

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

| | |
|--|------|
| Chapter 1 FAJUA ADMINISTRATION AND RESPONSIBILITIES..... | 1-1 |
| A. Servicing Carrier | 1-1 |
| B. Florida Automobile Joint Underwriting Association | 1-1 |
| C. Participating Members General Description of Responsibilities..... | 1-1 |
| D. FAJUA Central Processor | 1-1 |
| Chapter 2 SERVICING CARRIER ACCOUNTING SERVICES TO INSURED | 2-1 |
| A. Cash Deposits | 2-1 |
| B. Partial Payment Receipts | 2-1 |
| C. Advanced Premium Collection/Unapplied Cash..... | 2-1 |
| D. Cancellation Initiated by the Servicing Carrier for Nonpayment of Premium | 2-2 |
| E. Cancellations initiated by a Premium Finance Company for Nonpayment of Premium..... | 2-2 |
| F. Unrecovered Earned Premium | 2-2 |
| G. Small Premium Receivable Balances +/- \$5 | 2-4 |
| H. Premium Receivable Balances which Are Ineligible for Charge Off | 2-4 |
| I. Loss of Premium Due to Default..... | 2-4 |
| J. Hurricane Catastrophe Fund Assessment (Hurricane CAT Fund)..... | 2-5 |
| K. Financial Responsibility Filing Fee | 2-5 |
| L. Forms..... | 2-5 |
| M. Verifying Coverage | 2-5 |
| Chapter 3 SERVICING CARRIER COMMISSION ACCOUNTS FOR CONTRACTED PRODUCERS..... | 3-1 |
| A. Producer Commissions | 3-1 |
| B. Suggested Statement Content | 3-1 |
| C. Statement Format..... | 3-1 |
| D. Return Commissions | 3-2 |
| E. Commissions for Terminated Producers | 3-2 |
| F. Loss of Premium Due to Default..... | 3-2 |
| G. Unearned Commission Collection Procedure | 3-2 |
| Chapter 4 . BANK OPERATIONS | 4-1 |
| A. Depository Account | 4-2 |
| B. Disbursement Account | 4-2 |
| C. IRS Requirements | 4-4 |
| D. Lines of Communication with the Banks | 4-5 |
| E. Daily Activity Bank Control | 4-5 |
| F. Bank Reconciliation | 4-5 |
| G. Servicing Carrier Bank Resolutions..... | 4-5 |
| H. Escheat Procedures | 4-5 |
| I. Closing Servicing Carrier Bank Accounts..... | 4-7 |
| J. Opening the Bank Accounts | 4-8 |
| K. Operating Procedures | 4-8 |
| L. Deposit Content | 4-9 |
| M. Disbursements..... | 4-9 |
| N. Closing the Bank Account | 4-9 |
| A. Deposit Content..... | 4-9 |
| B. Transfer to the FAJUA Central Bank | 4-9 |
| A. Disbursement Approval Authority | 4-10 |
| Chapter 5 ACCOUNTING AND STATISTICAL DETAIL RECORDS | 5-1 |
| A. Retention of Records | 5-1 |
| B. Written Premium Records | 5-1 |
| C. Loss Transaction Records..... | 5-1 |
| D. Premiums in Course of Collection Records..... | 5-1 |
| E. Commission Payment Records | 5-1 |
| F. Disbursement Records | 5-1 |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

| | |
|--|------|
| A. Premium Written Details | 5-2 |
| B. Commission Due Details | 5-2 |
| C. Loss Transaction Details | 5-2 |
| D. Allocated Loss Adjustment Expense Details | 5-2 |
| E. Statistical Agency Reports..... | 5-2 |
| Chapter 6 SERVICING CARRIER REPORTING TO THE FAJUA CENTRAL PROCESSOR | 6-1 |
| A. Accounting Ledgers | 6-1 |
| B. Accounting Reports | 6-1 |
| C. Servicing Carrier Unreconciled Differences for Reports Submitted to the FAJUA Central Processor | 6-2 |
| D. Servicing Carrier Responsibility for Internal Control..... | 6-2 |
| A. Servicing Carrier Responsibility..... | 6-2 |
| B. Servicing Carrier Data Submission..... | 6-3 |
| C. Monthly Reports..... | 6-3 |
| D. Quarterly Reports | 6-6 |
| E. Annual Reports | 6-8 |
| Chapter 7 SERVICING CARRIER REPORTING TO THEIR INDEPENDENT STATISTICAL AGENCY | 7-1 |
| A. Statistical Data Reporting – Statistical Agent | 7-1 |
| B. Unique Company Code | 7-1 |
| C. TPA Requirements and Claims Administrator Requirements | 7-1 |
| Chapter 8 PARTICIPATING MEMBERS INSTRUCTIONS ON REPORTING FAJUA RESULTS ON ANNUAL STATEMENT | 8-1 |
| A. FAJUA Reports Rceived..... | 8-1 |
| B. Assessments Due..... | 8-3 |
| C. Excessively Small Shares of Assessments Due | 8-4 |
| D. Annual Membership Fee | 8-4 |
| E. Hurricane Catastrophe Fund (Hurricane CAT Fund)..... | 8-4 |
| F. Florida Excessive Profits Reports..... | 8-4 |
| Chapter 9 FLORIDA JOINT UNDERWRITING ASSOCIATION ACCOUNTING BOOKS, CONTROLS, AND RECORDS | 9-1 |
| A. Accounting Ledgers | 9-1 |
| B. Chart of Accounts | 9-1 |
| C. Accounting Entries to Ledger Accounts | 9-2 |
| Chapter 10 FLORIDA JOINT UNDERWRITING ASSOCIATION REPORTS | 10-1 |
| A. Monthly and Year-to-Date Reports..... | 10-1 |
| B. Quarterly Reports | 10-1 |
| C. Annual Reports..... | 10-1 |
| Chapter 11 BASIS OF FLORIDA JOINT UNDERWRITING ASSOCIATION EXPERIENCE DISTRIBUTION TO PARTICIPATING MEMBERS COMPANIES..... | 11-1 |
| A. Voluntary Experience Used To Determine Participation Ratios..... | 11-1 |
| B. Participation Ratio Calculation..... | 11-1 |
| C. Assessment Procedure | 11-1 |
| D. Non-Policy Year Oriented Expenses and Income | 11-2 |
| E. Adjustment to Minimum Servicing Carrier Fee..... | 11-2 |
| Chapter 12 FLORIDA JOINT UNDERWRITING ASSOCIATION SERVICING CARRIER – FEE SETTLEMENT PROCEDURE | 12-1 |
| A. Verification Process..... | 12-1 |
| B. Verification Process for TPA – Minimum Fee..... | 12-1 |
| C. Fee Check Procedure..... | 12-1 |
| D. Minimum Fee | 12-1 |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

| | |
|--|------|
| Chapter 13 LATE AND/OR ERRONEOUS REPORTING BY THE SERVICING CARRIERS | 13-1 |
| A. Method of Determining a Late Submission | 13-1 |
| B. Method of Determining an Erroneous Submission..... | 13-1 |
| Chapter 14 RUN-OFF AND INSOLVENCY PROCEDURE..... | 14-1 |
| A. Run-Off Procedure..... | 14-1 |
| B. Insolvency Procedure | 14-1 |
| C. Rehabilitation Procedures | 14-2 |
| Chapter 15 POLICY YEAR CLOSEOUT | 15-1 |
| A. Closeout Policy | 15-1 |
| B. Subsequent Activity | 15-1 |
| C. Settlement of Liability | 15-1 |
| Chapter 16 BANK FAILURES - PROCEDURES TO BE FOLLOWED | 16-1 |
| A. Potential Bank Failures..... | 16-1 |
| B. Bank Failures..... | 16-1 |
| Chapter 17 DISCONTINUING MEMBER SERVICING CARRIER AND THIRD PARTY ADMINISTRATOR'S HIRED BY THE APPOINTED SERVICING CARRIER..... | 17-1 |
| A. Responsibilities of Discontinuing Member Servicing Carrier and TPA(s) | 17-1 |
| B. Compensation..... | 17-1 |
| C. Impairments/Insolvency..... | 17-1 |
| D. Other Reference Materials | 17-2 |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

Chapter 1
FAJUA ADMINISTRATION AND RESPONSIBILITIES

As defined in ARTICLE VII of the Articles of Association, the Board will appoint a General Manager and necessary subcommittees, as appropriate. For the purposes of the Articles of Association, the Principles of Operation, and other Association manuals, including the Accounting and Statistical Requirements Manual, the following definitions shall apply:

- “Appointed servicing carrier” means the Association operating with a certificate of insurance.
- “Member servicing carrier” means a participating insurer appointed by the Board to serve as a JUA servicing carrier.
- “Servicing carrier” means both a “member servicing carrier” and an “appointed servicing carrier”.
- “Third Party Administrator (TPA)” means a service provider under contract to the appointed servicing carrier to provide policy processing and handling of claims. A TPA is not authorized or licensed as an insurance company and cannot operate as a servicing carrier.

All servicing carriers must comply with all applicable insurance regulations and Florida statutes.

This chapter will provide the general responsibilities of the various groups involved in the operations of the FAJUA.

A. Servicing Carrier

1. Provide fine quality service to Association insureds and appointed producers
2. Bill and collect premiums when due
3. Disburse funds when due
4. Handle claim transactions including claim payments, recording reserves, collecting subrogation/salvage recoveries
5. Handle proper producer compensation action
6. Code and prepare data processing input for necessary transactions
7. Maintain all necessary controls, books, ledgers and data sets required
8. Prepare needed accounting and data processing reports
9. Prepare and report accurate statistical data to their statistical agent
10. Institute a compliance program in accordance with regulations promulgated by the Office of Foreign Assets Control (OFAC)

B. Florida Automobile Joint Underwriting Association

1. Disburse funds when due
2. Bill and collect assessments when due
3. Prepare consolidated reports for participating members
4. Allocate participation experience and report shares to the participating members
5. Maintain all necessary controls, books, ledgers, and data sets required

6. Prepare needed accounting and data processing reports
7. Invest all available funds
8. File necessary NAIC forms to comply with NAIC reporting requirements
9. If authorized as the appointed servicing carrier, may contract with one or more third party administrators to obtain services needed for policy processing and claim handling

C. Participating Members General Description of Responsibilities

1. Record on their books as direct business by policy year their share of allocated participation experience
2. Remit assessments when due
3. Pay taxes and Board, Bureau and Association expenses according to allocated participation experience
4. Report their voluntary data directly to the FAJUA Central Processor if the member has failed to report such data to a statistical agent

D. FAJUA Central Processor

The FAJUA Central Processor is appointed by the Board to carry out the volume of functional and clerical work required at the FAJUA consolidating level. The functions performed by the FAJUA Central Processor include:

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

1. Data Processing
 - a. Receipt of servicing carrier data reporting
 - b. Assessment/equity determination and reporting
 - c. Receipt, consolidation, and validation of statistical data
2. Accounting Functions
 - a. Entries into books, ledgers and controls
 - b. Verification of report validity, both reports received from servicing carriers and reports generated by the FAJUA Central Processor
 - c. All necessary disbursement and collection action of FAJUA funds
 - d. Allocate miscellaneous income and expense amounts to the appropriate year
3. Actuarial Assignments
 - a. Calculation of the premium deficiency reserve in accordance with NAIC requirements
 - b. Calculation of anticipated salvage and subrogation in accordance with NAIC requirements
 - c. Perform ratemaking activities annually in accordance with Florida statutes
 - d. By mutual agreement, perform additional actuarial services as authorized by the Association
4. Plan Rules and Rates Manuals
 - a. Maintain, distribute, and publish all FAJUA manuals, including the Plan of Operations, Underwriting Manual, Accounting and Statistical Requirements, and Claims Guidelines
 - b. Develop and prepare proposal changes to manuals, and ensure announcements are developed and distributed
 - c. Monitor all necessary manual approvals as required by Florida statutes
 - d. Ensure the latest manuals, revisions and announcements are published on AIPSO.com

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

Chapter 2
SERVICING CARRIER ACCOUNTING SERVICES TO INSURED

Each servicing carrier will ensure all accounting services to insureds are rendered in a professional and courteous manner, handled with the highest quality, and punctuality in administering the services needed to accomplish insurance transactions in compliance with Florida Statutes.

All policies, renewal extensions, endorsement changes, billings and notices will be issued by the servicing carrier and forwarded to the producer, or directed to the insured with simultaneous notice to the producer of record. All accounting records for FAJUA insureds will be properly maintained and controlled by the servicing carrier.

A. Cash Deposits

The servicing carrier shall timely deposit all premiums collected into the designated bank account. When applying the premium deposit to the policy, the funds should be applied to any applicable service charges or other fees first, with the remaining amount applied to the premium receivable.

B. Partial Payment Receipts

Monthly installments will be issued on the same date as the effective date of the policy. A partial payment equal to or greater than 90% of the invoice amount will be accepted and the balance added to the next installment. If there are no additional installments, the servicing carrier will send an invoice for the balance of the premium. Partial payments on installments of less than 90% of the installment will not be accepted. Partial payments will be applied to the policy and the servicing carrier will immediately issue a Notice of Cancellation within 5 calendar days of receipt of the partial payment. The policy will be canceled 10 days from date of notice, unless the insured rectifies the short payment.

Nonacceptance of any partial payments other than new business and renewals by a servicing carrier will occur only in the unusual circumstance when the insured/producer abuses the payment plan(s) offered.

Each servicing carrier will establish a procedure for effective billing and collection follow-up efforts for premium payments due from FAJUA policyholders. The servicing carrier's billing cycle for installment payments shall provide for a due date that will allow the policy to be cancelled on a date prior to the date there is no pro rata earned premium remaining.

C. Advanced Premium Collection/Unapplied Cash

Payments received and deposited in the bank, not applied to a policy because the policy is not in effect or the policy has not been set up on the servicing carrier's system, must be treated as either advanced premium collected or unapplied cash.

1. Advanced Premium Collection

Advanced premium collection occurs when a payment is received in a month prior to the policy effective date. Per the NAIC, policies cannot be recorded as written premium until their effective date. Since billings occur before the policy effective date, the servicing carrier often receives cash in a month prior to the effective date of the policy. A servicing carrier must record the payment as premium collection on the depository cash analysis in the month the cash was received. In addition, at least at quarter-end, the servicing carrier must determine all cash received for policies which have future effective dates after quarter end. This amount is recorded as advanced premium collection on the depository cash analysis. The FAJUA Central Processor will establish a liability for advanced premium collection and an increase to the premium receivable account. This entry will be reversed in the first month of the subsequent quarter. Servicing carriers are not required to record this entry for advanced premium collection.

2. Unapplied Cash

Unapplied cash occurs when a payment is received on a policy which is effective but is not yet set up on the system or the general ledger. This could be due to timing or the servicing carrier's need for additional information to write the policy. Per the NAIC, cash received which the insurer cannot apply to a policy at the time received must be recorded as a liability. The servicing carrier must record the cash receipt as premium collection on the depository cash analysis in the month the cash was received. In addition, at least at quarter-end, the servicing carrier must determine all cash received for policies which have not been established on the system or general ledger by quarter end. This amount is reported as unapplied cash on the depository cash analysis. The FAJUA Central Processor will establish a liability for unapplied cash and increase the premium receivable account. This entry will be re-

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

versed in the first month of the subsequent quarter. Servicing carriers are not required to record this entry for unapplied cash.

D. Cancellation Initiated by the Servicing Carrier for Nonpayment of Premium

If an insured defaults in payment of his premium, the policy will be cancelled for nonpayment. Servicing Carrier's will comply with cancellation statutes as provided by Florida Law. Servicing Carrier's must take every precaution to avoid providing insurance protection without collecting the appropriate premium. If, after processing the cancellation, there remains a premium receivable balance (indicating that earned premium has exceeded premium collections), the servicing carrier will be responsible for following their established collection procedures in attempting to collect from the insured. Any uncollected earned premium balance that results in a write-off must be supported by collection follow-up effort documentation. When a balance write-off of uncollected premium is necessary, it will represent an expense charged to the participating members.

If collection procedures include fees payable to a collection agency, the fees will be borne by the FAJUA. The method of recording collection fees will depend on whether or not there was a recovery as a result of the collection activity and whether they are paid with FAJUA funds or voluntary funds.

1. Collection fees netted with a recovery:

The recovered funds (net of collection fees) should be reported on the Depository Cash Analysis as premium collected. In addition, the amount of collection expenses associated with the recovery will be reported as a debit to Collection Expense and a credit to the Premium Receivable lines of the Miscellaneous Journal Voucher Exhibit.

If the recovered amount was previously charged off, the gross amount recovered should also be reversed from the Statistical Summary Premium Charge-off line. This entry is not required if the outstanding balance was not previously charged off.

2. Collection fees not associated with a recovery of funds:

a. Option 1 – Collection expenses may be paid directly using the servicing carrier disbursement bank account. This expense should be reported on the Collection Expense line of the Disbursement Cash Analysis.

b. Option 2 – Collection expenses may be paid using voluntary funds. In this case the servicing carrier should reimburse the voluntary company with funds from the servicing carrier disbursement account. An entry should be recorded on the Collection Expense line on the Disbursement Cash Analysis to record this reimbursement. Reimbursements of collection expenses incurred by the voluntary company must be done at least quarterly.

E. Cancellations initiated by a Premium Finance Company for Nonpayment of Premium

The servicing carrier will process cancellations in compliance with the Florida Statutes. The servicing carrier must take every precaution to avoid providing insurance protection without collecting the appropriate premium.

When a request to cancel a policy is received from a premium finance company (PFC), the cancellation is to be processed within five (5) days of receipt. Cancellation is on a short rate basis and must be returned to the premium finance company within 30 days of the request to cancel. A notice to the named insured and the producer shall state the amount of the return premium.

PFC contracts give the PFC the authority to act on behalf of the named insured to cancel policies. Policies cancelled at the request of the named insured are cancelled short rate.

A premium finance company's notice advising that a cancelled policy may be reinstated because a late payment was made by the named insured to the premium finance company will not be honored by the FAJUA servicing carrier.

The FAJUA does not reinstate policies when payments are received late. This includes invoices for endorsements, the FAJUA Pay Plan, and premium financed policies.

F. Unrecovered Earned Premium

Earned premiums left unrecovered as a result of a member servicing carrier's failure to follow processing standards, collection procedures, or its failure to implement a billing cycle that provides a cancellation date prior to the

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

premium due date, will not be eligible for charge-off to the FAJUA. Ineligible charge-offs will be as follows:

1. Renewal Policies

Premium earned on a renewal policy when the insured has neither requested nor paid for the renewal coverage.

Note: This type of charge-off occurs when coverage is allowed to continue into the renewal period because there is an outstanding balance owed under the expiring policy. The charge-off is permissible for coverage earned but not paid under the prior term, if the servicing carrier has followed its established collection procedures. However, premiums earned, but not paid under the renewal policy cannot be charged off.

2. Undisputed Premium

Unrecovered earned premium resulting from policy cancellation for nonpayment, where there is no premium dispute, when the cancellation effective date occurs more than 30 days after the balance due date of the first unpaid bill. If an additional premium endorsement is processed before a cancellation notice is issued, the due date of the revised premium bill will be considered the first unpaid bill. Any premium earned after the 30th day following the balance due date, plus the number of days' notice required, will not be eligible for charge-off.

Note: Premiums earned prior to the 61st day following the effective date for new business and renewals shall be eligible for charge-off if the premium earned was not collected because of (1) a shortage in the down payment; provided that for personal auto the servicing carrier gives 10 days' notice for payment of the additional premium. A notice of cancellation shall be mailed no later than 6 calendar days after the shortage was determined. The cancellation notice shall provide for cancellation 18 calendar days from the date of mailing and includes 4 days for mailing. The cancellation for shortage would therefore be effective 24 calendar days after the date the shortage was determined to exist. All commercial auto policies providing personal injury protection must be

cancelled no later than the 61st day to be eligible for charge-off. Policies that do not provide personal injury protection shall be cancelled by the usual method for nonpayment because they are not subject to the above criteria.

3. Disputed Premium

Unrecovered earned premium resulting from policy cancellation for nonpayment, if there is a premium dispute, when the cancellation effective date occurs more than 45 days after the balance due date of the first unpaid bill. If an additional premium endorsement is processed before a cancellation notice is issued, the due date of the revised premium bill will be considered the first unpaid bill. Any premium earned after the 45th day following the balance due date, plus the number of days' notice required, will not be eligible for charge-off. A difference in premium quoted and actual premium written shall be considered disputed if the servicing carrier's files document the dispute in the form of a written complaint from the insured or written documentation sufficient to explain the insured's discussion with the servicing carrier.

4. Collection Procedures

Servicing carrier shall implement a collection procedure which contains a minimum of the following requirements to protect the assets of the FAJUA.

Earned uncollected premiums of \$50 or less need not be referred to a collection agency.

Collection practices of a servicing carrier include the following minimum standards:

- a. A letter to the insured requesting immediate payment of the outstanding earned premium balance shall be mailed a maximum of 15 days after the cancellation effective date. The servicing carrier shall provide a copy of the letter to the producer or provide the producer with notification of non-payment by other correspondence.
- b. For policies subject to a final premium audit after policy expiration or cancellation, at least one letter requesting payment issued within 15 days following the premium due date of the final premium audit bill. The servicing carrier shall provide a copy of the letter to the producer or provide the producer with notification

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

of non-payment by other correspondence.

For all risks, once collection is turned over to an attorney or a collection agency, the commission on the additional audited premium will not be paid to the producer including when the servicing carrier is successful in collecting the additional premium. Any commission not paid to a producer due to uncollected additional audited premium will be reversed from commission written on the Statistical Summary Control Report and will not be charged-off.

Each servicing carrier shall develop specific written procedures to satisfy itself that ineligible charge-offs are not submitted to the FAJUA Central Processor. These procedures will be reviewed during the servicing carrier compliance audit.

- c. Failure to timely cancel a policy within the first 60 days of the effective date at the insured's request, in accordance with the cancellation provisions of Section 627.7295(3) Florida Statutes.
5. Premium earned but not collected because of a shortage in an installment or a midterm additional premium is not collected or the coverage terminated within 40 calendar days after the servicing carrier has determined that a shortage exists or a midterm additional premium has been developed.
6. Premium earned but not collected because of suspension or improper extension of the due date on midterm installments billing notices due to a nonpremium endorsement.
7. Earned premium balances owed to premium finance companies or collection agencies owned by, or under common ownership with, a servicing carrier.
8. For policies subject to audit, once the audit premium is developed, if the servicing carrier fails to follow established collection procedures, fails to conclude the audit within 60 days after expiration of the policy, or fails to bill within 21 days for additional premium developed by the audit.

9. Earned uncollectible premiums otherwise eligible for charge off, that have remained unreported on the Statistical Summary report for more than 120 days after becoming delinquent.

If a servicing carrier is required to reverse the charge-off, the expense involved will not be chargeable to the participating members. In addition to the reversal entry on the servicing carrier Statistical Summary Report, the servicing carrier will be required to deposit funds from its corporate account in the amount equal to the reversed charge-off into its FAJUA depository account and to include that deposit under premium collections on the servicing carrier's Cash Analysis.

G. Small Premium Receivable Balances +/- \$5

To avoid unnecessary collection or refund efforts on amounts owed to/from a policyholder, at the expiration of the policy, the servicing carrier may write off their balances for amounts under +/- \$5 which remain on the policyholder's account. The servicing carrier will charge off these balances automatically without notice to the policyholder as an eligible premium charge off and report them on the Statistical Summary Report.

H. Premium Receivable Balances which Are Ineligible for Charge Off

If a servicing carrier has a premium receivable balance they determine is not eligible for charge off, the expense associated with this uncollected balance will be borne by the servicing carrier and not the FAJUA. The servicing carrier will be required to deposit funds from its corporate account into its depository servicing carrier account and to include that deposit under premium collections on the servicing carrier Depository Cash Analysis.

I. Loss of Premium Due to Default

When an insured has paid their premium to an appointed producer of a servicing carrier (provided the insured's bank has honored the check or the insured presents a valid receipt for a cash payment), the servicing carrier will properly credit the insured's policy even if the producer defaults on remitting the payment to the servicing carrier.

Any credits due the producer/agency for future commissions will be frozen and used to off-set the default amount of the individual policy(s) involved. When the default amount exceeds the producer's/agency's future commission credits,

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

the netted default amount will be separately reported to the FAJUA by the servicing carrier as an expense that will be shared by all participating members. When the default amount is exceeded by the producer's/agency's future commission credits, a netted commission remittance will be sent to the producer/agency along with an explanatory letter detailing the action taken. A servicing carrier will be responsible for taking normal collections procedures when dealing with a producer/agency that has defaulted. If the balance due was substantial, the legal expense incurred will have prior approval of the Board of Governors.

Note: A producer/agency failing to remit commissions would also be considered in default and the above procedures would apply.

policyholder data base during the hours 8:30 A.M. to 4:30 P.M. eastern time.

In lieu of providing online access, servicing carriers may implement procedures which will respond to inquiries within four business hours. Procedures utilizing electronic mail, facsimile, telephone, or on-line remote terminal inquiry are appropriate.

J. Hurricane Catastrophe Fund Assessment (Hurricane CAT Fund)

Servicing carriers are responsible for surcharging policies in compliance with the Hurricane Catastrophe Fund Assessment (Hurricane CAT Fund). The surcharge must be collected and remitted to the Association when the policy is written. The FAJUA Central Processor is responsible to consolidate the servicing carrier results and remit the assessment due in accordance with the state requirements. Servicing carriers should record the FL Hurricane CAT Fund surcharge on the Statistical Summary Control and Depository Cash Analysis as appropriate.

K. Financial Responsibility Filing Fee

Servicing carrier are responsible for processing any financial responsibility filings as required by Florida regulation. The policy should be surcharged to recover from the policyholder the fee associated with this filing.

Servicing carriers should record the filing fee as premium written and premium collected as appropriate.

L. Forms

Forms used by the servicing carrier in the performance of accounting services to residual insureds will be in a format consistent with the form's data elements contained in the Forms Manual.

M. Verifying Coverage

The FAJUA office receives inquiries seeking to ascertain existence of coverage for particular insured(s). In order to respond, servicing carriers are required to provide online access to their

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

Chapter 3

SERVICING CARRIER COMMISSION ACCOUNTS FOR CONTRACTED PRODUCERS

Each servicing carrier will establish and maintain commission accounts for registered producers. Commission is paid based on the premiums collected. It is mandatory that care be exercised to maintain proper and complete records detailing each and every commission transaction for monthly commission statement accuracy. Servicing carriers are responsible for complying with IRS reporting requirements. See Chapter 4 for IRS requirements.

Commission which will not be paid to a producer because the full premium has not been collected will be recorded as a reduction of commissions written on the Statistical Summary Control rather than as a commission charge-off.

The servicing carrier is responsible for the printing and distribution of the producer's commission statements. Payment is to be monthly and will be made within 30 days after the close of the accounting month in which the commission is due. The commission payment will be supported by a statement detailing each transaction for a producer and will be net of returns or charge-offs incurred by the producer.

In some situations, the net amount represents a charge incurred against the producer because of returns or charge-offs exceeding current month commissions due the producer. The commission statement is considered a bill and should state the balance is payable to the servicing carrier within 21 days after the date of the commission statement

A. Producer Commissions

The servicing carrier will forward to the producer a monthly statement showing all commission transactions and the net compensation.

In the event that a producer fails to include his TIN with an application, and that information is not available in the servicing carrier's records, the producer's commission is to be withheld in its entirety until the applicable TIN is provided to the servicing carrier. Under these circumstances, the producer is to be notified promptly that this procedure is being implemented and that payment of the affected commission will be accomplished under the next commission payment cycle following the receipt of this information.

The FAJUA may withhold commissions beginning with the commission statement of the month a producer no longer has a contract with the FAJUA and until all enforce policies have cancelled or expired. Any earned commissions remaining at the end of this term will be remitted to the producer.

B. Suggested Statement Content

The producer's commission statement shall contain at least the following data elements:

1. Producers' name
2. Agency name
3. Mailing address
4. Policy number or other identification of the insured's policy involved
5. Premiums written

6. Premiums Collected

7. Commissions paid

8. Column totals

9. Net payment (servicing carrier's check enclosed) or charge (billing amount due the servicing carrier) to producer.

10. A statement advising the producer that the balance is payable within 21 days of the date of the commission statement.

From the commission statement, the producer/agency should always be able to determine that the proper credit/charge for each commission due transaction has been received. Retention by the producer/agency of these statements will provide the producer/agency with a complete record of all transactions that have affected the producer's FAJUA commission without time-consuming additional record keeping being required.

C. Statement Format

Each servicing carrier may prepare the statement in its own fashion. The following exhibits are not intended to represent a standard preprinted form. They do, however, represent the suggested content required according to the servicing carrier's manner of determining the point in time that commission becomes due.

Exhibit A represents the suggested content of a statement from a servicing carrier recording commission due transactions at the point in time that a FAJUA policy balance is paid in full.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

Exhibit B represents the suggested content of a statement from a servicing carrier recording commission due transactions at the point in time any FAJUA premium is received, regardless of balance amount.

D. Return Commissions

Each servicing carrier must monitor the commission accounts of producers for prompt payment of balances owed. For all producers with an unpaid outstanding balance over 60 days, the servicing carrier must notify the FAJUA. The FAJUA will send a letter via email to the producer advising that monies are owed and their payment must be received within 15 days from the date of the notification and that their FAJUA contract is suspended. When the FAJUA has been notified by the servicing carrier, via email, within 15 days that all monies have been paid in full and have cleared their financial institution and there have been no further violations for that producer, the FAJUA will reinstate and send notice to both the servicing carrier and the suspended producer. If the FAJUA does not receive notification of this within that timeframe, the producer will remain suspended until further notice. If the FAJUA receives notification from the servicing carrier that the payment did not clear the producer's financial institution, the producer's FAJUA contract will be terminated for a term of up to two (2) years.

E. Commissions for Terminated Producers

Beginning the month a producer is terminated, no commissions will be paid for the next 12 months or no sooner than the end of the month that all active policies have expired or are non-renewed. At the end of the 12 months, any commissions due the producer will be paid. If before the end of 12 months the producer owes money to the FAJUA, a report will be sent to the FAJUA. Commission statements shall be mailed monthly to producers.

F. Loss of Premium Due to Default

Refer to Chapter 2.F. for the procedure to be followed.

In the event that it becomes necessary to charge-off uncollectible premiums, producer commissions are payable only on the collected earned premiums.

G. Unearned Commission Collection Procedure

A servicing carrier will implement a collection procedure which contains a minimum number of the following requirements to protect the assets of the FAJUA.

Within seven business days following the billing to the producer/agency for the unearned commission due the FAJUA, the servicing carrier will notify the FAJUA of the past due commission amount. Estab-

lished collection procedures of the servicing carrier must include the following minimum standards:

1. A letter to the producer/agency requesting immediate payment of the unearned commission shall be mailed within 15 calendar days after the second commission statement showing past due commission.
2. Beginning with the second commission statement that has not been paid, commission will be withheld until all in force policies have cancelled or expired. Any earned commissions remaining at the end of the term will be remitted to the producer/agency.
3. Notify the FAJUA of the producer's/agency's failure to remit payment of the unearned commission.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

Chapter 4 .
BANK OPERATIONS

A Central Bank account will be maintained for handling the affairs of the Florida Automobile Joint Underwriting Association, a FAJUA Central Processor assessment clearing account will be maintained for the handling of funds collected from member companies, and separate bank accounts will also be maintained under the authority of the Association for the conduct of business of each approved servicing carrier.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

PART I. SERVICING CARRIER JOINT
UNDER- WRITING ASSOCIATION BANK
ACCOUNTS

A. Depository Account

A bank account will be maintained by the servicing carrier in the name of the FAJUA for the purpose of depositing premium collections, salvage and subrogation recoveries and any other FAJUA funds collected. The Bank Resolution will limit the servicing carrier's use of the account to deposits only and will prescribe the method in which funds will be disbursed from the account.

The servicing carrier will establish and maintain its depository account in a bank affiliated with the bank selected by the FAJUA for its accounts, unless the bank selected by the FAJUA has no affiliate in the city of the carrier's location.

The Bank Resolution will also authorize appropriate personnel of the FAJUA to control the account. The servicing carrier bank account will not be used by FAJUA personnel under normal operations, and authorization to control the bank account by FAJUA personnel is for emergency use only; said emergency use being defined as the necessity for the FAJUA to assume absolute control of the servicing carrier bank account, with due notice to the servicing carrier involved.

The recommended Bank Resolution format is set forth as Exhibit D.

1. Deposit Content

All monies received by the servicing carrier after having been identified as applicable to FAJUA business will be deposited in the FAJUA depository bank account within two normal business days. It is desirable to process all monies received by the servicing carrier, including the investigation of unidentified payments as quickly as possible so as to provide efficient service to the policyholders, reduce the possibility of returned checks, and to provide for efficient cash flow management.

Servicing carrier's must pursue collection action for subrogation and salvage recovery and refund of recovered deductibles to the residual insured in the manner and standard as an insurance company. All subrogation and salvage recovery collections (above recovered deductible amounts due the insured) will be netted by the collection expense which must be reasonable and supportable upon request of the Plan authority.

2. Transfer of Funds to the FAJUA Central Bank

In accordance with the cash management program established by the FAJUA, each servicing carrier will cause to be transferred from the depository bank to the central bank the funds available for transfer.

