

**PROGRAM DIVISION
BULLETIN**

2007-08

March 15, 2007

**Florida Insurance Guaranty Association (FIGA) Surcharge
Effective March 1, 2007**

The Florida Insurance Guaranty Association (FIGA) issued a 2% assessment against member insurers in 2006, and pursuant to Florida Informational Memorandum OIR-06-15M (July 7, 2006), all companies were required to complete a rate filing in order to recover the FIGA assessment as a policy level surcharge.

The Office of Insurance Regulation (OIR) has advised that the rate filings for our companies have been approved with an effective date of March 1, 2007.

The procedures for application of the surcharge and the specific rates are detailed below.

Applicability: Companies

- The surcharges for recovery of the FIGA assessment apply only to **admitted** companies.

Applicability: Lines of Business

- The surcharges cover the following business lines (by annual statement line), excluding workers' compensation insurance: (1) fire; (2.1) allied lines; (5.1) commercial multi-peril (non-liability portion); (5.2) commercial multi-peril (liability portion); (9) inland marine; (17) other liability; (18) product liability; (26) burglary/theft; and (27) boiler/machinery.

Surcharge Rates Effective March 1, 2007

The surcharge rates by line of business and our companies are as follows:

- Commercial Fire (1)
 - New Hampshire Insurance Company = 2%
 - Granite State Insurance Company = 2%
 - Illinois National Insurance Company = .40%

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- Commercial Multiple Peril - Non-liability Portion (5.1)
 - National Union Fire Insurance Company of PA = 1.26%
 - New Hampshire Insurance Company = 1.21%
 - Granite State Insurance Company = .93%
 - Illinois National Insurance Company = 1.96%

- Commercial Multiple Peril - Liability Portion (5.2)
 - National Union Fire Insurance Company of PA = 2%
 - New Hampshire Insurance Company = 1.16%
 - Granite State Insurance Company = 1.63%
 - Illinois National Insurance Company = 1.79%

- Inland Marine (9)
 - Insurance Company of the State of Pennsylvania = 1.47%
 - National Union Fire Insurance Company = 1.51%
 - New Hampshire Insurance Company = 1.66%
 - Granite State Insurance Company = 1.38%
 - Illinois National Insurance Company = 1.77%

- Other Liability (17)
 - National Union Fire Insurance Company of PA = 1.95%
 - New Hampshire Insurance Company = 1.51%
 - Granite State Insurance Company = 1.47%
 - Illinois National Insurance Company = 2%
 - American International South Insurance Company = 1.06%

- Burglary and Theft (26)
 - National Union Fire Insurance Company of PA = 2%
 - New Hampshire Insurance Company = 1.58%
 - Granite State Insurance Company = 2%
 - Illinois National Insurance Company = .77%

- Boiler and Machinery (27)
 - National Union Fire Insurance Company = 1.44%
 - New Hampshire Insurance Company = 1.31%
 - Granite State Insurance Company = 1.98%
 - Illinois National Insurance Company = 1.57%

Policy Language; Premium Tax Exclusion; Return Premium

- **The surcharges are to be identified on the policy declarations page as the "Florida Insurance Guaranty Association Surcharge." If there is insufficient space on the declarations page, the surcharges may be identified as the "FIGA Surcharge."**
- **While placement of the surcharges on the declarations page is the preferred approach, please note that if there is insufficient space, policy issuance systems may be programmed to identify FIGA surcharges as a separate endorsement to the policy.**
- The surcharges are exempt from all premium taxes, agent fees or commissions.

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- In the event of policy cancellation by the insured, all surcharges on unearned premium are to be returned to the policyholder. For mid-term cancellations, surcharges are to be reimbursed on a pro-rata basis.
- Compliance will advise program administrators in the event termination of a company's surcharges prior to March 1, 2008 becomes necessary.

Example:

Package Policy for New Hampshire Insurance Company

Property Premium: \$1,000
Liability Premium: \$1,500
Inland Marine Premium: \$500

Property \$1,000 X 1.21% = 12
Liability \$1,500 X 1.16% = 17
IM \$500 X 1.66% = 8

Total FIGA = \$37

Non-Coverall users need to have their systems updated as soon as possible.

Coverall will advise in their release notes when the system has been updated.

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

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