



FLORIDA INSURANCE GUARANTY ASSOCIATION

2023 ANNUAL REPORT



01 OVERVIEW & HISTORY

2023 Overview
What Is a Guaranty Association?
History & Background of the
Florida Insurance Guaranty Association [FIGA]

05 THE LIQUIDATION PROCESS

Guaranty Funds at Work
The State-Based Guaranty System
National Conference of Insurance Guaranty Funds [NCIGF]

07 NEW INSOLVENCIES & DISCHARGED ESTATES

2022 Liquidations
United Property & Casualty Insurance Company
Discharged Estates

09 FUNDING SOURCES

Assessments
Estate Distributions
Funding Sources 2019-2023



12 CLAIMS ACTIVITY

Open Claims
Claims & Returned Premium Payments

14 FINANCIAL INFORMATION

Statements of Assets & Liabilities
Statements of Operations

17 BOARD OF DIRECTORS

2023 OVERVIEW

Guaranty Fund legislation was enacted in Florida in 1970 to ensure that insurance contracts would be honored, even when an insurance company fails. Although the Florida insurance market has changed significantly over the last 54 years, the Florida Insurance Guaranty Association ("FIGA" or "Association") remains the insurance safety net for policyholders and claimants. The Merriam-Webster dictionary defines "safety net" as "something that helps someone who is in a difficult situation." Fifty-four years later, not only is FIGA still protecting Florida policyholders following an insurance company failure, but we continue to work to strengthen that safety net.

Insurance insolvencies are unpredictable. FIGA is notified when there is a court filing for a liquidation order against an insolvent insurance company impacting Florida policyholders. There is no way of knowing when the next insurance insolvency may occur. FIGA started the year with 10,685 open claims, received 26,923 new claims, and closed 30,091 claims, ending the year with 7,517 open claims. In 2023, there were five [5] insurance companies liquidated across the United States, with only one impacting FIGA.

United Property & Casualty Insurance Company was ordered into liquidation on February 27, 2023. On the date of liquidation, United P&C had 146,260 policyholders in six [6] states, and 18,836 open claims in eleven states. Florida represented the bulk of the exposure with 53,721 policies and 15,140 open claims. The total number of claims grew from 15,140 on the date of liquidation, to 23,491 as of December 31, 2023, with total incurred losses of \$456 million. FIGA reported 4,034 open United P&C claims with reserves of \$102.7 million as of December 31, 2023.

In addition to United P&C, FIGA continued to resolve claims from the unprecedented six [6] 2022 insolvencies. 2022 insolvency claims increased by 3,350, from 18,132 to 21,479, during 2023. Pre-2022 insolvencies added an additional 82 claims during 2023. The total number of claims for the seven [7] 2022 and 2023 liquidations were 44,970.

FIGA's total liability for the seven [7] 2022-2023 insolvencies exceeded \$1.2 billion, funded by \$342 million in assessment proceeds, \$127 million in distributions from new and existing estates and \$19 million in investment income. FIGA determined the need to obtain \$600 million in bond financing during 2023. These bonds are secured by the assessments and were required to pay the immediate claims and premium refunds of the insolvent insurers.

For assessment purposes, FIGA is divided into two separate accounts: The Auto Account and the All Other Account (Florida Statute 631.55). A more detailed review of the claims and liabilities by Account is provided below:

Auto Claims Account

FIGA is resolving outstanding auto claims for two Windhaven insurance companies liquidated in 2020. The Auto Account started the year with 183 open claims, received 26 new claims, closed 158, and ended the year with 51 claims pending. The Auto Account had a total liability of **\$813 thousand** at year-end.

All Other Claims Account

The All Other Account was adversely affected by one new insolvency during 2023. There were 10,502 pending claims for all other lines of business (except auto) at the beginning of the year, 26,897

OVERVIEW + HISTORY

new claims were received and 29,933 were closed, resulting in 7,466 pending claims at the end of the year. All Other Claims Account liabilities at year- end total **\$252.9 million**.

Over the next several pages, we have provided a summary of the information needed to understand why the guaranty fund was created, how it operates, and its financial status. Additional information can be found on our website: www.figafacts.com and the Florida Division of Rehabilitation and Liquidation's website: ww.myfloridacfo.com/division/receiver/ as well as in the Florida Statutes beginning at 631.50.

WHAT IS A GUARANTY ASSOCIATION?

Insurance guaranty associations provide protection to insurance policyholders and beneficiaries of policies issued by an insurance company that has become insolvent and is no longer able to meet its obligations. All states, the District of Columbia, and Puerto Rico have insurance guaranty associations.

If an insurance company has insufficient funds to cover all of its obligations, state regulators will ask the state court to issue an order of liquidation appointing a receiver to identify creditors, collect and distribute available assets in accordance with statutory priorities and then close the receivership. The state guaranty associations are responsible for paying the policyholder claims and reporting those payments to the Receiver.

Guaranty associations ease the burden on policyholders and claimants of the insolvent insurer by immediately stepping in to assume responsibility for most policy claims following liquidation. The coverage guaranty associations provide is fixed by the policy or state law; they do not offer a replacement policy. If there were no insurance guaranty associations, policyholders and claimants would have to wait until the receivership closed before obtaining any compensation from their former insurance carrier.

