

**PROGRAM DIVISION
BULLETIN**

2007-11

March 21, 2007

**Florida Insurance Guaranty Association (FIGA) Emergency
Assessment and Procedures
Effective May 1, 2007**

**THIS IS IN ADDITION TO THE MARCH 1, 2007 SURCHARGE FOUND IN BULLETIN 2007-08,
FACTORS AND EFFECTIVE DATES ARE DIFFERENT.**

In December 2006, the Florida Insurance Guaranty Association (FIGA) issued a 2% emergency assessment against its member insurers, and pursuant to Florida Informational Memorandum OIR-07-01M (January 5, 2007), the Office of Insurance Regulation (OIR) required all companies to complete a rate filing in order to recover the emergency assessment as a policy level surcharge.

The **emergency** surcharge is effective **May 1, 2007**.

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

Applicability: Companies

- The surcharges for recovery of the FIGA emergency 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; (22) aircraft; (26) burglary/theft; and (27) boiler/machinery.

© 2007 American International Group, Inc.
The material contained herein is proprietary to the member companies of American International Group, Inc. and is intended for use only by Program Administrators. Unauthorized disclosure, dissemination, copying, or other use of this material without the expressed written permission of AIG is strictly prohibited.

AIG

PROGRAM DIVISION

100 Summer Street/19th Floor, Boston, MA 02110
phone 617-330-1100 / fax 617-330-8595

Surcharge Rates Effective May 1, 2007

The surcharge rates by line of business and DBG company are as follows:

- Commercial Fire (1)
 - American Home Assurance Company = .33%
 - New Hampshire Insurance Company = 2%
 - Granite State Insurance Company = 2%
 - Illinois National Insurance Company = .40%

- Allied Lines (2.1)
 - Granite State Insurance Company = 2%
 - Illinois National Insurance Company = .88%

- Commercial Multiple Peril - Non-liability Portion (5.1)
 - National Union Fire Insurance Company = 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)
 - Commerce and Industry Insurance Company = 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)
 - American Home Assurance Company = 2%
 - Insurance Company of the State of Pennsylvania = 1.47%
 - Commerce and Industry Insurance Company = 1.77%
 - 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)
 - American Home Assurance Company = .95%
 - Insurance Company of the State of Pennsylvania = 1.44%
 - Commerce and Industry Insurance Company = 2%
 - National Union Fire Insurance Company = 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%

© 2007 American International Group, Inc.
The material contained herein is proprietary to the member companies of American International Group, Inc. and is intended for use only by Program Administrators.
Unauthorized disclosure, dissemination, copying, or other use of this material without the expressed written permission of AIG is strictly prohibited.

AIG

PROGRAM DIVISION

100 Summer Street/19th Floor, Boston, MA 02110
phone 617-330-1100 / fax 617-330-8595

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

- Boiler and Machinery (27)
 - American Home Assurance Company = 2%
 - 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 Emergency Surcharge." If there is insufficient space on the declarations page, the surcharges may be identified as the "FIGA Emergency Surcharge."**
- The surcharges are exempt from all premium taxes, agent fees or commissions.
- 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 May 1, 2008 becomes necessary.

Example:

Package Policy for Granite State Insurance Company
 Burglary and Theft Premium: \$1,000
 Property Premium: \$1,500
 Inland Marine Premium: \$500

Burglary and Theft - $\$1,000 \times 2.00\% = 20$
 Property - $\$1,500 \times .93\% = 14$
 IM - $\$500 \times 1.38\% = 7$

Total FIGA = \$41

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.

<p>© 2007 American International Group, Inc. The material contained herein is proprietary to the member companies of American International Group, Inc. and is intended for use only by Program Administrators. Unauthorized disclosure, dissemination, copying, or other use of this material without the expressed written permission of AIG is strictly prohibited.</p>

AIG

PROGRAM DIVISION

100 Summer Street/19th Floor, Boston, MA 02110
 phone 617-330-1100 / fax 617-330-8595