

FLORIDA HURRICANE CATASTROPHE FUND

24th ANNUAL PARTICIPATING
INSURERS WORKSHOP

JUNE 6, 2024



Hurricane Ian, 2022

WELCOME

Gina Wilson, Chief Operating Officer, Florida Hurricane Catastrophe Fund



AGENDA

Welcome

FHCF Fundamentals

- Reimbursement Contract Overview
- Exposure Reporting Requirements, Required Mappings, and FAQs
- FHCF *WIRE* Overview
- Exposure Exams – Direct Business and Business Assumed from Citizens
- Claims Reporting
- Receiving Reimbursements
- Claims Exams

Final Remarks

REIMBURSEMENT CONTRACT OVERVIEW

Mary Linzee Branham, Director of Legal and Risk Operations, FHCF



Document Link:

[2024 FHCF Reimbursement Contract](#)

REIMBURSEMENT CONTRACT OVERVIEW

- Mandatory for Florida residential property insurers
 - *De minimus* exception
- Adopted by rule through Florida's Administrative Procedures Act
- Identical for all, except selection coverage
 - Elect 45%, 75% or 90%
- Contract sent via DocuSign on February 1st
- Must be executed by March 1st
 - Unless new participant, then 30 days after writing first covered policy
- Deemed if not executed by March 1st
- Contract effective June 1st through May 31st ("Contract Year")

REIMBURSEMENT CONTRACT OVERVIEW

- Article V & VI – Definitions and Exclusions
- Article X – Reports and Remittances
 - Exposure
 - First policy written before June 1st, report data as of June 30th by September 1st
 - First policy written on or after June 1st but prior to December 1st, report data as of November 30th by February 1st
 - First policy written on December 1st through May 31st, no reporting for that Contract Year
 - Reimbursement Premium
 - First policy written before June 1st, premium paid August 1st, October 1st & December 1st
 - First policy written on or after June 1st but prior to December 1st, a provisional premium of \$1,000 due within 30 days and FHCF Administrator will calculate premium using November 30th date and divide in half
 - First policy written on December 1st through May 31st, premium is \$1,000.00
 - Loss Reports
 - Timing and requirements

REIMBURSEMENT CONTRACT OVERVIEW

- **Article XI – Commutation**

- Mutually agree to commute for zero dollars at any time
- No less than 36 months or more than 60 months after the end of the Contract Year subject to certain provisions

- **Article XIV – Inspection of Records**

- Overview of the exposure and claims examination process

- **Article XV – Offsets**

- SBA's rights for amounts owed to the SBA can be offset against any contract year, reimbursement premium refunds, reimbursements or commutation amounts

- **Article XXI – Reimbursement Contract Elections**

- Option of 45 percent, 75 percent or 90 percent subject to certain provisions relating to NAIC group and cannot be changed after execution

- **Article XXII – Company Coverage of Unsound Insurers**

- Statutory requirements when an assumption or assignment is permitted and how it impacts FHCF coverage

EXPOSURE REPORTING REQUIREMENTS, REQUIRED MAPPINGS, AND FAQS

Tim Butler, Director of Examinations, FHCF

Kathy Mackenthun, Managing Director, Paragon Strategic Solutions



Construction Mapping Worksheet

- All companies with construction definitions not closely matching FHCF definitions must report annually
- Due prior to Data Call submission, no later than August 1st
- Section I requires you to answer questions
- Section II is your company's mapping

REQUIRED MAPPINGS/REPORTING APPROVALS

Construction Mapping Worksheet - Section II

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

REQUIRED MAPPINGS/REPORTING APPROVALS

Most confusion regarding the following definitions:

<i>Superior</i>	7
Masonry, non-combustible, or fire resistive construction where one of the following additional conditions exist:	
▪ Roof deck has a minimum thickness of 2 inches with roof supports having a minimum dimension of 6 inches;	
or	
▪ 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	
▪ Roof assembly is documented to have a UL wind uplift classification of 90 or equivalent.	
Or	
A building of any construction which is 6 or more stories.	
<i>Superior with Reinforced Concrete Roof</i>	16
Construction meeting the definition of FHCF Superior construction, as outlined above, and having a reinforced concrete roof.	

REQUIRED MAPPINGS/REPORTING APPROVALS

Most confusion regarding the following definitions:

<i>Masonry</i>	2
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.	
<i>Masonry with Reinforced Concrete Roof</i>	15
Construction meeting the definition of FHCF Masonry construction, as outlined above, and having a reinforced concrete roof.	

Mixed-Occupancy Single Structures Worksheet

- All companies reporting FHCF Commercial type of business must submit annually
- Due prior to Data Call submission, no later than August 1st
- Significance of mixed-occupancy structures
 - If structure is predominantly habitational, it is covered by the FHCF
 - If structure is predominantly non-habitational, it is not covered by the FHCF

Mixed-Occupancy Single Structures Worksheet

- Definition of Predominant Use
 - $\geq 50\%$ total exposure based on number of floors, square footage, or other reasonable methodology
- Proposed Methodology Requirements:
 - List of class codes that include habitational occupancies
 - Description of property assigned to code
 - Indication if code is predominately habitational or non-habitational
 - Basis for methodology used to determine predominant occupancy

FREQUENTLY ASKED QUESTIONS

- FAQ can be found on our website <https://fhcf.paragon.aon.com/faq>
- Includes sections on Covered Policies and Exposure/Data Call Reporting

A Few Common Questions

Covered Policies:

Q: Are antennas, satellite dishes, computers, radios, signs, and valuable papers covered?

A: Yes, if written under a covered policy. However, exposure should not be reported in the Data Call file since it is on the list of Non-Reportable (But Covered) exposure items in the Data Call.

Q: Are barns with apartments and their contents covered?

A: No, excluded under exclusion (14) of Article VI of the Reimbursement Contract.

Covered Policies:

Q: Are assisted living facilities, dormitories, fraternity/sorority houses covered?

A: Yes.

Q: If the owner of an individual condominium unit rents the unit to other parties, would the condo be covered?

A: Yes. If it is insured under a personal lines residential policy form, it is deemed to have habitational occupancy and to be a residential structure regardless of the term of occupancy.

Exposure/Data Call Reporting:

Q: Our company writes a policy where the insured elected to increase the contents coverage above the standard amount in the policy form. Is the increased limit reportable?

A: Yes.

Q: If a commercial policy covers a condo complex, should our company report exposure for that policy as FHCF type of business Condominium Unit Owners (code "6")?

A: The FHCF type of business Condominium Unit Owners refers to an individual condominium unit. If a commercial policy covers a 10-story, 100-unit condo complex, such exposure should be reported as FHCF type of business Commercial (code "1").

Exposure/Data Call Reporting:

Q: Is loss assessment coverage reportable to the FHCF?

A: No. See exclusion (21) under Article VI of the Reimbursement Contract.

Q: Our company writes a policy covering a pool for an apartment complex, but does not insure the apartment complex itself. Would the pool exposure be covered or reportable?

A: No. The pool exposure is not reportable to, or covered by, the FHCF since there is no coverage under the policy for a residential structure or the contents of a residential structure.

EXPOSURE REPORTING REQUIREMENTS

Data Call Key Dates

- Due September 1
- Data "as of" June 30
 - Include transactions processed after June 30, but effective on or prior to June 30
 - Data capture date - a company must determine the date at which it can most accurately capture and report its data to include these transactions
 - Should the company have to resubmit the Data Call, transactions which were not included in the original submission should not be included in the resubmission

EXPOSURE REPORTING REQUIREMENTS

2024 Data Call

- File layout (Page 7)

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 – Appurtenant Structures		100000
10	Total Insured Value – Contents		250000
11	Total Insured Value – ALE		50000
12	Year Built	Example: 2010	2010
13	Age of Roof		2018
14	Roof Covering		2
15	Structure Opening Protection	No Structure Opening Protection	0
16	Roof Shape	Hip, Mansard, or Pyramid	1
17	Policy Effective Date		20240305
18	Policy Expiration Date		20250304
19	Policy Number		ABC000001234
20	Assumed Policy Number		FRJ000022222

Each record must have the following layout:

2|2|1|RC|86|33130|5|500000|100000|250000|50000|2010|2018|2|0|1|20240305|20250304|ABC000001234|FRJ000022222

2

EXPOSURE REPORTING REQUIREMENTS

Data Call Fields

- Types of Business
 - Commercial, Residential, Mobile Home, Tenants and Condominium Unit Owners
- Lines of Business
 - Fire and Allied Lines, Homeowners Multiple Peril, Farmowners Multiple Peril, Commercial Multiple Peril, Mobile Homeowners and Inland Marine
- Construction Type
 - FHCF construction type definitions are provided on page 27
 - Pay close attention to FHCF superior construction
 - Other considerations are number of stories and reinforced concrete roof deck