3. Bank Service Charges

The FAJUA will set up the necessary bank accounts with a servicing carrier and decide on the types of bank services required to monitor and handle the FAJUA funds. Standard bank charges agreed upon by the FAJUA, at time of opening the account, will be paid for using FAJUA funds. Any bank service charges not previously approved by the FAJUA, the cost of these services will be the servicing carrier's responsibility.

B. Disbursement Account

A bank account will be maintained by the servicing carrier in the name of the FAJUA at the Central Bank for the purpose of payments to claimants, reimbursement for honored company claim drafts/company checks, paying producers commissions, policyholder refunds and any other properly authorized disbursement of FAJUA funds at the servicing carrier level. If the servicing carrier desires to utilize multiple accounts for the payment of claims, commissions, policyholder refunds, or other properly authorized disbursement of FAJUA funds, it may do so at its expense.

The Bank Resolution will authorize the servicing carrier to control the account and will also prescribe those servicing carrier individuals having authority to disburse funds from the account. In addition to servicing carrier personnel, the Bank Resolution will also authorize appropriate personnel of the FAJUA to control the account. The servicing carrier bank account will not be used by the FAJUA personnel under normal operations, and authorization to control the bank account by FAJUA personnel is for emergency use only; said emergency use being defined as the necessity for the FAJUA to assume absolute control of the servicing carrier bank account, with due notice to the servicing carrier involved. The recommended Bank Resolution format is set forth as Exhibit E.

The FAJUA has established procedures to prevent misappropriation of its funds using a check clearing process often referred to as "positive pay". Positive pay is a process that requires the

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

check issuer to periodically transmit to the bank data on payment instruments it has issued. The bank will not clear an item whose data does not match that provided by the issuer, or an item not on the list sent by the issuer. Servicing carrier are required to participate in the positive pay procedures for all disbursements of FAJUA funds.

In addition, the FAJUA has established a procedure for servicing carrier to follow with regards to notifying the FAJUA office of checks being issued. Servicing carriers are required to provide the FAJUA office on a daily basis a detailed check register or a listing of checks being issued by the servicing carrier. Notification is required in order to ensure that there are sufficient funds to cover the checks being issued by the servicing carrier, to inform the FAJUA of any large dollar amounts, and to assist with overall cash flow and investment decisions.

1. Disbursements

a. Disbursement Instruments

The servicing carrier will use drafts/checks to disburse FAJUA funds. A draft is mostly used by field adjustors for handling claim payments, and checks drawn on the servicing carrier FAJUA Disbursement Account will be used by the servicing carrier to handle premium refunds, producers' commissions, payment for accepted company drafts and certain other items.

All checks will be printed in the name of the servicing carrier in a format selected by the servicing carrier. Checks must be ordered through the central bank and from the vendor selected by the FAJUA. The expense for the checks will be borne by the FAJUA.

b. Valid Disbursement Purposes

Disbursements from the account may be for the purpose of:

- Settling losses
- Refunds of deductible amounts recovered from subrogation collections
- Payment of producers' commissions
- Premium refunds
- Reimbursement to the servicing carrier for settling losses paid with non-FAJUA funds
- Payment of allocated loss adjust-

ment expenses (see following text for detail)

- Bank Charges
- Collection Expenses

c. Claim Disbursement Instructions

A servicing carrier may elect one of two options for handling claim loss payments:

Option 1—Use of FAJUA Disbursement Instruments

FAJUA claim drafts should only be distributed to servicing carrier representatives who service the state. Claims settled by representatives who do not service the state are to be paid by the servicing carrier utilizing their non-FAJUA company draft/check forms. Servicing carriers are responsible for the actions of representatives to whom they have provided payment instruments. The servicing carrier will then be reimbursed for these out-of-state claims by a check issued from the FAJUA servicing carrier disbursement account. Detail records must be maintained by the servicing carrier to support this activity.

In the event a servicing carrier issues a non-FAJUA draft/check in error by a representative normally servicing the state to pay a FAJUA claim, the servicing carrier is to be reimbursed by a check issued from the FAJUA servicing carrier disbursement account. Detail records maintained by the

servicing carrier should support this action.

Option 2—Use of Non-FAJUA Disbursement Instruments

Claim payments, both in-state and out-of-state, are to be paid by the servicing carrier utilizing its non-FAJUA draft/checks. The servicing carrier will then be reimbursed for these claim payments, no less frequently than monthly, on a paid and honored basis, whether the instrument of disbursement is issued by an in-state or an out-of-state representative. The servicing carrier must maintain detail records to support this activity, as all reimbursements will be based on individually recorded drafts/checks, cross referenced to claim file numbers so that

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

quick and easy Association auditing may be performed to prove the validity of the actual entries, charges and reimbursements as represented by the proof of payment in the claim files.

d. Allocated Loss Adjustment Expense Optional Procedure

A servicing carrier may elect one of two options for handling allocated loss adjustment expenses (ALAE). The FAJUA has defined ALAE in Chapter 6.

Option 1 – Use of FAJUA Disbursement Instruments

A servicing carrier may pay eligible allocated loss adjustment expenses (ALAE) using the FAJUA servicing carrier disbursement bank account. These checks will be reported on the claim and allocated loss adjustment expense checks issued line on the cash analysis disbursement account. The amount of checks issued will also be reported on the statistical summary report as Allocated Claim Expenses (for current month). The servicing carrier must be able to validate these FAJUA expenses.

Option 2 – Use of non-FAJUA Instruments

A servicing carrier may pay eligible allocated loss adjustment expenses (ALAE) with non-FAJUA funds and seek reimbursement through the statistical summary control. The checks issued with non-FAJUA funds will be reported on an honored basis on the statistical summary as ALAE paid. The amount reported will be added and reimbursed with the servicing carrier fees per month. The servicing carrier must be able to validate these FAJUA expenses.

e. Commission Disbursement Instruments

After the Monthly Producer Commission Statement has been prepared, the monthly payment of commissions will be by checks issued from the FAJUA servicing carrier disbursement account within 30 days following the accounting month in which the premium is paid.

f. Other Disbursements

Other than monthly commission checks, a check/draft will be used as the instrument for disbursement for the following

items: Premium refunds; deductible amounts due the insured from recovered salvage/subrogation collections; purchase of accepted drafts; and unique situation items as specified in the preceding paragraph c. in this chapter.

g. Transfer of Funds from the Central Bank Account

As servicing carrier issued checks are presented to the disbursement account, the Central Bank will transfer a like amount from the Central Bank account to return the disbursement account to a zero balance. Bank Statements will be forwarded to the servicing carrier for reconciliation.

In accordance with the cash management program established by the FAJUA, the servicing carrier may receive information as to the amount of funds transferred from the Central Bank account to the servicing carrier's disbursement account. The amount to be reported to the servicing carrier will be the closing figure of the prior banking day's transfer activity.

h. Bank Service Charges

The FAJUA will set up the necessary bank accounts with a servicing carrier and decide on the types of bank services required to monitor and handle the FAJUA funds. Standard bank charges agreed upon by the FAJUA, at the time of opening the account, will be paid for using FAJUA funds. The cost of any bank service charges not previously approved by the FAJUA, will be the servicing carrier's responsibility.

C. IRS Requirements

Servicing carriers are responsible for complying with IRS reporting requirements with respect to commissions paid to producers and to payments to servicing carriers, including provision for back-up withholding in the event that the payee has not provided the applicable Tax Identification Number. Such action is required for payees for which the aggregate total payments during the year amount to \$600 or more. Relative to payments to servicing carriers, these provisions apply to all health care providers, whether or not incorporated, and to unincorporated providers of other than health care services. Any penalties or interest resulting from a servicing carrier's failure

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

to comply with IRS Requirements will be the responsibility of the servicing carrier, and will not be paid with FAJUA funds.

In the event that the Tax Identification Number is not available with respect to a service provider to whom a claim payment is due, the servicing provider may delay issuance of the payment for up to 30 days. If, at the end of that period, the applicable TIN is not available, the servicing carrier will issue a check payable to the service provider in the amount due net of the withheld amount. The servicing carrier will also be responsible for remitting the appropriate withholding percentage of the amount due to the IRS. Servicing carriers are also responsible for preparing and submitting any of the necessary periodic reports to the IRS related to backup withholding.

1099 forms prepared by the servicing carrier on behalf of servicing carrier for which the back-up withholding procedure has been applied are to show the aggregate total amount due to the service provider on the gross basis and the amount withheld as the result of application of this procedure.

The servicing carrier will be identified as the payer on all 1099 forms issued. Accordingly, the 1099 form should reflect the TIN of the servicing carrier and not the FAJUA.

D. Lines of Communication with the Banks

The servicing carrier will establish a relationship and lines of communication with the depository bank and the disbursement bank concerning:

1. Concentration of servicing carrier deposits
2. Check Processing
3. Check Issuance
4. Stop Payment Procedures
5. Payment of Returned Checks
6. Transfer of Funds
7. Bank Service Charges
8. Bank Account Analysis Statements
9. Bank Statements and Reconcilement
10. Implementation of Additional Services
11. Reporting of Daily Deposit and Disbursement Activity
12. Authorization or removal of its check signers.

E. Daily Activity Bank Control

Bank Controls should be established by the servicing carrier for the purpose of recording daily activity in the depository account and the disbursement account to provide information for transfer of funds and serve as a reconciliation with the bank statements.

F. Bank Reconciliation

The servicing carrier will supply the FAJUA Central Processor with bank reconciliations reflecting the current month's activity reconciled to the Bank Statement for both depository and disbursement accounts. The reconciliations are due at the FAJUA Central Processor thirty days after receipt of the bank statement. Copies of the Bank Statement are to accompany the reconciliations. Detailed listings of outstanding checks should be maintained and be available on request.

G. Servicing Carrier Bank Resolutions

Bank Resolutions will be prepared by the servicing carrier and submitted to the Board of Governors for approval. The Bank Resolutions must authorize the appropriate FAJUA officers to assume control of the account, should that need arise as discussed in prior sections of this chapter. See Exhibits D and E for the recommended Bank Resolution formats.

H. Escheat Procedures

Escheat laws relate to the acquisition by the State of unclaimed or abandoned property. FAJUA policyholder refund checks, claim checks and drafts, commission checks, and unidentified checks fall into this category and may be claimed by the state after a specified period of years and appropriate state due diligence requirements. All FAJUA policyholder refund checks, claim checks and drafts and commissions checks outstanding for one year or longer from the issued date will be transferred to an Escheat Reserve Account. This list is either pending submission to the appropriate state or claimed by the payee. Similarly, checks drawn in favor of the FAJUA for which the purchaser cannot be identified will be transferred to an Escheat Reserve Account after 60 days. The servicing carrier will maintain the detailed listing of escheated items which should reconcile to the servicing carrier's internal ledger account.

Servicing carriers are responsible for complying with the Unclaimed Property (Escheat) Statutes of all applicable states. Any penalties or interest resulting from a servicing carrier's failure to comply with state statutes will be the responsibility of the servicing carrier.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

ity of the servicing carrier and shall not be paid with FAJUA funds.

The servicing carrier will also be responsible for the quarterly reconciliation of the escheat reserve on its internally generated trial balance as consolidated by the FAJUA Central Processor. Also see section on trial balance reconciliation in Chapter 6.

1. Policyholder Refund Checks and Commission Checks

All FAJUA policyholder refund checks and commission checks outstanding for one year or longer from the issued date will be transferred from the Cash in Bank Account to the Escheat Reserve Account. The transfer may be made monthly but no less frequently than annually and will include all policyholder refund checks and commission checks that have become outstanding for at least one year since the prior transfer. The amount escheated for policyholder refund checks and commission checks will be included on the servicing carrier Cash Analysis Disbursement Account. (Exhibit G).

2. Unpresented Claim Drafts or Checks

The procedure to be followed with respect to clearing unpresented claim drafts or checks is dependent upon whether such transactions are recorded as issued or as paid; whether the servicing carrier issues drafts or checks as final settlement of the claim or as proposed settlement of the claim; and whether the servicing carrier is using non-FAJUA company drafts or checks or FAJUA instruments. The following procedures should be adhered to:

a. Using Instruments as a Final Settlement with Signed Release Form

(1) Non-FAJUA Company Claim Drafts (Honored) or Checks (Paid)

No longer than one year after the date of issue, the servicing carrier will transfer drafts outstanding for one year or longer from the issued date to the Escheat Reserve Account. The amount to be escheated will be entered on the appropriate lines of the Cash Analysis Miscellaneous Journal Vouchers (Exhibit H).

(2) FAJUA Claim Drafts (Honored)

No longer than one year after the date of issue, the servicing carrier

will transfer drafts outstanding for one year or longer from the issued date to the Escheat Reserve Account. The amount to be escheated will be entered on the appropriate lines of the Cash Analysis Miscellaneous Journal Vouchers (Exhibit H).

(3) FAJUA Claim and Allocated Loss Adjustment Checks (Issued)

No longer than one year after the date of issue, the servicing carrier will transfer checks outstanding for one year or longer from the issued date to the Escheat Reserve Account. The amount to be escheated will be entered on the Escheat line of the servicing carrier Cash Analysis Disbursement Account (Exhibit G).

b. Servicing carriers Using Instruments as a Proposed Settlement

(1) Non-FAJUA Company Claim Drafts (Honored) or Checks (Paid)

No longer than one year after the date of issue, the servicing carrier will

- reverse the original Statistical Summary Control entry for losses paid;
- increase the value of outstanding loss reserves by the amount of reversed claim drafts or checks.

(2) FAJUA Claim Drafts (Honored)

No longer than one year after the date of issue, the servicing carrier will

- reverse the original Statistical Summary Control entry for losses paid;
- increase the value of outstanding loss reserves by the amount of reversed claim drafts.

(3) FAJUA Claim Checks (Issued)

No longer than one year after the date of issue, the servicing carrier will

- reverse the original Statistical Summary Control entry for loss-

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

es paid and reverse the original Cash Analysis entry under claim check issued;

- increase the value of outstanding loss reserves by the amount of reversed claim checks.

3. Undelivered Checks and Drafts

Checks that are returned as undeliverable to the servicing carrier may, at the servicing carrier's option, be transferred to the Escheat Reserve Account immediately.

4. Reporting Abandoned Property to the State

The servicing carrier will maintain a detailed listing of escheated items and report all unclaimed or abandoned FAJUA property to the appropriate state. When the state requests payment of the escheated items, the servicing carrier will remit payment directly to the state for the escheat reserves which are due.

The servicing carrier will report the payment of escheat to the state as a deletion on the servicing carrier Cash Analysis Disbursement Account (Exhibit G).

5. Presented Checks/Drafts for Escheated Items

- a. Checks and drafts cashed, once in the escheat reserve account, should be recorded as a reversing entry to those made in 2.a.(1) through (3) above.

Drafts cashed following entry into the escheat reserve account should be recorded as deletions on the servicing carrier Cash Analysis Miscellaneous Journal Vouchers (Exhibit H).

- b. After escheating to the state, the claimant must request reimbursement through the state, carriers are to provide claimants with the direction regarding the procedure to request a reimbursement from the state. The servicing carrier should not report the item on the servicing carrier Cash Analysis Report.

If a servicing carrier pays a claimant for an escheat item previously filed with the state, they cannot report this as a deletion on the Cash Analysis Report. Instead, the servicing carrier should pursue collection with the state to retrieve money erroneously paid to the claimant.

I. **Closing Servicing Carrier Bank Accounts**

1. Approval

Any decision to close a servicing carrier bank account will require the approval of the FAJUA Manager. The Manager shall report on closed bank accounts to the Board of Governors.

When a discontinued servicing carrier's banking activity becomes and is expected to remain minimal, the affected servicing carrier may request permission to close out its FAJUA bank accounts. The request will be submitted in writing to the FAJUA Manager, supported by information as to the expected banking activity, including the remaining reserve for outstanding losses.

2. Preliminary Procedure

After approval has been secured, a letter of intent to close the bank account is to be submitted to the bank by the FAJUA Manager to notify the bank of the servicing carrier's intention to close out the account at a future date. The servicing carrier should subsequently contact the bank to request an appointment to discuss the necessary arrangements. The bank is to be informed that the account will remain open only as long as required to clear outstanding checks or for one year, whichever occurs first, and the final notice to close the account will be sent by the FAJUA Manager at the appropriate time. Copies of the letter of intent to close the bank account should be submitted to the chairman of the Board of Governors and to the servicing carrier.

3. Final Closing of a Bank Account

The FAJUA Manager will give final notice that the bank account has been closed, and withdraw the authorization of all check signers. Copies of the final notice should be submitted to the chairman of the Board of Governors and to the servicing carrier.

4. Destruction of Unused Checks

The servicing carrier will be responsible for the destruction of all unused checks. Documentation of checks destroyed should be maintained so as to be available to the FAJUA auditors or Manager.

5. Subsequent Activity

Any receipts relative to FAJUA business, e.g., salvage/subrogation recoveries, are to be recorded and reported consistent with the

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

procedures in effect prior to the closing out of the servicing carrier bank account. Such funds are to be transferred by wire or Electronic Funds Transfer to the FAJUA Central Bank account.

If funds are required for payment of losses or other valid disbursement purposes, the servicing carrier will request the FAJUA Manager to arrange for the transfer of such funds by wire or Electronic Funds Transfer from the FAJUA Central Bank account to the servicing carrier's corporate account.

The servicing carrier will maintain appropriate records to support such activity and will report these transactions in the applicable lines of the Servicing Carrier Cash Analysis. (Exhibit G)

**PART II. JOINT UNDERWRITING
ASSOCIATION CENTRAL BANK ACCOUNTS**

J. Opening the Bank Accounts

1. Selection of Bank

The Board of Governors will designate the bank in which a central bank account is to be established and maintained.

2. The FAJUA Manager should recommend a bank which would serve as a Central Bank for the FAJUA. The selection should consider the financial strength of the bank, its convenience to the FAJUA office, facilities to handle all types of bank transactions, willingness to lend, etc.

The recommendation of the General Manager will include the financial statement of the bank.

3. Obtain Proper Documents

Obtain the necessary forms to open the account, such as bank resolutions, encoding information, signature cards, service agreements, controlled disbursements, zero balance account structures, investments, wire transfers, electronic funds transfers, etc.

4. Check Signers

a. Authorization or Removal of Check Signers

The Board of Governors has the responsibility to authorize or rescind the authorization of check signers. Authorization of check signers is made through a letter of authority directed to the bank, signed by the Chairman of the Board of

Governors.

b. Manual Signers

Manual signatures should include two or more employees of the FAJUA Central Processor.

c. Facsimile Signature Plate

Facsimile signatures should be those of two authorized employees of the FAJUA Central Processor.

5. Purchase of Bank Checks

The FAJUA Manager will obtain from the bank a check specification sheet detailing the transit and routing bank numbers of the financial institution (to encode the checks). The checks are to be purchased by the FAJUA. Preprinted checks ordered from a vendor other than the central bank shall be submitted to the central bank for testing as to compatibility with their processors Bank Statements.

Establish with the bank the frequency of bank statement submissions.

6. Minimum Bank Balances

Sufficient money is to be maintained in the bank account to cover outstanding checks, accrued expenses, daily transfer of funds needed to bring the servicing carrier disbursement accounts to a zero balance, and an amount to support the level of servicing provided by the bank.

7. Bank Reconciliation

Bank Reconciliations are to be prepared monthly.

K. Operating Procedures

1. Service Charges

Bank service charges (if any) should be properly expensed for participation sharing.

2. Investment of Funds on Hand

The bank balance of the Central Bank should be reviewed daily and all available funds in excess of current operating needs should be invested in accordance with standards set by the Investment Committee.

3. Line of Credit

In order to fulfill the responsibilities of the FAJUA, it may be necessary to assess the

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

member companies or recall previously distributed funds. During the period that assessments have been levied or recall notices sent, but prior to receipt in the Central Bank, a line of credit may be necessary to keep the FAJUA operational.

L. Deposit Content

Deposit receipts will consist of excess funds transferred daily from the various servicing carrier FAJUA banks, from assessment receipts presented by the participating members, receipts from the sale of purchased investments, from borrowed monies and from interest earnings from investments.

M. Disbursements

1. Disbursements from the master concentration account will include, but not be limited to:
 - a. Payment for purchased investments.
 - b. Transfer of funds needed to bring the servicing carrier disbursement accounts to a zero balance.
 - c. Outgoing wire transfers in accordance with the procedures approved by the Board of Governors.
2. Disbursements from the FAJUA zero balance account will include, but not limited to:
 - a. Payment of servicing carrier fees.
 - b. Payment of necessary and approved FAJUA General Manager's expense, rent, salaries and supplies.
 - c. Payment of necessary and approved FAJUA Central Processor expenses.

N. Closing the Bank Account

1. Approval

Any decision to close a FAJUA bank account will require the approval of the Board of Governors.
2. Preliminary Procedure

After approval has been secured, a letter of intent to close the bank account is to be submitted to the bank by the FAJUA Manager to notify the bank of the FAJUA's intention to close out the account at a future date. The FAJUA Manager should request an appointment to discuss the necessary arrangements. The bank is to be informed that the account will remain open only as long as required to clear outstanding checks or for

one year, whichever occurs first, and that final notice to close the account will be sent by the Board of Governors at the appropriate time. A copy of the letter of intent to close the bank should be submitted to the Board of Governors.

3. Final Closing of a Bank Account

Provisions must be made for handling outstanding checks that may subsequently be presented to the bank for payment after the bank account has been closed. The Board of Governors will give final notice that the bank account has been closed, and withdraw the authorization of all check signers.

4. Destruction of Unused Checks

The FAJUA Manager will make arrangements to destroy all unused checks. Notification of what checks were destroyed shall be reported to the Chairman of the Board of Governors and the accounting firm responsible for the full scope audit of the FAJUA.

PART III. ASSESSMENT CLEARING
ACCOUNT

The FAJUA Central Processor will maintain an assessment clearing bank account on behalf of the FAJUA. The bank selected for this purpose will be at a location convenient to the FAJUA Central Processor.

A. Deposit Content

Deposits to the assessment clearing bank account will consist of checks received from participating members as the result of recalls of funds, assessments, or miscellaneous checks received from servicing carriers or participating members, e.g., servicing carrier refunds of overpayment of fees.

B. Transfer to the FAJUA Central Bank

As soon as possible after deposit of funds in the assessment clearing bank account, such funds will be transferred by wire to the FAJUA Central Bank account. No disbursements other than the transfer of funds to the FAJUA Central Bank account may be accomplished with respect to the assessment clearing bank account.

PART IV FLORIDA JOINT UNDERWRITING
ASSOCIATION MANAGER — DISBURSEMENT
AUTHORITY

Operating under the authority of the Board of Governors, the FAJUA Manager may approve the disbursement of funds from the FAJUA accounts as follows:

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

A. Disbursement Approval Authority

1. Budgeted Expense Items

The FAJUA Manager will annually prepare a budget of operating expenses and forward it to the Board of Governors for approval. A copy of the approved budget will be forwarded to the FAJUA Central Processor. The FAJUA Manager has authority to approve all budgeted expense items, both of a recurring nature such as rent and of a non-recurring nature such as a budgeted furniture expenditure. Expenses of this nature must be supported by an original invoice. The FAJUA Manager will approve and sign the original invoice and forward it to the FAJUA Central Processor for check issuance.

2. Unbudgeted Expense Items

Unbudgeted expense items must have the written approval of the Chairman of the Board of Governors prior to check issuance by the FAJUA Central Processor.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

Chapter 5
ACCOUNTING AND STATISTICAL DETAIL RECORDS

Each servicing carrier will have a chart of accounts, ledgers and necessary support detail to clearly control the policy and claim services rendered.

The accounting records of the servicing carrier's FAJUA business must be separately controlled and identified. The necessary summary control items required and monthly FAJUA reporting entry are detailed in Chapter 6 of this manual. This chapter deals with the detail records maintained by the servicing carrier for possible FAJUA audits that support either the summary control items or the unusual control items where FAJUA monies have become involved with company monies.

PART I. ACCOUNTING DETAIL RECORDS

A. Retention of Records

The retention and destruction of records by the servicing carrier will follow its standard practices to satisfy state, federal, or NAIC examinations or audits.

B. Written Premium Records

Each servicing carrier will have available, at the detailed premium transaction level, a record to support the written premium entries on the monthly electronic filing summary report submitted to the FAJUA's Central Processor. Such record details will be inclusive of:

1. New Business
2. Renewals
3. Endorsements (return and additional premium)
4. Cancellations

C. Loss Transaction Records

Each servicing carrier will have available, at the detailed claim transaction level, a record to support the loss experience entries included on the monthly electronic filing summary report submitted to the FAJUA's Central Processor. Such record details will be inclusive of:

1. Losses paid or loss drafts issued (depending on the method of claim handling by the servicing carrier)
2. Case-basis loss reserves (as of any month-end)
3. Allocated Loss Adjustment Expenses issued and reported to the FAJUA (depending on the method of handling by the servicing carrier).
4. Salvage and subrogation income and, if any, the collection expense deducted from the recovery

D. Premiums in Course of Collection Records

Each servicing carrier will have available, at the detailed accounting transaction level, a record to

support the premium in course of collection. Such records will be inclusive of, but not limited to:

1. Premium payment receipts
2. Premium disbursements (refunds)
3. Premium write-offs

Reconciliation of the premiums receivable general ledger account to the policy level detail is to be accomplished monthly. Upon request, such reconciliations will be provided for audit.

E. Commission Payment Records

Each servicing carrier will prepare monthly commission statements that are submitted to producers with remittance checks of the commission due or request for payment if a balance is due back to the servicing carrier. These checks are to be supported by the multiple commission statements, for any given month, retained by the servicing carrier.

F. Disbursement Records

All other disbursements must be supported by detail, including:

1. Claim transactions using a non-FAJUA check/draft to pay a FAJUA claim and subsequent reimbursement was made from the FAJUA bank.
2. Claim transactions where a FAJUA check was used to pay allocated loss adjustment expense and subsequent reimbursement was made from the non-FAJUA company bank.

Note: An optional allocated expense procedure is explained in Part I, Subsection B., subparagraph 1.d., of Chapter 4.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

3. Refunds of deductible amounts recovered from subrogation collections.
4. Transfer of funds to or requisitioned funds from the FAJUA Central Bank (copies of transfer/requisition advice forms submitted will support this item).
5. Bank charges (the bank statements received from the bank will support this item).

PART II. STATISTICAL DATA SETS

Servicing carrier's must make provisions to their policy administration and claim systems to ensure policy and claim level detail transactions are properly coded for FAJUA statistical reporting and all reporting requirements in this manual.

Only summary data are forwarded to the FAJUA Central Processor by the servicing carrier. Transaction level detail must be maintained by the servicing carrier. The nature and manner of storing/handling the data sets is at the discretion of each servicing carrier, with the provision that the prescribed end result reports can be accomplished as scheduled in this Manual with accuracy. The premium/claim level detail comprising the data sets must have unique identification as being FAJUA experience. The unique identification is necessary to avoid any comingling of FAJUA experience with that of the company's other non-FAJUA business, thus causing end result reports to be invalid.

The servicing carrier data sets include:

A. Premium Written Details

Premium written details will be used for summarizing premium written, premium earned and premium unearned. This data set makes extensive use of Policy Year for summary purposes.

In addition, Florida premium tax filing requires premiums to be identified by local jurisdiction for updating the state database for the Municipal Police Officers' Fund in accordance with the Florida Statute.

B. Commission Due Details

Commission Due details will be used for summarizing producers' commission statements.

C. Loss Transaction Details

Loss Transaction details are used for summarizing claims paid, reserves, salvage recovery, subrogation recovery and as a base for possibly applying the IBNR formula. This data set makes extensive use of the Policy Year, Reported Year and the Accident Year for summary purposes.

D. Allocated Loss Adjustment Expense Details

Allocated LAE details are used for summarizing the expenses and reserves which qualify for a direct reimbursement from the Association. This data set makes extensive use of the policy year, report year and the accident year for summary purposes.

E. Statistical Agency Reports

A servicing carrier and/or third party administrator is required to maintain detailed information to produce Statistical Agency Reports.

Chapter 6

SERVICING CARRIER REPORTING TO THE FAJUA CENTRAL PROCESSOR

**PART I: SERVICING CARRIER ACCOUNTING
LEDGERS AND REPORTS**

A. Accounting Ledgers

Accounting records and their related chart of accounts will be separately established to handle and permit reporting of the residual book of business in the office of each servicing carrier to control receipts, disbursements, receivables, etc. Detail records will be kept available to support all entries made into the accounting system of the servicing carrier.

B. Accounting Reports

Each servicing carrier will have the responsibility of submitting these accounting reports to the FAJUA Central Processor: (1) Depository Account Cash Analysis, (2) Disbursement Account Cash Analysis, (3) Miscellaneous Journal Voucher Cash Analysis, (4) General Ledger Account Proof Reports, (5) Statistical Summary Control, and (6) Schedule of Daily Transfers. All reports must be signed by an authorized individual of the servicing carrier to indicate the validity of the report contents.

(Please be aware that regardless of the internal accounts used by each servicing carrier, the monthly reports submitted to the FAJUA Central Processor must contain a summary of all transactions for the month. In cases where suspense accounts are used, it will be necessary for the servicing carrier to consolidate appropriate account balances in order to complete these reports.)

In addition, servicing carriers are responsible for identifying all suspense items within six months.

1. Cash Analysis Reports

The servicing carrier will provide the FAJUA Central Processor with monthly Cash Analysis reports, separately for the Depository Account, Disbursement Account, and miscellaneous journal vouchers, following a standard format as shown in Exhibits F, G, and H. Separate Cash Analysis reports are to be submitted for each servicing carrier FAJUA bank account.

The entries on the Cash Analysis reports should reflect the total cash flow in and out of the servicing carrier's bank accounts through the last day of the month. In cases where the month is closed on the servicing carrier's internal system on a day other than the last day of the month, the servicing car-

rier should complete the memo section on Exhibits F and G. In this section, the servicing carrier reflects the cash transfers in transit and the net cash position as of the last day of the month. By recording all cash transaction in this manner, timing differences because of the different month end cut off dates should be eliminated.

2. General Ledger Account Proof Reports

To facilitate the reconciliation of balances between the servicing carrier General Ledger and the subledger maintained by the FAJUA Central Processor, the servicing carrier is required to complete monthly General Ledger Account Proof reports for the following accounts: Accounts Receivable—Salvage, Subrogation, and Other Loss Recoveries, Accounts Receivable—Deferred Premium, Accounts Payable—Commissions, Claim Drafts Outstanding, and Escheat Reserves. The reports will follow a standard format as shown on Exhibits C, I, J, K, and L.

Detailed records will be kept available to support all entries made to the accounting system of the servicing carrier. All accounts must be balanced to detail monthly and the detail made available upon request.

3. Schedule of Daily Transfers

The servicing carrier must prepare and file monthly the schedule of daily transfers separately for funds transferred to and from the Central Bank. In order to confirm in summary form each day's daily transfer of funds, this report must be filed in conjunction with the Cash Analysis Report, and must reconcile to the servicing carrier Bank Statements where appropriate. Formats and filing instructions are shown as Exhibit M.

4. Statistical Summary Control

A Statistical Summary Control Report will be submitted by the servicing carrier to the FAJUA Central Processor each month. Exhibit O displays the hard copy format of the report for informational purposes only. Actual reports are submitted electronically, as defined by the FAJUA's Central_Processor.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

The report will serve as the source document for the payment of the servicing carrier monthly fees. The report will also serve as a verification control of certain key totals included in the detailed statistical reports discussed in PART II.

The Statistical Summary Control totals must be verified, where applicable, to the servicing carriers General Ledger Accounts.

5. Monthly Report Due Dates

The monthly servicing carrier reports will be due at the FAJUA Central Processor office by the first day of the second month following the close of each reporting month.

To prevent late submissions of these reports, the late/erroneous report control procedure, detailed in Chapter 13 of this Manual, will be enforced for each servicing carrier whose reports are not received by the FAJUA Central Processor within the allotted time period.

Instructions for the completion of the Cash Analysis reports, Statistical Summary Control, and Schedule of Daily Transfers follow each exhibit.

C. Servicing Carrier Unreconciled Differences for Reports Submitted to the FAJUA Central Processor

As part of the monthly statistical reporting requirements to the FAJUA Central Processor, each servicing carrier must reconcile all balances reported on the trial balance to the system generated reports (supporting detail) for each account balance. Any differences between the amounts reported on the trial balance and the supporting detail must be investigated and corrected the following quarter with no exceptions. Any unreconciled differences which are not researched and corrected will be reported to the FAJUA staff office at which time appropriate action will be taken.

D. Servicing Carrier Responsibility for Internal Control

Each servicing carrier is responsible for establishing and maintaining an appropriate level of internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls. Any deficiencies identified by audits performed by the contracted auditing firm or the FAJUA Central Processor on be-

half of the FAJUA, will be addressed on a specific identification basis by the FAJUA.

Servicing carriers shall utilize and apply to FAJUA transactions the accounting systems and internal controls utilized and applied to their regular business. Servicing carriers shall maintain internal control standards commensurate with those maintained for its non-FAJUA business, including the appropriate level of management review of all reports submitted to FAJUA Central Processor and strict compliance with all requirements and performance standards set forth by the FAJUA Plan of Operation Manual.

