



Office Issues Orders Terminating Certain Cat Fund Emergency Assessments

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TALLAHASSEE, Fla. – The Florida Office of Insurance Regulation (Office) today issued Orders to insurance companies terminating a 1.3% assessment on most property insurance policies that has been used to pay off past hurricane claims. The assessment will be eliminated on policies issued or renewed on or after January 1, 2015 - 18 months ahead of schedule, due to an early payoff of the bonds used to pay the claims.

The Florida Hurricane Catastrophe Fund (Cat Fund) emergency assessment applied to all premiums on property and casualty insurance policies in Florida, including surplus lines, but excluded those lines specifically exempted by law. The charge began at 1% in 2007 and was increased to 1.3% in 2011. The \$2.9 billion collected through May 31, 2014 was used to reimburse insurance companies for claims from the series of eight hurricanes that hit Florida in 2004 and 2005.

The Cat Fund currently has \$12.95 billion available, which is made up of a projected 2014 year-end fund balance of \$10.95 billion and \$2 billion in pre-event bonds, with additional borrowing ability to pay future claims - its highest level in recent years.

Both Orders, one to [property and casualty insurers](#) and the second, to the [Florida Surplus Lines Service Office \(FSLSO\) and surplus lines agents](#) give specific guidance as to the types of insurance affected and related information on reporting requirements. An [Informational Memoranda](#) was also issued, providing further guidance.

Pursuant to the Orders, all policies issued or renewed on or after January 1, 2015, will no longer be subject to the Cat Fund emergency assessment. The assessment will continue to apply to the direct written premium on all related transactions including, but not limited to, endorsements, policy cancellations, and audit premiums related to policies issued or renewed prior to January 1, 2015 at the applicable percentage below:

- Policies issued or renewed on or after January 1, 2015: emergency assessment is 0%
- Policies issued or renewed January 1, 2011 – December 31, 2014: emergency assessment is 1.3%
- Policies issued or renewed January 1, 2007 – December 31, 2011: emergency assessment is 1%
- Policies issued or renewed prior to January 1, 2007: emergency assessment is 0%

For more information, visit the Office's "Assessments" webpage at:

<http://www.floir.com/Sections/PandC/Assessments.aspx>.

About the Florida Office of Insurance Regulation

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