EXPOSURE REPORTING REQUIREMENTS

- Deductible Group
 - Report the applicable hurricane deductible
 - Flat dollar and percentage deductibles are reported differently
- County Code
 - Valid county codes are listed on page 28
- ZIP Code
 - Report the five-digit ZIP Code for the risk location
 - Do not report the mailing address ZIP Code
 - 95% of exposure must be reported with valid ZIP Codes
 - At least 95% of reported exposure must have a valid Florida ZIP Code to county code match
 - Valid ZIP Codes and corresponding county codes are available on the FHCF website

EXPOSURE REPORTING REQUIREMENTS

- Total Insured Risks
 - The number of insured risks on each policy
 - Scheduled personal property endorsements, if reported as a separate record, can be reported with a zero risk count
- Total Insured Value - Building
 - Full wind/hurricane policy limit for dwelling
 - For condominium unit owners, report the building additions and alterations
 - For renters/tenants policies, do not report the additions and alterations provided within the policy form
- Total Insured Value - Appurtenant Structures
 - Be careful not to overlook additional limits provided by the policy form, such as a percentage of building coverage
 - Additional limits provided by endorsement

EXPOSURE REPORTING REQUIREMENTS

- Total Insured Value - Contents
 - Unscheduled personal property
 - Scheduled personal property added by endorsement
 - Stand-alone contents policies are excluded by Article VI (27) of the 2024 Reimbursement Contract
- Total Insured Value - Additional Living Expense
 - Not to exceed 40% of the insured value of a residential structure or its contents based on how the coverage is provided in the policy
 - Owner occupancy – primary, secondary or seasonal could have additional living expense coverage
 - Fair rental value/loss of rents is not covered by the FHCF
- Year Built
 - Four-digit year of construction
 - Mobile home can be either the year of construction or model year

EXPOSURE REPORTING REQUIREMENTS

- Age of Roof
 - Four-digit year the roof was originally installed or fully replaced
- Roof Covering
 - Based on the material used for roof covering: asphalt, tile, metal, or other/unknown
 - Mobile home has one code regardless of material
- Structure Opening Protection
 - Based on whether the company recognizes structure opening protection
 - Examples:
 - Wood panels or structure opening protection devices that meet older requirements
 - Structure built in compliance with Florida Building Code (FBC 2001 or later), located in the high velocity wind zone (HVHZ)

EXPOSURE REPORTING REQUIREMENTS

- Roof Shape
 - Hip, mansard, or pyramid reported as FHCF Code "1"
 - Gable, other, or unknown reported as FHCF Code "2"
- Effective Date
 - Report the actual policy effective date, not the most recent change date
- Expiration Date
- Policy Number
 - Policy number should be consistent with the direct written premium report to be submitted to the FHCF for an exposure exam
- Assumed Policy Number
 - For Citizens or Unsound Insurer assumption reporting
 - No assumption, enter a zero

Data Call Attachments

- Selected definitions from the Reimbursement Contract
- Selected exclusions from the Reimbursement Contract
- Reporting Clarifications
 - General clarifications
 - Commercial-Habitational clarifications
- Citizens Property Insurance Corporation Supplemental Reporting Requirement
 - Applicable only to Citizens Property Insurance Corporation
- Citizens Takeouts Pursuant to Assumption Agreements
 - Separate data file required
 - This file will be compared to files submitted by Citizens and discrepancies will need to be explained by the assuming company

EXPOSURE REPORTING REQUIREMENTS

- Citizens Quota Share Agreements
- Assumptions from Unsound Insurers
- Supplemental Instruction Sheet for New Participants



FHCF *WIRE* OVERVIEW

Patti Elsbernd, Manager of FHCF Exam Programs, FHCF

Welcome to FHCF *WIRE*

WIRE is a web-based system for transmitting your company's Data Call and examination records securely and conveniently to the Florida Hurricane Catastrophe Fund. *WIRE* allows one-way file transmittal only. Once uploaded, files cannot be downloaded from or viewed in *WIRE*. [More...](#)

Data Calls

Submissions &
Resubmissions

Examinations

Upload Advance
Records

WIRE Account Management

Users &
User Roles

FHCF WIRE DATA CALL SUBMISSION



Validation/Submission functions online

Mark your calendar!



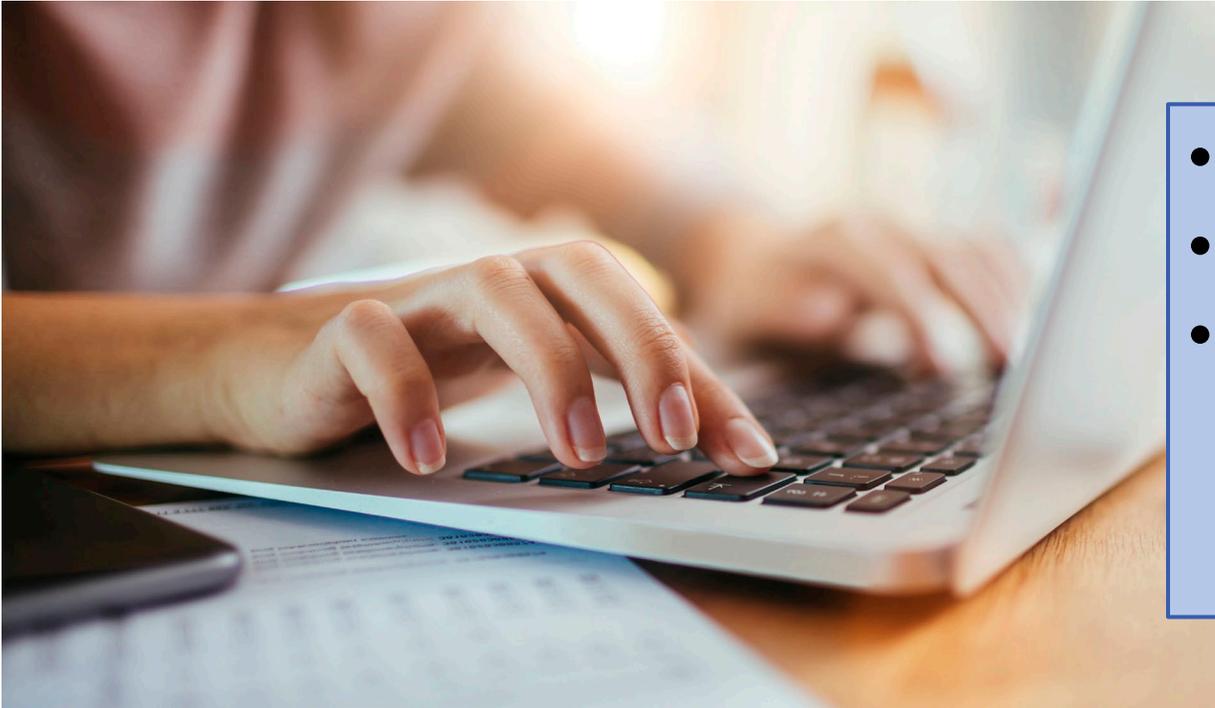
Data Call Submissions Due

Keys to a Smooth *WIRE* Submission

- Users that understand their role and can access the system
- Basic understanding of the system and the steps of the submission process
- A good data call file

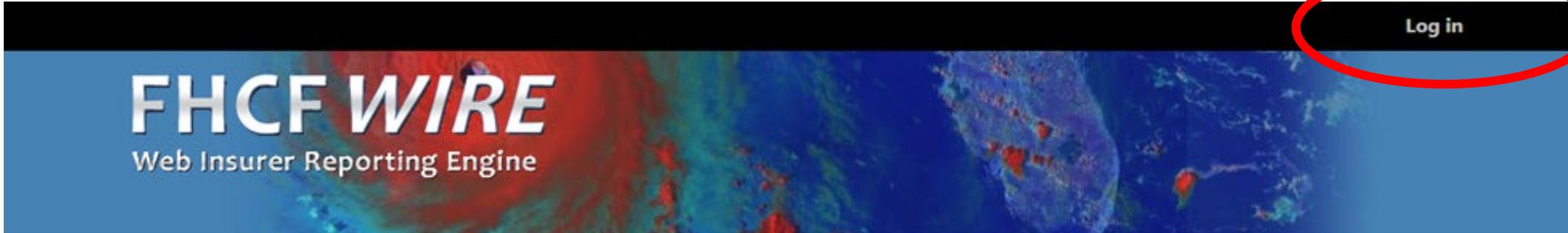


Account Manager & User Access



- Who is the Account Manager?
- Other users?
- Are at least 2 users Officers, or persons authorized to sign off on the data call submission?