PART II: SERVICING CARRIER DATA PROCESSING REPORTS

A. Servicing Carrier Responsibility

Each servicing carrier is responsible for developing and maintaining data that provides the basis for

1. premiums (written, earned, and unearned);
2. commissions (written, paid, and outstanding);
3. total claims (paid, case reserve, and IBNR).
4. allocated loss adjustment expenses (paid, reserve).

All data should be identified by line of business, private passenger nonfleet and other than private passenger nonfleet, to be consistent with the identification of data as reported to the servicing carrier's independent statistical agency, by

5. liability separated by
 - a. bodily injury;
 - b. personal injury protection;
 - c. medical payments;
 - d. uninsured motorists;
 - e. property damage.
6. physical damage separated by
 - a. collision;
 - b. other than collision.

All data should be broken down by policy year (for premium and losses) and accident year (for losses only).

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

B. Servicing Carrier Data Submission

Each servicing carrier will have the responsibility of submitting statistical reports, as described in this Part, to the FAJUA Central Processor.

These individual reports provide the FAJUA Central Processor with the detail data necessary to develop Statistical Reports for participating companies and, where appropriate, they must balance to the monthly Statistical Summary Control Report that is the source document for payment of service provider fees.

The number of policy years reported should be in accordance with NAIC reporting requirements. Annually, the FAJUA Central Processor will provide the servicing carrier with the number of years to be reported.

The following reports must be submitted electronically in the data format specified by the FAJUA Central Processor:

1. Monthly Reports

- Statistical Summary Control
- Premiums Written
- Commissions Written
- Losses Paid
- Allocated LAE Paid
- In-Force Vehicle Count
- Premium Charge-Offs

2. Quarterly Reports

- Premiums Unearned
- Loss Reserves
- IBNR Loss Reserves
- Allocated LAE Reserves
- Earned but Unbilled Premium
- Anticipated Salvage and Subrogation Recoverables*

3. Annual Reports

- Premium Tax Report
- Number of Claims Reported
- Number of Claims Outstanding
- Number of Claims Closed with Loss Payment
- Number of Claims Closed without Loss Payment
- Salvage and Subrogation Report

* Required only if reserves are reported net of anticipated salvage and subrogation recoverables.

The servicing carrier must contact the FAJUA Central Processor for data reporting options and specifications. For those carriers electing to report via File transfer Protocol (FTP), please refer

to Exhibit N for reporting specifications. Electronic data submissions are required to be submitted electronically. A Notice of Transmittal must accompany all data submissions.

Formats of these reports are included as exhibits for informational purposes only. The remaining reports, described in this section can be submitted as attachments.

In addition, the following reports are required to be submitted as an electronic upload to the FAJUA Central Processor by the servicing carrier:

4. Report of Risks Written Through Florida Auto Joint Underwriting Association— Classes Other than Private Passenger Nonfleet (Monthly) (Due within 15 days after the end of the reporting month)
5. Trial Balance (Quarterly)
6. Salvage/Subrogation Recoveries (Annually)

Unless otherwise indicated, all reports are due at the FAJUA Central Processor's office by the first day of the second month following the close of each accounting month. Please refer to the appropriate section in this Chapter for a description of each report.

C. Monthly Reports

1. Premiums Written – Exhibit P

The premiums written amounts are separated by

- a. Policy Year
- b. Line of Business
 - Liability
 - Physical Damage
- c. Class
 - Private Passenger
 - Other than Private Passenger
- d. Coverage
 - Bodily Injury
 - Personal Injury Protection
 - Medical Payments
 - Uninsured Motorists
 - Property Damage
 - Collision
 - Other than Collision

Written premium per FL Statute 627.403 is the consideration for insurance, by whatever name called. It shall include any assessment, membership, policy, survey, inspection, service or similar fee or charge

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

in consideration for an insurance contract. Financial responsibility filing fees, such as SR-22 filings, shall be reported as written premium. Written premium shall be recorded to policy year in accordance with NAIC guidelines.

The final totals of monthly premium written, separated between liability and physical damage, are used to verify the Monthly Statistical Summary Control Report.

2. Commissions Written – follows same format as Premium Written – Exhibit P

The commissions written amounts are separated by

- a. Policy Year
- b. Line of Business
 - Liability
 - Physical Damage
- c. Class
 - Private Passenger
 - Other than Private Passenger
- d. Coverage
 - Bodily Injury
 - Personal Injury Protection
 - Medical Payments
 - Uninsured Motorists
 - Property Damage
 - Collision
 - Other than Collision

The final totals of monthly premium written, separated between liability and physical damage, are used to verify the Monthly Statistical Summary Control Report.

3. Losses Paid – Exhibit R

The paid loss amounts are separated by

- a. Policy Year and Accident Year
- b. Line of Business
 - Liability
 - Physical Damage
- c. Class
 - Private Passenger
 - Other than Private Passenger

d. Coverage

- Bodily Injury
- Personal Injury Protection
- Medical Payments
- Uninsured Motorists
- Property Damage
- Collision
- Other than Collision

Losses paid should be reported net of salvage and subrogation recoveries.

The final total of losses paid is used to verify the Monthly Statistical Summary Control Report line for net losses paid.

4. Allocated Loss Adjustment Expenses Paid (ALAE) Exhibit WW-1

- a. Servicing carriers will receive direct reimbursement for allocated loss adjustment expenses (ALAE) as defined below. Servicing carriers may elect, with permission from the FAJUA General Manager, to pay ALAE using FAJUA funds rather than paying ALAE with voluntary funds and seeking reimbursement. In this situation, the servicing carrier will record the same entries on the ALAE paid exhibits but will forego the servicing carrier reimbursement of these expenses.

ALAE, where required, are to be reported under a separate transaction type shown in the coding section and will be reported monthly by the servicing carrier as outlined below or as otherwise stated and approved in the contracts.

Currently the Insurance Services Office (ISO) defines allocated loss adjustment expenses as:

- (1) attorney's fees for claims in suit;
- (2) court and other specific items of expense, such as
 - Medical examination to determine the extent of liability;
 - Expert medical or other testimony;
 - Laboratory and x-ray;
 - Autopsy;
 - Stenographic;
 - Witnesses and summonses;
 - Copies of documents.

The following expenses shall not be included as allocated loss adjustment expenses:

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

- Salaries and travel expenses of company employees (other than amounts allocated as attorney's fees for claims in suit);
- Overhead;
- Adjuster's fees (fees paid to independent adjusters, or attorney's for adjusting claims).

Allocated loss adjustment expenses should be reported for liability coverages only

- b. The monthly ALAE figures are indicated by
- (1) Policy Year and Accident Year
 - (2) Line of Business
 - Liability
 - Physical Damage
 - (3) Class
 - Private Passenger
 - Other than Private Passenger
 - (4) Coverage
 - Bodily Injury
 - Personal Injury Protection
 - Medical Payments
 - Uninsured Motorists
 - Property Damage
 - Collision
 - Other than Collision

The final total from the report is used to verify the amount of ALAE reported on the Statistical Summary Control.

5. Report of Vehicle In-Force Count – Exhibit U

In-force vehicle counts are required separately for private passenger nonfleet and for commercial policies for which the exposure is clearly identifiable as a specific number of vehicles. For all commercial policies without vehicle counts, the policy in force count is to be reported.

The exhibit will trace the development of the in-force data separately as defined above, showing such data as of the prior month-end, the contribution to in-force count during the current month, and to net in-force count as of the end of the current month.

A vehicle count of one is to be assigned to each vehicle having both liability and physical damage coverage and to each vehicle having only liability or only physical damage coverage. Policy counts are to be determined on that same basis.

Entries defined as current month contribution to in-force count involve a complete count of the month's new and renewal writings plus any add item endorsements minus the sum of cancellation, delete item endorsements, and expirations.

6. Report of Risks Written Through Florida Automobile Joint Underwriting Association—Classes Other than Private Passenger Nonfleet – Exhibit V

Each servicing carrier will submit a report to the FAJUA Central Processor showing, by classification group, the number of vehicles or, with respect to risks rated on other than the per car basis, the number of policies for new business and renewals processed each month. This report is due to be submitted within 15 days after the end of the reporting month.

7. Report of Risk Distribution Data – Exhibit W

Each servicing carrier will submit a report to the Florida Office of Insurance Regulation and the FAJUA Management Office showing, by territory and coverage combination types, the number of new business private passenger vehicles under policies processed each month. This report is due to be submitted by the fifth day of the second month following the close of each accounting reporting month.

8. Application Count Report – Exhibit X

Each servicing carrier will submit a report to the FAJUA Management Office showing, by classification, separately for PIP and property damage only, physical damage only, and all other, the number of applications processed each month. The number of policies in force for both private passenger and other than private passenger shall be included on the form. This report is due to be received within 10 days after the end of the reporting month.

9. Premium Charge-Offs – Exhibit TT

Servicing carriers will report premium charge-offs by policy year and by coverage. The totals are used to verify the amount reported on the Statistical Summary Control.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

D. Quarterly Reports

1. Premiums Unearned – Exhibit Q

The quarterly Premium Unearned report is structured the same as the monthly Premium Written report. The unearned premiums are as of the end of the calendar quarter being reported.

The premiums unearned figures are indicated by

- a. Policy Year
- b. Line of Business
 - Liability
 - Physical Damage
- c. Class
 - Private Passenger
 - Other than Private Passenger
- d. Coverage
 - Bodily Injury
 - Personal Injury Protection
 - Medical Payments
 - Uninsured Motorists
 - Property Damage
 - Collision
 - Other than Collision

The final totals of unearned premium, separated between liability and physical damage are used to verify the Monthly Statistical Summary Control Report for the end of the calendar quarter.

2. Earned but Unbilled (EBUB) Premium – Exhibit UU

Adjustments to the premium charged for changes in the level of exposure are generally determined based upon audits conducted after the policy has expired. The servicing carrier shall estimate audit premium, the amount generally referred to as earned but unbilled (EBUB) premium. The amounts shall be reported by policy year, class (other than private passenger), coverage, and line of business. The final totals of earned but unbilled premium, separated between Liability and Physical Damage, are used to verify the Monthly Statistical Summary Control entries for earned but unbilled premium.

3. Loss Reserves – Exhibit S

The quarterly loss reserves are separated by

- a. Policy Year and Accident Year
- b. Line of Business
 - Liability
 - Physical Damage
- c. Class
 - Private Passenger
 - Other than Private Passenger
- d. Coverage
 - Bodily Injury
 - Personal Injury Protection
 - Medical Payments
 - Uninsured Motorists
 - Property Damage
 - Collision
 - Other than Collision

Loss reserves on FAJUA business are to include losses only and should not include reserves for allocated loss adjustment expenses. The ALAE reserve figures are as of the end of the calendar quarter being reported.

Loss reserves should be reported gross of anticipated salvage and subrogation recoverables. (The FAJUA Central Processor will calculate the anticipated salvage and subrogation recoverable amount quarterly). If a carrier elects to report its loss reserves net of anticipated salvage and subrogation recoverables, then Exhibit VV must be completed.

The final total of loss reserves is used to verify the Monthly Statistical Summary Control Report.

4. IBNR Loss Reserves – Exhibit T

The quarterly IBNR loss reserves are indicated by

- a. Policy Year and Accident Year
- b. Line of Business
 - Liability
 - Physical Damage
- c. Class
 - Private Passenger
 - Other than Private Passenger
- d. Coverage
 - Bodily Injury
 - Personal Injury Protection
 - Medical Payments
 - Uninsured Motorists

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

Property Damage
Collision
Other than Collision

IBNR loss reserves should be reported gross of anticipated salvage and subrogation recoverables. (The FAJUA Central Processor will calculate the quarterly anticipated salvage and subrogation recoverable amounts.) IBNR loss reserves on FAJUA business are to include losses only and should not include reserves for allocated loss adjustment expenses. The reserve figures are as of the end of the calendar quarter being reported. If a servicing carrier elects to report its IBNR loss reserves net of anticipated salvage and subrogation recoverables, then Exhibit VV must be completed.

Incurred loss for any given accident year is defined as being the composite of losses paid, change in loss reserves (reported case basis), and IBNR loss reserves.

An IBNR is any case that is not statistically identified and individually reserved. It is to include lump sum reserves, by accident year, necessary to bring the total incurred losses to the best estimated final closed claim payment amount. For this reason, the IBNR loss reserves reported to the FAJUA must be adequate to increase reported case loss reserves to the level where all outstanding losses are covered at any point in time.

IBNR loss reserves should include both bulk and formula reserves and should be reported gross of anticipated salvage and subrogation recoverables.

While economical operation dictates that each servicing carrier adhere to its own individual claim settlement, investigation, and reserving practices, servicing carrier's shall establish reserves for losses that meet the requirements and standards for reporting and adequacy of the National Association of Insurance Commissioners (NAIC) and the FAJUA's independent consulting actuary.

Certain operational characteristics affecting the determination of IBNR Reserves are

- (1) company organizational structure;
- (2) number and location of claim reporting and recording facilities;
- (3) claims processing techniques and schedules.

It follows that the IBNR loss reserves for each servicing carrier should reflect these charac-

teristics. In view of this, a universal formula to be used by all servicing carrier is not proper.

During the early development of FAJUA loss experience when a servicing carrier will not have the advantage of a history of losses for this particular type of business, a servicing carrier in establishing FAJUA IBNR reserves might use as a guideline a realistic incurred loss ratio to the earned premium or the relationship of historical company-wide IBNR loss developments to written premiums.

The final total of IBNR loss reserves is used to verify the Monthly Statistical Summary Control Report.

5. Anticipated Salvage and Subrogation Recoverables Report – Exhibit VV

This report is required only if the servicing carrier elects to report its loss reserves and/or IBNR loss reserves to the FAJUA Central Processor net of anticipated salvage and subrogation recoverables. The report detail will be used by the FAJUA Central Processor to convert the carrier's reserves to a gross basis. (All reserves must be on a consistent gross basis for the FAJUA Central Processor to perform its quarterly calculation of anticipated salvage and subrogation recoverables.)

The report identifies, by coverage and accident year within each policy year, the amount of anticipated salvage and subrogation recoverables netted from the quarter's reserves, separately for reported case and IBNR.

The final total from the report is used to verify the amount of anticipated salvage and subrogation recoverables reported on the statistical summary control.

6. Allocated Loss Adjustment Expense Reserves – Exhibit WW 2

The allocated loss adjustment expense reserves (refer to Exhibit WW 1 explanation for applicable expenses), will be reported quarterly by servicing carriers, indicated by line of business and accident year within policy years. (However, the summary total will be reported monthly by the servicing carrier on the Statistical Summary Control report).

As with IBNR reserves, certain operational characteristics affecting the determination of allocated loss adjustment expense reserves are company organizational structure, number and location of claim reporting, and re-

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

coding facilities and claims processing techniques and schedules. It follows that allocated loss adjustment expense reserves for each servicing carrier should reflect these characteristics. As with IBNR, a universal formula to be used by all servicing carrier is not appropriate at the present time.

The final total of ALAE reserves must balance to the Statistical Summary Control report.

7. Trial Balance – Exhibit Y

A separate accounting system general ledger and related chart of accounts will be established to process and control reporting of the book of business in the office of each servicing carrier. Detailed records will be kept available to support all entries made into the accounting system of the servicing carrier. Trial balance accounts should be balanced to detail monthly and the detail made available upon request.

Each servicing carrier must prepare and submit to the FAJUA Central Processor a Quarterly Trial Balance demonstrating separate control of receipts, disbursements, receivables, etc. for FAJUA business and the related chart of accounts. It is recognized that suspense accounts not included in the FAJUA Chart of Accounts may be used to record transactions unique to a servicing carrier's operation. In such instances, it will be necessary for the servicing carrier to consolidate appropriate account balances in order to complete the report.

The purpose of the trial balance is to verify the account balances from the servicing carrier's general ledger to the subledger maintained by the FAJUA Central Processor. The accounts verified by the FAJUA Central Processor include:

- Accounts Receivable—Salvage, Subrogation, and Other Loss Recovery,
- Accounts Receivable—Premium, Accounts Payable—Commission,
- Outstanding Drafts, and Escheat Account.

Any differences in account balances must be reconciled. To facilitate this reconciliation, the FAJUA Central Processor will provide the servicing carrier with a report of subledger activity no later than 90 days after the close of the fiscal quarter. The report will be furnished quarterly and will reflect monthly en-

tries posted from the reports submitted by the Servicing Carrier. Upon receipt of the subledger activity report each servicing carrier will confirm in writing to the FAJUA Central Processor all reconciling items or absence of such within 20 days. In the event that the servicing carrier is unable to reconcile its trial balance to the FAJUA Central Processor's subledger, or the FAJUA determines that the servicing carrier's books are not properly maintained, the FAJUA will require that the additional audit procedures be performed at the servicing carrier's expense.

The quarterly trial balance is due on or before the first day of the second month following the close of each fiscal quarter and must be submitted with each quarterly reporting package.

E. Annual Reports

1. Annual Florida Tax Report – Exhibit AA

Annually, a tax report will be produced by the servicing carrier showing written premium for the fiscal year by Florida tax town. All by line of business, private passenger and other than private passenger, liability separated by bodily injury (includes Med, UM, PIP), and property damage and physical damage separated by collision and other than collision.

The report is to be filed with the FAJUA Central Processor by November 1. It should reflect 100% of premiums written as reported by the servicing carrier, specifically accumulating totals for the affected tax towns and summarizing into an all other total(s) the remaining premiums not related to a specific tax town.

The FAJUA Central Processor and/or FAJUA, after report consolidation, is responsible for making distribution to the participating members companies. It is the responsibility of each member company to report their share of the FAJUA premium for the Florida Municipal Police Officers' fund by local taxing jurisdiction on the Department of Revenue database in compliance with the Florida statute.

2. Annual Salvage and Subrogation Report – Exhibit BB

Each servicing carrier must prepare an Annual Salvage and Subrogation report to provide liability and physical damage data as required in the Annual Statement, Schedule "P". The data reported is for the FAJUA fiscal

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

year and must be received at the FAJUA Central Processor's office by the fifth day of the second month following the close of each fiscal year end.

This report, as filed with the FAJUA Central Processor should be completed similar to the servicing carrier's present method of obtaining Schedule "P" data. Note, the relationship of fiscal year to losses incurred and paid year.

3. Annual Report of Salvage/Subrogation Recoveries – Exhibit CC

Each servicing carrier must prepare and submit to the FAJUA Central Processor an annual report, setting forth, separately for each coverage, Salvage/Subrogation recoveries during the fiscal year.

This report is due to be submitted to the FAJUA Central Processor by the first day of the second month following the close of the FAJUA fiscal year.

4. Annual Claim Count Reports

These reports are due to be submitted to the FAJUA Central Processor by the first day of the second month following the close of the FAJUA fiscal year.

a. Number of Claims Reported – Exhibit FF

The annual report of the number of claims reported shows claim counts separately by class, coverage, and accident year, in compliance with NAIC reporting requirements.

The method used in counting claims must also be reported.

b. Number of Claims Outstanding – Exhibit GG

The annual report of the number of claims outstanding shows claim counts separately by class, coverage, and accident year, in compliance with NAIC reporting requirements.

The method used in counting claims must also be reported.

c. Number of Claims Closed with Loss Payment – Exhibit HH

The annual report of the number of claims closed with loss payment shows claim counts separately by class, coverage, and accident year, in compliance with NAIC reporting requirements.

The method used in counting claims must also be reported.

d. Number of Claims Closed Without Loss Payment – Exhibit II

The annual report of the number of claims closed without loss payment shows claim counts separately by class, coverage, and accident year, in compliance with NAIC reporting requirements.

The method used in counting claims must also be reported.

5. Catastrophe Loss Reports – Exhibit EE and Exhibit RR

Servicing carriers must identify all losses (paid and outstanding) associated with catastrophic events by the catastrophe serial number assigned by Property Claim Services (PCS). These records will include the day, month, and year on which the loss occurred. If the estimate of losses within the United States reaches \$1 billion as the result of a single catastrophic event, the FAJUA Central Processor will notify the servicing carrier that reports of other than collision losses associated with this catastrophe serial number will be required.

Preliminary and final reports will be submitted according to this Schedule:

| Catastrophe Date | Preliminary Losses As of | Report Due Date | Final Losses as of | Report Due Date |
|--------------------|--------------------------|-----------------|--------------------|-----------------|
| Jan, Feb, Mar XXX1 | 6/30/X1 | 8/1/X1 | 12/31/X2 | 2/1/X3 |
| Apr, May, Jun XXX1 | 9/30/X1 | 11/1/X1 | 3/31/X3 | 5/1/X3 |
| Jul, Aug, Sep XXX1 | 12/31/X1 | 2/1/X2 | 6/30/X3 | 8/1/X3 |
| Oct, Nov, Dec XXX1 | 3/31/X1 | 5/1/X2 | 9/30/X3 | 11/1/X3 |

The FAJUA Central Processor will consolidate the preliminary and final reports and distribute (Exhibit RR) to the participating members within 30 days of the receipt of the reports. Participating members may calculate their share of losses by applying their current participation ratio to the appropriate policy year.

Exhibit EE for the format for the preliminary and final reports. Losses should be reported by: (1) accident date within each policy year; (2) class; and (3) losses paid and losses outstanding. A subtotal should be provided for policy years with multiple dates as well as an overall total of losses paid and losses outstanding.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

Chapter 7

SERVICING CARRIER REPORTING TO THEIR INDEPENDENT STATISTICAL AGENCY

As specified in Chapters 5 and 6, only, summary data is forwarded to the FAJUA Central Processor by the servicing carrier. That reporting requirement does not include rate making data that is necessary to meet FAJUA statutory requirements.

A. Statistical Data Reporting – Statistical Agent

Data necessary for rate making must be reported to a statistical agent. If a servicing carrier has an existing statistical agent, the FAJUA business written by the servicing carrier must be reported to that statistical agent in accordance with the required statistical plan.

The FAJUA Central Processor will continue to receive from each independent statistical agency the existing statistical reports needed to establish FAJUA rates.

Servicing carrier's will advise their respective statistical agent of the data reporting deadlines. All statistical agents must report the FAJUA data to the FAJUA's Central Processor in accordance with existing data reporting requirements. Statistical Agents must provide the rate making data annually to the FAJUA Central Processor by August 1. The data supplied to the FAJUA Central Processor should be validated and accurate in accordance with the statistical agent's data reporting requirements. Each servicing carrier will arrange for this data to be reported by this date with their respective statistical agent. Should the accurate data be reported to the FAJUA Central Processor after August 1, the servicing carrier will be subject to the late reporting penalty in Chapter 13, which is \$1,000/day.

In accordance with Florida's current Statutory requirements, the FAJUA Central Processor will prepare an indication for rate adequacy for FAJUA business (both private passenger and other than private passenger coverages and limits offered by the Association) by September 15th of each year. The rate indications proposed by the FAJUA Central Processor will be reviewed, modified and/or approved by the FAJUA Governing Board before the FAJUA Central Processor performs the filing of this data with the Florida Office of Insurance Regulation (OIR) no later than September 30.

B. Unique Company Code

Each servicing carrier is assigned a company code by their statistical agent. The servicing carrier's voluntary and residual market data is reported under this number to their respective stat agent. The number assigned by the Stat Agent is also utilized by the FAJUA Central Processor to identify the servicing carrier's re-

porting of FAJUA's financial and other non-ratemaking data to the FAJUA Central Processor.

In the event that a servicing carrier received assessments for late reporting to an Independent Statistical Agency, that assessment will be borne by the servicing carrier, and the assessment will not be passed on to the FAJUA for participating member sharing.

C. TPA Requirements and Claims Administrator Requirements

The FAJUA has established a statistical reporting relationship with ISO for FAJUA business. When the FAJUA is the appointed servicing carrier and hires a TPA(s) to handle both the policy processing and claims or two separate TPA's, it is the responsibility of the TPA(s) for statistical data reporting for all business that it issues on behalf of the FAJUA. If the FAJUA uses two TPA's, both the policy processing and the claims services TPA must work together to enable the matching of claims data to the policy administration data for statistical reporting purposes.

All FAJUA data must be reported to ISO in conformance with ISO statistical data reporting requirements. Any reporting deficiencies reported by ISO to the FAJUA must be corrected by the TPA(s) and resubmitted within the required timeframe.

The TPA(s) contracts should stipulate that the TPA(s) are responsible for statistical reporting of FAJUA business, after their FAJUA agreement has terminated, until all claims have been completely resolved.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

Chapter 8

PARTICIPATING MEMBERS INSTRUCTIONS ON REPORTING FAJUA RESULTS ON ANNUAL STATEMENT

Instructions are provided for the use of FAJUA reports received and for the handling of shares of excess funds or assessments due.

The fiscal year for FAJUA books, reports and statistics will be from October 1 through September 30. This is necessary to allow time for the FAJUA Central Processor of the FAJUA to provide to all participating members with their respective share of all FAJUA experience by December 15 of each calendar year. Thus, the report distribution to participating members will allow time for the participating members to include the various experience elements, (i.e., written premium, earned premium, receivables, claims paid, claim reserves, salvage/subrogation recoveries, various FAJUA expenses, etc.) in their respective Annual Statements. In accordance with Chapter 1, Subsection C., participating members should record FAJUA business on their books as direct business by policy year, their share of allocated participation experience.

A. FAJUA Reports Received

1. Reports of FAJUA Experience

Quarterly, the FAJUA Central Processor, operating under authority of the Board of Governors, will prepare distribution reports to the participating members of the FAJUA utilizing the developed participation ratio for each member based upon written car years (private passenger) and written premium (non-private passenger), separately treating liability and physical damage car years and premium. These reports are due for release to the members no later than 75 days after the end of the fiscal quarter being reported. Separate reports will be prepared for each policy year. This manner of reporting will permit participating members to record business quarterly, if desired. In no case should recording be less frequently than annually.

Annually, the FAJUA Central Processor, under authority of the Board of Governors, will prepare the final summary of distribution for participating members so that all necessary entries for premium, losses, income and expense, including unearned premiums, loss reserves, Schedule "P" information may be properly included in the respective company's Annual Statements. This report and additional year-end information is due to the members no later than December 15.

Each member company's participation ratio will be determined in accordance with Operating Principles – Part 1 – General Section 2.

Quarterly, FAJUA financial statements, including Statement of Assets, Liabilities and Members Equity, Statement of Income and Expenses, Statement of Other Underwriting Expenses, and Exhibit of Reserves will be prepared and provided to the General Manager for distribution to the Board of Governors. These reports are available to the participating members upon request. The format

and content of the financial statements are shown as Exhibits KK through NN.

The following exhibits reflect the format and content of FAJUA reports as they will be received by the participating members.

a. Member Participation Reports (Exhibit OO)

Based on monthly and quarterly reports received from servicing carriers, the following reports will be prepared and distributed to the participating members:

(1) Each Fiscal Quarter

- Individual Company Participation - Current Quarter

Private Passenger and Other Than Private Passenger, each separately, by policy year.

Private Passenger and Other Than Private Passenger, each separately, all policy years combined.

(2) Fiscal Year-End (Quarter Ending September 30)

Reports in the same detail as set forth above, showing individual company participation for the current quarter, total fiscal year and inception-to-date.

These reports will furnish participating members with their appropriate share of experience relating to premiums earned, commissions written, losses incurred, etc. The reports also show net underwriting results plus or minus net miscellaneous income and expense, and net operating results.

Also available to member companies, upon request, are member participation reports showing the total FAJUA experi-

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

ence by quarter, fiscal year-to-date and inception-to-date. Miscellaneous income and expenses will be distributed to the policy year during which it was earned or incurred.

The format and content of the member participation reports are shown in Exhibit OO.

b. Summary of Members Quarterly Participation Reports (Exhibit PP)

This report furnishes each participating member with a combined summary of its appropriate share of experience for both the Private Passenger and Other Than Private Passenger participation pools. It is a consolidation of key information shown on the individual reports for each policy year.

Also available to member companies, upon request, are summary participation reports showing the total FAJUA experience by quarter, fiscal year-to-date and inception-to-date.

2. Annual Florida Municipal Tax Report

Annually, a Tax Report will be produced by each servicing carrier showing written premium by Florida Municipal Tax Code. The report is to be filed by the servicing carrier at the office of the FAJUA Central Processor by 30 days after the close of the fiscal year (October 1 to September 30). The FAJUA Central Processor, after report consolidation, is responsible for making distribution to the participating members by December 15, using as the basis of distribution the proportion of each member company's share of written premiums, separately for each respective classification group and coverage, as set forth on the member's participation report for the full fiscal year to the total written premiums of all member companies combined. The format and content of this report is found as Exhibit DD.

The premium content of the report sent the participating members will be Automobile Liability, Automobile Property Damage and Automobile Collision premiums, all at 100%, for the Florida Municipal Police Officer's Retirement Trust Fund.

The individual participating members are then responsible for handling their proportional share of FAJUA tax experience in the same manner as they handle their direct written premium experience.

3. Annual Claim Count and Salvage and Subrogation Reports

Annual Claim Count and Salvage and Subrogation Reports received from each of the servicing carrier's will be consolidated by the FAJUA Central Processor. Copies of the consolidated report will be distributed to member companies to provide data needed in the Annual Statement, Schedule P. Member companies will be advised as to the basis to be used for the determination of their shares of the consolidated data.

The basis for such participation reports will be the proportion of each member company's share of paid losses for liability and physical damage coverages, as set forth on the member's participation report for the full fiscal year, to the total paid losses of all member companies combined.

The format and content of the report is shown as Exhibit QQ.

4. Catastrophe Loss Reports

The FAJUA Central Processor will consolidate preliminary and final catastrophe loss reports as submitted by each servicing carrier. A copy of the consolidated report will be distributed to each participating member. Based upon its applicable participation ratios, a participating member may determine its proportionate share of other than collision losses associated with occurrences involving the State of Florida for which estimated losses amount to \$1,000,000,000 or more.

Such reports will be forwarded to the participating members within 75 days after the valuation of the servicing carrier reports.

The format and content of these reports is shown as Exhibit RR.

5. Recording of FAJUA Reports by the Participating Members

Each participating member will make entries on its books as direct business, by policy year, for premiums written, earned and unearned, investment income, losses paid and outstanding, expenses paid and incurred, both general and claim.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

All related money accounting entries will also be recorded. Automatically the participating member will incur its premium tax liability to be paid later. This procedure will have the effect of placing on each participating member's books its percentage participation of the overall result as of the period-ending date. Premium taxes and Boards, Bureaus, and Association expenses will be paid by the participating members based on their portion of the premium as reported to them by the FAJUA.

Each policy year will be held open on the FAJUA and participating members' books until closed out in accordance with Chapter 15 of this manual.

B. Assessments Due

The cash position of the FAJUA will be monitored by the FAJUA Manager and FAJUA Central Processor. A Cash Flow Projection Report will be issued quarterly by the FAJUA Central Processor, projecting the cash needs of the Plan. An assessment of participating members will be accomplished quarterly or as otherwise needed in accordance with guidelines established by the Board of Governors. FAJUA assessments shall be calculated in increments of \$100,000.

The experience distribution formula (as defined in Chapter 11 of this manual) will also be utilized for any necessary assessments of the participating members. Any such assessment from the participating members is due and payable back to the Association Central Bank within 20 calendar days of the postmark date of the assessment notice. The format of the Cash Activity Report which summarizes each participating member's share of the assessment is shown as Exhibit SS.

1. Overdue Payments of Assessments

The criterion for determining overdue payments of assessments will be the postmark date of the payment. All payments with postmark dates within 20 calendar days of the postmark date of the assessment notice will be considered to be on time.

Participating members submitting payments with postmark dates subsequent to the twentieth day following the postmark date of the assessment notice will be subject to a late payment fee. That fee will be computed at the rate of 1.5% per month (.05% per day) on the unpaid balance from the due date to the postmark date of the payment. A minimum late payment fee of \$50.00 will apply with respect to any overdue payment under a spe-

cific assessment. Late payment fees are payable within 20 calendar days of the billing date.

The procedure for follow-up will be as follows:

- a. A follow-up letter is to be sent on the twenty-seventh calendar day following the postmark date of the assessment/late payment notice relative to all payments which have not been received as of that date.
 - b. A second follow-up letter is to be sent on the fifteenth calendar day after the first follow-up letter. This letter is to be sent to the company contact as noted in the files. A copy of that letter is to be sent to the Chief Executive Officer of the company. If the outstanding assessment is in excess of \$10,000, contact would be made with the Chief Financial Officer which is to be accomplished by telephone, and is to be confirmed by letter with a copy to the Chief Executive Officer. Copies of such letters are to be directed to the Manager and Chairman of the Board of Governors.
 - c. The FAJUA Central Processor will notify the Manager which companies failed to pay their assessment/late payment fees by the due date. It is the Manager's responsibility to notify and update the Board of Governors as to the collection activities.
2. With respect to participating members for which payment of an assessment or a late payment fee has not been received within 45 calendar days of the postmark date of the notice, a report will be submitted to the Manager and the Office of Insurance Regulation for appropriate action.

If, as of the time that a succeeding assessment is levied:

- a. An amount due under the prior assessment remains unpaid, the invoice under the succeeding assessment will include the amount overdue under the prior assessment. In addition, the participating member will be responsible for the late penalty fee associated with the unpaid invoice from the due date of the original invoice until paid. The Plan Administrator will bill the participating member for this penalty fee.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

- b. Assessments will be made only in amounts of \$25 or greater. See the following paragraph C for this procedure.