As a safety net, individual Florida policyholders have up to **\$300,000** in coverage for most insurance lines, with an additional **\$200,000** for damages to structure and contents on residential homeowners' claims. Condominium association claims are limited to the lesser of policy limits or **\$200,000 times the number of residential units**. While this may not totally replace the insurance policy issued by the insolvent carrier, it does serve to mitigate the insurance consumer's losses.





PURPOSE

“ To implement Florida Statute section 631.51 and to provide a mechanism for the payment of covered claims, to avoid excessive delay in payment and to avoid financial loss to claimants in the event of the insolvency of a member insurer.

HISTORY & BACKGROUND OF FIGA

Florida Insurance Guaranty Association is an insurance guaranty fund created by Florida Statute 631.55 in 1970, to provide a mechanism for the payment of covered claims of insolvent property and casualty insurance companies in Florida. The initial legislation was in response to a number of insolvencies in the automobile insurance market, but the guaranty fund covers multiple lines written by licensed property and casualty carriers in the State of Florida. All property and casualty insurers defined in Florida Statute 631.52 are automatically members of FIGA as a condition of their authority to offer these lines of insurance.

This consumer safety net is governed by **Part II of Chapter 631**, Florida Statutes, as well as a Plan of Operation established by its Board of Directors. The Board of Directors is comprised of not less than five or more than nine members who are elected by the member insurers. Elected board members are approved by the Chief Financial Officer who evaluates whether all areas of insurance are fairly represented and that the individuals have the requisite qualifications for service.

Assessments are levied based upon the premiums written by member companies in the state of Florida. Regular assessments are limited to **2%** for the year when the assessment is levied. Emergency Assessments may only be used when the insolvency results from hurricane losses and were increased from **2%** to **4% annually** during the 2020 legislative session.

The American Guaranty Fund Group (“AGFG”) functions as the management company for FIGA and the Florida Workers’ Compensation Insurance Guaranty Association (“FWCIGA”). Both associations were created by the legislature but provide services to different types of insurance policies: FIGA covers automobile insurance, property insurance and other liability lines of insurance (see Florida Statute 631.52); FWCIGA covers workers’ compensation and employer’s liability insurance. AGFG is the employer of all guaranty association staff and costs are allocated to both associations, resulting in cost savings for each organization and consistency in processes for Florida consumers. While the employees are shared, each organization retains its individual statutorily authorized Board of Directors. Additional information about American Guaranty Fund Group can be found on its website: www.agfgroup.org.

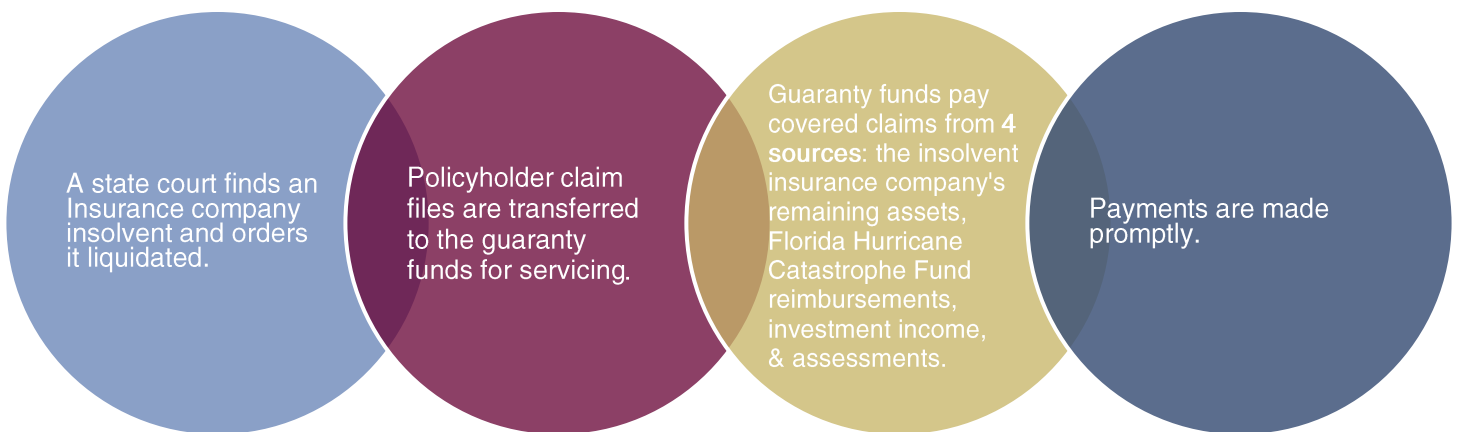


THE LIQUIDATION PROCESS

There is no “typical” insurance insolvency, but in general the liquidation process proceeds as follows:

- The Receiver (in Florida this is the Florida Department of Financial Services, Division of Rehabilitation and Liquidation) gathers claim file data and makes other logistical preparations, including filing a petition in the state court for a determination of insolvency.
- The state court issues an Order of Liquidation and specifically appoints a Receiver and details the actions and authority allowed of the Receiver.
- The Order of Liquidation will provide a date for which all insurance policies will be cancelled.
- The Receiver transfers claim files and/or claim data to the individual state guaranty associations. These claims are typically transferred to the state where the claimant resides, or where the property is located, at the date of the insurance claim.
- The guaranty association staff begins to adjust and pay claims.
- The Receiver identifies creditors and collects the company's assets.
- The Receiver may distribute, on an interim basis, funds to the guaranty associations to assist them in paying the claims. They can make partial distributions to other creditors with the approval of the court and following the state statute for the priority of distributions (FS 631.271).
- After all assets are collected, a final distribution is made to the guaranty associations and other claimants before the estate is closed.