FHCF WIRE DATA CALL SUBMISSION



Welcome to FHCF *WIRE*

WIRE is one of the Florida Hurricane Catastrophe Fund's (FHCF) two online reporting systems for participating insurance companies. *WIRE* is for reporting:

- FHCF Data Calls
- Advance records and information for FHCF Exams (Exposure or Claims)

WIRE is accessible only to persons who have been registered by a participating insurance company. Click 'Login' (top right) to begin.

Hurricane loss information should be reported via the FHCF Online Claims System. [FHCF Online Claims](#) is for reporting:

- FHCF Interim Loss Reports and Proof of Loss Reports
- Detailed Claims Listing

Click the U

<https://fhcfwire.sbafla.com>

FHCF WIRE DATA CALL SUBMISSION

User Login

Please log in to continue. If you forgot your Password, or if you are logging in for the first time, skip all fields and click 'Reset Password' at the bottom of the login box.

Email

Password

I'm not a robot



Login

[Retrieve Password](#)

Can't remember your password?
Click *Retrieve Password* to reset it

FHCF WIRE DATA CALL SUBMISSION

Forgot your password?

To reset your password (or set it for the first time), enter your email address, then click 'Send Password Reset Link'

Enter your email.

Email

Email must be entered EXACTLY as it was registered by the Account Manager

I'm not a robot  reCAPTCHA
[Privacy](#) - [Terms](#)

Send Password Reset Link

The password link will expire after 1 hour

FHCF WIRE DATA CALL SUBMISSION

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Data Calls
Submissions & Resubmissions

Examinations
Upload Advance Records

WIRE Account Management
Users & User Roles

WIRE Data Call Submissions

2024 Validation
available July 1!



1 VALIDATION

2 CONFIRMATION

3 OFFICER
VERIFICATION



TOOLS &
RESOURCES

The 2024 ZIP Codes
County Codes &
Rating Regions are
available now!



SUBMISSION
QUESTIONS

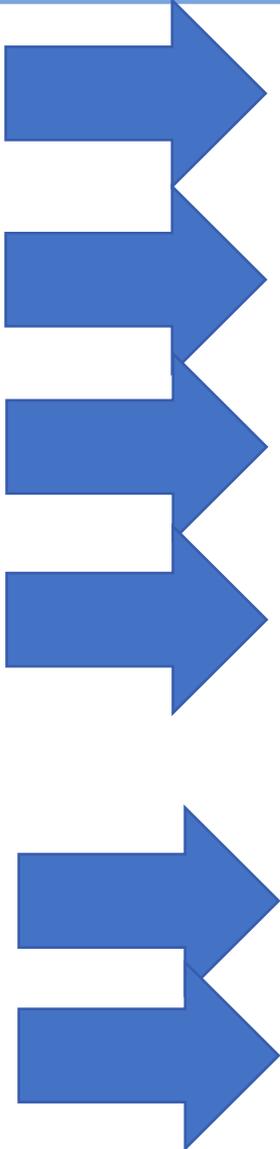
Validation [Qs](#)

Confirmation [Qs](#)

Officer Verification [Qs](#)

Miscellaneous [Qs](#)

FHCF WIRE DATA CALL SUBMISSION



Submission Resources

Frequently Asked Questions (FAQs)

Common **WIRE** user and Account Manager questions
[Account Management](#) [Submission](#) [Validation](#) [Confirmation](#) [Officer Verification](#)

Submission Worksheet

An optional tool for completing a **WIRE** Data Call submission
[2017](#) [2018](#) [2019](#) [2020](#) [2021](#) [2022](#) [2023](#)

Submission Confirmation Form

A preview of the questions required at submission confirmation
[Preview Form](#)

User Tutorials

[Account Management Functions](#)
[Prepare to Submit](#)
[Validation](#)
[Confirmation](#)
[Officer Verification](#)

How To's

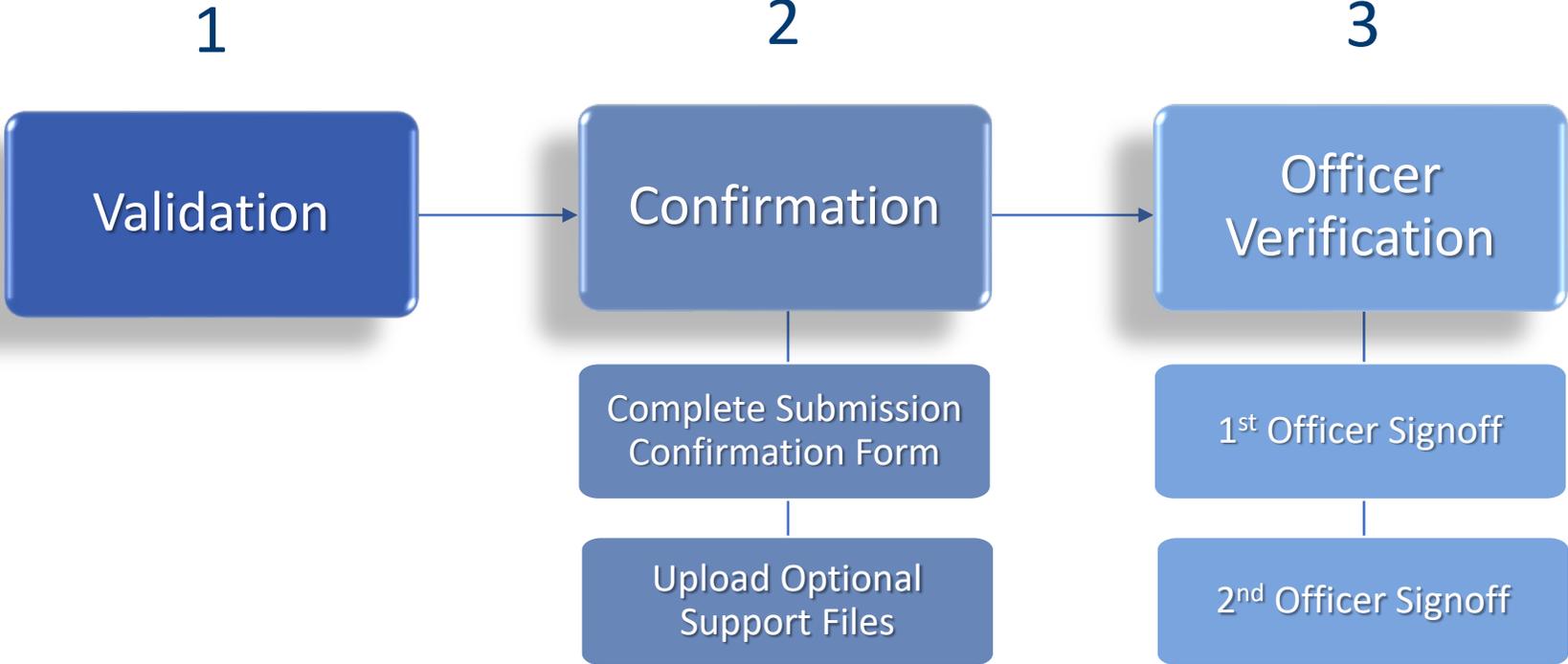
[Convert Excel File to Pipe Delimited Text File](#)
[Convert Excel File to Pipe Delimited Text File \(for Microsoft Office 2016\)](#)

Useful Links

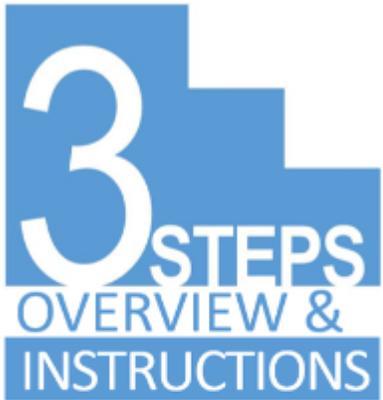
FHCF Website (<https://fhcf.sbafla.com/>)
FHCF Insurer Information (<http://fhcf.paragon.aonbenfield.com/>)

FHCF WIRE DATA CALL SUBMISSION

There are three steps in a *WIRE* data call submission



FHCF WIRE DATA CALL SUBMISSION



- 1 VALIDATION
- 2 CONFIRMATION
- 3 OFFICER VERIFICATION

Detailed instructions for each of the submission steps can be found by clicking on the 3 steps icon on the Data Calls Home page

The submission functions can be accessed by clicking on the boxes below the 3 steps icon

FHCF WIRE DATA CALL SUBMISSION

WIRE Data Call Validation

1 A Data Call file must pass WIRE validation to be eligible for submission. Follow the on-screen instructions to upload a file for validation.

Identify Company and Contract Year for this Data Call file.

