

**PROGRAM DIVISION  
BULLETIN**

2005-56

October 5, 2005

**Citizens Property Insurance Corporation Assessment**

**State of Florida – SURPLUS LINES ONLY**

As a result of last year's hurricane season, Citizens Property Insurance Corporation incurred more than \$2.4 billion in losses, stemming from nearly 120,000 claims. Because of these losses, Citizens now has a shortfall of approximately \$516 million. Under **Florida law** this amount must be recouped by a one-time assessment on property insurance companies statewide, to ensure Citizens is able to pay claims in the event of future storms.

Effective January 1, 2006, an assessment of 6.84% will be applicable to certain coverage codes.

<b>Code</b>	<b>Line of Business</b>
1000	Commercial Property
1001	Builders Risk
1002	Business Income
1003	Apartments (Commercial)
1005	Commercial Package
1006	Condominium (Commercial)
1008	Difference In Conditions
1009	Earthquake
1010	Flood
1012	Mortgagee Impairment
1013	Windstorm and/or Hail
1014	Mold Coverage (Commercial)
1016	Excess Flood (Commercial)

The assessment is calculated based on premium excluding the premium receipts tax, the FLSO service and the \$2.00/\$4.00 Emergency Management Preparedness and Assistance surcharge.

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This is applicable to all New Business and Renewals with an effective date of January 1, 2006 for one year (this may be shortened or lengthened by the state). Any endorsements effective on a policy with an effective date of January 1, 2006 or later will have the assessment as well. The assessment is refundable on a proportional basis for return premium endorsements and cancellation.

The assessment must be shown on the declarations page of any policy with Florida exposure in the coverage codes noted.

As we will not be making changes in our systems, you are to stamp the declarations page stating: Citizens Property Assessment 6.84% and then fill in the premium amount.

Invoices must also have an additional line showing the assessment charge.

**The surplus lines broker who is doing the surplus lines filing is responsible for billing, collecting and paying this assessment.**

The following website can provide further information from the state of Florida:  
<http://www.fslso.com>

If you have any further questions please contact your Program Manager.

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