



FLORIDA INSURANCE GUARANTY ASSOCIATION

2024 ANNUAL REPORT



01 OVERVIEW & HISTORY

2024 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

2024 Liquidations
United Property & Casualty Insurance Company
Discharged Estates

08 FUNDING SOURCES

Assessments
Estate Distributions
Funding Sources 2020-2024



11 CLAIMS ACTIVITY

Open Claims
Net Paid on Claims

13 FINANCIAL INFORMATION

Statements of Financial Position
Statements of Activities & Changes in Net Assets

16 BOARD OF DIRECTORS

2024 OVERVIEW

Guaranty Fund legislation was enacted in Florida in 1970 to ensure that insurance contracts would be honored, even when an insurance company fails. The Florida Insurance Guaranty Association ("FIGA" or "Association") serves as the insurance safety net for policyholders and claimants. For over five decades FIGA is still protecting Florida policyholders following an insurance company failure, and continues 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 7,517 open claims, received 2,373 new claims, and closed 6,454 claims, ending the year with 3,436 open claims. In 2024, there were three [3] insurance companies liquidated across the United States, none impacting FIGA.

Every liquidation has unique challenges, but working together with the domiciliary state liquidation offices with coordination from the National Conference of Insurance Guaranty Funds minimizes disruptions to policyholders and claimants. Our efforts have focused on making sure Florida claimants and policyholders have the information they need about the liquidation process and that claims are paid timely and accurately.

United Property & Casualty Insurance Company, liquidated in 2023, continued to have a major impact on FIGA throughout 2024. 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

OVERVIEW + HISTORY

total number of claims grew from 15,140 on the date of liquidation, to 24,875 as of December 31, 2024, with total incurred losses of \$720 million. **In 2024 alone, FIGA received 1,384 new United P&C claims that increased incurred losses by \$263.7 million.** FIGA reported 1,944 open United P&C claims with reserves of \$75 million as of December 31, 2024.

In addition to United P&C, FIGA continued to resolve claims from the unprecedented six [6] insolvencies that occurred in 2022. 2022 insolvency claims increased by 964, from 21,479 in 2023 to 22,443 in 2024 with an accompanying \$87.5 million increase in incurred losses. The total number of claims for the seven [7] 2022 and 2023 liquidations were 47,318 with **\$1.6 billion** in incurred losses.

FIGA's total liability for the seven [7] 2022-2023 insolvencies exceeded \$1.6 billion, funded by \$321.1 million in assessment proceeds, \$427.7 million in distributions from new and existing estates and \$27.4 million in investment income. FIGA obtained \$600 million in bond financing in 2023. No addition funding was needed in 2024.

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 51 open claims, received 3 new claims, closed 23, and ended the year with 31 claims pending. The Auto Account had a total liability of **\$389 thousand** at year-end.

OVERVIEW + HISTORY

All Other Claims Account

The All Other Account had no 2024 insolvencies, however, the seven (7) 2022-2023 insolvencies continued to have a major financial impact on FIGA. There were 7,466 pending claims in the all other account (except auto) at the beginning of the year, 2,370 new claims were received and 6,431 were closed, resulting in 3,405 pending claims at the end of the year. All Other Claims Account liabilities at year- end total **\$145.7 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.

The FIGA is not responsible for all of the liabilities of an insolvent insurer. Florida Statutes govern the obligations including 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 [FS 631.57(2)]. Condominium association claims are limited to the lesser of policy limits or **\$200,000 times the number of residential units [FS 631.57(3a)]**. While this may not totally replace the insurance policy issued by the insolvent carrier, it does serve to mitigate the insurance consumer's losses.

Liabilities arising out of contracts for services between the insolvent company and a vendor pre-liquidation are handled by the Receiver and are not the responsibility of FIGA. The FIGA is also not liable for any penalties or interest [FS 631.57(4)].

The Merriam-Webster dictionary defines "safety net" as "something that helps someone who is in a difficult situation." The Florida Insurance Guaranty Association continues to strive to do just that - help policyholders and claimants by stepping in to pay claims and return unearned premiums when their insurance company has become insolvent.