Validation

Select file identifiers
(Company, Contract Year, and File Type)

Direct

Upload Data Call File

* only files with a 'txt' or 'TXT' extension can be uploaded

Choose File No file chosen

Upload

Select the file and upload

1

Validation

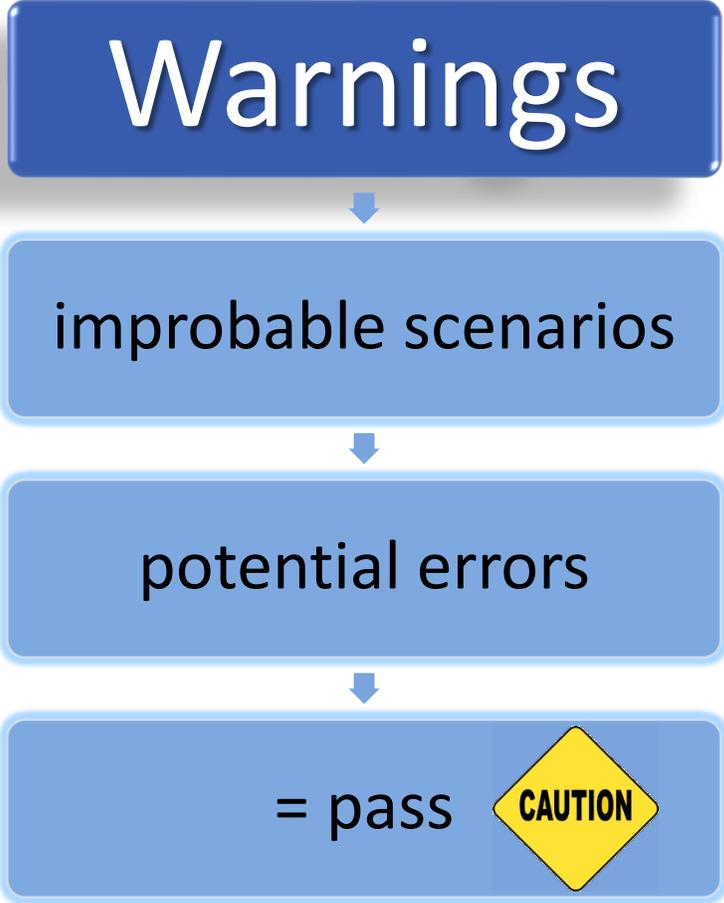
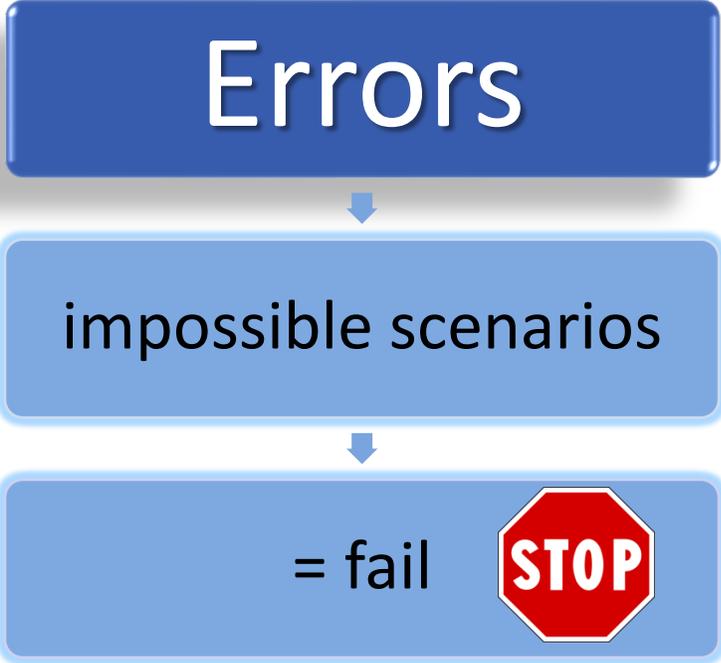
Validation Results & Summary Report



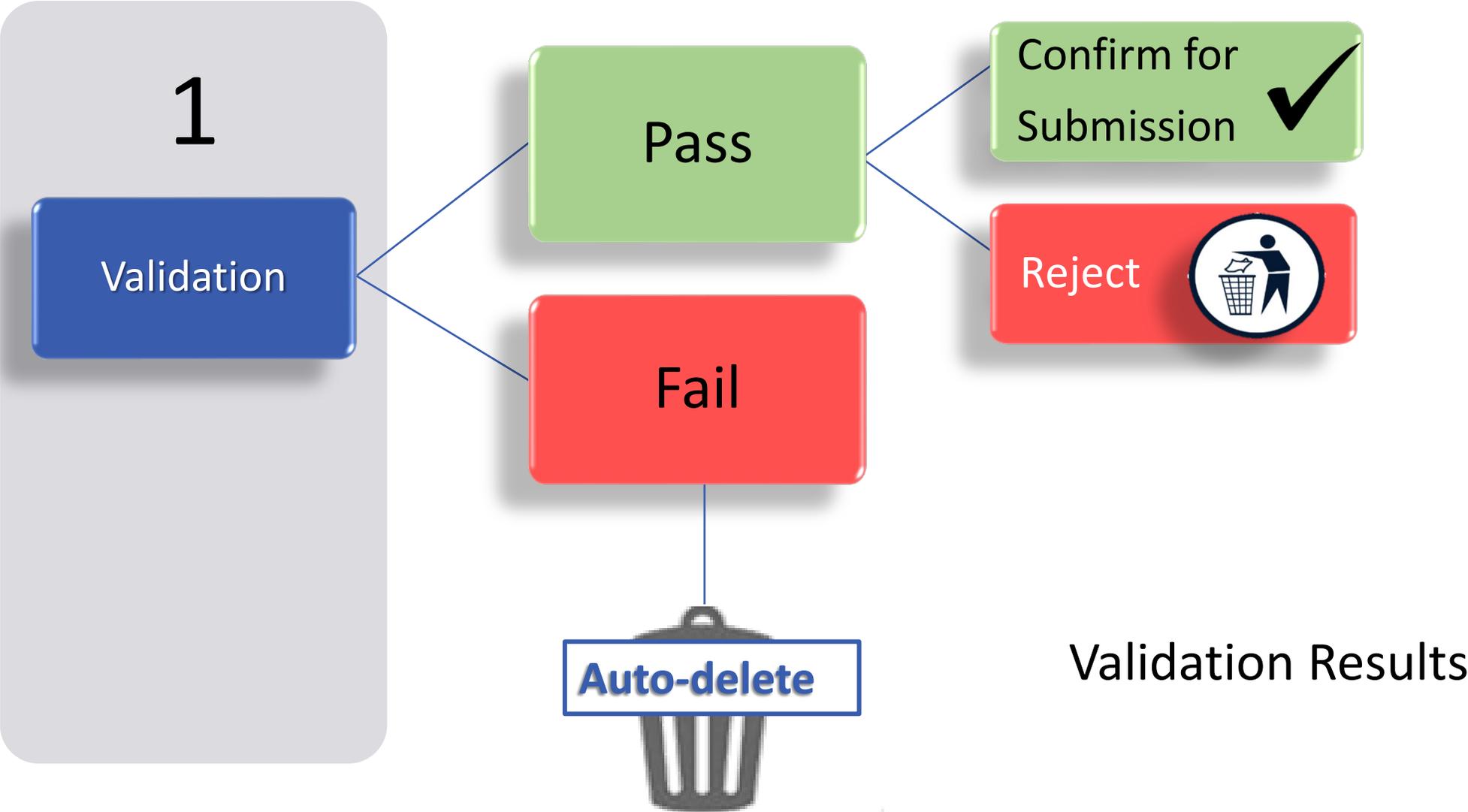
to the uploader only

1. Pass/Fail statement
2. Summary report
3. Details of errors & warnings
 - Basic file format errors
 - Validation errors
 - Validation warnings
 - Row numbers to locate issues

What's the difference?



FHCF WIRE DATA CALL SUBMISSION



Validation Results

FHCF WIRE DATA CALL SUBMISSION

WIRE Data Call Confirmation

Data Call files that pass validation are eligible for submission. Select an eligible file from the drop-down below, then follow the on-screen instructions to either submit or reject (delete) the file. If you select the wrong file, simply click on the drop-down to select another.

2

T0004 - Test Company Four - 2024 - Direct

Company Name: Test Company Four (T0004)

Contract Year: 2024

File Type: Direct

Control Totals Report



Review your file selection carefully! Print a copy of the Control

To submit this Data Call file, click the 'Confirm File for Submission' button. To delete this Data Call file and

Confirm for Submission

Reject and Restart

Confirmation

Complete Submission Confirmation Form

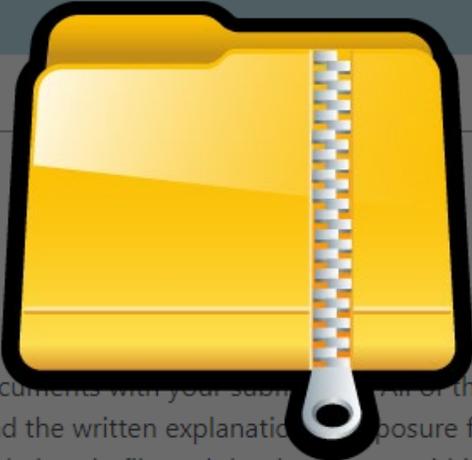
Upload Optional Support Files

to upload support documents and complete the 'File & Restart' button.'