GUARANTY FUNDS AT WORK





THE STATE BASED GUARANTY SYSTEM

Individual state guaranty funds were created to respond quickly to the concerns of policyholders when an insolvency occurs. Each state guaranty association has differences in their state laws. They can explain coverage benefits, the claim submission and payment process, and understand how to adjudicate claims promptly and efficiently for their state. Through membership in the National Conference of Insurance Guaranty Funds (“NCIGF”), the state-based insurance guaranty system is able to enjoy the operational efficiencies of a national system while effectively responding to the often-local concerns of insurance consumers experiencing the stresses associated with the failure of their insurance company.

FIGA monitors insurers that are in “run-off” phases under various regulatory controls in several jurisdictions. Participation in NCIGF has facilitated the oversight process for troubled companies. Collaborating with regulators and receivers is critical in preparing guaranty associations for their responsibilities in the event the companies are placed into liquidation. FIGA has a close working relationship with the Florida Office of Insurance Regulation (“OIR”) as well as the Florida Division of Rehabilitation and Liquidation. Maintaining open communication between guaranty associations and the regulatory community is key to the overall success and efficient operation of the guaranty association system nationwide.

NATIONAL CONFERENCE OF INSURANCE GUARANTY FUNDS

NCIGF is a not-for-profit organization whose members are the individual state guaranty fund associations. The NCIGF does not pay claims, but rather coordinates the multi-state claims-paying activities, monitors litigation that may affect multiple guaranty associations, and coordinates on legislative matters. In addition, they provide education and training seminars for guaranty funds and a national forum for discussion on matters impacting guaranty associations. They also serve as a liaison with the National Association of Insurance Commissioners, coordinating resources through the NCIGF to minimize costs and reduce the length of time it takes to respond to a multi-state insolvency.

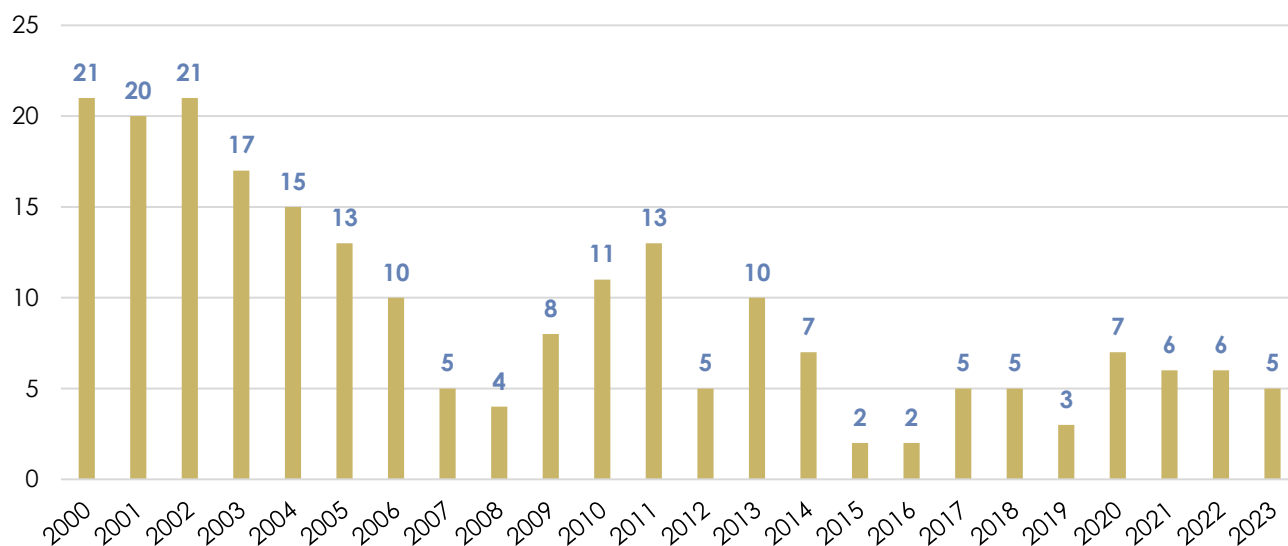
Information about the individual state guaranty associations can be found on the NCIGF website: www.ncigf.org. This information includes links to state liquidation statutes, a composite picture of current assessment actions, statistics on insolvency activity, as well as educational and training materials. FIGA is an active member of the NCIGF.

NEW INSOLVENCIES + DISCHARGED ESTATES

2023 LIQUIDATIONS

Across the country there were **five** [5] liquidations during 2023 that impacted property and casualty guaranty funds: United Property & Casualty Insurance Company, MutualAid eXchange, Arrowood Indemnity Company, United Home Insurance Company and Cameron Mutual Insurance Company. All the new insolvencies were domiciled outside the state of Florida except for United Property & Casualty Insurance Company, which had a significant impact on FIGA. Below is a chart providing the total number of liquidations by year from 2000 through 2023.

Liquidations by Year



UNITED PROPERTY & CASUALTY INSURANCE COMPANY

United Property & Casualty Insurance Company [“United P&C”] was liquidated on February 27, 2023, by the Circuit Court in Leon County, Florida. As of the date of liquidation, United P&C had 146,260 policies in-force in six states, including 53,721 in Florida. United P&C had 18,536 open claims in eleven states reserved at \$414 million at the date of liquidation. Florida represented the bulk of the exposures with 15,140 claims reserved at \$359 million. As of December 31, 2023, total claims reported grew to 23,491 with \$456 million in incurred losses and returned premium combined. FIGA filed its proof of claim in the estate on June 21, 2023, in advance of the Florida Court’s February 27, 2024 deadline.