C. Excessively Small Shares of Assessments Due

To avoid excessively minimal amounts of cash transaction, no member company will receive either a check or an assessment for less than \$25. When a cash transaction for any member will be in an amount less than \$25, the amount will be entered into the FAJUA accounts as either a receivable or a payable for that member company. The receivable/payable is a cumulative account and when the sum of multiple distributions exceeds \$25, a check or assessment will then be generated for the total accumulated amount.

D. Annual Membership Fee

Insurance companies licensed to write automobile insurance in the state of Florida shall be members of the Association and must pay an annual FAJUA membership in an amount determined by the Board of Governors. The membership fee is billed by FAJUA Central Processor.

Any member company who has a past due annual membership fee that is not paid within 30 calendar days of the billing date will be subject to a late fee computed at the rate of 1.5% per month (.05% per day). A minimum of \$50 will apply with respect to any past due payment. Annual membership fees that are postmarked prior to the end of the 30 calendar days will not be subject to late fees.

If the annual membership fee is not received by the FAJUA Central Processor within 30 calendar days of the billing date, the FAJUA Central Processor will send a follow-up letter on the 37th calendar day following the date of membership fee billing. The letter will advise that the payment is late and subject to late fees.

A follow up letter will be sent 15 calendar days after the first follow up letter. A copy of the letter or a written report will be sent to the FAJUA General Manager.

If a member company has not paid the annual membership fee within 55 days of the date of issuance of the bill

1. The General Manager will notify the chairman of the Board of Governors who may elect to notify the Office of Insurance Regulation of the unpaid membership fees.
2. Late fees will continue to accrue until paid by the member company and may be reported

to the Office of Insurance Regulation by the FAJUA.

E. Hurricane Catastrophe Fund (Hurricane CAT Fund)

Insurance companies writing business in the state of Florida are subject to the Hurricane Catastrophe Fund Assessment (Hurricane CAT Fund). The Florida AJUA premium written is also subject to this assessment. However, the servicing carriers are responsible for surcharging and collecting the assessment. The FAJUA Central Processor will remit the assessment surcharge to the state on all FAJUA written premium.

Member companies should **exclude** FAJUA premium written when they determine the amount of their quarterly assessment to the CAT Fund. Member companies will be instructed as to how to exclude this premium from the assessment and applicable reporting forms.

The FAJUA Central Processor will provide the Office of Insurance Regulation with a breakdown of each member companies share of the FAJUA premium written. The Office of Insurance Regulation will use this breakdown to balance the CAT Fund report to the wire transfers received from the member companies.

F. Florida Excessive Profits Reports

Annually, the FAJUA Central Processor will provide each member company with an excessive profits report for the member's share of FAJUA private passenger experience. Insurance companies writing in the state of Florida must file excessive profits report for both voluntary and FAJUA private passenger business with the Department of Financial Services by July 1 of each year.

The FAJUA Central Processor annually will contact all member companies to determine those members who want the FAJUA Central Processor to file an FAJUA excessive profits report on their behalf. Member companies have the opportunity to review their reporting status and advise the FAJUA Central Processor of any changes.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

At the request of the member company, the FAJUA Central Processor will electronically file an excessive profits report for that member's share of FAJUA private passenger experience directly with the Florida Office of Insurance Regulation. The data represents only the member company's share of FAJUA experience and does not include the company's voluntary business.

Member companies who do not elect to have the FAJUA Central Processor file an FAJUA excessive profits report on their behalf are responsible for making their own filing for their FAJUA share. Members may calculate their share of FAJUA private passenger experience from the member participation reports for the quarter ending March 31 which are distributed by June 15 of that year.

The FAJUA Central Processor will provide all member companies with FAJUA excessive profits reports regardless of whether or not the FAJUA Central Processor makes a filing on the company's behalf.

Chapter 9

FLORIDA JOINT UNDERWRITING ASSOCIATION ACCOUNTING BOOKS, CONTROLS, AND RECORDS

A. Accounting Ledgers

Servicing carrier reports and the related chart of accounts shall be maintained along the same lines as those routinely used by an insurance carrier. Accounting reports submitted by the servicing carrier shall serve as the support for entries into the FAJUA's general ledger.

B. Chart of Accounts

1. Assets

- Cash in Bank – Cash Operating, Cash Payroll Operating, Cash Central Processor
- Central Bank Account – Central Bank
- Servicing Carrier Bank Account – Depository/Disbursement Account

These figures will be supported by electronic copies of the reconciled bank statement received from the servicing carrier plus the FAJUA bank statement.

- Type of Investment – State Treasury
- Accounts Receivable – Late fees, member fees, member company
- Accounts Receivable – Salvage, Subrogation, and Other Loss Recovery
- Servicing Carrier – Deferred Premium

These figures will be supported by servicing carrier detail records on premiums outstanding and not collected.

- Servicing Carrier – All Other
- Hurricane CAT Fund Surcharge – Receivable
- Assessment Due from Member Companies
- Accrued Interest Receivable – Prepaid Other

2. Liability and Net Worth

- Accrued Commission Payable – Servicing Carrier

These figures will be supported by servicing carrier detail records on commissions not paid.

- Accrued Servicing Carrier Fee Payable – Operating and Service

- Accrued Servicing Carrier Fee Payable – Claim
- Accrued Expenses Payable – Sales Tax and Other
- Loss Case Reserves
- IBNR Loss Reserve
- Allocated Loss Adjustment Expense Reserve
- Anticipated Sal/Sub Reserve
- Earned but Unbilled Premium Reserve
- Unearned Premium Reserves
- Premium Deficiency Reserve
- Advanced Premium Liability
- Unapplied Cash Liability
- Escheat Reserve – Servicing Carrier
- Outstanding Drafts – Servicing Carrier
- Accounts Payable – Other, Pension, AIPSO Withholding
- Hurricane CAT Fund Payable – Hurricane Fund
- Net Worth—Member Companies – Retained Earnings

3. Profit and Loss

- Miscellaneous Income – Membership Fees, Late Fees, Miscellaneous
- Premiums Written
- Premiums Charged Off
- Investment Income
- Commissions Charged Off
- Commissions Written
- Paid Losses
- Allocated LAE Paid
- Salvage/Subrogation Income
- Loss Recovery Income

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

- Servicing Carrier Fees Operating Claim Expense
- Collection Expenses
- Bank Charges
- Change in Earned but Unbilled Premium Reserve
- Change in Allocated LAE Reserves
- Change in Loss Reserves
- Change in Unearned Premium Reserve
- Change in Premium Deficiency Reserve
- Miscellaneous Adjustments
- Salaries
- Employee Relations and Welfare
- Insurance
- Travel and Travel Items
- Rent and Rent Items
- Office Equipment Expenses
- Furniture and Fixtures

The FAJUA will not create any asset accounts for furniture and fixtures and equipment. Any expenditures will be expended in the year they are incurred and will be shared by the member companies on a pro-rata basis to be determined by the FAJUA Central Processor. It will be the same percentage which will be used to determine a member company's share of the residual market.

- Printing and Stationery
- Books, Subscriptions, and Dues
- Postage and Telephone
- Legal Services
- Audit Fees
- Taxes, Licenses, and Fees
- Miscellaneous Expense
- FAJUA Central Processor Expense

C. Accounting Entries to Ledger Accounts

The FAJUA Central Processor will receive four monthly reports from the servicing carriers:

- Servicing Carrier Cash Analysis reports for the Depository Account (Exhibit F)
- Servicing Carrier Cash Analysis Disbursement Account (Exhibit G)
- Servicing Carrier Cash Analysis Miscellaneous Journal Vouchers (Exhibit H)
- Servicing Carrier Statistical Summary Control (Exhibit O)

These four reports will be the basis for the FAJUA Central Processor's posting to the sub-ledger accounts.

Some of the information included on the Monthly Statistical Summary Control does not require ledger posting. The following are entries that the FAJUA Central Processor will record from the monthly reports. Servicing carriers are not required to record the Association transactions in the same manner as the FAJUA Central Processor. However, the servicing carrier will be required to consolidate any accounts that they use on their internal ledgers to be in the format required for the Cash Analysis, Statistical Summary, and Trial Balance Exhibits. See Exhibits F,G,H,O, and Y. In addition, the servicing carrier is required to reconcile all Subledger Activity Reports (see Exhibit Z(1) through Z(5), even if this account is not being used on the servicing carrier's internal ledger).

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

Depository Cash Analysis (Exhibit F)

| | | |
|---|----------|----------|
| 1. PREMIUM COLLECTIONS (Entry 6) | | |
| Debit: Cash in Bank— Servicing Carrier | \$40,000 | |
| Credit: Servicing Carrier—A/R Premium | | \$40,000 |
| 2. PREMIUM INSTALLMENT FEES (Entry 7) | | |
| Debit: Cash in Bank— Servicing Carrier | 400 | |
| Credit: Servicing Carrier—Deferred Premium | | 400 |
| 3. POLICYHOLDER RETURNED CHECK COLLECTION (Entry 8) | | |
| Debit: Cash in Bank— Servicing Carrier | 35 | |
| Credit: Servicing Carrier—Deferred Premium | | 35 |
| 4. COLLECTION OF HURRICANE CAT SURCHARGE (Entry 9) | | |
| Debit: Cash in Bank— Servicing Carrier | 400 | |
| Credit: HURRICANE CAT Fund Surcharge Receivable | | 400 |
| 5. OTHER LOSS RECOVERIES (Entry 10) | | |
| Debit: Cash in Bank— Servicing Carrier | 500 | |
| Credit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery | | 500 |
| 6. SALVAGE AND SUBROGATION (Entry 11) | | |
| Debit: Cash in Bank— Servicing Carrier | 10 | |
| Credit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery | | 10 |
| 7. RETURNED CHECK COLLECTION (Entry 12) | | |
| Debit: Cash in Bank— Servicing Carrier | 20 | |
| Credit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery | | 20 |
| 8. REFUND OF CLAIM PAYMENT (Entry 13) | | |
| Debit: Cash in Bank— Servicing Carrier | 200 | |
| Credit: Outstanding Drafts— Servicing Carrier | | 200 |
| 9. RETURN COMMISSIONS (Entry 14) | | |
| Debit: Cash in Bank— Servicing Carrier | 500 | |
| Credit: Commission Payable— Servicing Carrier | | 500 |
| 10. FUNDS TRANSFERRED TO CENTRAL BANK (Entry 16) | | |
| Debit: Cash in Bank—Central Bank Account | 35,000 | |
| Credit: Cash in Bank— Servicing Carrier | | 35,000 |

Note: The entry outlined above is for illustrative purposes only. Actual entries are made on the basis of advice from the Central Bank; the corresponding entry in the Servicing Carrier Cash Analysis is verified against the amount of funds transferred during the month.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

11. BANK SERVICE CHARGES (Entry 17)

| | | |
|--|----|----|
| Debit: Bank Service Charges— Servicing Carrier | 20 | |
| Credit: Cash in Bank— Servicing Carrier | | 20 |

12. RETURNED CHECKS—PREMIUM (Entry 18)

| | | |
|---|-------|-----|
| Debit: Servicing Carrier—Deferred Premium | \$200 | |
| Credit: Cash in Bank— Servicing Carrier | | 200 |

13. RETURNED CHECKS OTHER LOSS RECOVERIES (Entry 19)

| | | |
|---|-------|-------|
| Debit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery | 1,500 | |
| Credit: Cash in Bank—Servicing Carrier | | 1,500 |

14. RETURNED CHECKS SALVAGE/SUBROGATION (Entry 20)

| | | |
|---|----|----|
| Debit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery | 10 | |
| Credit: Cash in Bank— Servicing Carrier | | 10 |

15. BANK MISCELLANEOUS ADJUSTMENTS (Entry 22)

| | | |
|---|---|---|
| Debit: Miscellaneous Adjustments | 1 | |
| Credit: Cash in Bank— Servicing Carrier | | 1 |

16. ADVANCED PREMIUM COLLECTED (Entry 27)

| | | |
|---|-------|-------|
| Debit: Servicing Carrier-Deferred Premium | 2,000 | |
| Credit: Advanced Premium Liability | | 2,000 |

Note: This entry will automatically be reversed on the first day of the next quarter.

17. UNAPPLIED CASH (Entry 28)

| | | |
|---|-------|-------|
| Debit: Servicing Carrier—Deferred Premium | 1,500 | |
| Credit: Unapplied Cash Liability | | 1,500 |

Disbursement Cash Analysis (Exhibit G)

18. FUNDS TRANSFERRED FROM CENTRAL BANK (Entry 6)

| | | |
|---|--------|--------|
| Debit: Cash in Bank— Servicing Carrier | 25,000 | |
| Credit: Cash in Bank—Central Bank Account | | 25,000 |

Note: The entry outlined above is for illustrative purposes only. Actual entries are made on the basis of advice from the Central Bank; the corresponding entry in the Servicing Carrier Cash Analysis is verified against the amount of funds transferred during the month.

19. CLAIMS DRAFTS NOT HONORED (Entry 7)

| | | |
|---|-----|-----|
| Debit: Cash in Bank— Servicing Carrier | 100 | |
| Credit: Outstanding Drafts— Servicing Carrier | | 100 |

20. ESCHEAT CHECKS (Entry 8)

| | | |
|--|-------|-------|
| Debit: Cash in Bank— Servicing Carrier | 1,000 | |
| Credit: Escheat Reserve— Servicing Carrier | | 1,000 |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

| | | |
|---|--------|--------|
| 21. CLAIM CHECKS ISSUED (Entry 10) | | |
| Debit: Outstanding Drafts— Servicing Carrier | 10,000 | |
| Credit: Cash in Bank— Servicing Carrier | | 10,000 |
| 22. CLAIM DRAFTS HONORED (Entry 11) | | |
| Debit: Outstanding Drafts— Servicing Carrier | 10,000 | |
| Credit: Cash in Bank— Servicing Carrier | | 10,000 |
| 23. REIMBURSEMENT TO VOLUNTARY CARRIER (Entry 12) | | |
| Debit: Outstanding Drafts— Servicing Carrier | 3,000 | |
| Credit: Cash in Bank— Servicing Carrier | | 3,000 |
| 24. DISBURSEMENT OF PRODUCER COMMISSIONS (Entry 13) | | |
| Debit: Commission Payable— Servicing Carrier | 5,500 | |
| Credit: Cash in Bank— Servicing Carrier | | 5,500 |
| 25. DISBURSEMENT OF POLICYHOLDER REFUNDS (Entry 14) | | |
| Debit: Servicing Carrier—Deferred Premium | 7,500 | |
| Credit: Cash in Bank— Servicing Carrier | | 7,500 |
| 26. PREMIUM INSTALLMENT FEES (Entry 15) | | |
| Debit: Servicing Carrier—Deferred Premium | 400 | |
| Credit: Cash in Bank— Servicing Carrier | | 400 |
| 27. RETURN OF HURRICANE CAT FUND SURCHARGE (Entry 16) | | |
| Debit: Servicing Carrier— Hurricane Cat Fund Surcharge Receivable | 50 | |
| Credit: Cash in Bank— Servicing Carrier | | 50 |
| 28. SALVAGE AND SUBROGATION (Entry 17) | | |
| Debit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery | 10 | |
| Credit: Cash in Bank Servicing Carrier | | 10 |
| 29. RETURNED CHECK—PREMIUM RECEIPTS (Entry 18) | | |
| Debit: Servicing Carrier—Deferred Premium | 40 | |
| Credit: Cash in Bank— Servicing Carrier | | 40 |
| 30. RETURNED CHECK—OTHER LOSS RECOVERIES (Entry 19) | | |
| Debit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery | 40 | |
| Credit: Cash in Bank— Servicing Carrier | | 40 |
| 31. RETURNED CHECK—SALVAGE AND SUBROGATION (Entry 20) | | |
| Debit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery | 10 | |
| Credit: Cash in Bank— Servicing Carrier | | 10 |
| 32. DISBURSEMENT OF BANK CHARGES (Entry 21) | | |
| Debit: Bank Charges | 50 | |
| Credit: Cash in Bank— Servicing Carrier | | 50 |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

33. COLLECTION FEES (Entry 22)

| | | |
|---|-----|-----|
| Debit: Collection Fee Expenses | 500 | |
| Credit: Cash in Bank— Servicing Carrier | | 500 |

34. MISCELLANEOUS ADJUSTMENTS (Entry 23)

| | | |
|---|---|---|
| Debit: Miscellaneous Adjustments | 1 | |
| Credit: Cash in Bank— Servicing Carrier | | 1 |

Miscellaneous Journal Vouchers Cash Analysis (Exhibit H)

35. PREMIUM COLLECTION EXPENSES (Entries 4–5)

| | | |
|--|------|------|
| Debit: Collection Expenses | \$30 | |
| Credit: Servicing Carrier—Deferred Premium | | \$30 |

36. COMMISSIONS CHARGED OFF (Entries 6–7)

| | | |
|--|---|---|
| Debit: Commission Payable— Servicing Carrier | 1 | |
| Debit: Collection Expenses | 1 | |
| Credit: Commissions Charged Off | | 2 |

Statistical Summary Control (Exhibit O)

37. PREMIUMS WRITTEN (Entry 6)

| | | |
|---|--------|--------|
| Debit: Servicing Carrier—Deferred Premium | 95,000 | |
| Credit: Premiums Written | | 95,000 |

38. HURRICANE CAT FUND SURCHARGE (Entry 22)

| | | |
|--|-----|-----|
| Debit: HURRICANE CAT Fund Surcharge Receivable | 950 | |
| Credit: Cash in Bank— Servicing Carrier | | 950 |

(The FAJUA Central Processor will record the credit to AIP HURRICANE CAT Fund)

39. COMMISSIONS WRITTEN (Entry 23)

| | | |
|----------------------------|-------|-------|
| Debit: Commission Expense | 8,500 | |
| Credit: Commission Payable | | 8,500 |

40. PREMIUM CHARGE OFF (Entry 24)

| | | |
|--|----|----|
| Debit: Premium Charge Off | 20 | |
| Credit: Servicing Carrier—Deferred Premium | | 20 |

41. GROSS LOSSES PAID (Entry 25)

| | | |
|---|--------|--------|
| Debit: Losses Paid | 12,000 | |
| Credit: Outstanding Drafts— Servicing Carrier | | 12,000 |

42. OTHER LOSS RECOVERY (Entry 26)

| | | |
|---|----|----|
| Debit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery | 50 | |
| Credit: Loss Recovery Income | | 50 |

43. SALVAGE/SUBROGATION (Entry 27)

| | | |
|---|-------|-------|
| Debit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery | 1,500 | |
| Credit: Salvage/Subrogation Income | | 1,500 |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

| | | |
|--|--------|----------|
| 44. ALLOCATED LOSS ADJUSTMENT EXPENSE (Entry 29) | | |
| Debit: Claim Service Fees— Servicing Carrier | 450 | |
| Credit: Outstanding Drafts— Servicing Carrier | | 450 |
| 45. PRIOR UNEARNED PREMIUMS (Entry 9) | | |
| Debit: Unearned Premium Reserve | 20,000 | |
| Credit: Change in Unearned Premium Reserve | | 20,000 |
| 46. CURRENT UNEARNED PREMIUM (Entry 12) | | |
| Debit: Change in Unearned Premium Reserve | 21,000 | |
| Credit: Unearned Premium Reserve | | 21,000 |
| 47. EARNED BUT UNBILLED PREMIUM PRIOR (Entry 15) | | |
| Debit: Change in Earned but Unbilled Premium Reserve | 2,000 | |
| Credit: Earned but Unbilled Premium Reserve | | 2,000 |
| 48. EARNED BUT UNBILLED PREMIUM CURRENT (Entry 18) | | |
| Debit: Earned but Unbilled Premium Reserve | 1,500 | |
| Credit: Change in Earned but Unbilled Premium Reserve | | 1,50052. |
| 49. LOSS RESERVES PRIOR (Entry 30) | | |
| Debit: Outstanding Loss Reserves | 25,000 | |
| Credit: Change in Loss Reserves | | 25,000 |
| 50. LOSS RESERVES CURRENT (Entry 31) | | |
| Debit: Change in Loss Reserves | 30,000 | |
| Credit: Outstanding Loss Reserves | | 30,000 |
| 51. IBNR RESERVES PRIOR (Entry 33) | | |
| Debit: IBNR Loss Reserves | 45,000 | |
| Credit: Change in IBNR Loss Reserves | | 45,000 |
| 52. IBNR RESERVES CURRENT (Entry 34) | | |
| Debit: Change in IBNR Loss Reserves | 37,000 | |
| Credit: IBNR Loss Reserves | | 37,000 |
| 53. ANTICIPATED SALVAGE AND SUBROGATION PRIOR CASE RESERVE (Entry 37) | | |
| Debit: Outstanding Loss Reserves | 1,000 | |
| Credit: Change in Loss Reserves | | 1,000 |
| 54. ANTICIPATED SALVAGE AND SUBROGATION PRIOR IBNR RESERVES (Entry 38) | | |
| Debit: IBNR Loss Reserves | 800 | |
| Credit: Change in IBNR Loss Reserves | | 800 |
| 55. ANTICIPATED SALVAGE AND SUBROGATION CURRENT CASE RESERVES (Entry 40) | | |
| Debit: Change in Loss Reserves | 1,200 | |
| Credit: Outstanding Loss Reserves | | 1,200 |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

56. ANTICIPATED SALVAGE AND SUBROGATION CURRENT IBNR RESERVES (Entry 41)

| | | |
|-------------------------------------|-------|-------|
| Debit: Change in IBNR Loss Reserves | 1,000 | |
| Credit: IBNR Loss Reserves | | 1,000 |

57A.ALLOCATED LOSS ADJUSTMENT EXPENSES PAID (Entry 47)

If the servicing carrier is paying ALAE using non-FAJUA funds and obtaining a reimbursement

| | | |
|---|-------|-------|
| Debit: Allocated LAE Paid | 5,000 | |
| Credit: Cash in Bank – Central Bank Account or Accrued Servicing Carrier Carrier Claim Fee | | 5,000 |

57B. ALLOCATED LOSS ADJUSTMENT EXPENSES PAID (Entry 47)

If the servicing carrier is paying directly reimbursable expenses using FAJUA funds

| | | |
|---|-------|-------|
| Debit: Allocated LAE Paid | 5,000 | |
| Credit: Outstanding Draft – Servicing Carrier | | 5,000 |

58. ALLOCATED LOSS ADJUSTMENT EXPENSE PRIOR RESERVE (Entry 48)

| | | |
|--|--------|--------|
| Debit: Allocated LAE Reserves | 20,000 | |
| Credit: Change in Allocated LAE Reserves | | 20,000 |

59. ALLOCATED LOSS ADJUSTMENT EXPENSE – CURRENT RESERVE (Entry 49)

| | | |
|---|--------|--------|
| Debit: Change in Allocated LAE Reserves | 21,000 | |
| Credit: Allocated LAE Reserves | | 21,000 |

60. SERVICING CARRIER—OPERATING AND SERVICE FEES (Entry 56)

| | | |
|--|-------|-------|
| Debit: Service Fees Servicing Carrier | 8,550 | |
| Credit: Cash in Bank—Central Bank Account or Accrued Servicing Carrier Operating Service Fees Payable | | 8,550 |

61. SERVICING CARRIER—CLAIMS SERVICE FEES (Entry 61)

| | | |
|--|--------|--------|
| Debit: Claim Service Fee—Servicing Carrier | 10,414 | |
| Credit: Cash in Bank—Central Bank Account or Accrued Servicing Carrier Service Fees Payable. The amount for this entry should be taken from the line "Total Claim Service Fee Due" | | 10,414 |

Note: If the credit is made to accrued operating and service fees payable, accrued claim service fees payable, and accrued collection fees payable, then these ledger accounts will be debited and Cash in Bank—Central Bank Account credited when the actual disbursement is made.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL
FLORIDA JOINT UNDERWRITING ASSOCIATION GENERAL LEDGER

| Cash in Bank S/C | | | | Cash in Bank-FAJUA | | | | Accounts Receivable-Premium | | | |
|------------------|--------|--------|------|--------------------|--------|--------|-------|-----------------------------|--------|--------|------|
| (1) | 40,000 | 35,000 | (10) | (10) | 35,000 | 25,000 | (18) | (12) | 200 | 40,000 | (1) |
| (2) | 400 | 20 | (11) | | | 5,000 | (57A) | (16) | 2,000 | 400 | (2) |
| (3) | 35 | 200 | (12) | | | 8,550 | (60) | (17) | 1,500 | 35 | (3) |
| (4) | 400 | 1,500 | (13) | | | 10,414 | (61) | (25) | 7,500 | 30 | (35) |
| (5) | 500 | 10 | (14) | | | | | (26) | 400 | 20 | (40) |
| (6) | 10 | 1 | (15) | | | | | (27) | 50 | | |
| (7) | 20 | 10,000 | (21) | | | | | (29) | 40 | | |
| (8) | 200 | 10,000 | (22) | | | | | (37) | 95,000 | | |
| (9) | 500 | 3,000 | (23) | | | | | | | | |
| (10) | 35,000 | 5,500 | (24) | | | | | | | | |
| (18) | 25,000 | 7,500 | (25) | | | | | | | | |
| (19) | 100 | 400 | (26) | | | | | | | | |
| (20) | 1,000 | 50 | (27) | | | | | | | | |
| | | 10 | (28) | | | | | | | | |
| | | 40 | (29) | | | | | | | | |
| | | 40 | (30) | | | | | | | | |
| | | 10 | (31) | | | | | | | | |
| | | 50 | (32) | | | | | | | | |
| | | 500 | (33) | | | | | | | | |
| | | 1 | (34) | | | | | | | | |
| | | 950 | (38) | | | | | | | | |

| Outstanding Drafts-S/C | | | | Losses Paid | | | | Commissions Payable-S/C | | | |
|------------------------|--------|--------|-------|-------------|--------|--|--|-------------------------|-------|-------|------|
| (21) | 10,000 | 200 | (8) | (41) | 12,000 | | | (24) | 5,500 | 500 | (9) |
| (22) | 10,000 | 100 | (19) | | | | | (36) | 1 | 8,500 | (39) |
| (23) | 3,000 | 12,000 | (41) | | | | | | | | |
| | | 450 | (44) | | | | | | | | |
| | | 5,000 | (57B) | | | | | | | | |

| HURRICANE CAT Fund Surcharge Receivable | | | | Unapplied Cash Liability | | | |
|---|-----|-----|-----|--------------------------|-------|------|--|
| (27) | 50 | 400 | (4) | | 1,500 | (17) | |
| (38) | 950 | | | | | | |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL
FLORIDA JOINT UNDERWRITING ASSOCIATION GENERAL LEDGER

| | | | | | | | | | | | |
|--|--------|--------|------|------------------------------------|--------|--------|------|-------------------------|--------|--------|------|
| Bank Charges | | | | Bank Misc. Adj. | | | | Premiums Charged Off | | | |
| (12) | 20 | | | (15) | 1 | | | (40) | 20 | | |
| (32) | 50 | | | (34) | 1 | | | | | | |
| Commission Charged Off | | | | Premium Written | | | | Commission Expense | | | |
| | | 2 | (36) | | | 95,000 | (37) | (39) | 8,500 | | |
| Claim Service Fee—S/C | | | | Operating and Service Fee S/C | | | | Escheat Reserve | | | |
| (44) | 450 | | | (60) | 8,550 | | | | 1,000 | (20) | |
| (61) | 10,414 | | | | | | | | | | |
| | | | | Collection Expenses | | | | | | | |
| | | | | (33) | 500 | | | | | | |
| | | | | (35) | 30 | | | | | | |
| | | | | (36) | 1 | | | | | | |
| Unearned Premium Reserve | | | | Change in Unearned Premium Reserve | | | | Loss Reserves | | | |
| (45) | 20,000 | 21,000 | (46) | (46) | 21,000 | 20,000 | (45) | (49) | 25,000 | 30,000 | (50) |
| | | | | | | | | (53) | 1,000 | 1,200 | (55) |
| IBNR Loss Reserves | | | | Change in IBNR Loss Reserves | | | | Change in Loss Reserves | | | |
| (51) | 45,000 | 37,000 | (52) | (52) | 37,000 | 45,000 | (51) | (50) | 30,000 | 25,000 | (49) |
| (54) | 800 | 1,000 | (56) | (56) | 1,000 | 800 | (54) | (55) | 1,200 | 1,000 | (53) |
| A/R Salvage/Subrogation and Other Loss Recovery | | | | | | | | Loss Recovery Income | | | |
| (13) | 1,500 | 500 | (5) | | | | | | 50 | (42) | |
| (14) | 10 | 10 | (6) | | | | | | | | |
| (28) | 10 | 20 | (7) | | | | | | | | |
| (30) | 40 | | | | | | | | | | |
| (31) | 10 | | | | | | | | | | |
| (42) | 50 | | | | | | | | | | |
| (43) | 1,500 | | | | | | | | | | |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

FLORIDA JOINT UNDERWRITING ASSOCIATION GENERAL LEDGER

| | | | | | | | | | | | |
|---------------------------------------|--|--|--|----------------------------|--|--|--|---------------------------------|--|--|--|
| Salvage/Subrogation Income | | | | Advanced Premium Liability | | | | Earned but Unbilled Premium | | | |
| 1,500 (43) | | | | 2,000 (16) | | | | (48) 1,500 2,000 (47) | | | |
| | | | | | | | | | | | |
| Change in Earned but Unbilled Premium | | | | | | | | | | | |
| (47) 2,000 1,500 (48) | | | | | | | | | | | |
| Allocated LAE Paid | | | | Allocated LAE Reserve | | | | Change in Allocated LAE Reserve | | | |
| | | | | | | | | Reserve | | | |
| (57A) 5,000 | | | | (58) 20,000 21,000 (59) | | | | (59) 21,000 20,000 (58) | | | |
| (57B) 5,000 | | | | | | | | | | | |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

Chapter 10
FLORIDA JOINT UNDERWRITING ASSOCIATION REPORTS

The FAJUA Central Processor will prepare and distribute various operational reports as directed by the FAJUA. This chapter will identify the reports currently produced by the FAJUA Central Processor.

A. Monthly and Year-to-Date Reports

Upon receipt and verification of the servicing carrier monthly report package, the FAJUA Central Processor will consolidate the individual servicing carrier Statistical Summary Control reports (Exhibit O) into three reports: 1.) a current monthly summary; 2.) a fiscal year-to-date summary; and 3.) an inception to date summary. The three consolidated summary reports' format and content will be identical to the reports submitted by the servicing carriers.

The consolidated Statistical Summary Control reports will be made available to the FAJUA Manager and, if requested, to any other FAJUA authority no later than 15 days following the receipt of the last valid individual servicing carrier reports.

In addition to the Statistical Summary Control reports, the FAJUA Central Processor will produce necessary trial balances, bank reconciliations, month-end closing reports, and any other reports requested by the FAJUA.

B. Quarterly Reports

Quarterly, the FAJUA Central Processor, operating under authority of the Board of Governors, will prepare and distribute Member's Participation reports to the participating members of the FAJUA. The reports will utilize the calculated participation ratios for each member based upon written car years (private passenger) and written premium (non-private passenger). The Member's Participation Reports must be distributed to the members no later than 75 days after the end of the fiscal quarter. The format and specific content of these reports are covered in Chapter 6 of this document.

C. Annual Reports

1. FAJUA Fiscal Year Experience Report

The fourth fiscal quarter report sent the members (as well as a year-to-date report as specified in the preceding paragraph B) will contain all necessary entries for premium, losses, income, expenses and will include Schedule "P" information that will be properly included in the respective company's Annual Statements.

This report and additional year-end information is due to the members no later than December 15.

2. Annual Florida Tax Report

Annually, a Tax Report will be produced by servicing carriers showing written premium by Florida Tax Code, to be filed by the servicing carrier at the office of the FAJUA Central Processor by the first day of the second month following the close of each fiscal year.

The FAJUA Central Processor, after report consolidation, is responsible for making distribution to the participating members by December 15, using as the basis of distribution the quota for policy year experience detailed in Chapter 11. It should reflect the participating member's share of premiums written as reported by the servicing carrier, specifically accumulating totals for the affected tax cities and summarizing into an "all other" total the remaining premiums not related to a specific tax city.

3. Audited Financial Statements

Copies of audited financial statements will be made available to participating members of the FAJUA, on request. Requests for such copies should be directed to the FAJUA General Manager.

4. Florida Excessive Profits Reports

Annually, Florida Excessive Profits Reports will be produced by the FAJUA Central Processor showing each member company's share of FAJUA private passenger experience. Insurance companies writing in Florida must file excessive profits reports for both their voluntary and FAJUA private passenger business with the Department of Financial Services by July 1 of each year. Excessive profits reports showing each member company's share of the FAJUA private passenger experience will be distributed to all member companies in June of each year.

In accordance with the procedure in Chapter 8.F., the FAJUA Central Processor will electronically file FAJUA excessive profits reports with the Florida Department of Finance by July 1 of each year on behalf of the member companies who have requested that the FAJUA Central Processor do so. As indicated above, the FAJUA Central Processor will provide each member company for whom they have electronically reported with a copy of their respective FAJUA excessive profits re-

October 2017 Distribution

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

port for their information and records.