FHCF WIRE DATA CALL SUBMISSION

WIRE Data Call Confirmation

Important: Before proceeding to the Submission Confirmation Form, if you would like to include a cover letter or other explanatory information with your submission, combine all files (whether single or multiple files) into one zipped file (.zip) and upload it now. Subsequent upload attempts will overwrite a previously uploaded file. If you identify a problem with your support files after the Submission Confirmation Form is saved, you must forward corrected support files directly to the FHCF Administrator, Patricia C. ... Solutions, Inc., Attention: Kathy Mackenthun, 8200 Tower, 5600 West 83rd Street, Suite 1100, ... FUND (3863).



*This upload feature is provided for your convenience to transmit optional support documents with your submission. All of the required components of the Data Call submission, including the lateral protection reporting selection and the written explanation of exposure fluctuations (if applicable), must be entered directly into the WIRE Submission Confirmation Form. Once uploaded, the .zip file and the documents within cannot be retrieved or viewed in WIRE.

Click 'Next' to proceed to the Submission Confirmation Form.

Previous Next

FHCF WIRE DATA CALL SUBMISSION

Submission Confirmation Form

T0004-Test Company Four
2024 FHCF DATA CALL CONFIRMATION
Direct

* Decrease in Condo Exposure:

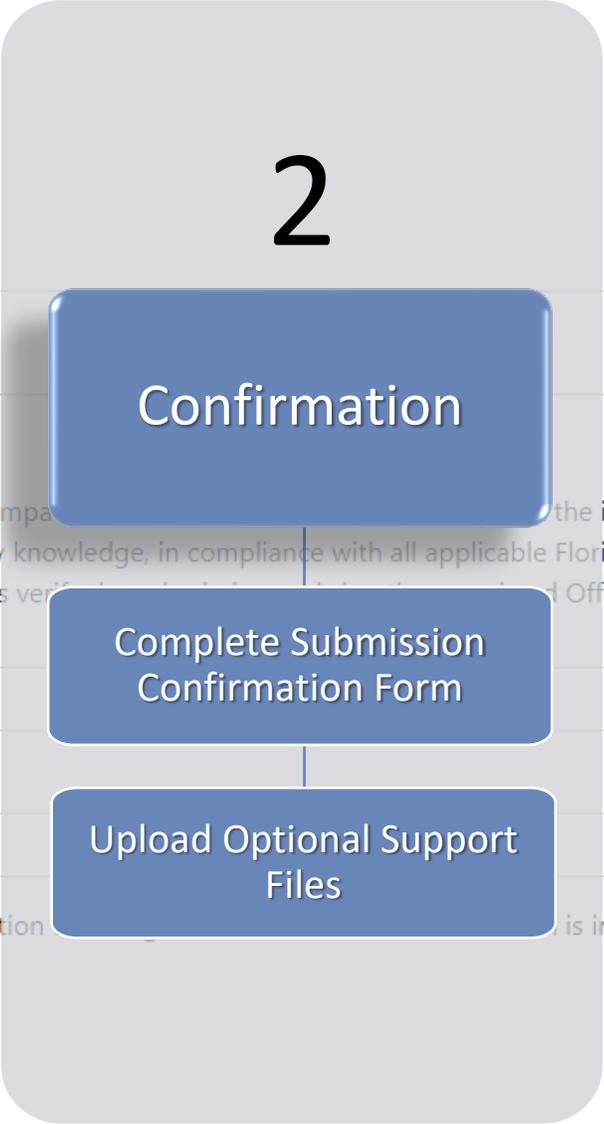
Submission Confirmation Statement:

*I certify that I am authorized to submit this file on behalf of the company and that the information contained in the file and related transmittals is true, complete, correct and, to the best of my knowledge, in compliance with all applicable Florida laws and administrative rules. I acknowledge that this submission is not complete until two Officers verify and sign off on the required Officer Submission Statements.

* Name:

* Title:

Click 'Save and Submit' to confirm and receive an automated email notification. This submission is incomplete pending signoff of the Officer Submission Statements by two Officers.



FHCF WIRE DATA CALL SUBMISSION

Officer Submission Statements

Data Call submissions are incomplete pending verification and signoff of the Officer Submission Statements by two company officers. Select an eligible file from the drop-down below, then follow the on-screen instructions to either sign the Submission Statements or reject (delete) the submission. If you select the wrong file, simply click on the drop-down to select another.

Files Pending Officer Verification:

T0004 - Test Company Four - 2023 - Direct

Company Name: Test Company Four (T0004)
Contract Year: 2023
File Type: Direct

Control Totals Report



Review your file selection carefully! Print a copy of the Control Totals Report for your records.

To verify this Data Call submission, click the 'Sign Submission Statements' button. To delete the entire Data Call submission and all associated files, click the 'Reject (Delete) Submission' button.

Sign Submission Statements

Reject (Delete) Submission

3



FHCF WIRE DATA CALL SUBMISSION

Following 2nd
Officer signoff:

Submission is Complete



Account Manager & Officers are notified that submission is complete



Status on Data Call dashboard changes to 'COMPLETE'



Aggregate file and support files are encrypted and sent via (secure) SFTP to Paragon for premium calculation

FHCF WIRE DATA CALL SUBMISSION



Check status of submissions

Data Call

Recent

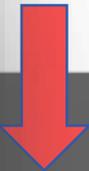
- 2024
- 2024
- 2024
- 2024
- 2024
- 2024
- 2024
- 2023
- 2023

2024 T0003 - Test Company Three Direct Submission 1

Validated	Jordan Christie	4/24/2024	Control Total Report
Confirmed	Jordan Christie	4/24/2024	Confirmation Receipt
One Officer Signed	Jordan Christie	4/24/2024	Verification 1 Receipt
All Officers Signed	Jordan Ware	10:27 AM	Verification 2 Receipt
Completed		4/24/2024	

Submission Complete. No further action allowed.

[Close](#)



Submission	Detail
	Select

FHCF WIRE EXAM CHECKLIST

Welcome to FHCF *WIRE*

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Data Calls
Submissions & Resubmissions



Examinations
Upload Advance Records



WIRE Account Management
Users & User Roles

FHCF WIRE EXAM CHECKLIST

FHCF Examinations

NAIC number

Select an Exposure Exam Checklist to open

T0004  Due Date: 8/12/2019	T0004  Due Date: 7/8/2022	T0014  Due Date: 3/30/2024	T0007  Due Date: 6/16/2020	T0007  Due Date: 3/11/2022	T0003  Due Date: 8/5/2019	T0003  Due Date: 12/1/2020	History Lookup 
---	--	---	---	---	--	---	--

Select a Claims Exam Checklist to open

T0009  Due Date: 10/25/2023	T0007  Due Date: 9/30/2023	History Lookup 
---	--	--

Date pre-exam records are due

FHCF WIRE EXAM CHECKLIST

FHCF Examinations

2019 Exposure Exam Checklist | Due: 6/16/2020

Test Company Seven

Pre-Exam information and forms

Exam Instructions & Worksheets
[Advance Preparation Instructions \(FHCF-EAP1\)](#) | [Operations Questionnaire](#) | [Construction Mapping Worksheet](#)

Exam Location & Contacts

Office Location To Do	Exam Coordinator To Do	Executive Contact Complete!	Underwriting Contact Complete!
--------------------------	---------------------------	--------------------------------	-----------------------------------

WIRE records checklist

IMPORTANT:

- Open EVERY record card
- If a record is not applicable, check the N/A box inside the card

Records Upload

Records Checklist Report	Operations Questionnaire Upload	Questionnaire Attachments Upload	Construction Mapping Upload	Constr Mapping Approval Upload	Forms & Endors List Upload	Forms & Endors Spec Copies Upload
Wind Mit Mapping Upload	Statutory Page 14 Upload	DWP Report Upload	UW & Rating Manuals Upload	Cover Letter & Other Support Optional		

14% Completed

FHCF WIRE EXAM CHECKLIST

FHCF Examinations

2023 Exposure Exam Checklist | Due: 3/30/2024

Test Company Fourteen

Exam Instructions & Worksheets

[Advance Preparation Instructions \(FHCF-EAP1\)](#) | [Operations Questionnaire](#) | [Construction Mapping Worksheet](#)

Exam Location & Contacts

Exam Coordinator Complete!	Executive Contact Complete!	Underwriting Contact Complete!
-----------------------------------	------------------------------------	---------------------------------------

