

**MEETING OF THE STATE BOARD OF ADMINISTRATION**

**GOVERNOR SCOTT AS CHAIR  
CHIEF FINANCIAL OFFICER PATRONIS  
ATTORNEY GENERAL BONDI**

**November 30, 2018**

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**AGENDA**

- ITEM 1. A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$16,500,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, 2018 (SERIES TO BE DESIGNATED) (AMBAR KEY HOMES)**

**(See Attachment 1)**

**ACTION REQUIRED**

- ITEM 2. A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$11,000,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, 2018 (SERIES TO BE DESIGNATED) (AMBAR KEY)**

**(See Attachment 2)**

**ACTION REQUIRED**

- ITEM 3. REQUEST APPROVAL OF, AND AUTHORITY TO FILE, A NOTICE OF PROPOSED RULE FOR FLORIDA HURRICANE CATASTROPHE FUND RULE 19-8.010, F.A.C., REIMBURSEMENT CONTRACT, AND TO FILE THIS RULE, ALONG WITH THE INCORPORATED FORMS, FOR ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.**

**(See Attachment 3)**

**ACTION REQUIRED**

- ITEM 4. REQUEST APPROVAL OF, AND AUTHORITY TO FILE, A NOTICE OF PROPOSED RULE FOR FLORIDA HURRICANE CATASTROPHE FUND RULE 19-8.029, F.A.C., INSURER REPORTING REQUIREMENTS AND RESPONSIBILITIES, AND TO FILE THIS RULE, ALONG WITH THE INCORPORATED FORMS, FOR ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.**

**(See Attachment 4)**

**ACTION REQUIRED**

- ITEM 5. REQUEST APPROVAL OF THE STATE BOARD OF ADMINISTRATION RESOLUTION REGARDING THE TERMINATION OF EMERGENCY ASSESSMENTS COLLECTED BY THE FLORIDA SURPLUS LINES SERVICE OFFICE.**

The Florida Hurricane Catastrophe Fund requests a resolution providing for termination of remittances and data reporting by the Florida Surplus Lines Service Office and certain other entities with respect to emergency assessments terminated pursuant to a Resolution of the Board adopted on June 17, 2014 and directing the Office of Insurance Regulation to adopt certain orders.

**(See Attachment 5)**

**ACTION REQUIRED**

**STATE BOARD OF ADMINISTRATION  
1801 HERMITAGE BOULEVARD  
TALLAHASSEE, FLORIDA 32308**

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**TO:** Ash Williams  
**FROM:** Robert Copeland  
**SUBJECT:** Fiscal Determination  
**DATE:** November 9, 2018

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**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$16,500,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, 2018 (SERIES TO BE DESIGNATED) (AMBAR KEY HOMES)**

The Florida Housing Finance Corporation has submitted for approval as to fiscal determination a proposal to issue an amount not exceeding \$16,500,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2018 (series to be designated) (the "Bonds") for the purpose of financing the acquisition, rehabilitation, and construction of an affordable housing community located in Miami-Dade County, Florida (Ambar Key Homes). The Bonds shall be payable as to principal, premium (if any), and interest solely out of revenues and other amounts pledged therefor, and shall not be secured by the full faith and credit of the State of Florida.

**RECOMMENDATION:** It is recommended that, pursuant to the fiscal determination requirements of Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, and in reliance upon information provided by the Florida Housing Finance Corporation, the Board find and determine that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements. The Board does not assume any responsibility for, and makes no warranty (express or implied) with respect to any aspect of this bond issue.

cc: Janie Knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA  
MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE  
OF AN AMOUNT NOT EXCEEDING \$16,500,000 FLORIDA HOUSING FINANCE  
CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS,  
2018 (SERIES TO BE DESIGNATED) (AMBAR KEY HOMES)**

**WHEREAS**, the Florida Housing Finance Corporation (the "Corporation") proposes to issue an amount not exceeding \$16,500,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2018 (series to be designated) (the "Bonds") for the purpose of financing the acquisition, rehabilitation, and construction of an affordable housing community located in Miami-Dade County, Florida (Ambar Key Homes); and,

**WHEREAS**, the Corporation has requested the State Board of Administration of Florida (the "Board") to make the fiscal determination required by Section 420.509, Florida Statutes, as stated in Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended (the "Florida Constitution"); and,

**WHEREAS**, the Bonds shall be secured by a Trust Indenture; and,

**WHEREAS**, in accordance with Section 420.509, Florida Statutes, the principal of and all interest and any premium on the Bonds shall be payable solely out of revenues and other amounts pledged therefor, as described in the Trust Indenture and other required documents, and shall not be secured by the full faith and credit of the State of Florida; and,

**WHEREAS**, the cash flow analysis furnished by the Corporation shows that in no State fiscal year will the debt service requirements of the Bonds proposed to be issued and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements; and,

**WHEREAS**, the Corporation has furnished sufficient information to enable the State Board of Administration of Florida to fulfill its duties pursuant to Section 420.509(2), Florida Statutes; and,

**WHEREAS**, the Board has relied upon information from others, including the Corporation, but has not independently verified the accuracy or completeness of such information; and,

**WHEREAS**, the Board's determination pursuant to Section 16(c) of Article VII of the Florida Constitution and Section 420.509(2), Florida Statutes, is limited to a review of the matters essential to making such determination and the Board does not approve or disapprove of the Bonds as investments and has not passed upon the accuracy or adequacy of the Trust Indenture or any other required documents; **Now, Therefore,**

**BE IT RESOLVED**, by the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Florida Constitution, that in connection with the issuance of the Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2018 (series to be designated) (Ambar Key Homes), in an amount not exceeding \$16,500,000, for the uses and purposes hereinabove set forth, it makes the fiscal determination required by Section 420.509, Florida Statutes.

Accordingly, as required by Section 16(c) of Article VII of the Florida Constitution, the Board finds and determines that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues, as defined in Section 420.503, Florida Statutes and described in the Trust Indenture, which are available for payment of such debt service requirements.

**ADOPTED** November 30, 2018

**STATE OF FLORIDA)**

**:**

**COUNTY OF LEON )**

**I, Ashbel C. Williams**, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting November 30, 2018, making the fiscal determination in connection with the issuance of an amount not exceeding \$16,500,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2018 (series to be designated) (Ambar Key Homes).

**IN WITNESS WHEREOF**, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 30th day of November 2018.

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**Ashbel C. Williams, Executive Director & CIO**

**(SEAL)**



227 North Bronough Street, Suite 5000 • Tallahassee, Florida 32301  
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November 9, 2018

VIA EMAIL

Mr. Ash Williams  
Executive Director/Chief Investment Officer  
State Board of Administration  
P.O. Box 13300  
Tallahassee, Florida 32317-3300

RE: FHFC Multifamily Mortgage Revenue Bonds  
Ambar Key Homes and Ambar Key

Dear Mr. Williams:

On behalf of Florida Housing Finance Corporation ("Florida Housing or "FHFC"), I am submitting a cash flow analysis for the approval of fiscal determination for both of the above-referenced bond issues prepared by RBC Capital Markets. Florida Housing endorses these analyses and believes they will show sufficient coverage.

We request that both of these items be placed on the agenda for approval at the State Board of Administration's November 20, 2018 telephonic Cabinet meeting, due to financing and closing schedules.

Should you or your staff have any questions or concerns with respect to these transactions, please feel free to call me at (850) 488-4197. Thank you for your consideration.

Sincerely,

Tim Kennedy  
Assistant Director of Multifamily Programs

TK/jg

Enclosures

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Rick Scott, Governor

Board of Directors: Ray Dubuque, Chairman • Ron Lieberman, Vice Chairman  
Natacha Bastian • Renier Diaz de la Portilla • LaTasha Green-Cobb • Creston Leifried • Bernard "Barney" Smith • Mario Facella  
Julie Dennis, Florida Department of Economic Opportunity

Harold "Trey" Price, Executive Director

\$16,500,000

Florida Housing Finance Corporation  
Multifamily Mortgage Revenue Bonds

Anchor Key Homes

Combined Debt Coverage Table

	Revenue		Bond Payments (3) (4)		SAIL Loan Interest & Fees	Bond Fee Payments		Total Debt Service	Debt Service Coverage		Bond/Bond Balance
	Net Operating Income (1)		Principal (2)	Interest 4.85%		Amortize Mortgage	Issuer + P.L.S. Trustee Fees		Bond Debt Service D/C/R	Total D/C/R with Fees	
YR 1	\$ 1,325,973		\$ 37,953	\$ 757,210	\$ 95,998	\$ 3,084	\$ 47,885	\$ 1,082,140	1.42	1.25	\$ 16,500,000
YR 2	1,347,380		44,794	790,365	96,028	3,177	47,564	1,081,929	1.44	1.25	16,112,347
YR 3	1,369,034		51,975	783,188	96,054	3,272	47,216	1,081,705	1.46	1.27	15,738,343
YR 4	1,390,935		59,517	775,651	96,083	3,370	46,852	1,081,468	1.49	1.29	15,369,746
YR 5	1,413,081		67,423	767,740	96,113	3,471	46,469	1,081,216	1.51	1.31	15,005,746
YR 6	1,435,473		75,726	759,438	96,144	3,575	46,067	1,080,950	1.53	1.33	14,646,616
YR 7	1,458,108		84,440	750,723	96,176	3,682	45,645	1,080,667	1.56	1.35	14,292,177
YR 8	1,480,985		93,587	741,576	96,209	3,793	45,203	1,080,368	1.58	1.37	13,941,590
YR 9	1,504,104		103,188	731,975	96,243	3,907	44,738	1,080,051	1.61	1.39	13,594,402
YR 10	1,527,462		113,264	721,899	96,278	4,024	44,250	1,079,715	1.63	1.41	13,250,613
YR 11	1,549,663		123,841	711,322	96,314	4,145	43,739	1,079,360	1.66	1.44	12,909,350
YR 12	1,572,057		134,942	700,222	96,351	4,269	43,201	1,078,984	1.68	1.46	12,570,350
YR 13	1,594,641		146,593	688,576	96,389	4,397	42,637	1,078,586	1.71	1.48	12,233,662
YR 14	1,617,411		158,822	676,341	96,428	4,529	42,048	1,078,166	1.73	1.50	11,900,494
YR 15	1,640,363		171,656	663,505	96,469	4,665	41,424	1,077,721	1.75	1.52	11,569,823
YR 16	1,663,492		185,130	650,033	96,510	4,805	40,772	1,077,251	1.77	1.54	11,241,552
YR 17	1,686,794		199,271	635,892	96,553	4,949	40,086	1,076,753	1.80	1.57	10,915,782
YR 18	1,710,262		214,112	621,051	96,597	5,097	39,379	1,076,228	1.83	1.59	10,592,370
YR 19	1,733,891		229,690	605,473	96,643	5,250	38,616	1,075,672	1.85	1.61	10,271,080
YR 20	1,757,676		246,040	589,123	96,690	5,408	37,825	1,075,085	1.88	1.63	9,951,039
YR 21	1,781,610		263,201	571,962	96,738	5,570	36,994	1,074,465	1.91	1.66	9,632,135
YR 22	1,805,688		281,213	553,950	96,788	5,737	36,123	1,073,811	1.93	1.68	9,314,325
YR 23	1,829,896		300,118	535,044	96,839	5,909	35,208	1,073,119	1.96	1.71	8,997,506
YR 24	1,854,234		319,962	515,201	96,892	6,087	34,247	1,072,389	1.98	1.73	8,681,544
YR 25	1,878,691		340,789	494,374	96,946	6,269	33,240	1,071,618	2.01	1.75	8,367,255
YR 26	1,903,258		362,649	472,514	97,002	6,457	32,182	1,070,804	2.04	1.78	8,054,106
YR 27	1,927,926		385,593	449,570	97,060	6,651	31,071	1,069,945	2.06	1.80	7,742,151
YR 28	1,952,686		409,675	425,488	97,119	6,850	29,906	1,069,039	2.09	1.83	7,431,338
YR 29	1,977,527		434,951	400,212	97,180	7,056	28,683	1,068,082	2.11	1.85	7,121,887
YR 30	2,002,438		461,481	373,682	97,243	7,268	27,399	1,067,073	2.14	1.88	6,813,607
YR 31	2,027,409		489,326	345,837	97,308	7,486	26,051	1,066,008	2.17	1.90	6,506,406
YR 32	2,052,426		518,552	316,511	97,375	7,710	24,637	1,064,885	2.19	1.93	6,200,228
YR 33	2,077,478		549,228	285,935	97,444	7,942	23,152	1,063,701	2.22	1.95	5,894,950
YR 34	2,102,551		581,425	253,738	97,515	8,180	21,594	1,062,452	2.25	1.98	5,590,475
YR 35	2,127,631		615,719	219,944	97,588	8,425	19,959	1,061,135	2.28	2.01	5,286,656
YR 36	2,152,704		652,155	184,474	97,663	8,678	18,295	1,059,799	2.30	2.03	4,983,367
YR 37	2,177,753		690,797	147,246	97,741	8,938	18,295	1,058,437	2.33	2.05	4,680,550
YR 38	2,202,704		731,600	108,171	97,820	9,206	18,295	1,057,045	2.36	2.08	4,378,057
YR 39	2,227,558		775,605	67,158	97,903	9,483	18,295	1,055,643	2.38	2.10	4,075,052
YR 40	2,252,299		823,852	24,111	97,987	9,767	18,295	1,054,213	2.41	2.12	3,771,052
	\$ 16,500,000		\$ 20,906,524	\$ 3,872,416	\$ 232,537	\$ 1,403,938					

(1) NOI based on "Projected Operating Revenue" Schedule

(2) Based on estimated Bond sinking fund payments

(3) The Bond Interest Rate is based on an estimate of 192 ops over the 40 year Treasury Rate

(4) The Bondholder has the option to require a mandatory redemption of the Bonds in year 16 year. The Bonds have a 40 year fully amortizing term. Upon redemption, the Borrower will satisfy the remaining balance via refinancing or proceeds from the sale of the Development. In the event a refinancing or sale of the asset is not feasible, the debt obligation will be satisfied via a "Mortgage Assignment" without causing an event of default. In such case, the Bond holder will present the Bonds to the Trustee for cancellation and in exchange will receive an assignment of the mortgage and related collateral in the final year. The Net Operating Income includes an amount to fully repay the Bonds

(5) The Subordinate Mortgage debt service repayments are all contingent upon available cash flow after all other fees, expenses and senior mortgage debt service payments



Florida Housing Finance Corporation  
Multifamily Mortgage Revenue Bonds  
Ambar Key Homes

Key Terms:	
Bond Size:	\$ 16,500,000
Interest Only Term	24 months
Initial Optional Tender	16 Years
Permanent Bond Term	40 years
Amortization Period	40 years

Projected Operations

% of EGI	Per Unit / Stabilized	Year						
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
103.0%	\$ 13,821	\$ 2,185,073	\$ 2,228,774	\$ 2,273,349	\$ 2,318,816	\$ 2,365,193	\$ 2,412,497	
2.3%	310	\$ 48,960	\$ 49,959	\$ 50,958	\$ 51,957	\$ 52,956	\$ 54,056	
105.3%	\$ 14,131	\$ 2,234,033	\$ 2,278,713	\$ 2,324,287	\$ 2,370,773	\$ 2,418,189	\$ 2,466,552	
-4.2%	(565)	\$ (87,609)	\$ (88,351)	\$ (91,149)	\$ (92,971)	\$ (94,831)	\$ (96,728)	\$ (98,662)
-1.1%	(141)	\$ (21,902)	\$ (22,340)	\$ (22,787)	\$ (23,243)	\$ (23,708)	\$ (24,182)	\$ (24,666)
100.0%	\$ 13,424	\$ 2,080,717	\$ 2,122,331	\$ 2,164,778	\$ 2,208,073	\$ 2,252,235	\$ 2,297,279	\$ 2,343,225
4.3%	581	\$ 92,691	\$ 95,471	\$ 98,336	\$ 101,286	\$ 104,324	\$ 107,454	\$ 138,809
5.6%	750	\$ 119,738	\$ 123,330	\$ 127,030	\$ 130,840	\$ 134,766	\$ 138,809	
5.00%	671	\$ 106,117	\$ 108,239	\$ 110,404	\$ 112,612	\$ 114,864	\$ 117,161	
1.7%	225	\$ 35,921	\$ 36,969	\$ 38,109	\$ 39,252	\$ 40,430	\$ 41,643	
8.1%	1,093	\$ 174,422	\$ 179,655	\$ 185,045	\$ 190,596	\$ 196,314	\$ 202,203	
3.0%	400	\$ 63,860	\$ 65,776	\$ 67,749	\$ 69,782	\$ 71,875	\$ 74,031	
3.0%	400	\$ 63,860	\$ 65,776	\$ 67,749	\$ 69,782	\$ 71,875	\$ 74,031	
1.1%	150	\$ 23,948	\$ 24,656	\$ 25,406	\$ 26,168	\$ 26,953	\$ 27,762	
2.2%	300	\$ 47,895	\$ 49,332	\$ 50,812	\$ 52,336	\$ 53,906	\$ 55,523	
2.2%	300	\$ 47,895	\$ 49,332	\$ 50,812	\$ 52,336	\$ 53,906	\$ 55,523	
36.3%	\$ 4,869	\$ 754,744	\$ 774,851	\$ 795,743	\$ 817,138	\$ 839,153	\$ 861,807	\$ 885,117
		\$ 1,325,973	\$ 1,347,380	\$ 1,369,034	\$ 1,390,935	\$ 1,413,081	\$ 1,435,473	\$ 1,458,108
\$ 8,500,000		\$ 986,142	\$ 985,904	\$ 985,651	\$ 985,385	\$ 985,103	\$ 984,805	\$ 984,491
		\$ 95,998	\$ 96,026	\$ 96,054	\$ 96,083	\$ 96,113	\$ 96,144	\$ 96,175
		\$ 1,082,140	\$ 1,081,829	\$ 1,081,705	\$ 1,081,468	\$ 1,081,216	\$ 1,080,950	\$ 1,080,667
		\$ 243,833	\$ 265,451	\$ 287,329	\$ 309,467	\$ 331,865	\$ 354,523	\$ 377,441
		1.34	1.37	1.39	1.41	1.43	1.46	1.48

Income	1.23	1.25	1.27	1.29	1.31	1.33	1.35
Gross Potential Rental Revenue							
Other Income							
Gross Potential Income (GPI) Less:							
Miscellaneous Income							
Vacancy Loss 4% of GPI	36%	37%	37%	37%	37%	38%	38%
Collection Loss 1% of GPI	84%	83%	82%	82%	81%	80%	80%
Total Effective Gross Income (EGI)							
Expenses							

Growth Rates	
Rents	1.0%
Other income	0.0%
Expenses	0.0%

Assumed Bond Rate (2)
All - In (Tax-exempt)
4.85%

<b>Bond Size</b>	
	\$ 16,500,000

Units
155

(1) The Bondholder may require a mandatory tender of the bonds beginning in year 16. Debt service is shown based on a 40 year fully amortizing schedule to illustrate the maximum possible term of the bonds. Upon redemption of this Bonds, the borrower will satisfy the remaining balance via refinancing, or proceeds from the sale of the Development. In the event a refinancing or sale of the asset is not feasible, the debt obligation will be satisfied via a "Mortgage Assignment" without causing an event of default. In such case, the Bondholder will present the Bonds to the Trustee for cancellation and in exchange will receive an assignment of the mortgage and related collateral. In final year, the Net Operating income includes an amount to fully repay the Bonds.

(2) The assumed All-in Bond rate of 4.85% is the base Bond Interest Rate based on a spread of 192 bps over the 10 year Treasury rate. Annual Issuer fee of 24 bps, CM fee of \$3,064 (subject to 3% annual increase), Permanent Loan Servicing Fee of 2.3 bps and Trustee Fee of \$4,500 are also included in the first mortgage debt service

(3) The FHFC SALL loan is non-amortizing with a 1% interest rate with a 40 year permanent term. Annual servicing fee of \$10,080 and annual compliance fee of \$918 are included in the second mortgage debt service.

\$	2,515,584	\$	2,565,201	\$	2,617,525	\$	2,669,876	\$	2,723,273	\$	2,777,739	\$	2,833,293	\$	2,889,959	\$	2,947,759	\$	3,006,714	\$	3,066,848
\$	(100,635)	\$	(102,648)	\$	(104,701)	\$	(106,795)	\$	(108,931)	\$	(111,110)	\$	(113,332)	\$	(115,598)	\$	(117,910)	\$	(120,269)	\$	(122,674)
\$	(25,159)	\$	(25,662)	\$	(26,175)	\$	(26,690)	\$	(27,233)	\$	(27,777)	\$	(28,333)	\$	(28,900)	\$	(29,478)	\$	(30,067)	\$	(30,668)
\$	2,390,089	\$	2,437,891	\$	2,485,649	\$	2,536,382	\$	2,587,110	\$	2,638,852	\$	2,691,629	\$	2,745,461	\$	2,800,371	\$	2,856,378	\$	2,913,506
\$	110,678	\$	113,998	\$	117,418	\$	120,940	\$	124,569	\$	128,306	\$	132,155	\$	136,119	\$	140,203	\$	144,409	\$	148,741
\$	142,973	\$	147,262	\$	151,680	\$	156,230	\$	160,917	\$	165,745	\$	170,717	\$	175,839	\$	181,114	\$	186,547	\$	192,144
\$	119,504	\$	121,895	\$	124,332	\$	126,819	\$	129,355	\$	131,943	\$	134,581	\$	137,273	\$	140,019	\$	142,819	\$	145,675
\$	42,892	\$	44,179	\$	45,504	\$	46,869	\$	48,275	\$	49,723	\$	51,215	\$	52,752	\$	54,334	\$	55,964	\$	57,643
\$	208,269	\$	214,517	\$	220,953	\$	227,581	\$	234,409	\$	241,441	\$	248,684	\$	256,145	\$	263,829	\$	271,744	\$	279,897
\$	76,252	\$	78,540	\$	80,896	\$	83,323	\$	85,822	\$	88,397	\$	91,049	\$	93,781	\$	96,594	\$	99,492	\$	102,477
\$	76,252	\$	78,540	\$	80,896	\$	83,323	\$	85,822	\$	88,397	\$	91,049	\$	93,781	\$	96,594	\$	99,492	\$	102,477
\$	28,595	\$	29,452	\$	30,336	\$	31,246	\$	32,183	\$	33,149	\$	34,143	\$	35,168	\$	36,223	\$	37,309	\$	38,429
\$	57,189	\$	58,905	\$	60,672	\$	62,492	\$	64,367	\$	66,298	\$	68,287	\$	70,335	\$	72,445	\$	74,619	\$	76,857
\$	48,400	\$	49,501	\$	50,602	\$	51,703	\$	52,804	\$	53,905	\$	55,006	\$	56,107	\$	57,208	\$	58,309	\$	59,410
\$	909,104	\$	933,787	\$	959,187	\$	986,719	\$	1,015,053	\$	1,044,211	\$	1,074,217	\$	1,105,098	\$	1,136,878	\$	1,169,585	\$	1,203,244
\$	1,480,985	\$	1,504,104	\$	1,527,462	\$	1,549,663	\$	1,572,057	\$	1,594,641	\$	1,617,411	\$	1,640,363	\$	1,663,492	\$	1,686,794	\$	1,710,262
\$	984,159	\$	983,808	\$	983,437	\$	983,046	\$	982,633	\$	982,198	\$	981,728	\$	981,252	\$	980,740	\$	980,200	\$	979,630
\$	96,209	\$	96,243	\$	96,278	\$	96,314	\$	96,351	\$	96,389	\$	96,428	\$	96,469	\$	96,510	\$	96,553	\$	96,597
\$	1,080,368	\$	1,080,051	\$	1,079,715	\$	1,079,360	\$	1,078,984	\$	1,078,586	\$	1,078,166	\$	1,077,721	\$	1,077,251	\$	1,076,753	\$	1,076,228
\$	400,618	\$	424,053	\$	447,747	\$	470,303	\$	493,073	\$	516,055	\$	539,246	\$	562,642	\$	586,242	\$	610,040	\$	634,034
\$	1.50	\$	1.53	\$	1.55	\$	1.58	\$	1.60	\$	1.62	\$	1.65	\$	1.67	\$	1.70	\$	1.72	\$	1.75
\$	1.37	\$	1.39	\$	1.41	\$	1.44	\$	1.46	\$	1.48	\$	1.50	\$	1.52	\$	1.54	\$	1.57	\$	1.59
\$	38%	\$	38%	\$	39%	\$	39%	\$	39%	\$	40%	\$	40%	\$	40%	\$	41%	\$	41%	\$	41%
\$	79%	\$	78%	\$	78%	\$	77%	\$	77%	\$	76%	\$	76%	\$	76%	\$	75%	\$	75%	\$	74%

Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29
\$ 3,059,629	\$ 3,120,822	\$ 3,183,238	\$ 3,246,903	\$ 3,311,841	\$ 3,378,078	\$ 3,445,639	\$ 3,514,552	\$ 3,584,843	\$ 3,656,540	\$ 3,729,671
\$ 66,556	\$ 69,927	\$ 71,325	\$ 72,752	\$ 74,207	\$ 75,691	\$ 77,205	\$ 78,749	\$ 80,324	\$ 81,931	\$ 83,569
\$ 3,128,185	\$ 3,190,749	\$ 3,254,564	\$ 3,319,655	\$ 3,386,048	\$ 3,453,769	\$ 3,522,844	\$ 3,593,301	\$ 3,665,167	\$ 3,738,471	\$ 3,813,240
\$ (125,127)	\$ (127,630)	\$ (130,163)	\$ (132,786)	\$ (135,442)	\$ (138,151)	\$ (140,914)	\$ (143,732)	\$ (146,607)	\$ (149,539)	\$ (152,530)
\$ (31,282)	\$ (31,907)	\$ (32,546)	\$ (33,197)	\$ (33,860)	\$ (34,538)	\$ (35,228)	\$ (35,933)	\$ (36,652)	\$ (37,385)	\$ (38,132)
\$ 2,971,776	\$ 3,031,211	\$ 3,091,835	\$ 3,153,672	\$ 3,216,746	\$ 3,281,080	\$ 3,346,702	\$ 3,413,636	\$ 3,481,909	\$ 3,551,547	\$ 3,622,578
\$ 153,204	\$ 157,800	\$ 162,534	\$ 167,410	\$ 172,432	\$ 177,605	\$ 182,933	\$ 188,421	\$ 194,074	\$ 199,896	\$ 205,893
\$ 197,908	\$ 203,845	\$ 209,950	\$ 216,259	\$ 222,747	\$ 229,429	\$ 236,312	\$ 243,402	\$ 250,704	\$ 258,225	\$ 265,972
\$ 148,589	\$ 151,561	\$ 154,592	\$ 157,684	\$ 160,837	\$ 164,054	\$ 167,335	\$ 170,682	\$ 174,095	\$ 177,577	\$ 181,129
\$ 59,372	\$ 61,154	\$ 62,986	\$ 64,878	\$ 66,824	\$ 68,829	\$ 70,894	\$ 73,021	\$ 75,211	\$ 77,467	\$ 79,791
\$ 288,293	\$ 296,942	\$ 305,850	\$ 315,026	\$ 324,477	\$ 334,211	\$ 344,237	\$ 354,565	\$ 365,201	\$ 376,158	\$ 387,442
\$ 105,551	\$ 108,717	\$ 111,978	\$ 115,338	\$ 118,798	\$ 122,362	\$ 126,033	\$ 129,814	\$ 133,709	\$ 137,720	\$ 141,852

\$	105,551	\$	108,717	\$	111,979	\$	115,338	\$	118,798	\$	122,362	\$	126,033	\$	129,814	\$	133,709	\$	137,720	\$	141,852
\$	39,582	\$	40,769	\$	41,952	\$	43,252	\$	44,549	\$	45,886	\$	47,262	\$	48,680	\$	50,141	\$	51,645	\$	53,194
\$	79,163	\$	81,538	\$	83,984	\$	86,504	\$	89,099	\$	91,772	\$	94,525	\$	97,361	\$	100,281	\$	103,290	\$	106,389
\$	60,672	\$	62,492	\$	64,367	\$	66,298	\$	68,287	\$	70,335	\$	72,445	\$	74,619	\$	76,857	\$	79,163	\$	81,538
\$	1,237,884	\$	1,273,535	\$	1,310,226	\$	1,347,986	\$	1,386,849	\$	1,426,846	\$	1,468,011	\$	1,510,378	\$	1,553,983	\$	1,598,861	\$	1,645,051
\$	1,733,891	\$	1,757,676	\$	1,781,610	\$	1,805,686	\$	1,829,896	\$	1,854,234	\$	1,878,691	\$	1,903,258	\$	1,927,926	\$	1,952,686	\$	1,977,527
\$	979,029	\$	978,396	\$	977,727	\$	977,023	\$	976,280	\$	975,497	\$	974,672	\$	973,802	\$	972,895	\$	971,919	\$	970,902
\$	96,643	\$	96,680	\$	96,738	\$	96,788	\$	96,839	\$	96,892	\$	96,946	\$	97,002	\$	97,060	\$	97,119	\$	97,180
\$	1,075,672	\$	1,075,085	\$	1,074,465	\$	1,073,811	\$	1,073,119	\$	1,072,389	\$	1,071,618	\$	1,070,804	\$	1,069,945	\$	1,069,039	\$	1,068,082
\$	658,219	\$	682,591	\$	707,144	\$	731,875	\$	756,777	\$	781,845	\$	807,073	\$	832,454	\$	857,981	\$	883,647	\$	908,445
1.77		1.80		1.82		1.85		1.87		1.90		1.93		1.95		1.98		2.01		2.04	
1.61		1.63		1.66		1.68		1.71		1.73		1.75		1.78		1.80		1.83		1.85	
42%		42%		42%		43%		43%		43%		44%		44%		45%		45%		45%	
74%		74%		73%		73%		73%		72%		72%		72%		72%		71%		71%	

Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40
\$ 3,604,264	\$ 3,860,350	\$ 3,957,956	\$ 4,037,116	\$ 4,117,858	\$ 4,200,215	\$ 4,284,219	\$ 4,368,904	\$ 4,457,302	\$ 4,546,448	\$ 4,637,377
\$ 85,241	\$ 86,945	\$ 88,684	\$ 90,458	\$ 92,267	\$ 94,112	\$ 95,995	\$ 97,915	\$ 99,873	\$ 101,870	\$ 103,908
\$ 3,889,505	\$ 3,967,295	\$ 4,046,641	\$ 4,127,574	\$ 4,210,125	\$ 4,294,328	\$ 4,380,214	\$ 4,467,818	\$ 4,557,175	\$ 4,648,318	\$ 4,741,285
\$ (155,580)	\$ (158,692)	\$ (161,886)	\$ (165,103)	\$ (168,405)	\$ (171,773)	\$ (175,209)	\$ (178,713)	\$ (182,287)	\$ (185,933)	\$ (189,651)
\$ (38,895)	\$ (39,673)	\$ (40,466)	\$ (41,276)	\$ (42,101)	\$ (42,943)	\$ (43,802)	\$ (44,678)	\$ (45,572)	\$ (46,483)	\$ (47,413)
\$ 3,685,030	\$ 3,768,930	\$ 3,844,309	\$ 3,921,195	\$ 3,999,619	\$ 4,079,611	\$ 4,161,203	\$ 4,244,427	\$ 4,329,316	\$ 4,415,902	\$ 4,504,220
\$ 212,070	\$ 218,432	\$ 224,985	\$ 231,734	\$ 238,686	\$ 245,847	\$ 253,222	\$ 260,819	\$ 268,644	\$ 276,703	\$ 285,004
\$ 273,951	\$ 282,169	\$ 290,634	\$ 299,353	\$ 308,334	\$ 317,584	\$ 327,112	\$ 336,925	\$ 347,033	\$ 357,444	\$ 368,167
\$ 184,751	\$ 188,447	\$ 192,215	\$ 196,060	\$ 199,981	\$ 203,981	\$ 208,060	\$ 212,221	\$ 216,466	\$ 220,795	\$ 225,211
\$ 82,185	\$ 84,651	\$ 87,190	\$ 89,806	\$ 92,500	\$ 95,275	\$ 98,133	\$ 101,077	\$ 104,110	\$ 107,233	\$ 110,450
\$ 399,066	\$ 411,037	\$ 423,369	\$ 436,070	\$ 449,152	\$ 462,626	\$ 476,505	\$ 490,800	\$ 505,524	\$ 520,690	\$ 536,311
\$ 146,107	\$ 150,490	\$ 155,005	\$ 159,655	\$ 164,445	\$ 169,378	\$ 174,459	\$ 179,693	\$ 185,084	\$ 190,637	\$ 196,356
\$ 146,107	\$ 150,490	\$ 155,005	\$ 159,655	\$ 164,445	\$ 169,378	\$ 174,459	\$ 179,693	\$ 185,084	\$ 190,637	\$ 196,356
\$ 54,750	\$ 56,434	\$ 58,127	\$ 59,871	\$ 61,667	\$ 63,517	\$ 65,422	\$ 67,385	\$ 69,407	\$ 71,489	\$ 73,633
\$ 109,580	\$ 112,868	\$ 116,254	\$ 119,741	\$ 123,334	\$ 127,034	\$ 130,845	\$ 134,770	\$ 138,813	\$ 142,977	\$ 147,267
\$ 83,984	\$ 86,504	\$ 89,059	\$ 91,772	\$ 94,525	\$ 97,361	\$ 100,281	\$ 103,290	\$ 106,389	\$ 109,590	\$ 112,868
\$ 1,692,591	\$ 1,741,522	\$ 1,791,883	\$ 1,843,717	\$ 1,897,068	\$ 1,951,980	\$ 2,008,500	\$ 2,066,674	\$ 2,126,552	\$ 2,188,184	\$ 2,251,622
\$ 2,002,438	\$ 2,077,409	\$ 2,052,426	\$ 2,077,478	\$ 2,102,561	\$ 2,127,631	\$ 2,152,704	\$ 2,177,753	\$ 2,202,764	\$ 2,227,718	\$ 2,252,599
\$ 969,829	\$ 968,700	\$ 967,510	\$ 966,257	\$ 964,937	\$ 963,547	\$ 962,136	\$ 960,706	\$ 959,255	\$ 957,784	\$ 956,295
\$ 97,243	\$ 97,308	\$ 97,375	\$ 97,444	\$ 97,515	\$ 97,588	\$ 97,663	\$ 97,741	\$ 97,820	\$ 97,903	\$ 97,987

\$	1,067,073	\$	1,066,008	\$	1,064,885	\$	1,063,701	\$	1,062,452	\$	1,061,135	\$	1,059,799	\$	1,060,137	\$	1,060,485	\$	1,060,843	\$	1,061,213
\$	935,365	\$	961,400	\$	987,541	\$	1,013,777	\$	1,040,099	\$	1,066,496	\$	1,092,904	\$	1,117,616	\$	1,142,279	\$	1,166,876	\$	1,191,386
2.06		2.09		2.12		2.15		2.18		2.21		2.24		2.26		2.29		2.31		2.34	
1.88		1.90		1.93		1.95		1.98		2.01		2.03		2.05		2.08		2.10		2.12	
46%		46%		47%		47%		47%		48%		48.3%		48.7%		49.1%		49.5%		50.0%	
71%		71%		71%		70%		70%		70%		70.0%		70.0%		69.9%		69.9%		69.9%	

**STATE BOARD OF ADMINISTRATION  
1801 HERMITAGE BOULEVARD  
TALLAHASSEE, FLORIDA 32308**

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**TO:** Ash Williams  
**FROM:** Robert Copeland  
**SUBJECT:** Fiscal Determination  
**DATE:** November 9, 2018

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**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$11,000,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, 2018 (SERIES TO BE DESIGNATED) (AMBAR KEY)**

The Florida Housing Finance Corporation has submitted for approval as to fiscal determination a proposal to issue an amount not exceeding \$11,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2018 (series to be designated) (the "Bonds") for the purpose of financing the new construction of an affordable housing community located in Miami-Dade County, Florida (Ambar Key). The Bonds shall be payable as to principal, premium (if any), and interest solely out of revenues and other amounts pledged therefor, and shall not be secured by the full faith and credit of the State of Florida.

**RECOMMENDATION:** It is recommended that, pursuant to the fiscal determination requirements of Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, and in reliance upon information provided by the Florida Housing Finance Corporation, the Board find and determine that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements. The Board does not assume any responsibility for, and makes no warranty (express or implied) with respect to any aspect of this bond issue.

cc: Janie Knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA  
MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE  
OF AN AMOUNT NOT EXCEEDING \$11,000,000 FLORIDA HOUSING FINANCE  
CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS,  
2018 (SERIES TO BE DESIGNATED) (AMBAR KEY)**

**WHEREAS**, the Florida Housing Finance Corporation (the "Corporation") proposes to issue an amount not exceeding \$11,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2018 (series to be designated) (the "Bonds") for the purpose of financing the new construction of an affordable housing community located in Miami-Dade County, Florida (Ambar Key); and,

**WHEREAS**, the Corporation has requested the State Board of Administration of Florida (the "Board") to make the fiscal determination required by Section 420.509, Florida Statutes, as stated in Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended (the "Florida Constitution"); and,

**WHEREAS**, the Bonds shall be secured by a Trust Indenture; and,

**WHEREAS**, in accordance with Section 420.509, Florida Statutes, the principal of and all interest and any premium on the Bonds shall be payable solely out of revenues and other amounts pledged therefor, as described in the Trust Indenture and other required documents, and shall not be secured by the full faith and credit of the State of Florida; and,

**WHEREAS**, the cash flow analysis furnished by the Corporation shows that in no State fiscal year will the debt service requirements of the Bonds proposed to be issued and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements; and,

**WHEREAS**, the Corporation has furnished sufficient information to enable the State Board of Administration of Florida to fulfill its duties pursuant to Section 420.509(2), Florida Statutes; and,

**WHEREAS**, the Board has relied upon information from others, including the Corporation, but has not independently verified the accuracy or completeness of such information; and,

**WHEREAS**, the Board's determination pursuant to Section 16(c) of Article VII of the Florida Constitution and Section 420.509(2), Florida Statutes, is limited to a review of the matters essential to making such determination and the Board does not approve or disapprove of the Bonds as investments and has not passed upon the accuracy or adequacy of the Trust Indenture or any other required documents; **Now, Therefore,**



**BE IT RESOLVED**, by the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Florida Constitution, that in connection with the issuance of the Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2018 (series to be designated) (Ambar Key), in an amount not exceeding \$11,000,000, for the uses and purposes hereinabove set forth, it makes the fiscal determination required by Section 420.509, Florida Statutes.

Accordingly, as required by Section 16(c) of Article VII of the Florida Constitution, the Board finds and determines that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues, as defined in Section 420.503, Florida Statutes and described in the Trust Indenture, which are available for payment of such debt service requirements.