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. FIGA covers multiple lines written by licensed property and casualty carriers in the State of Florida. FIGA covered workers' compensation insurance prior to the creation of the Florida Workers' Compensation Insurance Guaranty Association in 1997. All property and casualty insurers defined in Florida Statute 631.52 are automatically members of FIGA as a condition of their authority to offer covered 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.

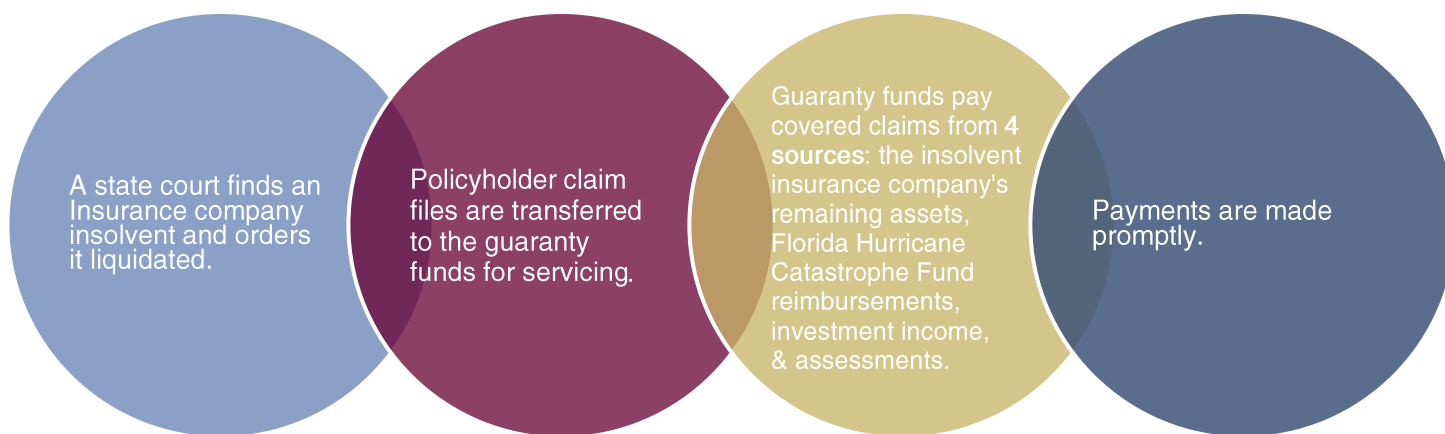


THE LIQUIDATION PROCESS

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

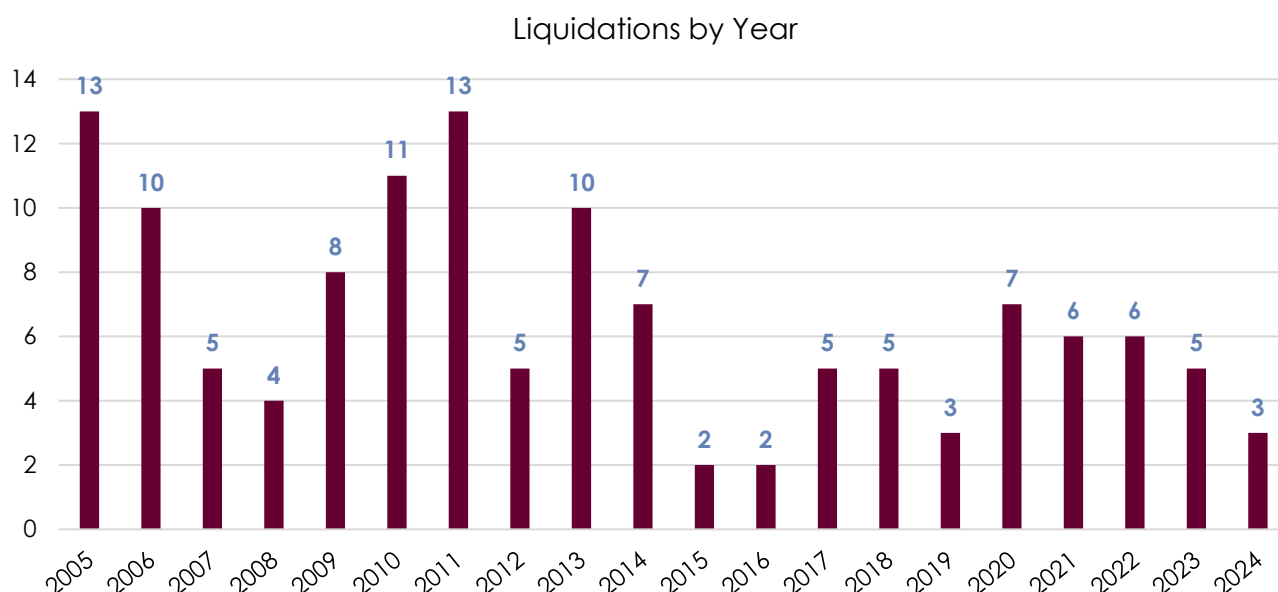
NCIGF is a not-for-profit organization whose members are the individual state guaranty fund associations. The NCIGF does not pay claims, but rather coordinates the multi-state claims-paying activities, monitors litigation that may affect multiple guaranty associations, and coordinates on legislative 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