DISCHARGED ESTATES

There were two estates discharged in 2023.

Sunshine State Insurance Company was a Florida domiciled company that was liquidated June 3, 2014, and discharged March 31, 2023. A total of 824 claims were handled by the Association resulting in a cost of \$37.6 million. All claims are closed. Estates distributions totaled \$12.4, resulting in a net cost to FIGA of \$25.2 million

Northwestern National Insurance Company was a Wisconsin domiciled company that was liquidated May 12, 2019, and discharged December 5, 2023. A total of 2 claims were handled by the Association resulting in a cost of \$3,187. All claims are closed.



FUNDING SOURCES

GUARANTY ASSOCIATION FUNDING SOURCES

Funding for FIGA comes primarily from three sources: distributions obtained from estates of insolvent insurers, investment income, and assessments levied on member insurers. Estate distributions are an essential funding source for the Association; the greater the level and frequency of distributions from receiverships, the smaller the need to assess member companies.

ASSESSMENTS

Assessments are levied based upon the premiums written by member companies in the state of Florida. Regular Assessments are limited to **2%** annually although an Emergency Assessment for an additional **4%** may be used when the insolvency results from hurricane losses. Prior to 2015, insurance companies paid the assessment to FIGA and added a surcharge to each policy issued until they recouped the payment made to FIGA. In 2015 the Florida Legislature amended the assessment statute for FIGA to provide additional flexibility in its assessment process (FS 631.57). The legislation retained FIGA's ability to obtain funds quickly, but also introduced an option for insurers to remit assessments as they are collected (pass-through) over a 12-month policy term. In 2022, the Florida Legislature amended the assessment statute to provide member insurers the option to elect to not recoup the assessment from policy holders. Additional information about the change to the assessment process is available at www.figafacts.com.

2021 .70% Assessment

The FIGA Board of Directors certified the need for an assessment on its members at its August 26, 2021 meeting. The Florida OIR approved FIGA's

certification through an Order dated October 11, 2021. The pass-through assessment levied was necessary to secure funds for the payment of covered claims related to new insolvencies impacting FIGA's **All Other account** and provided nearly **\$14 million** in additional funding during 2023. Insurance companies were required to collect and remit to FIGA an equivalent surcharge on new and renewal policies with effective dates beginning **January 1, 2022** through **December 31, 2022**.

2022A 1.3% Assessment

The FIGA Board of Directors certified the need for an assessment on its members at its March 8, 2022 meeting. The assessment was necessary to secure funds for the payment of covered claims related to the liquidation of St. Johns Insurance Company. The Florida OIR later approved FIGA's certification through an Order dated March 11, 2022. The pass-through assessment levied was necessary to secure funds for the payment of covered claims related to new insolvencies impacting FIGA's **All Other account** and provided in excess of **\$48 million** in additional funding during 2023. Insurance companies were required to collect and remit to FIGA an equivalent surcharge on new and renewal policies with effective dates beginning **June 30, 2022** through **July 1, 2023**.

2022B .70% Assessment

The FIGA Board of Directors certified the need for an assessment on its members at its August 19, 2022 meeting. FIGA's second assessment in 2022 was necessary to secure funds for the payment of covered claims related to the liquidation of Southern Fidelity Insurance Company and Weston Property and Casualty Insurance Company. The Florida OIR later approved FIGA's certification through an Order dated August 26, 2022. The pass-through assessment levied was necessary to secure funds for the payment of covered claims related to new insolvencies impacting FIGA's **All**

Other account and provided in excess of **\$172 million** in additional funding. Insurance companies were required to collect and remit to FIGA an equivalent surcharge on new and renewal policies with effective dates beginning **January 1, 2023** through **December 31, 2023**

2023A 1.0% Emergency Assessment

The FIGA Board of Directors certified the need for an assessment on its members at its March 31, 2023 meeting. The Florida OIR approved FIGA's certification through an Order dated April 10, 2023.

The pass-through assessment levied was necessary to secure funds for the payment of covered claims related to the United P&C insolvency impacting FIGA's **All Other account**. FIGA issued **\$600 million** in bonds in order to immediately fund claims and returned premiums. Insurance companies were required to collect and remit to FIGA an equivalent surcharge on new and renewal policies with effective dates beginning **October 1, 2023** through **September 30, 2024** and continuing until the bonds are paid off.

Year(s)	Assessment Rate by Account	
	AUTO	ALL OTHER
2023	None	1.0% Emergency
2022	None	2.0% [1.3% 2022A + 0.7% 2022B]
2021	None	.70%
2013 - 2020	No Assessments levied	
2012	None	.90%
2011 - 2010	No Assessments levied	
2009	None	.80%

Loans / Bonds

FIGA obtained financing secured by assessment revenue to pay the claims of insolvent insurers. In April 2022, FIGA obtained a loan in the amount of **\$250 million**, which was secured by the **2022A assessment**. This loan balance was repaid in December 2023. FIGA obtained another loan in August 2022 in the amount of **\$150 million**, which was secured by the **2022B assessment**. \$135 million of this loan balance was repaid in 2023 and the remaining \$15 million was repaid March 1, 2024. In July 2023, FIGA issued bonds in the amount of **\$600 million**, which was secured by the **2023A assessment**. As of December 31, 2023, FIGA had bonds outstanding in the amount of **\$608 million**.