Records Upload

Records Checklist Report	Operations Questionnaire 4/25/2024	Questionnaire Attachments N/A	Construction Mapping 4/25/2024	Consolidated A...
Wind Mitigation Mapping 4/25/2024	Statutory Page 14 4/25/2024	DWP Report	UW & Rating	Cover Support Optional

The submit button

The status bar increases as records are uploaded

IMPORTANT:

- The status bar at the bottom should show 100% when all of the required elements are complete
- Click the submit button to send the records package to the FHCF; otherwise, records will remain in pending status

100% Completed

Submit

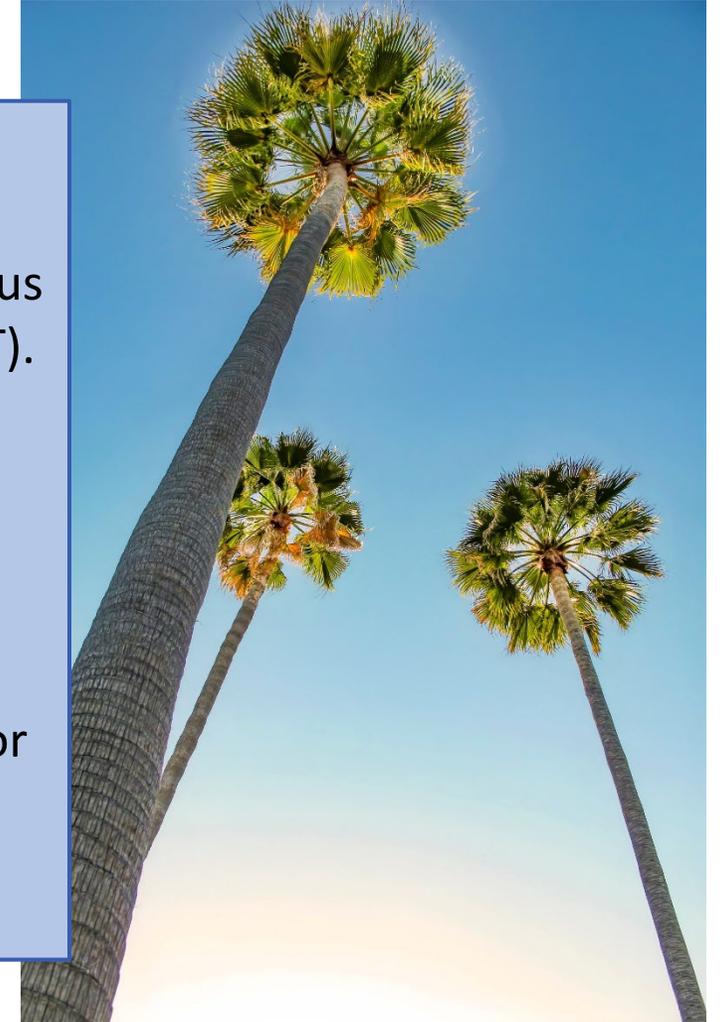
Contact Us

WIRE Support

For WIRE technical support (e.g., problems setting up user accounts or uploading a file), email your question or issue to wire@sbafla.com or call us at 850-413-1228 weekdays between the hours of 8:00AM and 4:00PM (ET).

FHCF Data Call Support

For FHCF Data Call reporting questions (e.g., should an endorsement for golf cart coverage be reported?), refer to the Data Call (Form FHCF-D1A) and Frequently Asked Questions for the applicable contract year on the FHCF website at <https://fhcfwire.sbafla.com> (under Insurer Information) or contact the FHCF Administrator, Paragon Strategic Solutions Inc., at 800-689-FUND (3863) or by email, FHCFAdministrator@paragon.aon.com.



BREAK



Which hurricane season had the most landfalling hurricanes in Florida?

- A. 1950
- B. 1964
- C. 2004 - Charley, Frances, Ivan, & Jeanne
- D. 2005

What Florida landfalling hurricane holds the highest windspeed record?

- A. Labor Day 1935 with 185 mph winds, Wilma is second with 183 mph, followed by Camille and Andrew with 174 mph, and Michael with 162 mph winds
- B. Camille 1969
- C. Andrew 1992
- D. Michael 2018

Of the 96 retired Atlantic, Caribbean, and Gulf of Mexico retired hurricane names, how many had damaging winds as a by-passing storm or made landfall in Florida?

- A. 15
- B. 29
- C. 31
- D. 34

How many miles of coastline does Florida have?

- A. 840
- B. 1,060
- C. 1,285
- D. 1,350

EXPOSURE EXAMS – DIRECT BUSINESS AND BUSINESS ASSUMED FROM CITIZENS

Marcie Vernon, Senior Examiner Analyst, FHCF





Purpose

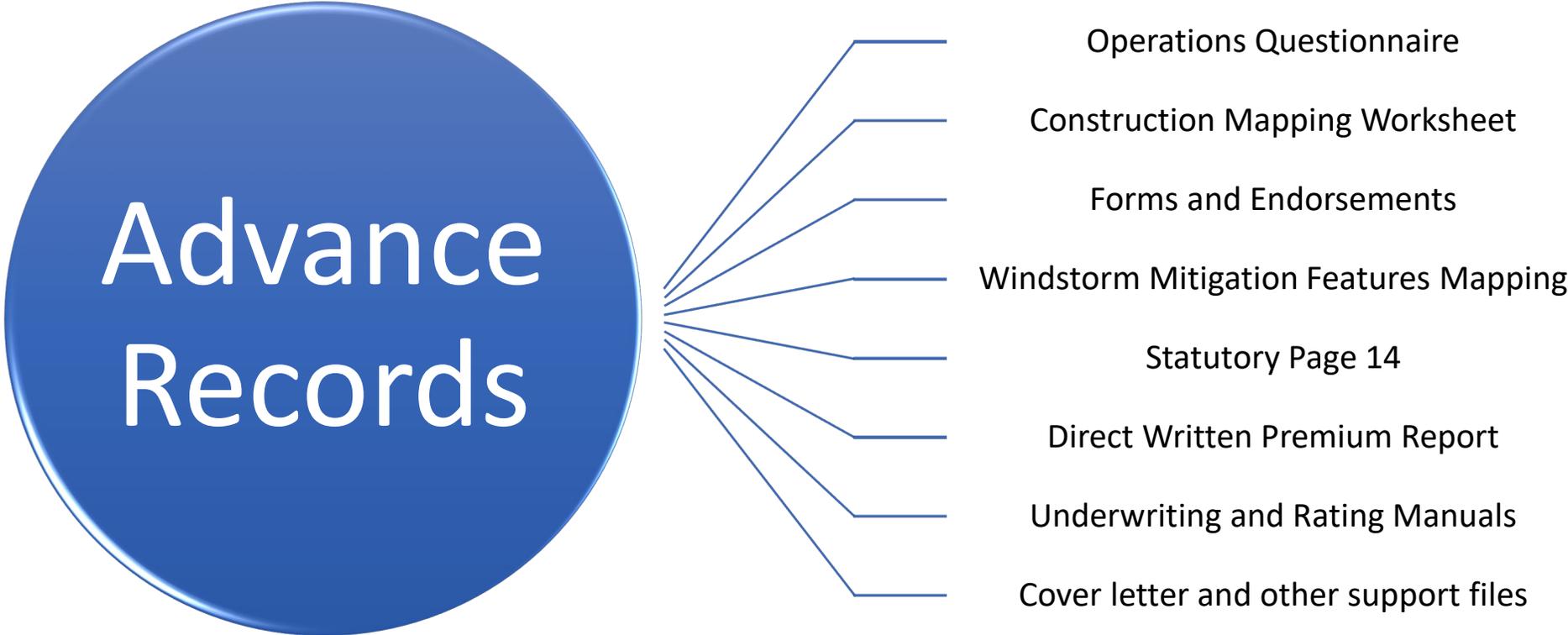
- Statutory Authority (s. 215.555(4)(f), F.S.)
- Verify accuracy and completeness of insured values and other rating factors reported
- Educational process

Pre-Examination

- Scheduled annually
- Expenses covered by the FHCF
- Exam notice and advance records sent (at least 60 days prior to exam start date)
- Advance records due within 30 days of notice letter
 - Upload through *WIRE*



Advance Preparation Instructions (EAP) outlines the exam instructions



Planning

- Begins with exam notice
- Examiner will contact the company prior to the start of the exam to:
 - Discuss and request the policy sample
 - Discuss any questions regarding the data submitted