**ADOPTED** November 30, 2018

**STATE OF FLORIDA)**

**:**

**COUNTY OF LEON )**

**I, Ashbel C. Williams**, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting November 30, 2018, making the fiscal determination in connection with the issuance of an amount not exceeding \$11,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2018 (series to be designated) (Ambar Key).

**IN WITNESS WHEREOF**, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 30th day of November 2018.

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**Ashbel C. Williams, Executive Director & CIO**

**(SEAL)**

November 9, 2018

VIA EMAIL

Mr. Ash Williams  
Executive Director/Chief Investment Officer  
State Board of Administration  
P.O. Box 13300  
Tallahassee, Florida 32317-3300

RE: FHFC Multifamily Mortgage Revenue Bonds  
Ambar Key Homes and Ambar Key

Dear Mr. Williams:

On behalf of Florida Housing Finance Corporation ("Florida Housing or "FHFC"), I am submitting a cash flow analysis for the approval of fiscal determination for both of the above-referenced bond issues prepared by RBC Capital Markets. Florida Housing endorses these analyses and believes they will show sufficient coverage.

We request that both of these items be placed on the agenda for approval at the State Board of Administration's November 20, 2018 telephonic Cabinet meeting, due to financing and closing schedules.

Should you or your staff have any questions or concerns with respect to these transactions, please feel free to call me at (850) 488-4197. Thank you for your consideration.

Sincerely,



Tim Kennedy  
Assistant Director of Multifamily Programs

TK/jg

Enclosures

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Rick Scott, Governor

Board of Directors: Ray Dubuque, Chairman • Ron Lieberman, Vice Chairman  
Natacha Bastian • Renier Díaz de la Portilla • LaTasha Green-Cobb • Creston Leifried • Bernard "Barney" Smith • Mario Facella  
Julie Dennis, Florida Department of Economic Opportunity  
Harold "Trey" Price, Executive Director

**\$8,850,000**  
**Florida Housing Finance Corporation**  
**Multifamily Mortgage Revenue Bonds**

**Ambar Key**

**Combined Debt Coverage Table**

	Revenue	Bond Payments (3) (4)		SAIL Loan Interest + Fees (5)	Bond Fee Payments		Total Debt Service	Debt Service Coverage		Note/Bond Balance
	Net Operating Income (1)	Principal (2)	Interest 4.81%		Compliance Monitoring	Issuer + PLS + Trustee Fees		Bond Debt Service DCR	Total DCR with Fees	
<b>YR 1</b>	\$ 718,566	\$ 99,672	\$ 423,507	\$ 95,648	\$ 3,084	\$ 28,272	\$ 650,183	1.37	1.11	\$ 8,850,000
<b>YR 2</b>	727,821	\$ 104,573	\$ 418,605	\$ 95,676	\$ 3,177	\$ 28,033	\$ 650,064	1.39	1.12	\$ 8,645,755
<b>YR 3</b>	737,109	\$ 109,716	\$ 413,463	\$ 95,704	\$ 3,272	\$ 27,782	\$ 649,936	1.41	1.13	\$ 8,536,039
<b>YR 4</b>	746,424	\$ 115,111	\$ 408,068	\$ 95,733	\$ 3,370	\$ 27,518	\$ 649,800	1.43	1.15	\$ 8,420,928
<b>YR 5</b>	755,763	\$ 120,772	\$ 402,407	\$ 95,763	\$ 3,471	\$ 27,242	\$ 649,655	1.44	1.16	\$ 8,300,156
<b>YR 6</b>	765,120	\$ 126,710	\$ 396,468	\$ 95,794	\$ 3,575	\$ 26,952	\$ 649,501	1.46	1.18	\$ 8,173,446
<b>YR 7</b>	774,492	\$ 132,941	\$ 390,237	\$ 95,826	\$ 3,682	\$ 26,648	\$ 649,336	1.48	1.19	\$ 8,040,504
<b>YR 8</b>	783,874	\$ 139,479	\$ 383,700	\$ 95,859	\$ 3,793	\$ 26,329	\$ 649,160	1.50	1.21	\$ 7,901,026
<b>YR 9</b>	793,260	\$ 146,338	\$ 376,841	\$ 95,893	\$ 3,907	\$ 25,994	\$ 648,973	1.52	1.22	\$ 7,754,688
<b>YR 10</b>	802,645	\$ 153,534	\$ 369,645	\$ 95,928	\$ 4,024	\$ 25,643	\$ 648,774	1.53	1.24	\$ 7,601,154
<b>YR 11</b>	812,023	\$ 161,084	\$ 362,095	\$ 95,964	\$ 4,145	\$ 25,275	\$ 648,562	1.55	1.25	\$ 7,440,071
<b>YR 12</b>	821,389	\$ 169,005	\$ 354,174	\$ 96,001	\$ 4,269	\$ 24,888	\$ 648,337	1.57	1.27	\$ 7,271,066
<b>YR 13</b>	830,736	\$ 177,316	\$ 345,863	\$ 96,039	\$ 4,397	\$ 24,483	\$ 648,097	1.59	1.28	\$ 7,093,750
<b>YR 14</b>	840,057	\$ 186,035	\$ 337,144	\$ 96,078	\$ 4,529	\$ 24,057	\$ 647,843	1.61	1.30	\$ 6,907,715
<b>YR 15</b>	7,757,061	\$ 6,907,715	\$ 327,995	\$ 96,119	\$ 4,665	\$ 23,611	\$ 7,360,104	1.07	1.05	\$ -
	-	\$ 8,850,000	\$ 5,710,213	\$ 1,438,024	\$ 57,359	\$ 392,728				

(1) NOI based on 'Projected Operating Revenue' Schedule.

(2) Based on estimated Bond sinking fund schedule.

(3) The Bond Interest Rate is based on current market conditions for a 2 year forward starting swap with a 15 year term. The estimated interest rate of 4.81% includes a 25 bp cushion.

(4) The Bonds have a 15 year term with amortizing debt service based on a 35 year schedule. Upon the maturity date in 15 years, the Borrower will satisfy the remaining balance via refinancing, or proceeds from the sale of the Development. In the event a refinance or sale of the asset is not feasible, the debt obligation will be satisfied via a "Mortgage Assignment" without causing an event of default. In such case, the Bondholder will present the Bonds to the Trustee for cancellation and in exchange will receive an assignment of the mortgage and related collateral. In the final year, the Net Operating Income includes an amount to fully repay the Bonds.

(5) The Subordinate Mortgage debt service repayments are all contingent upon available cash flow after all other fees, expenses and senior mortgage debt service payments.

# Memo

**TO:** Ashbel C. Williams, Executive Director & CIO

**THRU:** Anne Bert, Chief Operating Officer, FHCF

**FROM:** Leonard E. Schulte, Director of Legal Analysis & Risk Evaluation, FHCF

**DATE:** November 16, 2018

**SUBJECT:** Trustees Meeting, November 30, 2018

Request approval of, and authority to file, a Notice of Proposed Rule for Rule 19-8.010, F.A.C., Reimbursement Contract, and to file this Rule along with the incorporated forms for adoption if no member of the public timely requests a rule hearing or if a hearing is requested and no Notice of Change is needed.

Request approval of, and authority to file, a Notice of Proposed Rule for Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities, and to file this Rule along with the incorporated forms for adoption if no member of the public timely requests a rule hearing or if a hearing is requested and no Notice of Change is needed.

Request approval of a State Board of Administration Resolution regarding the termination of emergency assessments collected by the Florida Surplus Lines Service Office.

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## **SBA AGENDA ITEM 3. RULE 19-8.010, F.A.C., REIMBURSEMENT CONTRACT**

### **BACKGROUND AND SUMMARY OF RULE AND INCORPORATED FORM CHANGES:**

The Florida Hurricane Catastrophe Fund (FHCF) provides reimbursement to insurers writing residential property insurance in Florida for a portion of their hurricane losses. All admitted insurers covering residential property in Florida must obtain coverage from the FHCF, which is provided through the Reimbursement Contract.

The SBA has a statutory deadline of February 1 for adoption of the Reimbursement Contract for the contract year that begins on June 1 and runs through the following May 31.

The proposed rule adopts the Reimbursement Contract for the 2019-2020 contract year.

The proposed rule includes several changes to simplify the Reimbursement Contract, in addition to updating the dates to reflect the 2019-2020 contract year and making other nonsubstantive editorial changes and corrections. The major changes from the prior year's contract are as follows:

- Redefining “residential structure” and revising several coverage exclusions to provide that the short-term rental status of a dwelling unit will no longer be considered in determining whether a structure is residential (and therefore covered by the FHCF), or non-residential (and therefore excluded from coverage).
- Providing an exclusion for personal property coverage where that coverage is not included in a homeowner's, mobile home owner's, condominium unit owner's, or tenant's policy or other policy covering a Residential Structure, or in an endorsement to such a policy.
- Revising procedures relating to the use of a panel of actuaries to resolve disputes about the valuation of losses within the commutation process.

Additional detail is provided in the attached Summary of Changes.

**EXTERNAL INTEREST:** The notice of rule development was published in the *Florida Administrative Register* on August 3, 2018, Vol. 44, No. 151. A rule development workshop was held on August 20, 2018. Representatives of the FHCF attended and presented the rule and incorporated forms. The rule and forms were presented, discussed, and favorably recommended by the FHCF Advisory Council at a public meeting on August 21, 2018.

**ACTION REQUESTED:** It is requested that the proposed amendments to this rule along with the incorporated forms be presented to the State Board of Administration Trustees on November 30, 2018, with a request to approve the filing of this rule for Notice of Proposed Rule and to approve filing for adoption with the Department of State if no member of the public timely requests a rule hearing or if a rule hearing is requested but no Notice of Change is necessary. A notice of the meeting of the Board will be published in the *Florida Administrative Register* on November 19, 2018, Vol. 44, No. 225.

**ATTACHMENTS TO BE INCLUDED WITH SBA AGENDA ITEM 3:**

- Summary of Changes, Rule 19-8.010, F.A.C.
- Notice of Proposed Rule, Rule 19-8.010, F.A.C.
- Notice of Meeting of Board as filed in the *Florida Administrative Register*
- **Rule 19-8.010, F.A.C.**, Reimbursement Contract
- 2019 Incorporated Forms: **FHCF-2019K**, Reimbursement Contract; **FHCF-2019K-1**, Addendum 1 with Appendix A (Citizens).

The rule and all forms show the proposed amendments with new language underscored and deleted language ~~stricken through~~.

## **SBA AGENDA ITEM 4. RULE 19-8.029, F.A.C., INSURER REPORTING REQUIREMENTS AND RESPONSIBILITIES**

### **BACKGROUND AND SUMMARY OF RULE AND INCORPORATED FORM CHANGES:**

By September 1 of each year, insurers participating in the FHCF are statutorily required to report their insured values of covered properties (known as “exposures”) as of June 30 of that year. These exposure reports form the basis for determining the FHCF’s overall premium needs and each insurer’s premium liability.

In order to assure accuracy and compliance, the FHCF examines insurers as to both exposure and claims. The FHCF provides instructions to enable insurers to prepare for their examinations and to specify particular requirements of the examination process.

Rule 19-8.029, F.A.C., adopts several forms to address these exposure reporting and examination requirements.

The proposed rule adopts the exposure reporting requirements (Form FHCF-D1A, known as the “Data Call”) and examination instructions for the 2019-2020 contract year. In addition to nonsubstantive editorial and clarifying changes, the 2019-2020 Data Call:

- Conforms exposure reporting requirements to the revisions of the Reimbursement Contract relating to short-term rentals and personal property coverage.
- Simplifies the process for determining coverage for mixed-occupancy structures.
- Requires electronic submission of specified documents that must be submitted before an examination.

The proposed rule also adopts the following forms as revised for the 2019-2020 FHCF contract year: Form FHCF-LIA, Interim Loss Report; Form FHCF-L1B, Proof of Loss Report; Form FHCF-DCL Detailed Claims Listing Instructions; Form FHCF-EAP1, Exposure Examination—Contract Year 2019 Advance Preparation Instructions; and Form FHCF-LAP1, Claims Examination—Contract Year 2019 Advance Preparation Instructions.

In addition to nonsubstantive editorial changes and updates to these forms, the Claims Examination Advance Preparation Instructions are substantially revised to require that specified advance records be submitted electronically using the FHCF *WIRE* and FHCF Online Claims systems.

Additional detail is provided in the attached Summary of Changes.

**EXTERNAL INTEREST:** A rule development workshop was held on October 9, 2018. Representatives of the FHCF attended and presented the rule and incorporated forms. The notice of rule development was published in the *Florida Administrative Register* on September 25, 2018, Vol. 44, No. 187. The rule and forms were presented, discussed, and favorably recommended by the FHCF Advisory Council at a public meeting on October 9, 2018.

**ACTION REQUESTED:** It is requested that the proposed amendments to this rule along with the incorporated forms be presented to the State Board of Administration Trustees on November 30, 2018, with a request to approve the filing of this rule for Notice of Proposed Rule and to

approve filing for adoption with the Department of State if no member of the public timely requests a rule hearing or if a rule hearing is requested but no Notice of Change is necessary. A notice of the meeting of the Board will be published in the *Florida Administrative Register* on November 19, 2018, Vol. 44, No. 225.

#### **ATTACHMENTS TO BE INCLUDED WITH SBA AGENDA ITEM 4:**

- Summary of Changes, Rule 19-8.029, F.A.C.
- Notice of Proposed Rule, Rule 19-8.029, F.A.C.
- Notice of Meeting of Board as filed in the *Florida Administrative Register*
- **Rule 19-8.029, F.A.C.**, Insurer Reporting Requirements and Responsibilities
- 2019 Incorporated Forms: **FHCF-D1A**, Florida Hurricane Catastrophe Fund 2019 Data Call; **FHCF-L1A**, Contract Year 2019 Interim Loss Report; **FHCF-L1B**, Contract Year 2019 Proof of Loss Report; **FHCF-DCL**, Contract Year 2019 Detailed Claims Listing Instructions; **FHCF-EAP1**, Exposure Examination—Contract Year 2019 Advance Preparation Instructions; **FHCF-LAP1**, Claims Examination—Contract Year 2019 Advance Preparation Instructions.

The rule shows the proposed amendments with new language underscored and deleted language ~~stricken through~~.

#### **SBA AGENDA ITEM 5. APPROVAL OF A STATE BOARD OF ADMINISTRATION RESOLUTION REGARDING THE TERMINATION OF EMERGENCY ASSESSMENTS COLLECTED BY THE FLORIDA SURPLUS LINES SERVICE OFFICE**

**BACKGROUND:** In April 2010, a Resolution of the Trustees directed the Office of Insurance Regulation to levy emergency assessments to fund certain revenue bonds issued on behalf of the Florida Hurricane Catastrophe Fund. Four years later, by a Resolution adopted on June 17, 2014, the Trustees determined that adequate provision had been made for payment and defeasance of the bonds, and therefore directed the Office to terminate the emergency assessments with respect to policies issued or renewed on or after January 1, 2015. The Office issued two orders: one for the admitted insurance market and one for the surplus lines market. At the request of the Florida Surplus Lines Service Office (FSLSO), the surplus lines order was open-ended as to the issue of when remittances and data reporting would terminate. This allowed the FSLSO time to identify unfiled policies during their examination programs, which typically occur several years after the effective date of a policy.

Having determined that current remittances under the surplus lines order are now minimal and do not justify the cost of maintaining the accounts used for these remittances, it is recommended that the Trustees direct the Office to issue an order terminating surplus lines remittances on March 31, 2019. The FHCF has coordinated these efforts with the Office of Insurance Regulation and the FSLSO.



**ACTION REQUESTED:** It is requested that this proposed Resolution and the accompanying Office of Insurance Regulation Order be presented to the State Board of Administration Trustees for approval on November 30, 2018.

**ATTACHMENT TO BE INCLUDED WITH THE SBA AGENDA ITEM 5:**

- Proposed State Board of Administration Resolution and Office of Insurance Regulation Order providing for the termination of Florida Hurricane Catastrophe Fund emergency assessment remittances and reporting by the Florida Surplus Lines Service Office and other affected entities.

**Rule 19-8.010, F.A.C., and Incorporated Forms**  
**2019-2020 Contract Year**  
**Summary of Changes**  
**(As of August 23, 2018)**

**Rule**

**19-8.010, Reimbursement Contract (*August 14, 2018 Draft*)**

Deleted: Subsections (1) through (5), relating to Reimbursement Contracts for the Contract Years 2014-2015 through 2018-2019, are deleted as obsolete.

New: Subsection (1) is added to incorporate the Reimbursement Contract, including Amendments and Addenda, for the 2019-2020 Contract Year.

Renumbered: Former subsection (6), relating to early commutation for the 2016-2017 Contract Year, is renumbered as subsection (2).

New: Subsection (3) is added to provide insurers with an option for early commutation for the 2017-2018 Reimbursement Contract. Under the Contract, the FHCF and a participating insurer begin the commutation process between 36 months and 60 months after the end of the Contract Year, and the insurer must annually file a proof of loss until then. This new provision recognizes that insurers that did not sustain losses from 2017 Hurricane Irma or Hurricane Nate sufficient to trigger FHCF reimbursement may prefer to voluntarily begin the commutation process for 2017 before the end of the 36-month minimum. This is similar to the language in subsection (2) (former subsection (6)) of the rule relating to the 2016-2017 Contract Year, and to language in the current 2018-2019 Reimbursement Contract and the proposed 2019-2020 Reimbursement Contract.

Renumbered and edited: Former subsection (7), relating to how to obtain copies of the incorporated forms, is renumbered as subsection (4) and edited for clarity.

**Incorporated Forms**

***Rule 19-8.010, F.A.C., Incorporated Forms:***

**FHCF-2019K, Reimbursement Contract (*August 14, 2018 Draft*)**

Throughout: Technical changes to update references to the 2019-2020 Contract Year dates and nonsubstantive editorial or grammatical changes are made throughout the Contract.

## **PREAMBLE**

Nonsubstantive editorial changes only.

## **ARTICLE I – SCOPE OF AGREEMENT**

Nonsubstantive editorial changes only.

## **ARTICLE II – PARTIES TO THE CONTRACT**

Nonsubstantive editorial changes only.

## **ARTICLE III – TERM; EXECUTION**

In addition to nonsubstantive editorial changes, this article is revised for consistent use of the terms “Contract” and “Coverage Level.”

## **ARTICLE IV – LIABILITY OF THE FHCF**

This article is reorganized and edited to clarify the applicability of statutory limits on the FHCF’s liability.

## **ARTICLE V – DEFINITIONS**

Introductory language is added specifying that the definitions in this article reflect the terms as used in the Reimbursement Contract.

Subsection (1): The definition of “Actual Claims Paying Capacity of the FHCF” is edited for consistency with statutory language.

Subsection (2): The definition of “Actuarially Indicated” is edited for consistency with statutory language.

Subsection (6): The definition of “Balance of the Fund as of December 31 or Fund Balance” is moved to subsection (6) and edited for clarity.

Former subsections (6) and (7) are renumbered as (7) and (8), respectively.

Subsection (8): The definition of “Contract” is deleted as superfluous.

Subsection (10): “Coverage Level” is defined to mean the 90%, 75%, or 45% reimbursement level as elected by the insurer or deemed under the Contract.

Former subsection (10), the definition of “Covered Policy,” is renumbered as (11) and revised for clarity and to delete superfluous language.

Former subsections (11) and (12) are renumbered as (12) and (13), respectively.

Former subsection (13), the definition of “Excess Policy,” is renumbered as (14) and edited for clarity.

Former subsections (14) and (15), the definitions of “Florida Department of Financial Services” and “Florida Insurance Code,” respectively, are deleted as superfluous language.

Former subsection (16), the definition of “Formula or Premium Formula” is moved to new subsection (21).

Former subsection (17), the definition of “Fund Balance or Balance of the Fund as of December 31,” is moved to new subsection (6).

Former subsection (18), the definition of “Insurer Group,” is renumbered as subsection (15) and edited for clarity.

Subsection (16): “Limit” is defined to mean the maximum amount that the company may recover under the Reimbursement Contract.

Former subsection (19), the definition of “Loss,” is renumbered as (17) and edited for clarity.

Former subsection (20): The defined term “Loss Adjustment Expense Reimbursement” is replaced with “Loss Adjustment Expense Allowance,” to more clearly reflect the relevant contractual provisions. This subsection is also renumbered as (18) and edited for clarity.

Former subsection (21), the definition of “New Participant,” is renumbered as (19) and edited for clarity.

Former subsection (22), the definition of “Office of Insurance Regulation,” is deleted as superfluous language.

Former subsection (23), the definition of “Payout Multiple,” is renumbered as subsection (20) and edited for clarity.

Former subsection (24), the definition of “Premium,” is deleted as superfluous language.

Subsection (21): The definition of “Premium Formula” is moved to subsection (21) and edited for clarity.

Former subsection (25), the definition of “Projected Payout Multiple,” is renumbered as (22).

Former subsection (26) is renumbered as (23), revised to define the terms “Reimbursement Premium or Premium,” and edited for clarity.

Former subsection (27), the definition of “Residential Structure,” is renumbered as (24) and substantively revised. Under the revised definition, a “Residential Structure” includes:

- A unit or home insured under a personal lines residential policy, regardless of the terms of occupancy.
- A condominium structure or complex insured under a commercial lines policy without regard to the term of occupancy of individual units.
- A single structure that has a mix of commercial habitational and commercial non-habitational occupancies if 50% or more of the total insured value of the structure is used for habitational occupancies.
  - Note that in Article VI of the Contract as revised, the current exclusion for units used as transient rentals would be deleted, and exclusions for hotel, motel, timeshare, and similar occupancies and for retail, office, mercantile, manufacturing, and similar occupancies would be retained or clarified.

Former subsection (28), the definition of “Retention,” is renumbered as (25).

Former subsection (29), the definition of “Retention Multiple, is renumbered as (26) and edited for clarity.

Former subsection (30), the definition of “Ultimate Net Loss,” is renumbered as (27) and edited for clarity, and paragraph (e) is deleted as superfluous.

## **ARTICLE VI – EXCLUSIONS**

Subsection (1), relating to the exclusion for losses not defined as being within the scope of a Covered Policy, is revised to add language previously included in the definition of “Covered Policy” which excludes losses other than specified losses under the first-party property section of a policy.

Subsection (8) is revised to provide an exclusion for hotels, motels, timeshares, shelters, camps, retreats, or other similar structures.

New subsection (9) is added to provide an exclusion for retail, office, mercantile, or manufacturing facilities or similar structures. Substantively this exclusion is similar to the exclusion for “other rental property used solely for commercial purposes” that is currently part of subsection (8).

Former subsection (9) is renumbered as (10) and revised to exclude any exposure for condominium or homeowner associations if no Residential Structures are insured under the policy.

Former subsection (10), which excluded any exposure for homes or units that are non-owner-occupied and rented for six or more rental periods by different parties over a 12-month period, is deleted to conform to other changes made in the Contract.

Subsection (15), relating to builders risk coverage and residential structures under construction, is edited for clarity.

Subsection (22), relating to losses in excess of the FHCF’s liability limits, is edited for clarity.

Subsection (23), relating to liability assumed from pools, associations, and syndicates, is edited for clarity.

Subsection (26), relating to losses from water damage, is edited for clarity.

New subsection (27) is added to provide an exclusion for a policy providing personal property coverage separate from coverage of personal property included in a homeowner’s, mobile home owner’s, condominium unit owner’s, or tenant’s policy or other policy covering a Residential Structure, or in an endorsement to such a policy.

Former subsection (27), relating to exclusions for specialized fine arts and collectibles coverage, is renumbered as (28) and revised to apply only to coverage provided as an endorsement to a policy covering a Residential Structure, to be consistent with the new personal property exclusion in subsection (27).

Former subsection (28), relating to losses under liability coverages, is renumbered as (29).

Former subsection (29), which provided an exclusion for a condominium structure in which more than 50% of the units are non-owner-occupied and rented for six or more rental periods by different parties over a 12-month period, is deleted. This deletion provides consistency with changes in the definition of “Residential Structure” that provide that the term of occupancy of individual units

will no longer be considered in determining whether a condominium structure is a residential structure.

Former subsection (30), which provided an exclusion for any structure used exclusively or predominantly for non-dwelling or non-habitation purposes, is deleted as no longer being necessary in light of the revised exclusions in subsection (8), relating to hotels and similar structures and subsection (9), relating to mercantile and similar structures.

## **ARTICLE VIII – REIMBURSEMENT ADJUSTMENTS**

Nonsubstantive editorial changes only.

## **ARTICLE IX – REIMBURSEMENT PREMIUM**

Editorial changes for consistent use of the term “Reimbursement Premium.”

## **ARTICLE X – REPORTS AND REMITTANCES**

Subsection (2), relating to Reimbursement Premium, is edited for clarity and to conform to other changes in the Contract.

Subsection (3), relating to Losses, is edited for clarity. In addition, paragraph (d) of subsection (3), relating to Commutation, is revised as follows:

- Provisions relating to the loss valuation process are revised to specify that the loss valuation process may begin only after the resolution of other outstanding issues, and will be suspended if other issues arise during the process.
- The procedures involving review of differences in valuation by a panel of three actuaries will be initiated by either party providing notice to the other party that they are at an impasse with respect to valuation and specifying the amounts in dispute.
- Procedures for submission of information to the panel are revised to provide that each party will submit its statement of the case to the panel within 30 days after appointment, and may submit a response to the other party’s statement within 15 days after receipt. Ex parte communications are prohibited.

Subsections (4), relating to advances, and (5), relating to inadequate data submissions, are edited for clarity and to conform to other changes made in the Contract.

## **ARTICLE XI – TAXES**

Editorial changes for consistent use of the term “Reimbursement Premium.”

## **ARTICLE XIII – INSPECTION OF RECORDS**

Nonsubstantive editorial changes only.

## **ARTICLE XIV – OFFSETS**

Editorial changes for consistent use of the term “Reimbursement Premium.”

## **ARTICLE XV – INSOLVENCY OF THE COMPANY**

Nonsubstantive editorial changes only.

## **ARTICLE XX – REIMBURSEMENT CONTRACT ELECTIONS**

Editorial changes for consistent use of the term “Coverage Level.”

## **Addendum No. 1 (and Appendix A), Citizens (liquidating insurers):**

Dates are updated to reflect the 2019-2020 Contract Year dates.



## Notice of Proposed Rule

### STATE BOARD OF ADMINISTRATION

#### RULE NO.: RULE TITLE:

19-8.010: Reimbursement Contract

PURPOSE AND EFFECT: The State Board of Administration of Florida, Florida Hurricane Catastrophe Fund, seeks to amend the rule listed above to implement Section 215.555, F.S.

SUMMARY: The rule is being amended to adopt the 2019-2020 Reimbursement Contract, including Addenda. In addition, the rule is being amended to provide an alternative procedure for commutation of Contract Year 2017-2018 losses and obsolete material is being removed.

#### SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the Agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: A Reimbursement Contract meeting the requirements set forth in Section 215.555, F.S., must be adopted annually pursuant to Section 215.555(4) and (16)(b), F.S. Upon review of the proposed changes to the upcoming Contract Year's Reimbursement Contract, which is incorporated into Rule 19-8.010, F.A.C., Reimbursement Contract, the State Board of Administration of Florida has determined that the preparation of a Statement of Estimated Regulatory Costs is not necessary and that this rule does not meet the statutory threshold for ratification by the Legislature. The changes to this rule also do not directly or indirectly have an adverse impact on economic growth, private sector job creation or employment, or private sector investment, business competitiveness, or innovation or increase regulatory costs, including any transactional costs, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

RULEMAKING AUTHORITY: 215.555(3), F.S.

LAW IMPLEMENTED: 215.555(2), (3), (4), (5), (6), (7), (10), (16), F.S.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE DATE, TIME AND PLACE SHOWN BELOW (IF NOT REQUESTED, THIS HEARING WILL NOT BE HELD):

DATE AND TIME: December 28, 2018, 10:00 a.m. (ET) to 11:00 a.m. (ET).

PLACE: Hermitage Centre Conference Room, Hermitage Centre, 1801 Hermitage Boulevard, Tallahassee, FL 32308. Persons wishing to participate by phone may dial (888) 670-3525 and enter conference code 7135858151.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 7 days before the workshop/meeting by contacting: Donna Sirmons, Florida Hurricane Catastrophe Fund, 1801 Hermitage Blvd., Tallahassee, FL 32308, (850) 413-1349, donna.sirmons@sbafla.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Donna Sirmons at the number or email listed above.

THE FULL TEXT OF THE PROPOSED RULE IS:

### 19-8.010 Reimbursement Contract.

~~(1) The reimbursement contract for the 2014 2015 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref 03348>, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF 2014K “Reimbursement Contract” or “Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. 12/13 is hereby adopted and incorporated by reference into this rule. This contract is effective from June 1, 2014 through May 31, 2015.~~

~~(2) The reimbursement contract for the 2015 2016 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref 04711>, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF 2015K “Reimbursement Contract” or “Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), <http://www.flrules.org/Gateway/reference.asp?No=ref 05417>, rev. 11/14 is hereby adopted and incorporated by reference into this rule. In addition, Form 2015K-2, Amendment No. 1 to the Reimbursement Contract, is also adopted and incorporated by reference into this rule. This contract is effective from June 1, 2015 through May 31, 2016.~~

~~(3) The reimbursement contract for the 2016 2017 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref 06219>, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF 2016K “Reimbursement Contract” or “Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. 12/15 is hereby adopted and incorporated by reference into this rule. This contract is effective from June 1, 2016 through May 31, 2017.~~

~~(4) The reimbursement contract for the 2017 2018 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref 07504>, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF 2017K “Reimbursement Contract” or “Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. 11/16 is hereby adopted and incorporated by reference into this rule. This contract is effective from June 1, 2017 through May 31, 2018.~~

~~(5) The reimbursement contract for the 2018 2019 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref 08825>, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF 2018K “Reimbursement Contract” or “Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. 12/17 is hereby adopted and incorporated by reference into this rule. This contract is effective from June 1, 2018 through May 31, 2019.~~

(1) The reimbursement contract for the 2019-2020 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref-XXXXX>, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF-2019K-“Reimbursement Contract” or “Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. XX/19 is hereby adopted and incorporated by reference into this rule. This contract is effective from June 1, 2019 through May 31, 2020.

(2)(6) In recognition of the fact that few, if any, companies sustained losses from Hurricanes Hermine and Matthew in 2016 in amounts sufficient to exceed their FHCF retention, and that, notwithstanding the limitations of Art. X(3)(d) of the 2016-2017 Reimbursement Contract, companies may wish to complete a commutation for zero dollars earlier than 36 months after the end of the 2016-2017 contract year, which is the earliest date for commutation allowed under that provision of the Reimbursement Contract. Therefore, with respect to the 2016-2017 Reimbursement Contract, a company and the SBA may mutually agree to initiate and complete a commutation for zero dollars prior to the end of the 36-month period referred to in Art. X(3)(d). Such early commutation, once completed, eliminates the mandatory Proof of Loss requirements under Art. X(3)(b)3. and 4. for all reporting periods subsequent to the completion of the commutation.

(3) In recognition of the fact that many companies did not sustain losses from Hurricane Irma in 2017 in amounts

sufficient to exceed their FHCF retention, and few, if any, companies sustained losses from Hurricane Nate in 2017 in amounts sufficient to exceed their FHCF retention, and that, notwithstanding the limitations of Art. X(3)(d) of the 2017-2018 Reimbursement Contract, companies may wish to complete a commutation for zero dollars earlier than 36 months after the end of the 2017-2018 contract year, which is the earliest date for commutation allowed under that provision of the Reimbursement Contract. Therefore, with respect to the 2017-2018 Reimbursement Contract, a company and the SBA may mutually agree to initiate and complete a commutation for zero dollars for either or both hurricanes prior to the end of the 36-month period referred to in Art. X(3)(d). Such early commutation, once completed, eliminates the mandatory Proof of Loss requirements under Art. X(3)(b)3. and 4. for all reporting periods subsequent to the completion of the commutation.

(4)(7) Copies of the reimbursement contract form may be obtained by accessing from the FHCF website, at [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf), or by submitting a written request to contacting the State Board of Administration at. The mailing address is P. O. Box 13300, Tallahassee, Florida 32317-3300; or by calling. The street address is 1801 Hermitage Blvd., Tallahassee, Florida 32308 and the telephone number is (850) 413-1335.

*Rulemaking Authority 215.555(3) FS. Law Implemented 215.555 FS. History--New 5-31-94, Amended 8-29-95, 5-19-96, 6-19-97, 5-28-98, 5-17-99, 9-13-99, 6-19-00, 6-3-01, 6-2-02, 11-12-02, 5-13-03, 5-19-04, 8-29-04, 5-29-05, 11-13-05, 5-10-06, 9-5-06, 5-8-07, 8-13-07, 6-8-08, 9-2-08, 3-30-09, 8-23-09, 3-29-10, 8-8-10, 12-12-10, 9-11-11, 12-19-11, 11-18-12, 12-2-13, 11-12-14, 6-2-15, 1-3-16, 11-9-16, 12-6-17, X-X-19.*

NAME OF PERSON ORIGINATING PROPOSED RULE: Anne T. Bert, FHCF Chief Operating Officer, State Board of Administration of Florida.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: The Trustees of the State Board of Administration of Florida.

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: November 30, 2018

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: August 3, 2018

## Notice of Meeting/Workshop Hearing

### **STATE BOARD OF ADMINISTRATION**

RULE NO.: RULE TITLE:

[19-8.010](#): Reimbursement Contract

[19-8.029](#): Insurer Reporting Requirements and Responsibilities

The State Board of Administration of Florida (SBA) announces a public meeting to which all persons are invited.

DATE AND TIME: November 30, 2018, 12:00 noon (ET) to conclusion of the meeting.

PLACE: Cabinet Meeting Room, Lower Level, The Capitol, Tallahassee, Florida.

GENERAL SUBJECT MATTER TO BE CONSIDERED: This is a meeting of the Trustees of the SBA to obtain approval to file Rule 19-8.010, F.A.C., Reimbursement Contract, and Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities, for Notice of Proposed Rule and to file these rules, along with the incorporated forms, for adoption if no member of the public timely requests a hearing or if a hearing is requested and no Notice of Change is needed. The meeting will also request approval of a resolution regarding the termination of emergency assessment remittances and reporting by the Florida Surplus Lines Service Office and certain other entities. In addition, other general business may be addressed.

A copy of the agenda may be obtained by contacting: Not available.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 5 days before the workshop/meeting by contacting: Donna Sirmons at (850) 413-1349 or donna.sirmons@sbafla.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

**19-8.010 Reimbursement Contract.**

~~(1) The reimbursement contract for the 2014-2015 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref-03348>, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF 2014K “Reimbursement Contract” or “Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. 12/13 is hereby adopted and incorporated by reference into this rule. This contract is effective from June 1, 2014 through May 31, 2015.~~

~~(2) The reimbursement contract for the 2015-2016 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref-04711>, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF 2015K “Reimbursement Contract” or “Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), <http://www.flrules.org/Gateway/reference.asp?No=ref-05417>, rev. 11/14 is hereby adopted and incorporated by reference into this rule. In addition, Form 2015K-2, Amendment No. 1 to the Reimbursement Contract, is also adopted and incorporated by reference into this rule. This contract is effective from June 1, 2015 through May 31, 2016.~~

~~(3) The reimbursement contract for the 2016-2017 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref-06219>, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF 2016K “Reimbursement Contract” or “Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. 12/15 is hereby adopted and incorporated by reference into this rule. This contract is effective from June 1, 2016 through May 31, 2017.~~

~~(4) The reimbursement contract for the 2017-2018 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref-07504>, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF 2017K “Reimbursement Contract” or “Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. 11/16 is hereby adopted and incorporated by reference into this rule. This contract is effective from June 1, 2017 through May 31, 2018.~~

~~(5) The reimbursement contract for the 2018-2019 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref-08825>, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF 2018K “Reimbursement Contract” or “Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. 12/17 is hereby adopted and incorporated by reference into this rule. This contract is effective from June 1, 2018 through May 31, 2019.~~

(1) The reimbursement contract for the 2019-2020 contract year, <http://www.flrules.org/Gateway/reference.asp?No=ref-XXXXX>, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF-2019K-“Reimbursement Contract” or “Contract” between (name of insurer) (the “Company”)/NAIC #() and The State Board of Administration of the State of Florida (“SBA”) which administers the Florida Hurricane Catastrophe Fund (“FHCF”), rev. XX/19 is hereby adopted and incorporated by reference into this rule. This contract is effective from June 1, 2019 through May 31, 2020.

~~(2)(6)~~ In recognition of the fact that few, if any, companies sustained losses from Hurricanes Hermine and Matthew in 2016 in amounts sufficient to exceed their FHCF retention, and that, notwithstanding the limitations of Art. X(3)(d) of the 2016-2017 Reimbursement Contract, companies may wish to complete a commutation for zero dollars earlier than 36 months after the end of the 2016-2017 contract year, which is the earliest date for commutation allowed under that provision of the Reimbursement Contract. Therefore, with respect to the 2016-2017 Reimbursement Contract, a company and the SBA may mutually agree to initiate and complete a commutation for zero dollars prior to the end of the 36-month period referred to in Art. X(3)(d). Such early commutation, once completed, eliminates the mandatory Proof of Loss requirements under Art. X(3)(b)3. and 4. for all reporting periods subsequent to the completion of the commutation.

(3) In recognition of the fact that many companies did not sustain losses from Hurricane Irma in 2017 in amounts sufficient to exceed their FHCF retention, and few, if any, companies sustained losses from Hurricane Nate in 2017 in

amounts sufficient to exceed their FHCF retention, and that, notwithstanding the limitations of Art. X(3)(d) of the 2017-2018 Reimbursement Contract, companies may wish to complete a commutation for zero dollars earlier than 36 months after the end of the 2017-2018 contract year, which is the earliest date for commutation allowed under that provision of the Reimbursement Contract. Therefore, with respect to the 2017-2018 Reimbursement Contract, a company and the SBA may mutually agree to initiate and complete a commutation for zero dollars for either or both hurricanes prior to the end of the 36-month period referred to in Art. X(3)(d). Such early commutation, once completed, eliminates the mandatory Proof of Loss requirements under Art. X(3)(b)3. and 4. for all reporting periods subsequent to the completion of the commutation.

~~(4)(7) Copies of T~~he reimbursement contract form may be obtained by accessing ~~from~~ the FHCF website, at [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf); ~~or by submitting a written request to~~ contacting the State Board of Administration at. ~~The mailing address is P. O. Box 13300, Tallahassee, Florida 32317-3300; or by calling. The street address is 1801 Hermitage Blvd., Tallahassee, Florida 32308 and the telephone number is~~ (850) 413-1335.

