

FILED

MAR 11 2022

INSURANCE REGULATION
Docketed by: 



OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

IN THE MATTER OF:

FLORIDA INSURANCE
GUARANTY ASSOCIATION, INC.
2022 ASSESSMENT

CASE NO.: 293027-22

2022 FIGA ASSESSMENT
(ALL OTHER ACCOUNT)

THIS MATTER came on for consideration upon the submission by the Executive Director of the Florida Insurance Guaranty Association, Inc. (“FIGA”), on behalf of the Board of Directors, to the Office of Insurance Regulation (the “OFFICE”) of FIGA’s certification of the need for an assessment. A copy of the certification is marked “Exhibit A” and attached hereto. The OFFICE, having considered FIGA’s certification and being otherwise duly advised in the premises, hereby finds that:

1. The OFFICE has jurisdiction over the subject matter of, and the parties to this proceeding pursuant to Section 631.57(3)(a), Florida Statutes, and other applicable provisions of the Florida Insurance Code.
2. FIGA is a nonprofit corporation, created by the Legislature, and codified in the Florida Insurance Guaranty Association Act in Sections 631.50 through 631.70, Florida Statutes.
3. Section 631.57(3)(a), Florida Statutes, states:

To the extent necessary to secure funds for the respective accounts for the payment of covered claims, to pay the reasonable costs to administer such accounts, and to secure funds for the account specified in s. [631.55\(2\)\(b\)](#) or to retire indebtedness, including, without limitation, the principal, redemption premium, if any, and interest on, and related costs of issuance of, bonds issued under s. [631.695](#) and the funding of reserves and other payments required under the bond resolution or trust indenture pursuant to which such bonds have been issued, the office, upon certification of the board of directors, shall levy assessments in accordance with subparagraph (f)1. or subparagraph (f)2. Assessments shall be remitted to and administered by the board of directors in the manner specified by the approved plan and paragraph (f). Every assessment shall be a uniform percentage. The assessments levied against any insurer may not exceed in any one calendar year more than 2 percent of that insurer's direct written premiums in this state for the kinds of insurance included within such account.

4. Insurance written in the account designated by Section 631.55(2)(b), Florida Statutes, is hereinafter referred to as "All Other Account."

5. On March 8, 2022, FIGA's Board of Directors certified the need to assess each member insurer in the All Other Account an amount equal to 1.3% of the member's Florida direct written premiums on policies issued or renewed during the requested assessment year beginning on July 1, 2022, and ending on June 30, 2023. The Board has requested that this assessment be levied in accordance with Section 631.57(3)(f)2., Florida Statutes. Member insurers shall first collect, and then remit to FIGA, the assessments levied in this Order on a quarterly basis. Assessments collected for the quarter beginning July 1, 2022 and ending September 30, 2022, shall be remitted on or before October 30, 2022; assessments collected for the quarter beginning October 1, 2022 and ending December 31, 2022, shall be remitted on or before January 30, 2023; assessments collected for the quarter beginning January 1, 2023 and ending March 31, 2023, shall be remitted on or before April 30, 2023; and assessments collected for the quarter beginning April 1, 2023 and ending June 30, 2023, shall be remitted on or before July 30, 2023.

6. Member insurers will file one or more reconciliation reports with FIGA as requested by FIGA. FIGA shall send a final reconciliation report on all insurers' payments to the OFFICE on or before October 30, 2023.

IT IS THEREFORE ORDERED THAT:

1. FIGA's certification is hereby **APPROVED**.
2. FIGA members shall
 - a. apply a 1.3% assessment on premium written on all new and renewal All Other Account policies issued between July 1, 2022 and June 30, 2023;
 - b. pay to FIGA an assessment in accordance with the provisions of paragraph 5 of this Order and further instructions, forms and procedures provided by FIGA;
and
 - c. submit an annual reconciliation to FIGA on or before September 30, 2023.

DONE and ORDERED this 11 day of March, 2022.