Testing

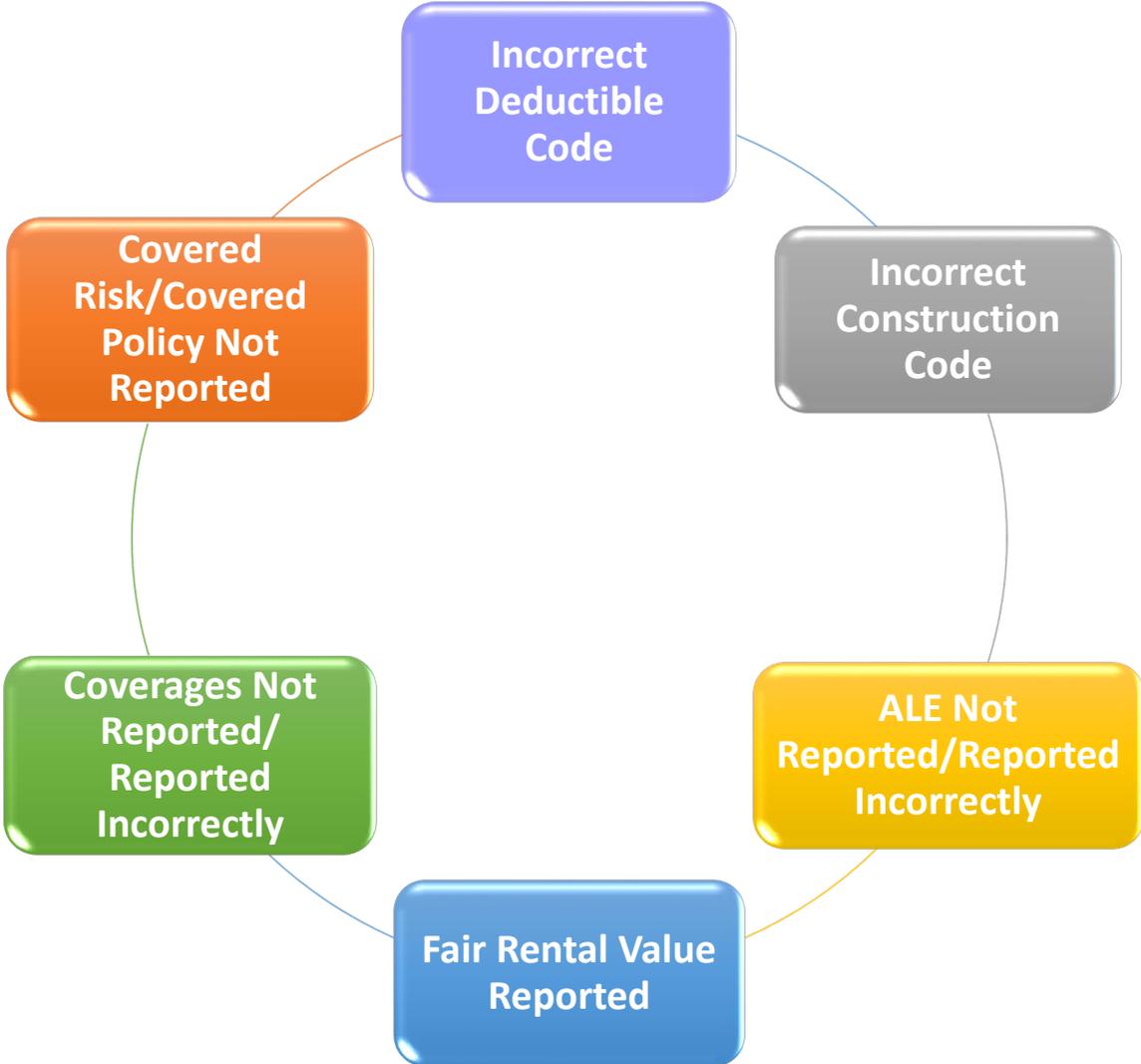
- Begins on the exam start date
- Examiner reviews policy files and contacts company for clarification

Wrap-Up

- A preliminary listing of findings will be provided
- An error listing will be requested, if applicable
- The workpapers are submitted to the FHCF for review

EXPOSURE EXAMS – COMMON REPORTING ERRORS

Common Errors



Exam Results

- Findings letter and exam report issued via email
- Response due within 30 days and must include:
 - A statement indicating acceptance of the report and recommendations
 - Separate response to each recommendation
 - Describe how each recommendation will be implemented for future contract years
- If the company disagrees with an error, include:
 - Explanation for disagreement
 - Supporting documentation
- If there are no disagreements, no requirement to resubmit, and all recommendations are addressed, a final letter will be issued closing the exam



Is a Resubmission Required?

- Expectations:
 - Due within 30 days of letter
 - Review the resubmission file prior to uploading to *WIRE*
 - Make appropriate system changes, if applicable
 - Correct all errors in the exhibit(s), including errors in the total population of policies where systematic errors exist
 - Find policy/policies in the exam report exhibit associated with the error
 - Use these policies to search the revised file to confirm corrections were made

EXPOSURE EXAMS – RESUBMISSIONS

Expectations:

- Original capture date should be used in the resubmitted data
- Upload the resubmitted Data Call file, resubmission checklist and cover letter in *WIRE*

Preparing for an Assumption Exam

- Companies that have assumed policies will have two types of exams:
 - Direct
 - Assumed
- Assumed business is reported differently from direct business, the data is cut off at June 30th and any retroactive changes after June 30th are not recognized
- Timing of assumption exams is different

EXPOSURE EXAMS – ASSUMED BUSINESS

- Assumption exam notice letter sent at least 60 days prior to start date
 - Notice sent to both Citizens and company assuming policies
- Advance records due within 30 days of assumption exam notice letter
 - Company assuming policies will complete the required checklist through *WIRE*
 - Citizens will upload:
 - A list of policies assumed by each company on the date of assumption
 - A list of all policies untagged
 - A copy of the assumption agreement and exhibits to show the number of policies assumed

EXPOSURE EXAMS – ASSUMED BUSINESS

- Most of the exam work will be coordinated through Citizens
- Testing
 - Reconciliation of company Data Call file to Citizens Data Call file of assumed business not yet renewed
 - Account for all assumed policies
 - Policies must be reported in either Citizens' data or by the assuming company
 - Verification of files received from Citizens
 - Identify reporting errors
- Wrap-up phase is similar to direct exams process; however, results not issued until the Citizens Direct review is complete

How to Reduce Errors in the Future for both Direct and Assumed Business Exams?

Review the FHCF Data Call and Reimbursement Contract

Review the Advance Preparation Instructions (EAP)

Ensure files and fields are in the correct format

Conduct a self audit of the data

Know how to access and validate data in *WIRE*

Understand and review responses to the Operations Questionnaire

Submit the requested information on time

Discuss the preliminary exam findings with the examiner

Utilize the resources through Paragon, the FHCF and the FAQs on the website

CLAIMS REPORTING

Tim Butler, Director of Examinations, FHCF

Martin Helgestad, Senior Managing Director, Paragon Strategic Solutions



CLAIMS REPORTING

Reports

Interim Loss Report	<ul style="list-style-type: none">• Preliminary, non-binding report of high-level loss information• Used to estimate potential FHCF industry reimbursement
Proof of Loss Report	<ul style="list-style-type: none">• Used to report paid, outstanding, and incurred but not reported losses• Basis for all FHCF advances and loss reimbursements
Detailed Claims Listing	<ul style="list-style-type: none">• Individual claims listing to support the reported losses on the Proof of Loss report• Used by FHCF to determine reasonableness of reported losses• Used by FHCF in the loss reporting examination process

Reports - Frequency

Interim Loss Report	<ul style="list-style-type: none">• Typically due around two weeks after a hurricane• May be required multiple times before year-end
Proof of Loss Report	<ul style="list-style-type: none">• Due year-end regardless of level of loss• Each subsequent quarter-end regardless of level of loss until commutation
Detailed Claims Listing	<ul style="list-style-type: none">• First request for reimbursement and all mandatory/quarterly filings• In advance of an exam• After correction of errors• As otherwise requested by the FHCF

Steps Before Submitting

- Verify only FHCF-covered hurricane losses are reported
 - Article V, Definitions (Reimbursement Contract)
 - Article VI, Exclusions
- Check losses paid over Coverage A, B, C, and D limits
- Verify policy effective date and date of loss
- Reconcile totals by FHCF Type of Business on the Proof of Loss report to the Detailed Claims Listing

FHCF Online Claims System

- Loss Reports and Detailed Claims Listings submitted using the FHCF Online Claims System
- A company may have up to seven users:
 - Non-officers: may enter data and submit (after officer sign off)
 - Officers: may enter, sign off, and submit
- <https://fhcf.sbafla.com> under Company Resources, Online Claims

CLAIMS REPORTING

Information in Online Claims System

- Summary of filed reports and commutation status

[Form Submission](#) **View Prior Loss Reports**

Enter/Submit Loss Reports Contract Year:

In the **Contract Year** field, click the pull-down arrow, and select the applicable year; a summary displays, including reimbursements, and for a hurricane, including payment issuance dates and supporting documentation such as FHCF cover letters and invoices, are available to you.