*Rulemaking Authority 215.555(3) FS. Law Implemented 215.555 FS. History—New 5-31-94, Amended 8-29-95, 5-19-96, 6-19-97, 5-28-98, 5-17-99, 9-13-99, 6-19-00, 6-3-01, 6-2-02, 11-12-02, 5-13-03, 5-19-04, 8-29-04, 5-29-05, 11-13-05, 5-10-06, 9-5-06, 5-8-07, 8-13-07, 6-8-08, 9-2-08, 3-30-09, 8-23-09, 3-29-10, 8-8-10, 12-12-10, 9-11-11, 12-19-11, 11-18-12, 12-2-13, 11-12-14, 6-2-15, 1-3-16, 11-9-16, 12-6-17, X-X-19.*

## **REIMBURSEMENT CONTRACT**

**Effective: June 1, ~~2018~~2019**  
**(“Contract”)**

between

**«Legal\_Name»**  
**(“Company”)**

**NAIC # «NAIC\_»**

and

**THE STATE BOARD OF ADMINISTRATION OF THE STATE OF FLORIDA (“SBA”)**  
**WHICH ADMINISTERS THE FLORIDA HURRICANE CATASTROPHE FUND (“FHCF”)**

### **PREAMBLE**

~~The Legislature of the State of Florida has enacted~~ Section 215.555, Florida Statutes (~~Statute~~), ~~which creates the FHCF and~~ directs the SBA to administer the FHCF. This Contract, consisting of the principal document entitled Reimbursement Contract, addressing the mandatory FHCF coverage, and Addenda, is subject to ~~the Statute~~ Section 215.555, Florida Statutes, and to any administrative rule adopted pursuant thereto, and is not intended to be in conflict therewith. All provisions in the principal document are equally applicable to each Addendum unless specifically superseded by one of the Addenda.

In consideration of the promises set forth in this Contract, the parties agree as follows:

### **ARTICLE I - SCOPE OF AGREEMENT**

As a condition precedent to the SBA’s obligations under this Contract, the Company, ~~an Authorized Insurer or an entity writing Covered Policies under Section 627.351, Florida Statutes, in the State of Florida,~~ shall report to the SBA in a specified format the business it writes which is described in this Contract as Covered Policies.

The terms of this Contract shall determine the rights and obligations of the parties. This Contract provides reimbursement to the Company under certain circumstances, as described herein, and does not provide or extend insurance or reinsurance coverage to any person, firm, corporation or other entity. The SBA shall

reimburse the Company for its Ultimate Net Loss on Covered Policies, which were in force and in effect at the time of the Covered Event~~(s)~~ causing the Loss, in excess of the Company's Retention as a result of each Covered Event commencing during the Contract Year, to the extent funds are available, all as hereinafter defined.

## **ARTICLE II - PARTIES TO THE CONTRACT**

This Contract is solely between the Company, an Authorized Insurer or any entity writing Covered Policies under Section 627.351, Florida Statutes, in the State of Florida, and the SBA ~~which administers the FHCF~~. In no instance shall any insured of the Company, ~~or~~ any claimant against an insured of the Company, or any other third party, have any rights under this Contract, except as provided in Article XV. The SBA will ~~only~~ disburse funds only to the Company, except as provided for in Article XV. The Company shall not, without the prior approval of the Florida Office of Insurance Regulation, sell, assign, or transfer to any third party, in return for a fee or other consideration any sums the FHCF pays under this Contract or the right to receive such sums.

## **ARTICLE III – TERM; EXECUTION**

### **(1) Term**

This Contract applies to Losses from Covered Events which commence during the period from 12:00:01 a.m., Eastern Time, June 1, 20182019, to 12:00 midnight, Eastern Time, May 31, 2019-2020 (the "Contract Year"). The SBA shall not be liable for Losses from Covered Events which commence after the effective time and date of expiration or termination. Should this Contract expire or terminate while a Covered Event is in progress, the SBA shall be responsible for such Covered Event in progress in the same manner and to the same extent it would have been responsible had the Contract expired the day following the conclusion of the Covered Event in progress.

### **(2) Mandatory Nature of this Contract**

#### **(a) Statutory Requirement**

This Contract has been adopted as part of Rule 19-8.010, Florida Administrative Code (F.A.C.), in fulfillment of the statutory requirement that the SBA enter into a reimbursement eContract with each Company writing Covered Policies in Florida. Under Section 215.555(4)(a), Florida Statutes, the SBA must enter into such a eContract with each such Company, and each such Company must enter into the reimbursement eContract as a condition of doing business in Florida. Under Section 215.555(16)(c), Florida Statutes, Companies writing Covered Policies must execute the reimbursement eContract by March 1 of the immediately preceding Contract Year.

#### **(b) Duty to Provide a Fully and Timely Executed Copy of this Contract to the FHCF Administrator**



The Company must provide a fully executed copy of this Contract in electronic form to the Administrator no later than the March 1 statutory deadline for execution, or, in the case of a New Participant, no later than 30 days after the New Participant began writing Covered Policies.

**(3) Contract Deemed Executed Notwithstanding Execution Errors**

Except with respect to New Participants, this Contract is deemed to have been executed by the Company as of the March 1 statutory deadline, notwithstanding the fact that the ~~reimbursement percentage Coverage Level~~ election in Article XX(1)(b) may be invalid, and notwithstanding the fact that the person purporting to execute the Contract on the part of the Company may have lacked the requisite authority. With respect to New Participants, this Contract is deemed to have been executed by the New Participant as of the date on which the New Participant began writing Covered Policies; coverage shall be determined as provided in paragraphs (c) and (d) ~~below~~. Execution of this Contract by or on behalf of an entity that does not write Covered Policies is void. If the Company failed to timely submit an executed copy of this Contract, or if the executed Contract includes an invalid ~~Reimbursement Percentage Coverage Level~~ election under Article XX, the Company's ~~reimbursement percentage Coverage Level~~ shall be deemed as follows:

- (a) For ~~Companies~~ a Company that ~~are~~ is a member of a National Association of Insurance Commissioners (NAIC) group, the same ~~eCoverage H~~Level selected by the other Companies of the same NAIC group shall be deemed. If executed Contracts for none of the members of an NAIC group have been received by the FHCF Administrator, the ~~eCoverage H~~Level from the prior Contract Year shall be deemed.
- (b) For ~~Companies~~ a Company that ~~are~~ is not a member of an NAIC group under which other Companies are active participants in the FHCF, the ~~eCoverage H~~Level from the prior Contract Year shall be deemed.
- (c) For a New Participants that ~~are~~ is a member of an NAIC group, the same ~~eCoverage H~~Level selected by the other Companies of the same NAIC group shall be deemed.
- (d) For a New Participants that ~~are~~ is not a member of an NAIC group under which other Companies are active participants in the FHCF, the 45%, 75% or 90% ~~eCoverage H~~Levels may be selected ~~providing that if~~ the FHCF Administrator receives executed Contracts within 30 calendar days after the effective date of the first Covered Policy, otherwise, the 45% ~~eCoverage H~~Level shall be deemed to have been selected.

**ARTICLE IV - LIABILITY OF THE FHCF**

- (1) The SBA shall reimburse the Company, with respect to each Covered Event commencing during the Contract Year ~~for the "Reimbursement Percentage" elected, this percentage times in~~ the amount of

Ultimate Net Loss paid by the Company in excess of the Company's Retention, as adjusted pursuant to the definition of Retention in Article V(28), multiplied by the applicable Coverage Level, plus 5% of the reimbursed Losses ~~for as a Loss Adjustment Expense~~ Reimbursement Allowance, the total of which shall not exceed the Company's Limit.

~~(2) The Reimbursement Percentage will be 45% or 75% or 90%, at the Company's option as elected under Article XX.~~

~~(3)(2) The aggregate liability of the FHCF with respect to all Reimbursement Contracts covering this Contract Year shall not exceed the limit set forth under Section 215.555(4)(c)1., Florida Statutes. For specifics regarding reimbursement calculations, see section (3)(c) of Article X provides that the obligation of the FHCF with respect to all Contracts covering a particular Contract Year shall not exceed the Actual Claims-Paying Capacity of the FHCF up to a specified dollar limit.~~

~~(4)(3) In order to assure that reimbursements do not exceed the statutory limit on the obligation of the FHCF provided in Section 215.555(4)(c)1., Florida Statutes, the SBA shall, U~~upon the occurrence of a Covered Event, ~~the SBA shall~~ evaluate the potential Losses to the FHCF and the FHCF's capacity at the time of the event. The initial Projected Payout Multiple used to reimburse the Company for its Losses shall not exceed the Projected Payout Multiple as calculated based on the capacity needed to provide the FHCF's coverage. If it appears that the Estimated Claims-Paying Capacity may be exceeded, the SBA shall reduce the projected payout factors or multiples for determining each participating insurer's projected payout uniformly among all insurers to reflect the Estimated Claims-Paying Capacity.

~~(5)(4) Reimbursement amounts shall not be reduced by reinsurance paid or payable to the Company from other sources. Once the Company's H~~limit-of-coverage has been exhausted, the Company will not be entitled to further reimbursements.

~~(6) After the end of the calendar year, the SBA shall notify insurers of the estimated Borrowing Capacity and the Balance of the Fund as of December 31. In May and October of each year, the SBA shall publish in the Florida Administrative Register a statement of the FHCF's estimated Borrowing Capacity, Estimated Claims Paying Capacity, and the projected Balance of the Fund as of December 31.~~

~~(7) The obligation of the SBA with respect to all Contracts covering a particular Contract Year shall not exceed the Balance of the Fund as of December 31 of that Contract Year, together with the maximum amount the SBA is able to raise through the issuance of revenue bonds or through other means available to the SBA under Section 215.555, Florida Statutes, up to the limit in accordance~~

~~with Section 215.555(4)(c)1. and (6), Florida Statutes. The obligations and the liability of the SBA are more fully described in Rule 19-8.013, Florida Administrative Code (F.A.C.).~~

## ARTICLE V - DEFINITIONS

As used in this Contract, the following words and phrases are defined to mean:

(1) **Actual Claims-Paying Capacity of the FHCF**

This term means the sum of the Balance of the Fund as of December 31 of a Contract Year, plus any reinsurance purchased by the FHCF, plus the amount the SBA is able to raise through the issuance of revenue bonds under Section 215.555(6), Florida Statutes, or through other means available by law to the SBA, up to the limit in accordance with Section 215.555(4)(c)1. and (6), Florida Statutes.

(2) **Actuarially Indicated**

This term means, ~~with respect to Premiums paid by Companies for reimbursement provided by the FHCF, an amount determined in accordance with the definition provided in Section 215.555(2)(a), Florida Statutes~~ an amount determined according to principles of actuarial science to be adequate, but not excessive, in the aggregate, to pay current and future obligations and expenses of the fund, including additional amounts if needed to pay debt service on revenue bonds and to provide required debt service coverage in excess of the amounts required to pay actual debt service on revenue bonds, and determined according to principles of actuarial science to reflect each insurer's relative exposure to hurricane losses.

(3) **Additional Living Expense (ALE)**

ALE Losses covered by the FHCF are not to exceed 40 percent of the insured value of a Residential Structure or its contents based on the coverage provided in the policy. Fair rental value, loss of rents, or business interruption losses are not covered by the FHCF.

(4) **Administrator**

This term means the entity with which the SBA contracts to perform administrative tasks associated with the operations of the FHCF. The current Administrator is Paragon Strategic Solutions Inc., 8200 Tower, 5600 West 83<sup>rd</sup> Street, Suite 1100, Minneapolis, Minnesota 55437. The telephone number is (800) 689-3863, and the facsimile number is (800) 264-0492.

(5) **Authorized Insurer**

This term is defined in Section 624.09(1), Florida Statutes.

(6) **Balance of the Fund as of December 31 or Fund Balance**

~~These~~This ~~terms means the amount of assets available to pay claims, not including any bonding proceeds, resulting from Covered Events which occurred during the Contract Year, not including any pre-event or post-event bonds, reinsurance, or proceeds from other financing mechanisms.~~

~~(7)~~(6) **Borrowing Capacity**

This term means the amount of funds which are able to be raised by the issuance of revenue bonds or through other financing mechanisms, less bond issuance expenses and reserves.

~~(8)(7)~~ **Citizens Property Insurance Corporation (Citizens)**

This term means Citizens Property Insurance Corporation as created under Section 627.351(6), Florida Statutes. For the purposes of the FHCF, Citizens Property Insurance Corporation incorporates two accounts, (a) the coastal account and (b) the personal lines and commercial lines accounts. Each account is treated by the FHCF as if it were a separate participating insurer with its own reportable exposures, Reimbursement Premium, Retention, and Ultimate Net Loss.

~~(8) Contract~~

~~This term means this Reimbursement Contract for the current Contract Year.~~

**(9) Covered Event**

This term means any one storm declared to be a hurricane by the National Hurricane Center which causes insured losses in Florida. A Covered Event begins when a hurricane causes damage in Florida while it is a hurricane and continues throughout any subsequent downgrades in storm status by the National Hurricane Center regardless of whether the hurricane makes landfall. Any storm, including a tropical storm, which does not become a hurricane is not a Covered Event.

**(10) Coverage Level**

This term means the level of reimbursement (90%, 75%, or 45%), as elected by the Company under Article XX or deemed under Article III(3), which is used in determining reimbursement under Article IV.

~~(11)(10)~~ **Covered Policy or Covered Policies**

(a) Covered Policy, as defined in Section 215.555(2)(c), Florida Statutes, is further clarified to mean only that portion of a binder, policy or contract of insurance that insures real or personal property located in the State of Florida to the extent such policy insures a Residential Structure or the contents of a Residential Structure, located in the State of Florida.

~~(b) Due to the specialized nature of the definition of Covered Policies, Covered Policies are not limited to only one line of business in the Company's annual statement required to be filed by Section 624.424, Florida Statutes. Instead, Covered Policies are found in several lines of business on the Company's annual statement. Covered Policies will at a minimum be reported in the Company's statutory annual statement as:~~

- ~~1. Fire~~
- ~~2. Allied Lines~~
- ~~3. Farmowners Multiple Peril~~
- ~~4. Homeowners Multiple Peril~~
- ~~5. Commercial Multiple Peril (non liability portion, covering condominiums and apartments)~~
- ~~6. Inland Marine~~

~~Note that where particular insurance exposures, e.g., mobile homes, are reported on an annual statement is not dispositive of whether or not the exposure is a Covered Policy.~~

~~(e) This definition applies only to the first party property section of a policy pertaining strictly to the structure, its contents, appurtenant structures, or ALE coverage.~~

~~(d)~~**(b)** Covered Policy also includes any collateral protection insurance policy covering personal residences which protects both the borrower's and the lender's financial interest, in an amount at least equal to the coverage for the dwelling in place under the lapsed homeowner's policy, if such policy can be accurately reported as required in Section 215.555(5), Florida Statutes. A Company will be deemed to be able to accurately report data if the required data, as specified in the Premium Formula adopted in Section 215.555(5), Florida Statutes, are is available.

~~(e)(c) See~~Covered Policy does not include any policy or exposure excluded under Article VI ~~for specific exclusions.~~

**~~(12)~~~~(11)~~ Deductible Buy-Back Policy**

This term means a specific policy that provides coverage to a policyholder for some portion of the policyholder's deductible under a policy issued by another insurer.

**~~(13)~~~~(12)~~ Estimated Claims-Paying Capacity of the FHCF**

This term means the sum of the projected Balance of the Fund as of December 31 of a Contract Year, plus any reinsurance purchased by the FHCF, plus the most recent estimate of the Borrowing Capacity of the FHCF, determined pursuant to Section 215.555(4)(c), Florida Statutes.

**~~(14)~~~~(13)~~ Excess Policy**

This term means, for the purposes of this Contract, ~~means~~ a policy that provides insurance protection for large commercial property risks and that provides a layer of coverage above a primary layer (which is insured by a different insurer) that acts much the same as a very large deductible.

**~~(14) Florida Department of Financial Services~~**

~~This term means the Florida regulatory agency, created pursuant to Section 20.121, Florida Statutes, which is charged with regulating the Florida insurance market and administering the Florida Insurance Code.~~

**~~(15) Florida Insurance Code~~**

~~This term means those chapters identified in Section 624.01, Florida Statutes, which are designated as the Florida Insurance Code.~~

**~~(16) Formula or the Premium Formula~~**

~~This term means the Formula approved by the SBA for the purpose of determining the Actuarially Indicated Premium to be paid to the FHCF. The Premium Formula is defined as an approach or methodology which leads to the creation of premium rates. The Formula shall, pursuant to Section 215.555(5)(b), Florida Statutes, include a cash build-up factor in the amount specified therein.~~

**~~(17) Fund Balance or Balance of the Fund as of December 31~~**

~~These terms mean the amount of assets available to pay claims, not including any bonding proceeds, resulting from Covered Events which occurred during the Contract Year.~~

**(15)(18) Insurer Group**

For purposes of the ~~coverage option~~ Coverage Level election in Section 215.555(4)(b), Florida Statutes, Insurer Group means the group designation assigned by the National Association of Insurance Commissioners (NAIC) for regulatory purposes ~~of filing consolidated financial statements~~. A Company is a member of a group as designated by the NAIC until such Company is assigned another group designation or is no longer a member of a group ~~recognized by the NAIC~~.

**(16) Limit**

This term means the maximum amount that a Company may recover under this Contract, calculated by multiplying the Company's Reimbursement Premium by the Payout Multiple.

**(17)(19) Loss**

~~"Loss" or "Losses"~~ This term means an incurred losses under a Covered Policy from a Covered Event, including Additional Living Expenses not to exceed 40 percent of the insured value of a Residential Structure or its contents and amounts paid as fees on behalf of or inuring to the benefit of a policyholder. The term "Loss" excludes does not include allocated or unallocated loss adjustment expenses ~~and also excludes or~~ any item for which this Contract does not provide reimbursement pursuant to the exclusions in Article VI.

**(18)(20) Loss Adjustment Expense Reimbursement Allowance**

- (a) The Loss Adjustment Expense ~~Reimbursement shall be~~ Allowance is equal to 5% of the reimbursed Losses under this Contract as provided in Article IV, pursuant to Section 215.555(4)(b)1., Florida Statutes.
- (b) The ~~5%~~ Loss Adjustment Expense ~~Reimbursement Allowance~~ is included in, and not in addition to, the total Payout Multiple applied to each Limit applicable to a Company.

**(19)(21) New Participant(s)**

This term means ~~all Companies which~~ a Company that begins writing Covered Policies on or after the beginning of the Contract Year. A Company that removes Covered Policies from Citizens pursuant to an assumption agreement effective on or after June 1 and had written no other Covered Policies before June 1 is also considered a New Participant.

**(22) Office of Insurance Regulation**

~~This term means that office within the Department of Financial Services and which was created in Section 20.121(3), Florida Statutes.~~

**(20)(23) Payout Multiple**

This term means the multiple as calculated in accordance with Section 215.555(4)(c), Florida Statutes, which is derived by dividing the actual single season Claims-Paying Capacity of the FHCF by the total aggregate industry Reimbursement Premium for the FHCF for the Contract Year billed

as of December 31 of the Contract Year. The final Payout Multiple is determined once Reimbursement Premiums have been billed as of December 31 and the amount of bond proceeds has been determined.

~~(24)~~ **Premium**

~~This term means the same as Reimbursement Premium.~~

**(21) Premium Formula**

This term means the Formula developed pursuant to Section 215.555(5)(b), Florida Statutes, and approved by the SBA Trustees for the purpose of determining the Actuarially Indicated Reimbursement Premium to be paid to the FHCF. The Premium Formula is defined as an approach or methodology which leads to the creation of premium rates. The Formula shall, pursuant to Section 215.555(5)(b), Florida Statutes, include a cash build up factor in the amount specified therein.

~~(22)~~~~(25)~~ **Projected Payout Multiple**

The Projected Payout Multiple is used to calculate a Company's projected payout pursuant to Section 215.555(4)(d)2., Florida Statutes. The Projected Payout Multiple is derived by dividing the estimated single season Claims-Paying Capacity of the FHCF by the estimated total aggregate industry Reimbursement Premium for the FHCF for the Contract Year. The Company's Reimbursement Premium as paid to the SBA for the Contract Year is multiplied by the Projected Payout Multiple to estimate the Company's coverage from the FHCF for the Contract Year.

~~(23)~~~~(26)~~ **Reimbursement Premium or Premium**

~~This~~These terms means the ~~Premium~~ amount to be paid by the Company, as determined by multiplying each \$1,000 of insured value reported by the Company in accordance with Section 215.555(5)(b), Florida Statutes, by the rate as derived from the Premium Formula, as described in Rule 19-8.028, F.A.C.

~~(24)~~~~(27)~~ **Residential Structures**

In general, this term means a units or buildings used exclusively or predominantly for dwelling or habitational occupancies, including the primary structure and appurtenant structures insured under the same Covered Policy and any other structures covered under endorsements associated with the Covered Policy covering the a Residential Structure.

(a) With respect to a unit or home insured under a personal lines residential policy form, such unit or home is deemed to have a habitational occupancy and to be a Residential Structure regardless of the term of its occupancy.

(b) With respect to a condominium structure or complex insured under a commercial lines policy, such structure is deemed to have a habitational occupancy and to be a Residential Structure, regardless of the term of occupancy of individual units.



(c) A single structure which includes a mix of commercial habitational and commercial non-habitational occupancies, and is insured under a commercial lines policy, is considered a Residential Structure~~For the purpose of this Contract, a single structure which includes a mix of commercial habitational and commercial non-habitational occupancies, and which is insured under a commercial policy, is considered a Residential Structure~~ if 50% or more of the total insured value of the structure is used for habitational occupancies.

(d) ~~Covered~~ Residential Structures do not include any structures ~~listed~~ excluded under Article VI.

(25)(28) **Retention**

This term means the amount of Losses from a Covered Event which must be incurred by the Company before it is eligible for reimbursement from the FHCF.

- (a) When the Company incurs Losses from one or two Covered Events during the Contract Year, the Company's full Retention shall be applied to each of the Covered Events.
- (b) When the Company incurs Losses from more than two Covered Events during the Contract Year, the Company's full Retention shall be applied to each of the two Covered Events causing the largest Losses for the Company. For each other Covered Event resulting in Losses, the Company's Retention shall be reduced to one-third of its full Retention.
  - 1. All reimbursement of Losses for each Covered Event shall be based on the Company's full Retention until December 31 of the Contract Year. Adjustments to reflect a reduction to one-third of the full Retention shall be made on or after January 1 of the Contract Year provided the Company reports its Losses as specified in this Contract.
  - 2. Adjustments to the Company's Retention shall be based upon its paid and outstanding Losses as reported on the Company's Proof of Loss Reports, but shall not include incurred but not reported Losses. The Company's Proof of Loss Reports shall be used to determine which Covered Events constitute the Company's two largest Covered Events. After this initial determination, any subsequent adjustments shall be made quarterly by the SBA only if the Proof of Loss Reports reveal that loss development patterns have resulted in a change in the order of Covered Events entitled to the reduction to one-third of the full Retention.
- (c) The Company's full Retention is established in accordance with the provisions of Section 215.555(2)(e), Florida Statutes, and shall be determined by multiplying the Retention Multiple by the Company's Reimbursement Premium for the Contract Year.

(26)(29) **Retention Multiple**

- (a) The Retention Multiple is applied to the Company's Reimbursement Premium to determine the Company's Retention. The Retention Multiple for the ~~2018/2019~~ 2019/2020 Contract Year shall be equal to \$4.5 billion, adjusted based upon the reported exposure for the ~~2016/2017~~



2017/2018 Contract Year to reflect the percentage growth in exposure to the FHCF since 2004, divided by the estimated total industry Reimbursement Premium at the 90% ~~reimbursement percentage Coverage~~ Coverage Level for the Contract Year as determined by the SBA.

- (b) The Retention Multiple shall be adjusted to reflect the ~~reimbursement percentage Coverage~~ Level elected by the Company under this Contract as follows:
1. If the Company elects ~~a the~~ 90% ~~reimbursement percentage Coverage Level~~, the adjusted Retention Multiple is 100% of the amount determined under paragraph (29)(a) above;
  2. If the Company elects ~~a the~~ 75% ~~reimbursement percentage Coverage Level~~, the adjusted Retention Multiple is 120% of the amount determined under paragraph (29)(a) above; or
  3. If the Company elects ~~a the~~ 45% ~~reimbursement percentage Coverage Level~~, the adjusted Retention Multiple is 200% of the amount determined under paragraph (29)(a) above.

(27)(30) **Ultimate Net Loss**

- (a) This term means all Losses under Covered Policies in force at the time of a Covered Event prior to the application of the Company's Retention and ~~reimbursement percentage Coverage~~ Level, and excluding loss adjustment expense and any exclusions under Article VI.
- (b) In calculating Tthe Company's Ultimate Net Loss, ~~shall be determined in accordance with the deductible level as specified under the policy sustaining the Loss without taking into consideration any deductible discounts or deductible waivers the amounts described in paragraph (a) shall be reduced by the deductibles applicable under the policy to the hurricane loss, which must first be applied to the portion of the Loss covered by the FHCF.~~
- (c) Salvages and all other recoveries, excluding reinsurance recoveries, shall be first deducted from such Loss to arrive at the amount of liability attaching hereunder.
- (d) All salvages, recoveries or payments recovered or received subsequent to a Loss settlement under this Contract shall be applied as if recovered or received prior to the aforesaid settlement and all necessary adjustments shall be made by the parties hereto.
- ~~(e) Nothing in this clause shall be construed to mean that Losses under this Contract are not recoverable until the Company's Ultimate Net Loss has been ascertained.~~
- (e)(f) The SBA shall be subrogated to the rights of the Company to the extent of its reimbursement of the Company. The Company agrees to assist and cooperate with the SBA in all respects as regards such subrogation. The Company further agrees to undertake such actions as may be necessary to enforce its rights of salvage and subrogation, and its rights, if any, against other insurers as respects any claim, loss, or payment arising out of a Covered Event.

## ARTICLE VI – EXCLUSIONS

This Contract does not provide reimbursement for:

- (1) Any losses not defined as being within the scope of a Covered Policy, including any loss other than a loss under the first-party property section of a policy pertaining strictly to the structure, its contents, appurtenant structures, or ALE coverage.
- (2) Any policy which excludes wind or hurricane coverage.
- (3) Any Excess Policy or Deductible Buy-Back Policy that requires individual ratemaking, as determined by the FHCF.
- (4) (a) Any policy for Residential Structures that provides a layer of coverage underneath an Excess Policy issued by a different insurer;  
(b) Any policy providing a layer of windstorm or hurricane coverage for a particular structure above or below a layer of windstorm or hurricane coverage under a separate policy issued by a different insurer, or any other circumstance in which two or more insurers provide primary windstorm or hurricane coverage for a single structure using separate policy forms;  
(c) Any other policy providing a layer of windstorm or hurricane coverage for a particular structure below a layer of self-insured windstorm or hurricane coverage for the same structure; or  
(d) The exclusions in this subsection do not apply to primary quota share policies written by Citizens Property Insurance Corporation under Section 627.351(6)(c)2., Florida Statutes.
- (5) Any liability of the Company attributable to losses for fair rental value, loss of rent or rental income, or business interruption.
- (6) Any collateral protection policy that does not meet the definition of Covered Policy as defined in Article V ~~(10)(d)~~ (11)(c).
- (7) Any reinsurance assumed by the Company.
- ~~(8) Any exposure for hotels~~ Hotels, motels, timeshares, shelters, camps, retreats, ~~and any other rental property used solely for commercial purposes or other similar structures.~~
- ~~(8)(9)~~ Retail, office, mercantile, or manufacturing facilities, or other similar structures.
- ~~(9)(10)~~ Any exposure for condominium or homeowner associations if no ~~habitational~~ Residential Structures are insured under the policy.
- ~~(10) Any exposure for homes and condominium structures or units that are non-owner occupied and rented for 6 or more rental periods by different parties during the course of a 12-month period.~~
- (11) Commercial healthcare facilities and nursing homes; however, a nursing home which is an integral part of a retirement community consisting primarily of habitational structures that are not nursing homes will not be subject to this exclusion.

- (12) Any exposure under commercial policies covering only appurtenant structures or structures that do not function as a habitational structure (e.g., a policy covering only the pool of an apartment complex).
- (13) Policies covering only Additional Living Expense.
- (14) Any exposure for barns or barns with apartments or living quarters.
- (15) Any exposure for builders risk coverage or new Residential Structures ~~still~~ under construction.
- (16) Any exposure for vehicles, recreational vehicles, golf carts, or boats (including boat related equipment) requiring licensing.
- (17) Any liability of the Company for extra contractual obligations or liabilities in excess of original policy limits. This exclusion includes, but is not limited to, amounts paid as bad faith awards, punitive damages awards, or other court-imposed fines, sanctions, or penalties; or other amounts in excess of the coverage limits under the Covered Policy.
- (18) Any losses paid in excess of a policy's hurricane limit in force at the time of ~~each~~ the Covered Event, including individual coverage limits (i.e., building, appurtenant structures, contents, and additional living expense), or other amounts paid as the result of a voluntary expansion of coverage by the insurer, including, but not limited to, a discount on or waiver of an applicable deductible. This exclusion includes overpayments of a specific individual coverage limit even if total payments under the policy are within the aggregate policy limit.
- (19) Any losses paid under a policy for Additional Living Expense, written as a time element coverage, in excess of the Additional Living Expense exposure reported for that policy under the Data Call for the applicable Contract Year (unless policy limits have changed effective after June 30 of the Contract Year).
- (20) Any losses which the Company's claims files do not adequately support. Claim file support shall be deemed adequate if in compliance with the Records Retention Requirements outlined on the Form FHCF-L1B (Proof of Loss Report) applicable to the Contract Year.
- (21) Any exposure for, or amounts paid to reimburse a policyholder for, condominium association loss assessments or under similar coverages for contractual liabilities.
- (22) Losses in excess of the ~~sum of the Balance of the Fund as of December 31 of the Contract Year and the amount the SBA is able to raise through the issuance of revenue bonds or by the use of other financing mechanisms, up to the limit pursuant to~~ aggregate limits of liability specified in Article IV and in Section 215.555(4)(c), Florida Statutes.

- (23) Any liability assumed by the Company from Pools, Associations, and Syndicates. Exception: Covered Policies assumed from Citizens under the terms and conditions of an executed assumption agreement between the ~~Authorized Insurer Company~~ and Citizens are covered by this Contract.
- (24) All liability of the Company arising by contract, operation of law, or otherwise, from its participation or membership, whether voluntary or involuntary, in any insolvency fund. "Insolvency fund" includes any guaranty fund, insolvency fund, plan, pool, association, fund or other arrangement, howsoever denominated, established or governed, which provides for any assessment of or payment or assumption by the Company of part or all of any claim, debt, charge, fee, or other obligation of an insurer, or its successors or assigns, which has been declared by any competent authority to be insolvent, or which is otherwise deemed unable to meet any claim, debt, charge, fee or other obligation in whole or in part.
- (25) Property losses that are proximately caused by any peril other than a Covered Event, including, but not limited to, fire, theft, flood or rising water, or windstorm that does not constitute a Covered Event, or any liability of the Company for loss or damage caused by or resulting from nuclear reaction, nuclear radiation, or radioactive contamination from any cause, whether direct or indirect, proximate or remote, and regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
- (26) ~~The FHCF does not provide coverage for~~ Losses from water damage, which is generally excluded under property insurance contracts, ~~and has been defined to mean including~~ 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.

(27) A policy providing personal property coverage separate from coverage of personal property included in a homeowner's, mobile home owner's, condominium unit owner's, or tenant's policy or other policy covering a Residential Structure, or in an endorsement to such a policy.

~~(27)(28) Policies and e~~ Endorsements predominantly covering Specialized Fine Arts Risks or collectible types of property meeting the following requirements:

- (a) ~~An policy or~~ endorsement predominantly covering Specialized Fine Arts Risks and not covering any Residential Structure if it meets the description in subparagraph 1 and if the conditions in subparagraph 2 are met.
1. For purposes of this exemption, a Specialized Fine Arts Risk ~~policy or~~ endorsement is an endorsement that:

- a. Insures works of art, of rarity, or of historic value, such as paintings, works on paper, etchings, art glass windows, pictures, statuary, sculptures, tapestries, antique furniture, antique silver, antique rugs, rare books or manuscripts, jewelry, or other similar items;
    - b. Charges a minimum premium of \$500; and
    - c. Insures scheduled items valued, in the aggregate, at no less than \$100,000.
  2. The insurer offers specialized loss prevention services or other collector services designed to prevent or minimize loss, or to value or inventory the Specialized Fine Arts for insurance purposes, such as:
    - a. Collection risk assessments;
    - b. Fire and security loss prevention;
    - c. Warehouse inspections to protect items stored off-site;
    - d. Assistance with collection inventory management; or
    - e. Collection valuation reviews.
- (b) ~~An policy form or~~ endorsement generally used by the Company to cover personal property which could include property of a collectible nature, including fine arts, as further described in this paragraph, either on a scheduled basis or written under a blanket limit, and not covering anything other than personal property. All such ~~policy forms or~~ endorsements are subject to the exclusion provided in this paragraph when the ~~policy or~~ endorsement limit equals or exceeds \$500,000. Generally such collectible property has unusually high values due to its investible, artistic, or unique intrinsic nature. The class of property covered under such ~~an policy or~~ endorsement represents an unusually high exposure value and such ~~policy endorsement~~ is intended to provide coverage for a class or classes of property that is not typical for the contents coverage under residential property insurance policies. In many cases property may be located at various locations either in or outside the state of Florida or the location of the property may change from time to time. The investment nature of such property distinguishes this type of exposure from the typical contents associated with a Covered Policy.

~~(28)~~(29) Any losses under liability coverages.

~~(29) Any exposure for a condominium structure insured on a commercial policy in which more than 50% of the individual units are non-owner occupied and rented for 6 or more rental periods by different parties during the course of a 12-month period.~~

~~(30) Any structure used exclusively or predominantly for non-dwelling or non-habitation occupancies.~~

## ARTICLE VII - MANAGEMENT OF CLAIMS AND LOSSES

The Company shall investigate and settle or defend all claims and Losses. All payments of claims or Losses by the Company within the terms and limits of the appropriate coverage parts of Covered Policies shall be binding on the SBA, subject to the terms of this Contract, including the provisions in Article XIII relating to inspection of records and examinations.

#### **ARTICLE VIII –REIMBURSEMENT ADJUSTMENTS**

Section 215.555(4)(d) and (e), Florida Statutes, provides the SBA with the right to seek the return of excess reimbursements which have been paid to the Company along with interest thereon. Excess reimbursements are those payments made to the Company by the SBA that are in excess of the Company's coverage under the Contract Year. Excess reimbursements may result from adjustments to the Projected Payout Multiple or the Payout Multiple, incorrect exposure (Data Call) submissions or resubmissions, incorrect calculations of Reimbursement Premiums or Retentions, incorrect Proof of Loss Reports, incorrect calculation of reinsurance recoveries, or subsequent readjustment of policyholder claims, including subrogation and salvage, or any combination of the foregoing. The Company will be sent an invoice showing the due date for adjustments along with the interest due thereon through the due date. The applicable interest rate for interest credits, and for interest charges for adjustments beyond the Company's control, will be the average rate earned by the SBA for the FHCF for the first four months of the Contract Year. The applicable interest rate for interest charges on excess reimbursements due to adjustments resulting from incorrect exposure submissions or Proof of Loss Reports will accrue at this rate plus 5%. All interest will continue to accrue if not paid by the due date.

#### **ARTICLE IX - REIMBURSEMENT PREMIUM**

- (1) The Company shall, in a timely manner, pay the SBA its Reimbursement Premium for the Contract Year. The Reimbursement Premium for the Contract Year shall be calculated in accordance with Section 215.555, Florida Statutes, with any rules promulgated thereunder, and with Article X(2).
- (2) The Company's Reimbursement Premium is based on its June 30 exposure in accordance with Article X, except as provided for New Participants under Article X, and is not adjusted to reflect an increase or decrease in exposure for Covered Policies effective after June 30 nor is the Reimbursement Premium adjusted when the Company cancels policies or is liquidated or otherwise changes its business status (merger, acquisition, or termination) or stops writing new business (continues in business with its policies in a runoff mode). Similarly, new business written after June 30 will not increase or decrease the Company's FHCF Reimbursement Premium or impact its FHCF coverage. FHCF Reimbursement Premiums are required of all Companies based on their writing Covered Policies in Florida as of June 30, and each Company's FHCF coverage as based on the

definition in Section 215.555(2)(m), Florida Statutes, shall exist for the entirety of the Contract Year regardless of exposure changes, except as provided for New Participants under Article X.

- (3) Since the calculation of the Actuarially Indicated Premium assumes that the Companies will pay their Reimbursement Premiums timely, interest charges will accrue under the following circumstances. A Company may choose to estimate its own [Reimbursement](#) Premium installments. However, if the Company's estimation is less than the provisional [Reimbursement](#) Premium billed, an interest charge will accrue on the difference between the estimated [Reimbursement](#) Premium and the final [Reimbursement](#) Premium. If a Company estimates its first installment, the Administrator shall bill that estimated [Reimbursement](#) Premium as the second installment as well, which will be considered as an estimate by the Company. No interest will accrue regarding any provisional [Reimbursement](#) Premium if paid as billed by the FHCF's Administrator, except in the case of an estimated second installment as set forth in this Article. Also, if a Company makes an estimation that is higher than the provisional [Reimbursement](#) Premium billed but is less than the final [Reimbursement](#) Premium, interest will not accrue. If the [Reimbursement](#) Premium payment is not received from a Company when it is due, an interest charge will accrue on a daily basis until the payment is received. Interest will also accrue on [Reimbursement](#) Premiums resulting from submissions or resubmissions finalized after December 1 of the Contract Year. An interest credit will be applied for any [Reimbursement](#) Premium which is overpaid as either an estimate or as a provisional [Reimbursement](#) Premium. Interest shall not be credited past December 1 of the Contract Year. The applicable interest rate for interest credits will be the average rate earned by the SBA for the FHCF for the first four months of the Contract Year. The applicable interest rate for interest charges will accrue at this rate plus 5%.

## **ARTICLE X - REPORTS AND REMITTANCES**

### **(1) Exposures**

- (a) If the Company writes Covered Policies before June 1 of the Contract Year, the Company shall report to the SBA, unless otherwise provided in Rule 19-8.029, F.A.C., no later than the statutorily required date of September 1 of the Contract Year, by ZIP Code or other limited geographical area as specified by the SBA, its insured values under Covered Policies as of June 30 of the Contract Year as outlined in the annual reporting of insured values form, FHCF-D1A (Data Call) adopted for the Contract Year under Rule 19-8.029, F.A.C., and other data or information in the format specified by the SBA.
- (b) If the Company first begins writing Covered Policies on or after June 1 but prior to December 1 of the Contract Year, the Company shall report to the SBA, no later than February 1 of the Contract Year, by ZIP Code or other limited geographical area as specified by the SBA, its



insured values under Covered Policies as of November 30 of the Contract Year as outlined in the Supplemental Instructions for New Participants section of the Data Call adopted for the Contract Year under Rule 19-8.029, F.A.C., and other data or information in the format specified by the SBA.