David Altmaier
David Altmaier
Commissioner
Office of Insurance Regulation

NOTICE OF RIGHTS

Insurers should notify the Office of Insurance Regulation (the "Office") if the assessment would result in the insurer's financial statement reflecting an amount of capital or surplus less than the sum of the minimum amount required by any jurisdiction in which the insurer is authorized to transact insurance.

Pursuant to Section 631.58(3)(g), the Plan of Operation for the Florida Insurance Guaranty Association shall provide that any member insurer aggrieved by any final action or decision of the association may appeal to the Department of Financial Services (the "Department") within thirty (30) days after the action or decision.

The Plan of Operation, Article VII (B) states that any member insurer aggrieved by an action or decision of the association shall appeal to the Board before appealing to the Department. If such member insurer is aggrieved by the final action or decision of the Board, or if the Board does not act on such complaint within thirty (30) days, the member insurer may appeal to the Department within thirty (30) days after the action or decision of the Board or the expiration of the thirty (30) days.

Pursuant to Section 631.59(4), Florida Statutes, the Office may suspend or revoke the certificate of authority to transact insurance in this state of any member insurer which fails to pay an assessment when due or fails to comply with the Plan of Operation. As an alternative, the Office may levy a fine on any member insurer which fails to pay an assessment when due. Such fine may not exceed five (5) percent of the unpaid assessment per month, except that no fine shall be less than one hundred U.S. dollars (\$100) per month.

Exhibit A



RECEIVED
MAR 10 2022
Commissioner
Office of Insurance Regulation

P.O. Box 14249
Tallahassee, Florida 32317

Telephone (850) 386-9200
Toll free (800) 988-1450
Facsimile (850) 523-1887

Website: www.figafacts.com

March 10, 2022

Commissioner David Altmaier
Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399-0310

RE: FIGA BOARD ASSESSMENT CERTIFICATION

Dear Commissioner Altmaier:

Thank you for your letter dated March 2, 2022 asking the Board of Directors of the Florida Insurance Guaranty Association (FIGA) to withdraw the FIGA assessment certification we submitted in our March 1, 2022 correspondence to you, and asking us to consider other alternatives available to FIGA under the Florida Statutes. Originally, the Board proposed that the entire 2022 assessment be paid by FIGA members with up-front payments remitted no later than April 15, 2022, as allowed under Section 631.57(3)(f)1 Florida Statutes. As a result of the current property market conditions in Florida, you requested that the Board set a meeting to consider an alternative approach with a short-term financing option to lessen the financial and operational impacts on member insurers.

The Board met on March 8, 2022 to discuss assessment options under the FIGA statute, and adopted a motion to submit to you this certification to request that member insurers remit assessments to FIGA quarterly during the recoupment period as per Section 631.57(3) (f)2. No initial payments will be required up front from insurers. The Board again certified the need for an assessment on each member in the All Other Account for an amount equal to 1.3% of the member's Florida direct written premium. Member insurers will be able to first collect, and then remit, the 1.3% assessment from their policyholders over the Assessment Year starting July 1, 2022 through June 30, 2023. Following the instructions provided by FIGA, members will remit quarterly payments to the association. Member insurers will also file one or more reconciliation reports with FIGA.

As part of the Board's official action, FIGA intends to borrow up to \$250 million through conventional financing to assure it can timely meet its obligations under the statute and the various liquidation orders and transition plans ordered by the court.

Pursuant to Section 631.57(3)(a), Florida Statutes, and FIGA Plan of Operation, the Board requests the Office issue an order that members shall:

- 1) apply a 1.3% assessment on premium written by All Other Account members during the 12-month period beginning July 1, 2022 through June 30, 2023;

- 2) pay to FIGA quarterly all amounts collected under this assessment on further instructions, forms and procedures provided by FIGA;
- 3) submit an annual reconciliation to FIGA on or before September 30, 2023.

Upon the issuance of the assessment levy, FIGA will notify all member insurers and provide a copy of the Notice of Rights along with instructions for payment remittances and reconciliations.

Thank you for your assistance in this matter. If you have any questions, please feel free to contact me at (850) 386-9200 or direct dial at (850) 523-1803.

Sincerely,



Corey Neal
Executive Director

cc: FIGA Board of Directors