



STATE BOARD OF ADMINISTRATION
OF FLORIDA

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October 22, 2018

ATTENTION All Florida Hurricane Catastrophe Fund (FHCF) Participants:

FHCF Hurricane Michael Interim Loss Report Due November 5, 2018

Dear FHCF Executive and/or Claims Contact:

Pursuant to Section 215.555(4)(d), Florida Statutes, and Article X(3) of your FHCF Reimbursement Contract effective June 1, 2018 (Contract), the FHCF is requiring your company to report its projected Ultimate Net Losses (see Reporting Clarifications below) from FHCF Covered Policies as a result of Hurricane Michael by submitting an Interim Loss Report (Form FHCF-L1A Rev 02/18) through the FHCF's Online Claims system **no later than November 5, 2018**. Hardcopy reports will not be accepted. A Detailed Claims Listing is not being requested with this filing.

The losses reported on the Interim Loss Report are expected to result from a good faith effort by your company to report as accurately as possible and are non-binding. The information received under the Interim Loss Report will assist the FHCF in determining its potential industry liability.

Reporting Clarifications

You are encouraged to review the Contract for definitions and reporting requirements prior to submitting your company's loss information. Definitions specific to the Interim Loss Report provided in Article V of the Contract include Covered Policy and Ultimate Net Loss.

Remember the FHCF does not cover all losses in a hurricane. Article VI addresses specific exclusions from FHCF coverage. Given the possibility of storm surge damage from Hurricane Michael, participants are reminded of exclusion (26):

"The FHCF does not provide coverage for water damage which is generally excluded under property insurance contracts and has been defined to mean flood, surface water, waves, tidal water, overflow of a body of water, storm surge, or spray from any of these, whether or not driven by wind."

You are also encouraged to review the 2018 Data Call for further clarifications as to the type of exposure your company reports under the five FHCF types of business in the Interim Loss Report reporting grid, which should correlate to the loss information reported.

Online Claims System

Your company will be able to electronically certify, sign, and submit its FHCF loss reports through the Online Claims system. A company may register up to seven users, at least two of which must be officers since FHCF Proof of Loss reports require two officer signatures. To update registered users or to submit loss reports, the Online Claims system can be accessed through the FHCF's website at www.sbafla.com/fhcf under "Online Reporting."

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Proof of Loss Reports

The FHCF will issue reimbursements based on loss information reported by your company on the FHCF Proof of Loss Report (Form FHCF-L1B Rev 02/18). Pursuant to Section 215.555(4)(d), Florida Statutes, and Article X(3) of the Contract, your company may submit Proof of Loss Reports at any time to request reimbursements from the FHCF. However, all companies will be required to submit a mandatory Hurricane Michael Proof of Loss Report this coming December (regardless of the amount of FHCF covered losses), no earlier than December 1, 2018, and no later than December 31, 2018.

Preliminary premium calculations have been posted on the FHCF's website at www.sbafla.com/fhcf under "Insurer Information," "Rates & Premium," "2018/2019 Premium & Coverage Calculations." For those participants with a preliminary premium, the participants' preliminary retention is loaded into the Online Claims system and the participant can submit a Proof of Loss Report/reimbursement request as soon as they want. Note that participants' 2018 FHCF reimbursement premium will not be finalized until invoiced in November.

Page two of the Proof of Loss Report lists specific records that are required to be retained to support the losses reported by your company. These records are required to be retained until such time as the FHCF has completed its examination of your company. Failure to retain the required records as listed in the FHCF Proof of Loss Report may result in a referral to the Office of Insurance Regulation.

Note: If your company qualifies for a Hurricane Michael reimbursement from the FHCF, your company must also submit a Detailed Claims Listing (Form FHCF-DCL Rev 02/18) at the time it submits its first Proof of Loss Report qualifying for a reimbursement for Hurricane Michael.

The FHCF will determine and pay, as soon as practicable after receiving Proof of Loss Reports, the reimbursement amount due based on losses paid by your company to date.

Information Available Online

The FHCF maintains extensive information online at <http://www.sbafla.com/fhcf/>, including:

- Hurricane-related notices and documentation (under "Hurricane Related Insurer Information," "2018 Hurricane Season"),
- Loss reporting instructions and forms (under "Insurer Information," "Insurer Loss Reporting"),
- Reimbursement Contract (under "Insurer Information," "Contracts"),
- Data Call (under "Insurer Information," "Data Call"),
- Member Handbook (under "Insurer Information," "Member Handbook"),
- General information on retentions and projected payout multiples (under "Insurer Information," "Rates & Premium"),
- 2018 FHCF Insurer Responsibilities and Deadlines Summary (under "Insurer Information"), and
- Applicable Florida Administrative Code rules (under "FHCF Rules").

If you have questions regarding the reporting of your company's FHCF covered losses, please contact Kathy Mackenthun or Martin Helgestad with the FHCF Administrator, Paragon Strategic Solutions Inc., at 800-689-3863, or by email to FHCFAdministrator@paragon.aonbenfield.com.

Sincerely,

Anne Bert

Chief Operating Officer, Florida Hurricane Catastrophe Fund