- (c) If the Company first begins writing Covered Policies on December 1 through and including May 31 of the Contract Year, the Company shall not report its exposure data for the Contract Year to the SBA.
- (d) The requirement that a report is due on a certain date means that the report shall be received by the SBA no later than 4 p.m. Eastern Time on the due date. Reports sent to the FHCF Administrator in Minneapolis, Minnesota, will be returned to the sender. Reports not in the physical possession of the SBA by 4 p.m., Eastern Time, on the applicable due date are late.

**(2) Reimbursement Premium**

- (a) If the Company writes Covered Policies before June 1 of the Contract Year, the Company shall pay the FHCF its Reimbursement Premium in installments due on or before August 1, October 1, and December 1 of the Contract Year in amounts to be determined by the FHCF. However, if the Company's Reimbursement Premium for the prior Contract Year was less than \$5,000, the Company's full provisional Reimbursement Premium, in an amount equal to the Reimbursement Premium paid in the prior year, shall be due in full on or before August 1 of the Contract Year. The Company will be invoiced for amounts due, if any, beyond the provisional Reimbursement Premium payment, on or before December 1 of the Contract Year.
- (b) If the Company is under administrative supervision, or if any control or oversight of the Company has been transferred through any legal or regulatory action to a state regulator or court appointed receiver or rehabilitator (referred to in the aggregate as "state action"):
  - 1. The full annual provisional Reimbursement Premium as billed and any outstanding balances will be due and payable on August 1, or the date that such State action occurs after August 1 of the Contract Year.
  - 2. Failure by such Company to pay the full annual provisional Reimbursement Premium as specified in [subparagraph 1. above](#) by the applicable due date(s) shall result in the 45% [Coverage Level](#) being deemed for the complete Contract Year regardless of the level selected for the Company through the execution of this Contract and regardless of whether a [hurricane Covered Event](#) occurred or triggered coverage.
  - 3. ~~The provisions required in Subparagraphs 1. and 2. above will do~~ not apply ~~when if~~ the state regulator, receiver, or rehabilitator provides a letter of assurance to the FHCF [stating](#) that



the Company will have the resources and will pay the full Reimbursement Premium for the Ceverage HLevel selected through the execution of this Contract.

4. When control or oversight has been transferred, in whole or in part, through a legal or regulatory action, the controlling management of the Company shall specify by August 1 or as soon thereafter as possible (but not to exceed two weeks after any regulatory or legal action) in a letter to the FHCF as to the Company's intentions to either pay the full FHCF Reimbursement Premium as specified in subparagraph 1. above, to default to the 45% Ceverage Level being deemed as specified in subparagraph 2. above, or to provide the assurances as specified in subparagraph 3. above.
- (c) A New Participant that first begins writing Covered Policies on or after June 1 but prior to December 1 of the Contract Year shall pay the FHCF a provisional Reimbursement Premium of \$1,000 no later than 30 days from the date the New Participant began writing Covered Policies. The Administrator shall calculate the Company's actual Reimbursement Premium for the period based on its actual exposure as of November 30 of the Contract Year, as reported on or before February 1 of the Contract Year. To recognize that New Participants have limited exposure during this period, the actual Reimbursement Premium as determined by processing the Company's exposure data shall then be divided in half, the provisional Reimbursement Premium shall be credited, and the resulting amount shall be the total Reimbursement Premium due for the Company for the remainder of the Contract Year. However, if that amount is less than \$1,000, then the Company shall pay \$1,000. The Reimbursement Premium payment is due no later than April 1 of the Contract Year. The Company's Retention and coverage will be determined based on the total Reimbursement Premium due as calculated above.
- (d) A New Participant that first begins writing Covered Policies on or after December 1 through and including May 31 of the Contract Year shall pay the FHCF a Reimbursement Premium of \$1,000 no later than 30 days from the date the New Participant began writing Covered Policies.
- (e) The requirement that the Reimbursement Premium is due on a certain date means that the Reimbursement Premium shall be remitted by wire transfer or ACH and shall have been credited to the FHCF's account, as set out on the invoice sent to the Company, on the due date applicable to the particular installment.
- (f) Except as required by Section 215.555(7)(c), Florida Statutes, or as described in the following sentence, Reimbursement Premiums, together with earnings thereon, received in a given Contract Year will be used only to pay for Losses attributable to Covered Events occurring in that Contract Year or for Losses attributable to Covered Events in subsequent Contract Years

and will not be used to pay for past Losses or for debt service on post-event revenue bonds issued pursuant to Section 215.555(6)(a)1., Florida Statutes. Reimbursement Premiums and earnings thereon may be used for payments relating to such revenue bonds in the event emergency assessments are insufficient. If Reimbursement Premiums or earnings thereon are used for debt service on post-event revenue bonds, then the amount of the Reimbursement Premiums or earnings thereon so used shall be returned, without interest, to the Fund when emergency assessments or other legally available funds remain available after making payment relating to the post-event revenue bonds and any other purposes for which emergency assessments were levied.

**(3) Losses**

**(a) In General**

Losses resulting from a Covered Event commencing during the Contract Year shall be reported by the Company and reimbursed by the FHCF as provided herein and in accordance with the Statute, this Contract, and any rules adopted pursuant to the Statute. For a Company participating in a quota share primary insurance agreement(s) with Citizens Property Insurance Corporation Coastal Account, Citizens and the Company shall report only their respective portion of Losses under the quota share primary insurance agreement(s). Pursuant to Section 215.555(4)(c), Florida Statutes, the SBA is obligated to pay for Losses not to exceed the Actual Claims-Paying Capacity of the FHCF, up to the limit in accordance with Section 215.555(4)(c)1., Florida Statutes, for any one Contract Year.

**(b) Loss Reports**

1. At the direction of the SBA, the Company shall report its projected Ultimate Net Loss from each Covered Event to provide information to the SBA in determining any potential liability for possible reimbursable Losses under the Contract on the Interim Loss Report, Form FHCF-L1A, adopted for the Contract Year under Rule 19-8.029, F.A.C. Interim Loss Reports (including subsequent Interim Loss Reports if required by the SBA) will be due in no less than fourteen days from the date of the notice from the SBA that such a report is required.
2. FHCF reimbursements will be issued based on Ultimate Net Loss information reported by the Company on the Proof of Loss Report, Form FHCF-L1B, adopted for the Contract Year under Rule 19-8.029, F.A.C.
  - a. To qualify for reimbursement, the Proof of Loss Report must have the electronic signatures of two executive officers authorized by the Company to sign or submit the report.

- b. The Company must also submit a Detailed Claims Listing, Form FHCF-DCL, adopted for the Contract Year under Rule 19-8.029, F.A.C., at the same time it submits its first Proof of Loss Report for a specific Covered Event that qualifies the Company for reimbursement under that Covered Event, and must be prepared to supply a Detailed Claims Listing for any subsequent Proof of Loss Report upon request.
  - c. While the Company may submit a Proof of Loss Report requesting reimbursement at any time following a Covered Event, the Company shall submit a mandatory Proof of Loss Report for each Covered Event no earlier than December 1 and no later than December 31 of the Contract Year during which the Covered Event occurs using the most current data available, regardless of the amount of Ultimate Net Loss or the amount of reimbursements or advances already received.
  - d. For the Proof of Loss Reports due by December 31 of the Contract Year, and the required subsequent quarterly and annual reports required under subparagraphs 3. and 4. ~~below~~, the Company shall submit its Proof of Loss Reports by each quarter-end or year-end using the most current data available. However, the date of such data shall not be more than sixty days prior to the applicable quarter-end or year-end date.
  - e. For the Proof of Loss Reports due by December 31 of the Contract Year and the required subsequent annual reports required under subparagraph 4. ~~below~~, the Company shall include a Detailed Claims Listing if requested by the SBA.
3. Updated Proof of Loss Reports for each Covered Event are due quarterly thereafter until all Losses resulting from a Covered Event are fully discharged including any adjustments to such Losses due to salvage or other recoveries, or the Company has received its full coverage under the Contract Year in which the Covered Event occurred. Guidelines follow:
- a. Quarterly Proof of Loss Reports are due by March 31 from a Company whose Losses exceed, or are expected to exceed, 50% of its FHCF Retention for a specific Covered Event.
  - b. Quarterly Proof of Loss Reports are due by June 30 from a Company whose Losses exceed, or are expected to exceed, 75% of its FHCF Retention for a specific Covered Event.
  - c. Quarterly Proof of Loss Reports are due by September 30 and quarterly thereafter from a Company whose Losses exceed, or are expected to exceed, its FHCF Retention for a specific Covered Event.

If the Company's Retention must be recalculated as the result of an exposure resubmission, and if the recalculated Retention changes the FHCF's reimbursement obligations, then the Company shall submit additional Proof of Loss Reports for recalculation of the FHCF's obligations.

4. Annually after December 31 of the Contract Year, all Companies shall submit a mandatory year-end Proof of Loss Report for each Covered Event, as applicable, using the most current data available. This Proof of Loss Report shall be filed no earlier than December 1 and no later than December 31 of each year and shall continue until the earlier of the commutation process described in paragraph (3)(d) ~~below~~ or until all Losses resulting from the Covered Event are fully discharged including any adjustments to such Losses due to salvage or other recoveries.
5. The SBA, except as noted below, will determine and pay, within 30 days or as soon as practicable after receiving Proof of Loss Reports, the reimbursement amount due based on Losses paid by the Company to date and adjustments to this amount based on subsequent quarterly information. The adjustments to reimbursement amounts shall require the SBA to pay, or the Company to return, amounts reflecting the most recent determination of Losses.
  - a. The SBA shall have the right to consult with all relevant regulatory agencies to seek all relevant information, and shall consider any other factors deemed relevant, prior to the issuance of reimbursements.
  - b. The SBA shall require commercial self-insurance funds established under Section 624.462, Florida Statutes, to submit contractor receipts to support paid Losses reported on a Proof of Loss Report, and the SBA may hire an independent consultant to confirm Losses, prior to the issuance of reimbursements.
  - c. The SBA shall have the right to conduct a ~~loss~~ claims examination prior to the issuance of any advances or reimbursements requested by Companies that have been placed under regulatory supervision by a State or where control has been transferred through any legal or regulatory proceeding to a state regulator or court appointed receiver or rehabilitator.
6. All Proof of Loss Reports received will be compared with the FHCF's exposure data to establish the facial reasonableness of the reports. The SBA may also review the results of current and prior Contract Year exposure and ~~loss~~ claims examinations to determine the reasonableness of the reported Losses. Except as noted in subparagraph 5. ~~above~~, Companies meeting these tests for reasonableness will be scheduled for reimbursement.

Companies not meeting these tests for reasonableness will be handled on a case-by-case basis and will be contacted to provide specific information regarding their individual book of business. The discovery of errors in a Company's reported exposure under the Data Call may require a resubmission of the current Contract Year Data Call which, as the Data Call impacts the Company's [Reimbursement](#) Premium, Retention, and coverage for the Contract Year, will be required before the Company's request for reimbursement or an advance will be fully processed by the Administrator.

**(c) Loss Reimbursement Calculations**

1. In general, the Company's paid Ultimate Net Losses must exceed its full FHCF Retention for a specific Covered Event before any reimbursement is payable from the FHCF for that Covered Event. As described in Article V ~~(28)~~(25)(b), Retention adjustments will be made on or after January 1 of the Contract Year. No interest is payable on additional payments to the Company due to this type of Retention adjustment. Each Company, including entities created pursuant to Section 627.351(6), Florida Statutes, incurring reimbursable Losses will receive the amount of reimbursement due under the individual Company's Contract up to the amount of the Company's payout. If more than one Covered Event occurs in any one Contract Year, any reimbursements due from the FHCF shall take into account the Company's Retention for each Covered Event. However, the Company's reimbursements from the FHCF for all Covered Events occurring during the Contract Year shall not exceed, in aggregate, the Projected Payout Multiple or Payout Multiple, as applicable, times the individual Company's Reimbursement Premium for the Contract Year.
2. Reserve established. When a Covered Event occurs in a subsequent Contract Year when reimbursable Losses are still being paid for a Covered Event in a previous Contract Year, the SBA will establish a reserve for the outstanding reimbursable Losses for the previous Contract Year, based on the length of time the Losses have been outstanding, the amount of Losses already paid, the percentage of incurred Losses still unpaid, and any other factors specific to the loss development of the Covered Events involved.

**(d) Commutation**

1. Except as provided in subparagraph 3. [below](#), not less than 36 months or more than 60 months after the end of the Contract Year, the Company shall file a final Proof of Loss Report(s), with the exception of Companies having no reportable Losses as described in sub-subparagraph a-[below](#). Otherwise, the final Proof of Loss Report(s) is required as specified in sub-subparagraph b-[below](#). The Company and SBA may mutually agree to initiate commutation after 36 months and prior to 60 months after the end of the Contract

Year. The commutation negotiations shall begin at the later of 60 months after the end of the Contract Year or upon completion of the FHCF-~~loss~~ claims examination for the Company and the resolution of all outstanding examination issues.

- a. If the Company's most recently submitted Proof of Loss Report(s) indicates that it has no Losses resulting from Covered Events during the Contract Year, the SBA shall after 36 months request that the Company execute a final commutation agreement. The final commutation agreement shall constitute a complete and final release of all obligations of the SBA with respect to Losses. If the Company chooses not to execute a final commutation agreement, the SBA shall be released from all obligations 60 months following the end of the Contract Year if no Proof of Loss Report indicating reimbursable Losses had been filed and the commutation shall be deemed concluded. However during this time, if the Company determines that it does have Losses to report for FHCF reimbursement, the Company must submit an updated Proof of Loss Report prior to the end of 60 months after the Contract Year and the Company shall be required to follow the commutation provisions and time frames otherwise specified in this section.
  - b. If the Company has submitted a Proof of Loss Report indicating that it does have Losses resulting from a Covered Event during the Contract Year, the SBA may require the Company to submit within 30 days an updated, current Proof of Loss Report for each Covered Event during the Contract Year. The Proof of Loss Report must include all paid Losses as well as all outstanding Losses and incurred but not reported Losses, which are not finally settled and which may be reimbursable Losses under this Contract, and must be accompanied by supporting documentation (at a minimum an adjuster's summary report or equivalent details) and a copy of a written opinion on the present value of the outstanding Losses and incurred but not reported Losses by the Company's certifying actuary. Failure of the Company to provide an updated current Proof of Loss Report, supporting documentation, and an opinion by the date requested by the SBA may result in referral to the [Florida](#) Office of Insurance Regulation for a violation of the Contract. Increases in reported paid, outstanding, or incurred but not reported Losses on original or corrected Proof of Loss Report filings received later than 60 months after the end of the Contract Year shall not be eligible for reimbursement or commutation.
2. Determining the present value of outstanding Losses.
    - a. If the Company exceeds or expects to exceed its Retention, the Company and the SBA or their respective representatives shall attempt, by mutual agreement, to agree upon the

present value of all outstanding Losses, both reported and incurred but not reported, resulting from Covered Events during the Contract Year. The Loss valuation process under this subparagraph may begin only after all other issues arising under this Contract have been resolved, and shall be suspended pending resolution of any such issues that arise during the Loss valuation process. Payment by the SBA of its portion of any amount or amounts so mutually agreed and certified by the Company's certifying actuary shall constitute a complete and final release of the SBA in respect of all Losses, both reported and unreported, under this Contract.

- b. If agreement on present value cannot be reached within 90 days of the FHCF's receipt of the final Proof of Loss Report and supporting documentation, the Company and the SBA may mutually appoint an actuary, adjuster, or appraiser to investigate and determine such Losses. If both parties then agree, the SBA shall pay its portion of the amount so determined to be the present value of such Losses.
- c. If the parties fail to agree on the valuation of any Losses, then any difference in valuation of the Loss shall be settled by a panel of three actuaries, as provided in this subparagraph. Either the SBA or the Company may initiate the process under this subparagraph by providing written notice to the other party stating that the parties are at an impasse with respect to valuation of Losses and specifying the dollar amounts in dispute.
  - i. One actuary shall be chosen by each party, and the third actuary shall be chosen by those two actuaries. If either party does not appoint an actuary within 30 days after the initiation of the process, the other party may appoint two actuaries. If the two actuaries fail to agree on the selection of an independent third actuary within 30 days of their appointment, each of them shall name two, of whom the other shall decline one and the decision shall be made by drawing lots.
  - ii. All of the actuaries shall be regularly engaged in the valuation of property claims and losses and shall be members of the Casualty Actuarial Society and of the American Academy of Actuaries.
  - iii. None of the actuaries shall be under the control of either party to this Contract.
  - iv. Each party shall submit ~~its case to the panel in writing on the 30<sup>th</sup> day after the appointment of the third actuary. Following the submission of the case to the panel, the parties are prohibited from providing any further information or other communication except at the request of the panel. Such responses to requests from~~

~~the panel must be in writing and simultaneously provided to the other party and all members of the panel, except that the panel may require the response to a written statement of its case to the panel of actuaries and the opposing party no later than 30 days after the appointment of the third actuary. Within 15 days after receiving the other party's submission, a party may submit its written response to the panel of actuaries and the other party. After the appointment of the third actuary, a party may not communicate with the panel or any member of the panel except in writing simultaneously furnished to all members of the panel and the opposing party. Any member of the panel may present questions to be answered by both parties, which shall be answered in writing and simultaneously furnished to the members of the panel and the opposing party or, at the discretion of the panel, may be provided in a meeting or teleconference attended by both parties and all members of the panel.~~

v. The written decision ~~in writing of any two actuaries of a majority of the panel as to the disagreement over the valuation of losses identified in the written notice of impasse~~, when filed with the parties hereto, shall ~~be~~ final and binding on both parties.

d. The reasonable and customary expense of the actuaries and of the commutation (as a result of sub-subparagraphs 2.b. and c. ~~above~~) shall be equally divided between the two parties. Said commutation shall take place in Tallahassee, Florida, unless some other place is mutually agreed upon by the Company and the SBA.

3. The Company and SBA may mutually agree to initiate and complete a commutation for zero dollars ~~prior~~ without being subject to the ~~36-36-months~~ waiting period provided in subparagraph (d)1. ~~above~~. Such early commutation, once completed, eliminates the mandatory Proof of Loss Report requirements required under subparagraphs (b)3. and 4. ~~above~~ for all reporting periods subsequent to the completion of the commutation.

(4) **Advances**

(a) The SBA may make advances for loss reimbursements as defined herein, at market interest rates, to the Company in accordance with Section 215.555(4)(e), Florida Statutes. An advance is an early reimbursement which allows the Company to continue to pay claims in a timely manner. Advances will be made based on the Company's paid and reported outstanding Losses for Covered Policies (excluding all incurred but not reported Losses) as reported on a Proof of Loss Report, and shall include a Loss Adjustment Expense-Reimbursement Allowance as calculated by the FHCF. In order to be eligible for an advance, the Company must submit its exposure data for the Contract Year as required under subsection (1) of this Article. Except as



noted below, advances, if approved, will be made as soon as practicable after the SBA receives a written request, signed by two officers of the Company, for an advance of a specific amount and any other information required for the specific type of advance under paragraphs (c) and (d)-below. All reimbursements due to the Company shall be offset against any amount of outstanding advances plus the interest due thereon.

- (b) For advances or excess advances, which are advances that are in excess of the amount to which the Company is entitled, the market interest rate shall be the prime rate as published in the Wall Street Journal on the first business day of the Contract Year. This rate will be adjusted annually on the first business day of each subsequent Contract Year, regardless of whether the Company executes subsequent Contracts. In addition to the prime rate, an additional 5% interest charge will apply on excess advances. All interest charged will commence on the date the SBA issues a check for an advance and will cease on the date upon which the FHCF has received the Company's Proof of Loss Report for the Covered Event for which the Company qualifies for reimbursement. If such reimbursement is less than the amount of outstanding advances issued to the Company, interest will continue to accrue on the outstanding balance of the advances until subsequent Proof of Loss Reports qualify the Company for reimbursement under any Covered Event equal to or exceeding the amount of any outstanding advances. Interest shall be billed on a periodic basis. If it is determined that the Company received funds in excess of those to which it was entitled, the interest as to those sums will not cease on the date of the receipt of the Proof of Loss Report but will continue until the Company reimburses the FHCF for the overpayment.
- (c) If the Company has an outstanding advance balance as of December 31 of this or any other Contract Year, the Company is required to have an actuary certify outstanding and incurred but not reported Losses as reported on the applicable December Proof of Loss Report.
- (d) The specific type of advances enumerated in Section 215.555, Florida Statutes, follow.
  - 1. Advances to Companies to prevent insolvency, as defined under Article XV.
    - a. Section 215.555(4)(e)1., Florida Statutes, provides that the SBA shall advance to the Company amounts necessary to maintain the solvency of the Company, up to 50 percent of the SBA's estimate of the reimbursement due to the Company.
    - b. In addition to the requirements outlined in subparagraph (4)(a)-above, the requirements for an advance to a Company to prevent insolvency are that the Company demonstrates it is likely to qualify for reimbursement and that the immediate receipt of moneys from the SBA is likely to prevent the Company from becoming insolvent, and the Company provides the following information:

- i. Current assets;
    - ii. Current liabilities other than liabilities due to the Covered Event;
    - iii. Current surplus as to policyholders;
    - iv. Estimate of other expected liabilities not due to the Covered Event; and
    - v. Amount of reinsurance available to pay claims for the Covered Event under other reinsurance treaties.
  - c. The SBA's final decision regarding an application for an advance to prevent insolvency shall be based on whether or not, considering the totality of the circumstances, including the SBA's obligations to provide reimbursement for all Covered Events occurring during the Contract Year, granting an advance is essential to allowing the entity to continue to pay additional claims for a Covered Event in a timely manner.
2. Advances to entities created pursuant to Section 627.351(6), Florida Statutes.
- a. Section 215.555(4)(e)2., Florida Statutes, provides that the SBA may advance to an entity created pursuant to Section 627.351(6), Florida Statutes, up to 90% of the lesser of the SBA's estimate of the reimbursement due or the entity's share of the actual aggregate Reimbursement Premium for that Contract Year, multiplied by the current available liquid assets of the FHCF.
  - b. In addition to the requirements outlined in paragraph (4)(a) ~~above~~, the requirements for an advance to entities created pursuant to Section 627.351(6), Florida Statutes, are that the entity must demonstrate to the SBA that the advance is essential to allow the entity to pay claims for a Covered Event.
3. Advances to limited apportionment companies.
- Section 215.555(4)(e)3., Florida Statutes, provides that the SBA may advance the amount of estimated reimbursement payable to limited apportionment companies.
- (e) In determining whether or not to grant an advance and the amount of an advance, the SBA:
- 1. Shall determine whether its assets available for the payment of obligations are sufficient and sufficiently liquid to fulfill its obligations to other Companies prior to granting an advance;
  - 2. Shall review and consider all the information submitted by such Companies;
  - 3. Shall review such Companies' compliance with all requirements of Section 215.555, Florida Statutes;
  - 4. Shall consult with all relevant regulatory agencies to seek all relevant information;
  - 5. Shall review the damage caused by the Covered Event and when that Covered Event occurred;

6. Shall consider whether the Company has substantially exhausted amounts previously advanced;
  7. Shall consider any other factors deemed relevant; and
  8. Shall require commercial self-insurance funds established under section 624.462, Florida Statutes, to submit a copy of written estimates of expenses in support of the amount of advance requested.
- (f) Any amount advanced by the SBA shall be used by the Company only to pay claims of its policyholders for the Covered Event which has precipitated the immediate need to continue to pay additional claims as they become due.
- (5) **Inadequate Data Submissions**  
If exposure data or other information required to be reported by the Company under the terms of this Contract ~~is~~ are not received by the FHCF in the format specified by the FHCF or is inadequate to the extent that the FHCF requires resubmission of data, the Company will be required to pay the FHCF a resubmission fee of \$1,000 for resubmissions that are not a result of an examination by the SBA. If a resubmission is necessary as a result of an examination report issued by the SBA, the first resubmission fee will be \$2,000. If the Company's examination-required resubmission is inadequate and the SBA requires an additional resubmission(s), the resubmission fee for each subsequent resubmission shall be \$2,000. A resubmission of exposure data may delay the processing of the Company's request for reimbursement or an advance.
- (6) **Confidential Information/Trade Secret Information**  
Pursuant to the provisions of Section 215.557, Florida Statutes, the reports of insured values under Covered Policies by ZIP Code submitted to the SBA pursuant to Section 215.555, Florida Statutes, are confidential and exempt from the provisions of Section 119.07(1), Florida Statutes, and Section 24(a), Art. I of the State Constitution. If other information submitted by the Company to the FHCF could reasonably be ruled a "trade secret" as defined in Section 812.081, Florida Statutes, such information must be clearly marked "Trade Secret Information."

## ARTICLE XI - TAXES

In consideration of the terms under which this Contract is issued, the Company agrees to make no deduction in respect of the Reimbursement Premium herein when making premium tax returns to the appropriate authorities. Should any taxes be levied on the Company in respect of the Reimbursement Premium herein, the Company agrees to make no claim upon the SBA for reimbursement in respect of such taxes.

## ARTICLE XII - ERRORS AND OMISSIONS

Any inadvertent delay, omission, or error on the part of the SBA shall not be held to relieve the Company from any liability which would attach to it hereunder if such delay, omission, or error had not been made.

### **ARTICLE XIII - INSPECTION OF RECORDS**

The Company shall allow the SBA to inspect, examine, and verify, at reasonable times, all records of the Company relating to the Covered Policies under this Contract, including Company files concerning claims, Losses, or legal proceedings regarding subrogation or claims recoveries which involve this Contract, including premium, loss records and reports involving exposure data or Losses under Covered Policies. This right by the SBA to inspect, examine, and verify shall survive the completion and closure of an exposure examination or ~~loss~~ claims examination file and the termination of the Contract. The Company shall have no right to re-open an exposure or ~~loss~~ claims examination once closed and the findings have been accepted by the Company; any re-opening shall be at the sole discretion of the SBA. If the State Board of Administration Finance Corporation has issued revenue bonds and relied upon the exposure and Loss data submitted and certified by the Company as accurate to determine the amount of bonding needed, the SBA may choose not to require, or accept, a resubmission if the resubmission will result in additional reimbursements to the Company. The SBA may require any discovered errors, inadvertent omissions, and typographical errors associated with the data reporting of insured values, discovered prior to the closing of the file and acceptance of the examination findings by the Company, to be corrected to reflect the proper values. The Company shall retain its records in accordance with the requirements for records retention regarding exposure reports and claims reports outlined herein, and in any administrative rules adopted pursuant to Section 215.555, Florida Statutes. Companies writing covered collateral protection policies, as defined in definition ~~(10)(d)~~ (11)(b) of Article V, must be able to provide documentation that the policy covers personal residences, protects both the borrower's and lender's interest, and that the coverage is in an amount at least equal to the coverage for the dwelling in place under the lapsed homeowner's policy.

#### **(1) Purpose of FHCF Examination**

The purpose of the examinations conducted by the SBA is to evaluate the accuracy of the FHCF exposure or Loss data reported by the Company. However, due to the limited nature of the examination, it cannot be relied upon as an assurance that a Company's data is reported accurately or in its entirety. The Company should not rely on the FHCF to identify every type of reporting error in its data. In addition, the reporting requirements are subject to change each Contract Year so it is the Company's responsibility to be familiar with the applicable Contract Year requirements and to incorporate any changes into its data for that Contract Year. It is also the Company's responsibility to ensure that its data is reported accurately and to comply with Florida Statutes and any applicable

rules when reporting exposure data. The examination report is not intended to provide a legal determination of the Company's compliance.

**(2) Examination Requirements for Exposure Verification**

The Company shall retain complete and accurate records, in policy level detail, of all exposure data submitted to the SBA in any Contract Year until the SBA has completed its examination of the Company's exposure submissions. The Company shall also retain complete and accurate records of any completed exposure examination for any Contract Year in which the Company incurred Losses until the completion of the ~~loss-reimbursement~~ claims examination and commutation for that Contract Year. The records to be retained are outlined in the Data Call adopted for the Contract Year under Rule 19-8.029, F.A.C. A complete list of records to be retained for the exposure examination is set forth in Form FHCF-EAP1, adopted for the Contract Year under Rule 19-8.029, F.A.C.

**(3) Examination Requirements for Loss Reports**

The Company shall retain complete and accurate records of all reported Losses and/or advances submitted to the SBA until the SBA has completed its examination of the Company's reimbursable Losses and commutation for the Contract Year (if applicable) has been concluded. The records to be retained are set forth as part of the Proof of Loss Report, Form FHCF-L1B and Form FHCF-LAP1, both adopted for the Contract Year under Rule 19-8.029, F.A.C.

**(4) Examination Procedures**

- (a) The FHCF will send an examination notice letter to the Company providing the commencement date of the examination, the site of the examination, any accommodation requirements of the examiner, and the reports and data which must be assembled by the Company and forwarded to the FHCF. The Company shall be prepared to choose one location in which to be examined, unless otherwise specified by the SBA.
- (b) The reports and data are required to be forwarded to the FHCF as set forth in an examination notice letter. The information is then forwarded to the examiner. If the FHCF receives accurate and complete records as requested, the examiner will contact the Company to inform the Company as to what policies or other documentation will be required once the examiner is on site. Any records not required to be provided to the examiner in advance shall be made available at the time the examiner arrives on site. Any records to support reported exposure or Losses which are provided after the examiner has left the work-site will, at the SBA's discretion, result in an additional examination of exposure and/or Loss records or an extension or expansion of the examination already in progress. All costs associated with such additional examination or with the extension or expansion of the original examination shall be borne by the Company.

- (c) At the conclusion of the examiner's work and the management review of the examiner's report, findings, recommendations, and work papers, the FHCF will forward an examination report to the Company.
- (d) Within 30 days from the date of the letter accompanying the examination report, the Company must provide a written response to the FHCF. The response must indicate whether the Company agrees with the findings and recommendations of the examination report. If the Company disagrees with any examination findings or recommendations, the reason for the disagreement must be outlined in the response and the Company must provide supporting information to support its objection. An extension of 30 days may be granted if the Company can show that the need for additional time is due to circumstances beyond the reasonable control of the Company. No response is required if the examination report does not include any findings or recommendations.
- (e) If the Company accepts the examination findings and recommendations, and there is no recommendation for additional information, the examination report will be finalized and the exam file closed.
- (f) If the Company disputes the examiner's findings, the areas in dispute will be resolved by a meeting or a conference call between the Company and FHCF management.
- (g)
  - 1. If the recommendation of the examiner is to resubmit the Company's exposure data for the Contract Year in question, then the FHCF will send the Company a letter outlining the process for resubmission and including a deadline to resubmit. Once the resubmission is received, the FHCF's Administrator calculates a revised Reimbursement Premium for the Contract Year which has been examined. The SBA shall then review the resubmission with respect to the examiner's findings, and accept the resubmission or contact the Company with any questions regarding the resubmission. Once the SBA has accepted the resubmission as a sufficient response to the examiner's findings, the exam is closed.
  - 2. If the recommendation of the examiner is to give the Company the option to either resubmit the exposure data or to pay the estimated [Reimbursement](#) Premium difference, then the FHCF will send the Company a letter outlining the process for resubmission or for paying the estimated [Reimbursement](#) Premium difference and including a deadline for the resubmission or the payment to be received by the FHCF's Administrator. If the Company chooses to resubmit, the same procedures outlined in Article XIII(4) apply.
- (h) If the recommendation of the examiner is to update the Company's Proof of Loss Report(s) for the Contract Year under review, the FHCF will send the Company a letter outlining the process

for submitting the Proof of Loss Report(s) and including a deadline to file. Once the Proof of Loss Report(s) is received by the FHCF Administrator, the FHCF's Administrator will calculate a revised reimbursement. The SBA shall then review the submitted Proof of Loss Report(s) with respect to the examiner's findings, and accept the Proof of Loss Report(s) as filed or contact the Company with any questions. Once the SBA has accepted the corrected Proof of Loss Report(s) as a sufficient response to the examiner's findings, the exam is closed.

- (i) The examiner's list of errors is made available in the examination report sent to the Company. Given that the examination was based on a sample of the Company's policies or claims rather than the whole universe of the Company's Covered Policies or reported claims, the error list is not intended to provide a complete list of errors but is intended to indicate what information needs to be reviewed and corrected throughout the Company's book of Covered Policy business or claims information to ensure more complete and accurate reporting to the FHCF.

**(5) Costs of the Examinations**

The costs of the examinations shall be borne by the SBA. However, in order to remove any incentive for a Company to delay preparations for an examination, the SBA shall be reimbursed by the Company for any examination expenses incurred in addition to the usual and customary costs, which additional expenses were incurred as a result of the Company's failure, despite proper notice, to be prepared for the examination or as a result of a Company's failure to provide requested information. All requested information must be complete and accurate.

**ARTICLE XIV – OFFSETS**

The SBA reserves the right to offset amounts payable to the SBA from the Company, including amounts payable under the Reimbursement Contract for any Contract Year and also including the Company's full [Reimbursement](#) Premium for the current Contract Year (regardless of installment due dates), against any (1) [Reimbursement](#) pPremium refunds under any Contract Year, (2) reimbursement or advance amounts, or (3) amounts agreed to in a commutation agreement, which are due and payable to the Company from the SBA as a result of the liability of the SBA.

**ARTICLE XV - INSOLVENCY OF THE COMPANY**

Company shall notify the FHCF immediately upon becoming insolvent. Except as otherwise provided below, no reimbursements will be made until the FHCF has completed and closed its examination of the insolvent Company's Losses, unless an agreement is entered into by the court appointed receiver specifying that all data and computer systems required for FHCF exposure and ~~loss~~ [claims](#) examinations will be maintained until completion of the Company's exposure and ~~loss~~ [claims](#) examinations. Except as otherwise provided below, in order to account for potential erroneous reporting, the SBA shall hold back



25% of requested reimbursements until the exposure and ~~loss~~ claims examinations for the Company are completed. Only those Losses supported by the examination will be reimbursed. Pursuant to Section 215.555(4)(g), Florida Statutes, the FHCF is required to pay the “net amount of all reimbursement moneys” due an insolvent insurer to the Florida Insurance Guaranty Association (FIGA) for the benefit of Florida policyholders. For the purpose of this Contract, a Company is insolvent when an order of liquidation with a finding of insolvency has been entered by a court of competent jurisdiction. In light of the need for an immediate infusion of funds to enable policyholders of insolvent companies to be paid for their claims, the SBA may enter into agreements with FIGA allowing exposure and ~~loss~~ claims examinations to take place immediately without the usual notice and response time limitations and allowing the FHCF to make reimbursements (net of any amounts payable to the SBA from the Company or FIGA) to FIGA before the examinations are completed and before the response time expires for claims filing by reinsurers and financial institutions, which have a priority interest in those funds pursuant to Section 215.555(4)(g), Florida Statutes. Such agreements must ensure the availability of the necessary records and adequate security must be provided so that if the FHCF determines that it overpaid FIGA on behalf of the Company, or if claims are filed by reinsurers or financial institutions having a priority interest in these funds, that the funds will be repaid to the FHCF by FIGA within a reasonable time.

#### **ARTICLE XVI - TERMINATION**

The FHCF and the obligations of both parties under this Contract can be terminated only as may be provided by law or applicable rules.

#### **ARTICLE XVII - VIOLATIONS**

##### **(1) Statutory Provisions**

- (a) Section 215.555(10), Florida Statutes, provides that any violation of Section 215.555, Florida Statutes, or of rules adopted under that section, constitutes a violation of the Florida Insurance Code. This Contract has been adopted as part of Rule 19-8.010, Florida Administrative Code, under the authority of that section of Florida Statutes.
- (b) Section 215.555(11), Florida Statutes, authorizes the SBA to take any action necessary to enforce the rules and the provisions and requirements of this Contract, required by and adopted pursuant to Section 215.555, Florida Statutes.

##### **(2) Noncompliance**

- (a) As used in this Article, the term “noncompliance” means the failure of the Company to meet any applicable requirement of Section 215.555, Florida Statutes, or of any rule adopted under the authority of that section of Florida Statutes, including, but not limited to, any failure to meet a deadline for an FHCF payment, Data Call submissions or resubmissions, Loss reporting or commutation documentation, or a deadline related to SBA examination requirements. The



Company remains in a state of noncompliance as long as the Company fails to meet the applicable requirement(s).

- (b) If the Company is in a state of noncompliance, the SBA reserves the right to withhold any payments or advances due to the Company until the SBA determines that the Company is no longer in a state of noncompliance.

#### ARTICLE XVIII - APPLICABLE LAW

This Contract shall be governed by and construed according to the laws of the State of Florida in respect of any matter relating to or arising out of this Contract.

#### ARTICLE XIX – DUE DATES

If any due date provided in this Contract is a Saturday, Sunday or a legal State of Florida or federal holiday, then the actual due date will be the day immediately following the applicable due date which is not a Saturday, Sunday or a legal State of Florida or federal holiday.

#### ARTICLE XX – REIMBURSEMENT CONTRACT ELECTIONS

(1) Reimbursement Percentage Coverage Level

For purposes of determining reimbursement (if any) due the Company under this Contract and in accordance with the Statute, the Company has the option to elect a 45% or 75% or 90% reimbursement percentage Coverage Level under this Contract. If the Company is a member of an NAIC group, all members must elect the same reimbursement percentage Coverage Level, and the individual executing this Contract on behalf of the Company, by placing his or her initials in the box under (a) below, affirms that the Company has elected the same reimbursement percentage Coverage Level as all members of its NAIC group. If the Company is an entity created pursuant to Section 627.351, Florida Statutes, the Company must elect the 90% reimbursement percentage Coverage Level. The Company shall not be permitted to change its reimbursement percentage Coverage Level during the Contract Year. The Company shall be permitted to change its reimbursement percentage Coverage Level at the beginning of a new Contract Year, but may not reduce its reimbursement percentage Coverage Level if a Covered Event required the issuance of revenue bonds, until the bonds are no longer outstanding.

The Reimbursement Percentage Coverage Level elected by the Company for the prior Contract Year effective June 1, 2017-2018 was as follows: «Legal\_Name» - «20172018 Coverage\_Option»

- (a) **NAIC Group Affirmation:** Initial the following box if the Company is part of an NAIC Group:

☐

- (b) **Reimbursement Percentage Coverage Level Election**: The Company hereby elects the following ~~Reimbursement Percentage Coverage Level~~ for the Contract Year from 12:00:01 a.m., Eastern Time, June 1, ~~2018~~2019, to 12:00 a.m., Eastern Time, May 31, ~~2019~~2020, (the individual executing this Contract on behalf of the Company shall place his or her initials in the box to the left of the percentage elected for the Company):

45% OR

75% OR

90%

(2) **Additional Living Expense (ALE) Written as Time Element Coverage**

If your Company writes Covered Policies that provide ALE coverage on a time element basis (i.e., coverage is based on a specific period of time as opposed to a stated dollar limit), you must initial the 'Yes – Time Element ALE' box below. If your Company does not write time element ALE coverage, initial 'No – Time Element ALE' box below.

