

**18. Is there a need to send proof of payment to the Office?**

A bank confirmation number of the wire transfer or ACH transaction is required in the Survey. If a proof of payment is deemed necessary while reviewing the filing, it will be requested. Group payment breakout or an explanation of a previous overpayment will need to be included on the Survey component of the filing.

**19. If the amount due is a small amount, can I wait until a subsequent quarter to make the payment?**

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

**20. If I report for more than one company, do I pay individually or as a group?**

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 Survey Component Payment Detail for the wire transfer or ACH. Also, in each company's filing in the Survey Component, explain the group's payment breakout by company.

**21. How do companies reporting Independently Procured Coverage (IPC) policies that are tax-exempt under F.S. 626.932(4) report and remit payments?**

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](mailto: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**

**22. How do I file the information?**

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

### **23. What are uncollected assessments and uncollectible assessments?**

**Uncollected Assessments:** Relates to timing (i.e.: Premium is written in one quarter but collected in another quarter). The assessment is on the premium at the time the premium is written and NOT when it is collected. If the premium is reported as Direct Written Premium (DWP) on Schedule T or the Annual Statement, then the assessment must be paid on that DWP and no adjustment is allowed.

**Uncollectible Assessments:** Section 215.555(6)(b)7, F.S. – An insurer is liable for all assessments that it collects, must treat the failure of an insured to pay an assessment as a failure to pay the premium and must result in policy cancellation, and an insurer is not liable for uncollectible assessments. Failure (on behalf) of the policyholder to pay the assessment is considered nonpayment of premium and shall result in the policy being cancelled. Once the policy has been cancelled and the assessment is considered uncollectible, the DWP (on Schedule T or the annual Statement) should be reduced at the time of the cancellation and the uncollectible assessment will automatically be reflected. No other adjustments to assessment by the insurer are necessary. .

### **24. 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?**

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.

### **25. I need to correct my template, how is it done?**

You need to contact the Office of Insurance Regulation at (850) 413-3147 or [QuarterlyAssessmentsReporting@flor.com](mailto:QuarterlyAssessmentsReporting@flor.com) for a response filing to be created for the file log number. Once the response filing has been created, the File Log Number will appear in your workbench with the required components. Upload the required components and submit the filing.

### **26. What is the File Log Number? Is it the same as the Work Unit Number?**

The file log number starts with two digits for the calendar year followed by a “-“with 5 digits (i.e. 11-12345). 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 different filings.

### **27. How can I determine if my filing went through successfully?**

There are two ways to confirm a successful submission:

(1) In your filing workbench, go to “Review Submissions.” 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.