Chapter 11

**BASIS OF FLORIDA JOINT UNDERWRITING ASSOCIATION EXPERIENCE DISTRIBUTION
TO PARTICIPATING MEMBERS COMPANIES**

A. Voluntary Experience Used To Determine Participation Ratios

Participation ratios are calculated for each policy year. The basis for these ratios is a participating company's car years of exposure or premiums in the Florida voluntary direct automobile insurance market for the corresponding calendar year (e.g., policy year 2012 is allocated based upon calendar year 2012 direct writings; policy year 2013 is allocated based upon calendar year 2013 direct writings).

Since the current calendar data is unavailable from statistical agents until the following November, participation ratios for the most current policy years are based upon the latest data available. These ratios will be updated when the corresponding calendar year data becomes available. This will cause a retroactive adjustment of all experience allocated based upon the prior ratio. This adjustment will take place with the reports produced for the quarter ending December.

In addition, participation ratios are subject to adjustments for premiums written for approved classes, such as Class 2/Youthful Male Operator, Senior Citizen Operator, and Financial Responsibility Filing Certificate (SR-22/FR-44). Adjustments are also made for Take-Out Credits. Depopulation incentives are provided in Part I – Operating Principles – General, Section 3.

Corrections and adjustments to a given calendar year's base data will be accepted for a period of two and one-half years from the close of the calendar year. For example, companies may submit corrections to calendar year 2014 base data until June 30, 2017.

B. Participation Ratio Calculation

Each company's participation ratio for a policy year is equal to each company's car years of exposure or premiums for the Florida voluntary direct automobile insurance market for a calendar year divided by the comparable total for all companies. These ratios are also subject to adjustment for appropriate credits.

Separate participation ratios will be calculated for each company for these categories:

1. Private Passenger Non-Fleet—Liability (excluding PIP and property damage) - this ratio shall be based on bodily injury liability car years as defined in the Operating Principles.
2. Private Passenger Non-Fleet—PIP and proper-

ty damage - this ratio shall be based on PIP car years as defined in the Operating Principles.

3. Private Passenger Non-Fleet—Physical Damage - this ratio shall be based on physical damage car years as defined in the Operating Principles.
4. All Other—Liability (excluding PIP) - this ratio shall be based on voluntary all other automobile bodily injury liability premiums as defined in the Operating Principles.
5. All Other—PIP - this ratio shall be based on all other PIP premiums as defined in the Operating Principles.
6. All Other—Physical Damage - this ratio shall be based on voluntary all other automobile physical damage premiums as defined in the Operating Principles.

The FAJUA Central Processor will then utilize these ratios to determine each company's share of the FAJUA experience. This information will then be included in each company's Annual Statement.

C. Assessment Procedure

Guidelines for assessments as needed are set forth in paragraphs B and C of Chapter 8. The method of allocation will be based on the net receivable/payable value for all classes/coverages, beginning with the earliest open policy year. Subsequent policy years will be used as needed to exhaust the total amount of the assessment.

If only a portion of the policy year receivable/payable is necessary to complete the assessment, this amount will be pro-rated to pool within the policy year as follows: the balance necessary to complete the assessment divided by the total policy year receivable/payable times each pool receivable/payable.

If it is necessary to apply the assessment to the current year where the receivable/payable values have not matured, the method of allocation will be based on written premiums. For example, written premiums will be used for policy year 20X5 as the current (i.e. provisional) year. This will continue through until receivable/payable values for the quarter ending March 31, 20X6 become available, at which time a receivable/payable value will be used for policy year 20X5, and policy year 20X6 written premiums will be used as the current year.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

Due to the potential inequity in assessing a year based on written premiums, an assessment will occur at least every twelve months. If no activity occurs naturally, a true-up will take place at the end of the month one year subsequent to the last activity. At this point there would be a new current year to distribute based upon written premiums.

The share for each participating member is determined by multiplying its actual participation ratio for the respective policy year and pool by the amount charged or credited to that policy year and pool. It should be noted that if a company is not participating in a policy year, it will not share in the assessment for that policy year.

The results with respect to member companies on the runoff status or inactive member companies will be excluded from the development of the distribution ratios. Refer to Chapter 14 of this manual for a description of settlement of balances with member companies in these categories.

Because the "net balance receivable/payable from FAJUA" amount includes all FAJUA profit and loss experience transactions for all of the policy years involved, its use as the ultimate source of assessment is completely fair and true for all participating members.

D. Non-Policy Year Oriented Expenses and Income

Expenses and earned miscellaneous income, excluding producers commissions and service fees paid the servicing carriers, will be separately distributed by the six (6) sharing categories on the basis of the distribution of quarterly FAJUA premiums for each category for the most recent policy year.

E. Adjustment to Minimum Servicing Carrier Fee

When a minimum servicing carrier fee is in effect for the operating and service fee and/or the claim service fee and the calculated fee does not meet the minimum fee level, the calculated servicing carrier fee shall be increased to the minimum fee. This servicing carrier fee adjustment shall be allocated 50/50 between the private passenger and all other pools and shall be shared by subscriber companies through the member participation system.

Chapter 12
FLORIDA JOINT UNDERWRITING ASSOCIATION SERVICING CARRIER
– FEE SETTLEMENT PROCEDURE

After the servicing carrier has developed the monthly report summary figures, it will prepare the Statistical Summary Control as described in Chapter 6 of this manual. Before leaving the servicing carrier's office, the report should be signed by an authorized official thus indicating the validity of the report content because this report will be used as the source document for establishing the servicing carrier's monthly fee.

This report is due the FAJUA Central Processor no later than the first day of the second month following the close of the reporting month of the detail statistics being summarized (i.e. February 1-28 statistics are to be summarized, verified, all necessary additional entries completed and the completed report sent to be received by the FAJUA Central Processor by April 1st). Late reporting, or inaccurate reports causing any delays in the summarizing of FAJUA experience for distribution and booking control will subject a servicing carrier to the late reporting procedures as outlined in Chapter 13 of this manual.

A. Verification Process

The servicing carrier is required to enter and submit their monthly, quarterly, and fiscal year servicing carrier statistical reports on the FAJUA Central Processor's data reporting website. Refer to Chapter 6 for specific details, requirements and due dates. Once the servicing carrier completes their submission, the FAJUA Central Processor will:

1. Verify the submission is completed with the required policy/claim year breakout reports.
2. Perform trend analysis based on prior period data and utilizing various report tools.
3. Initial and date the Statistical Summary Control Report (Exhibit O) indicating that the verification process has been completed and the report is valid and approved for processing.

B. Verification Process for TPA – Minimum Fee

For the TPA(s) which have a contract with the FAJUA for policy processing and/or claims handling, the FAJUA's Central Processor will verify the accuracy of the minimum fee calculations*.

*Calculation for Administrative Expense Allowance per the policy processing service provider contract.

*Calculation for Loss Adjustment Expense Allowance as stated in the claim handling service provider contract.

C. Fee Check Procedure

The FAJUA Central Processor will prepare a Central Bank check for the fee due the servicing carrier and mailed no later than 7 working days after the receipt of the valid servicing carrier monthly report in the office of the FAJUA Central Processor, using the fee structure applicable to the contract between the FAJUA and servicing carrier.

All servicing carriers, both continuing servicing carriers and discontinued servicing carriers, are

expected to service existing claims including all loss adjustment expense, until fully allocated in accordance with the fee structure applicable to the contract between the FAJUA and servicing carrier.

D. Minimum Fee

The contract between the FAJUA and the servicing carrier or TPA will determine how fees will be settled. The FAJUA Central Processor needs to be informed of the agreement details to address system generated fee payments. Payment of monthly and annual minimum fees, the percentage of written premium to be paid and any settlement specifics must be communicated to the FAJUA Central Processor at least 60 days in advance of any required changes.

Each contract period will require that the FAJUA and the FAJUA Central Processor develop standard operating procedures to ensure the monthly, annual or post contract returned fees (based upon negative written premium) are addressed proactively.

Chapter 13

LATE AND/OR ERRONEOUS REPORTING BY THE SERVICING CARRIERS

Submission of accurate and complete reports on a timely day-to-day basis to the FAJUA Central Processor is essential to the smooth operation of the FAJUA and is a responsibility owed the participating members. The servicing carrier reports must be consolidated in order to produce the members participation reports. This consolidation cannot occur if a servicing carrier submits its reports late or erroneously. As a result, late and/or erroneous reporting of any and all of the monthly, quarterly, and annual reports specified for submission will be considered a reporting violation and will be reported to the servicing carrier's designated individual and the FAJUA General Manager.

The monthly, quarterly and annual reports submissions from the servicing carrier are comprised, in most instances, of multiple exhibits which are considered a single report submission. Late/erroneous submission of one or more exhibits of the report submission is treated as a single late/erroneous report for violation reporting.

A. Method of Determining a Late Submission

Each servicing carrier report submission has a specified due date to the FAJUA Central Processor as outlined in Chapter 6. In addition, the FAJUA Central Processor will annually publish, and distribute as a circular to all servicing carriers, the calendar due dates of all reports. No other notice of these due dates is required on the part of the FAJUA Central Processor.

1. Late Submission Violation Reporting

Violation reporting will begin starting with the first working day following the due date of the report submission (i.e., if the report submission is due November 30, and the first working day following that calendar due date is December 1, any data received on December 1 or thereafter will be considered late). Saturdays, Sundays and holidays are not included when calculating the number of days late.

2. Notification Manner

The FAJUA Central Processor will e-mail or phone the servicing carrier involved, followed by a confirmation letter, indicating that the report submission is late. The FAJUA General Manager will be copied in the e-mail.

The FAJUA Central Processor will follow this schedule for notification of late reporting:

| Notification | Timeframe |
|-----------------|---|
| 1 st | 2 nd working day following the calendar due date |
| 2 nd | 5 th working day following the calendar due date |

If the report submission is not received by the 10th working day following the calendar due date, the FAJUA Central Processor will contact the FAJUA Office for assistance.

3. Late Submission Penalty Fee

A penalty fee of \$1,000.00 per working day will be assessed to the servicing carrier for each working day the report submission is late. The penalty will be calculated from the date the report submission was late to the receipt date at the FAJUA Central Processor.

B. Method of Determining an Erroneous Submission

1. Erroneous Submission Violation Reporting

Upon receipt of each report submission from the servicing carrier, the FAJUA Central Processor will perform the checks outlined in paragraph A. of Chapter 12 to determine the validity of the reporting submission.

2. Notification Manner

If the report submission fails to meet any point of verification, after the FAJUA Central Processor completes the verification process, the FAJUA Central Processor will e-mail the servicing carrier involved, indicating that the report submission contains erroneous data. A copy of this e-mail will be sent to the FAJUA General Manager.

The FAJUA Central Processor will follow this schedule for follow-up on erroneous submissions:

| Notification | Timeframe |
|-----------------|---|
| 1 st | 2nd working day following the date of the original letter |
| 2 nd | 5th working day following the date of the original letter |

If the corrected data is not received by the 10th working day following the calendar due date, the FAJUA Central Processor will contact the Insurance Commissioner for assistance.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

3. Erroneous Submission Penalty Fee

A penalty fee of \$100 per working day will be assessed to the servicing carrier for each working day the report submission is erroneous. The penalty will be calculated from the due date of the report submission to the date a valid correction was received. For corrections submitted through an e-mail or a phone call, the receipt date is the date of the e-mail or phone call.

If the report submission is received early, the penalty will be calculated from the report submission due date, to the date a valid correction is received. Saturdays, Sundays and holidays are not included when calculating the number of days the submission is erroneous.

4. FAJUA Central Processor Corrections

When reporting errors occur, the FAJUA Central Processor will contact the servicing carrier. The error in reporting will be corrected either by the servicing carrier resubmitting the reporting data or the FAJUA Central Processor will make the adjustment with prior servicing carrier approval.

Chapter 14
RUN-OFF AND INSOLVENCY PROCEDURE

The following procedures will apply with respect to participating members which cease to be authorized to write automobile insurance in the State, discontinue writing automobile insurance in the State or which are declared to be insolvent:

A. Run-Off Procedure

1. Companies Which are No Longer Licensed

At the time of notification that a company has surrendered its license to write automobile insurance in the State, a review is to be made of the company's participation ratios based upon the latest available data.

In the event that the company has developed no participation ratios or participation ratios of negligible proportions, the company is to be withdrawn from the membership list as of the time of withdrawal without any run-off consideration.

In the event that the company has developed significant participation ratios, the company is to be continued on the membership list in a run-off status through the policy year in which the withdrawal occurs.

A run-off company will continue to submit statistical data which will provide the basis for its participation ratio calculation.

A run-off company will continue to share in the results of the FAJUA until the policy year in which the company withdrew is closed.

A run-off company will not be subject to the payment of minimum annual membership fees.

2. Inactive Companies

An inactive member company is defined as one which has retained its authorization to write automobile insurance in the state but which has had no voluntary writings in the latest calendar year for which the voluntary data are being used as the basis for participation ratios.

An inactive company is subject to the same procedures as run-off companies with one exception. Inactive companies are required to continue as a member and pay minimum annual membership fees.

B. Insolvency Procedure

A participating member ceases to be a participating member upon the entry of an order of receivership, liquidation or insolvency. No further payments or distributions will be made by the FAJUA or the FAJUA Central Processor after such date

(whether on account of events before or after such date) to such former participating member (or its receiver or liquidator) except such sums as may be due the former participating member in its capacity as a servicing carrier prior to the date of entry of such order. Any payments or distributions that would have been paid to the former participating member, but for its receivership, liquidation or insolvency, shall be redistributed to those members who continue to be participating members on the date of such redistribution.

At the time that a Notice of Insolvency is received, proper forms for filing a claim should be secured by the FAJUA Manager.

Filing of a claim should then be made within the time frame established by the Receiver, as follows:

The claim should include as credits, monies paid to the insolvent company, or held for payment to the company, and as debits, all participation applicable to that company including unearned premium and loss reserves, based upon the latest available participation reports nearest to the date of insolvency. Loss Reserves should include appropriate amounts established for Incurred But Not Reported Losses.

At the discretion of the Board of Governors, special procedures, as may be necessary to identify appropriate participation sharing, would be instituted by servicing carriers in order to identify loss developments on accidents on or prior to insolvency date. Any additional costs for providing such data will be borne by the FAJUA. Periodic updating of such data filed with the receiver will be required to reflect the most current value of the claim.

An insolvent company will continue to share in the results of the FAJUA until the policy year in which the company became insolvent is closed. Once the policy year is closed, any open receivable or payable balance will be written off as a miscellaneous income or expense in the next Member's Participation Report.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

If the FAJUA Central Processor receives funds from the receiver, these funds will be distributed to member companies as miscellaneous income.

C. Rehabilitation Procedures

After a Notice of Rehabilitation, Supervision, or Conservation is received, the FAJUA Central Processor will

- continue to send the cash activity reports to the member companies who owe funds to the FAJUA;
- waive standard follow-up procedures for unpaid balances due the FAJUA;
- maintain the net cash position of the company in the event the company is rehabilitated;
- distribute the Member's Participation Reports;
- contact the General Manager if funds are owed to the member company to determine if the invoice should be mailed and funds disbursed.

In the event the company is rehabilitated, the FAJUA Central Processor will settle any unpaid balances and resume established participation procedures.

Chapter 15
POLICY YEAR CLOSEOUT

Policy year data will be developed in accordance with NAIC reporting requirements.

A. Closeout Policy

1. Loss Reserves

Upon policy year closeout, all loss reserves, including IBNR, will be evaluated for that policy year as of December 31 and rolled over to the earliest open policy accident year of the subsequent policy year. For example, if policy year 20X1 is closed out, all loss reserves, including IBNR, will be rolled over to policy accident year 20X2.

2. To maintain the integrity of incurred losses applicable to each policy year, the following adjustments to paid losses will be made by the FAJUA Central Processor:

- a. For the closed out policy year, amounts equal to the loss reserves for each accident year, classification group and coverage are to be added to the paid losses.
- b. For the subsequent policy year, amounts equal to the loss reserves for each classification group and coverage are to be subtracted from the paid losses for the earlier policy/accident year closeout.

B. Subsequent Activity

1. Loss Developments

Servicing carriers will be required to report any paid loss and loss reserve activity applicable to closed out policy years as part of the earliest open policy/accident year.

2. Policy Year Experience Reports

As of the start of the fiscal year period subsequent to the December 31 valuation as of which the closeout procedure is implemented, experience for the affected policy year will be withdrawn from the participation reports. At that time, the inception-to-date results will be shown only for the succeeding policy year forward to the most current policy year.

C. Settlement of Liability

The ultimate liability of the participating members with respect to a closed out a policy year will be each participating members' inception-to-date receivable/payable value for that policy year as set forth in the participation reports for the period immediately preceding the cycle in which the experience of the closed out policy year is to be with-

drawn from the participation reports.

All cash of the FAJUA Central Bank will be available for allocation to the net receivable/payable values for all classes/ coverages, beginning with the earliest open policy year and subsequent policy years as needed to satisfy the liability of the policy year being settled (closeout).

1. Policy Year Closeout—Net Payable Position

If a policy year is being closed out in a net payable position, an overall distribution to member companies would be made provided there are sufficient FAJUA funds.

If there are insufficient FAJUA funds, member companies would be assessed in order to satisfy the policy year close out.

2. Policy Year Close Out—Net Receivable Position

If a policy year is being closed out in a net receivable position and there are insufficient FAJUA funds to pay member companies in a net payable position, member companies would be assessed in order to satisfy the policy year close out. Under this procedure, the provisions of paragraph C of Chapter 8 of this document will apply with respect to excessively small shares of the resultant assessment.

Chapter 16

BANK FAILURES - PROCEDURES TO BE FOLLOWED

When a bank failure occurs, the Federal Deposit Insurance Corporation (FDIC) takes over. The FDIC may sell the bank or they may operate the bank for some time as a federally owned bank. The funds in the bank are insured to the FDIC limit and will be available to depositors. Any amount over the limit is at risk. To mitigate this risk on FAJUA funds, warning signs and public announcements should be monitored to ensure the banking relationships of the FAJUA are not in jeopardy. Any warning signs should be followed up with the bank or other sources to determine if existing banking relationships should be moved to another institution.

A. Potential Bank Failures

Due to past bank failures, banking regulations and the Federal Deposit Insurance Corporation (FDIC) have put in place specific risk based analysis and capital requirements as a better way to monitor the banking industry. These changes in bank monitoring provide consumers with an early warning sign that a bank could have a financial solvency problem.

Any indication that a FAJUA bank relationship could be impacted by bank failure and the loss of FAJUA funds over the FDIC limit should be discussed by the FAJUA Manager, the chairperson of the Board, and the FAJUA Central Processor immediately upon learning of this possibility.

An appointed servicing carrier's TPA should arrange to use their own non-FAJUA funds. Any funds used for this purpose will be reimbursed including interest at the prevailing prime discount rate. If the TPA does not have access to other funds, the FAJUA and the central processor will make borrowing arrangements to fund the account.

3. Central Bank Funding

In the event the FAJUA requires funds, the Board of Governors has the authority to make an assessment from all members to obtain the necessary funds to operate the FAJUA. This would be treated like any other assessment made by the FAJUA.

B. Bank Failures

1. FAJUA Depository Accounts

For both a member servicing carrier and an appointed servicing carrier's TPA, in the event of a bank failure, all deposits received in the name of or on behalf of FAJUA business should be held for deposit until another banking arrangement can be set up. Once the new banking relationship is complete, held checks can be deposited into the new bank account. Any funds available in the bank that has failed should be withdrawn at the earliest possible instance and transferred to the new bank account.

2. FAJUA Disbursement Accounts

The servicing carrier should arrange to use their own non-FAJUA funds for any additional checks that are required to be issued and any checks previously issued and presented for payment that are not honored. Any funds used for this purpose will be reimbursed including interest at the prevailing prime discount rate.

Chapter 17

**DISCONTINUING MEMBER SERVICING CARRIER AND THIRD PARTY
ADMINISTRATOR'S HIRED BY THE APPOINTED SERVICING CARRIER**

This Chapter covers the accounting and statistical requirements of a discontinuing member servicing carrier and/or TPA.

A. Responsibilities of Discontinuing Member Servicing Carrier and TPA(s)

1. Responsibilities to Insureds/Claimants

Unless otherwise approved by the Board of Governors, a discontinuing member servicing carrier and/or TPA(s) shall service policies and handle claims in accordance with Part II, Section 4 of the Plan of Operation.

2. Responsibilities to Producers

- a. A discontinuing member servicing carrier and/or TPA(s) shall provide a copy of non-renewal notice to the insured's producer at least sixty (60) days prior to renewal date.
- b. Unless otherwise approved by the Board of Governors, a discontinuing member servicing carrier and/or TPA(s) shall continue to ensure monthly producer statements are prepared in accordance with the procedures described in this manual until all producer activity ceases.
- c. A discontinuing member servicing carrier's and/or TPA's producers will be re-assigned in accordance with Section III of the Plan of Operations.

3. Responsibilities to FAJUA

- a. A discontinuing member servicing carrier and/or TPA(s) shall ensure maintenance of the depository and disbursement accounts until all in-force policies have expired and all claims have been closed including the receipt of all salvage and subrogation recoveries or unless otherwise approved by the Board of Governors. Depository and disbursement accounts shall be maintained in accordance with the instructions contained in this manual.
- b. A discontinuing member servicing carrier and/or TPA(s) shall ensure maintenance of all necessary accounting records including escheatable accounts as described in this Manual until all policies have expired and all claims have been closed including the receipt of all salvage and subrogation recoveries or unless otherwise approved by the Board of Governors.

- c. A discontinuing member servicing carrier and/or TPA(s) shall continue to ensure preparation of all monthly, quarterly and annual reports as described in this manual until all policies have expired and all claims have been closed including the receipt of all salvage and subrogation recoveries or unless otherwise approved by the Board of Governors.

B. Compensation

A member servicing carrier and/or TPA(s) receives compensation in accordance with the provisions described in this manual or based on their contract with the FAJUA.

A discontinuing member servicing carrier and/or TPA(s) should have established a reserve (deferred some of the income) to cover run off expenses and as such will receive additional compensation only to the extent that they are entitled to under the provisions described in this manual or based on their contract with the FAJUA. Additionally, a member servicing carrier and/or TPA(s) is responsible for returning prepaid fees when negative written premium has occurred. These fees should be received at the FAJUA Central Processor office no later than the fifth day of the second month following the month end of the detail statistics being summarized.

C. Impairments/Insolvency

In the event any member servicing carrier and/or TPA experiences unanticipated or unusual operational difficulties that would impair its ability to continue to meet the established FAJUA standards, the Board of Governors, at its discretion, may take such actions as deemed appropriate to alleviate these difficulties. Such actions by the Board of Governors shall be taken when it is evident that the interest of the insuring public and the FAJUA would be served better.

The FAJUA shall be responsible for securing all policy files, claim files and all accounting and statistical records for reassignment as the Board of Governors has established.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

The succeeding member servicing carrierS and/or TPA shall be reimbursed for servicing expenses on reassigned policies and claims in accordance with provisions approved by the Board of Governors.

D. Other Reference Materials

Discontinuing member servicing carrier and/or TPA(s) should review all FAJUA documents which include the Plan of Operation, Servicing Carrier Agreement, Accounting and Statistical Requirements Manual, Audit Guidelines and all contracts between the appointed servicing carrier and the TPA(s) providing policy processing and handling of claims.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

| Title | Exhibits |
|---|----------|
| MONTHLY REPORT OF PREMIUMS AND COMMISSIONS | A-1 |
| MONTHLY REPORT OF PREMIUMS AND COMMISSIONS | B-1 |
| GENERAL LEDGER ACCOUNT PROOF ACCOUNTS RECEIVABLE—SALVAGE, SUBROGATION, AND OTHER LOSS RECOVERIES | C-1 |
| BANK RESOLUTION OF THE FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION FOR FAJUA DEPOSITORY ACCOUNTS..... | D-1 |
| BANK RESOLUTION OF THE FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION FOR FAJUA DISBURSEMENT ACCOUNTS | E-1 |
| CASH ANALYSIS DEPOSITORY ACCOUNT | F-1 |
| CASH ANALYSIS DISBURSEMENT ACCOUNT | G-1 |
| CASH ANALYSIS MISCELLANEOUS JOURNAL VOUCHERS | H-1 |
| GENERAL LEDGER ACCOUNT PROOF ACCOUNTS RECEIVABLE—DEFERRED PREMIUM..... | I-1 |
| GENERAL LEDGER ACCOUNT PROOF ACCOUNTS PAYABLE—COMMISSIONS | J-1 |
| GENERAL LEDGER ACCOUNT PROOF CLAIMS DRAFTS OUTSTANDING | K-1 |
| GENERAL LEDGER ACCOUNT PROOF ESCHEAT RESERVE | L-1 |
| DEPOSITORY CASH ANALYSIS SUPPLEMENTARY SCHEDULE OF DAILY TRANSFERS TO CENTRAL BANK | M-1 |
| CODING INSTRUCTIONS AND RECORD LAYOUT—STATISTICAL SUMMARY CONTROL | N-1 |
| STATISTICAL SUMMARY CONTROL..... | O-1 |
| PREMIUMS WRITTEN | P-1 |
| PREMIUMS UNEARNED | Q-1 |
| LOSSES PAID..... | R-1 |
| LOSS RESERVES | S-1 |
| IBNR LOSS RESERVES | T-1 |
| REPORT OF VEHICLE IN-FORCE COUNT | U-1 |
| REPORT OF RISKS WRITTEN THROUGH FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION RISK DISTRIBUTION DATA | W-1 |
| APPLICATION COUNT..... | X-1 |
| FAJUA TRIAL BALANCE | Y-1 |
| SUBLEDGER ACTIVITY REPORT..... | Z-1 |
| ANNUAL TAX REPORT | AA-1 |
| ANNUAL SALVAGE AND SUBROGATION REPORT | BB-1 |
| ANNUAL REPORT OF SALVAGE/SUBROGATION RECOVERIES | CC-1 |
| MEMBER'S PARTICIPATION REPORT ANNUAL TAX REPORT FISCAL YEAR ENDING | DD-1 |
| AUTOMOBILE PHYSICAL DAMAGE OTHER THAN COLLISION INSURANCE LOSSES | EE-1 |
| NUMBER OF CLAIMS REPORTED FISCAL YEAR ENDING 9/30/XX | FF-1 |
| NUMBER OF CLAIMS OUTSTANDING FISCAL YEAR ENDING 9/30/XX | GG-1 |
| NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT FISCAL YEAR ENDING 9/30/XX | HH-1 |
| NUMBER OF CLAIMS CLOSED WITHOUT LOSS PAYMENT FISCAL YEAR ENDING 9/30/XX | II-1 |
| RESERVED FOR FUTURE USE | JJ-1 |
| STATEMENT OF ASSETS, LIABILITIES AND MEMBERS' EQUITY..... | KK-1 |
| STATEMENT OF INCOME AND EXPENSES..... | LL-1 |
| STATEMENT OF OTHER UNDERWRITING EXPENSES | MM-1 |
| EXHIBIT OF RESERVES FOR FISCAL QUARTER ENDING | NN-1 |
| FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION MEMBER'S PARTICIPATION REPORT..... | OO-1 |
| SUMMARY OF MEMBER'S QUARTERLY PARTICIPATION REPORTS | PP-1 |
| ANNUAL CLAIM COUNT AND SALVAGE AND SUBROGATION REPORT | QQ-1 |
| AUTOMOBILE PHYSICAL DAMAGE OTHER THAN COLLISION INSURANCE LOSSES | RR-1 |
| DEC. / 20XX CASH ACTIVITY—SUMMARY | SS-1 |
| PREMIUM CHARGE-OFFS—..... | TT-1 |
| EARNED BUT UNBILLED PREMIUM (EBUB)..... | UU-1 |
| ANTICIPATED SALVAGE AND SUBROGATION RECOVERABLES | VV-1 |
| ALLOCATED LOSS ADJUSTMENT EXPENSES PAID..... | WW-1 |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

(Servicing Carrier Name)

MONTHLY REPORT OF PREMIUMS AND COMMISSIONS

Month of

Date

| Producer's Name and Address | | | |
|---|---------------|-------------------|-------------------|
| Policyholder | Policy Number | Premium Collected | Commission Amount |
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| Totals | | | |
| Remittance (Servicing Carrier's Check Amount) or Billing (Producer's Check Amount) | | | |

*Sample of a commission statement.

**Commission is paid on premium collected.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

(Servicing Carrier Name)

MONTHLY REPORT OF PREMIUMS AND COMMISSIONS

Month of

Date

| Producer's Name and Address | | | | |
|---|---------------|---------|-----------------------|------------------------|
| Policyholder | Policy Number | Premium | Commission Amount Due | Commission Amount Paid |
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| Totals | | | | |
| Remittance (Servicing Carrier's Check Amount) or Billing (Producer's Check Amount) | | | | |

*Sample of a commission statement.

**Commission is paid on premium collected.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

GENERAL LEDGER ACCOUNT PROOF
ACCOUNTS RECEIVABLE—SALVAGE, SUBROGATION, AND OTHER LOSS RECOVERIES

(1) Servicing Carrier _____ (3) Month of: _____
(Month/Year)

(2) Reporting No. _____

Accounts Receivable—Salvage/Subrogation/Other Loss Recovery

| | |
|--|---------------|
| (4) Prior Month Ending _____ | (5) \$ _____ |
| (6) Other Loss Recovery Income (Exhibit O, Line 26) | \$ _____ |
| (7) Salvage and Subrogation Income (Exhibit O, Line 27) | \$ _____ |
| (8) Other Loss Recoveries Receipts (Exhibit F, Line 10) | \$ _____ |
| (9) Salvage and Subrogation Receipts (Exhibit F, Line 11) | \$ _____ |
| (10) Returned Check Collection (Exhibit F, Line 12) | \$ _____ |
| (11) Returned Check Other Loss Recoveries (Exhibit F, Line 19) | \$ _____ |
| (12) Returned Check Salvage/Subrogation (Exhibit F, Line 20) | \$ _____ |
| (13) Salvage and Subrogation (Exhibit G, Line 17) | \$ _____ |
| (14) Returned Check Other Loss Recoveries (Exhibit G, Line 19) | \$ _____ |
| (15) Returned Check Salvage and Subrogation (Exhibit G, Line 20) | \$ _____ |
| (16) Summation of the above [Lines (5) + (6) + (7) - (8) - (9) - (10) + (11) + (12) + (13) + (14) + (15)] | (17) \$ _____ |
| (18) Adjustments | \$ _____ |
| (19) Accounts Receivable—Salvage/Subrogation/Other Loss Recovery—General Ledger Balance Current Month Ending _____ [Lines (17) + (18)] | (20) \$ _____ |

CERTIFIED BY:

(21) Date Submitted _____ (22) Name _____
(23) Title _____

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

BANK RESOLUTION OF THE
FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
FOR FAJUA DEPOSITORY ACCOUNTS

We, the undersigned, General Manager and Chairman of the Board of Governors, respectively of the Florida Automobile Joint Underwriting Association, hereby CERTIFY that the following is a true copy of a certain resolution duly adopted by the Board of Governors of the said unincorporated association in accordance with the Articles of Association at, and recorded in the minutes of, a meeting of the said Board duly held on _____, and not subsequently rescinded or modified:

RESOLVED

1. That the _____ is hereby authorized to deposit, in the name of the Florida Automobile Joint Underwriting Association, in the servicing carrier Depository Account with the _____ Bank name _____, hereinafter referred to as the "Bank," which will serve as a depository of the funds of this Association, Such servicing carrier is not authorized to disburse funds from this account.
2. The Bank is hereby authorized to issue Depository Transfer Checks drawn on that depository account into the FAJUA Central Bank Account pursuant to instructions provided by the FAJUA.
3. That, in the event that the General Manager or Chairman of the Board of Governors have reason to believe that the servicing carrier or the Bank have not conscientiously fulfilled their obligations assumed under the Articles of Association of the Florida Automobile Joint Underwriting Association or have violated the rules of practice thereof, or the agreements between the Bank and the FAJUA, the General Manager or Chairman of the Board of Governors are hereby authorized to assume control of such account to take such actions as are deemed necessary. Such action must be confirmed or rescinded by the Board of Governors within five days.
4. The Bank is hereby authorized to receive for credit to the account of this Association and/or collection for the account of this Association, any and all checks, drafts, notes and other instruments for the payment of money, whether or not endorsed by the Association, which may be received by the Bank for deposit or collection. It is understood that each such item shall be deemed to have been unqualifiedly endorsed by the Association.