**Yes – Time  
Element ALE**

**OR**

**No – Time  
Element ALE**

## ARTICLE XXI – SIGNATURES

### Approved by:

Paragon Strategic Solutions Inc., on Behalf of the State Board of Administration of the State of Florida  
and as Administrator of the Florida Hurricane Catastrophe Fund.

By: \_\_\_\_\_  
Date \_\_\_\_\_

### Authority to sign on behalf of the Company:

The person signing this Contract on behalf of the Company hereby represents that he or she is an officer of the Company, acting within his or her authority to enter into this Contract on behalf of the Company, with the requisite authority to bind the Company and make the representations on behalf of the Company as set forth in this Contract.

«Legal\_Name»

\_\_\_\_\_  
Printed Name and Title

By: \_\_\_\_\_  
Signature Date

**DRAFT – August 14, 2018**

**ADDENDUM NO. 1**  
**to**  
**REIMBURSEMENT CONTRACT**  
**Effective: June 1, ~~2018~~2019**  
**(Contract)**

Between

**Citizens Property Insurance Corporation**  
(Citizens or Company)

**NAIC #**

and

**THE STATE BOARD OF ADMINISTRATION OF THE STATE OF FLORIDA (SBA) WHICH  
ADMINISTERS THE FLORIDA HURRICANE CATASTROPHE FUND (FHCF)**

**It is Hereby Agreed**, effective at 12:00:01 a.m., Eastern Time, June 1, ~~2018~~2019, that this Contract shall be amended as follows:

**CITIZENS COVERAGE OF POLICIES OF LIQUIDATED INSURERS PURSUANT TO  
SECTION 215.555(5)(e), FLORIDA STATUTES.**

If an insurer is placed in liquidation under Chapter 631, pursuant to Section 627.351(6), Florida Statutes, and Citizens Property Insurance Corporation (Citizens) provides coverage for Covered Policies of such liquidated insurer, Section 215.555(5)(e), Florida Statutes, provides that Citizens may, subject to provisions below, obtain coverage for such policies under its Reimbursement Contract with the FHCF or accept an assignment of the liquidated insurer's Reimbursement Contract with the FHCF. Prior to the date that Citizens takes a transfer of policies from a liquidated insurer, Citizens shall select one of these options using Appendix A of Addendum No. 1 and submit to the FHCF as instructed.

**PROVIDING COVERAGE FOR A LIQUIDATED INSURER'S POLICIES UNDER CITIZENS'  
FHCF REIMBURSEMENT CONTRACT**

- (1) If a Covered Event has occurred prior to the transfer of policies from a liquidated insurer to Citizens, Citizens must accept an assignment of such liquidated insurer's FHCF Reimbursement Contract and cannot cover such policies under Citizens' Reimbursement Contract. Only in those situations where a Covered Event has not occurred shall Citizens be able to obtain coverage under its own FHCF Reimbursement Contract for those policies transferred to Citizens as a result of a liquidation.
- (2) Responsibilities relating to the transfer of the liquidated insurer's Covered Policies to Citizens:

- (a) Citizens shall accurately report the exposure and loss data related to Covered Policies transferred from a liquidated insurer to Citizens.
1. For a transfer of a liquidated insurer's Covered Policies that occurs on or before June 30, ~~2018~~2019, Citizens shall report the exposure in effect for such policies as of June 30, ~~2018~~2019. If any such policies renewed with Citizens on or before June 30, ~~2018~~2019, Citizens shall include the exposure for those policies as part of its Form FHCF-D1A (Data Call) submission due September 1, ~~2018~~2019.
  2. For transfers of Covered Policies from a liquidated insurer to Citizens after June 30, ~~2018~~2019, Citizens shall report exposure in effect for such policies as of the date of the transfer and the FHCF shall treat all such policies as if they were in effect as of June 30, ~~2018~~2019.
  3. For purposes of reporting Losses to the FHCF, Citizens shall report all Losses including those associated with Covered Policies transferred from liquidated insurers on Forms FHCF-L1A and FHCF-L1B as required under the Reimbursement Contract. Citizens shall retain separate data files for examination purposes for Losses on Covered Policies transferred from each liquidated insurer.
- (b) Citizens shall report the exposure associated with Covered Policies from each liquidated insurer on a separate Data Call, which must be completed in full and must identify the liquidated insurer from whom the policies were transferred and to which the Data Call relates. The Data Call for each liquidated insurer where Covered Policies are transferred to Citizens is due on September 1, ~~2018~~2019, or a maximum of 60 days from the date of transfer, whichever is later.
- (c) The FHCF Reimbursement Premium for all Covered Policies transferred from a liquidated insurer to Citizens shall be due on December 1, ~~2018~~2019, or within 15 days of being invoiced by the FHCF, whichever is later. The FHCF Reimbursement Premium associated with the transferred Covered Policies shall be itemized by Citizens for each liquidated insurer, but the total Reimbursement Premium resulting from the reporting of exposure on Citizens Covered Policies and the Reimbursement Premium associated with Covered Policies transferred to Citizens from liquidated insurers shall be combined to determine Citizens' retention and its share of the FHCF's capacity.
- (d) An administrative fee of \$1,000 shall apply to each resubmission of exposure data for resubmissions that are not a result of an examination by the SBA. If a resubmission is necessary as a result of an examination report issued by the SBA, the first resubmission fee will be \$2,000. If the first examination-required resubmission is inadequate and the SBA requires an additional resubmission(s), the resubmission fee for each subsequent resubmission shall be \$2,000. Resubmission fees shall be invoiced along with the Reimbursement Premium billing discussed in (c) above.
- (e) Citizens shall ensure that the books and records related to the Covered Policies transferred from a liquidated insurer are preserved and accessible to the FHCF for its exposure and loss examinations. Citizens shall retain data related to the FHCF examinations as required in Forms FHCF-D1A, FHCF-EAP1, and FHCF-LAP1 for the exposure transferred from each liquidated insurer.
- (3) The Covered Policies of a liquidated insurer transferred to Citizens on the date of such transfer shall be treated as if they were on Citizens' books and records as of June 30, ~~2018~~2019. Citizens' ~~2018~~2019 FHCF Reimbursement Premium shall be the aggregate premium based on its direct business and all business associated with Covered Policies of a liquidated insurer transferred to Citizens. Citizens' FHCF retention and limit of coverage shall be based on this aggregate Reimbursement Premium.

**CITIZENS' ACCEPTANCE OF AN ASSIGNMENT OF A LIQUIDATED INSURER'S FHCF REIMBURSEMENT CONTRACT**

(1) Responsibilities relating to Assigned Reimbursement Contracts:

- (a) Citizens, pursuant to Section 215.555(5)(e), Florida Statutes, has the rights and duties of the liquidated insurer beginning on the date it first provides coverage for such transferred Covered Policies.
- (b) Citizens is responsible for the Reimbursement Premiums due under the assigned Reimbursement Contract(s). Should any Reimbursement Premium be owed at the time paid Losses for Covered Policies under the assigned Reimbursement Contract exceed the Retention under the assigned Reimbursement Contract, all Reimbursement Premiums (as well as any applicable fees and interest) shall be offset before the issuance of any reimbursement payment.
- (c) Citizens has the responsibility to report all exposure and loss information for Covered Policies under the assigned Reimbursement Contracts separately for each assigned Reimbursement Contract pursuant to the reporting requirements specified in the Reimbursement Contract. If the liquidated insurer has already submitted the required Data Call, Citizens has the responsibility of filing any resubmissions as necessary.
- (d) Citizens has the responsibility to ensure that the books and records related to the assigned Reimbursement Contract are preserved and accessible to the FHCF for its exposure and loss examinations. Citizens has the responsibility to retain data related to FHCF examinations as required in FHCF-D1A, FHCF-EAP1, and FHCF-LAP1 for each assigned Reimbursement Contract.

- (2) Citizens will not be reimbursed by the FHCF for any Losses occurring prior to the date it first provides coverage for such transferred policies. Reimbursements for those Losses shall be made to the insurer, the receiver, or the Florida Insurance Guaranty Association, as provided by statute.

**Approved by:**

Paragon Strategic Solutions Inc., on Behalf of the State Board of Administration of the State of Florida  
and as Administrator of the Florida Hurricane Catastrophe Fund

By: \_\_\_\_\_  
Date

\_\_\_\_\_  
Company

By: \_\_\_\_\_  
Printed Name and Title Date

**DRAFT - August 14, 2018**

**APPENDIX A TO ADDENDUM NO. 1**  
**to**  
**REIMBURSEMENT CONTRACT**  
**Effective: June 1, ~~2018~~2019**  
**(Contract)**

between

**Citizens Property Insurance Corporation**  
(Citizens or Company)

**NAIC #**

and

**THE STATE BOARD OF ADMINISTRATION OF THE STATE OF FLORIDA (SBA)**  
**WHICH ADMINISTERS THE FLORIDA HURRICANE CATASTROPHE FUND (FHCF)**

Pursuant to Section 215.555(5) (e), Florida Statutes

With reference to

\_\_\_\_\_  
Name of Liquidated Insurer (Liquidated Insurer)

We, the undersigned, being executive officers of Citizens Property Insurance Corporation (Citizens), acting within our authority, hereby make the following election with reference to the Liquidated Insurer named above:

(Check appropriate box and provide date of transfer below):

☐

Citizens elects to obtain FHCF coverage for the Liquidated Insurer's Covered Policies by including such Covered Policies under Citizens' ~~2018-2019~~ FHCF Reimbursement Contract.

Date policies transferred to Citizens: \_\_\_\_\_

☐

Citizens elects to obtain FHCF coverage for the Liquidated Insurer's Covered Policies by accepting an assignment of the Liquidated Insurer's ~~2018-2019~~ FHCF Reimbursement Contract.

Date policies transferred to Citizens: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**RETURN COMPLETED FORM TO:**

Paragon Strategic Solutions Inc.  
8200 Tower, 5600 West 83<sup>rd</sup> Street, Suite 1100  
Minneapolis, MN 55437



**Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities,  
and Incorporated Forms**

**2019-2020 Contract Year**

**Summary of Changes as of October 3, 2018**

**General Description**

In general, Florida Hurricane Catastrophe Fund (FHCF) Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities, provides requirements relating to insurer reporting of exposures and losses and requirements relating to examination of insurer exposures and losses. Under the proposed amendment, Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities, adopts the Data Call and other applicable reporting requirements and examination instruction forms for the 2019-2020 contract year, revises provisions to reflect changes in the FHCF Reimbursement Contract for the 2019-2020 contract year, deletes obsolete or duplicative material, and provides additional clarification.

**Rule**

**19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities**

(3) Subsection (3) is amended to adopt and incorporate by reference the 2019-2020 Data Call (Form FHCF-D1A).

(4) Subsection (4) is amended to adopt and incorporate by reference the 2019-2020 Interim Loss Report (Form FHCF-L1A), Proof of Loss Report (Form FHCF-L1B), and Detailed Claims Listing Instructions (Form FHCF-DCL).

(5) Paragraph (5)(a) is amended to adopt and incorporate by reference the 2019-2020 Exposure Examination Advance Preparation Instructions (Form FHCF-EAP1) and Claims Examination Advance Preparation Instructions (Form FHCF-LAP1). Paragraph (5)(b) is amended to update a reference to the Claims Examination Advance Preparation Instructions.

Subsection (6) is amended to continue the requirement that insurers submit contact information but to delete adoption by rule of the Company Contact Information form (Form FHCF C-1), which does not fall within the definition of “rule” under the Administrative Procedure Act.

## **Incorporated Forms**

### **FORM FHCF-D1A rev. XX/19, Florida Hurricane Catastrophe Fund 2019 Data Call**

In addition to updating of references to apply to the 2019-2020 Contract Year and nonsubstantive editorial changes, the 2019 Data Call includes several significant changes, outlined under “Important Changes in the 2019 Data Call” on page 2, that conform to changes in the 2019-2020 Reimbursement Contract under Rule 19-8.010. Under the 2019-2020 Reimbursement Contract:

- In order to qualify for FHCF reimbursement, personal property coverage must be part of an underlying residential property policy or an endorsement to such a policy.
- The exclusion of condominium units and other properties on the basis of their short-term rental status is eliminated.
- A mixed-use condominium structure will be treated as “habitational” unless more than 50% of the insured value is used for non-habitational purposes, without taking into consideration the terms of occupancy of individual units.

The Mixed-Occupancy Single Structure Worksheet of the Data Call has been simplified as a result of these changes.

The 2019-2020 Data Call also includes the following other changes from the prior Data Call:

#### **Pages 9-10: Description of Data Fields; Type of Business**

The type-of-business data field is revised to eliminate reporting of stand-alone personal property policies.

#### **Pages 13-14: Reportable Exposures, Not Covered/Excluded Exposure**

These data fields are revised to reflect the exclusion of stand-alone personal property policies.

#### **Pages 17-20: Excerpts from Reimbursement Contract**

The excerpts from the Reimbursement Contract relating to definitions and exclusions are amended to conform to the 2019-2020 Reimbursement Contract.

#### **Page 22: Reporting Clarifications; Blanket Limits, Multiple Location Policies with Non-Florida Risks**

Revised to clarify that a multiple location policy with a blanket limit where the blanket limit is less than the insurable value of the property is not reportable, and to delete duplicative language.

#### **Page 26: Citizens Coastal Account Quota Share Primary Insurance Reporting Requirements**

Revised for clarity.

Pages 33-36: Mixed-Occupancy Single Structures Worksheet.

The note describing the treatment of mixed-occupancy structures under the Reimbursement Contract is revised to reflect current contractual provisions. Questions relating to the short-term rental status of condominium units are deleted.

**FORM FHCF-LIA rev. XX/19, Contract Year 2019 Interim Loss Report**

References are updated to apply to the 2019-2020 Contract Year.

**FORM FHCF-L1B rev. XX/19, Contract Year 2019 Proof of Loss Report**

References are updated to apply to the 2019-2020 Contract Year.

**FORM FHCF-DCL rev. XX/19, Contract Year 2019 Detailed Claims Listing Instructions**

References are updated to apply to the 2019-2020 Contract Year.

**FORM FHCF-EAP1 rev. XX/19, Exposure Examination—Contract Year 2019 Advance Preparation Instructions**

In addition to non-substantive editorial or clarifying changes, references are updated to apply to the 2019-2020 Contract Year.

**FORM FHCF-LAP1 rev. XX/19, Claims Examination—Contract Year 2019 Advance Preparation Instructions**

The “Loss Reimbursement Examination Advance Preparation Instructions” are redesignated as the “Claims Examination Advance Preparation Instructions.”

The instructions are substantially revised to require that specified advance records (required records checklist, operations questionnaire, proof of loss report, detailed claims listing, claims process memo, IBNR, list of claims with salvage, multi-state policy listing, multi-risk policy listing, and single structures policy listing) be submitted electronically using the FHCF *WIRE* and FHCF Online Claims systems.

## Notice of Proposed Rule

### STATE BOARD OF ADMINISTRATION

#### RULE NO.: RULE TITLE:

19-8.029: Insurer Reporting Requirements and Responsibilities

PURPOSE AND EFFECT: The State Board of Administration, Florida Hurricane Catastrophe Fund, seeks to amend Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities, to implement Section 215.555, Florida Statutes.

SUMMARY: In general, Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities, addresses reporting and examination requirements. The proposed revisions to Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities, adopt the 2019-2020 Data Call for exposure reporting, the forms for loss reporting, and forms relating to exposure examinations and claims examinations. As amended, Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities, adopts the Data Call and other applicable reporting requirements and examination instruction forms for the 2019-2020 contract year, deletes obsolete or duplicative material, and provides additional clarification.

#### SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the Agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: Upon review of the proposed changes to this rule and the incorporated forms, the State Board of Administration of Florida has determined that the rule does not meet the requirements for ratification by the legislature. The changes to the rule do not have an adverse impact on small business and do not directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate within 1 year of implementation. The changes to the rule also do not directly or indirectly have an adverse impact on economic growth, private sector job creation or employment, or private sector investment, business competitiveness or innovation or increase regulatory costs, including any transactional costs, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

RULEMAKING AUTHORITY: 215.555(3), F.S.

LAW IMPLEMENTED: 215.555(2), (3), (4), (5), (6), (7), (10), F.S.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE DATE, TIME AND PLACE SHOWN BELOW (IF NOT REQUESTED, THIS HEARING WILL NOT BE HELD):

DATE AND TIME: December 28, 2018, 9:00 a.m. (ET) to 10:00 a.m. (ET).

PLACE: Room 116 (Hermitage Conference Room), 1801 Hermitage Blvd., Tallahassee, Florida 32308.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 7 days before the workshop/meeting by contacting: Donna Sirmons, Florida Hurricane Catastrophe Fund, 1801 Hermitage Boulevard, Tallahassee, FL 32308, (850) 413-1349, donna.sirmons@sbafla.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Donna Sirmons at the number or

email listed above.

THE FULL TEXT OF THE PROPOSED RULE IS:

**19-8.029 Insurer Reporting Requirements and Responsibilities.**

(1) Purpose. This rule specifies certain deadlines and other requirements for insurers that participate in the Florida Hurricane Catastrophe Fund (FHCF).

(2) Definitions. The definitions in the Reimbursement Contract for the applicable Contract Year also apply to this rule and the forms referenced in this rule. In addition, as used in this rule and the forms referenced in this rule:

(a) “Contract Year” is defined in section 215.555(2), F.S.

(b) “Insurer” or “Company” means an insurer that is required to enter into a Reimbursement Contract.

(3) Data Call form. For the 2019/2020 Contract Year, the reporting of Company exposure data shall be in accordance with Form FHCF-D1A, “Florida Hurricane Catastrophe Fund 2019 Data Call,” rev. 0X/19, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>, which is hereby adopted and incorporated by reference into this rule. ~~Data Call form. For the 2018/2019 Contract Year, the reporting of Company exposure data shall be in accordance with Form FHCF-D1A, “Florida Hurricane Catastrophe Fund 2018 Data Call,” rev. 02/18, <http://www.flrules.org/Gateway/reference.asp?No=Ref-09024>, which is hereby adopted and incorporated by reference into this rule.~~

(4) Loss reporting forms.

(a) For the 2019/2020 Contract Year, the reporting of estimated Ultimate Net Loss shall be in accordance with Form FHCF-L1A, “Contract Year 2019 Interim Loss Report, Florida Hurricane Catastrophe Fund (FHCF),” rev. 0X/19, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>, which is hereby adopted and incorporated by reference into this rule. ~~For the 2018/2019 Contract Year, the reporting of estimated Ultimate Net Loss shall be in accordance with Form FHCF-L1A, “Contract Year 2018 Interim Loss Report, Florida Hurricane Catastrophe Fund (FHCF),” rev. 02/18, <http://www.flrules.org/Gateway/reference.asp?No=Ref-09025>, which is hereby adopted and incorporated by reference into this rule.~~

(b) For the 2019/2020 Contract Year, the reporting of Ultimate Net Loss shall be in accordance with Form FHCF-L1B, “Contract Year 2019 Proof of Loss Report, Florida Hurricane Catastrophe Fund (FHCF),” rev. 0X/19, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>, which is hereby adopted and incorporated by reference into this rule. ~~For the 2018/2019 Contract Year, the reporting of Ultimate Net Loss shall be in accordance with Form FHCF-L1B, “Contract Year 2018 Proof of Loss Report, Florida Hurricane Catastrophe Fund (FHCF),” rev. 02/18, <http://www.flrules.org/Gateway/reference.asp?No=Ref-09026>, which is hereby adopted and incorporated by reference into this rule.~~

(c) For the 2019/2020 Contract Year, the applicable Detailed Claims Listing Instructions is Form FHCF-DCL, “Contract Year 2019 Detailed Claims Listing Instructions,” rev. 0X/19, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>, which is hereby adopted and incorporated by reference into this rule. ~~For the 2018/2019 Contract Year, the applicable Detailed Claims Listing Instructions is Form FHCF-DCL, “Contract Year 2018 Detailed Claims Listing Instructions,” rev. 02/18, <http://www.flrules.org/Gateway/reference.asp?No=Ref-09027>, which is hereby adopted and incorporated by reference into this rule.~~

(5) Examination.

(a) Advance examination record requirements. Within 30 days after the date of the request for such information, a Company must provide the FHCF with the records indicated in the applicable Contract Year’s “Exposure Examination Advance Preparation Instructions” or in the applicable Contract Year’s “Claims Loss Reimbursement Examination Advance Preparation Instructions.” The FHCF may grant an extension of 30 days if the Company can show that the need for the additional time is due to circumstances beyond its reasonable control. For the 2019/2020 ~~2018/2019~~ Contract Year, the applicable exposure examination instructions form is the “Florida Hurricane Catastrophe Fund (FHCF) Exposure Examination – Contract Year 2019 Advance Preparation Instructions,” FHCF-EAP1, rev. 0X/19, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX> ~~“Florida Hurricane Catastrophe~~

~~Fund (FHCF) Exposure Examination – Contract Year 2018 Advance Preparation Instructions,” FHCF-EAP1, rev. 02/18, <http://www.flrules.org/Gateway/reference.asp?No=Ref 09028>, which is hereby adopted and incorporated by reference into this rule. The applicable ~~claims loss~~ examination instructions form is the “Florida Hurricane Catastrophe Fund (FHCF) Claims Examination – Contract Year 2019 Advance Preparation Instructions,” FHCF-LAP1, rev. 0X/19, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX> “Florida Hurricane Catastrophe Fund (FHCF) Loss Reimbursement Examination – Contract Year 2018 Advance Preparation Instructions,” FHCF-LAP1, rev. 02/18, <http://www.flrules.org/Gateway/reference.asp?No=Ref 09029>, which is hereby adopted and incorporated by reference into this rule.~~

(b) Consequences for failure to meet the requirements contained in the FHCF-EAP1, “Exposure Examination Advance Preparation Instructions” or the FHCF-LAP1, “~~Claims Loss Reimbursement~~ Examination Advance Preparation Instructions.” In addition to other penalties or consequences, the FHCF has the authority, pursuant to section 215.555(4)(f), F.S., to require that the Company pay for the following services under the circumstances specified herein:

1. If the Company is responsible for the delay of an examination, the inability to conduct an examination as scheduled, or the inability to complete an examination, the Company shall be required to reimburse the FHCF for all the usual and customary expenses connected to such delay, cancellation, or incompleteness.

2. If the FHCF finds any Company’s records or other necessary information to be inadequate or inadequately posted, recorded, or maintained, the FHCF may employ experts to reconstruct, rewrite, record, post, or maintain such records or information, at the expense of the Company being examined.

3. A Company required to reimburse the FHCF for costs as required in subparagraphs 1. and 2. is liable for interest on the amount owed to the FHCF from the date the FHCF pays such expenses until the date payment from the Company is received. The applicable interest rate will be the average rate earned by the SBA for the FHCF for the first four months of the current Contract Year plus 5%. The payment of reimbursements or refunds by the FHCF to the Company will be offset by any amounts owed by that Company to the FHCF under this paragraph.

(6) Company contact information. Companies must submit Form FHCF C-1, Company Contact Information, ~~rev. 01/17, <http://www.flrules.org/Gateway/reference.asp?No=Ref 07734>, which is hereby adopted and incorporated by reference into this rule~~, by March 1 preceding each Contract Year to the FHCF Administrator, Paragon Strategic Solutions Inc., 8200 Tower, 5600 West 83<sup>rd</sup> Street, Suite 1100, Minneapolis, Minnesota 55437. A New Participant must submit Form FHCF C-1 within 30 calendar days after writing its first Covered Policy. This form must be updated by the Company as the information provided thereon changes. The FHCF shall have the right to rely upon the information provided by the Company to the FHCF on this form until receipt by the FHCF of a new properly completed and notarized Form FHCF C-1 from the Company.

(7) Deadlines. If any deadline provided for herein falls on a Saturday, Sunday or on a legal State of Florida or federal holiday, then the actual due date will be the day immediately following the applicable due date which is not a Saturday, Sunday or legal State of Florida or federal holiday.

(8) All the forms adopted and incorporated by reference in this rule may be obtained from the FHCF website at [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) or by contacting the Florida Hurricane Catastrophe Fund Administrator, Paragon Strategic Solutions Inc., 8200 Tower, 5600 West 83<sup>rd</sup> Street, Suite 1100, Minneapolis, MN 55437.

*Rulemaking Authority 215.555(3) FS. Law Implemented 215.555(2), (3), (4), (5), (6), (7), (15), 627.351(6), FS. History—New 5-17-99, Amended 6-19-00, 6-3-01, 6-2-02, 11-12-02, 5-13-03, 5-19-04, 8-29-04, 5-29-05, 5-10-06, 5-8-07, 6-8-08, 3-30-09, 8-2-09, 3-29-10, 8-8-10, 7-20-11, 5-22-12, 3-17-13; 4-24-14, 5-12-15, 3-13-16, 1-24-17, X-XX-19.*

NAME OF PERSON ORIGINATING PROPOSED RULE: Anne T. Bert, FHCF Chief Operating Officer, State Board of Administration of Florida.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: The Trustees of the State Board of Administration of Florida.

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: November 30, 2018

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: September 25, 2018

## Notice of Meeting/Workshop Hearing

### **STATE BOARD OF ADMINISTRATION**

RULE NO.: RULE TITLE:

[19-8.010](#): Reimbursement Contract

[19-8.029](#): Insurer Reporting Requirements and Responsibilities

The State Board of Administration of Florida (SBA) announces a public meeting to which all persons are invited.

DATE AND TIME: November 30, 2018, 12:00 noon (ET) to conclusion of the meeting.

PLACE: Cabinet Meeting Room, Lower Level, The Capitol, Tallahassee, Florida.

GENERAL SUBJECT MATTER TO BE CONSIDERED: This is a meeting of the Trustees of the SBA to obtain approval to file Rule 19-8.010, F.A.C., Reimbursement Contract, and Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities, for Notice of Proposed Rule and to file these rules, along with the incorporated forms, for adoption if no member of the public timely requests a hearing or if a hearing is requested and no Notice of Change is needed. The meeting will also request approval of a resolution regarding the termination of emergency assessment remittances and reporting by the Florida Surplus Lines Service Office and certain other entities. In addition, other general business may be addressed.

A copy of the agenda may be obtained by contacting: Not available.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 5 days before the workshop/meeting by contacting: Donna Sirmons at (850) 413-1349 or donna.sirmons@sbafla.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).



**19-8.029 Insurer Reporting Requirements and Responsibilities.**

(1) Purpose. This rule specifies certain deadlines and other requirements for insurers that participate in the Florida Hurricane Catastrophe Fund (FHCF).

(2) Definitions. The definitions in the Reimbursement Contract for the applicable Contract Year also apply to this rule and the forms referenced in this rule. In addition, as used in this rule and the forms referenced in this rule:

(a) “Contract Year” is defined in section 215.555(2), F.S.

(b) “Insurer” or “Company” means an insurer that is required to enter into a Reimbursement Contract.

(3) Data Call form. For the 2019/2020 Contract Year, the reporting of Company exposure data shall be in accordance with Form FHCF-D1A, “Florida Hurricane Catastrophe Fund 2019 Data Call,” rev. 0X/19, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>, which is hereby adopted and incorporated by reference into this rule. ~~Data Call form. For the 2018/2019 Contract Year, the reporting of Company exposure data shall be in accordance with Form FHCF-D1A, “Florida Hurricane Catastrophe Fund 2018 Data Call,” rev. 02/18, <http://www.flrules.org/Gateway/reference.asp?No=Ref-09024>, which is hereby adopted and incorporated by reference into this rule.~~

(4) Loss reporting forms.

(a) For the 2019/2020 Contract Year, the reporting of estimated Ultimate Net Loss shall be in accordance with Form FHCF-L1A, “Contract Year 2019 Interim Loss Report, Florida Hurricane Catastrophe Fund (FHCF),” rev. 0X/19, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>, which is hereby adopted and incorporated by reference into this rule. ~~For the 2018/2019 Contract Year, the reporting of estimated Ultimate Net Loss shall be in accordance with Form FHCF-L1A, “Contract Year 2018 Interim Loss Report, Florida Hurricane Catastrophe Fund (FHCF),” rev. 02/18, <http://www.flrules.org/Gateway/reference.asp?No=Ref-09025>, which is hereby adopted and incorporated by reference into this rule.~~

(b) For the 2019/2020 Contract Year, the reporting of Ultimate Net Loss shall be in accordance with Form FHCF-L1B, “Contract Year 2019 Proof of Loss Report, Florida Hurricane Catastrophe Fund (FHCF),” rev. 0X/19, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>, which is hereby adopted and incorporated by reference into this rule. ~~For the 2018/2019 Contract Year, the reporting of Ultimate Net Loss shall be in accordance with Form FHCF-L1B, “Contract Year 2018 Proof of Loss Report, Florida Hurricane Catastrophe Fund (FHCF),” rev. 02/18, <http://www.flrules.org/Gateway/reference.asp?No=Ref-09026>, which is hereby adopted and incorporated by reference into this rule.~~

(c) For the 2019/2020 Contract Year, the applicable Detailed Claims Listing Instructions is Form FHCF-DCL, “Contract Year 2019 Detailed Claims Listing Instructions,” rev. 0X/19, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>, which is hereby adopted and incorporated by reference into this rule. ~~For the 2018/2019 Contract Year, the applicable Detailed Claims Listing Instructions is Form FHCF-DCL, “Contract Year 2018 Detailed Claims Listing Instructions,” rev. 02/18, <http://www.flrules.org/Gateway/reference.asp?No=Ref-09027>, which is hereby adopted and incorporated by reference into this rule.~~

(5) Examination.

(a) Advance examination record requirements. Within 30 days after the date of the request for such information, a Company must provide the FHCF with the records indicated in the applicable Contract Year’s “Exposure Examination Advance Preparation Instructions” or in the applicable Contract Year’s “Claims Loss Reimbursement Examination Advance Preparation Instructions.” The FHCF may grant an extension of 30 days if the Company can show that the need for the additional time is due to circumstances beyond its reasonable control. For the 2019/2020 ~~2018/2019~~ Contract Year, the applicable exposure examination instructions form is the “Florida Hurricane Catastrophe Fund (FHCF) Exposure Examination – Contract Year 2019 Advance Preparation Instructions,” FHCF-EAP1, rev. 0X/19, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX> ~~“Florida Hurricane Catastrophe Fund (FHCF) Exposure Examination – Contract Year 2018 Advance Preparation Instructions,” FHCF-EAP1, rev. 02/18, <http://www.flrules.org/Gateway/reference.asp?No=Ref-09028>, which is hereby adopted and incorporated by reference into this rule.~~ The applicable claims loss examination instructions form is the “Florida Hurricane Catastrophe Fund (FHCF) Claims Examination – Contract Year 2019 Advance Preparation Instructions,” FHCF-LAP1, rev. 0X/19, <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX> ~~“Florida Hurricane Catastrophe Fund (FHCF) Loss Reimbursement Examination – Contract Year 2018 Advance Preparation Instructions,” FHCF-LAP1, rev. 02/18, <http://www.flrules.org/Gateway/reference.asp?No=Ref-09029>, which is hereby adopted and incorporated by reference into this rule.~~

(b) Consequences for failure to meet the requirements contained in the FHCF-EAP1, “Exposure Examination Advance Preparation Instructions” or the FHCF-LAP1, “Claims Loss Reimbursement Examination Advance Preparation Instructions.” In addition to other penalties or consequences, the FHCF has the authority, pursuant to section 215.555(4)(f), F.S., to require that the

Company pay for the following services under the circumstances specified herein:

1. If the Company is responsible for the delay of an examination, the inability to conduct an examination as scheduled, or the inability to complete an examination, the Company shall be required to reimburse the FHCF for all the usual and customary expenses connected to such delay, cancellation, or incompleteness.

2. If the FHCF finds any Company's records or other necessary information to be inadequate or inadequately posted, recorded, or maintained, the FHCF may employ experts to reconstruct, rewrite, record, post, or maintain such records or information, at the expense of the Company being examined.

3. A Company required to reimburse the FHCF for costs as required in subparagraphs 1. and 2. is liable for interest on the amount owed to the FHCF from the date the FHCF pays such expenses until the date payment from the Company is received. The applicable interest rate will be the average rate earned by the SBA for the FHCF for the first four months of the current Contract Year plus 5%. The payment of reimbursements or refunds by the FHCF to the Company will be offset by any amounts owed by that Company to the FHCF under this paragraph.

(6) Company contact information. Companies must submit Form FHCF C-1, Company Contact Information, ~~rev. 01/17, <http://www.flrules.org/Gateway/reference.asp?No=Ref 07734>, which is hereby adopted and incorporated by reference into this rule,~~ by March 1 preceding each Contract Year to the FHCF Administrator, Paragon Strategic Solutions Inc., 8200 Tower, 5600 West 83<sup>rd</sup> Street, Suite 1100, Minneapolis, Minnesota 55437. A New Participant must submit Form FHCF C-1 within 30 calendar days after writing its first Covered Policy. This form must be updated by the Company as the information provided thereon changes. The FHCF shall have the right to rely upon the information provided by the Company to the FHCF on this form until receipt by the FHCF of a new properly completed and notarized Form FHCF C-1 from the Company.

(7) Deadlines. If any deadline provided for herein falls on a Saturday, Sunday or on a legal State of Florida or federal holiday, then the actual due date will be the day immediately following the applicable due date which is not a Saturday, Sunday or legal State of Florida or federal holiday.

(8) All the forms adopted and incorporated by reference in this rule may be obtained from the FHCF website at [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) or by contacting the Florida Hurricane Catastrophe Fund Administrator, Paragon Strategic Solutions Inc., 8200 Tower, 5600 West 83<sup>rd</sup> Street, Suite 1100, Minneapolis, MN 55437.

*Rulemaking Authority 215.555(3) FS. Law Implemented 215.555(2), (3), (4), (5), (6), (7), (15), 627.351(6), FS. History—New 5-17-99, Amended 6-19-00, 6-3-01, 6-2-02, 11-12-02, 5-13-03, 5-19-04, 8-29-04, 5-29-05, 5-10-06, 5-8-07, 6-8-08, 3-30-09, 8-2-09, 3-29-10, 8-8-10, 7-20-11, 5-22-12, 3-17-13; 4-24-14, 5-12-15, 3-13-16, 1-24-17, X-XX-19.*

## **Florida Hurricane Catastrophe Fund**

### **~~2018-2019~~ Data Call**

### **Instruction Sheet**

Each authorized insurance Company writing Covered Policies in the state of Florida is required to pay a Reimbursement Premium to the Florida Hurricane Catastrophe Fund (FHCF). This Premium is based on the Reimbursement Premium Formula specifying the amount of Premium to be paid for each \$1,000 of insured value for Covered Policies in each Florida ZIP Code by Type of Business, Construction Type, Deductible Group, Year Built, Structure Opening Protection, and Roof Shape code combinations.

In order to perform the calculation, each Company must submit its total covered property exposure (wind/hurricane insurance in force) **by September 1, ~~2018-2019~~** for insured values under Covered Policies **as of June 30, ~~2018-2019~~**. Covered Policies are defined in subsection (~~4011~~) of Article V of the FHCF Reimbursement Contract (see page 16 herein; a full copy of the Reimbursement Contract is available on-line at [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) under “FHCF Rules”).

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## **\*\* Important Changes in the 2018-2019 Data Call \*\***

1. The FHCF no longer covers policies that provide personal property coverage that is (a) separate from coverage of personal property included in a homeowner's, mobile home owner's, condominium unit owner's, or tenant's policy or other policy covering a Residential Structure, or (b) not an endorsement to such a policy. See Exclusion (27) from Article VI of the 2019 Reimbursement Contract on page X of this Data Call.
2. The FHCF has eliminated the exclusion for homes and condominium structures or units that are non-owner occupied and rented for 6 or more rental periods by different parties during the course of a 12-month period. Your company will need to review this change to determine if previously excluded risks are now covered by, and reportable to, the FHCF.
3. The FHCF has updated its definition of Residential Structures. Along with changes reflective of 2. above, a condominium structure or complex insured under a commercial lines policy is deemed to have a habitational occupancy, regardless of the term of occupancy of individual units, unless more than 50% of the total insured value of the structure is used for non-habitational purposes such as retail, office, mercantile, or other similar occupancies. See Definition (27) from Article V and Exclusions (8) and (9) from Article VI of the 2019 Reimbursement Contract on page X of this Data Call.
4. The Mixed-Occupancy Single Structure Worksheet on page X of this Data Call has been simplified in accordance with the updated definition of Residential Structures.

## **\*\* FHCF WIRE (Web Insurer Reporting Engine) \*\***

*WIRE* is the secure web-based system used for the reporting of Company exposure data. All 2018-2019 Data Call submissions are to be filed online using *WIRE*. Submissions in *WIRE* must be electronically signed off on by two officers no later than 4:00 p.m. Eastern Time on the applicable due date or the submission will be considered late. Your Company should have an existing *WIRE* account and a *WIRE* Account Manager who was registered by the FHCF upon designation by your Company on its most recent Company Contact Information Form (Form FHCF C-1) submitted to Paragon Strategic Solutions Inc. Each Company is allowed a maximum of seven *WIRE* users to perform submission functions on behalf of the Company. This number includes the Account Manager and at least two officers with the authority to certify and sign the submission statements. Your Company's Account Manager can remove existing *WIRE* users and can register new users. Registered users can access the *WIRE* system at [www.sbafla.com/fhcfwire](http://www.sbafla.com/fhcfwire). Additional information, including instructions and tutorials, are available in the system.

## **\*\* Steps for Completing Data Call \*\***

1. Well in advance of preparing your Company's Data Call submission, the FHCF suggests that your Company's *WIRE* users verify that they can access the system. Users who experience difficulties may contact the State Board of Administration of Florida (SBA) at [wire@sbafla.com](mailto:wire@sbafla.com) or 850-413-1228.
2. **Mapping/methodology proposals should be received by the Administrator by August 1, 20182019.** Prior to making the actual Data Call submission in *WIRE*, request written approval from the Administrator for any proposed methodology required to be submitted in advance; specifically, a construction code mapping as described on page 9 and a proposed methodology for reporting single structures with a mix of exposure as described on page 5, if either condition is applicable. Also, request written approval from the Administrator for any reporting methodology not specifically outlined in the Data Call instructions. Any such requests will be initially reviewed for

high-level reasonableness, followed by a detailed review during the FHCF's exposure reporting examination. Written requests should be sent to the Administrator at the following address:

Kathy Mackenthun, CPCU, ARe  
Director – FHCF Administration  
Paragon Strategic Solutions Inc.  
8200 Tower  
5600 West 83<sup>rd</sup> Street, Suite 1100  
Minneapolis, MN 55437

OR

[FHCFAdministrator@paragon.aonbenfield.com](mailto:FHCFAdministrator@paragon.aonbenfield.com)

3. A Data Call file must pass *WIRE* validation tests before it can be submitted. Your Company may upload a Data Call file to *WIRE* for validation beginning July 1<sup>st</sup>. After the file is uploaded, the system performs the validation tests and sends the results via email. The email will include a summary of any errors and/or warnings of potential errors noted in the file. If the file passes validation, it can be confirmed for submission or deleted and uploaded again later. If the file fails validation, it is automatically deleted from the system and your Company will have to upload a corrected file.