2024 LIQUIDATIONS

Across the country there were **three** [3] liquidations during 2024 that impacted property and casualty guaranty funds: Wisconsin Reinsurance Corporation, 1st Auto and Casualty Insurance Company, and Go Insurance Company. All the new insolvencies were domiciled outside the state of Florida and none affected FIGA. Below is a chart providing the total number of liquidations by year from 2005 through 2024.



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, 2024, total claims reported grew to 24,875 with \$720 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

During 2024, no estates were discharged impacting FIGA.

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 an additional **\$2 million** funding during 2024. 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 an additional **\$5 million** funding during 2024. 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 an additional **\$39.5 million** funding during 2024. 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
2024	No Assessments levied	
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	

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, 2024, FIGA had bonds outstanding in the amount of **\$540 million**.



ESTATE DISTRIBUTIONS

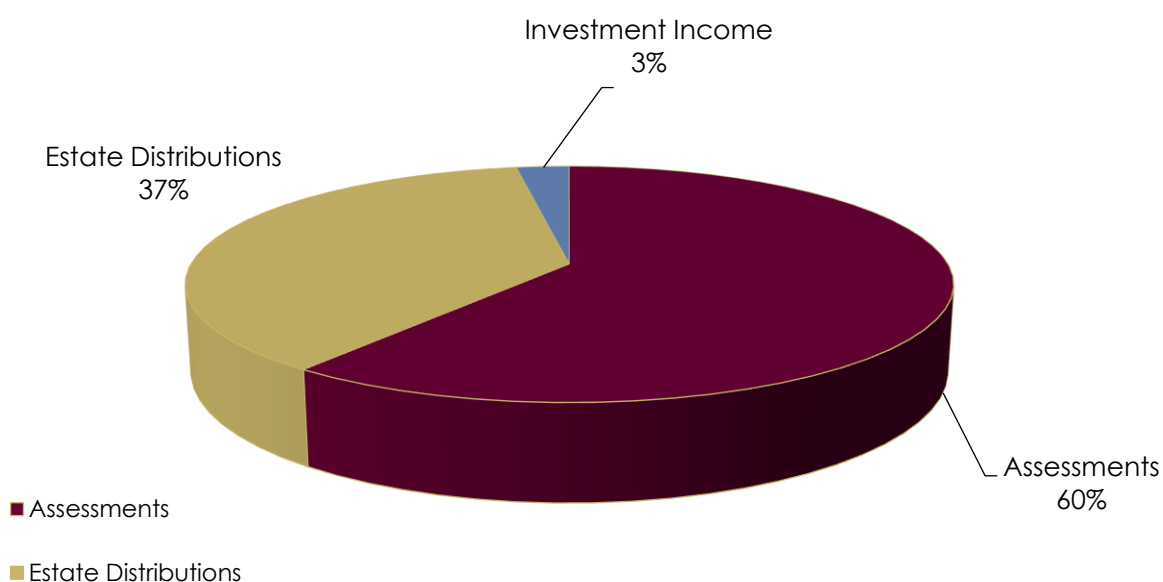
Receivers periodically review the assets and liabilities of each insolvent entity. If there are available funds to make partial distributions to creditors, the Receiver petitions the state court for approval. During 2024, FIGA received over **\$427 million** in estate distributions from **17 insolvencies**. Estate distributions include **\$262 million** received directly from the Florida Hurricane Catastrophe Fund for hurricane claims incurred by the insolvent companies.

