



INFORMATIONAL MEMORANDUM

OIR- 07-02M

ISSUED

January 11, 2007

Florida Office of Insurance Regulation

Kevin M. McCarty, Commissioner

To All Licensed Property and Casualty Insurers in the State of Florida Subject to Assessment Information Regarding Emergency Assessment by Citizens Property Insurance Corporation

The purpose of this memorandum is to advise that on January 11, 2006, the Office issued an order approving the certification of an emergency assessment by the Citizens Property Insurance Corporation (Citizens) for its High Risk Account. The order requires insurers to begin collecting the emergency assessment for policies issued or renewed on or after July 1, 2007. Emergency assessments are due and payable to Citizens as they are collected from policyholders by assessable insurers. Surplus lines insureds are subject to the Emergency Assessment, which is collected by the surplus lines agent, remitted to the Florida Surplus Lines Servicing Office and then forwarded to Citizens.

Electronic Data Reporting Instructions

The Office has developed an electronic data reporting mechanism to allow insurers to report quarterly direct written premium data to the Office in an industry-recognized format, the NAIC Annual Statement State Page, along with other information needed to validate proper collection and remittance of the assessment. The reporting system is the same system used for "Cat Fund Reporting" and is already available for companies to access. Reporting and remittance due dates are as follows:

- 1st calendar quarter due no later than May 15
- 2nd calendar quarter due no later than August 15
- 3rd calendar quarter due no later than November 15
- 4th calendar quarter due no later than March 1 of the following year

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

The Cat Fund Reporting system is located on the Office's Industry Portal (I-Portal) at <https://iportal.fldfs.com/ifile/default.asp>. Instructions for the entry of data are attached.

Financial Reporting of Assessments

Instructions and guidance regarding financial reporting related to the assessment can be found in SSAP 35 – Guaranty Fund and Other Assessments within the Accounting Practices and Procedures Manual, published by the National Association of Insurance Commissioners ("NAIC"). Section 10 of SSAP 35 states that in circumstances where a reporting entity is acting only as an agent in the collection and remittance of fees or assessments, the liability for the fees and assessments rests with the policyholder rather than the reporting entity. Because the Emergency Assessment is reflected as a separately identifiable item on the billing to the policyholder and remittance of the assessment by the reporting entity to Citizens is contingent

upon collection from the insured, the Emergency Assessment shall not be reported in the financial statements of the reporting entity.

If you have any questions regarding the financial reporting process, please contact Steve Szypula, Financial Administrator, Property and Casualty Financial Oversight, Florida Office of Insurance Regulation at Steve.Szypula@fldfs.com or (850) 413-3825.

Rate Filing

Pursuant to Section 627.351(6)(b)3d, Florida Statutes, insurers should **not** make a rate filing with the Office to “recoup” this emergency assessment. Section 44 of Senate Bill 1980 enacted in 2006 clarified that the Emergency Assessment must be amortized over a period of ten years during which insurers shall remit to the corporation, on a monthly basis, the amounts as collected.

If you have any questions regarding the filing process, please contact Mike Milnes, Deputy Director, Property and Casualty Product Review, Florida Office of Insurance Regulation at Michael.Milnes@fldfs.com or (850) 413-5306.

A copy of the Order issued on January 11, 2007 approving the certification of the Emergency Assessment is included with this informational memorandum. Copies of the order, this informational memorandum, as well as the Order issued on November 22, 2006 approving the Certification of the 2006 Regular Assessment are posted on the Office’s website at <http://www.floir.com/Memoranda/index.htm> .

DATA REPORTING INSTRUCTIONS

- Click on the “Data Reporting” category.
- In order to access the reporting system, the company will need an I-Portal account, which can be created by clicking on the “Set up an account” link under Common Tasks on the left side of the screen.
- The Reporting Type is “Cat Fund Reporting”; click on the name.
- Search for the company for which you wish to submit the report.
 - You can search using the Company Name, NAIC Company Code, Florida Company Code, or Federal Employer Identification Number (FEIN). Click Next.
 - Click the radio button next to the desired company. Click Next.

The Reporting Event (only available choice) is “CatFund”.