Data quality checks programmed in *WIRE* will help ensure that your Company's data is in the correct format and that it does not contain invalid codes and invalid ZIP-to-county code mappings. **However, please keep in mind that the system cannot identify errors caused by data which was coded incorrectly according to the policy details.** Such errors may require a resubmission. Any examination conducted by the SBA will be the final determinant of data quality.

4. Prior to confirming the Data Call file for submission, your Company may upload supporting information in *WIRE* (e.g., a cover letter). After a Data Call submission has been confirmed through *WIRE*, subsequent information to be provided in support of that submission must be sent directly to the Administrator at the address listed in Step 2.
5. After the Data Call file is confirmed for submission, the system will send an email notification to the Company's *WIRE* users designated as "Officers" to certify and sign the officer submission statements. Upon the sign-off of two officers, the submission is complete and no further changes can be made to the Data Call file as the automated processing of the data begins. *WIRE* will aggregate the data and transmit it to the Administrator for Premium calculation. Any subsequent submission of the Data Call file (resubmission) is subject to FHCF approval and will incur a resubmission fee (see Resubmissions located in the Data Quality section of this Data Call).

**Note:** *WIRE* was designed to function as a means of file transmittal from the companies to the FHCF and not as a means of file storage and retrieval.

6. Summary of *WIRE* submission components (required unless specified below as optional):

	Via <i>WIRE</i> Tab
Data Call File (file of exposure data)*	Upload/Validate
Optional Supporting Documents (e.g., a cover letter)	Confirm/Submit
Submission Confirmation Form – requires the following:	Confirm/Submit
- Collateral Protection Reporting Selection	
- Written Explanation of Exposure Fluctuation (if applicable)	
- Submission Confirmation Statement	
Officer Submission Statements signed by two Officers (see page 6)	Sign Officer Statements

\*Note: All data for an individual Company should be submitted as one file, unless your Company has participated in a Citizens Property Insurance Corporation Coastal Account or Citizens Property Insurance Corporation Personal Lines and Commercial Lines Account assumption agreement (see page 23).

7. If your Company does not have Covered Policies as defined in subsection (~~4011~~) of Article V of the Reimbursement Contract (see page 16 herein), but was an active FHCF Company for the ~~2017~~/2018/2019 Contract Year, a letter requesting to petition for exemption from the FHCF must be returned to the Administrator at the address provided in 2. above no later than **September 1, ~~2018~~2019**.

**Note:** If your Company determines at a later time that it does have Covered Policies, or the SBA denies your Company's request for exemption from the FHCF, your Company will be subject to any fees and/or administrative action by the Florida Department of Financial Services for delinquent or inadequate exposure data as defined in this Data Call and/or your Company's Reimbursement Contract.

**\*\* General Data Call Issues \*\***

**Extensions**

Data Call submissions through *WIRE* must be electronically signed off on by two officers by 4:00 p.m. (ET), September 1, ~~2018~~2019. Extensions will not be granted.

If you have any questions about the information to be supplied or about this Data Call, please do not hesitate to contact Holly Bertagnolli, Kathy Mackenthun, or Martin Helgestad of Paragon Strategic Solutions Inc. at 1-800-689-FUND (3863) or by email at [FHCFAdministrator@paragon.aonbenfield.com](mailto:FHCFAdministrator@paragon.aonbenfield.com). If you have any questions regarding *WIRE*, please contact the SBA at [wire@sbafla.com](mailto:wire@sbafla.com) or 850-413-1228.

**\*\* Data Quality \*\***

**Resubmissions**

A Company submitting its Data Call file in noncompliance with the specifications herein could be required to resubmit its data. Any examination conducted by the SBA will be the final determinant of data quality. Any Company required to resubmit data will be allowed 30 calendar days to resubmit data (may be less than 30 days if the Company has been already notified by the SBA for an exam). A \$1,000 resubmission fee (for resubmissions that are not the result of an exam by the SBA) will be invoiced by the FHCF for each resubmission. An extension may be granted if a Company can show that the need for additional time is due to circumstances beyond their reasonable control.

If a resubmission is necessary as a result of an examination report issued by the SBA, the resubmission fee will be \$2,000. If a Company's examination-required resubmission is inadequate and the SBA requires an additional resubmission(s), the resubmission fee for each subsequent resubmission shall be \$2,000.



## Explanation of Exposure Fluctuations

WIRE will compare your current year submission to your submission from the previous year to identify increases or decreases in reported exposure and will require an explanation when any increase or decrease for a specific FHCF type of business meets either the combined dollar/percentage threshold or the large dollar threshold below. A comment field is provided in the WIRE Submission Confirmation Form for your Company to enter a brief explanation of such fluctuations when confirming the Data Call file for submission. While the degree of detail is left to the discretion of your Company, the explanation must provide detail beyond simply stating that “the data has been reviewed and is correct as submitted.”

Type of Business	\$ Threshold		% Threshold			Large \$ Threshold
Commercial:	+/- \$ 25,000,000	and	+/- 40%		or	+/- \$ 200,000,000
Residential:	+/- \$ 50,000,000	and	+/- 40%		or	+/- \$ 1,000,000,000
Mobile Home:	+/- \$ 25,000,000	and	+/- 40%		or	+/- \$ 40,000,000
Tenants:						+/- \$ 20,000,000
Condominium Unit Owners:	+/- \$ 25,000,000	and	+/- 40%		or	+/- \$ 40,000,000

## Rounding

Exposures must be reported in whole dollars and may be rounded to the nearest \$1,000, but no greater.

### **\*\* Covered Policies \*\***

Covered Policies are defined in Section 215.555(2)(c), Florida Statutes, as any insurance policy covering a Residential Structure, or its contents, located in the State of Florida. Covered Policy is further defined in subsection (4011) of Article V of the FHCF Reimbursement Contract (see page 16 herein), which includes personal lines residential coverages, commercial lines residential coverages, and mobile home coverages. **The FHCF provides reimbursement only for losses from policies with wind or hurricane coverage.**

All Covered Policies written by an individual ~~Insurer~~ Company must be reported even if they are written in areas eligible for coverage from Citizens Property Insurance Corporation Coastal Account or Citizens Property Insurance Corporation Personal Lines and Commercial Lines Accounts.

### **\*\* Single Structures with Habitational and Non-Habitational Occupancies \*\***

All Ceompanies reporting FHCF Commercial type of business (code “1”) exposure in response to this Data Call must complete the Mixed-Occupancy Single Structures Worksheet on page 30 herein. Completing the Worksheet will determine if your Company must also submit a proposed methodology for determining predominant use of mixed-occupancy structures, which **must be provided to the Administrator on an annual basis prior to your Company’s Data Call submission.**

## **\*\* June 30<sup>th</sup> “as of” Date \*\***

The data reported under this Data Call pertains to a Company’s insured values under Covered Policies as of June 30, ~~2018~~2019. This data is used by the FHCF to calculate a Company’s Premium, Retention, and maximum FHCF coverage under the applicable Reimbursement Contract.

Although changes to coverage under a policy that are effective after June 30<sup>th</sup> do not impact reporting under the Data Call (including new policy issuance and policy terminations), the policy terms in effect at a time of loss will be considered in determining a Company’s Losses eligible for reimbursement under the FHCF. For example, if a Covered Policy was written effective July 1, ~~2018~~2019, exposure for that policy would not be included under the ~~2018-2019~~ Data Call submission, but Losses under that policy would be reportable to the FHCF when the Company files its loss reports.

Given an “as of” date of June 30<sup>th</sup> and a statutory Data Call due date of September 1<sup>st</sup>, a Company must determine the date at which it can most accurately capture and report its data to include policy transactions with effective dates of June 30<sup>th</sup> or earlier, while still being able to meet the statutory Data Call due date. For example, a Company writes a policy with an effective date of June 29, ~~2018~~2019, the transaction was processed by the Company on July 15, ~~2018-2019~~ and the Company compiled its data on July 20, ~~2018~~2019. The FHCF would expect the policy to be reported since the policy was in effect on June 30<sup>th</sup> and the transaction was processed before the date the data was compiled. However, the FHCF recognizes that if a transaction was not processed far enough through a Company’s systems by the date on which the Company compiled its Data Call information, then that transaction would not necessarily be reflected in the Company’s original Data Call submission. Nonetheless, should the Company have to resubmit its Data Call at a later date, then the transaction should be included in the resubmitted data.

## **\*\* Retention of Records for SBA Examination \*\***

In accordance with Article XIII of the Reimbursement Contract and the SBA’s examination program, all records, including exposure filings (Data Call submission), policy files, and supporting documentation, must be retained along with computer runs produced to support the Data Call submission. Companies writing covered collateral protection policies, as defined in this Data Call, must be able to provide documentation that the policy covers the borrower’s and lender’s interest and that the coverage is in an amount at least equal to the coverage for the dwelling in place under the lapsed homeowner’s policy. Such records must be retained until the SBA has completed its examination of your Company’s exposure submission and loss reports (applicable to the Data Call Contract Year) and commutation for the Contract Year (if applicable) has been concluded. The Data Call file must be retained and maintained so that, upon examination by the SBA, changes can be made to correct any errors which may be identified and to allow for a resubmission if required.

## **\*\* Officer Submission Statements \*\***

A Data Call submission is required to be signed by two officers in *WIRE*. The following are included in the online officer submission statements:

- I, the undersigned, do state that, to the best of my knowledge, the file submission provided to the SBA under Section 215.555(5)(c), Florida Statutes, is complete, accurate, and in compliance with the requirements of Section 215.555, Florida Statutes, and all Florida Administrative Code rules.
- I, the undersigned, acknowledge that the SBA may use the submitted file and related transmittals in the course of its examination of the captioned Company’s exposure reporting, as well as any applicable ~~loss-reporting~~ claims examinations. I further understand that the exposure examination will require



documentation in addition to the items submitted herein. Said Company will retain and maintain complete and accurate records, in policy level detail, of all exposure data related to the generation and submission of this Data Call submission or resubmission until the SBA has completed its exposure and loss claims examinations of the Company's submission(s) and commutation for the Contract Year (if applicable) has been concluded.

[This next certification will appear only for those companies identified by the user confirming and submitting the file in *WIRE* as writing collateral protection policies as described herein.]

- I, the undersigned, acknowledge that the captioned Company writes collateral protection policies covering personal residences in the State of Florida that protect both the borrower's and the lender's financial interest, in an amount at least equal to the coverage for the dwelling in place under the lapsed homeowner's policy. I understand that, as referenced in Section 215.555(2)(c), Florida Statutes, for such policies to be covered by the FHCF, said Company must be able to accurately report exposure information for those policies as required in Section 215.555(5), Florida Statutes, and specifically, as outlined in this Data Call. Accordingly, I certify that, to the best of my knowledge, said Company:
  - Option 1: has collected all the information necessary for such policies to be covered by, and reported to, the FHCF, as outlined in this Statement and this Data Call, and has accordingly included collateral protection exposure covered by the FHCF in this Data Call submission.
  - Option 2: does not have available the data as required by the Premium Formula as specified in Section 215.555(5), Florida Statutes, and therefore is unable to accurately report its collateral protection exposure. I also understand that said Company is ineligible to collect any reimbursements from the FHCF for Losses occurring during this FHCF contract year from policies covering collateral protection exposure.
- I, the undersigned, am an officer of the captioned Company, acting within my authority in making these declarations, and I have conducted, or have had conducted, a diligent review of said Company's records and systems to determine the truth of these statements.

# Florida Hurricane Catastrophe Fund ~~2018~~2019 Data Call

## File Layout

The following fields must be provided in a pipe delimited text file. For the pipe “|” symbol, press the *Shift* key and the \ key.

Field #	Description	Min Length	Max Length	Type	Notes
1	Type of Business	1	1	Numeric	Only the codes on page 8 are acceptable.
2	Line of Business	1	1	Numeric	Only the codes on page 9 are acceptable.
3	Construction Type	1	2	Numeric	Only the codes on pages 9-10 are acceptable.
4	Deductible Group	2	2	Alpha-Numeric	Only the codes on pages 10-11 are acceptable.
5	County Code	1	3	Numeric	Only the codes on page 25 are acceptable.
6	ZIP Code	5	5	Numeric	At least 95% of exposure must have a valid ZIP Code.
7	Total Insured Risks	1	6	Numeric	Must be greater than zero.
8	Total Insured Value – Building*	1	12	Numeric	Report whole dollar amounts only (no decimals). If amount is zero, then enter 0. * Note that the sum of these four fields must be greater than zero.
9	Total Insured Value – Appurtenant Structures*	1	12	Numeric	
10	Total Insured Value – Contents*	1	12	Numeric	
11	Total Insured Value – ALE*	1	12	Numeric	
12	Year Built	1	4	Numeric	Enter 4-digit year; if unknown or the structure is a mobile home, enter 0.
13	Reserved for Future Use	1	1	Numeric	Enter 0.
14	Reserved for Future Use	1	1	Numeric	Enter 0.
15	Structure Opening Protection	1	1	Numeric	Only the codes on page 14 are acceptable.
16	Roof Shape	1	1	Numeric	Only the codes on page 14 are acceptable.
17	Policy Effective Date	8	8	Numeric	Must use “yyyymmdd” format only (include leading zeros for single-digit months and days).
18	Policy Expiration Date	8	8	Numeric	Must use “yyyymmdd” format only (include leading zeros for single-digit months and days).
19	Policy Number	1	30	Special	Include characters A-Z, 0-9, and “-” only. See additional instructions on page 14.
20	Citizens Policy Number	1	30	Special	Include characters A-Z, 0-9, and “-” only. See additional instructions on page 14.

**Example:** A record with the following information:

Field #	Description	Type	Entry
1	Type of Business	Residential	2
2	Line of Business	Homeowners	2
3	Construction Type	Frame	1
4	Deductible Group	\$2,000	RC
5	County Code		86
6	ZIP Code		33130
7	Total Insured Risks		5
8	Total Insured Value – Building		500000
9	Total Insured Value – App. Structures		100000
10	Total Insured Value – Contents		250000
11	Total Insured Value – ALE		50000
12	Year Built	Example: 2010	2010
13	NA		0
14	NA		0
15	Structure Opening Protection	No credit is given to policyholder	0
16	Roof Shape	Hip, Mansard, or Pyramid	1
17	Policy Effective Date		<del>20180305</del> 20190305
18	Policy Expiration Date		<del>20190305</del> 20200305
19	Policy Number		ABC000001234
20	Citizens Policy Number		FRJ000022222

Each record must have the following layout:

2|2|1|RC|86|33130|5|500000|100000|250000|50000|2010|0|0|0|1|~~20180305~~20190305|~~20190305~~20200305|ABC000001234|FRJ000022222

## Description of Data Fields

The FHCF strongly encourages any individual involved in completing this Data Call to review the Reporting Clarifications on pages 19-20 herein.

### 1. Type of Business (TOB)

All exposure should be classified as one of the following FHCF TOBs. Exposure for scheduled personal property written under attachments, endorsements, and riders; ~~any policy separately covering personal property; or any policy separately covering commercial residential contents~~ should be reported as the FHCF TOB it is associated with. ~~If the exposure is not associated with another policy, it should be reported as FHCF TOB “4” (Tenants)~~, with the exception of mobile home related property, which must still be reported as FHCF TOB “3” (Mobile Home).

Type of Business	Code
Commercial	1
Residential	2
Mobile Home	3

Type of Business	Code
Tenants	4
Condominium Unit Owners	6

General TOB Instructions:

- **Commercial** should be used for commercial-habitational exposures such as apartment buildings and condominium complexes. Do not use this TOB for individual condominium unit owners.

- **Mobile Home** should be used for all mobile home coverages, regardless of the policy form on which coverage is written, including coverage provided to a person(s) renting a mobile home.
- **Tenants** should be used for policies providing property coverage to a person(s) entitled to occupy a dwelling unit (including a condominium unit) under a rental agreement. Do not use this TOB for any policy providing coverage to a person renting a mobile home. Exposure for scheduled personal property written under attachments, endorsements, and riders; ~~any policy separately covering personal property; or any policy separately covering commercial residential contents~~ should be reported as the FHCF TOB it is associated with. ~~If the exposure is not associated with another policy, it should be reported as Tenants.~~
- **Condominium Unit Owners** should be used for individual condominium unit owners, whether owner or tenant occupied. Do not use this TOB for condominium complexes or multi-unit structures.

## 2. Line of Business

Exposure information for Covered Policies is to be reported using the following codes (use the code your Company deems most appropriate):

Line of Business	Code
Fire and Allied Lines	1
Homeowners Multiple Peril	2
Farmowners Multiple Peril	3

Line of Business	Code
Commercial Multiple Peril	4
Mobile Homeowners	5
Inland Marine	6

## 3. Construction Type

The FHCF's construction codes and definitions are provided on page 24. Your company must use the applicable FHCF codes in its Data Call submission.

If your Company's construction definitions do not closely match those of the FHCF, you must complete the Construction Mapping Worksheet on pages 27-29, submit it to the Administrator, and receive approval from the Administrator prior to submitting the Data Call file through *WIRE*. This will help your Company avoid a subsequent resubmission due to improper construction reporting. Once the Administrator has notified you in writing that your mapping is acceptable, you must complete the actual mapping so that only FHCF constructions are reported in your submission. The Construction Mapping Worksheet must be provided directly to the Administrator, not through *WIRE*. **If a mapping review is necessary for your Company, such a review must be done each year.**

If your Company has policies for which no construction information is captured, exposure for such policies should be reported using the FHCF Unknown construction code "11" (or code "25" for mobile home exposure).

### Residential

Construction Type	Code
Frame	1
Masonry	2
Masonry Veneer	10
Unknown (Non-Mobile Home)	11

**Commercial, Condominium Unit Owners, Tenants**

Construction Type	Code
Frame	1
Masonry	2
Masonry with Reinforced Concrete Roof	15
Superior	7
Superior with Reinforced Concrete Roof	16
Masonry Veneer	10
Unknown (Non-Mobile Home)	11

**Mobile Home**

Construction Type	Code
Mobile Home - Fully Tied Down, Mfg. before 7/13/94	21
Mobile Home - Fully Tied Down, Mfg. on or after 7/13/94 or documented to be in compliance with ANSI/ASCE 7-88	22
Mobile Home - Other than Fully Tied Down or Unknown	25

**4. Deductible Group – Wind Including Hurricane Deductible, or Hurricane Deductible Only**

Except as instructed for commercial-habitation policies below, report an FHCF percentage or dollar deductible code based on how the policy deductible is written. For example, a \$100,000 residential policy written with a 2% deductible must be reported with code R2, not code RC (\$1,501 to \$2,500 deductible), regardless of how the deductible is “stated” to the policyholder.

For any policy written with a percentage deductible and a minimum dollar deductible, always report the percentage deductible.

For commercial-habitation policies (regardless of the FHCF Type of Business under which the policy’s exposure is reported) written with a dollar-only deductible that is greater than \$50,000, the deductible amount must be converted to a percentage of the total insured building value (Data Call field 8) and reported to the FHCF as a percentage deductible.

For commercial-habitation policies covering multiple structures/contents under an indivisible aggregate deductible, report the full blanket deductible for each record reported.

Following are the FHCF deductible groups and codes:

**Commercial**

Deductible Group	Code
\$0 to \$2,500	CA
\$2,501 to \$7,500	CB
\$7,501 to \$15,000	CC
\$15,001 to \$50,000	CD
Greater than \$50,000 – Convert to a percentage	See % Ded. Groups

Deductible Group	Code
Less than or equal to 1%	C1
Greater than 1%, less than or equal to 2%	C2
Greater than 2%, less than or equal to 3%	C3
Greater than 3%, less than or equal to 4%	C4
Greater than 4%, less than or equal to 5%	C5
Greater than 5%, less than or equal to 6%	C6
Greater than 6%, less than or equal to 7%	C7
Greater than 7%, less than or equal to 8%	C8
Greater than 8%, less than 10%	C9
10% or Greater	C0

**Residential, Tenants, or Condominium Unit Owners**

Deductible Group	Code
\$0	RM
\$1 to \$500	RA
\$501 to \$1,500	RB
\$1,501 to \$2,500	RC
Greater than \$2,500	RD
Greater than \$50,000 – Convert to a percentage	See % Ded. Groups

Deductible Group	Code
Less than or equal to 1%	R1
Greater than 1%, less than or equal to 2%	R2
Greater than 2%, less than or equal to 3%	R3
Greater than 3%, less than or equal to 4%	R4
Greater than 4%, less than or equal to 5%	R5
Greater than 5%, less than or equal to 6%	R6
Greater than 6%, less than or equal to 7%	R7
Greater than 7%, less than or equal to 8%	R8
Greater than 8%, less than 10%	R9
10% or greater, less than 15%	R0
15% or Greater	RZ

**Mobile Home**

Deductible Group	Code
\$0	MM
\$1 to \$250	MA
\$251 to \$500	MB
Greater than \$500	MC
Greater than \$50,000 – Convert to a percentage	See % Ded. Groups

Deductible Group	Code
Less than or equal to 1%	M1
Greater than 1%, less than or equal to 2%	M2
Greater than 2%, less than or equal to 3%	M3
Greater than 3%, less than or equal to 4%	M4
Greater than 4%, less than or equal to 5%	M5
Greater than 5%, less than or equal to 6%	M6
Greater than 6%, less than or equal to 7%	M7
Greater than 7%, less than or equal to 8%	M8
Greater than 8%, less than 10%	M9
10% or Greater	M0

**5. County Code**

Florida county code specifying the location of each covered risk. All records must be coded with a valid Florida county code listed on page 25. There is no “unknown” county code. ZIP Codes and county codes must be cross-referenced to ensure that 95% of your Company’s aggregate exposure has a valid Florida ZIP Code to county code match. As the FHCF recognizes some ZIP Codes may span county boundaries, *WIRE* has been programmed to accept any county immediately bordering the county the FHCF considers to be the county in which a specific ZIP Code resides.

**6. ZIP Code**

The 5-digit ZIP Code location of each covered risk in Florida. A minimum of 95% of your Company’s aggregate exposure must be coded with valid Florida ZIP Codes. The FHCF ZIP Code database is as of January ~~2018~~2019. If a record contains a ZIP Code that does not match the FHCF database, the rate applied will be based on the county code instead of the ZIP Code.

A listing of valid ZIP Codes and corresponding county codes and rating regions is available online at [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) under Insurer Information and the Rates & Premium tab.

**7. Total Insured Risks (May not be less than zero.)**

This is the total number of insured risks for each FHCF Covered Policy.

### **Reportable Exposure (Data Call Fields 8-11)**

The only wind exposure that should be reported in response to this Data Call is summarized below. The exposure reportable to the FHCF is less inclusive than the coverage provided by the FHCF. Covered Policies are defined in subsection (4011) of Article V of the Reimbursement Contract. See page 16 herein. Examples of exposure to be reported to the FHCF are included in the Frequently Asked Questions document available online at [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) under Insurer Information.

- 1) The stated wind/hurricane policy limit (including any modifications by endorsement, attachment, or rider) for:
  - a. Dwelling (often referred to as Coverage A),
  - b. Appurtenant Structures (often referred to as Coverage B),
  - c. Contents (often referred to as Coverage C), and
  - d. Additional Living Expense (often referred to as Coverage D or Coverage E).
- 2) The full wind/hurricane limit for the dwelling limit/Additions and Alterations coverage (often referred to as Coverage A) on covered Condominium Unit Owners policies. The full limit is the total limit under the policy, regardless of whether that is the basic limit alone (e.g., \$1,000) or the basic limit plus an increased limit.
- ~~3) The wind/hurricane limit provided by a stand alone policy covering personal property [except for those items listed under the Non-Reportable (But Covered) Exposure section].~~
- 4)3) The additional wind/hurricane limit provided by attachments, endorsements, or riders for:
  - a. Scheduled personal property [except for those items listed under the Non-Reportable (But Covered) Exposure or Not Covered/Excluded Exposure sections],
  - b. Pool/screen enclosures, and
  - c. Building Additions and Alterations limit purchased on Renters/Tenants Policies [this is to be distinguished from Additions and Alterations coverage provided within the policy form as an additional coverage at no additional cost to the policyholder, which is considered a Non-Reportable (But Covered) Exposure].

### **Non-Reportable (But Covered) Exposure**

Exposure from any additional coverages/coverage extensions written within the policy form are not reportable to the FHCF under this Data Call. The following list outlines exposures which are covered by the FHCF at the time of a covered Loss but are not reportable to the FHCF under this Data Call. Examples of exposure not to be reported to the FHCF are included in the Frequently Asked Questions document available online at [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) under Insurer Information.

- 1) Any type of Ordinance and Law coverage.
- 2) Any additional exposure for endorsements that specifically increase the limit of liability at the time of a covered Loss (e.g., guaranteed replacement cost or specified increase to the dwelling limit).
- 3) Any exposure for the following:
  - a. Computers or electronic data,
  - b. Debris removal,
  - c. Golf carts,
  - d. Grave markers,
  - e. Land,
  - f. Mold, fungi, or bacteria,
  - g. Radio and TV antennas, satellite dishes, awnings, or signs,
  - h. Refrigerated property,

- i. Trees, shrubs, and plants, and
- j. Valuable papers, personal records, monies, or securities.

#### **Not Covered/Excluded Exposure**

Article VI of the ~~2018-2019~~ FHCF Reimbursement Contract outlines specific exclusions from FHCF coverage. Exclusions from Article VI which pertain to exposure reporting under this Data Call are included on pages 17-18 herein; note that Exclusion (27) regarding certain personal property coverage is new under the 2019 Reimbursement Contract and should be reviewed by all Companies.

#### **8. Total Insured Value - Building**

This is the total insured building limit for a Covered Policy or an individual risk within a Covered Policy that insures multiple risks.

#### **9. Total Insured Value - Appurtenant Structures or Non-Habitational Structures**

This is the total insured appurtenant structures limit for a Covered Policy or an individual risk within a Covered Policy that insures multiple risks.

#### **10. Total Insured Value - Contents**

This is the total insured contents limit for a Covered Policy or an individual risk within a Covered Policy that insures multiple risks.

#### **11. Total Insured Value - Additional Living Expense (ALE)**

This is the total insured ALE limit for a Covered Policy or an individual risk within a Covered Policy that insures multiple risks. For ALE coverage provided as a specific dollar limit, report exposure values based on that limit, but not to exceed 40% of the Residential Structure (Coverage A) exposure or 40% of the contents (Coverage C) exposure. If ALE is written as a portion of Coverage A, 40% of Coverage A is the cap. If ALE is written as a portion of Coverage C, 40% of Coverage C is the cap. Note that if the ALE coverage written is less than 40%, ALE should be reported as written.

For covered policies written with ALE as a time element coverage, you must report ALE exposure in an amount not to exceed 40% of the Residential Structure or 40% of the contents exposure based on the type of policy (e.g., a homeowners policy is usually based on structure versus a renters policy based on contents).

**Note that the 40% threshold is a statutory cap.** If your Company provides coverage to its policyholders that is in excess of this cap, or if rounding of your building or contents exposure results in a higher ALE percentage, report no more than the cap when reporting ALE exposure to the FHCF.

#### **12. Year Built**

Enter the four-digit year of construction (e.g., 1989, 2014, etc.). If the year of construction is unknown or if the structure is a mobile home, enter a zero (0).

#### **13. Reserved for Future Use – Enter 0**

#### **14. Reserved for Future Use – Enter 0**



### 15. Structure Opening Protection

Enter the appropriate structure opening protection code from the table below based on whether or not your Company gives a structure opening protection credit to its policyholder for the dwelling unit being reported under this Data Call.

Structure Opening Protection	FHCF Code
No credit is given to policyholder	0
Credit is given to policyholder	5

### 16. Roof Shape

Enter the appropriate roof shape code from the table below.

Roof Shape	FHCF Code
Hip, Mansard, or Pyramid	1
Gable, Other, or Unknown	2

### 17. Policy Effective Date

Enter the effective date of the Covered Policy using the “yyyymmdd” format.

### 18. Policy Expiration Date

Enter the expiration date of the Covered Policy using the “yyyymmdd” format.

### 19. Policy Number

Enter the Covered Policy number.

If your Company assumed Covered Policies from Citizens, a second Data Call file must be submitted for the assumed policies which **have not renewed** onto your Company’s books by June 30, ~~2018~~ 2019 (as instructed on page 22). In that second file, enter zero for field #19 and report the Citizens policy number for the assumed policy in field #20.

### 20. Citizens Policy Number

If your Company **did not** assume any policies from Citizens (as discussed on page 22, enter a zero in this field for each record.

If your Company **did** assume policies from Citizens:

For a policy assumed from July 1, ~~2017-2018~~ through June 30, ~~2018~~2019, enter the Citizens policy number in this field.

For a policy that was not assumed from July 1, ~~2017-2018~~ through June 30, ~~2018~~2019, enter a zero in this field.

# Florida Hurricane Catastrophe Fund

## ~~2018~~ 2019 Data Call

### Attachments

- Article V - Definitions of Additional Living Expense, Covered Policy, Excess Policy, and Residential Structures, as included in the Reimbursement Contract (page 16)
- Article VI - Excluded Exposures (page 17)
- Reporting Clarifications (page 19)
- Citizens Property Insurance Corporation Supplemental Reporting Requirement: Policies Written Under Section 627.351(6)(c)1.g., Florida Statutes (page 21)
- Citizens Property Insurance Corporation Takeouts Pursuant to Assumption Agreements (page 22)
- Citizens Property Insurance Corporation Coastal Account Quota Share Primary Insurance Reporting Requirements (page 23)
- Construction Codes (page 24)
- Florida County Codes (page 25)
- Reference Guide (page 26)
- Construction Mapping Worksheet (page 27)
- Mixed-Occupancy Single Structures Worksheet (page 30)
- Supplemental Instruction Sheet for New Participants (page 33)

# Florida Hurricane Catastrophe Fund

## 2018-2019 Data Call

### Reimbursement Contract: Article V – Selected Definitions

(3) **Additional Living Expense (ALE)**

ALE Losses covered by the FHCF are not to exceed 40 percent of the insured value of a Residential Structure or its contents based on the coverage provided in the policy. Fair rental value, loss of rents, or business interruption losses are not covered by the FHCF.

~~(4011)~~ **Covered Policy ~~or Covered Policies~~**

(a) Covered Policy, as defined in Section 215.555(2)(c), Florida Statutes, is further clarified to mean only that portion of a binder, policy or contract of insurance that insures real or personal property located in the State of Florida to the extent such policy insures a Residential Structure or the contents of a Residential Structure located in the State of Florida.

~~(b) Due to the specialized nature of the definition of Covered Policies, Covered Policies are not limited to only one line of business in the Company's annual statement required to be filed by Section 624.424, Florida Statutes. Instead, Covered Policies are found in several lines of business on the Company's annual statement. Covered Policies will at a minimum be reported in the Company's statutory annual statement as:~~

~~1. Fire~~

~~2. Allied Lines~~

~~3. Farmowners Multiple Peril~~

~~4. Homeowners Multiple Peril~~

~~5. Commercial Multiple Peril (non liability portion, covering condominiums and apartments)~~

~~6. Inland Marine~~

~~Note that where particular insurance exposures, e.g., mobile homes, are reported on an annual statement is not dispositive of whether or not the exposure is a Covered Policy.~~

~~(c) This definition applies only to the first party property section of a policy pertaining strictly to the structure, its contents, appurtenant structures, or ALE coverage.~~

~~(db)~~ Covered Policy also includes any collateral protection insurance policy covering personal residences which protects both the borrower's and the lender's financial interest, in an amount at least equal to the coverage for the dwelling in place under the lapsed homeowner's policy, if such policy can be accurately reported as required in Section 215.555(5), Florida Statutes. A Company will be deemed to be able to accurately report data if the required data, as specified in the Premium Formula adopted in Section 215.555(5), Florida Statutes, ~~is~~ are available.

~~(ec)~~ See Covered Policy does not include any policy or exposure excluded under Article VI ~~for specific exclusions.~~

~~(4314)~~ **Excess Policy**

This term means, for the purposes of this Contract, ~~means~~ a policy that provides insurance protection for large commercial property risks and that provides a layer of coverage above a primary layer (which is insured by a different insurer) that acts much the same as a very large deductible.

~~(2724)~~ **Residential Structures**

In general, this term means a units or buildings used exclusively or predominantly for dwelling or habitational occupancies, including the primary structure and appurtenant structures insured under the same Covered Policy and any other structures covered under endorsements associated with the Covered Policy covering a the Residential Structure.

(a) With respect to a unit or home insured under a personal lines residential policy form, such unit or home is deemed to have a habitational occupancy and to be a Residential Structure regardless of the term of its occupancy.

(b) With respect to a condominium structure or complex insured under a commercial lines policy, such structure is deemed to have a habitational occupancy and to be a Residential Structure, regardless of the term of occupancy of individual units.

A single structure which includes a mix of commercial habitational and commercial non-habitational occupancies, and is insured under a commercial lines policy, is considered a Residential Structure ~~For the purpose of this Contract, a single structure which includes a mix of commercial habitational and commercial non-habitational occupancies, and which is insured under a commercial policy, is considered a Residential Structure~~ if 50% or more of the total insured value of the structure is used for habitational purposes.

(c) ~~Covered~~ Residential Structures do not include any structures ~~listed~~ excluded under Article VI.

# Florida Hurricane Catastrophe Fund

## 2018-2019 Data Call

### Reimbursement Contract: Article VI – Exclusions

The following selected exclusions from Article VI of the Reimbursement Contract pertain to exposure that should not be reported under this Data Call.

- (2) Any policy which excludes wind or hurricane coverage.
- (3) Any Excess Policy or Deductible Buy-Back Policy that requires individual ratemaking, as determined by the FHCF.
- (4) (a) Any policy for Residential Structures that provides a layer of coverage underneath an Excess Policy issued by a different insurer;  
(b) Any policy providing a layer of windstorm or hurricane coverage for a particular structure above or below a layer of windstorm or hurricane coverage under a separate policy issued by a different insurer, or any other circumstance in which two or more insurers provide primary windstorm or hurricane coverage for a single structure using separate policy forms; or  
(c) Any other policy providing a layer of windstorm or hurricane coverage for a particular structure below a layer of self-insured windstorm or hurricane coverage for the same structure.  
(d) The exclusions in this subsection do not apply to primary quota share policies written by Citizens Property Insurance Corporation under Section 627.351(6)(c)2., Florida Statutes.
- (5) Any liability of the Company attributable to losses for fair rental value, loss of rent or rental income, or business interruption.
- (6) Any collateral protection policy that does not meet the definition of Covered Policy as defined in Article V ~~(10)(d)(11)(b)~~.
- (7) Any reinsurance assumed by the Company.
- (8) ~~Any exposure for Hotels, motels, timeshares, shelters, camps, retreats, and any other rental property used solely for commercial purposes or other similar structures.~~
- (9) Retail, office, mercantile, or manufacturing facilities, or other similar structures.
- (9)10) Any exposure for condominium or homeowner associations if no ~~habitational~~ Residential Structures are insured under the policy.
- ~~(10) Any exposure for homes and condominium structures or units that are non-owner occupied and rented for 6 or more rental periods by different parties during the course of a 12-month period.~~
- (11) Commercial healthcare facilities and nursing homes; however, a nursing home which is an integral part of a retirement community consisting primarily of habitational structures that are not nursing homes will not be subject to this exclusion.
- (12) Any exposure under commercial policies covering only appurtenant structures or structures that do not function as a habitational structure (e.g., a policy covering only the pool of an apartment complex).
- (13) Policies covering only Additional Living Expense.
- (14) Any exposure for barns or barns with apartments or living quarters.
- (15) Any exposure for builders risk coverage or new Residential Structures ~~still~~ under construction.
- (16) Any exposure for vehicles, recreational vehicles, golf carts or boats (including boat related equipment) requiring licensing.
- (21) Any exposure for, or amounts paid to reimburse a policyholder for, condominium association loss assessments or under similar coverages for contractual liabilities.

(23) Any liability assumed by the Company from Pools, Associations, and Syndicates. Exception: Covered Policies assumed from Citizens under the terms and conditions of an executed assumption agreement between the ~~Authorized Insurer Company~~ and Citizens are covered by this Contract.

~~(27) A policy providing personal property coverage separate from coverage of personal property included in a homeowner's, mobile home owner's, condominium unit owner's, or tenant's policy or other policy covering a Residential Structure, or in an endorsement to such a policy.~~

~~(2728) Policies and Endorsements~~ predominantly covering Specialized Fine Arts Risks or collectible types of property meeting the following requirements:

(a) ~~An policy or~~ endorsement predominantly covering Specialized Fine Arts Risks and not covering any Residential Structure if it meets the description in subparagraph 1 and if the conditions in subparagraph 2 are met.

1. For purposes of this exemption, a Specialized Fine Arts Risk ~~policy or~~ endorsement is an ~~policy or~~ endorsement that:

- a. Insures works of art, of rarity, or of historic value, such as paintings, works on paper, etchings, art glass windows, pictures, statuary, sculptures, tapestries, antique furniture, antique silver, antique rugs, rare books or manuscripts, jewelry, or other similar items;
- b. Charges a minimum premium of \$500; and
- c. Insures scheduled items valued, in the aggregate, at no less than \$100,000.

2. The insurer offers specialized inspection and must provide a specialized loss prevention service or other collector services designed to prevent or minimize loss, or to value or inventory the Specialized Fine Arts for insurance purposes, such as:

- a. Collection risk assessments;
- b. Fire and security loss prevention;
- c. Warehouse inspections to protect items stored off-site;
- d. Assistance with collection inventory management; or
- e. Collection valuation reviews.

(b) ~~An policy form or~~ endorsement generally used by the Company to cover personal property which could include property of a collectible nature, including fine arts, as further described in this paragraph, either on a scheduled basis or written under a blanket limit, and not covering anything other than personal property. All such ~~policy forms or~~ endorsements are subject to the exclusion provided in this paragraph when the ~~policy or~~ endorsement limit equals or exceeds \$500,000. Generally such collectible property has unusually high values due to its investible, artistic, or unique intrinsic nature. The class of property covered under such ~~an policy or~~ endorsement represents an unusually high exposure value and such ~~policy endorsement~~ is intended to provide coverage for a class or classes of property that is not typical for the contents coverage under residential property insurance policies. In many cases property may be located at various locations either in or outside the state of Florida or the location of the property may change from time to time. The investment nature of such property distinguishes this type of exposure from the typical contents associated with a Covered Policy.

~~(29) Any exposure for a condominium structure insured on a commercial policy in which more than 50% of the individual units are non-owner occupied and rented out for 6 or more rental periods by different parties during the course of a 12-month period.~~

~~(30) Any structure used exclusively or predominantly for non-dwelling or non-habitational occupancies.~~

# Florida Hurricane Catastrophe Fund

## ~~2018~~ 2019 Data Call

### Reporting Clarifications

#### General Clarifications

1. *Aggregate Policy Limits (not applicable to Commercial Residential Policies)*

For policies that provide an aggregate limit without stating a specific limit for buildings, appurtenant structures, contents, or ALE exposures, report the exposure to the FHCF by allocating the total policy limit to the building field if the policy fits the definition of FHCF types of business Residential or Mobile Home, or to the contents field if the policy fits the definition of FHCF types of business Tenants or Condominium Unit Owners.