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	2024	2023	2022	2021	2020	5-YR Total	5-yr %
Assessments	\$321,087,884	\$332,437,238	\$490,000,000	\$168,000,000	-	\$1,311,525,122	60%
Estate Distributions	\$427,722,841	\$126,865,040	\$154,300,623	\$69,895,786	\$25,365,306	\$804,149,597	37%
Investment Income	\$27,396,332	\$18,981,359	\$1,766,808	\$3,605,503	\$5,153,255	\$56,903,257	3%
TOTALS:	\$776,207,057	\$478,283,637	\$646,067,431	\$241,501,289	\$30,518,561	\$2,172,577,976	100%

Since 2020, **60%** of the FIGA funding has come from assessments, **37%** from estate distributions, and **3%** from investment income. For 2024, the funding sources were **55%** estate distributions, **41%** from assessments and **4%** investment income.

2020-2024 Funding Sources



CLAIMS ACTIVITY

At the beginning of 2024, the Association had **7,517 open** claims. During the year, **2,373** new claims were transferred to FIGA. A total of **6,454 claims** were closed during the year resulting in an open claim count of **3,436** at year end. Outstanding reserves for those claims was estimated at **\$146 million**.

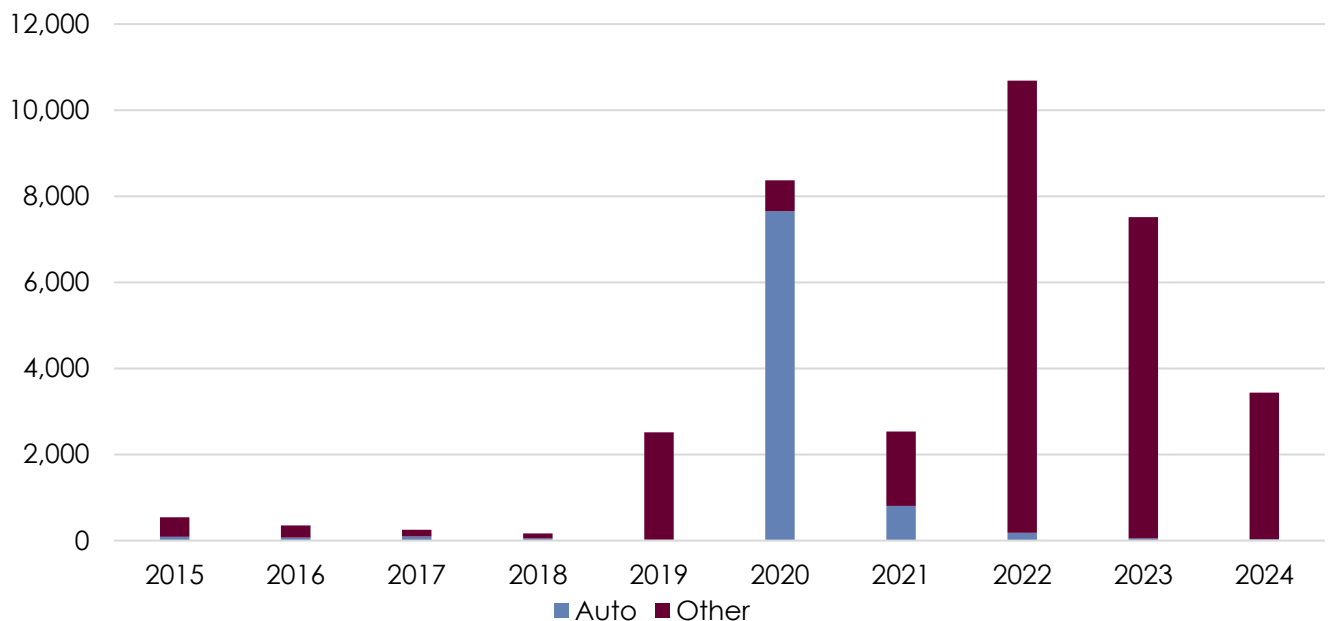
The total net paid on claims for 2024 was **\$510.4 million** compared to **\$745.2 million** in 2023. Loss payments totaled **\$498.2 million**, claim handling fee payments totaled **\$11.3 million**, and returned premium payments were **\$0.9 million**.