IN WITNESS WHEREOF, we have hereunto subscribed our hands over our official titles this _____ day of _____.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION

By _____

General Manager

By _____

Chairman of the Board of Governors

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

BANK RESOLUTION OF THE
FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
FOR FAJUA DISBURSEMENT ACCOUNTS

We, the undersigned, General Manager and Chairman of the Board of Governors, respectively of the Florida Automobile Joint Underwriting Association, hereby CERTIFY that the following is a true copy of a certain resolution duly adopted by the Board of Governors of the said unincorporated association in accordance with the Articles of Association at, and recorded in the minutes of, a meeting of the said Board duly held on _____, and not subsequently rescinded or modified:

RESOLVED

1. The Florida AJUA is authorized to and will open a servicing carrier FAJUA Disbursement Account with and at the _____ bank's name _____ for _____ servicing carrier or TPA(s) name _____.
2. That the _____ bank's name _____ is hereby authorized to deposit, in the name of the Florida Automobile Joint Underwriting Association, in the servicing carrier FAJUA Disbursement Account with the _____ bank's name _____ such funds as must be transferred from the Central Bank Account to bring the Disbursement Account to a zero balance.
3. That the following officers or employees of the servicing carrier or TPA(s) are hereby authorized to sign, for and on behalf of the Association, any and all checks, drafts and other orders with respect to any funds in its respective servicing carrier Disbursement Account and the Bank be and hereby is authorized:
 - (a) To pay such check or draft to debit of this account of the association.
 - (b) To receive, as the act of this Association, any and all stop payment instructions with respect to any such account, drafts or other orders as aforesaid and instructions as to reconciliation of account when signed by any one or more of the officers and/or employees as herein designated.

TITLE

4. That, in the event that the General Manager or Chairman of the Board of Governors have reason to believe that the servicing carrier or TPA or the Bank have not conscientiously fulfilled their obligations assumed under the Articles of Association of the Florida Automobile Joint Underwriting Association or have violated the rules of practice thereof, or the agreements between the Bank and the FAJUA, the General Manager or Chairman of the Board of Governors are hereby authorized to assume control of such account to take such actions as are deemed necessary. Such action must be confirmed or rescinded by the Board of Governors within thirty (30) days.

IN WITNESS WHEREOF, we have hereunto subscribed our hands over our official titles this ____ day of _____ 20____.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION

By _____

General Manager

By _____

Chairman of the Board of Governors

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

**CASH ANALYSIS
DEPOSITORY ACCOUNT**

(1) Servicing Carrier _____ (3) Month of: _____
(2) Reporting No. _____ (Month/Year)
(4) Cash in Bank General Ledger Balance
Prior Month Ending _____ (5) \$ _____

DEPOSITS TO THE ACCOUNT

Premium Account Activity:

(6) Premium Collected \$ _____
(7) Premium Installment Fees \$ _____
(8) Policyholder Returned Check Collection \$ _____
(9) Collection of Hurricane CAT Fund Surcharge \$ _____

Claim Account Activity:

(10) Other Loss Recoveries \$ _____
(11) Salvage and Subrogation \$ _____
(12) Returned Check Collection \$ _____
(13) Refund of Claim Payment \$ _____

Other Additions to the Account:

(14) Returned Commissions \$ _____
(15) Total Receipts \$ _____

DISBURSEMENTS FROM THE ACCOUNT

(16) Funds Transferred to the Central Bank \$ _____
(17) Bank Servicing Charges \$ _____
(18) Returned Checks - Premium \$ _____
(19) Returned Checks - Other Loss Recoveries \$ _____
(20) Returned Checks - Salvage and Subrogation \$ _____
(21) Total Disbursements \$ _____
(22) Bank Miscellaneous Adjustments _____
(23) Current Month Ending _____
(24) Cash in Bank General Ledger Balance _____

MEMO FOR RECONCILIATION PURPOSES ONLY

(25) Cash in Transit \$ _____
(26) Net Cash Position \$ _____
(27) Advanced Premium Collected - (Reversing Quarterly Entry) \$ _____
(28) Unapplied Cash (Reversing Quarterly Entry) \$ _____

CERTIFIED BY:

(30)

Date Submitted _____

(30) Name _____

(31) Title _____

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

**INSTRUCTIONS FOR THE COMPLETION OF THE CASH ANALYSIS REPORT
FOR THE DEPOSITORY BANK ACCOUNT**

- (1) Enter the name of the servicing carrier. In the event that the servicing carrier is part of a group, enter the name of the specific company which has been appointed as a servicing carrier by the FAJUA Board of Governors.
- (2) Enter the four digit identification number assigned to the servicing carrier for identification of FAJUA business.
- (3) Enter the reporting month and year for which the report is submitted.
- (4) Enter the date of the last day of the month prior to the reporting month.
- (5) Enter the General Ledger balance for the Cash in Bank Account as of the end of the prior month. This entry must equal entry (24) of the Prior month's report.
- (6) Enter the total of all premium and filing fees collected and deposited to the servicing carrier's FAJUA Bank Account during the reporting month. The amount should include all settlements of premium from the servicing carrier's FAJUA bank account, if the FAJUA premium collections are not deposited directly into a FAJUA depository account.
- (7) Enter the total of premium installment fees collected during the month.
- (8) Enter the amount of policyholder premium payments that were returned by the bank and have been subsequently collected and/or redeposited in the reporting month.
- (9) Enter the total collections of the Hurricane CAT Fund Surcharge deposited to the servicing carrier's FAJUA bank account during the reporting month.
- (10) Enter the total of all other loss recoveries collected and deposited to the servicing carrier's FAJUA Bank Account during the reporting month.
- (11) Enter the total of all salvage and subrogation recoveries collected and deposited to the servicing carrier's FAJUA Bank Account during the reporting month.
- (12) Enter the amount of claim recoveries that were returned by the bank and have been subsequently collected and/or redeposited in the reporting month.
- (13) Enter the total of refunds received for claim overpayments during the reporting month. This entry will offset outstanding drafts versus accounts receivable salvage, subrogation and other loss recoveries.
- (14) Enter the total of all return commissions collected and deposited to the servicing carrier's FAJUA Bank Account during the reporting month.
- (15) Enter the total of entries (6) through (14).
- (16) Enter the total of all funds transferred from the FAJUA central bank to the servicing carrier's FAJUA Bank Account during the reporting month.
- (17) Enter the total of bank Servicings charged to the Depository Account during the reporting month.
- (18) Enter the total of checks returned due to insufficient funds on premium.
- * (19) Enter the total of checks returned due to insufficient funds on other loss indemnity recoveries.
- * (20) Enter the total of checks returned due to insufficient funds on salvage and subrogation recoveries.
- * (21) Enter the total of entries (16) through (20).
- (22) Enter the net total of all miscellaneous adjustments recorded to the Depository Account from the bank reconciliation for the month. This entry should include the net effect of discrepancies on checks only reflecting only minor amounts being charged off. If this entry is a credit, insert "CR" after the amount.
- (23) Enter the date of the last day of the reporting month.
- (24) Enter the General Ledger balance for the Depository Account at the end of the reporting month. This entry must also equal entry (5) Plus entry (15) minus entry (21) and plus or minus entry (22).
- (25) In cases where the month end closing date is not the last day of the month, enter the total cash transfers made between the monthly closing date and the last day of the month

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

(26) Enter the net cash position on the last day of the month. This should equal entry (24) minus entry (25).

(27) Enter the total premium collected and reported on entry (6) as of quarter end for policies with an effective date after quarter end. At the end of each quarter, the FAJUA Central Processor will reclassify the amount of premium collection that servicing carriers have indicated is from advanced premium to a liability account "advance premium" for financial statement presentation. This entry will be reversed the first month of the subsequent quarter.

(28) Enter the total premium collected and reported on entry (6) during the quarter for policies with an effective date prior to quarter end but for which the premium receivable has not yet been established due to timing and other issues. At the end of each quarter, the FAJUA Central Processor will reclassify the amount of premium collections that servicing carriers have indicated is cash received for a policy not yet set up in the general ledger. This entry will be reversed the first month of the subsequent quarter.

(29) Enter the date the report is submitted to the FAJUA's Central Processor.

(30), (31) Enter the name (typed), and title of an authorized individual indicating approval of the report.

NOTE: The entries on the Cash Analysis Report should reflect the total cash flow in and out of the servicing carrier's FAJUA Depository Account for the month being reported. Contact the FAJUA Central Processor for assistance if you encounter a transaction that does not seem to fit one of the categories on the Cash Analysis.

* These lines only apply to servicing carrier whose Bank directly charges their Depository Account for returned checks.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

**CASH ANALYSIS
DISBURSEMENT ACCOUNT**

(1) Servicing carrier _____ (3) Month of _____
(2) Reporting No. _____ (Month/Year)
(4) Cash in Bank General Ledger Balance
Prior Month Ending _____ (5) \$ _____

DEPOSITS TO THE ACCOUNT

(6) Funds Transferred from Central Bank \$ _____
(7) Claim Drafts Not Honored \$ _____
(8) Escheat Checks \$ _____
(9) Total Receipts \$ _____

DISBURSEMENTS FROM THE ACCOUNT

(10) Claim and Allocated Loss Adjustment Expense
Checks Issued \$ _____
(11) Claim Drafts Honored \$ _____
(12) Claim Reimbursement to Serving Carrier \$ _____
(13) Producer Commissions \$ _____
(14) Policyholder Refunds \$ _____
(15) Premium Installment Fees \$ _____
(16) Return of Hurricane CAT Fund-Surcharge \$ _____
(17) Salvage and Subrogation \$ _____

Returned Checks:

(18) Premium Receipts \$ _____
(19) Other Loss Recoveries \$ _____
(20) Salvage and Subrogation Recoveries \$ _____
(21) Bank Servicing Charges \$ _____
(22) Collection Fees \$ _____
(23) Total Disbursements \$ _____
(24) Bank Miscellaneous Adjustments \$ _____
(25) Current Month Ending _____
(26) Cash in Bank General Ledger Balance \$ _____

MEMO FOR RECONCILIATION PURPOSES ONLY

(27) Cash in Transit \$ _____
(28) Net Cash Position \$ _____

CERTIFIED BY:

(29) Date Submitted _____ (30) Name _____
(31) Title _____

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

**INSTRUCTIONS FOR THE COMPLETION OF THE CASH ANALYSIS
REPORT FOR THE DISBURSEMENT BANK ACCOUNT**

- (1) Enter the name of the servicing carrier. In the event that the servicing carrier is part of a group, enter the name of the specific company which has been appointed as a servicing carrier by the FAJUA Board of Governors.
- (2) Enter the four digit identification number assigned to the servicing carrier for identification of FAJUA business.
- (3) Enter the reporting month and year for which the report is submitted.
- (4) Enter the date of the last day of the month prior to the reporting month.
- (5) Enter the General Ledger balance for the Cash in Bank Account as of the end of the prior month. This entry must equal entry (26) of the prior month's report.
- (6) Enter the total of all funds transferred from the FAJUA Central Bank to the servicing carrier's FAJUA Disbursement Account during the reporting month.
- (7) Enter the amount of claim drafts returned to the bank (not honored) for the reporting month. If only accepted drafts are paid for on a daily basis, no entry should appear on this line.
- (8) Enter the net total of checks transferred to the Escheat Reserve Account during the reporting month.
- (9) Enter the total of entries (6) through (8).
- (10) Enter the total of all claim and allocated loss adjustment expense checks issued during the reporting month.
- (11) Enter the total of all claim drafts honored during the reporting month.
- (12) Enter the total of claims reimbursements from the servicing carrier Disbursement Account to the servicing carrier.
- (13) Enter the total of all producer commissions paid during the reporting month.
- (14) Enter the total of all policyholder refund checks issued during the reporting month.
- (15) Enter the total of premium installment fees reimbursed to servicing carrier during the reporting month.
- (16) Enter the total return of Hurricane CAT Fund Surcharges associated with cancellations in accordance with state requirements.
- (17) Enter the total of checks issued relating to salvage/subrogation expenses during the reporting month.
- (18) Enter the amount of policyholder premium payments returned by the servicing carrier's Depository Bank and Paid for during the reporting month with a check drawn on the servicing carrier's FAJUA Disbursement Account.
- (19) Enter the amount of other loss recoveries returned by the servicing carrier's Depository Bank and paid for during the reporting month with a check drawn on the servicing carrier's FAJUA Disbursement Account.
- (20) Enter the amount of salvage and subrogation recoveries returned by the servicing carrier's Depository Bank and paid for during the reporting month with a check drawn on the servicing carrier's FAJUA Disbursement Account.
- (21) Enter the bank Servicing charges paid during the month.
- (22) Enter the total checks issued to collection agencies for collection expenses and/or enter the total amount of checks issued to reimburse the servicing carrier for collection expenses incurred on behalf of the Association.
- (23) Enter the total of entries (10) through (22).
- (24) Enter the net total of all miscellaneous adjustments recorded to the Disbursement Account from the bank reconciliation for the month. This entry should include the net effect of discrepancies for checks only, reflecting only minor amounts being charged off. If this entry is a credit, insert "CR" after the amount.
- (25) Enter the date of the last day of the reporting month.
- (26) Enter the General Ledger balance for the FAJUA Bank Account at the end of the reporting month. This entry must also equal entry (5) plus entry (9) minus entry (23) and plus or minus entry (24).

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

- (27) In cases where the month end closing date is not the last day of the month, enter the total cash transfers made between monthly closing date and the last day of the month.
- (28) Enter the net cash position on the last day of the month. This should equal entry (26) plus entry (27).
- (29) Enter the date the report is submitted to the FAJUA's Central Processor.
- (30), (31) Enter the name (typed) and title of an authorized individual indicating approval of the report.

Note: The entries on the Cash Analysis Report should reflect the total cash flow in and out of the servicing carrier's FAJUA Disbursement Bank Account for the month being reported. Contact the FAJUA Central Processor for assistance if you encounter a transaction that does not seem to fit one of the categories on the Cash Analysis.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

CASH ANALYSIS
MISCELLANEOUS JOURNAL VOUCHERS

(Non-Cash Items)

| | |
|---|---------------------|
| (1) Servicing Carrier _____ | (3) Month of: _____ |
| (2) Reporting No. _____ | (Month/Year) |
| (4) Premium Receivable (Cr) Dr | \$ _____ |
| (5) Collection Expenses - Premium Dr (Cr) | \$ _____ |
| (6) Commission Charge-Offs Dr (Cr) | \$ _____ |
| (7) Producer Commissions Payable (Cr) Dr | \$ _____ |
| (8) Collection Expenses – Commissions DR (CR) | \$ _____ |

CERTIFIED BY:

| | |
|--------------------------|------------------|
| (9) Date Submitted _____ | (10) Name _____ |
| | (11) Title _____ |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

**INSTRUCTIONS FOR THE COMPLETION OF THE SERVICING CARRIER CASH ANALYSIS REPORT
FOR THE MISCELLANEOUS JOURNAL VOUCHERS**

- (1) Enter the name of the servicing carrier. In the event that the servicing carrier is part of a group, enter the name of the specific company which has been appointed as a servicing carrier by the FAJUA Board of Governors.
- (2) Enter the four digit identification number assigned to the servicing carrier for identification of FAJUA business.
- (3) Enter the reporting month and year for which the report is submitted.
- (4) Enter the total adjustment to premium receivable as a result of collection activity.
- (5) Enter the total collection expenses associated with the collection of premium balances previously charged off recorded during the reporting month.
- (6) Enter the total of all producer commission charge-offs recorded during the reporting month. This amount shall reflect any uncollectible return commissions due from terminated or deceased producers.
- (7) Enter the total adjustment to producer commissions payable as a result of commission charge-offs.
- (8) Enter the total collection expenses associated with the collection of commission balances previously charged off during the reporting month.
- (9) Enter the date the report is submitted to the FAJUA Central Processor.
- (10),(11) Enter the name (typed) and title of an authorized individual indicating approval of the report.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL
GENERAL LEDGER ACCOUNT PROOF
ACCOUNTS RECEIVABLE—DEFERRED PREMIUM

| | |
|---|-------------------------------------|
| (1) Servicing Carrier _____ | (3) Month of: _____ (Month/Year) |
| (2) Reporting No. _____ | |
| Accounts Receivable—Deferred Premium, General Ledger Balance | |
| (4) Prior Month Ending _____ | (5) \$ _____ |
| (6) Premiums Written (Exhibit O, Line 6) | \$ _____ |
| (7) Premiums Collected (Exhibit F, Line 6) | \$ _____ |
| (8) Premium Installment Fees (Exhibit F, Line 7) | \$ _____ |
| (9) Premium Installment Fees (Exhibit G, Line 15) | \$ _____ |
| (10) Policyholder Returned Check Collections (Exhibit F, Line 8) | \$ _____ |
| (11) Returned Checks—Premium (Exhibit F, Line 18) | \$ _____ |
| (12) Policyholder Refunds (Exhibit G, Line 14) | \$ _____ |
| (13) Returned Checks—Premium Receipts (Exhibit G, Line 18) | \$ _____ |
| (14) Advanced Premium Collections (Exhibit F, Line 27) | |
| (15) Unapplied Cash (Exhibit F, Line 28) | |
| (16) Premium Charge-Offs (Exhibit O, Line 24) | \$ _____ |
| (17) Premium Receivable (Exhibit H, Line 4) | |
| (18) Summation of the above | |
| [Lines (5)+(6)-(7)-(8)+(9)-(10)+(11)+(12)+ (13)+(14)+(15)-(16)-(17)] | (19) \$ _____ |
| (20) Adjustments | \$ _____ |
| (21) Accounts Receivable—Deferred Premium, General Ledger Balance | |
| Current Month Ending _____ | |
| [Lines (19)+(20)] | (22) \$ _____ |

CERTIFIED BY:

| | |
|---------------------------|------------------|
| (23) Date Submitted _____ | (24) Name _____ |
| | (25) Title _____ |

* Servicing carriers who are recording a reclassification entry for advanced premium collections and/or unapplied cash on their General Ledger should complete Entry (14) and/or (15). Servicing carriers who elect this method of accounting for advanced premiums and unapplied cash will be recording transactions similarly to the FAJUA Central Processor's recording and therefore, a variance will not exist for this item on the the Trail Balance Reconciliation Report, Exhibit Z. Servicing carriers who are not recording a reclassification entry for advanced premiums should not complete Entry (14) and/or (15). As a result, the reclass of advanced premiums recorded by the FAJUA Central Processor will cause a variance to occur on the Trail Balance Reconciliation Report, Exhibit Z.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

GENERAL LEDGER ACCOUNT PROOF
ACCOUNTS PAYABLE—COMMISSIONS

(1) Servicing Carrier _____ (3) Month of: _____
(2) Reporting No. _____ (Month/Year)
Accounts Payable - Commissions, General Ledger Balance

| | |
|--|---------------|
| (4) Prior Month Ending _____ | (5) \$ _____ |
| (6) Commissions Written (Exhibit O, Line 23) | \$ _____ |
| (7) Producer Commissions (Exhibit G, Line 13) | \$ _____ |
| (8) Returned Commissions (Exhibit F, Line 14) | \$ _____ |
| (9) Commission Charge-Offs/Collection Expenses (Exhibit H, Line 6) | \$ _____ |
| (10) Summation of the above | |
| [Lines (5)+(6)-(7)+(8)-(9)] | (11) \$ _____ |
| (12) Adjustments | |
| (13) Accounts Payable—Commissions, General Ledger Balance | |
| Current Month Ending _____ | |
| [Lines (11)+(12)] | (14) \$ _____ |

CERTIFIED BY:

(15) Date Submitted _____ (16) Name _____
(17) Title _____

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

GENERAL LEDGER ACCOUNT PROOF
CLAIMS DRAFTS OUTSTANDING

(1) Servicing Carrier _____ (3) Month of: _____

(2) Reporting No. _____ (Month/Year)

Claims Drafts Outstanding, General Ledger Balance

(4) Prior Month Ending _____ (5) \$ _____

(6) Losses Paid (Exhibit O, Line 25) \$ _____

(7) Allocated Claim Expenses Paid (Exhibit O, Line 29) \$ _____

(8) Claim/Drafts Not Honored (Exhibit G, Line 7) \$ _____

(9) Claim Checks Issued (Exhibit G, Line 10) \$ _____

(10) Claim Drafts Honored (Exhibit G, Line 11) \$ _____

(11) Claim Reimbursement to Servicing Carrier
(Exhibit G, Line 12) \$ _____

(12) Refund of Claim Payment (Exhibit F, Line 13)

(13) Summation of the above

[Lines (5)+(6)+(7)+(8)-(9)-(10)-(11)+(12)] (14) \$ _____

(15) Adjustments \$ _____

(16) Claim Drafts Outstanding, General Ledger Balance

Current Month Ending _____ (17) \$ _____

CERTIFIED BY:

(18) Date Submitted _____ (19) Name _____

(20) Title _____

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

GENERAL LEDGER ACCOUNT PROOF
ESCHEAT RESERVE

(1) Servicing Carrier _____ (3) Month of: _____
(2) Reporting No. _____ (Month/Year)

Escheat Reserve, General Ledger Balance

(4) Prior Month Ending _____ (5) \$ _____
(6) Escheat Checks (Exhibit G, Line 8) \$ _____
(7) Summation of Above
[Lines (5)+(6)] (8) \$ _____
(9) Adjustments \$ _____
(10) Escheat Reserve - General Ledger Balance
Current Month Ending _____
[Lines (8)+(9)] (11) \$ _____

CERTIFIED BY:

(12) Date Submitted _____ (13) Name _____
(14) Title _____

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

**DEPOSITORY CASH ANALYSIS
SUPPLEMENTARY SCHEDULE OF DAILY TRANSFERS TO CENTRAL BANK**

(1) Servicing Carrier _____ (3) Month of: _____

(2) Reporting No. _____ (Month and Year)

| (4) DAY | TRANSFER AMOUNT | DAY | TRANSFER AMOUNT | DAY | TRANSFER AMOUNT |
|---------|-----------------|-----|-----------------|-----|-----------------|
| 1 | \$ _____ | 12 | \$ _____ | 23 | \$ _____ |
| 2 | \$ _____ | 13 | \$ _____ | 24 | \$ _____ |
| 3 | \$ _____ | 14 | \$ _____ | 25 | \$ _____ |
| 4 | \$ _____ | 15 | \$ _____ | 26 | \$ _____ |
| 5 | \$ _____ | 16 | \$ _____ | 27 | \$ _____ |
| 6 | \$ _____ | 17 | \$ _____ | 28 | \$ _____ |
| 7 | \$ _____ | 18 | \$ _____ | 29 | \$ _____ |
| 8 | \$ _____ | 19 | \$ _____ | 30 | \$ _____ |
| 9 | \$ _____ | 20 | \$ _____ | 31 | \$ _____ |
| 10 | \$ _____ | 21 | \$ _____ | | |
| 11 | \$ _____ | 22 | \$ _____ | | |
| | | | \$ _____ | | |

(5) TOTAL TRANSFERS FOR THE MONTH _____

(6) Other Items & Adjustments included in Line 16 of the Servicing Carrier Cash Analysis but not included above:

| EXPLANATION | AMOUNT |
|-------------|----------|
| _____ | \$ _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

(7) (5) + (6) TOTAL (Must Equal Line 16 of Cash Analysis) \$ _____

(8) Transfers in Transit

| DATE | AMOUNT |
|-------|----------|
| _____ | \$ _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

(9) Total transfers in transit (must equal Line 25 of Cash Analysis) \$ _____

(10) Total transfers for month (Entry 7 + 9) \$ _____

CERTIFIED BY

(11) Date Submitted _____

(12) NAME _____

(13) TITLE _____

(14) Telephone No. _____

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

**DISBURSEMENT CASH ANALYSIS
SUPPLEMENTARY SCHEDULE OF DAILY TRANSFERS FROM CENTRAL BANK**

(1) Servicing Carrier _____ (3) Month of: _____
(Month and Year)

(2) Reporting No. _____

| (4) DAY | TRANSFER AMOUNT | DAY | TRANSFER AMOUNT | DAY | TRANSFER AMOUNT |
|---------|-----------------|-----|-----------------|-----|-----------------|
| 1 | \$ _____ | 12 | \$ _____ | 23 | \$ _____ |
| 2 | \$ _____ | 13 | \$ _____ | 24 | \$ _____ |
| 3 | \$ _____ | 14 | \$ _____ | 25 | \$ _____ |
| 4 | \$ _____ | 15 | \$ _____ | 26 | \$ _____ |
| 5 | \$ _____ | 16 | \$ _____ | 27 | \$ _____ |
| 6 | \$ _____ | 17 | \$ _____ | 28 | \$ _____ |
| 7 | \$ _____ | 18 | \$ _____ | 29 | \$ _____ |
| 8 | \$ _____ | 19 | \$ _____ | 30 | \$ _____ |
| 9 | \$ _____ | 20 | \$ _____ | 31 | \$ _____ |
| 10 | \$ _____ | 21 | \$ _____ | | |
| 11 | \$ _____ | 22 | \$ _____ | | |
| | | | \$ _____ | | |

(5) TOTAL TRANSFERS FOR THE MONTH _____

(6) Other Items & Adjustments included in Line 6 of the Servicing Carrier Cash Analysis but not included above:

| EXPLANATION | AMOUNT |
|-------------|----------|
| _____ | \$ _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

(7) (5) + (6) TOTAL (Must Equal Line 6 of Cash Analysis) \$ _____

(8) Transfers in Transit

| DATE | AMOUNT |
|-------|----------|
| _____ | \$ _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

(9) Total Transfers in Transit (must equal Line 27 of Cash Analysis) \$ _____

(10) Total transfers for month (Entry 7 + 9) \$ _____

CERTIFIED BY

(11) Date Submitted _____

(12) NAME _____

(13) TITLE _____

(14) Telephone No. _____

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

**Instructions for Completion of the Depository Cash Analysis
Supplementary Schedule of Daily Transfers to Central Bank**

- (1) Enter name of servicing carrier as it appears on the Depository Cash Analysis.
- (2) Enter the four digit identification number assigned to the servicing carrier for identification of Association Business.
- (3) Enter the reporting month and year, which must coincide with the Depository Cash Analysis it is attached to.
- (4) Enter individual daily transfer amounts next to their appropriate date, leaving holidays and weekends blank, and entering -0- for work days when no transfers were made.
- (5) Enter total transfers for the accounting month.
- (6) Enter all other amounts included in Line 16 of the Depository Cash Analysis but not included in Section (4) above, along with a brief explanation listing each item individually. In this section also list any transfers made in the previous month that are included in this month's Depository Cash Analysis. Provide transaction date for each amount listed.
- (7) Enter the total of lines 5 and 6.
- (8) Enter the transfers in transit individually by day. Transfers in transit represent cash transferred to the Central Bank between the servicing carrier's month end closing date and the last day of the month.
- (9) Enter the subtotal of Entry 8.
- (10) Enter the total transfers for the month (Entry 7 + 9).
- (11) Enter the date the report is submitted to the FAJUA Central Processor, which must coincide with line 30 of the Depository Cash Analysis.
- (12)–(14) Enter the name (typed), title, and telephone number (with both area code and extension) of an authorized individual indicating approval of the report.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

**Instructions for Completion of the Disbursement Cash Analysis
Supplementary Schedule of Daily Transfers from Central Bank**

- (1) Enter name of servicing carrier as it appears on the Disbursement Cash Analysis.
- (2) Enter the four digit identification number assigned to the servicing carrier for identification of Association Business.
- (3) Enter the reporting month and year, which must coincide with the Disbursement Cash Analysis it is attached to.
- (4) Enter individual daily transfer amounts next to their appropriate date, leaving holidays and weekends blank, and entering -0- for work days when no transfers were made.
- (5) Enter total transfers for the accounting month.
- (6) Enter all other amounts included in Line 6 of the Disbursement Cash Analysis but not included in Section (4) above, along with a brief explanation listing each item individually. In this section also list any transfers made in the previous month that are included in this month's Disbursement Cash Analysis. Provide transaction date for each amount listed.
- (7) Enter the total of lines 5 and 6.
- (8) Enter the transfers in transit individually by day. Transfers in transit represent cash transferred from the Central Bank between the servicing carrier's month end closing date and the last day of the month.
- (9) Enter the subtotal of Entry 8.
- (10) Enter the total transfers for the month (Entry 7 + 9).
- (11) Enter the date the report is submitted to the FAJUA Central Processor, which must coincide with line 29 of the Disbursement Cash Analysis.
- (12)–(14) Enter the name title, and telephone number (with both area code and extension) of an authorized individual indicating approval of the report.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

CODING INSTRUCTIONS AND RECORD LAYOUT—STATISTICAL SUMMARY CONTROL

| FIELD | # CHAR | POSITION | COMMENTS |
|---------------------|--------|----------|--|
| ID | 1 | 1 | Insert S. |
| ACCOUNT CODE | 3 | 2–4 | <p>Insert a three position account code for the following accounts ONLY:</p> <p>011 - Premiums Written 012 - Commissions Written 016 - Net Losses Paid 032 - Premiums Unearned—Current 033 - Loss Reserves—Current 034 - IBNR Loss Reserves—Current 044 - Allocated Claims Expense 063 - Net Salvage/Subrogation Income (memo entry only) 069 - Earned but Unbilled Premiums—Current 070 - Premium Charge-Offs 084 - Anticipated Sal/Sub recoveries included in reserves (if reserves are reported GROSS enter zero) 085 - Anticipated Sal/Sub recoveries included in loss reserves 086 - Anticipated Sal/Sub recoveries included in IBNR reserves 090 - Total ALAE Paid 091 - ALAE Reserves 405 - Catastrophe Fund Surcharge 863 - Other Loss Recoveries (memo entry only) 990 - Total Fee Due Carrier</p> <p>DO NOT REPORT ANY ACCOUNTS OTHER THAN THOSE SPECIFIED ABOVE.</p> |
| STATE CODE | 2 | 5–6 | Insert 09. |
| SUFFIX CODE | 2 | 7–8 | Insert 05. |
| COMPANY CODE | 5 | 9–13 | Insert a five position numerical reporting code. For those companies presently utilizing four digit codes, insert a leading 0 in position 9. |
| ACCOUNTING YEAR | 2 | 15–16 | Insert the last two positions of the accounting year. |
| ACCOUNTING MONTH | 2 | 17–18 | Insert a two position accounting month. Valid codes are 01–12. |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

CODING INSTRUCTIONS AND RECORD LAYOUT—STATISTICAL SUMMARY CONTROL

| FIELD | # CHAR | POSITION | COMMENTS |
|--------------|--------|----------|--|
| CLASS | 1 | 47 | Insert a one position numerical class code as follows: |
| CODE | | | For accounts 011, 032 and 069 only: 1 – Private Passenger 3 – Other than Private Passenger |
| TYPE CODE | 1 | 49 | FOR ACCOUNTS 011, 032 AND 69 ONLY: Insert a one position alphabetic type code as follows: L—Liability P—Physical Damage For Account 084 ONLY: G - If reserves are reported GROSS of anticipated salvage/subrogation N - If reserves are reported NET of anticipated salvage/subrogation FOR ALL OTHER ACCOUNTS, LEAVE THIS FIELD BLANK. |
| AMOUNT | 13 | 51–63 | Insert signed numerics in dollar and cents format with an implied decimal point. All amounts must be right justified. Zero fill high order positions. |

STATISTICAL SUMMARY CONTROL

| CLASS CODE | | TYPE CODE | AMOUNT | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------|--|--------------|---------|--|--|--|---|--|--|--|-----|--|--|--|---|--|--|--|---|--|--|--|--|---|--|--|--|---|
| | | | DOLLARS | | | | | | | | CTS | | | | | | | | | | | | | | | | | |
| | | | 5 | | | | 5 | | | | 6 | | | | 6 | | | | 7 | | | | | 7 | | | | 8 |
| | | | 0 | | | | 5 | | | | 0 | | | | 5 | | | | 0 | | | | | 5 | | | | 0 |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

CODING INSTRUCTIONS & RECORD LAYOUT - DETAIL ACCOUNTS

CODING INSTRUCTIONS AND RECORD LAYOUT—DETAIL ACCOUNTS

| <u>FIELD</u> | <u># CHAR</u> | <u>POSITION</u> | <u>COMMENTS</u> |
|---|---------------|-----------------|---|
| <u>ID</u> | <u>1</u> | <u>1</u> | <u>Insert D.</u> |
| ACCOUNT CODE | 3 | 2–4 | Insert a three position account code for the following accounts ONLY : 011 - Premiums Written 012 - Commissions Written 016 - Losses Paid 032 - Premiums Unearned 033 - Loss Reserves 034 - IBNR Loss Reserves 040 - Claims Closed with Payment 041 - Claims Outstanding 042 - Claims Reported 043 - Claims Closed Without Payment 063 - Salvage and Subrogation Income 069 - Earned but Unbilled Premiums — Current 070 - Premium Charge-Offs 071 - Premium Tax Report 081 - Vehicles In-Force 085 - Anticipated Sal/Sub recoveries included in loss reserves 086 - Anticipated Sal/Sub recoveries included in IBNR reserves 090 - Total ALAE Paid 091 - ALAE Reserves |
| DO NOT REPORT ANY ACCOUNTS OTHER THAN THOSE SPECIFIED ABOVE. | | | |
| STATE CODE | 2 | 5–6 | Insert 09. |
| SUFFIX CODE | 2 | 7–8 | Insert 05. |
| COMPANY CODE | 5 | 9–13 | Insert a five position numerical reporting code. |
| ACCOUNTING YEAR | 2 | 15–16 | Insert the last two positions of the accounting year. |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