2. *Farmowners*

The only exposure under a Farmowners policy that is reportable to the FHCF is exposure for the dwelling, other private structures appurtenant to dwellings, household personal property, and additional living expense coverage. FHCF commercial codes for type of business and deductible may not be used.

3. *Multiple Rating Factors (Construction and Deductible) within the Building, Appurtenant Structures, Contents (including scheduled personal property), and ALE Limits*

If, within a policy, the limits above have different FHCF rating factors, exposure may be reported under one record using the rating factors applicable to the most exposure (e.g., if 70% of the exposure under such a policy is for Building coverage, report the rating factors applicable to the Building coverage). If your Company chooses to break such policies into multiple records for FHCF reporting, you must do so consistently across your non-commercial book of business.

This clarification is also applicable to the Year Built, Structure Opening Protection, and Roof Shape fields. For commercial policies covered by the FHCF, see Commercial-Habitational Clarification #1 below.

#### Commercial-Habitational Clarifications

The only commercial policies covered by the FHCF are those covering habitational structures (e.g., apartments and condominiums).

1. *Multiple Rating Factors (Construction and Deductible) within the Building (dwelling), Non-Habitational Structures, Contents, and ALE Limits of a commercial policy*

One Occupied Dwelling Structure: If, within a commercial policy, the limits above have different rating factors (e.g., a superior masonry apartment building, a frame guardhouse, and a masonry pool), exposure may be reported under one record using the rating factors applicable to the dwelling structure. If your Company chooses to break such policies into multiple records to report different constructions and deductibles to the FHCF, you must do so consistently across your commercial book of business.

Multiple Occupied Dwelling Structures: If, within a commercial policy, several occupied dwelling structures are insured and those structures are in multiple ZIP Codes, a separate record must be reported for each ZIP Code with the exposure applicable to that specific ZIP Code.

If multiple occupied dwelling structures insured under one policy are in the same ZIP Code and have shared non-habitational structures with different rating factors, your Company may report the exposure for the non-habitational structures as appurtenant to the dwelling structure your Company deems most appropriate.

This clarification, in its entirety, is also applicable to the Year Built, Structure Opening Protection, and Roof Shape fields.



## 2. *Commercial Policies Covering Farms*

For commercial farms with habitation exposure that is written on a commercial policy form, report the exposure as Residential type of business, with the exception of any mobile home related exposure. Dwelling mobile home exposure on the policy, including the contents therein and scheduled personal property, must be reported as Mobile Home type of business.

## 3. *Commercial Policies Covering a Variety of Risks (other than Farm coverage)*

For a commercial policy covering both commercial habitation exposures and incidental non-commercial habitation exposures (i.e., single-family homes, condominium unit owners, tenants coverage, and mobile homes) in the same ZIP Code, all non-mobile home related exposure may be reported under one record using FHCF type of business Commercial. The construction, deductible, Year Built, Structure Opening Protection, and Roof Shape codes applicable to the commercial habitation exposure should be reported for that record. Any mobile home exposure, regardless of the type of policy under which it is written, must be reported to the FHCF as type of business Mobile Home and with the applicable mobile home construction and deductible codes.

Should your Company choose to report the exposure under such a policy as multiple records (e.g., an apartment building reported as Commercial, the CEO's home reported as Residential, and the president's condominium reported as Condominium Unit Owners), the decision to do so must be applied consistently to all such policies, and the Data Call codes applicable to each record/type of business must be reported.

Note that if the exposures are in different ZIP Codes, the exposures under the single commercial policy must be reported as separate records using the ZIP Code applicable to each exposure(s).

## 4. *Blanket Limits*

For a multiple location policy with a blanket limit, if the blanket limit is less than the insurable value of the property being insured, the policy would not be covered by, or reportable to, the FHCF pursuant to Exclusion (4) under Article VI of the Reimbursement Contract (see page 19 herein). ~~report the lesser of the full blanket limit or the full wind exposure value for each risk/building/exposure.~~ The Company must maintain a copy of the Statement of Values to support the policy exposure reported in order for the SBA to confirm correct reporting during examination.

## 5. *Blanket Deductibles*

For a policy covering multiple structures/contents under an indivisible aggregate deductible, report each risk/building/exposure with the full blanket deductible amount.

## ~~6. *Multiple Location Policy with Non-Florida Risk*~~

~~For a multiple location policy with non-Florida risk, report the lesser of the full policy limit or the full wind exposure value for each Florida risk/building/exposure. The Company must maintain a copy of the Statement of Values to support the policy exposure reported in order for the SBA to confirm correct reporting during examination.~~

## ~~7.6. *Policies with a Mix of Commercial Habitation & Non-Habitation Structures*~~

Only report exposure which directly covers, or is used in relation to, covered habitation structures. "Used in relation to" is defined as any structure that is used solely by the occupants (or their guests) of the habitation structure. If you are unable to make this determination for a structure, do not report the exposure for that structure in your Data Call submission. Refer to the other clarifications herein with respect to blanket limits or blanket deductibles.

## ~~8.7. *Multiple Family Dwellings on a Commercial Policy & FHCF Type of Business (TOB)*~~

Two, three, and four-family dwellings should be reported with an FHCF TOB based on how your Company rates the dwellings (either Residential or Commercial FHCF TOB). Dwellings housing more than four families should be reported as FHCF TOB Commercial. For a commercial policy



covering exposure that falls under multiple FHCF types of business, see Commercial-Habitational Clarification #3 herein.

# Florida Hurricane Catastrophe Fund

## ~~2018~~ 2019 Data Call

### Citizens Property Insurance Corporation Supplemental Reporting Requirement: Policies Written Under Section 627.351(6)(c)1.g., Florida Statutes

If Citizens Property Insurance Corporation (Citizens) has written policies under Section 627.351(6)(c)1.g., Florida Statutes, and permits a Citizens policyholder to select a building/Coverage A limit of liability less than 80% of the replacement cost, Citizens must include the additional three fields in the table below in its Data Call submission, even though the specific fields may not apply to every policy.

#### Additional Data Call File Layout

Field #	Description	Min Length	Max Length	Type	Notes
21	Full Replacement Cost - Building/Coverage A	1	12	Numeric	See description below this table. Enter zeros if none.
22	Building/Coverage A Limit as a Percentage of the Full Replacement Cost	1	3	Numeric	Report percentage (1% to 100%) in whole numbers. For example, 75% would be reported as 75 (see description below this table). Enter 100 if not applicable.
23	Application of Deductible	1	1	Alpha	Only the codes on this page (below) are acceptable.

#### Example

- Full building replacement cost: \$200,000.
- Policyholder selects a policy form/endorsement that allows the policyholder to select a building limit of liability that is 75% of the full replacement cost.
- As a result, the policyholder has purchased a building limit of \$150,000, which is the amount to be reported in Field #8 (Total Insured Value - Building) of this Data Call.

#### Description of Additional Fields

##### 21. Full Replacement Cost - Building

This is the full replacement cost of the building for a policy or multiple policies with the same Data Call codes (200000 for the example above).

##### 22. Building Coverage Limit as a Percentage of the Full Replacement Cost

This is the percentage (in whole numbers, no decimals) of the selected limit of liability in comparison to the full replacement cost (75 for the example above).

##### 23. Application of Deductible

This field indicates how a percentage deductible is applied. In other words, if the policy has a 2% deductible, is the 2% applied to the amount of selected building limit (2% of \$150,000 in the example above) or the replacement cost (2% of the \$200,000 in the example above)? Enter the appropriate code from the following table:

Application of Deductible	FHCF Code
Percentage of Selected Limit	L
Percentage of Replacement Cost	R
Dollar Deductible or Not Applicable	D

# Florida Hurricane Catastrophe Fund

## ~~2018-2019~~ Data Call

### Citizens Property Insurance Corporation Takeouts Pursuant to Assumption Agreements

For purposes of reporting exposure, calculating Reimbursement Premium, and determining Retention, all FHCF exposure removed from Citizens Property Insurance Corporation Coastal Account and/or Citizens Property Insurance Corporation Personal Lines and Commercial Lines Accounts pursuant to an assumption agreement under Sections 627.351(6)(q)3. and 627.3511, Florida Statutes, shall be treated as the exposure of the assuming Company.

Companies engaged in assumption agreements from July 1, ~~2017-2018~~ through June 30, ~~2018-2019~~ with either Citizens entity shall submit **separate** data files to the FHCF in the format specified herein. If your Company engaged in assumption agreements with both Citizens entities, three files would be submitted in response to this Data Call. One file must contain the Company's FHCF exposure from direct written premiums. The exposure assumed from either Citizens entity which is renewed by June 30, ~~2018-2019~~ must be included (including the Citizens policy number in Field #20) with the direct portion. The other two file(s) must contain the FHCF exposure which was assumed from each Citizens entity (one file for each entity) and which was not renewed onto your Company's book by June 30, ~~2018-2019~~.

**Note: All data for an individual Company must be submitted using the FHCF WIRE system before the Administrator can calculate your Company's Premium.**

For the purpose of this Data Call, each Citizens entity shall submit all of its FHCF exposure not subject to assumption agreements (including any assumed policies which the policyholders opted out of the assumption on or before June 30, ~~2018-2019~~ and those policies were not assumed by another Company prior to June 30, ~~2018-2019~~) in the format specified herein using the WIRE system. In addition, each Citizens entity shall report all FHCF exposure removed from the applicable Citizens entity which, as of June 30, ~~2018-2019~~, had not been renewed onto the assuming Company's policy forms. Such a file is required for each assumption Company. Each file shall be uploaded through the WIRE system in the Data Call format specified herein.

**The FHCF will compare the file(s) submitted by an assumption Company against the file(s) submitted by Citizens and the assumption Company will be required to explain discrepancies.**

Regarding opt outs, the assuming Company must report all assumed policies under this Data Call unless Citizens has notified the assuming Company on or prior to June 30, ~~2018-2019~~ that a policy is eligible for an opt out. In such cases, Citizens shall report those policies under its Data Call submission. Furthermore, any untagging or retroactive coverage changes subsequent to June 30<sup>th</sup> will not be considered by the FHCF and will not impact Data Call reporting for Citizens or the assuming Company.

All exposure files requested from the two Citizens entities and Companies engaged in removing exposure from either Citizens entity pursuant to an assumption agreement are subject to examination by the SBA.

# Florida Hurricane Catastrophe Fund

## 2018-2019 Data Call

### Citizens Property Insurance Corporation Coastal Account Quota Share Primary Insurance Reporting Requirements

~~As required under subparagraph~~Section 627.351(6)(c)2.f, Florida Statutes, ~~requires that~~ “~~For~~for all eligible risks covered under quota share primary insurance agreements, the exposure and coverage levels for both ~~the corporation~~ Citizens Property Insurance Corporation (Citizens) and authorized insurers shall be reported by ~~the corporation~~ Citizens to the ~~Florida Hurricane Catastrophe Fund~~ FHCF. For all policies of eligible risks covered under such agreements, ~~the corporation~~ Citizens and the authorized insurer must maintain complete and accurate records for the purpose of exposure and ~~loss reimbursement audits~~ claims examinations as required by ~~fund~~ FHCF rules. ~~The corporation~~ Citizens and the authorized insurer ~~shall~~ must each maintain duplicate copies of policy declaration pages and supporting claims documents.”  
~~Copies of policy declaration pages and supporting claims documents must also be retained.~~

Citizens Property Insurance Corporation Coastal Account (referred to hereafter on this page as Citizens) shall report, as part of its Data Call submission, the following quota share primary insurance exposure data for all insurers engaged in quota share primary insurance agreements with Citizens:

#### Additional Data Call File Layout

Field #	Description	Min Length	Max Length	Type	Notes
24	NAIC of Quota Share Insurer	5	5	Numeric	
25	Percentage of Hurricane Coverage Retained by Citizens	2	2	Numeric	Percentage of Citizens’ retained hurricane coverage as set forth in the quota share primary insurance agreement between Citizens and an insurer.

#### Individual Companies shall not report these additional fields to the FHCF.

Based on the data provided under these two fields, the FHCF shall:

- Calculate the aggregate FHCF Premium, based on the Reimbursement Premium Formula as discussed on page 1 of this Data Call, by Company;
- Based upon the specified Citizens’ percentage of hurricane coverage, allocate the applicable share of FHCF Premium to Citizens and to each Company;
- The allocated Premium from above will be added to the FHCF Premium calculated from non-quota share primary insurance for Citizens and for each Company participating in a quota share primary insurance agreement(s) with Citizens; and
- This aggregate Premium shall be used for the calculation of Retentions and FHCF reimbursements.

When reporting loss information to the FHCF, Citizens and Companies will be required to report only their respective portion of Losses under quota share primary insurance agreements.

# Florida Hurricane Catastrophe Fund

## 2018-2019 Data Call

### FHCF Construction Codes

The construction code identifies the material with which the building is constructed.

Construction Type/Definition	FHCF Code
<i>Frame</i> ..... Buildings where the exterior walls are wood or other combustible materials, including wood iron-clad, stucco on wood, or plaster on combustible supports. Also includes aluminum or plastic siding over frame. If a Company's definition of frame includes hardiboard, FHCF Frame construction should be used <sup>1</sup> .	1
<i>Masonry</i> ..... Buildings where the exterior walls are constructed of masonry, non-combustible, or fire resistive materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or other non-combustible materials.	2
<i>Masonry with Reinforced Concrete Roof</i> ..... Construction meeting the definition of FHCF Masonry construction, as outlined above, and having a reinforced concrete roof.	15
<i>Superior</i> ..... Masonry, non-combustible, or fire resistive construction where one of the following additional conditions exist: <ul style="list-style-type: none"> <li>▪ Roof deck has a minimum thickness of 2 inches with roof supports having a minimum dimension of 6 inches; or</li> <li>▪ Floors and roof constructed of 2 inches of masonry on steel supports or documented to be constructed of 22 gauge metal or heavier on steel supports; or</li> <li>▪ Roof assembly is documented to have a UL wind uplift classification of 90 or equivalent.</li> </ul> <b>Or</b> A building of any construction which is 6 or more stories.	7
<i>Superior with Reinforced Concrete Roof</i> ..... Construction meeting the definition of FHCF Superior construction, as outlined above, and having a reinforced concrete roof.	16
<i>Masonry Veneer</i> ..... Buildings with exterior walls of combustible construction veneered with brick, masonry, or stone. If a Company's definition of veneer includes hardiboard, FHCF Masonry Veneer construction should be used <sup>1</sup> .	10
<i>Unknown</i> ..... Construction information not collected for the policy or the reportable exposure. Not valid for mobile home or mobile home-related exposure.	11
<i>Mobile Home - Fully Tied Down, manufactured before 7/13/94<sup>2</sup></i> ..... Mobile/Manufactured Housing, manufactured before 7/13/94, which has anchors and tie-downs as required by Section 320.8325, Florida Statutes, and Florida Administrative Code rules promulgated thereunder.	21
<i>Mobile Home - Fully Tied Down, manufactured on or after 7/13/94<sup>2</sup></i> ..... Mobile/Manufactured Housing which has anchors and tie-downs as required by Section 320.8325, Florida Statutes, and Florida Administrative Code rules promulgated thereunder, and was manufactured on or after 7/13/94 or is documented to be in compliance with ANSI/ASCE 7-88.	22
<i>Mobile Home – Other than Fully Tied Down or Unknown</i> ..... Mobile home is not fully tied down, the nature of any tie downs is unknown, or tie down information is not available.	25

<sup>1</sup>If your Company has a specific rate for hardiboard construction (i.e., a rate other than frame or veneer), a proposed mapping must be submitted to the FHCF Administrator as specified on pages 9 and 27 herein.

<sup>2</sup>If you are uncertain whether a mobile home was manufactured on or after 7/13/94, use the manufactured before 7/13/94 code "21." If your Company only tracks the year built and not the month, and the year built is 1994, use code "21."

# Florida Hurricane Catastrophe Fund

## ~~2018~~ 2019 Data Call

### Florida County Codes\*

County Code	County Name	County Code	County Name	County Code	County Name
1	Alachua	49	Hardee	93	Okeechobee
3	Baker	51	Hendry	95	Orange
5	Bay	53	Hernando	97	Osceola
7	Bradford	55	Highlands	99	Palm Beach
9	Brevard	57	Hillsborough	101	Pasco
11	Broward	59	Holmes	103	Pinellas
13	Calhoun	61	Indian River	105	Polk
15	Charlotte	63	Jackson	107	Putnam
17	Citrus	65	Jefferson	109	St. Johns
19	Clay	67	Lafayette	111	St. Lucie
21	Collier	69	Lake	113	Santa Rosa
23	Columbia	71	Lee	115	Sarasota
27	De Soto	73	Leon	117	Seminole
29	Dixie	75	Levy	119	Sumter
31	Duval	77	Liberty	121	Suwannee
33	Escambia	79	Madison	123	Taylor
35	Flagler	81	Manatee	125	Union
37	Franklin	83	Marion	127	Volusia
39	Gadsden	85	Martin	129	Wakulla
41	Gilchrist	86	Miami-Dade	131	Walton
43	Glades	87	Monroe	133	Washington
45	Gulf	89	Nassau		
47	Hamilton	91	Okaloosa		

\* Derived from the Federal Information Processing Standards (FIPS) Codes.

# Florida Hurricane Catastrophe Fund

## ~~2018~~ 2019 Data Call

### Reference Guide

The FHCF is dedicated to making information pertaining to the FHCF as readily available as possible, and has posted a considerable amount of information on the Internet through the FHCF web site at [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf).

The following are sample documents/information available on-line:

- Bonding Estimates
- FHCF Calendar
- Company Contact Information Form (Insurer Contacts)
- Construction Mapping Worksheet
- Mixed–Occupancy Single Structures Worksheet
- Coverage Selections & Premium Calculations
- Data Call
- Examination Information
- Frequently Asked Questions
- Link: FEMA
- Link: Florida Administrative Register
- Link: Florida Department of Financial Services
- Link: Online Sunshine
- Loss Reimbursement Preparedness Program
- Loss Reports
- Member Handbook
- Projected Payout Multiple
- Ratemaking Formula Report and Addendum(s), as applicable
- Rates and Retention Multiples
- Reimbursement Contract and Addendum(s), as applicable
- Rule 19-8.010: Reimbursement Contract
- Rule 19-8.012: Ineligibility/Exemption from the FHCF
- Rule 19-8.013: Revenue Bonds
- Rule 19-8.028: Reimbursement Premium Formula
- Rule 19-8.029: Insurer Reporting Requirements and Responsibilities
- Section 215.555, Florida Statutes

**Florida Hurricane Catastrophe Fund**  
**2018-2019 Data Call**

**Construction Mapping Worksheet**

If your Company's construction definitions do not closely match the FHCF's definitions, the Company is required to complete and submit this construction mapping worksheet to the FHCF Administrator, Paragon Strategic Solutions Inc., and receive approval prior to initiating the Data Call submission process. An electronic version of the worksheet is available at [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) under Insurer Information and the Data Call tab. Submit this completed worksheet to the Administrator by email at [FHCFAdministrator@paragon.aonbenfield.com](mailto:FHCFAdministrator@paragon.aonbenfield.com) by August 1, 20182019.

Company Name(s): \_\_\_\_\_

Date Prepared: \_\_\_\_\_

**SECTION I**

QUESTIONS		
<b>1</b>	Does your Company insure individual multi-story habitational buildings under commercial policies (e.g., condominium structures or apartment buildings)? If yes, complete Question #1; if no, proceed to Question #2.	Select Y or N
	- Does your Company capture* the number of stories? If no, proceed to Question #2.	Select Y or N
	- Does your Company insure buildings with 6 or more stories?	Select Y or N
	- If your Company insures buildings with 6 or more stories, have you included FHCF <i>Superior</i> construction in your mapping for commercial policies?	Select Y or NA
<b>2</b>	Does your Company insure individual condominium unit owners or tenants? If yes, complete Question #2; if no, proceed to Question #3.	Select Y or N
	- Does your Company capture* the number of stories of the building in which an individual condominium or tenant unit is located? If no, proceed to Question #3.	Select Y or N
	- Does your Company insure units within buildings with 6 or more stories?	Select Y or N
	- If your Company insures condominium or tenant units within buildings which are 6 or more stories, have you included FHCF <i>Superior</i> construction in your mapping for condominium unit owners and/or tenants policies?	Select Y or NA
<b>3</b>	This question pertains to whether your Company captures* if certain structures have a reinforced concrete roof.	
	- Does your Company capture* whether habitational buildings insured under commercial policies (e.g., condominium structures or apartment buildings) have a reinforced concrete roof?	Select Y or N
	- Does your Company capture* whether the buildings housing individual condominium or tenant units have a reinforced concrete roof?	Select Y or N
	- If your Company answered yes to either of the two immediately preceding questions, have you included FHCF <i>Masonry with Reinforced Concrete Roof</i> and/or FHCF <i>Superior with Reinforced Concrete Roof</i> construction in your mapping?	Select Y or NA



\* “Capture,” as used in the table above, means your Company collects the relative information at some point during the application or underwriting process, regardless of whether such information is used by your Company or whether or not it has been entered into your Company’s computer system(s).

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## SECTION II

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**Instructions:** Enter the Company’s construction types and definitions, as printed in the Company’s underwriting manual, and Company construction codes if your Company uses a coding system, into the table provided on the next page. Then enter the FHCF construction code proposed for reporting each of your Company’s construction types based on the FHCF construction definitions on page 24 of this Data Call. Indicate which FHCF type(s) of business each definition and/or code is applicable to by entering Com, Res, MH, Ten, Condo, or a combination of those types of business in the first column. Be sure to include all construction types that could be applicable to your Company’s Data Call submission.

Florida Hurricane Catastrophe Fund  
**2018-2019** Data Call

Construction Mapping Worksheet

ENTER FHCF TYPE(S) OF BUSINESS (COM, RES, MH, TEN, CONDO)	COMPANY CONSTRUCTION TYPES (e.g., FRAME)	COMPANY CONSTRUCTION DEFINITIONS	COMPANY CONSTRUCTION CODE (e.g., F=FRAME)	MAPPED TO FHCF CODE

**Florida Hurricane Catastrophe Fund**  
**2018-2019 Data Call**  
**Mixed-Occupancy Single Structures Worksheet**

Company Name(s): \_\_\_\_\_

Date Prepared: \_\_\_\_\_

**ALL COMPANIES reporting FHCF Commercial type of business (code “1”) exposure under the 2018-2019 Data Call MUST COMPLETE THIS WORKSHEET** and email it to the FHCF Administrator, Paragon Strategic Solutions Inc., at [FHCFAdministrator@paragon.aonbenfield.com](mailto:FHCFAdministrator@paragon.aonbenfield.com) by August 1, ~~2018~~2019.

An electronic version of the worksheet is available at [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) under Insurer Information and the Data Call tab.

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**SECTION I – Significance of Mixed-Occupancy Structures**

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If a single structure is insured under a commercial policy and is used for both habitational and non-habitational purposes, it is necessary, pursuant to the terms of the Reimbursement Contract, for your Company to determine the predominant use of such structures:

- If a structure is predominantly habitational, it is covered by the FHCF and is reportable under the Data Call.
- If a structure is predominantly non-habitational, it is not covered by the FHCF and is not reportable under the Data Call.

The FHCF considers predominant use to be 50% or greater of the total insured value of the structure on the basis of number of floors, square footage, or other reasonable methodology as justified by the Company.

Note that with regard to a condominium structure or complex insured under a commercial lines policy, beginning with the 2019 Data Call, such structure is deemed to have a habitational occupancy and to be a Residential Structure regardless of the term of occupancy of the individual units as long as those units make up the predominant use of the structure and are not excluded under Article VI of the Reimbursement Contract (see page X herein). ~~While such mixed-occupancy structures are often a mix of mercantile and apartment or habitational condominium units, a condominium structure can also contain short term rentals excluded from FHCF coverage. Specifically, Article VI(10) of the Reimbursement Contract excludes:~~

~~“Any exposure for homes and condominium structures or units that are non-owner occupied and rented for 6 or more rental periods by different parties during the course of a 12 month period.”~~

For example, a 100-unit condominium with 60 units that are non-owner occupied and rented for 6 or more rental periods by different parties during the course of a 12-month period would be considered predominantly non-habitational and would not be covered by, or reportable to, the FHCF.

## Mixed-Occupancy Single Structures Worksheet

### SECTION II – Verification of Mixed-Occupancy Structures

QUESTIONS	ENTER Y OR N
1 Does your Company insure mixed-occupancy single structures under commercial policies that include habitational dwelling units (e.g., apartment buildings with mercantile, mercantile buildings with apartments, etc.)?	Select Y or N
<p><del>▪ If the answer is No, no further action is necessary.</del></p> <p><del>▪ If the answer is Yes, Section III must be completed.</del></p>	
2 Does your Company insure condominium structures? If no, proceed to SECTION III.	Select Y or N
(a) Does your Company insure condominium structures with non-owner occupied units? If no, proceed to SECTION III.	Select Y or N
(b) Does your Company have an underwriting restriction on the number of times individual non-owner occupied units can be rented out during a 12-month period?	Select Y or N
(c) If you answered yes to the preceding question, enter in the box to the right the maximum number of times non-owner occupied units may be rented during a 12-month period.	

### SECTION III – Mixed-Occupancy Methodology Requirements

~~(1)~~ A proposed methodology for determining predominant use of mixed-occupancy single structures insured under commercial policies must be submitted to, and approved by, Paragon prior to your Company submitting its Data Call submission through WIRE, ~~if any of the following apply:~~

- ~~• The answer to SECTION II Question #1 is yes;~~
- ~~• The answer to SECTION II Question #2(b) is no, or~~
- ~~• The answer to SECTION II Question #2(c) is 6 or more.~~

**Your Company's proposed methodology must include the following:**

A list of your Company's class codes which could reasonably be expected to be used for mixed-occupancy structures that include habitational occupancies. The list should not be a complete list of all codes from your Company's underwriting manuals (e.g., Code 0702 - Other Offices and Banks, which is unlikely to include habitational occupancies, should not be included on the list).

- a. Include a description of the type of property assigned to each code (e.g., Code 0311, Apartments with Mercantile – up to 10 units).
- b. For each code, indicate whether your Company considers the code to be typically used for structures which are predominantly habitational or predominantly non-habitational based on the FHCF's description of predominant use in SECTION I.
- c. Summarize the basis for your methodology used to determine predominant occupancy (e.g., number of floors, square footage, etc.) and include any rating/underwriting rules that may be helpful.

- ~~(2) If you answered “no” to SECTION II Question #2(a), provide a copy of the applicable pages from your Company’s underwriting manual/guidelines stating that condominium structures cannot include non-owner occupied units.~~
- ~~(3) If you answered “yes” to SECTION II Question #2(b), provide a copy of the applicable pages from your Company’s underwriting manual/guidelines showing the maximum number of times individual units can be rented out during the course of a 12-month period.~~
- ~~(4) If you answered “yes” to both SECTION II Question #2(a) and Question #2(b), and entered a number equal to or greater than 6 for Question #2(c), provide an explanation of how your Company tracks the predominant occupancy of the condominium structure. In other words, how does your Company track the percentage of units that are non-owner occupied and could be rented out 6 or more times during the course of a 12-month period to determine if a condominium structure is predominantly habitational or non-habitational?~~
- ~~(5) If you answered “yes” to SECTION II Question #2(a) and “no” to Question #2(b), provide an explanation of how your Company tracks the predominant occupancy of the condominium structure. In other words, how does your Company track the percentage of units that are non-owner occupied and could be rented out 6 or more times during the course of a 12-month period to determine if a condominium structure is predominantly habitational or non-habitational?~~

~~The items listed above must be included as part of your Company’s proposed methodology with this completed worksheet.~~

# Florida Hurricane Catastrophe Fund

## ~~2018-2019~~ Data Call

### Supplemental Instruction Sheet for New Participants

As explained on page one of this Data Call, each Authorized Insurer writing Covered Policies in the state of Florida is required to pay a Reimbursement Premium to the Florida Hurricane Catastrophe Fund (FHCF). This includes New Participants to the FHCF. New Participants are defined in Article V of the FHCF Reimbursement Contract (adopted under Rule 19-8.010, Florida Administrative Code) as companies:

“which begin writing Covered Policies on or after the beginning of the Contract Year. A Company that removes Covered Policies from Citizens pursuant to an assumption agreement effective on or after June 1 and had written no other Covered Policies before June 1 is also considered a New Participant.”

The Reimbursement Contract requires that a New Participant report its insured values under Covered Policies **as of November 30, ~~2018-2019~~** by February 1, ~~2019~~**2020**. To comply with this requirement, please use the ~~2018-2019~~ Data Call instructions, keeping the following points in mind:

- All references to data as of June 30, ~~2018-2019~~ should be as of November 30, ~~2018-2019~~ for New Participants.
- The Data Call submission for New Participants is due by February 1, ~~2019~~**2020**. Extensions will not be granted.
- All references to exposure fluctuations from the prior year may be disregarded.

New Participants that were engaged in assumption agreements with Citizens Property Insurance Corporation from June 1, ~~2017-2018~~ through November 30, ~~2018~~**2019**, must also comply with the requirements under the Citizens Property Insurance Corporation Takeouts Pursuant to Assumption Agreements section on page 23 of this Data Call, and again, with the references to June 30, ~~2018-2019~~ changed to November 30, ~~2018~~**2019**.

If you have any questions about the information to be supplied as a New Participant, please do not hesitate to contact Holly Bertagnolli, Martin Helgestad, or Kathy Mackenthun of Paragon Strategic Solutions Inc. at 1-800-689-FUND (3863) or [FHCFAdministrator@paragon.aonbenfield.com](mailto:FHCFAdministrator@paragon.aonbenfield.com).

**Contract Year ~~2018~~ 2019 Interim Loss Report  
Florida Hurricane Catastrophe Fund (FHCF)**

Company Name: \_\_\_\_\_ Co. NAIC No.: \_\_\_\_\_

Group NAIC No. (if applicable): \_\_\_\_\_ Losses as of (most current data available): \_\_\_\_\_

HURRICANE: \_\_\_\_\_ Report Due Date (see schedule below): \_\_\_\_\_

**ESTIMATED ULTIMATE NET LOSSES ON COVERED POLICIES**

	Commercial- Residential	Residential	Mobile Home	Tenants	Condominium Unit Owners	Total
Paid Loss*						
Outstanding Loss*						
IBNR (unknown losses)*						
TOTAL*						

**SCHEDULE OF REPORT DUE DATES**

If the FHCF determines that an Interim Loss Report is required due to the occurrence of a Covered Event, all Companies in the FHCF shall be notified of the required filing and the applicable due date (not less than fourteen days from the notice date). The FHCF will notify Companies if subsequent Interim Loss Reports are required or if a Detailed Claims Listing (refer to the Contract Year ~~2018~~ 2019 Form FHCF-DCL) must be provided to the FHCF. Reported Losses are expected to result from a good faith effort, using best business practices for the insurance industry, on the part of the Company to report as accurately as possible. Losses reported under the Interim Loss Report will not be binding.

**SUBMISSION INSTRUCTIONS**

The Interim Loss Report (and a Detailed Claims Listing if requested) must be submitted electronically through the FHCF Online Claims System at [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) under Online Reporting. Users will input the required fields directly into the system and an officer must sign off on each Interim Loss Report online prior to submission. Advance registration (including officers) is required for the Online Claims System; instructions are included on the system web site.

\* Report Ultimate Net Losses only (report in whole dollars, rounded only to the nearest whole dollar, with the exception of IBNR). Do not include Loss Adjustment Expenses. If your Company has negative IBNR numbers, report the negatives; do not net with the Outstanding Loss numbers. See Article V of the Reimbursement Contract for the definitions of Covered Event, Covered Policy, and Ultimate Net Loss. See Article VI of the Reimbursement Contract for specific coverage exclusions. Copies of this Interim Loss Report, the Reimbursement Contract, and additional information can be found on the Internet at [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf).

Signature: \_\_\_\_\_ Officer Title: \_\_\_\_\_ Date: \_\_\_\_\_

Printed or Typed Name of Officer: \_\_\_\_\_



## Contract Year ~~2018~~ 2019 Proof of Loss Report Florida Hurricane Catastrophe Fund (FHCF)

Company Name: \_\_\_\_\_ Co. NAIC No.: \_\_\_\_\_

Group NAIC No. (if applicable): \_\_\_\_\_ Losses as of (most current data available): \_\_\_\_\_

HURRICANE: \_\_\_\_\_ Report Due Date: \_\_\_\_\_

**SECTION I - MANDATORY****ULTIMATE NET LOSSES ON COVERED POLICIES**

	Commercial-Residential	Residential	Mobile Home	Tenants	Condominium Unit Owners	Total
A. Paid Loss*						
B. Outstanding Loss*						
C. IBNR (unknown losses)*						
D. TOTAL*						

\* Report Ultimate Net Losses only (report in whole dollars, rounded only to the nearest whole dollar, with the exception of IBNR). Do not include Loss Adjustment Expenses. If your Company has negative IBNR numbers, report the negatives; do not net with the Outstanding Loss numbers. See Article V of the Reimbursement Contract for the definitions of Covered Event, Covered Policy, and Ultimate Net Loss. See Article VI of the Reimbursement Contract for specific coverage exclusions. Copies of this Proof of Loss Report, the Reimbursement Contract, and additional information can be found on the Internet at [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf).

**SECTION II - OPTIONAL****ESTIMATED RECOVERABLE FROM THE FHCF**

Section II is provided for your Company's use only. The FHCF will calculate loss reimbursements based on the information provided under Section I above.

	<b><u>Incurred Basis</u></b>
A. Incurred Ultimate Net Loss (Sec. I.D)	
B. Less Actual Retention	
C. Subtotal (minimum of -0-) (A - B)	
D. Elected Coverage Percentage	
E. Ultimate Net Loss Excess Retention (C x D)	
F. LAE (5% of Incurred Losses in Excess of Retention) (E x 5%)	
G. Estimated Recoverable from the FHCF on Incurred Basis** (E + F)	

\*\*Estimated recoverables are limited by your Company's share of the claims-paying capacity of the FHCF, as limited pursuant to Section 215.555(4)(c), Florida Statutes.

	<b><u>Paid Basis</u></b>
A. Paid Ultimate Net Loss (Sec. I.A)	
B. Less Actual Retention	
C. Subtotal (minimum of -0-) (A - B)	
D. Elected Coverage Percentage	
E. Ultimate Net Loss Excess of Retention (C x D)	
F. LAE (5% of Paid Losses in Excess of Retention) (E x 5%)	
G. Total Estimated Recoverable (E + F)	
H. Previous Reimbursements	
I. <u>Estimated</u> Recoverable from the FHCF this request** (G - H)	

Company Name: \_\_\_\_\_

Hurricane: \_\_\_\_\_

### SECTION III - MANDATORY

### SIGNATURES

*We, the undersigned, do state that, to the best of our knowledge, all data reported under Section I of this Proof of Loss Report is accurate and is for losses under FHCF Covered Policies incurred by the named Company (Company) for the named hurricane. All reported information is subject to examination by the State Board of Administration of Florida (SBA). We are each, respectively, officers of the Company, acting within our authority in making this declaration, and we have conducted, or have had conducted, a thorough review of the Company's records and systems to determine the truth of this statement.*

Signature: \_\_\_\_\_ Officer Title: \_\_\_\_\_ Date: \_\_\_\_\_

Printed or Typed Name of Officer: \_\_\_\_\_

Signature: \_\_\_\_\_ Officer Title: \_\_\_\_\_ Date: \_\_\_\_\_

Printed or Typed Name of Officer: \_\_\_\_\_

### RECORDS RETENTION REQUIREMENTS

Companies reporting Losses and receiving reimbursements or advances from the FHCF for paid Losses from Covered Events are subject to examination by the FHCF or its agents pursuant to the Reimbursement Contract entered into between the Company and the FHCF. Therefore, all Companies shall retain complete and accurate records (including the Detailed Claims Listing – see below) of all losses reported to the FHCF until the FHCF has completed its examination of the Company and commutation for the Contract Year (if applicable) has been concluded. All records, correspondence, and supporting documentation, must be available with computer runs produced containing the information below. Upon notice of an examination, the Company will be required to provide a current Form FHCF-L1B (Proof of Loss Report) and the following information along with the information outlined in Form FHCF-LAP1 “~~Loss Reimbursement~~Claims Examination Advance Preparation Instructions” for the applicable Contract Year.

**1. Detailed Claims Listing (see Contract Year 2018-2019 Form FHCF-DCL for file formatting requirements) which supports the Losses reported on the Proof of Loss Report including:**

- |                         |                         |                                     |   |
|-------------------------|-------------------------|-------------------------------------|---|
| • Claim number          | • FHCF type of business | • ZIP Code                          | • Paid Loss – contents                  |
| • Date of Loss          | • County code           | • Paid Loss – habitational building | • Paid Loss – Additional Living Expense |
| • Policy number         | • County name           | • Paid Loss – appurtenant structure | • Outstanding Loss reserve              |
| • Policy effective date |                         |                                     |   |

**2. Claim files which include documentation of the following:**

- |   |  |  |
|---|--|--|
| • First notice of Loss  | • Payment history  | • Evidence of salvage received                                 |
| • Claim number  | • Policy number and location of property   | • Evidence of whether the deductible was applied               |
| • Date of Loss  | • Amount of Loss Adjustment Expense  | • Receipts for any Additional Living Expenses paid             |
| • Amount of Loss for each category of coverage (building, appurtenant structure, contents, and Additional Living Expense) | • All adjuster estimates, including public adjuster estimates if provided to the Company | • Evidence to show the Loss was a direct result of a hurricane |
| • Claim description   | • Copies of checks for payment of Losses   |  |
| • Documentation of policyholder's legal fees and/or public adjuster fees paid, if provided to the Company                 |  |  |

**3. Additional detail on the ~~loss~~ claims examination requirements can be accessed on the Internet at [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf).**

### SUBMISSION INSTRUCTIONS

A Company must submit an initial Detailed Claims Listing to support the Losses reported in the Proof of Loss Report at the same time it submits its first Proof of Loss Report for a specific Covered Event that qualifies the Company for reimbursement under that Covered Event, and should be prepared to supply a Detailed Claims Listing for any subsequent Proof of Loss Report as required by Rule 19-8.029, Florida Administrative Code, or upon the request of the FHCF. The Proof of Loss Report and Detailed Claims Listing must be submitted electronically through the FHCF Online Claims System at [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) under Online Reporting. Users will input the required fields of Section I of the Proof of Loss Report directly into the system and will upload the associated Detailed Claims Listing, and two officers must sign off on each Proof of Loss Report online prior to submission. Advance registration (including officers) is required for the Online Claims System; instructions are included on the system web site.