FIGA will make return or “unearned” premium payments for covered lines of business after the Florida Receiver completes its processing of the policy records and sends the unearned premium records to FIGA. Policyholders will be refunded only for the portion of unearned premium collected by the insolvent company. This may take several weeks or several months depending on the condition of the data at the insolvent insurance company. Payments were made on **sixteen (16)** different insolvent estates during the year.

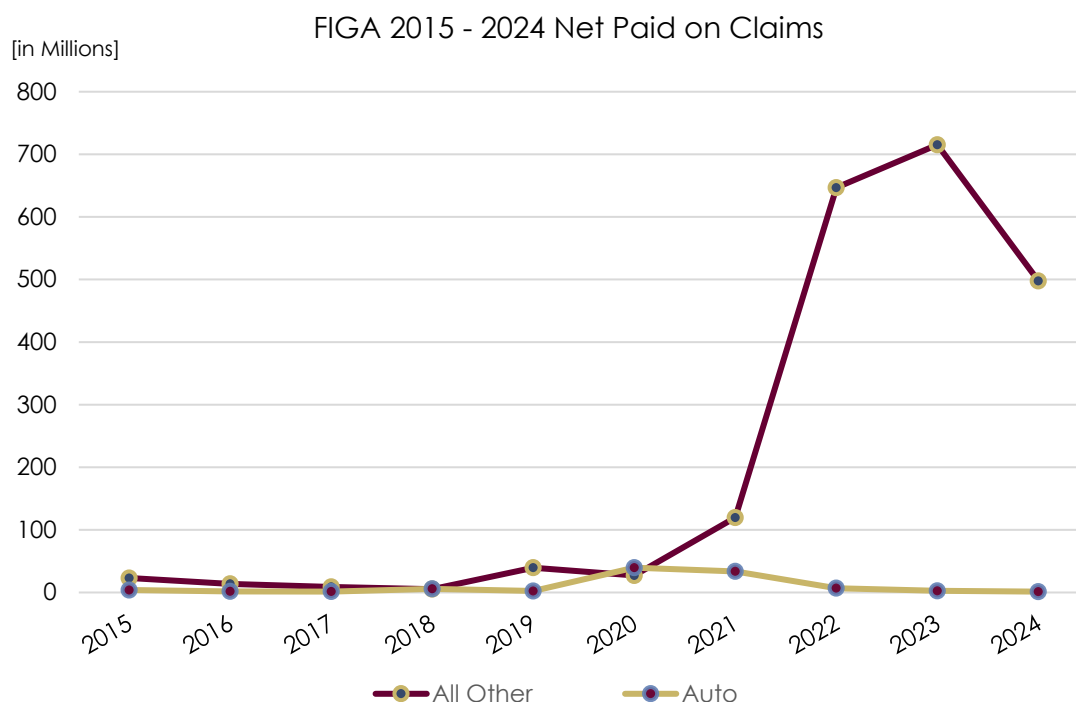
While there were no new insolvencies impacting FIGA in 2024, the 2022-23 insolvencies of United P&C, St. Johns Insurance Company [“St. Johns”], Avatar Property and Casualty Insurance Company [“Avatar”], Lighthouse Property Insurance Corporation [“Lighthouse”], Southern Fidelity Insurance Company [“SFIC”], Weston Property and Casualty Insurance Company [“Weston”], and FedNat Insurance Company [“FedNat”] continued to have a major impact on FIGA throughout 2024.

As previously noted, the total number of claims from the seven [7] 2022-23 insolvencies increased by 2,348, and total incurred losses **increased by \$351.2 million** in 2024. United P&C, liquidated February 27, 2023, reported the largest change with an increase of 1,348 claims and \$263.7 million in total incurred losses. FedNat, St. John's, Southern Fidelity, Avatar, Weston, and Lighthouse experienced increases in total incurred losses of \$15.4 million, \$21.4 million, \$26.4 million, \$17.1 million, \$3.7 million, and \$3.4 million, respectively.

