

2017
FLORIDA HURRICANE CATASTROPHE FUND (FHCF)
HURRICANE IRMA BULLETIN

General Reporting Requirements and Website Information

Updated September 13, 2017

With the FHCF in its healthiest position ever, the staff of the FHCF will respond timely and sufficiently to company loss reimbursement requests. The FHCF has historically reimbursed companies within two to seven days of receipt of a complete Proof of Loss Report, assuming no company data issues. Once bonds were issued, additional time was needed to liquidate the invested proceeds, yet claims were still processed within 14 days. The following requirements and website information is provided to assist companies with proper reporting, and the FHCF staff is available to facilitate the quick but prudent reimbursement of paid losses.

Interim Loss Reports

Pursuant to Section 215.555(4)(d), Florida Statutes, and Article X(3) of the FHCF Reimbursement Contract effective June 1, 2017 (Contract), the FHCF is requiring all participating companies to report their projected Ultimate Net Losses from Covered Policies as a result of Hurricane Irma by submitting an Interim Loss Report (Form FHCF-L1A Rev 01/17) through the FHCF Online Claims system, regardless of the amount of losses experienced, if any, no later than October 2, 2017. A letter informing companies of this requirement will be emailed by the FHCF Administrator, Paragon Strategic Solutions Inc. (Paragon) on September 15, 2017, to the claims and executive contacts designated by each company.

The losses reported on the Interim Loss Report are expected to result from a good faith effort by each company to report as accurately as possible and are non-binding. The information received under the Interim Loss Report will assist the FHCF in determining its potential industry liability and no reimbursements will be made based on this loss information.

Proof of Loss Reports

The FHCF will issue reimbursements based on loss information reported by a company on the FHCF Proof of Loss Report (Form FHCF-L1B Rev 01/17).

Reporting Prior to December, 2017

While the FHCF is not requiring companies to file a Proof of Loss Report at this time, a company may submit Proof of Loss Reports at any time to request reimbursements. Preliminary premium calculations have been posted on the FHCF's website at www.sbafla.com/fhcf under "Insurer Information," "Rates & Premium," "2017/2018 Premium & Coverage Calculations." For those companies with a preliminary premium, the preliminary retention is loaded into the Online Claims system and the company can submit a Proof of Loss Report/reimbursement request as soon as they want. Note that companies' 2017 FHCF reimbursement premium will not be finalized until invoiced in November.

Further note that if a company qualifies for a Hurricane Irma reimbursement, the company must also submit a Detailed Claims Listing (Form FHCF-DCL Rev 01/17) at the time it submits its first Proof of Loss Report qualifying for a reimbursement. Both the Proof of Loss Report and the Detailed Claims Listing must be filed through the Online Claims system.

Reporting in December, 2017

Each company is required to submit a mandatory Proof of Loss Report for Hurricane Irma, regardless of the amount of FHCF covered losses experienced, if any, through the Online Claims system no earlier than December 1, 2017, and no later than December 31, 2017. The FHCF will provide a reminder of this requirement to companies in November.

Online Claims System

All loss reports are required to be submitted using the Online Claims system. Hard copies of forms or reports will not be accepted. To use the Online Claims system, a company must have completed the registration process. Once the online registration process is complete, a company can electronically certify, sign, and submit their loss reports. A company may register up to five users, at least two of which must be officers since loss reports require two officer signatures. To register or submit loss reports, the Online Claims system can be accessed through the FHCF website at www.sbafla.com/fhcf under “Online Reporting.”

Information Available Online

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

- Hurricane-related notices and documentation (under “Hurricane Related Insurer Information,” “2017 Hurricane Season”),
- Loss reporting instructions and forms (under “Insurer Information,” “Insurer Loss Reporting”),
- Reimbursement Contract (under “Insurer Information,” “Contracts”),
- Data Call (under “Insurer Information,” “Data Call”),
- Member Handbook (under “Insurer Information,” “Member Handbook”),
- General information on retentions and projected payout multiples (under “Insurer Information,” “Rates & Premium”),
- 2017 FHCF Insurer Responsibilities and Deadlines Summary (under “Insurer Information”), and
- Applicable Florida Administrative Code rules (under “FHCF Rules”).

Reporting Clarifications

Companies are encouraged to review the Contract for definitions and reporting requirements prior to submitting loss reports.

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

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

Companies should also review the 2017 Data Call for further clarifications as to the type of exposure the company reported under the five FHCF types of business, which should correlate to the reporting grid in the Proof of Loss Report when loss information is reported.

If a company has questions regarding the reporting of its FHCF covered losses, please contact Kathy Mackenthun or Martin Helgestad with Paragon at 800-689-3863 or by email at FHCFAdministrator@paragon.aonbenfield.com or Gina Wilson with the FHCF at 850-413-1342 or by email at Gina.Wilson@sbafla.com.