CODING INSTRUCTIONS AND RECORD LAYOUT—DETAIL ACCOUNTS

| <u>FIELD</u> | <u># CHAR</u> | <u>POSITION</u> | <u>COMMENTS</u> |
|---------------------|---------------|-----------------|---|
| ACCOUNTING MONTH | 2 | 17–18 | <p>Insert the appropriate two position accounting month. Valid codes are as follows:</p> <p>01–12 FOR THE FOLLOWING ACCOUNTS:</p> <p>011, 012, 016, 069, 070, 081, 090</p> <p>03, 06, 09, AND 12 FOR THE FOLLOWING ACCOUNTS:</p> <p>032, 033, 034, 085, 086, 091</p> <p>09 FOR THE FOLLOWING ACCOUNTS:</p> <p>040, 041, 042, 043, 063, 071</p> |
| POLICY YEAR | 2 | 19–20 | <p>INSERT THE LAST TWO POSITIONS OF THE POLICY YEAR FOR THE FOLLOWING ACCOUNTS:</p> <p>011, 012, 016, 032, 033, 034, 069, 070, 085, 086, 090, and 091</p> <p>LEAVE THIS FIELD BLANK FOR THE FOLLOWING ACCOUNTS:</p> <p>040, 041, 042, 043, 063, 071, 081</p> |
| ACCIDENT YEAR | 2 | 31–32 | <p>INSERT THE LAST TWO POSITIONS OF THE ACCIDENT YEAR FOR THE FOLLOWING ACCOUNTS:</p> <p>016, 033, 034, 040, 041, 042, 043, 063, 085, 086, 090, and 091</p> <p>LEAVE THIS FIELD BLANK FOR THE FOLLOWING ACCOUNTS:</p> <p>011, 012, 032, 069, 070, 071, 081</p> |
| CLASS CODE | 1 | 47 | <p>FOR ACCOUNT 069 ONLY:</p> <p>Insert 3 - Other Than Private Passenger</p> <p>FOR ALL OTHER ACCOUNTS:</p> <p>Insert a one position numerical class code as follows:</p> <p>1 - Private Passenger 3 - Other than Private Passenger</p> |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

CODING INSTRUCTIONS & RECORD LAYOUT — DETAIL ACCOUNTS

| <u>FIELD</u> | <u># CHAR</u> | <u>POSITION</u> | <u>COMMENTS</u> |
|------------------|---------------|-----------------|--|
| COVERAGE CODE | 1 | 48 | <p>LEAVE THIS FIELD BLANK FOR THE FOLLOWING ACCOUNTS:</p> <p>063, 070, 081</p> <p>FOR ALL OTHER ACCOUNTS:</p> <p>Insert the appropriate one position numerical coverage code as follows:</p> <ul style="list-style-type: none"> 1 - Bodily Injury 2 - Medical Payments 3 - Property Damage 4 - Uninsured Motorist 5 - Personal Injury Protection 7 - Other Than Collision 8 - Collision <p>COVERAGE CODES '2' AND '4' ARE INVALID FOR THE FOLLOWING ACCOUNTS:</p> <p>040, 041, 042, 043, 071</p> <p>COVERAGE CODE '5' IS INVALID FOR ACCOUNT 071.</p> <p>Note: Coverage code 1 includes coverage codes 2 and 4 for accounts: 040, 041, 042, 043</p> <p>Coverage code 1 includes coverage codes 2, 4, and 5 for account 071</p> |
| TYPE CODE | 1 | 49 | <p>FOR ACCOUNT 063 and 070 ONLY:</p> <p>Insert a one position alphabetic type code as follows:</p> <ul style="list-style-type: none"> L — Liability P — Physical Damage <p>FOR ALL OTHER ACCOUNTS, LEAVE THIS FIELD BLANK.</p> |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

CODING INSTRUCTIONS & RECORD LAYOUT — DETAIL ACCOUNTS

| <u>FIELD</u> | <u># CHAR</u> | <u>POSITION</u> | <u>COMMENTS</u> |
|-----------------------------|---------------|-----------------|---|
| AMOUNT | 13 | 51 – 63 | <p>INSERT SIGNED NUMERICS FOR THE FOLLOWING ACCOUNTS:</p> <p>040, 041, 042, 043, 081</p> <p>FOR ALL OTHER ACCOUNTS:</p> <p>Insert signed numerics in dollar and cents format with an implied decimal point.</p> <p>ALL AMOUNTS MUST BE RIGHT JUSTIFIED. ZERO FILL HIGH ORDER POSITIONS FOR ALL ACCOUNTS.</p> |
| REPORTING METHOD CODE | 1 | 65 | <p>FOR THE FOLLOWING ACCOUNTS ONLY:</p> <p>040, 041, 042, 043</p> <p>INSERT A ONE POSITION REPORTING METHOD CODE AS FOLLOWS:</p> <p>1 — By Claimant 2 — By Accident</p> <p>LEAVE THIS FIELD BLANK FOR ALL OTHER ACCOUNTS.</p> |
| TOWN CODE | 3 | 71 – 73 | <p>FOR ACCOUNT 071 ONLY:</p> <p>Insert the appropriate three position numerical town code.</p> <p>LEAVE THIS FIELD BLANK FOR ALL OTHER ACCOUNTS.</p> |
| IN-FORCE ROW | 1 | 74 | <p>FOR ACCOUNT 081 ONLY:</p> <p>Insert a one position row indicator as follows:</p> <p>1 — Current month contribution to in-force counts 2 — Net In-force counts as of the end of current month</p> <p>LEAVE THIS FIELD BLANK FOR ALL OTHER ACCOUNTS.</p> |
| IN-FORCE COLUMN | 1 | 75 | <p>FOR ACCOUNT 081 ONLY:</p> <p>Insert a one position column indicator as follows:</p> <p>1 — PPNF Vehicles counts 2 — Commercial Vehicles counts 3 — Commercial Policies counts</p> <p>LEAVE THIS FIELD BLANK FOR ALL OTHER ACCOUNTS.</p> |

DETAIL RECORD

| CLASS CODE | CLOVE CODE | TYPE CODE | AMOUNT | | | | | | | | | | METH CODE | TAX TOWN | | | | INFORCE | RCO WL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------|------------|-----------|---------|--|--|--|--|--|--|--|--|--|-----------|----------|--|--|--|---------|--------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | DOLLARS | | | | | | | | | | | CTS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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NOTICE OF TRANSMITTAL
OF
FAJUA DATA

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- Attach as PDF file to the web reporting submission
- Mail hard copy to:
- AIPSO
- ATTN: CAIP/JUA Processing
- 302 Central Avenue
- Johnston, RI 02919

October 2017 Distribution

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

STATISTICAL SUMMARY CONTROL

(1) COMPANY _____ (3) MONTH OF _____

(2) REPORTING NUMBER _____ (Month and Year)

| | | LIABILITY | PHYSICAL DAMAGE | TOTAL |
|--|------|-----------|--------------------|---------------|
| Premiums Written (for current month) | (4) | \$ _____ | (5) \$ _____ | (6) \$ _____ |
| Premiums Unearned (as of previous month end) | (7) | \$ _____ | (8) \$ _____ | (9) \$ _____ |
| Premiums Unearned (as of current month end) | (10) | \$ _____ | (11) \$ _____ | (12) \$ _____ |
| Earned but Unbilled Premium (as of previous month end) | (13) | \$ _____ | (14) \$ _____ | (15) \$ _____ |
| Earned but Unbilled Premium (as of current month end) | (16) | \$ _____ | (17) \$ _____ | (18) \$ _____ |
| Premiums Earned (as of current month end) | (19) | \$ _____ | (20) \$ _____ | (21) \$ _____ |

(22) HURRICANE CAT FUND SURCHARGE \$ _____

(23) COMMISSIONS ON PREMIUMS WRITTEN (for current month) \$ _____

(24) PREMIUM CHARGE-OFFS \$ _____

(25) LOSSES PAID (gross of salvage/subrogation) (for current month) \$ _____

(26) OTHER LOSS RECOVERIES (for current month) <memo entry only> \$ _____

(27) NET SALVAGE/SUBROGATION INCOME (for current month) <memo entry only> \$ _____

(28) NET LOSSES PAID \$ _____

(29) ALLOCATED LOSS ADJUSTMENT EXPENSE (for current month) \$ _____

LOSS RESERVES (REPORTED CASE)

(30) as of prior month end \$ _____

(31) as of current month end \$ _____

(32) Net Change in Loss Reserves (Reported Case) \$ _____

IBNR LOSS RESERVES

(33) as of prior month end \$ _____

(34) as of current month end \$ _____

(35) Net Change in IBNR Loss Reserves \$ _____

ANTICIPATED SALVAGE AND SUBROGATION RECOVERABLES INCLUDED IN RESERVES (if gross, enter zero)

(36) Reserves reported gross net of anticipated salvage and subrogation

ANTICIPATED SALVAGE AND SUBROGATION (as of prior fiscal quarter end)

(37) Case reserves \$ _____

(38) IBNR reserves \$ _____ (39) \$ _____

ANTICIPATED SALVAGE AND SUBROGATION (as of current fiscal quarter end)

(40) Case reserves \$ _____

(41) IBNR reserves \$ _____ (42) \$ _____

NET CHANGE IN ANTICIPATED SALVAGE AND SUBROGATION

(43) Case reserves \$ _____

(44) IBNR reserves \$ _____ (45) \$ _____

(46) INCURRED LOSSES (for current month) \$ _____

(47) ALLOCATED LOSS ADJUSTMENT EXPENSES PAID (for contracts that include a direct reimbursement of ALAE)

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

ALLOCATED LOSS ADJUSTMENT EXPENSE RESERVE (for activity reported July 1, 2004 and subsequent)

| | | |
|--|----------|----------|
| (48) as of prior month end | \$ _____ | |
| (49) as of current month end | \$ _____ | |
| (50) Net change in allocated loss adjustment expense reserve | \$ _____ | |
| (51) INCURRED ALLOCATED LOSS ADJUSTMENT EXPENSES (for current month) | | \$ _____ |

SERVICING CARRIER FEES REQUESTED

OPERATING AND SERVICING FEES

| | |
|--|----------|
| (52) Entry (6) x appropriate bid rate | \$ _____ |
| (53) Entry (4) x appropriate contract rate | \$ _____ |
| (54) Entry (5) x appropriate contract rate | \$ _____ |
| (55) Adjustment to Operating and Servicing Fee Monthly Minimum, if necessary | \$ _____ |
| (56) Total Operating and Servicing Fees | \$ _____ |

CLAIM SERVICING FEES

| | |
|--|----------|
| (57) Entry (19) x appropriate bid rate | \$ _____ |
| (58) Entry (20) x appropriate bid rate | \$ _____ |
| (59) Entry (21) x appropriate contract rate | \$ _____ |
| (60) Adjustment to Claim Servicing Fee Monthly Minimum, if necessary | \$ _____ |
| (61) Total Gross Claim Servicing Fees | \$ _____ |
| (62) Less Allocated Loss Adjustment Expense [Entry (29) and any offset needed for Entry (63)] | \$ _____ |
| (63) Plus Allocated Loss Adjustment Expenses Paid (Entry 47) | \$ _____ |
| (64) Total Net Claim Servicing Fees | \$ _____ |
| (65) Total Net Operating and Claim Servicing Fees | \$ _____ |

| | |
|---------------------------|-------------------------|
| (66) DATE SUBMITTED _____ | (67) CERTIFIED BY _____ |
| | (68) TITLE _____ |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

**INSTRUCTIONS FOR COMPLETION OF SERVICING CARRIER
STATISTICAL SUMMARY CONTROL**

- (1) Enter the name of the servicing carrier.
- (2) Enter the four digit identification number assigned to the servicing carrier for the identification of FAJUA business.
- (3) Enter the reporting month and year for which the report is prepared.
- (4) Enter the private passenger written premiums, including filing fees, for the reporting month.
- (5) Enter the commercial written premiums, including filing fees, for the reporting.
- (6) Enter the total written premiums, including filing fees, for the reporting month. This entry must equal the sum of Entries (4) and (5).
- (7) Enter the total private passenger premiums unearned as of the prior month end. This entry must equal Entry (10) of the prior month's report.
- (8) Enter the total commercial premiums unearned as of the prior month end. This entry must equal Entry (11) of the prior month's report.
- (9) Enter the total premiums unearned as of the previous month. This entry must equal the sum of Entries (7) and (8) and also equal Entry (12) of the prior month's report.
- (10) Enter the total private passenger premiums unearned as of the end of the reporting month.
- (11) Enter the total commercial premiums unearned as of the end of the reporting month.
- (12) Enter the total premiums unearned as of the end of the reporting month. This entry must equal the sum of Entries (10) and (11).
- (13) Enter the total private passenger earned but unbilled premiums as of the prior month. This entry must equal Entry (16) of the prior month's report.
- (14) Enter the total commercial earned but unbilled premiums as of the prior month end. This entry must equal Entry (17) of the prior month's report.
- (15) Enter the total earned but unbilled premiums as of the previous month end. This entry must equal the sum of Entries (13) and (14) and also equal Entry (18) of the prior month's report.
- (16) Enter the total private passenger earned but unbilled premiums as of the end of the reporting month.
- (17) Enter the total commercial earned but unbilled premiums as of the end of the reporting month.
- (18) Enter the total premiums earned but unbilled as of the end of the reporting month. This entry must equal the sum of Entries (16) and (17).
- (19) Enter the total private passenger premiums earned for the reporting month. This entry must equal Entry (4) plus Entry (5) minus Entry (10) minus Entry (13) plus Entry (16).
- (20) Enter the total commercial premiums earned for the reporting month. This entry must equal Entry (5) plus Entry (8) minus Entry (11) minus Entry (14) plus Entry (17).
- (21) Enter the total premiums earned for the reporting month. This entry must equal the sum of Entries (19) and (20) and also must equal Entry (6) plus Entry (9) minus Entry (12) minus Entry (15) plus Entry (18).
- (22) Enter the total HURRICANE CAT fund surcharge assessed to policyholders in accordance with state regulations.
- (23) Enter the total commissions on premiums written for the reporting month.
- (24) Enter the total premium charge-offs for the reporting month.
- (25) Enter the total losses paid, gross of salvage/subrogation and indemnity loss recoveries, for the reporting month.
- (26) Enter the total other loss recoveries for the reporting month. This entry must balance to Exhibit F, Line (10).
- (27) Enter the total salvage and subrogation recoveries net of expenses for the reporting month. This entry must balance to Exhibit F, Line 11 minus Exhibit G, Line 17.
- (28) Enter the total Net Losses Paid. This entry must equal Entry (25) minus Entry (26) minus Entry (27).

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

- (29) Enter the total allocated loss adjustment expense paid from FAJUA funds for the reporting month. (This entry is to be completed only for those servicing carriers electing to follow the allocated loss adjustment expense optional procedure as set forth in Chapter 4, Part I, paragraph G of this manual.)
- (30) Enter the total loss reserves (reported case) as of the end of the prior month. This entry must equal Entry (31) of the prior month's report.
- (31) Enter the total loss reserves (reported case) as of the end of the reporting month.
- (32) Enter the net change in loss reserves (reported case) during the reporting month. This entry must equal Entry (31) minus Entry (30).
- (33) Enter the total IBNR loss reserves as of the end of the prior month. This entry must equal Entry (34) of the prior month's report.
- (34) Enter the total IBNR loss reserves as of the end of the reporting month.
- (35) Enter the net change in IBNR loss reserves during the reporting month. This entry must equal Entry (34) minus Entry (33).
- (36) The servicing carrier must indicate whether its reserves are reported gross or net of anticipated salvage and subrogation recoverables.
- (37) Enter the anticipated salvage and subrogation recoverables netted from case reserves as of the prior fiscal quarter. This entry must equal Entry (40) of the prior fiscal quarter's report.
- (38) Enter the anticipated salvage and subrogation recoverables netted from IBNR reserves as of the prior fiscal quarter. This entry must equal Entry (41) of the prior quarter's report.
- (39) Enter the total anticipated salvage and subrogation recoverables netted from reserves as of the prior fiscal quarter. This entry must equal Entry (42) from the prior quarter's report.
- (40) Enter the anticipated salvage and subrogation recoverables netted from case reserves as of the current fiscal quarter.
- (41) Enter the anticipated salvage and subrogation recoverables netted from IBNR reserves as of the current fiscal quarter.
- (42) Enter the total anticipated salvage and subrogation recoverables netted from reserves as of the current fiscal quarter.
- (43) Enter the net change in anticipated salvage and subrogation recoverables netted from case reserves during the fiscal quarter. This entry must equal Entry (40) minus Entry (37).
- (44) Enter the net change in anticipated salvage and subrogation recoverables netted from IBNR reserves during the fiscal quarter. This entry must equal Entry (41) minus Entry (38).
- (45) Enter the total net change in anticipated salvage and subrogation recoverables netted from reserves during the fiscal quarter. This entry must equal Entry (42) minus Entry (39).
- (46) Enter the incurred losses for the fiscal quarter. This entry must equal Entry (28) plus Entry (32) plus Entry (35) plus Entry (45).
- (47) Enter the total Allocated Loss Adjustment Expenses paid for contracts that include a direct reimbursement of ALAE activity reported. Allocated Loss Adjustment Expenses are defined in Chapter 6 or the contract. If the servicing carrier is paying these allowed directly reimbursable expenses using FAJUA funds, an offsetting entry will be processed on Line (62) to adjust the servicing carrier fees owed to the company.
- (48) Enter the total ALAE Reserves as of the end of the prior month. This entry must equal Entry (49) of the prior month's report.
- (49) Enter the total ALAE Reserves as of the end of the current month.
- (50) Enter the net change in ALAE Reserves during the month. This entry must equal Entry (49) minus Entry (48).
- (51) Enter the incurred Allocated Loss Adjustment Expenses for the fiscal quarter. This entry must equal Entry (47) plus Entry (50).
- (52) Enter the total Operating and Servicing Fees derived by multiplying Entry (6) by the appropriate bid rate.
- (53) Enter the private passenger Operating and Servicing Fees derived by multiplying Entry (4) by the

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

appropriate contract rate.

- (54) Enter the commercial Operating and Servicing Fees derived by multiplying Entry (5) by the appropriate contract rate.
- (55) Enter the adjustment to the minimum operating and Servicing fee if necessary. This is derived by subtracting Entry (53) and (54) from the appropriate monthly minimum fee as defined in the contract. If this amount is a positive number, enter this amount on Entry (55). If the amount is a negative number, enter zero.
- (56) Enter the total Operating and Servicing Fees. This entry must equal the sum of Entries (52), (53) (54), and (55).
- (57) Enter the total liability Claims Servicing Fees, derived by multiplying Entry (19) by the appropriate bid rate.
- (58) Enter the total physical damage Claims Servicing Fees, derived by multiplying Entry (20) by the appropriate bid rate.
- (59) Enter the total unallocated Claim Servicing Fees derived by multiplying Entry (21) by the appropriate contract rate.
- (60) Enter the adjustment to the minimum claim Servicing fee if necessary. This is derived by subtracting Entry (59) from the appropriate monthly minimum fee as defined in the contract. If this amount is a positive number, enter this amount on Entry (60). If the amount is a negative number, enter zero.
- (61) Enter the total gross Claim Servicing Fee This entry must equal the sum of Entries (57), (58), (59) and (60).
- (62) Enter the amount of allocated loss adjustment expense paid with FAJUA funds, as shown in Entry (29). This line is also used to account for the offset needed to adjust servicing carrier fees if the carrier paid directly reimbursable ALAE using the FAJUA disbursement account. The FAJUA Central Processor will record an offset entry needed to correct the calculation of servicing carrier fees. Since the servicing carrier used FAJUA funds increases servicing carrier fees. The offset on Line (62) will decrease fees resulting in no change to the servicing carrier fee when combining Entries 62 and 63.
- (63) Enter the amount of Allocated LAE allowed for reimbursement from the FAJUA, as shown in Entry (47).
- (64) Enter the total net Claim Servicing Fees. This entry must equal Entry (61) minus Entry (62) plus Entry (63).
- (65) Enter the total net of Operating and Claim Servicing Fees. This entry must equal Entry (56) plus Entry (64).
- (66) Enter the date the report is submitted to the FAJUA Central Processor.
- (67) Enter the officer or representative's name that certified the report.
- (68) Enter the title of the authorized individual approving the report.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

PREMIUMS WRITTEN

ACCOUNTING MONTH _____

Servicing Carrier Name _____

Company Number _____

| Policy Year | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | Total |
|-------------|------|------|------|------|------|------|------|------|------|------|------|-------|
|-------------|------|------|------|------|------|------|------|------|------|------|------|-------|

Private Passenger

Liability

Bodily Injury

Personal Injury Protection

Medical Payments

Uninsured Motorists

Property Damage

Physical Damage

Collision

Other Than Collision

Total

Other Than Private Passenger

Liability

Bodily Injury

Personal Injury Protection

Medical Payments

Uninsured Motorists

Property Damage

Physical Damage

Collision

Other Than Collision

Total

Month Total*

*Total = Liability Total and Physical Damage Total will automatically populate to the Premium Written Total on the Statistical Summary Control.

*Filing Fees should be reported as Liability.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

PREMIUMS UNEARNED

AS OF _____

Servicing Carrier Name _____

Company Number _____

| | | | | | | | | | | | | | |
|-------------|------|------|------|------|------|------|------|------|------|------|------|------|-------|
| Policy Year | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | Total |
|-------------|------|------|------|------|------|------|------|------|------|------|------|------|-------|

Private Passenger

Liability

- Bodily Injury
- Personal Injury Protection
- Medical Payments
- Uninsured Motorists
- Property Damage

Physical Damage

- Collision
- Other Than Collision
- Total

Other Than Private Passenger

Liability

- Bodily Injury
- Personal Injury Protection
- Medical Payments
- Uninsured Motorists
- Property Damage

Physical Damage

- Collision
- Other Than Collision
- Total

Month Total*

* Total Liability and Total Physical Damage balance will automatically populate to the Premiums Unearned Total on the Statistical Summary Control.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

LOSSES PAID _____

MONTH OF _____

Servicing Carrier Name _____

Company Number _____

| Policy Year 20XX | | Policy Year 20XX | | Policy Year 20XX | | Policy Year 20XX | | Policy Year 20XX | | |
|------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|-------|
| Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | |
| 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | Total |

Private Passenger

Liability

Bodily Injury
Personal Injury Protection
Medical Payments
Uninsured Motorists
Property Damage

Physical Damage

Collision
Other Than Collision
Total

Other than Private Passenger

Liability

Bodily Injury
Personal Injury Protection
Medical Payments
Uninsured Motorists
Property Damage

Physical Damage

Collision
Other Than Collision
Total

Month Total*

*Total balance will automatically populate to the Losses Paid line of Monthly Statistical Summary Control.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

LOSS RESERVES _____

AS OF _____

Servicing carrier Name _____

Company Number _____

| Policy Year 20XX | | Policy Year 20XX | | Policy Year 20XX | | Policy Year 20XX | | Policy Year 20XX | | |
|------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|-------|
| Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | |
| 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | Total |

Private Passenger

Liability

Bodily Injury

Personal Injury Protection

Medical Payments

Uninsured Motorists

Property Damage

Physical Damage

Collision

Other Than Collision

Total

Other than Private Passenger

Liability

Bodily Injury

Personal Injury Protection

Medical Payments

Uninsured Motorists

Property Damage

Physical Damage

Collision

Other Than Collision

Total

Month Total*

*Total balance will automatically populate to the current Loss Reserves line of the Quarter Ending Monthly Statistical Summary Control.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

IBNR LOSS RESERVES

AS OF _____

Servicing carrier Name _____

Company Number _____

| Policy Year 20XX | | Policy Year 20XX | | Policy Year 20XX | | Policy Year 20XX | | Policy Year 20XX | | Total |
|------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|-------|
| Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | |
| 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | |

Private Passenger

Liability
 Bodily Injury
 Personal Injury Protection
 Medical Payments
 Uninsured Motorists
 Property Damage

 Physical Damage
 Collision
 Other Than Collision

 Total

Other than Private Passenger

Liability
 Bodily Injury
 Personal Injury Protection
 Medical Payments
 Uninsured Motorists
 Property Damage

 Physical Damage
 Collision
 Other Than Collision

 Total

 Month Total*

*Total will automatically populate balance to the IBNR Loss Reserve line of the Quarter Ending Monthly Statistical Summary Control

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

REPORT OF VEHICLE IN-FORCE COUNT

Servicing Carrier _____

Month _____
(Month and Year)

Company No. _____

(1)
Private
Passenger
Vehicles Count

(2)
Commercial
Vehicles
Count

(3)
Commercial
Policies
Count*

- A. Prior month-end
net in-force count
- B. Current month
contribution to
in-force count
- C. Current month-
end net in-force
count

*Risks Rated in Other than the Per Car Basis

Date Submitted _____

Certified by _____

Title _____

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

REPORT OF RISKS WRITTEN THROUGH
FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION

Classes Other Than Private Passenger Non-Fleet

Servicing Carrier _____

Month _____

A. Classifications Rated on Per Car Basis

| <u>Classification Group</u> | <u>No. of Vehicles</u> |
|--|-------------------------------|
| Truckmen (defined in Rule 45) | _____ |
| Sand and Gravel Dealers | _____ |
| (Dealers only; sand and gravel haulers are classified as Truckmen) | _____ |
| Public Livery & Taxicabs (defined in Rule 53) | _____ |
| Buses (defined in Rule 53) | _____ |
| Motorcycles, Motorscooters, etc (defined in Rule 97) | _____ |
| Motor Homes (defined in Rule 96) | _____ |
| All Other Classifications | _____ |
| Total | _____ |

B. Classifications Rated on other than Per Car Basis

| <u>Classification Group</u> | <u>No. of Policies</u> |
|------------------------------------|-------------------------------|
| Garages (defined in Rule 60) | _____ |
| All Other Classifications | _____ |
| Total | _____ |

Note: Please refer to the FAJUA Manual of Rules and Rates for the definition of each classification.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

RISK DISTRIBUTION DATA

Servicing Carrier: _____ Company Number _____

Month and Year: _____

NUMBER OF VEHICLES BY COVERAGE TYPE

| TERR. (CO.) | P.D.L. & PIP ONLY | PIP & LIABILITY | PIP, LIABILITY & PHYSICAL DAMAGE | PHYSICAL DAMAGE ONLY | TOTAL VEHICLE |
|-------------|----------------------|--------------------|---|----------------------------|---------------|
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 10 | | | | | |
| 12 | | | | | |
| 14 | | | | | |
| 15 | | | | | |
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| 23 | | | | | |
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| 61 | | | | | |
| 62 | | | | | |
| 63 | | | | | |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

Servicing Carrier: _____ Company Number _____

Month and Year: _____

NUMBER OF VEHICLES BY COVERAGE TYPE

| TERR. (CO.) | P.D.L. & PIP ONLY | PIP & LIABILITY | PIP, LIABILITY & PHYSICAL DAMAGE | PHYSICAL DAMAGE ONLY | TOTAL VEHICLES |
|-------------|----------------------|--------------------|---|----------------------------|----------------|
| 64 | | | | | |
| 65 | | | | | |
| 66 | | | | | |
| 67 | | | | | |
| 68 | | | | | |
| 69 | | | | | |
| 70 | | | | | |
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| 93 | | | | | |
| 94 | | | | | |
| 95 | | | | | |
| 96 | | | | | |

SUBMIT TO: Industry Coordinator
Florida Office of Insurance Regulation
Larson Building
Tallahassee, FL 32399-0300

FAJUA
1425 Piedmont Dr., Suite 201A
Tallahassee, FL 32308

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

APPLICATION COUNT

Servicing Carrier Name _____

Month _____
(month and year)

PRIVATE PASSENGER:

PIP and PD Only _____

Physical Damage Only _____

All Other _____

Total _____
_____ %

(PIP and PD only)
Total Private Passenger

COMMERCIAL:

PIP and PD Only _____

Physical Damage Only _____

All Other _____

Total _____
_____ %

(PIP and PD only)
Total Commercial

TOTALS:

All PIP and PD _____

All Physical Damage Only _____

All Other _____

All Applications _____

(PIP and PD only)
(All Applications) _____ %

POLICIES IN FORCE:

Private Passenger _____

Other Than Private Passenger _____

Total _____

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

FAJUA TRIAL BALANCE

| | Debit | Credit |
|---|-------|--------|
| Assets | | |
| Cash in Bank | | |
| Servicing Carrier Bank Account – Depository | | |
| Servicing Carrier Bank Account - Disbursement | | |
| Accounts Receivable | | |
| Accounts Receivable–Salvage Subrogation & Other Loss Recoveries | | |
| Servicing Carrier - Deferred Premium | | |
| Hurricane CAT Fund Surcharge | | |
| Liability and Net Worth | | |
| Transfers to and from Central Bank | | |
| Accrued Commissions Payable Servicing Carrier | | |
| Loss Reserves | | |
| IBNR Loss Reserve | | |
| Allocated Loss Adjustment Reserves | | |
| Unearned Premium Reserves | | |
| Advanced Premium Liability | | |
| Unapplied Cash Liability | | |
| Earned but Unbilled Premium Reserve | | |
| Escheat Reserves - Servicing Carrier | | |
| Outstanding Drafts - Servicing Carrier | | |
| Member's Equity | | |
| Profit and Loss | | |
| Premiums Written | | |
| Premiums Charged Off | | |
| Commissions Charged Off | | |
| Commissions Written | | |
| Paid Losses | | |
| Allocated LAE Paid | | |
| Salvage/Subrogation Income | | |
| Loss Recovery Income | | |
| Bank Charges | | |
| Miscellaneous Adjustments | | |
| Collection Fees | | |
| Change in Unearned Premiums | | |
| Change in Loss Reserves | | |
| Change in IBNR Reserves | | |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

| | | |
|---|-------|-------|
| Change in Allocated Loss Adjustment Reserves | _____ | _____ |
| Change in Earned but Unbilled Premium Reserve | _____ | _____ |
| Miscellaneous Income | _____ | _____ |
| Quarter Ending XX/XX/XX | _____ | _____ |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

SUBLEDGER ACTIVITY REPORT
ACCOUNTS RECEIVABLE PREMIUM

| Company 20XX-20XX Premium | Disb. Acct. Policy- Holders Refunds DR. | Disb. Acct. Premium Installment Fee DR. | Disb. Acct. Ret Check Premium DR. | Dep. Acct. Premium Collection CR. | Dep. Acct. Premium Installment Fees CR. | Dep. Acct. Policy- Holders Ret'd Checks CR. | Dep. Acct. Ret'd Check Premium DR. | MJV Premium Collection Fees CR. | Dep. Acct. Policy- Holders Refunds DR. | * Dep. Acct. Advanced Premium Collection DR | Dep. Acct. Unapplied Cash DR. | Stat. Sum. Premium Written DR. | Stat.Sum. Premium Charge-Off CR. | Prior Year Adjusting JEs | Total |
|---------------------------------|--|---|--|--|---|--|--|---|--|--|--|---|---|-----------------------------|-------|
| | | | | | | | | | | | | | | | |
| Oct. 20XX | | | | | | | | | | | | | | | |
| Nov. 20XX | | | | | | | | | | | | | | | |
| Dec. 20XX | | | | | | | | | | | | | | | |
| Jan. 20XX | | | | | | | | | | | | | | | |
| Feb. 20XX | | | | | | | | | | | | | | | |
| Mar. 20XX | | | | | | | | | | | | | | | |
| Apr. 20XX | | | | | | | | | | | | | | | |
| May 20XX | | | | | | | | | | | | | | | |
| June 20XX | | | | | | | | | | | | | | | |
| July 20XX | | | | | | | | | | | | | | | |
| Aug. 20XX | | | | | | | | | | | | | | | |
| Sept. 20XX | | | | | | | | | | | | | | | |
| 20XX-20XX | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 20XX-20XX | | | | | | | | | | | | | | | |
| 20XX-20XX | | | | | | | | | | | | | | | |
| 20XX-20XX | | | | | | | | | | | | | | | |
| 20XX-20XX | | | | | | | | | | | | | | | |
| Incp-20XX Adjstmt. | | | | | | | | | | | | | | | |
| | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

* Servicing carriers who are recording a reclassification entry for advanced premium collections on their General Ledger should complete Entry (16) in Chapter 9. Servicing carriers who elect this method of accounting for advanced premiums will be recording transactions similarly to AIPSO's recording and therefore, a variance will not exist for this item on the schedule of accounts, Exhibit Z. Servicing carriers who are not recording a reclassification entry for advanced premiums should not complete Entry (16). As a result, the reclass of advanced premiums recorded by AIPSO will cause a variance to occur on the Trial balance Reconciliation, Exhibit Z.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

SUBLEDGER ACTIVITY REPORT
ACCRUED COMMISSION PAYABLE

| Company 20XX-20XX Commission | Dep. Acct. Returned Commissions CR. | MJV Commissions Charge Off DR. | Disb. Acct. Producer Commissions DR. | Stat Sum Commissions Written CR. | Prior Year Adjusting JEs | Total |
|------------------------------------|---|--------------------------------------|--|---|-----------------------------|-------|
| October 20XX | | | | | | 0.00 |
| November 20XX | | | | | | 0.00 |
| December 20XX | | | | | | 0.00 |
| January 20XX | | | | | | 0.00 |
| February 20XX | | | | | | 0.00 |
| March 20XX | | | | | | 0.00 |
| April 20XX | | | | | | 0.00 |
| May 20XX | | | | | | 0.00 |
| June 20XX | | | | | | 0.00 |
| July 20XX | | | | | | 0.00 |
| August 20XX | | | | | | 0.00 |
| September 20XX | | | | | | 0.00 |
| 20XX | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 20XX-20XX | | | | | | |
| 20XX-20XX | | | | | | 0.00 |
| 20XX-20XX | | | | | | 0.00 |
| 20XX-20XX | | | | | | 0.00 |
| Incep-20XX | | | | | | 0.00 |
| Adjustments | | | | | | 0.00 |
| | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

SUBLEDGER ACTIVITY REPORT
OUTSTANDING DRAFTS

| Company 20XX-20XX O/S Drafts | Disb. Acct. Claim Draft Not Honored CR | Disb. Acct. Claim Check Issued DR | Disb. Acct. claim Draft Honored DR | Disb Acct. Claim Reimb Vol. Carrier DR | Dept. Acct. Refund of Claim Payment CR | Stat. Sum Gross Losses Paid CR | Stat Sum ALAE CR | Prior Year Adjusting JEs | Total |
|------------------------------------|---|--|---|---|--|---|------------------------|--------------------------------|-------|
| 20XX | | | | | | | | | |
| 20XX | | | | | | | | | |
| 20XX | | | | | | | | | |
| 20XX | | | | | | | | | |
| 20XX | | | | | | | | | |
| 20XX | | | | | | | | | |
| 20XX | | | | | | | | | |
| 20XX | | | | | | | | | |
| 20XX | | | | | | | | | |
| 20XX | | | | | | | | | |
| 20XX | | | | | | | | | |
| 20XX | | | | | | | | | |
| 20XX | | | | | | | | | |
| 20XX-20XX | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 20XX-20XX | | | | | | | | | |
| 20XX-20XX | | | | | | | | | |
| 20XX-20XX | | | | | | | | | |
| 20XX-20XX | | | | | | | | | |
| 20XX-20XX | | | | | | | | | |
| Incep-20XX | | | | | | | | | |
| Adjustments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

SUBLEDGER ACTIVITY REPORT
ESCHEAT RESERVE

| Company 20XX-20XX Escheat | Disb. Acct. Escheat Checks CR | Prior Year Adjusting JEs | Total |
|---------------------------------|-------------------------------------|-----------------------------|-------|
| 20XX | | | 0.00 |
| 20XX | | | 0.00 |
| 20XX | | | 0.00 |
| 20XX | | | 0.00 |
| 20XX | | | 0.00 |
| 20XX | | | 0.00 |
| 20XX | | | 0.00 |
| 20XX | | | 0.00 |
| 20XX | | | 0.00 |
| 20XX | | | 0.00 |
| 20XX | | | 0.00 |
| 20XX | | | 0.00 |
| 20XX | | | 0.00 |
| 20XX-20XX | 0.00 | 0.00 | 0.00 |
| 20XX-20XX | | | |
| 20XX-20XX | | | 0.00 |
| 20XX-20XX | | | 0.00 |
| 20XX-20XX | | | 0.00 |
| 20XX-20XX | | | 0.00 |
| Incep-20XX Adjustments | | | |
| | 0.00 | 0.00 | 0.00 |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

SUBLEDGER ACTIVITY REPORT

ACCOUNTS RECEIVABLE SALVAGE/SUBROGATION

| Company xxx1 A/R Sal/Sub and Other Loss Rec | Dep. Acct. Other Loss Rec. CR. | Dep. Acct. Return Check Sal/Sub CR. | Dep. Acct. Ret Check Other Loss Rec. DR. | Dep. Acct. Ret Check Sal/Sub DR. | Disb. Acct. Sal/Sub DR. | Disb. Acct. Ret. Check Other Loss Rec. DR. | Disb. Acct. Ret. Check Sal/Sub DR. | Stat. Sum. Other Loss Recovery DR. | Stat. Sum. Sal/Sub DR. | Total |
|---|---|--|---|--|----------------------------------|---|---|---|------------------------------|-------|
| Oct. 20XX | | | | | | | | | | |
| Nov. 20XX | | | | | | | | | | |
| Dec. 20XX | | | | | | | | | | |
| Jan. 20XX | | | | | | | | | | |
| Feb. 20XX | | | | | | | | | | |
| Mar. 20XX | | | | | | | | | | |
| Apr. 20XX | | | | | | | | | | |
| May 20XX | | | | | | | | | | |
| June 20XX | | | | | | | | | | |
| July 20XX | | | | | | | | | | |
| Aug. 20XX | | | | | | | | | | |
| Sep. 20XX | | | | | | | | | | |
| 20XX | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Prior Year 2nd Prior Year Adjstmt. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

ANNUAL TAX REPORT

FISCAL YEAR ENDING _____

PREMIUM WRITTEN

Company Name _____

Company Number _____

Date Prepared _____

PRIVATE PASSENGER

OTHER THAN PRIVATE PASSENGER

TAX BI, UM PD OTC COLLISION
TOWN MED, PIP

BI, UM, PD OTC COLLISION
MED, PIP

** TOTAL

* WRITTEN PREMIUM NOT RELATED TO A SPECIFIC TAX TOWN SHOULD BE SHOWN AS 999, ALL OTHER MUNICIPALITY TOTAL, WHICH SUMMARIZES THE REMAINING WRITTEN PREMIUM.