- Click the radio button next to the reporting event. Click Next.
- If the company has not yet written any direct business in the assessable lines of business during the current year, select “No Data Filing”. Otherwise, select “Data Filing”. Click Next.
- Review and confirm the information on the Filing Verification screen.
 - Click Continue if all of the information is correct; the filing will be started and a confirmation email sent to the email address used for the I-Portal account. Otherwise, click Cancel to change the necessary information.
 - The Filing Name and Password fields are optional; however, the Office highly recommends using them both.
 - The filing name can be used to designate the company name, reporting period, and year for easy reference within the Filing Workbench.
 - If you provide a password, an “associate user” can work on a started filing by logging into I-Portal using the Work Unit ID (provided in the confirmation email) and the provided password. If a password is not used, the “associate user” function is not available for that filing.

The spreadsheet to be used for the reporting is located at www.floir.com/Hurricanes/FHCF.htm, titled FHCF Information Reporting Spreadsheet. There are two options for the downloading of the spreadsheet: (1) download the spreadsheet from the Office’s website prior to creating the filing or (2) you can download the spreadsheet from I-Portal. The spreadsheet can be found under the “Spreadsheet Data” component; details are below.

Once the filing has been started, you will be directed back to the Filing Workbench, which contains all of the filings not yet submitted to the Office. Click on the Work Unit Number of the filing you wish to complete. A Filing Component List will appear with four (4) components, all with statuses of “Incomplete”, which must be completed.

- Click on the “Company Data” component name.
 - Click on the “Company Data” link and confirm that the correct company has been selected and click on Return to Component List. The status of that component has been changed to “Complete”.
- Click on the “Data Template” component.

- Upload the completed spreadsheet for that reporting period by clicking on Add File, then Browse.
 - Locate and select the correct file, and click on Open. If you wish to rename the document, you can do so in the Title field on this screen.
 - Click on Upload to complete the File Upload process.
 - Click on Continue when the upload progress screen appears.
 - Click Done to return to the Filing Component List. The component status has been changed to “Complete”.
- Click on the “Originator Information” component name.
 - Read the information on the screen and click Next. This component is used to provide the Office with contact information for both the filing originator (creator) and the company contact (for questions regarding the data contained in the filing).
 - You can use your I-Portal account information for the Filing Originator contact information by clicking on the “User Account Contact Info” link located under “Originator Tasks” on the left side of the screen.
 - For the Company Contact information, you can copy the Filing Originator information (if meant to be the same as the Filing Originator) by clicking on the Copy button located under the Company Contact Information page separator. Otherwise, complete all required fields for the Company Contact.
 - Once you have completed the required fields, click Save to save the provided contact information and return to the Filing Component List. The component status has been changed to “Complete”.
- The Supplementary Information component should be used to upload the scanned document of the wire transfer confirmation, plus any other pertinent information.
 - Click on the “Supplemental Information” component name.
 - Upload the scanned wire transfer confirmation document for that reporting period by clicking on Add File, then Browse.
 - Locate and select the correct file, and click on Open.
 - If you wish to rename the document, you can do so in the Title field on this screen.
 - Click on Upload to complete the File Upload process.
 - Click on Continue when the upload progress screen appears.
 - Click Done to return to the Filing Component List. The component status has been changed to “Complete”.

Once all components show a status of “Complete”, the filing is ready to be submitted to the Office.

- Begin the submission process by clicking on Submit Filing.
- A confirmation message box will appear; if you wish to continue the submission process, Click Ok.
- You will have a Submit Filing screen appear with filing details; the filing has been submitted but the uploaded documents must be reviewed as compatible with the system.
- An email with all of this information will be sent to the email address used in the I-Portal account. Once the documents are determined to be compatible, a final email will sent with a File Log tracking number.

Reporting and remittance due dates are as follows:

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- 3rd calendar quarter due no later than November 15
- 4th calendar quarter due no later than March 1 of the following year

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

Data Reporting Questions

Instructions and guidance regarding data reporting should be directed to the Office's Market Research Unit. You may contact the unit at CatFundReporting@fldfs.com or by calling (850) 413-3147.