## Florida Hurricane Catastrophe Fund

### Contract Year ~~2018~~2019 Detailed Claims Listing Instructions

A Company participating in the Florida Hurricane Catastrophe Fund (FHCF) must submit a Detailed Claims Listing (as described below) to support the Losses reported in the Proof of Loss Report. If requested by the FHCF, a Detailed Claims Listing supporting the Losses reported in the Interim Loss Report may be required. Note that Incurred But Not Reported (IBNR) Losses are not to be included in the Detailed Claims Listing. A Detailed Claims Listing is required:

1. When the Company submits its first Proof of Loss Report for a specific Covered Event that qualifies the Company for reimbursement under that Covered Event;
2. Annually at each year-end (if requested by the FHCF) until the earlier of the completion of the FHCF commutation process or until all claims and Losses resulting from the Covered Event are fully discharged, including any adjustments to such Losses due to salvage or other recoveries;
3. Upon notice of a ~~Claims Loss reimbursement~~ examination by the FHCF;
4. Upon request of the FHCF in support of any other filed Proof of Loss Report; and
5. Upon request of the FHCF in support of an Interim Loss Report.

#### File Layout

The Detailed Claims Listing, which supports the Losses reported for a specific hurricane, must match the aggregate total amounts for paid Losses and outstanding Losses reported on page 1 of the Proof of Loss Report (or the Interim Loss Report if requested by the FHCF). The Detailed Claims Listing must be provided in a pipe delimited text file containing the following fields in the order listed. (For the pipe “|” symbol, press the *Shift* key and the \ key.) **Policy numbers in the Detailed Claims Listing must be in the same format as policy numbers provided in the FHCF Data Call submission.**

Field #	Description	Minimum Length	Maximum Length	Type	Notes
1	Claim Number	1	20	Special	Include characters A-Z, 0-9, and “-” only
2	Date of Loss	8	8	Numeric	Must use “yyyymmdd” format only (include leading zeroes for single-digit months and days)
3	Policy Number	1	30	Special	Include characters A-Z, 0-9, and “-” only; must match the policy numbers and format provided in the <del>2018-2019</del> Data Call file for policies required to be reported at 6/30/ <del>48</del> <u>19</u>
4	Policy Effective Date	8	8	Numeric	Must use “yyyymmdd” format only (include leading zeroes for single-digit months and days)
5	FHCF Type of Business Code	1	1	Numeric	Only use the codes on pg X of the Contract Year <del>2018-2019</del> FHCF Data Call
6	County Code	1	3	Numeric	Only use the codes on pg XX of the Contract Year <del>2018-2019</del> FHCF Data Call
7	County Name	3	20	Special	Include characters A-Z and “-” only
8	ZIP Code	5	5	Numeric	
9	Paid Loss – Habitational Building*	1	12	Numeric	Report whole dollar amounts only (no decimals). If an amount is zero, then enter 0.
10	Paid Loss – Appurtenant Structures *	1	12	Numeric	
11	Paid Loss – Contents *	1	12	Numeric	
12	Paid Loss – Additional Living Expense *	1	12	Numeric	
13	Outstanding Loss Reserve	1	12	Numeric	

**\*Note: A breakdown of paid losses is required.**

**Example:** A record with the following information:

FIELD #	DESCRIPTION	TYPE	ENTRY
1	Claim Number		336733
2	Date of Loss		2018 <del>9</del> 0910
3	Policy Number		HCP5670996
4	Policy Effective Date		2018 <del>9</del> 0215
5	FHCF Type of Business Code	Residential	2
6	County Code		49
7	County Name		HARDEE
8	ZIP Code		33890
9	Paid Loss – Habitational Building		12100
10	Paid Loss – Appurtenant Structures		3600
11	Paid Loss – Contents		8000
12	Paid Loss – Additional Living Expense		1500
13	Outstanding Loss Reserve		5000

Sample record layout:

336733|2018~~9~~0910|HCP5670996|2018~~9~~0215|2|49|HARDEE|33890|12100|3600|8000|1500|5000

**You must provide a separate Detailed Claims Listing to support the Losses reported for each hurricane.**

### **Reporting Losses for policies assumed from Citizens Property Insurance Corporation (Citizens)**

If your Company receives reimbursement from the FHCF for Losses on policies assumed from Citizens and the policies, subsequent to the reimbursement, revert back to Citizens, then your Company must deduct those Losses from all future Proof of Loss Reports submitted to the FHCF.

### **Remittance of Required Documents**

The Detailed Claims Listing(s) must be submitted via the FHCF Online Claims System at the same time the associated Proof of Loss Report(s) is filed. The Online Claims System is available at [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) under Online Reporting.

### **Retention of Records**

Your Company is required to maintain records of all Losses reported to the FHCF until the FHCF has completed its examination of the Company and commutation for the Contract Year (if applicable) has been concluded. The records retention requirement, as stipulated in the Proof of Loss Report, page 2, requires the Company to maintain all records, including the Detailed Claims Listing, correspondence, and supporting documentation to support each Proof of Loss Report submitted to the FHCF.

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**DRAFT 10/1/2018**

**FLORIDA HURRICANE CATASTROPHE FUND (FHCF)**  
**EXPOSURE EXAMINATION – CONTRACT YEAR 20182019**  
**ADVANCE PREPARATION INSTRUCTIONS**

The following instructions are provided to help your Company prepare for the FHCF's examination.

**ADVANCE RECORDS**

Your Company is required to submit information and records in advance to allow the examiner to prepare for the on-site review and to ensure the examination begins as scheduled. A checklist has been set up in the Company's *WIRE* account. Advance information and records must be submitted using the *WIRE* checklist in the format/file type specified in the instructions that follow. To access the checklist: log in to *WIRE* (<https://www.sbafla.com/fhcfwire/>), and click the ~~'Exposure-Exams' navigation tab/icon,~~ and select the applicable Contract Year and the Company name/exam type from the drop-down menus.

There are two parts of the checklist which must be completed before the entire records package can be submitted to the FHCF: 1) Exam Location and Contacts, and 2) Upload Advance Records. Detailed instructions for each part are provided below. The 'Submit' button located at the bottom of the checklist will not engage until all required components have been entered/uploaded. You must click the 'Submit' button to send the checklist and records to the FHCF. Once the records package has been submitted, additional uploads are prohibited. ~~After all of the required components have been entered/uploaded, open PART 2 of the checklist and click the 'Submit' button beside the 'Required Records Checklist Report' to send the records to the FHCF. The records package must be submitted to the FHCF on or before the deadline specified in the notice letter.~~

**PART 1: EXAMINATION LOCATION AND CONTACTS**

The examiner will travel to one location to conduct the examination. ~~In the entry fields provided, enter~~ Enter the street address of the office location best suited for the on-site review. Next, enter the name and contact information of the person who will serve as the exam coordinator and the name and contact information of a company executive. All examination correspondence, including the examination findings and report will be directed to the designated coordinator. ~~You must complete ALL required fields before saving and closing the section.~~

**PART 2: UPLOAD ADVANCE RECORDS**

Prepare the records and ~~applicable~~ attachments that follow according to the specifications outlined below and upload each to ~~PART 2 of the WIRE checklist using the designated 'Upload' button located to the right of the appropriate record title.~~ IMPORTANT: *WIRE* will retain only one file for each record type (the last file uploaded). Subsequent uploads will overwrite any previously uploaded file, regardless of a difference in filename. ~~The 'Submit' button located at the bottom of the checklist will not engage until all required components have been entered/uploaded. You must click the 'Submit' button to send the checklist and records to the FHCF. Once the records package has been submitted, additional uploads are prohibited.~~

**1. OPERATIONS QUESTIONNAIRE**

Download the questionnaire worksheet from the *WIRE* checklist. Answer all questions based on covered policies in force for the Contract Year being examined and save the completed questionnaire in its original Excel format (xls or xlsx) before uploading it to the *WIRE* checklist. The individual(s)

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responsible for preparing the questionnaire should be available to answer questions once the examiner arrives on-site.

***Attachments for Operations Questionnaire***

Based on your response to some questions, you may be required to provide additional information in a separate file, or attachment. If so, save each attachment as a separate file, then combine all attachment files into a single zip file to upload it to the *WIRE* checklist.

**2. CONSTRUCTION MAPPING WORKSHEET**

A completed Construction Mapping Worksheet must be uploaded to the *WIRE* checklist. If your Company submitted a Construction Mapping Worksheet to Paragon for approval prior to the Data Call submission, you must upload the approved worksheet. If not, download the worksheet from the *WIRE* checklist. Complete it in its entirety and upload it as a doc, docx or pdf file to the checklist.

***Construction Mapping Approval Letter from Paragon***

If your Company received an approval letter from Paragon for its Construction Mapping Worksheet, upload a pdf file of the approval to the *WIRE* checklist.

**3. FORMS AND ENDORSEMENTS**

Provide a list of all forms and endorsements used (as of the Data Call date) for all Covered Policies. The list must include the form and endorsement numbers and titles, and must be saved as an Excel (xls or xlsx) worksheet or workbook (if the list is divided among multiple worksheets) and uploaded to the *WIRE* checklist.

***Forms and Endorsements Specimen Copies***

Save each form and/or endorsement specimen as a separate file, then combine all into a single zip file to upload to the *WIRE* checklist. If possible, limit specimen file names to 50 characters or less. DO NOT scan all forms and endorsements into one multi-page pdf file.

**4. WINDSTORM MITIGATION FEATURES MAPPING**

Provide a list of windstorm mitigation features for Structure Opening Protection and Roof Shape, the definition of each feature, and the applicable FHCF code used to report each feature. The list must be saved as an xls, xlsx, doc, docx, or pdf file and uploaded to the *WIRE* checklist.

**5. STATUTORY PAGE 14 (FLORIDA DWP)**

Provide a copy of the annual statement page with the direct written premiums for Florida for the period ending December 31, ~~2017~~2018. Save as a single pdf file and upload it to the *WIRE* checklist.

**6. DIRECT WRITTEN PREMIUM REPORT**

Provide a report for the period ending December 31, ~~2017~~2018, which supports your Company's total direct written premium for all lines where any policy or coverage subject to the FHCF may be written. Lines of business that should always be included in this report are Fire, Allied Lines, Farmowners Multiple Peril, Homeowners Multiple Peril, Commercial Multiple Peril (non-liability portion) and Inland Marine. If your Company writes inland marine endorsements and the premium is included under a line of business other than Line 9 for Inland Marine, identify these policies separately in the report by using FHCF line of business code 6 or provide a notation in field 9 of the report designating that the policy has an endorsement. For lines of business that include premium for both commercial and residential policies (e.g., Fire and Allied Lines), distinguish between the different policies using the FHCF type of business/line of business codes. The Direct Written Premium Report must include all policies needed to reconcile to the line item total on the annual statement regardless of whether the policies are covered by the FHCF. Also, if there are differences between the premiums listed on Statutory Page 14 and the Direct Written Premium Report, provide a schedule detailing the reconciling items in the section titled 'Cover Letter and Other Support Files' on the *WIRE* checklist.

The Direct Written Premium Report must be by individual policy, sorted by type and line of business, must be provided in a pipe delimited text file (txt), and must contain the fields in the order listed in the table below. **Policy numbers in the Data Call File and Direct Written Premium Report must be formatted alike. If not, an explanation on how to match the policies is required.**

#	DESCRIPTION	TYPE	NOTES
1	Type of Business	Numeric	Only use the codes <del>on pg 8 of</del> provided in the 2018-FHCF Data Call
2	Line of Business	Numeric	Only use the codes <del>on pg 9 of</del> provided in the 2018-FHCF Data Call
3	Policy Effective Date	Numeric or Date/Time	Numeric Format: yyymmdd Date/Time Format: month/day/year Effective Date must be in one field and the numeric format must have 8 characters
4	Policy Expiration Date	Numeric or Date/Time	Numeric Format: yyymmdd Date/Time Format: month/day/year Expiration Date must be in one field and the numeric format must have 8 characters
5	Direct Written Premium	Numeric	
6	Policy Number	Special	Use the same policy number and format as used in the Data Call File; include characters A-Z, 0-9, and "-" only.
7	Notation Designating FHCF Covered Policies	Text	If available
8	Notation Designating Policy Written with Ex-wind Endorsement	Text	If available
9	Notation Designating Policy has Endorsement for Scheduled Personal Property	Text	If applicable
10	Class Code	Numeric	If applicable (typically applies to Commercial policies only)

## 7. UNDERWRITING AND RATING MANUALS

The examiner will need to review a copy of your Company's underwriting manual and rating manual for policies covered by the FHCF effective June 30, ~~2018~~2019. Your Company is required to have this available when the examiner is on-site; however, we would prefer that it be provided in advance. You may save a copy as a pdf to upload to the *WIRE* checklist, or if there are two separate files, you should combine them both into a single zip file before uploading to ensure both are retained. At the time of upload, you will be prompted to enter the name and email address of a contact that is familiar with these manuals.

## 8. COVER LETTER AND OTHER SUPPORT FILES

A cover letter is not required; however, if there is any additional information related to the advance records or the examination that your Company wishes to bring to the attention of the examiner, it may be noted in a cover letter, saved as a doc, docx, or pdf file and uploaded to the *WIRE* checklist. If you wish to provide additional support files, combine all files (including the cover letter) into a single zip file before uploading.

## ON-SITE REQUIREMENTS

In order for the examiner to properly conduct and expedite an early conclusion of the Exposure Examination, the exam coordinator should ensure that the examiner has access to items 1-4 below on the first day and throughout the duration of the on-site visit.



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## 1. EQUIPMENT AND SPACE

The examiner will need a private working space and an internet connection.

## 2. COMPANY PERSONNEL

The exam coordinator may wish to provide names of persons whom the examiner can contact directly for answers to the many questions the examination generates.

## 3. REQUIRED RECORDS TO HAVE AVAILABLE ON-SITE

The examiner will request applications and declaration pages to be available for review on-site. If policy files are in more than one location, your Company is responsible for coordinating the retrieval of the files to one central location. The files must contain at least the following information:

- a. Insured's Name
- b. Address and ZIP Code for location of property insured
- c. Policy Number
- d. Policy Period
- e. Construction Type
- f. Deductible Group
- g. County Code
- h. Total Insured Values
- i. Year Built
- j. Evidence to support the reported Roof Shape code
- k. Evidence to support a reinforced concrete roof, if applicable
- l. Evidence to show a credit is given to the policyholder for Structure Opening Protection
- m. A copy of the Residential Property Insurance Checklist required by the Office of Insurance Regulation Rule 690-167.013, F.A.C. (This requirement applies to homeowners', mobile homeowners', dwelling or condominium unit owners' policies)
- n. All applicable endorsements and policy changes
- o. Underwriting manual and rating manual for policies covered by the FHCF, if not already provided in advance through *WIRE*.

Online policy files may be acceptable for the review of residential lines of business if the items listed above are viewable on the online system, if the system is the same system that produces the Company's dec pages, and if the examiner determines the system information is reliable. If the examiner determines the online system cannot be used for policy review, then your Company must provide the physical policy files including the applications and underwriting files.

**For review of commercial policies, the complete policy files, including underwriting files, applications, commercial class codes, and statement of values are required.**

## 4. ADDITIONAL ON-SITE REQUIREMENTS

- a. Companies writing commercial policies covering single structures that contain a mix of both commercial-habitational and commercial non-habitational or business occupancies, are required to submit a proposed methodology for determining predominant use, as defined in the Data Call, to the FHCF Administrator on an annual basis before the September 1st deadline. Your Company must be able to identify these types of policies and individuals familiar with your Company's class codes and underwriting guidelines must be available to answer questions during the examination.
- b. If your Company's reported exposure includes collateral protection policies covered by the FHCF, a copy of the lapsed homeowner's policy or the equivalent of a dec page must be available for the examiner's review in addition to the dec page for the policy in force at June 30, ~~2018~~2019.



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## **POST-EXAM REQUIREMENTS**

The examiner or the FHCF may request additional information and/or documentation following the completion of the on-site review. All records, including exposure filings (Data Call submission), policy files, and supporting documentation must be retained until the FHCF has completed its examination of your Company's exposure submission and Loss reports (applicable to the Data Call Contract Year) and commutation for the Contract Year (if applicable) has been concluded.

## **SPECIAL EXAMS RELATED TO CITIZENS PROPERTY INSURANCE CORPORATION (CITIZENS)**

### **1. REQUIREMENT FOR EACH CITIZENS ENTITY ENGAGED IN TAKEOUTS PURSUANT TO ASSUMPTION AGREEMENTS**

In addition to the Data Call file for FHCF exposure from direct written premiums and the separate Data Call files for FHCF exposure assumed from Citizens pursuant to an assumption agreement which, as of June 30, ~~2018~~2019, had not renewed onto the assuming Company's policy forms, the following information must be provided for each assumption occurring July 1, ~~2017-2018~~ through June 30, ~~2018~~2019:

- a. A separate file that includes a list of all policies that were assumed by each Company on the date of the assumption. This file must include the policy number, contract number/Company identifier, assumption date, total insured value, ~~indicator for policies insuring short term rentals as defined in exclusion (10) in Article VI of the FHCF Reimbursement Contract,~~ indicator for policies written without wind coverage, indicator for policies cancelled on or before June 30, ~~2018~~2019, date untagged by Citizens and policy effective/expiration date.
- b. For each individual assumption, provide a list of all policies untagged by Citizens after the assumption date up to, and including, June 30, ~~2018~~2019. The file must include the policy number, the assumption date, and the date the policy was untagged.
- c. A copy of the assumption agreement between Citizens and the assuming Company along with copies of exhibits to show the number of policies assumed.

**FLORIDA HURRICANE CATASTROPHE FUND (FHCF)**  
**LOSS REIMBURSEMENT CLAIMS EXAMINATION – CONTRACT YEAR 20182019**  
**ADVANCE PREPARATION INSTRUCTIONS**

**Company:**

**Date of Examination:**

**Advance Records Due:**

**Event(s):**     ~~(Event Name)~~

\_\_\_\_\_ ~~(Event Name)~~

\_\_\_\_\_ ~~(Event Name)~~

**Contract Year:** (Year event occurred)

The following instructions are provided to help your Company prepare for the FHCF's examination. If you have questions pertaining to the preparation and submission of required records, or about the activities or work processes of the examiner which cannot be adequately answered by the examiner, please call Stephen Szygula, Director of Examinations, at (850) 413-1348.

**ADVANCE RECORDS**

Your Company is required to submit records in advance of the examiner's on-site review to allow the examiner to fully prepare and to ensure the examination begins as scheduled. A checklist has been set up in the Company's WIRE Account (www.sbafla.com/fhcfwire/). All advance information and records must be submitted using the WIRE checklist, except for the Proof of Loss Report and Detailed Claims Listing, which must be uploaded.~~Your Company is required to upload all advance records~~ to the FHCF Online Claims System (www.sbafla.com/fhcf, in 'Online Reporting' module, select 'FHCF Online Claims'). Be certain the advance records submitted in WIRE are prepared using the specific form or file format given in the instructions below. ~~The FHCF will send your Company a Required Records Checklist and an Operations Questionnaire. Be sure to submit these records in the same file format and file type as it was sent to your Company (e.g., the Operations Questionnaire should be uploaded as a Microsoft Excel document).~~ The 'Submit' button located at the bottom of the checklist will not engage until all required components have been entered/uploaded. You must click the 'Submit' button to send the checklist and records to the FHCF. Once the records package has been submitted, additional uploads are prohibited.

**1. REQUIRED RECORDS CHECKLIST**

The Checklist, will be completed online. ~~provided as an attachment in the Notice email, should be completed by the Company to ensure that all advance records are submitted and should be uploaded to the FHCF Online Claims System with the remainder of the required advance records. The Company should indicate whether each of the records is included or not included. In addition to uploading the required files.~~ The Company should also designate the office location where the on-site examination should take place and provide complete contact information for the Exam Coordinator, Executive Contact, and Claims Contact, ~~and Actuarial Contact.~~ All examination correspondence will be directed through the Exam Coordinator you ~~have~~ designated, including the Examination Report, ~~unless otherwise noted on the checklist.~~ The Exam Coordinator will be contacted periodically by the examiner to help facilitate the preparation of information needed for the examination. Note that all required information and files must be entered/uploaded to WIRE before the entire records package can be submitted to the FHCF.

**2. OPERATIONS QUESTIONNAIRE**

The electronic questionnaire ~~form can be downloaded directly from the WIRE checklist. It~~ should be completed in its entirety and saved in its original Excel format (xls or xlsx) before uploading it to the WIRE checklist. Do not use a questionnaire for any year other than the contract year in which the hurricane event occurred. The individual(s) responsible for preparing the questionnaire should be available to answer questions once the examiner arrives on-site.

Attachments for Operations Questionnaire

Based on your response to some questions, you may be required to provide additional information in a separate file, or attachment. If so, save each attachment as a separate file, then combine all attachment files into a single zip file to upload to the WIRE checklist.

**3. PROOF OF LOSS REPORT**

Submit a separate Proof of Loss Report using Form FHCF-L1B for each event listed in the document header above. The Proof of Loss Report must include your Company's most current data available and the date of such data shall not be more than sixty days prior to the applicable date on the Proof of Loss Report recent Loss information. This must be submitted via the FHCF Online Claims System.

**4. DETAILED CLAIMS LISTING**

Provide a separate Detailed Claims Listing to support each Proof of Loss Report submitted. The Detailed Claims Listing must match the aggregate total amounts for paid Losses and outstanding Losses reported on page 1 of the Proof of Loss Report. The Detailed Claims Listing must be prepared in accordance with the 2018-Detailed Claims Listing Instructions (Form FHCF-DCL) of the contract year in which the event occurred. This must be submitted via the FHCF Online Claims System.

**5. CLAIMS PROCESS MEMO**

Provide a written narrative of your Company's hurricane claims paying process. The narrative should start with how a claim is originated to the time a claim is paid. Please indicate the name and title of primary employees with responsibilities in the process. This must be saved as a pdf file and uploaded to the WIRE checklist.

**6. INCURRED BUT NOT REPORTED (IBNR)**

Provide documentation to support the amount of IBNR reported in each Proof of Loss Report. This must be saved as a doc, docx or pdf file and uploaded to the WIRE checklist.

**7. LIST OF CLAIMS WITH SALVAGE**

Provide a listing of all FHCF covered claims where salvage was received. This listing must be provided in a pipe delimited text file containing the fields in the order outlined listed in the table below. (For the pipe "|" symbol, press the *Shift* key and the \ key.) Upload this txt file to the WIRE checklist.

Field #	Description	Minimum Length	Maximum Length	Type	Notes
1	Claim Number	1	20	Special	<del>Include e</del> Characters A-Z, 0-9, and "-" only; <del>the</del> formatting must match <del>the</del> claim numbers <del>formats provided</del> in the Detailed Claims Listing
2	Policy Number	1	30	Special	<del>Include e</del> Characters A-Z, 0-9, and "-" only; <del>the</del> formatting must match <del>the</del> policy numbers <del>formats provided</del> in the <del>2018-Company's</del> Data Call File
3	Salvage Received	1	12	Numeric	

**8. MULTI-STATE POLICY LISTING**

Provide a listing of all FHCF covered commercial policies in effect during the ~~2018~~ hurricane season in which the event occurred that have exposures written with Florida and non-Florida locations on the same policy. ~~This list must~~ It should include all policies regardless of whether or not a claim was reported to the FHCF for the policy and must be provided in a pipe delimited text file containing the fields in the order outlined~~listed in the table~~ below. Upload this txt file to the WIRE checklist.

Field #	Description	Minimum Length	Maximum Length	Type	Notes
1	Policy Number	1	30	Special	<del>Include e</del> Characters A-Z, 0-9, and "-" only; <del>the</del> formatting must match <del>the</del> policy numbers <del>format</del> <u>provided</u> in the <u>company's 2018</u> -Data Call File
2	FHCF Type of Business Code	1	1	Numeric	<del>Only u</del> <u>Use the only</u> codes <del>specified in on pg 8</del> of the <del>2018</del> FHCF Data Call <u>Instructions</u>

## 9. MULTI-RISK POLICY LISTING

Provide a listing of all FHCF covered commercial policies in effect during the ~~2018~~ hurricane season in which the event occurred that have both covered and non-covered risks written on the same policy. This list must include all policies regardless of whether or not a claim was reported for the policy and must be provided in a pipe delimited text file containing the fields in the order outlined~~listed in the table~~ below. Upload this txt file to the WIRE checklist.

Field #	Description	Minimum Length	Maximum Length	Type	Notes
1	Policy Number	1	30	Special	<del>Include e</del> Characters A-Z, 0-9, and "-" only; <del>the</del> formatting must match <del>the</del> policy numbers <del>formats</del> <u>provided</u> in the <u>2018 Company's</u> Data Call File
2	FHCF Type of Business Code	1	1	Numeric	<del>Only u</del> <u>Use only</u> the codes <del>specified in on pg 8</del> of the <del>2018</del> FHCF Data Call <u>Instructions</u>

## 10. SINGLE STRUCTURES POLICY LISTING

Provide a listing of all FHCF Covered Policies in effect during the ~~2018~~ hurricane season that insure single structure(s) that are used for both habitational and non-habitational purposes. This listing ~~must~~ includes all policies regardless of whether or not a claim was reported for the policy and must be provided in a pipe delimited text file containing the fields in the order outlined ~~listed in the table~~ below. Upload this txt file to the WIRE checklist.

Field #	Description	Minimum Length	Maximum Length	Type	Notes
1	Policy Number	1	30	Special	<del>Include e</del> Characters A-Z, 0-9, and "-" only; <del>the</del> formatting must match <del>the</del> policy numbers <del>formats</del> <u>provided</u> in the <u>2018 Company's</u> Data Call File
2	FHCF Type of Business Code	1	1	Numeric	<del>Only u</del> <u>Use only</u> the codes <del>specified in on pg 8</del> of the <del>2018</del> FHCF Data Call <u>Instructions</u>
3	Class Code	1	10	Alpha-Numeric	<u>Characters A-Z and 0-9</u> <del>Only numbers and letters are acceptable</del>

## ON-SITE REQUIREMENTS

In order for the examiner to properly conduct and expedite an early conclusion of the Claims~~Loss Reimbursement~~ Examination, the Exam Coordinator should ensure that the examiner has access to the following items on the first day and throughout the duration of the on-site visit.

### 1. EQUIPMENT AND SPACE

The examiner will need a private working space and an internet connection.

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## **2. COMPANY PERSONNEL**

The Exam Coordinator may wish to provide names of persons whom the examiner can contact directly for answers to the many questions the examination generates.

## **3. REQUIRED RECORDS TO HAVE AVAILABLE ON-SITE**

The examiner will also be requesting claims and policy files to be available once the examiner arrives on-site. If the files are in more than one location, your Company is responsible for coordinating the retrieval of the files to one central location. The files should be made available upon request and should contain at least the following information:

### **Claim File (the complete file)**

- a. First notice of Loss
- b. Claim number
- c. Date of Loss
- d. Amount of Loss for each category of coverage (building, appurtenant structure, contents, and Additional Living Expense)
- e. Claim description
- f. Policy number and location of property
- g. Amount of Loss Adjustment Expense
- h. Copies of checks for payment of Losses
- i. All adjuster's estimates, including Public Adjuster estimates if provided to the Company
- j. Payment history
- k. Evidence of salvage received, if any
- l. Evidence of whether the deductible was applied
- m. Receipts for any Additional Living Expenses paid
- n. Evidence to show the Loss was a direct result of a hurricane or its subsequent downgrades in storm status
- o. Documentation of policyholder's legal fees and/or Public Adjuster fees paid, if provided to the Company

### **Policy File (the complete file in effect at the time of loss)**

- a. Policy Declarations
- b. Insured's Name
- c. Address and ZIP Code for location of property insured
- d. Policy Number
- e. Policy Period
- f. Construction Type
- g. Deductible Group
- h. County Code
- i. County Name
- j. Total Insured Values
- k. Evidence to support occupancy is owner occupied or non-owner occupied
- l. All applicable forms, endorsements, and policy changes/transactional history

If your Company retains claims and/or policy files on an online system, this will be acceptable for the review of residential lines of business as long as the items listed above are available on that system and the examiner determines the system information can be relied upon. If the examiner determines the online system cannot be used for the review, then the examiner will need claims and/or policy files including the application and underwriting files for the specific policies being reviewed. Also, if the Company's online system is not the same system that produces the Company's dec pages, then the actual policy files will need to be provided to the examiner.

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**For any commercial policies reviewed, you are required to provide the complete policy file, underwriting file, application, commercial class codes, and statement of values.**

**4. ADDITIONAL ON-SITE REQUIREMENTS**

The Company may be required to provide a walkthrough of the claims process once the examiner arrives on-site. The examiner will coordinate with the Company prior to arriving on-site and provide directions on performing the walkthrough. The Company should make prior arrangements for the examiner to conduct this walkthrough with the necessary personnel. Be certain an individual familiar with the Company's claims process is available to answer questions before and during the examination.

Also, provide the examiner with a copy of the claims manual for claims covered by the FHCF and the name of a contact familiar with this manual. It is preferable that the claims manual be provided in electronic format.

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA, ACTING AS THE GOVERNING BODY OF THE FLORIDA HURRICANE CATASTROPHE FUND, A TRUST FUND OF THE STATE OF FLORIDA CREATED BY SECTION 215.555, FLORIDA STATUTES; DIRECTING THE OFFICE OF INSURANCE REGULATION TO ISSUE CERTAIN SUPPLEMENTARY ORDERS RELATING TO THE TIMING OF THE TERMINATION OF THE LEVY OF EMERGENCY ASSESSMENTS.**

**WHEREAS**, Section 215.555, Florida Statutes, (the "Act"), created the Florida Hurricane Catastrophe Fund (the "Fund"), a trust fund administered by the State Board of Administration of Florida (the "Board"), for the purpose of establishing a program to provide participating residential property insurers with reimbursement for a portion of their catastrophic hurricane losses;

**WHEREAS**, by Resolution adopted on April 13, 2010, pursuant to its authority under Section 215.555(6)(b), Florida Statutes, the Board directed the Office of Insurance Regulation (the "Office") to levy emergency assessments on the premiums on certain property and casualty lines of business in the State upon a determination by the Board that the amount of revenue produced from reimbursement premiums is insufficient to fund the obligations, costs, and expenses of the Fund and the State Board of Administration Finance Corporation, including repayment of revenue bonds and that portion of debt service coverage not met by reimbursement premiums;

**WHEREAS**, by Resolution adopted on June 17, 2014, the Board determined that adequate provision had been made for the payment and defeasance of the Fund's outstanding revenue bonds

and directed the Office to issue orders terminating the collection of emergency assessments with respect to policies issued or renewed on or after January 1, 2015; and

**WHEREAS**, on July 21, 2014, the Office issued its orders as directed by the Resolution of the Board. The Order in Case No. 154708-14 was directed to admitted insurers (the “Admitted Insurer Order”) and the Order in Case No. 156729-14 was directed to the Florida Surplus Lines Service Office and certain other entities (the “Surplus Lines Order”), and

**WHEREAS**, the Admitted Insurer Order required the insurers to “continue to report required information relating to direct written premium and ... continue to remit Emergency Assessments on related transactions, if any, through the fourth quarter of calendar year 2016...,” effectively terminating insurers’ reporting and remittance obligations on December 31, 2016, and

**WHEREAS**, the Surplus Lines Order did not provide a date for termination of reporting and remittance obligations, and

**WHEREAS**, current remittances under the Surplus Lines Order are minimal and do not justify the cost of maintaining the accounts used for those remittances,

**NOW, THEREFORE, BE IT RESOLVED** by the Board, as the governing body of the Fund, as follows:

1. The Board hereby directs the Office to issue an Order supplementary to the Surplus Lines Order providing that requirements of the Surplus Lines Order relating to the remittance of Emergency Assessments and reporting of related information do not apply to transactions submitted to, or received by, the Florida Surplus Lines Service Office after March 31, 2019.



2. The text of the Supplementary Order to be issued by the Office is included herein as Appendix A.

3. The Office shall issue the Supplementary Order no later than 15 days following the date on which this resolution is adopted by the Board. Executed copies of the Supplementary Order and any other information distributed therewith shall be provided to the Board immediately after issuance.

4. This resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** this 30th day of November, 2018.

STATE OF FLORIDA

COUNTY OF LEON

I, Ashbel C. Williams, of the State Board of Administration of Florida, in and for the County and State aforesaid, do hereby certify that the above and foregoing is a true and correct copy of the resolution passed and adopted by the State Board of Administration of Florida on the 30th day of November, 2018.

IN WITNESS WHEREOF, I hereunto set my hand and official seal of the State Board of Administration of Florida this \_\_\_\_ day of \_\_\_\_\_, 2018.

Title: Executive Director & CIO

(SEAL)

**APPENDIX A**  
**FORM OF SUPPLEMENTARY ORDER**

**OFFICE OF INSURANCE REGULATION**

**David Altmaier**  
**COMMISSIONER**

**IN THE MATTER OF:**

**Termination of Florida Hurricane Catastrophe Fund Emergency Assessments.**

**CASE NO.:** \_\_\_\_\_

**SUPPLEMENTARY ORDER**

**TO: The Florida Surplus Lines Service Office and all entities subject to Part VIII of Chapter 626, Florida Statutes.**

THIS CAUSE came on for consideration upon the determination by the State Board of Administration of Florida (the "**BOARD**"), pursuant to the provisions of Section 215.555(6)(b)2., Florida Statutes, that adequate provision has been made for the payment of the Revenue Bonds, Series 2010A (the "Series 2010A Bonds") issued by the State Board of Administration Finance Corporation, f/k/a the Florida Hurricane Catastrophe Fund Finance Corporation (the

"**CORPORATION**") payable from the herein described emergency assessment. Pursuant to the provisions of Section 215.555(6)(b), Florida Statutes, the **BOARD** has directed the Office of Insurance Regulation (the "**OFFICE**") to issue an order supplementary to its order of July 21, 2014 in Case No. 156729-14 to specify a date for termination of reporting and remittances under that Order. The **OFFICE**, having considered the statutory direction of the **BOARD** and being otherwise fully advised in the premises, hereby finds as follows:

### **JURISDICTION AND FINDINGS OF FACT**

1. The **OFFICE** has the requisite authority and duty, pursuant to Section 215.555, Florida Statutes (the "Act"), and the Florida Insurance Code, Section 624.307, Florida Statutes, to issue and enforce this Order.

2. By Resolution adopted on April 13, 2010, pursuant to its authority under Section 215.555(6)(b), Florida Statutes, the **BOARD** directed the **OFFICE** to levy emergency assessments on the premiums on certain property and casualty lines of business in the State.

3. The **BOARD**, upon determining that adequate provision had been made for the payment of outstanding revenue bonds, adopted a Resolution on June 17, 2014 directing the **OFFICE** to issue an Order terminating the levy of the Emergency Assessment with respect to all policies issued or renewed on or after January 1, 2015.

4. Pursuant to the June 17, 2014 Resolution, the **OFFICE** issued two Orders. The Order in Case No. 154708-14 was directed to admitted insurers (the "Admitted Insurer Order") and the Order in Case No. 156729-14 was directed to the Florida Surplus Lines Service Office and certain other entities (the "Surplus Lines Order").

5. By Resolution adopted on November 30, 2018, the **BOARD** has directed the **OFFICE** to issue a Supplementary Order to the Surplus Lines Order providing that requirements of the Surplus Lines Order relating to the remittance of Emergency Assessments and reporting of related information do not apply to transactions submitted to, or received by, the Florida Surplus Lines Service Office after March 31, 2019.

**WHEREFORE**, pursuant to the Act and the Resolutions cited herein, the **OFFICE** issues this Supplementary Order.

Accordingly, **IT IS HEREBY ORDERED**:

(1) The Surplus Lines Order is hereby amended to include a new subsection (8), as follows:

(8) The requirements of this Order relating to the remittance of Emergency Assessments and reporting of related information do not apply to transactions submitted to, or received by, the Florida Surplus Lines Service Office after March 31, 2019.

(2) This Supplementary Order shall take effect immediately.

**DONE AND ORDERED** this \_\_\_\_ day of \_\_\_\_\_, 2018.

**David Altmaier**  
**Commissioner**  
**Office of Insurance Regulation**

## **NOTICE OF RIGHTS**

Pursuant to Sections 120.569 and 120.57, Florida Statutes, and Rule Chapters 28-106 and 28-107, Florida Administrative Code (F.A.C.), you have a right to request a proceeding to contest this action by the Office of Insurance Regulation (hereinafter the "Office"). You may request a proceeding by filing a Petition. Your Petition for a proceeding must be in writing and must be filed with the General Counsel acting as the Agency Clerk, Office of Insurance Regulation. If served by U.S. Mail the Petition should be addressed to the Florida Office of Insurance Regulation at 612 Larson Building, Tallahassee, Florida 32399-4206. If Express Mail or hand-delivery is utilized, the Petition should be delivered to 612 Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300. The written Petition must be received by, and filed in the Office no later than 5:00 p.m. on the twenty-first (21) day after your receipt of this notice. Unless your Petition challenging this action is received by the Office within twenty-one (21) days from the date of the receipt of this notice, the right to a proceeding shall be deemed waived. Mailing the response on the twenty-first day will not preserve your right to a hearing.

If a proceeding is requested and there is no dispute of material fact the provisions of Section 120.57(2), Florida Statutes would apply. In this regard you may submit oral or written evidence in opposition to the action taken by this agency or a written statement challenging the grounds upon which the agency has relied. While a hearing is normally not required in the absence of a dispute of fact, if you feel that a hearing is necessary one will be conducted in Tallahassee, Florida or by telephonic conference call upon your request.

If you dispute material facts, which are the basis for this agency's action, you may request a formal adversarial proceeding pursuant to Sections 120.569 and 120.57(1), Florida Statutes. If you request this type of proceeding, the request must comply with all of the requirements of Rule Chapter 28-106.201, F.A.C., must demonstrate that your substantial interests have been affected by this agency's action, and contain:

- a) A statement of all disputed issues of material fact. If there are none, the petition must so indicate;
- b) A concise statement of the ultimate facts alleged, including the specific facts the Petitioner contends warrant reversal or modification of the agency's proposed action;
- c) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and
- d) A statement of the relief sought by the petitioner, stating precisely the action Petitioner wishes the agency to take with respect to the agency's proposed action.

These proceedings are held before a State hearing officer of the Division of Administrative Hearings. Unless the majority of witnesses are located elsewhere, the Office will request that the hearing be conducted in Tallahassee.

In some instances you may have additional statutory rights than the ones described herein.

Failure to follow the procedure outlined with regard to your response to this notice may result in the request being denied. Any request for administrative proceeding received prior to the date of this notice shall be deemed abandoned unless timely renewed in compliance with the guidelines as set out above.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of this Order was sent by Electronic Email and Facsimile, this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

Assistant General Counsel  
Florida Office of Insurance Regulation  
Legal Service Office  
200 East Gaines Street  
Tallahassee, Florida 32399-4206