** THE FINAL TOTAL WILL EQUAL THE TOTAL WRITTEN PREMIUM REPORTED BY THE SERVICING CARRIER FOR THE FISCAL YEAR BEING REPORTED.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL
ANNUAL SALVAGE AND SUBROGATION REPORT

Company Name: _____

Company Number: _____

Salvage and Subrogation Received in Fiscal Year Ending 9/30/XX

| | Accident Year 20XX | Accident Year 20XX | Accident Year 20XX | Total |
|-----------------------|--------------------|--------------------|--------------------|-------|
| PRIVATE PASSENGER | | | | |
| Liability | | | | |
| Physical Damage | | | | |
| | | | | |
| O/T PRIVATE PASSENGER | | | | |
| Liability | | | | |
| Physical Damage | | | | |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL
ANNUAL REPORT OF SALVAGE/SUBROGATION RECOVERIES
Fiscal Year Ending September 30, 20XX_____

Servicing Carrier _____

Company No. _____

| Coverage | Salvage and Subrogation Recoveries |
|---------------|---------------------------------------|
| BI | \$ _____ |
| PIP | _____ |
| MP | _____ |
| UM | _____ |
| PD | _____ |
| Collision | _____ |
| O/T Collision | _____ |
| Total | \$ _____ |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

MEMBER'S PARTICIPATION REPORT
ANNUAL TAX REPORT
FISCAL YEAR ENDING _____

PREMIUM WRITTEN

Company Name_____

Company Number_____

| | PRIVATE PASSENGER | | | | | OTHER THAN PRIVATE PASSENGER | | | | | |
|-------------|-------------------|----|----|------|-------|------------------------------|----|----|------|-------|-------------------|
| TAX TOWN | O/T | PD | PD | COLL | TOTAL | O/T | PD | PD | COLL | TOTAL | COMBINED TOTAL |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL
AUTOMOBILE PHYSICAL DAMAGE OTHER THAN COLLISION INSURANCE LOSSES

Catastrophe: _____

Quarter Ending: _____

Servicing Carrier Name: _____

Catastrophe Number: _____

Company Number: _____

| Policy Year | Accident Date | Private Passenger Nonfleet | | OTPP | | Total Paid |
|--------------|---------------|----------------------------|-------------|------|-------------|------------|
| | | Paid | Outstanding | Paid | Outstanding | |
| 20XX | | | | | | |
| 20XX | | | | | | |
| Subtotal | | | | | | |
| 20XX | | | | | | |
| 20XX | | | | | | |
| Subtotal | | | | | | |
| GRAND TOTAL: | | | | | | |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

NUMBER OF CLAIMS REPORTED
FISCAL YEAR ENDING 9/30/XX

Servicing Carrier Name: _____

Company Code: _____

Private Passenger

| Accident Year | | | | | | | | | | |
|-----------------------|------|------|------|------|------|------|------|------|------|-------|
| 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | Total |
| Liability | | | | | | | | | | |
| Bodily Injury* | | | | | | | | | | |
| PIP | | | | | | | | | | |
| Property Damage | | | | | | | | | | |
| Total Liability | | | | | | | | | | |
| Physical Damage | | | | | | | | | | |
| Collision | | | | | | | | | | |
| O/T Collision | | | | | | | | | | |
| Total Physical Damage | | | | | | | | | | |
| TOTAL | | | | | | | | | | |

Other than Private Passenger

| Accident Year | | | | | | | | | | |
|-----------------------|------|------|------|------|------|------|------|------|------|-------|
| 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | Total |
| Liability | | | | | | | | | | |
| Bodily Injury* | | | | | | | | | | |
| PIP | | | | | | | | | | |
| Property Damage | | | | | | | | | | |
| Total Liability | | | | | | | | | | |
| Physical Damage | | | | | | | | | | |
| Collision | | | | | | | | | | |
| O/T Collision | | | | | | | | | | |
| Total Physical Damage | | | | | | | | | | |
| TOTAL | | | | | | | | | | |

Please indicate reporting method:

☐

Claimant

☐

Accident

Please complete the applicable sections.

*Bodily injury should include medical payments and uninsured motorist.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

NUMBER OF CLAIMS OUTSTANDING
FISCAL YEAR ENDING 9/30/XX

Servicing Carrier Name: _____

Company Code: _____

Private Passenger

| | Accident Year | | | | | | | | | | |
|-----------------------|---------------|------|------|------|------|------|------|------|------|------|-------|
| | Prior | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | Total |
| Liability | | | | | | | | | | | |
| Bodily Injury* | | | | | | | | | | | |
| PIP | | | | | | | | | | | |
| Property Damage | | | | | | | | | | | |
| Total Liability | | | | | | | | | | | |
| Physical Damage | | | | | | | | | | | |
| Collision | | | | | | | | | | | |
| O/T Collision | | | | | | | | | | | |
| Total Physical Damage | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | |

Other than Private Passenger

| | Accident Year | | | | | | | | | | |
|-----------------------|---------------|------|------|------|------|------|------|------|------|------|-------|
| | Prior | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | Total |
| Liability | | | | | | | | | | | |
| Bodily Injury* | | | | | | | | | | | |
| PIP | | | | | | | | | | | |
| Property Damage | | | | | | | | | | | |
| Total Liability | | | | | | | | | | | |
| Physical Damage | | | | | | | | | | | |
| Collision | | | | | | | | | | | |
| O/T Collision | | | | | | | | | | | |
| Total Physical Damage | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | |

Please indicate reporting method:

☐ Claimant ☐ Accident

Please complete the applicable sections.

*Bodily injury should include medical payments and uninsured motorist.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT
FISCAL YEAR ENDING 9/30/XX

Servicing Carrier Name: _____

Company Code: _____

Private Passenger

| | Accident Year | | | | | | | | | | |
|-----------------------|---------------|------|------|------|------|------|------|------|------|------|-------|
| | Prior | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | Total |
| Liability | | | | | | | | | | | |
| Bodily Injury* | | | | | | | | | | | |
| PIP | | | | | | | | | | | |
| Property Damage | | | | | | | | | | | |
| Total Liability | | | | | | | | | | | |
| Physical Damage | | | | | | | | | | | |
| Collision | | | | | | | | | | | |
| O/T Collision | | | | | | | | | | | |
| Total Physical Damage | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | |

Other than Private Passenger

| | Accident Year | | | | | | | | | | |
|-----------------------|---------------|------|------|------|------|------|------|------|------|------|-------|
| | Prior | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | Total |
| Liability | | | | | | | | | | | |
| Bodily Injury* | | | | | | | | | | | |
| PIP | | | | | | | | | | | |
| Property Damage | | | | | | | | | | | |
| Total Liability | | | | | | | | | | | |
| Physical Damage | | | | | | | | | | | |
| Collision | | | | | | | | | | | |
| O/T Collision | | | | | | | | | | | |
| Total Physical Damage | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | |

Please indicate reporting method:

☐ Claimant ☐ Accident

Please complete the applicable sections.

*Bodily injury should include medical payments and uninsured motorist.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

NUMBER OF CLAIMS CLOSED WITHOUT LOSS PAYMENT
FISCAL YEAR ENDING 9/30/XX

Servicing Carrier Name: _____

Company Code: _____

Private Passenger

| | Accident Year | | | | | | | | | | |
|-----------------------|---------------|------|------|------|------|------|------|------|------|------|-------|
| | Prior | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | Total |
| Liability | | | | | | | | | | | |
| Bodily Injury* | | | | | | | | | | | |
| PIP | | | | | | | | | | | |
| Property Damage | | | | | | | | | | | |
| Total Liability | | | | | | | | | | | |
| Physical Damage | | | | | | | | | | | |
| Collision | | | | | | | | | | | |
| O/T Collision | | | | | | | | | | | |
| Total Physical Damage | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | |

Other than Private Passenger

| | Accident Year | | | | | | | | | | |
|-----------------------|---------------|------|------|------|------|------|------|------|------|------|-------|
| | Prior | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | Total |
| Liability | | | | | | | | | | | |
| Bodily Injury* | | | | | | | | | | | |
| PIP | | | | | | | | | | | |
| Property Damage | | | | | | | | | | | |
| Total Liability | | | | | | | | | | | |
| Physical Damage | | | | | | | | | | | |
| Collision | | | | | | | | | | | |
| O/T Collision | | | | | | | | | | | |
| Total Physical Damage | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | |

Please indicate reporting method:

☐ Claimant ☐ Accident

Please complete the applicable sections.

*Bodily injury should include medical payments and uninsured motorist.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

RESERVED FOR FUTURE USE

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

STATEMENT OF ASSETS, LIABILITIES AND MEMBERS' EQUITY

AS OF _____

ASSETS

Cash (Overdraft)
Central Bank
Central Processor
Servicing Carrier – Depository Cash
Servicing Carrier – Checks Outstanding
Total Cash (Overdraft)

Investments

Accounts Receivable:
Servicing Carrier Premium Account
Salvage Subrogation and Other Loss Recovery
Membership Fees
Member Companies
Accrued Interest
Late Penalty Fee
Hurricane CAT Fund Surcharge
Other

Total Accounts Receivable

Total Assets

LIABILITIES AND MEMBERS' EQUITY (DEFICIT)

Unearned Premiums Reserve
Premium Deficiency Reserve
Earned but Unbilled Premium Reserve
Loss Reserves (including IBNR)
Unallocated LAE Reserves
Allocated Loss Adjustment Expense Reserves
Outstanding Drafts
Outstanding Checks - Servicing Carriers
Escheat Reserves
Accounts Payable:
Servicing Carrier Fees—Claims
Servicing Carrier Fees—Operating
Servicing Carrier Fees—Collections
Accrued Commissions
Accrued Expenses
Advanced Premium Liability
Unapplied Cash Liability
AIPSO – Central Processor
Hurricane CAT Fund Payable
Other

Total Accounts Payable

Total Liabilities
Members' Equity (Deficit)
Total Liabilities and Members' Equity (Deficit)

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

STATEMENT OF INCOME AND EXPENSES

YEAR TO DATE THROUGH _____

Quarter Ending

Fiscal Year to Date

Underwriting Income:

Premiums Written

Change in Unearned Premiums

Change in Earned but Unbilled Premium

Premiums Earned

Deductions:

Losses Paid

Change in Loss Reserves

Losses Incurred

Allocated LAE Paid

Change in Allocated LAE Reserves

Allocated LAE Incurred

Change in Premium Deficiency Reserve

Unallocated LAE

Servicing Carrier Fee Claims LAE

Servicing Carrier Fee Operating

Commissions Written

Total Underwriting Deductions

Net Underwriting Gain (Loss)

Interest on Investments

Gain on Sale of Bonds

Other Income (Expenses):

Miscellaneous

Assessments (Distributions)

Late Penalty Fees

Membership Fees

Commissions Charged Off

Premiums Charged Off

Losses Paid Charged Off

Other than Underwriting Expenses

Total Other Income (Expenses)

Net Gain (Loss)

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

STATEMENT OF OTHER UNDERWRITING EXPENSES

YEAR TO DATE THOUGH _____

**Fiscal Year
To Date**

Salaries—Regular
Group Life Insurance
Long Term Disability
Employee Savings Program
Post Employment Benefit
Health/Dental Plan
Coffee Servicing
Observances
Tuition Reimbursement
Empl. Gath. Out and Awards
Pension
Workman's Compensation
Fidelity Bond
Employee Travel (Life)
Employee
Committee
Employee Educational Seminar
Hotel Educational Seminar
Rent
Office Maintenance
Outside Storage
Purchase of Furniture
Purchase of Office Equip.
Purchase of EDP Equip.
Rental of Office Equip.
Repair of Office Equip.
Office Equip. Ed Seminar
Stationery and Supl. Gen
Printing of Manuals
Printing of Forms
Books, News, Periodical
Print and Stationary Ed Seminar
Postage
Federal Express
Postage—Ed Seminar
Telephone—Direct
Legal Fees
Audit Fees
All Licenses and Fees
Payroll Taxes
Property Taxes
Ad Valorem Taxes
Bank Charges
Temporary Personnel
Servicing Carriers—Adjustments
Losses Paid Charged Off
Workshop Seminars
Other
Educational Seminars
Investment Expense
Bad Dept
Payroll Processing Chgs.
Subscript and Due—Prof
Central Processor
Collection Fees

Total Other than Underwriting Expenses

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

EXHIBIT OF RESERVES
FOR FISCAL QUARTER ENDING _____

| | Prior Year End Reserves | First Quarter Change | Second Quarter Change | Third Quarter Change | Fourth Quarter Change | Quarter End Reserves |
|--|-------------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|
| Unearned Premium | | | | | | |
| Premium Deficiency Reserve | | | | | | |
| Earned but Unbilled Premium Reserve | | | | | | |
| Loss Reserve | | | | | | |
| IBNR Loss Reserve | | | | | | |
| Anticipated Salvage and Subrogation | | | | | | |
| Net Loss Reserves | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Allocated LAE Reserves | | | | | | |
| Unallocated LAE Reserves | | | | | | |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
MEMBER'S PARTICIPATION REPORT

Company Name _____ Company No. _____
Ratios: A).XXXXXXXX B).XXXXXXXX

| | Liability | | | | | | Physical Damage | | All Cov. |
|---|-----------|-----|----|----|-----|-------|-----------------|----------|----------|
| | BI | Med | UM | PD | PIP | Total | Coll | O/T Coll | Total |
| Premiums Written | | | | | | | | | |
| Premiums Unearned (Prior) | | | | | | | | | |
| Premiums Unearned (Current) | | | | | | | | | |
| Earned but Unbilled Premium (Prior)* | | | | | | | | | |
| Earned but Unbilled Premium (Current)* | | | | | | | | | |
| Premiums Earned | | | | | | | | | |
| Commissions | | | | | | | | | |
| Operating Servicing Fees | | | | | | | | | |
| Unallocated LAE Allowance | | | | | | | | | |
| Accident Year _____ | | | | | | | | | |
| Accident Year _____ | | | | | | | | | |
| Losses Paid Tot. | | | | | | | | | |
| Accident Year _____ | | | | | | | | | |
| Accident Year _____ | | | | | | | | | |
| Losses Outstanding Tot. (Prior) | | | | | | | | | |
| Accident Year _____ (Prior) | | | | | | | | | |
| Accident Year _____ (Prior) | | | | | | | | | |
| Losses Outstanding Tot. (Curr) | | | | | | | | | |
| Accident Year _____ (Current) | | | | | | | | | |
| Accident Year _____ (Current) | | | | | | | | | |
| Losses Outstanding IBNR Tot. (Prior) | | | | | | | | | |
| Accident Year _____ (Prior) | | | | | | | | | |
| Accident Year _____ (Prior) | | | | | | | | | |
| Losses Outstanding IBNR Tot. (Current) | | | | | | | | | |
| Accident Year _____ (Current) | | | | | | | | | |
| Accident Year _____ (Current) | | | | | | | | | |
| Losses Incurred Total | | | | | | | | | |
| Accident Year _____ | | | | | | | | | |
| Accident Year _____ | | | | | | | | | |
| Allocated LAE Paid Total | | | | | | | | | |
| Accident Year _____ (Prior) | | | | | | | | | |
| Accident Year _____ (Prior) | | | | | | | | | |
| Allocated LAE Reserves (Current) | | | | | | | | | |
| Accident Year _____ (Current) | | | | | | | | | |
| Accident Year _____ (Current) | | | | | | | | | |
| Allocated LAE Reserves Incurred Total | | | | | | | | | |
| Accident Year _____ | | | | | | | | | |
| Accident Year _____ | | | | | | | | | |
| Premium Deficiency Reserve (Prior) | | | | | | | | | |
| Premium Deficiency Reserve (Current) | | | | | | | | | |
| Net Underwriting Results | | | | | | | | | |
| Miscellaneous Expenses | | | | | | | | | |
| Charge Offs | | | | | | | | | |
| Investment Income | | | | | | | | | |
| All Other Misc. Income | | | | | | | | | |
| Net Misc Expense or Income | | | | | | | | | |
| Net Result of Operations | | | | | | | | | |
| Anticipated Salvage & Subrogation (Prior) | | | | | | | | | |
| Anticipated Salvage & Subrogation (Current) | | | | | | | | | |

* Amount excluded from Premiums Written.
** Will appear on current fiscal year end report.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

SUMMARY OF MEMBER'S QUARTERLY PARTICIPATION REPORTS

Fiscal Quarter (or Fiscal YTD Quarter) Ending_____ Date Prepared_____

POLICY YEAR

| Ledger Transactions | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | Total |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Premiums Written | | | | | | | | | | | |
| Commissions Written | | | | | | | | | | | |
| Operating Servicing Fees | | | | | | | | | | | |
| Unallocated LAE Allowance | | | | | | | | | | | |
| Losses Paid Total | | | | | | | | | | | |
| Allocated LAE Paid | | | | | | | | | | | |
| Miscellaneous Expense | | | | | | | | | | | |
| Charge-offs | | | | | | | | | | | |
| Investment Income | | | | | | | | | | | |
| All Other Misc Income | | | | | | | | | | | |
| Balance Receivable/Payable | | | | | | | | | | | |
| Nonledger Liability Transactions | | | | | | | | | | | Fiscal YTD |
| Premium Unearned | | | | | | | | | | | |
| Losses Outstanding | | | | | | | | | | | |
| IBNR Reserve | | | | | | | | | | | |
| Allocated LAE Reserve | | | | | | | | | | | |
| Premium Deficiency (Current) | | | | | | | | | | | |
| Anticipated Salvage & Subrogation (Current) | | | | | | | | | | | |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

ANNUAL CLAIM COUNT AND SALVAGE AND SUBROGATION REPORT

FISCAL YEAR ENDING 9/30/XX

Servicing Carrier Name: _____

Company Number: _____

Period

Class

Liability

| Accident Year | Claims Reported | Claims Outstanding | Claims Closed with Loss Payment | Claims Closed Without Loss Payment | Gross Losses Paid | Salvage and Subrogation |
|------------------|-----------------|-----------------------|---------------------------------------|--|----------------------|----------------------------|
| 20XX | | | | | | |
| 20XX | | | | | | |
| 20XX | | | | | | |
| 20XX | | | | | | |
| 20XX | | | | | | |
| 20XX | | | | | | |
| Total | | | | | | |

Physical Damage

| Accident Year | Claims Reported | Claims Outstanding | Claims Closed with Loss Payment | Claims Closed Without Loss Payment | Gross Losses Paid | Salvage and Subrogation |
|------------------|-----------------|-----------------------|---------------------------------------|--|----------------------|----------------------------|
| 20XX | | | | | | |
| 20XX | | | | | | |
| 20XX | | | | | | |
| 20XX | | | | | | |
| 20XX | | | | | | |
| 20XX | | | | | | |
| Total | | | | | | |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL
AUTOMOBILE PHYSICAL DAMAGE OTHER THAN COLLISION INSURANCE LOSSES

Catastrophe: _____ Quarter Ending: _____
Servicing Carrier Name: _____ Catastrophe Number: _____
Company Number: _____
Total FAJUA Losses Incurred as of _____

| Policy Year | Accident Date | Private Passenger Nonfleet | | All Other | |
|--------------------|---------------|----------------------------|-------------|-----------|-------------|
| | | Paid | Outstanding | Paid | Outstanding |
| 20XX | | | | | |
| 20XX | | | | | |
| Subtotal | | | | | |
| 20XX | | | | | |
| 20XX | | | | | |
| Subtotal | | | | | |
| TOTAL PAID | | | | | |
| TOTAL OUTSTANDING: | | | | | |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

DEC. / 20XX CASH ACTIVITY—SUMMARY

(Company Name and Number)

This statement contains information with respect to your company's participation in the above captioned organization. The calculations performed for your company for the above month resulted in the settlement indicated on line "J" of this statement. If line "J" so indicates a cash distribution, a check will be mailed to your company by the date indicated. If line "J" indicates an amount to be credited toward the next distribution, no settlement will be made until that time. If the calculations result in an assessment, you are required to pay the stated amount to be postmarked no later than 20 calendar days from the date of this notice. Please make the check payable to the above named organization and return a copy of this statement with your payment. Failure to remit funds within 20 calendar days will result in assessment of late payment fees in accordance with the FAJUA requirements. The minimum late payment fee is \$50 dollars.

ALL INQUIRES AND PAYMENTS IN CONNECTION WITH THIS NOTICE SHOULD BE MADE TO

FAJUA C/O AIPSO ATTN.: Director Of Financial & Investment Services
302 CENTRAL AVENUE, JOHNSTON, RI 02919-4995 THANK YOU.

- A. Total net participation amount—Policy Year _____ to date
(Line _____ Column J of CA-1 Detail).....\$
- B. Your company's participation ratio—See attached CA-1 detail
- C. Your company's net share—Policy Year _____ to date
(Line _____ Column J of CA-1 Detail)\$
- D. Your company's net share as of last period
(Line _____ Column K of CA-1 Detail)\$
- E. Your company's net share for this period
(Line _____ Column L of CA-1 Detail)\$
- F. Net settlement amount as of last period
(Line "J" from last statement).....\$
- G. Assessment paid to FAJUA during last period\$
- H. Payments made to your company during last period\$
- I. Late payment fees due from last period\$
- Net settlement (E) + (F) + (G) - (H) + (I) indicates:
- J. Cash distribution
Enclosed is a check for this amount** or\$
Amount to be paid within 30 days.....\$

**Alternative legend for Line J:

For Assessment Condition

- J. Assessment

Pay this amount within 20 days from the date of this notice\$

For Small Cash Distribution or Assessment Condition

- J. No Assessment or Distribution
Net Settlement is less than \$25.....\$

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

CASH ACTIVITY REPORT DETAIL

COMPANY _____ CO. NO. _____

| Policy Year | Account | PPNF | | Receivable/Payable All Other | | PIP | | Equity Distribution/Assessment | | | |
|----------------|---------|-----------|--------------|---------------------------------|--------------|------|--------------|--------------------------------|-------------------|--------------------|------------|
| | | Liability | Phy. Dam. | Liability | Phy. Dam. | PPNF | All Other | All Class Coverages | Current Period | Previous Period | Net Due |
| 20XX | Program | | | | | | | | | | |
| | Ratio | | | | | | | | | | |
| | Comp. | | | | | | | | | | |
| 20XX | Program | | | | | | | | | | |
| | Ratio | | | | | | | | | | |
| | Comp | | | | | | | | | | |
| 20XX | Program | | | | | | | | | | |
| | Ratio | | | | | | | | | | |
| | Comp | | | | | | | | | | |
| 20XX | Program | | | | | | | | | | |
| | Ratio | | | | | | | | | | |
| | Comp | | | | | | | | | | |
| 20XX | Program | | | | | | | | | | |
| | Ratio | | | | | | | | | | |
| | Comp | | | | | | | | | | |
| 20XX | Program | | | | | | | | | | |
| | Ratio | | | | | | | | | | |
| | Comp | | | | | | | | | | |
| 20XX | Program | | | | | | | | | | |
| | Ratio | | | | | | | | | | |
| | Comp | | | | | | | | | | |
| Total | Program | | | | | | | | | | |
| | Ratio | | | | | | | | | | |
| | Comp | | | | | | | | | | |

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

PREMIUM CHARGE-OFFS—

FISCAL MONTH ENDING _____

Company Name: _____

Company Number: _____

| Policy Year | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | Total |
|------------------------------|------|------|------|------|------|------|-------|
| Private Passenger | | | | | | | |
| Liability | | | | | | | |
| Physical Damage | | | | | | | |
| Other than Private Passenger | | | | | | | |
| Liability | | | | | | | |
| Physical Damage | | | | | | | |
| Month Total* | | | | | | | |

*Total will automatically populate to the premium charge-off line on the Statistical Summary Control Report.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

EARNED BUT UNBILLED PREMIUM (EBUB)

AS OF _____

Company Name _____

Company Number _____

| Policy Year | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | TOTAL |
|-------------|------|------|------|------|------|------|------|------|------|------|------|-------|
|-------------|------|------|------|------|------|------|------|------|------|------|------|-------|

Other Than Private Passenger

Liability

Bodily Injury

Personal Injury Protection

Medical Payments

Uninsured Motorists

Property Damage

Physical Damage

Collision

Other Than Collision

Total

Month Total*

* Total will automatically populate to the Earned but Unbilled Premium total on the Monthly Statistical Summary Control.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

ANTICIPATED SALVAGE AND SUBROGATION RECOVERABLES

AS OF _____

Company Name _____

Company Number _____

ANTICIPATED SALVAGE AND SUBROGATION RECOVERABLES INCLUDED IN REPORTED CASE RESERVES:

| Policy Year 20XX | | Policy Year 20XX | | Policy Year 20XX | | Policy Year 20XX | | Policy Year 20XX | | Total |
|------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|-------|
| Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | |
| 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | |

Private Passenger

Liability

Bodily Injury

Personal Injury Protection

Medical Payments

Uninsured Motorists

Property Damage

Physical Damage

Collision

Other than Collision

Subtotal

Other than Private Passenger

Liability

Bodily Injury

Personal Injury Protection

Medical Payments

Uninsured Motorists

Property Damage

Physical Damage

Collision

Other than Collision

Subtotal

This report is only required if the servicing carrier elects to report loss reserves NET of anticipated salvage and subrogation recoverable.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

ANTICIPATED SALVAGE AND SUBROGATION RECOVERABLES INCLUDED IN REPORTED IBNR RESERVES:

| | Policy Year 20XX | | Policy Year 20XX | | Policy Year 20XX | | Policy Year 20XX | | Policy Year 20XX | | |
|-------------------------------------|------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|-------|
| | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Total |
| | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | |
| Private Passenger | | | | | | | | | | | |
| Liability | | | | | | | | | | | |
| Bodily Injury | | | | | | | | | | | |
| Personal Injury Protection | | | | | | | | | | | |
| Medical Payments | | | | | | | | | | | |
| Uninsured Motorists | | | | | | | | | | | |
| Property Damage | | | | | | | | | | | |
| Physical Damage | | | | | | | | | | | |
| Collision | | | | | | | | | | | |
| Other than Collision | | | | | | | | | | | |
| Subtotal | | | | | | | | | | | |
| Other than Private Passenger | | | | | | | | | | | |
| Liability | | | | | | | | | | | |
| Bodily Injury | | | | | | | | | | | |
| Personal Injury Protection | | | | | | | | | | | |
| Medical Payments | | | | | | | | | | | |
| Uninsured Motorists | | | | | | | | | | | |
| Property Damage | | | | | | | | | | | |
| Physical Damage | | | | | | | | | | | |
| Collision | | | | | | | | | | | |
| Other than Collision | | | | | | | | | | | |
| Subtotal | | | | | | | | | | | |

Quarter Total *

*Total will automatically populate to the anticipated salvage and subrogation line on the Statistical Summary Control.

This report is only required if the servicing carrier elects to report IBNR loss reserves NET of anticipated salvage and subrogation recoverable.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

ALLOCATED LOSS ADJUSTMENT EXPENSES PAID _____

MONTH _____

Company Name _____

Company Number _____

| Policy Year 20XX | | Policy Year 20XX | | Policy Year 20XX | | Policy Year 20XX | | Policy Year 20XX | | |
|------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|-------|
| Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | |
| 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | Total |

Private Passenger

Liability

Bodily Injury
Personal Injury Protection
Medical Payments
Uninsured Motorists
Property Damage

Physical Damage

Collision
Other Than Collision

Total

Other than Private Passenger

Liability

Bodily Injury
Personal Injury Protection
Medical Payments
Uninsured Motorists
Property Damage

Physical Damage

Collision
Other Than Collision

Total

Month Total*

*Total will automatically populate to the Allocated Loss Adjustment Expense Paid line on the Monthly Statistical Summary Control.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

ALLOCATED LOSS ADJUSTMENT EXPENSE RESERVES _____

AS OF _____

Company Name _____

Company Number _____

| Policy Year 20XX | | Policy Year 20XX | | Policy Year 20XX | | Policy Year 20XX | | Policy Year 20XX | | |
|------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|-------|
| Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | Acc. Year | |
| 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | 20XX | Total |

Private Passenger

- Liability
 - Bodily Injury
 - Personal Injury Protection
 - Medical Payments
 - Uninsured Motorists
 - Property Damage
- Physical Damage
 - Collision
 - Other Than Collision
- Total

Other than Private Passenger

- Liability
 - Bodily Injury
 - Personal Injury Protection
 - Medical Payments
 - Uninsured Motorists
 - Property Damage
- Physical Damage
 - Collision
 - Other Than Collision
- Total

Month Total*

*Total will automatically populate to the Allocated Loss Adjustment Expense Reserve line of the Quarter Ending Monthly Statistical Summary Control.