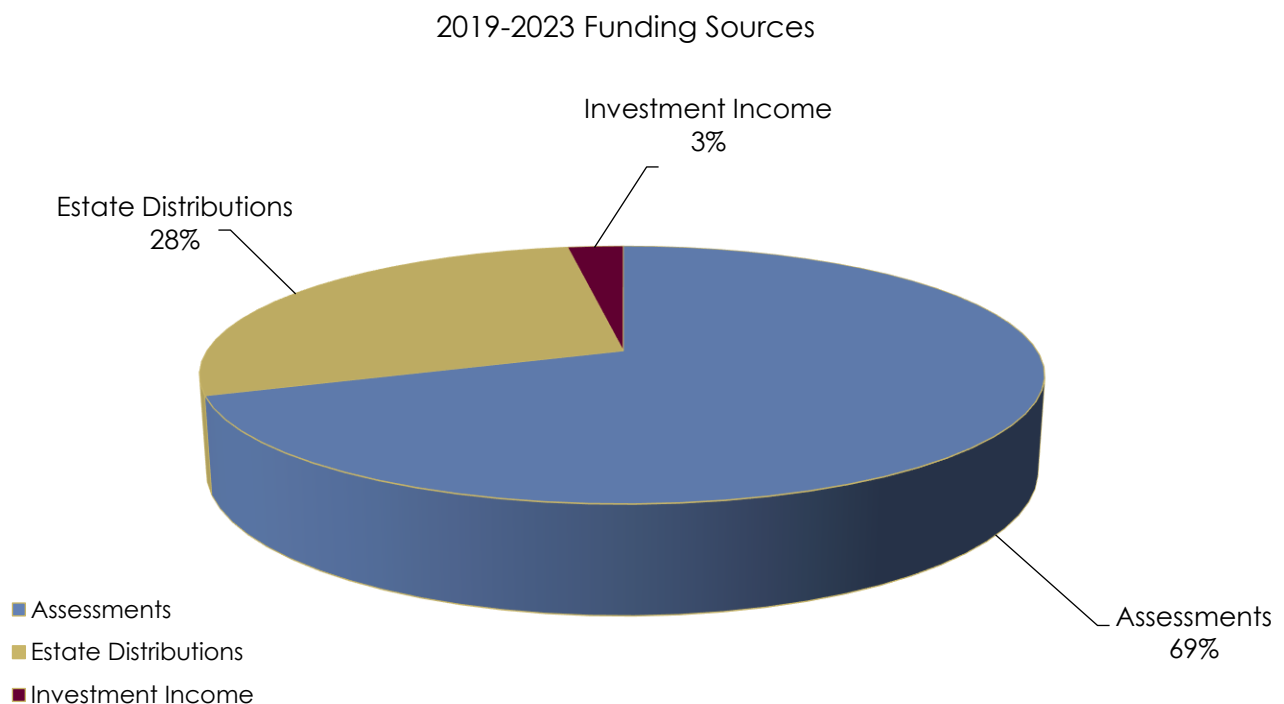
ESTATE DISTRIBUTIONS

Periodically, Receivers review the assets and liabilities of each insolvent entity. If there are available funds to make partial distributions to creditors, the Receiver petitions the state court for approval. During 2023, FIGA received over **\$126 million** in estate distributions from **21 insolvencies**.

Prior to the 2021, 2022 and 2023 assessments, the majority of funding has come from estate distributions. The table below illustrates the funding sources (estate distributions, assessment, and investment income).

Funding Type	2023	2022	2021	2020	2019	5-YR Total	5-yr %
Assessments	\$342,437,238	\$490,000,000	\$168,000,000	-	\$3,669	\$1,000,440,907	69%
Estate Distributions	\$126,865,040	\$154,300,623	\$69,895,786	\$25,365,306	\$25,894,591	\$402,321,347	28%
Investment Income	\$18,981,359	\$1,766,808	\$3,605,503	\$5,153,255	\$6,970,855	\$36,477,780	3%
TOTALS:	\$488,283,637	\$646,067,431	\$241,501,289	\$30,518,561	\$32,869,115	\$1,439,240,034	100%

Since 2019, **69%** of the FIGA funding has come from assessments, **28%** from estate distributions, and **3%** from investment income. For 2023, the funding sources were **26%** estate distributions, **70%** from assessments and **4%** investment income.



CLAIMS ACTIVITY

At the beginning of 2023, the Association had **10,685 open** files. During the year, **26,923** new claims were transferred to FIGA. A total of **30,091 claims** were closed during the year resulting in an open claim count of **7,517** at year end. Outstanding reserves for those claims was estimated at **\$253.7 million**.