FIGA 2015 - 2024 Open Claims



CLAIMS ACTIVITY



FIGA made an extraordinary effort to resolve claims during 2024, closing 6,454 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.

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 2024 were **\$146 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)	As of 12/31/2024	12/31/2023
ASSETS		
Cash On Deposit & Cash Equivalent	251,838,328	125,376,688
Restricted Cash & Cash Equivalents	112,392,388	168,209,222
Short Term Investments	179,193,587	21,615,944
TOTAL CASH AND SHORT-TERM INVESTMENTS	\$543,424,303	\$315,201,854
Assessment Receivable	230,997,607	291,694,531
Long Term Investments	99,942	7,780,682
Prepaid Bond Costs	1,524,997	1,935,505
Accrued Interest Income	1,151,895	190,498
Fixed Assets, Net	22,441	38,966
Building, Net	526,612	529,291
Land	310,000	310,000
Other Assets	558,685	417,251
TOTAL ASSETS	\$778,616,482	\$618,098,578
LIABILITIES AND NET ASSETS		
Bonds Payable	539,795,000	590,325,000
Premium on Bonds Payable	13,268,642	16,887,362
Accrued Interest	7,820,532	11,449,931
Assessment Loans	-	15,000,000
Accounts Payable	-	10,006
TOTAL LIABILITES	\$560,884,174	\$633,672,299
Auto Account Balance	56,553,815	53,904,132
All Other Account Balance	161,178,493	(69,477,853)
TOTAL NET ASSETS (LIABILITIES)	\$217,732,308	\$(15,573,721)
TOTAL LIABILITIES AND ACCOUNT BALANCE	\$778,616,482	\$618,098,578



STATEMENTS OF ACTIVITIES & CHANGES IN NET ASSETS

Modified Cash Basis (UNAUDITED)	For The Years Ended			
	AUTO 12/31/2024	ALL OTHER 12/31/2024	TOTAL YTD 12/31/2024	PREVIOUS YTD 12/31/2023
REVENUE				
Assessments	-	321,087,884	321,087,884	332,437,238
Estate Distributions	3,991,972	423,730,869	427,722,841	126,865,041
Interest Income, (Net)	41,572	27,354,760	27,396,332	18,981,359
TOTAL REVENUE	\$4,033,544	\$772,173,513	\$776,207,057	\$478,283,638
EXPENSES				
Claims Paid	1,330,370	496,848,545	498,178,915	692,166,646
Claims Handling Fees	23,458	11,294,496	11,317,954	27,209,152
Returned Premium	-	947,365	947,365	25,775,728
Direct Estate Expenses	1,705	72,212	73,917	191,468
Interest Expense	-	24,176,964	24,176,964	21,729,661
Bond Issuance Cost	-	391,367	391,367	351,282
General & Admin Expenses	18,862	7,473,341	7,492,203	6,057,371
TOTAL EXPENSES	\$1,374,395	\$541,204,290	\$542,578,685	\$773,481,308
Change In Net Assets	2,659,149	230,969,223	233,628,372	(295,197,670)
NET Assets - Beginning of Period	53,894,666	(69,790,730)	(15,896,064)	279,623,949
NET ASSETS - END OF PERIOD	\$56,553,815	\$161,178,493	\$217,732,308	\$(15,573,721)