View Prior Loss Reports → SUMMARY MICHAEL

Hurricane	Commutated Date	Reimbursements	Advance Issued	Advanced Outstanding
Michael	01/16/2024		\$0.00	\$0.00
Totals			\$0.00	\$0.00

CLAIMS REPORTING

Information in Online Claims System

- Specific filings/reimbursements by hurricane

SUMMARY MICHAEL ←

Received Date	Reimbursements	Advance Issued	IssueDate	Advance Outstanding	Payment Type	ILR	POL	DCL	Supporting Documents	Control #
04/16/2021	\$ [REDACTED]		04/21/2021	\$0.00	ACH					2018-[REDACTED] 00105
04/23/2021	\$ [REDACTED]		04/28/2021	\$0.00	ACH					2018-[REDACTED] 00106
04/30/2021	\$ [REDACTED]		05/05/2021	\$0.00	ACH					2018-[REDACTED] 00107

CLAIMS REPORTING

Information in Online Claims System

- Any supporting documentation for each filing

Loss Reports | Document List

Company: [REDACTED]

Contract Year: **2018**

Hurricane: **Michael**

Control Number: **2018-** [REDACTED] **00105**

	Uploaded Date	Uploaded By	Comment	Category
	4/16/2021	[REDACTED]	Detailed Claims Listing File	Detailed Claim Review File
	4/21/2021	hbertagn	2018 Claims - [REDACTED]	General

FHCF Initial Review

- Review of Data Call reporting and current exam issues
- Periodic review of the Detailed Claims Listing
- Compare company reported losses to industry reported losses
- Follow-up with your company on any issues identified
- Potential requirement of an updated filing to correct errors

Reimbursements

- Generally, reimbursement requests received by Friday are issued the following Wednesday
- Reimbursements issued via ACH, typically with a Friday value date
- If issues during initial review are identified, reimbursement timing is contingent on company response

Reimbursements put on hold for exam issues

- Non-compliance with examination requirements
 - Past due advance records
 - Past due examination findings response
 - Past due resubmission/updated proof of loss
- Claims or exposure examination issues that may cause an excess reimbursement

RECEIVING REIMBURSEMENTS

Joel Meyer, Manager of Financial Operations, FHCF



Enrollment Requirements for Disbursements

- Setup is required for new participants and existing participants who change bank accounts
- Bank account information is on-boarded using DocuSign
- Must be done individually for each company in an NAIC group

Common Errors

Compliance with National Automated Clearing House Association (NACHA)

ENROLLMENT IN ACH PROGRAM

New companies request Banking Contact Form from FHCF Administrator

- Banking Contact Form will be sent to company's executive contact
- Designate two officers listed on jurat page of company's current financial statement
- Must provide phone numbers capable of receiving SMS text to authenticate each officer

ENROLLMENT IN ACH PROGRAM – ACH BANKING CONTACT FORM

Please complete this form electronically, sign it, and email to the FHCF Administrator, Paragon Strategic Solutions Inc., at FHCFAdministrator@paragon.aonbenfield.com.

Company Name: NAIC #:

Officer #1

Name: Title (as listed on the jurat page): ←
Email Address: Mobile Phone (for dual authentication purposes only):

Officer #2

Name: Title (as listed on the jurat page): ←
Email Address: Mobile Phone (for dual authentication purposes only):

I am an officer of the above-referenced company, acting within the scope of my customary and usual corporate responsibilities in designating the banking contacts listed on this form.

Signature: _____ Title:

Printed Name: Date:

ENROLLMENT IN ACH PROGRAM

Officers will each receive a DocuSign invitation to sign an authorization form

- **Officer #1** – Enters bank information for use and then signs authorization

ACCOUNT INFORMATION:

TYPE OF ACCOUNT (check one only) Checking Account Savings Account

Financial Institution Name:



Financial Institution's ABA Routing Number:

Account Number: (NACHA Standard is up to 17 digits)

OFFICER #1 AUTHORIZATION:

I hereby authorize the SBA to provide for direct payment of any disbursement due to the above-designated account. I certify that the above bank account number belongs to the above-designated company. I accept the below terms and conditions for ACH direct deposit.



If at any time the amount of payment so deposited exceeds the amount of payment actually due and payable to the above-designated company, I hereby authorize the SBA at its discretion to either withhold a sum equal to the overpayment from future payments or recover such overpayment from the above-designated account.

If any action taken by the above-designated company results in non-acceptance of a direct payment by the designated financial institution, I understand that the SBA assumes no responsibility for processing a supplemental payment until the amount of the non-accepted deposit is returned to the SBA by the financial institution. This authorization supersedes and replaces all prior authorizations between the SBA and the above-referenced company and shall remain in full force and effect until the SBA has received written notification from an officer of above-designated company requesting a change to the ACH authorization in such time and in such manner as to afford the SBA a reasonable opportunity to act on it.

Signature:



Title:

Printed Name:

Date:

Email Address:

ENROLLMENT IN ACH PROGRAM

- **Officer #2** – Reviews bank information and performs dual authorization step

OFFICER #2 AUTHORIZATION: (check appropriate line)

I hereby authorize the SBA to provide for direct payment of any disbursement due to the above-designated account. I certify that the above bank account number belongs to the above-designated company. I accept the below terms and conditions for ACH direct deposit.

If at any time the amount of payment so deposited exceeds the amount of payment actually due and payable to the above-designated company, I hereby authorize the SBA at its discretion to either withhold a sum equal to the overpayment from future payments or recover such overpayment from the above-designated account.

If any action taken by the above-designated company results in non-acceptance of a direct payment by the designated financial institution, I understand that the SBA assumes no responsibility for processing a supplemental payment until the amount of the non-accepted deposit is returned to the SBA by the financial institution. This authorization supersedes and replaces all prior authorizations between the SBA and the above-referenced company and shall remain in full force and effect until the SBA has received written notification from an officer of above-designated company requesting a change to the ACH authorization in such time and in such manner as to afford the SBA a reasonable opportunity to act on it.

Signature:

Title:

Printed Name:

Date:

Email Address:

- Confirmation usually received within a few business days

RECEIVING REIMBURSEMENTS

Common Errors

- Officers not on company's most recently filed financial statement jurat page
- Not providing means for multi-factor authentication
- Providing incorrect routing number

NACHA compliance

- Required to have an authorization form for each participant
- New requirement to validate bank account owner and status may require additional follow-up

Questions should be directed to the FHCF Administrator, Paragon Strategic Solutions Inc., at 800-689-FUND (3863) or by email, FHCFAdministrator@paragon.aon.com

CLAIMS EXAMS

Tim Butler, Director of Examinations, FHCF



Purpose

- Ascertain compliance with the reporting requirements of the FHCF
- Intended to be educational
- Assist companies with reporting claims accurately so the FHCF can maintain timely reimbursements and reduce the likelihood of excess reimbursements

Exam Notice

- Exam notice and advance records request will start the process
- Notice is sent at least 60 days ahead of the start date of the exam
- Information needed is listed in the Form FHCF-LAP1, FHCF Claims Examination Advance Preparation Instructions

Advance Preparation Items

- Due within 30 days of the exam notice
- Required records checklist (completed online)
- Operations questionnaire
- Proof of Loss report and Detailed Claims Listing
- Claims process memo
- Incurred But Not Reported (IBNR) supporting documentation
- Listings (if applicable)
 - Claims with salvage
 - Multi-state policies
 - Multi-risk policies
 - Single structures policies
- Claims and policy records to have available
- Additional requirements

Planning Phase

- Begins once the exam notice is sent
- Examiner reviews the advance records and follows up with any questions
- List of claims exceptions regarding inconsistencies noted in the Detailed Claims Listing sent to the company for explanation
- Once the explanation for the exceptions is received, the examiner will select a sample of claims/policies
- Listing of claims/policies sent to the company and the information requested should be available to the examiner on the start date of the exam

Testing Phase

- Begins on the start date in the exam notice letter
- Examiner reviews the claim and policy files requested
- Examiner will ask questions and discuss any issues with the company
- Draft listing of findings will be provided to the company

Exam Wrap-up

- FHCF reviews the exam working papers prepared by the examiner
- Examination report containing findings and recommendations is issued to the company via email
- Company to provide a response within 30 days
- Updated Proof of Loss report to correct errors due within 30 days

Common Reporting Errors

- Loss assessment
- Losses in excess of individual coverage or policy limits
- Extra-contractual obligations
- Fair rental value losses
- Losses not covered by the FHCF – non-hurricane wind, fire, or flood
- Losses reported on policies that exclude hurricane coverage
- Losses for policies not in effect at the time of loss
- Incorrect deductible being applied
- Loss adjustment expense

FINAL REMARKS

Gina Wilson, Chief Operating Officer, FHCF