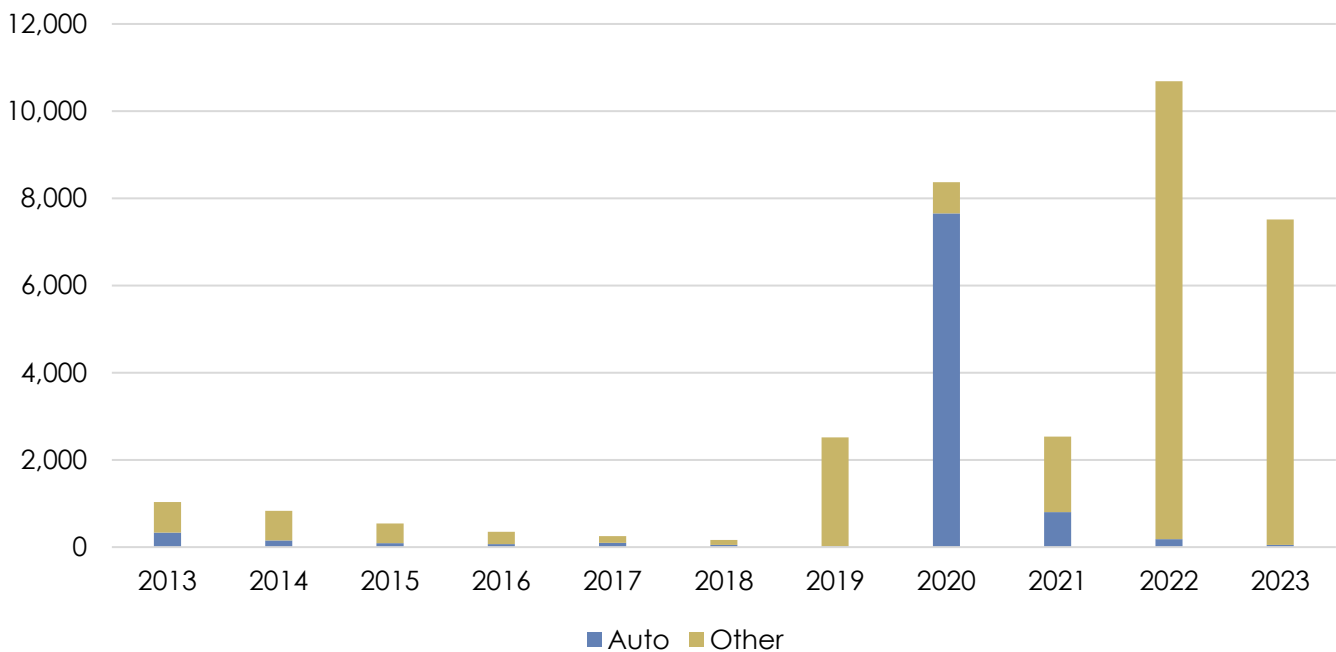
The total net paid on claims for 2023 was **\$745.2 million** compared to **\$664.8 million** in 2022. Loss payments totaled **\$692.2 million**, claim handling fee payments totaled **\$27.2 million**, and returned premium payments were **\$25.8 million**. Payments were made on **twenty-two (22)** different insolvent estates during the year.

While FIGA received **23,491 additional claims** from United P&C in 2023, the 2022 insolvencies of St. Johns Insurance Company ["St. Johns"], Avatar Property and Casualty Insurance Company ["Avatar"], Lighthouse Property Insurance Corporation ["Lighthouse"], Southern Fidelity Insurance Company ["SFIC"], Weston Property and Casualty Insurance Company ["Weston"], and FedNat Insurance Company ["FedNat"] continued to have a major impact on FIGA throughout 2023.

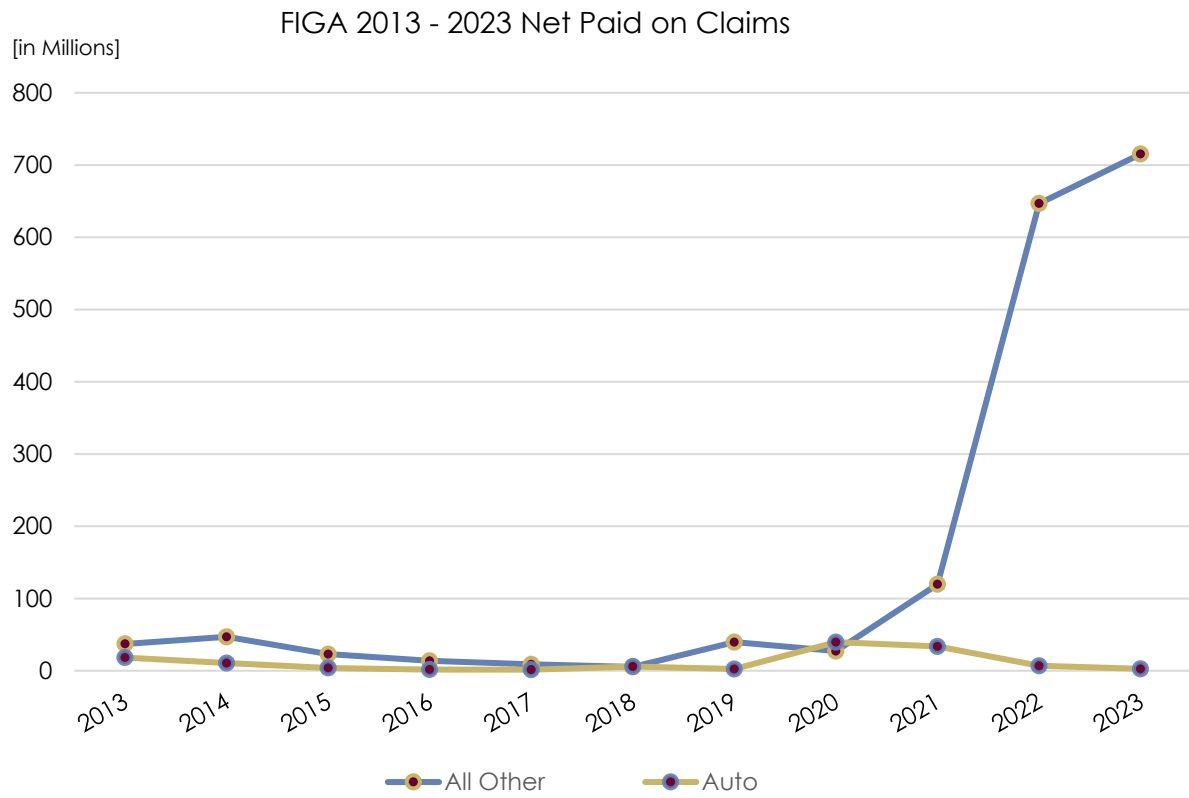
As previously noted, the total number of claims from the six [6] 2022 insolvencies increased by 3,350, and total incurred losses **increased by \$173.9 million** in 2023. FedNat, liquidated September 27, 2022, reported the largest change with an increase of 1,876 claims and \$70.2 million in total incurred losses. St. John's, Southern Fidelity, Avatar, Weston, and Lighthouse experienced increases in total incurred losses of \$38.8 million, \$26.0 million, \$21.9 million, \$9.7 million, and \$7.3 million, respectively.