BOARD OF DIRECTORS

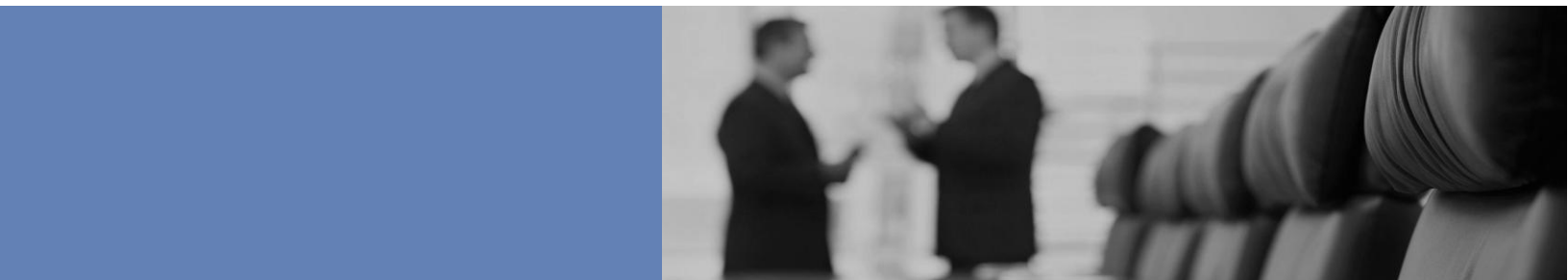
The FIGA Board of Directors is comprised of **nine (9)** members who meet at least semi-annually to discuss the operations of the Association. Board members are elected to four-year terms and may be reappointed. The Florida Chief Financial Officer approves and appoints to the Board individuals recommended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

The Board's 2024 meetings, as required by the Plan of Operation (available on FIGA's website), were held on April 25, 2024, July 11, 2024, and November 19, 2024. In addition, the Board has a Finance & Audit Committee which met April 24, 2024. 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 18, 2024 Board meeting, the \$8.5 million general and administrative budget for 2025 was approved. This was a 19.7% increase from the 2024 budget, and reflected additional staff needed to move litigated claims in-house for better management. Administrative expenses and claim handling fees represented less than 4% of the loss and unearned premium costs of the Association for 2024.

The Audit Committee Charter requires completion of a financial audit each year. The 2024 audit commenced in November 2024 with interim field work and is expected to be completed in the first quarter of 2025. The unaudited Financial Statements as of December 31, 2024 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.

FIGA OFFICERS	AFFILIATION
Kimberly Blackburn	Chairman - Florida Farm Bureau Casualty Insurance Company
Vacant	Vice Chairman
Vacant	Corporate Secretary / Treasurer

MEMBERS	AFFILIATION
Brent Brummer	Florida Family Insurance
Tom Gallagher	Peoples Trust Insurance Company
Charles Lydecker	Citizens Property Insurance Corporation
Jon Ritchie	American Integrity Insurance Group
Benjamin Treuil	Frontline Insurance
Ryan West	GEICO

FINANCE & AUDIT COMMITTEE	AFFILIATION
Jon Ritchie	American Integrity Insurance Group
Benjamin Treuil	Frontline Insurance
Brent Brummer	Florida Family Insurance

2024 LEGISLATION

Chapter 2024-140 (HB989 / SB1018) revised Section 631.59, Florida Statutes relating to Department of Financial Services powers, board contracts and purchases. The revision requires all contracts and purchases valued at or more than \$100,000 be approved by the Department. Additionally, all contracts and purchases valued at or more than \$100,000 requires competition through a formal bid solicitation process conducted by the Board.

2023 LANDMARK LEGISLATIVE REFORMS

Chapter 2023-15 (HB837 / SB236) effective March 24, 2023, repealed Section 627.428, Florida Statutes, to eliminate one way attorney's fees for all lines of insurance for causes of action initiated after its effective date. Additionally, SB 2-A amended Section 627.7152, Florida Statutes, to prohibit the assignment, in whole or in part, of any post-loss insurance benefit under any residential or commercial property insurance policy issued on or after January 1, 2023. It also eliminated Section 631.70, which provided that FIGA could be liable for attorney's fees if it denies a covered claim in whole or in part, by affirmative action, other than delay.

These significant legislative reforms have reshaped the Florida market in positive ways. New capital is being deployed in Florida, with 11 new property insurers approved to enter the market in the past 2 years. Property insurance litigation is trending downward; defense and cost containment expenses have been reduced and claims trends are showing improvement. FIGA can anticipate a direct benefit in the future from these historic reforms, once all claims it is handling are governed by the amended statutes. The elimination of one-way attorney's fees and the prohibition of the assignment of benefits under a residential or commercial property insurance policy will have a direct impact on FIGA, and the industry as a whole, by reducing frivolous lawsuits aimed at generating attorney's fees. These legislative changes should also have an indirect benefit to FIGA by reducing the significant negative financial impact the industry has experienced for several years from such frivolous lawsuits, which could potentially reduce the number of insolvencies going forward.

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



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