FIGA made an extraordinary effort to resolve claims during 2023, closing over 30,000 claims. FIGA utilized its technology resources to actively monitor claim activity and track progress and productivity. FIGA engaged internal and external adjusting resources to aggressively manage, adjudicate and close a very large volume of claims.

FIGA 2013 - 2023 Open Claims



CLAIMS ACTIVITY



FINANCIAL INFORMATION

The FIGA Financial Statements are prepared on a modified basis of cash receipts and disbursements which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States ("GAAP"). The basis of presentation differs from GAAP because assessments receivable and accruals for loss and loss adjustment expenses are excluded, due to the difficulty in estimating those amounts until a liquidation actually occurs. The modified cash basis financial statements are used by most guaranty associations. To provide a more complete picture of the financial position of FIGA, it should be noted the Audited Financial Statements provide a footnote disclosure of the estimated claim liabilities.

As previously disclosed in this report, the outstanding claim liabilities at the end of 2023 were **\$253.7 million**. With additional funding expected from the 2021, 2022 and 2023 assessments, the current cash held by FIGA is sufficient to cover the Association's current obligations. The Association reviews its cash and outstanding liabilities at each Board meeting to determine whether an assessment may be needed to cover upcoming claims payments.



FINANCIAL INFORMATION



STATEMENTS OF FINANCIAL POSITION

Modified Cash Basis (UNAUDITED)	12/31/2023	As of 12/31/2022
ASSETS		
Cash On Deposit & Cash Equivalent	125,376,688	132,157,821
Restricted Cash & Cash Equivalents	168,209,222	-
Short Term Investments	21,615,944	29,345,754
TOTAL CASH AND SHORT-TERM INVESTMENTS	\$315,201,854	\$161,503,575
Assessment Receivable	301,694,531	449,982,537
Long Term Investments	7,780,682	19,843,684
Prepaid Bond Costs	1,935,505	-
Accrued Interest Income	190,498	155,914
Fixed Assets, Net	38,966	34,869
Building, Net	529,291	554,510
Land	310,000	310,000
Other Assets	94,906	-
TOTAL ASSETS	\$627,776,233	\$632,385,089
LIABILITIES AND NET ASSETS		
Bonds Payable	590,325,000	-
Premium on Bonds Payable	16,887,362	-
Accrued Interest	11,203,856	-
Assessment Loans	15,000,000	352,691,841
Accounts Payable	10,006	69,299
TOTAL LIABILITIES	\$633,426,224	\$352,761,140
Auto Account Balance	53,896,481	49,375,361
All Other Account Balance	(59,546,472)	230,248,588
TOTAL NET ASSETS (LIABILITIES)	(\$5,649,991)	\$279,623,949
TOTAL LIABILITIES AND ACCOUNT BALANCE	\$627,776,233	\$632,385,089



STATEMENTS OF ACTIVITIES & CHANGES IN NET ASSETS

Modified Cash Basis (UNAUDITED)	For The Years Ended			
	AUTO 12/31/2023	ALL OTHER 12/31/2023	TOTAL YTD 12/31/2023	PREVIOUS YTD 12/31/2022
REVENUE				
Assessments	-	342,437,238	342,437,238	490,000,000
Estate Distributions	7,197,735	119,667,305	126,865,040	154,300,623
Interest Income, (Net)	25,835	18,955,524	18,981,359	1,766,808
TOTAL REVENUE	\$7,223,570	\$481,060,067	\$488,283,637	\$646,067,431
EXPENSES				
Claims Paid	2,608,357	689,558,288	692,166,645	296,260,432
Claims Handling Fees	63,224	27,145,928	27,209,152	11,105,430
Returned Premium	521	25,775,207	25,775,728	357,426,704
Direct Estate Expenses	1,530	189,938	191,468	738,054
Interest Expense	-	21,483,586	21,483,586	7,196,658
Bond Issuance Cost	-	351,282	351,282	-
General & Admin Expenses	28,818	6,350,898	6,379,716	4,221,043
TOTAL EXPENSES	\$2,702,450	\$770,855,127	\$773,557,577	\$676,948,321
Change In Net Assets	4,521,120	(289,795,060)	(285,273,940)	(30,880,890)
NET Assets - Beginning of Period	49,375,361	230,248,588	279,623,949	310,504,839
NET ASSETS - END OF PERIOD	\$53,896,481	(\$59,546,472)	(\$5,649,991)	\$279,623,949

BOARD OF DIRECTORS

The FIGA Board of Directors is comprised of **nine (9)** members who meet at least semi-annually to discuss the operations of the Association. Board members are elected to four-year terms and may be reappointed. The Florida Chief Financial Officer approves and appoints to the Board individuals recommended by the member insurers following an election process. Florida Statute 631.56 provides additional information about the Board.

The Board's 2023 meetings, as required by the Plan of Operation (available on FIGA's website), were held on February 28, 2023, March 31, 2023, May 31, 2023, August 28, 2023, and December 11, 2023. In addition, the Board has a Finance & Audit Committee which met May 30, 2023, and December 7, 2023. Participation at the meetings is always welcome. For information about upcoming meetings please call the Association (850) 386-9200 or visit the website.

At the December 11, 2023 Board meeting, the \$7.1 million general and administrative budget for 2024 was approved. This was a 41.0% increase from the 2023 budget, and reflected additional staff needed to move litigated claims in-house for better management.

The fieldwork for the annual Independent Financial Audit performed by Thomas Howell Ferguson P.A. commenced in November with a target date for completion during the 1st quarter of 2024. The unaudited Financial Statements as of December 31, 2023 are included in this report. Copies of the Audited Financial Statements will be available on the Association's website upon completion.





Below is a listing of the FIGA Board of Directors for the 2024 year. At the 2022 Annual Meeting Kimberly Blackburn, Pamela Matthews and Paula Lutes were elected to two-year terms as Chair, Vice Chair and Secretary-Treasurer, respectively. Pamela Matthews also serves as the Finance & Audit Committee Chair.

FIGA OFFICERS	AFFILIATION
Kimberly Blackburn	Chairman - Florida Farm Bureau Casualty Insurance Company
Pamela G. Matthews	Vice Chairman – United Services Automobile Association
Paula Lutes	Corporate Secretary / Treasurer - State Farm

MEMBERS	AFFILIATION
Pending Approval	United Fire & Casualty Insurance Company
Ray Waugh	Nationwide Mutual Insurance Company
Renè Hernández	Travelers Property Casualty Insurance Company
Charles Lydecker	Citizens Property Insurance Corporation
Carly A. Hermanson	Allstate Insurance Company
Brent Brummer	Florida Family Insurance

FINANCE & AUDIT COMMITTEE	AFFILIATION
Pamela G. Matthews	United Services Automobile Association
Ray Waugh	Nationwide Insurance Company
Brent Brummer	Florida Family Insurance

RECAP OF STATUTES + IMPORTANT LINKS

2023 LEGISLATION

Chapter 2023-15 (HB837 / SB236) repealed Section 627.428, Florida Statutes, to eliminate one way attorney fees and assignment of benefit for all lines of insurance. It also eliminated Section 631.70, FIGA's denial by affirmative action statute, to ensure FIGA is not on worse footing as all other insurers.

The 2023 repeal of Section 627.428, Florida Statutes, above essentially expanded the elimination of one-way attorney fees and assignment of benefits passed in 2022 Special Session Senate Bill 2A from only residential and commercial property claims to all lines of business. The elimination of one-way attorney fees and assignment of benefits will have a positive impact on FIGA, and the industry as a whole, by reducing frivolous suits aimed to generate attorney fees. The elimination should also have an indirect benefit to FIGA by reducing the significant negative financial impact the industry has experienced for several years from lawsuits, and potentially reduce the number of insolvencies going forward.

Chapter 2023-144 (HB487 / SB1158) revised Section 631.56, Florida Statutes relating to the FIGA Board of Directors. The revisions allow the Chief Financial Officer to appoint other persons with property and casualty or motor vehicle insurance experience to the FIGA Board and makes FIGA Board members subject to the code of ethics in Chapter 112, Part 3. Chapter 2023-144 also revised Chapter 631, Part I relating to statutes governing rehabilitation and liquidation process. The revisions allow the preservation of rights and interests of policyholders impacted by receiverships.

FIGA STATUTES

- 631.51 Purposes
- 631.52 Lines of Business Covered by FIGA
- 631.55 Auto & All Other Insurance Accounts
- 631.56 Board of Directors
- 631.57 [1] Coverage Limits
- 631.57 [3] Assessments
- 631.271 Priority of Claims

IMPORTANT LINKS

www.agfgroup.org

www.figafacts.com

<http://www.myfloridacfo.com/division/receiver>

www.ncigf.org



- [1] Provide a mechanism for the payment of covered claims under certain insurance policies to avoid excessive delay in payment and to avoid financial loss to claimants or policyholders because of the insolvency of an insurer;
- [2] Assist in the detection and prevention of insurer insolvencies.
- [3] Create a nonprofit corporation to administer and supervise the operation of such association; and
- [4] Assess the cost of such protection among insurers.

FLORIDA STATUTE 631.51

PURPOSE



-  P.O. BOX 14249
TALLAHASSEE, FL 32317
-  (850)386-9200
TOLL FREE: (800)988-1450
-  www.figafacts.com