

CHECKING SLIP—IMPORTANT

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

A&S 2015 Revision 001

NEW PAGES ENCLOSED	Pages 2-1–3-2, (a)
SUPERSEDED—REMOVE	All previous Checking Slips
	Pages 2-1–3-2, (a)
NEW CHANGES	<p>Chapter 2 has been amended to remove duplicate language which exists in both Chapter 2 and 3, and to provide procedures to the service providers on how to apply cash deposit premium, and to adjust the schedule for billings of installments.</p> <p>Chapter 2 has also been amended to add a new procedure that allows service providers to charge off amounts under +/- \$5, which remain on the policyholders' account at the policy expiration.</p> <p>Chapter 3 has been amended to add language to reflect that producers will be paid commission based on premium collected.</p> <p>These revisions are effective January 15, 2015.</p>
ELECTRONIC MANUAL	<p>The Florida Automobile Joint Underwriting Association Accounting and Statistical Requirements Manual is available in electronic format at https://www.aipso.com/Manuals/FloridaManuals.aspx. Register at https://www.aipso.com/EmailAlerts.aspx to receive email alerts when the manual is updated.</p>
QUESTIONS	<p>If you have a question about whether your Manual is up-to-date, you can call 401-942-9799 for assistance.</p>

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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 committees, as appropriate.

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

A. Service Provider

1. Provide fine quality service to FAJUA insureds and contract 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

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

C. Participating Members General Description of Responsibilities

1. Record on their books 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

D. Central Processor

The 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 Central Processor include:

1. FAJUA Computer Tasks
 - a. Service provider computer report consolidation
 - b. Computer quota assessment/equity determination and reporting
 - c. Computer statistical work
2. FAJUA Accounting Tasks
 - a. Entries into books, ledgers and controls
 - b. Verification of report validity, both reports received from service providers and reports generated by the Central Processor
 - c. All necessary disbursement and collection action of the actual funds from the FAJUA Central Bank as approved by Board authority
 - d. Allocate income and expense amounts not reported by policy year by the service providers to the appropriate year when the income or expense exceeds 2% of the results of operation
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

E. Accounting and Statistical Committee

1. Assist in the maintenance of manuals
2. Study and recommend changes necessary in accounting and statistical procedures and controls
3. Review service provider and FAJUA activities for adherence to prescribed procedures and recommend changes as required

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Chapter 2
SERVICE PROVIDER ACCOUNTING SERVICES TO INSURED

Each service provider will render all accounting services to residual insureds in a manner, quality, and punctuality equal to that provided to the service provider's voluntary insureds or prescribed by the Plan of Operation.

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

Recognizing that the insured is not normally well versed in insurance details (policies, coverages, terms, procedures, etc.), special care needs to be taken to contain the complexities of the practice of the insurance profession to the professionals, namely the service provider and the producer. For this reason, all contacts between the insured and the service provider or the service provider's assigned producer will be in a clear and understandable manner.

A. The Relationship Between the Producer and the Service Provider

1. Producer Remittances

Producers will remit premiums to the service provider on a gross remittance basis and in accordance with the requirements of the Manual of Rules and Rates.

★For new and renewal policies subject to the FAJUA installment payment plan, producers will remit a deposit of not less than 25% of the annual premium, the \$10 service fee, and any applicable filing fees to the service provider on a gross remittance. To be eligible for the FAJUA installment payment plan, the annual policy premium must be \$1,300 or more.

The premium payment or deposit remittance may be in the form of cash, an insured's personal check, an agency check, a cashier's check or a money order payable to the service provider. The service provider may require certified checks or cashiers' checks, if experience on returned checks warrants such action.❖

2. Producer Commissions

The service provider will forward to the producer a monthly statement showing all commission transactions and the net compensation (for full description of this statement see Chapter 3 of this document).

In the event that a producer fails to include his TIN with an application, and that information is not available in the service provider's records, the producer's commission is to be withheld in its entirety until the applicable TIN is provided to the service provider. 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.

3. Line of Communications

The service provider will be responsible for maintaining a line of communications for the producers when they have questions concerning the risks they are placing with the FAJUA. This will include premium remittances and commissions.

4. The service provider may charge a fee for billing an additional premium for a new policy or a renewal if the down payment does not cover the premium required by the FAJUA. The service provider may also charge a fee for processing a billing of an endorsement. The fees are described in the Manual of Rules and Rates.

The service provider will charge a service fee of \$3 per monthly installment for policies on the FAJUA payment Plan.

B. Application, Deposit, and New Business Billing

All applications for insurance under FAJUA must be submitted to the service provider on a prescribed form and accompanied by the prescribed new business premium deposit in accordance with the Manual of Rules and Rates. If a policy is financed by a premium

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finance company, the premium finance company must make all checks/drafts payable to the service provider, and a copy of the completed legible premium finance contract must accompany the application submission.

A copy of the application must be given to the applicant by the producer of record at the time of writing. In no event will the binding application effective date precede the date and time of application writing.

The service provider will handle policy issuance, generation of the related billing, and all subsequent policy transactions, on a punctual day-to-day basis, with the maximum issuance time not to exceed 21 days of the receipt of the completed application, underwriting documents and the full annual premium or deposit payment if the installment payment option is elected. Commercial policies affording coverages in addition to Personal Injury Protection and Property Damage Liability must be issued within 28 days of receipt of the completed application, underwriting documents and the full annual premium or deposit payment if the installment payment option is elected. It must be noted, however, that any statutory filings must be made within the time required (i.e., SR-22 filings within five working days). The policy is sent to the applicant, and a copy to the producer.

★For policies on the FAJUA Payment Plan, the six installments will be invoiced monthly and the due date will be the same date as the policy's effective date. All installments will be due on the same date each month. A delay in issuing the policy may result in the first two installments being combined. For example, a policy with an effective date of January 5, 20XX should have the first installment due on February 5, 20XX.❖

Service providers may provide producers with the capability to submit applications electronically. If that capability is provided, the carrier shall be responsible for

- a. assuring the validity of any and all required signatures;
- b. securing receipt of the applicable premium in accordance with Rule 2 of the Manual of Rules and Rates.

C. Renewal Processing and Billing

Declaration Sets or Renewal Offers for FAJUA policies are to be prepared and mailed by the service provider at least 45 days in advance of the renewal effective date.

The payment notification that is part of the renewal offer package is to have as the payment due date the day prior to the renewal effective date.

When the payment for the renewal is received as required the renewal policies shall be issued and mailed no later than 21 days after the renewal effective date.

D. Endorsement Processing and Billing

A request for a change in a policy may be received by the service provider directly from the insured or from the producer. If from the producer, the request is to be sent daily to the service provider to be received within 10 days of binding. In no event will a request for change adding coverage or additional items have an endorsement effective date that precedes the date and time of the writing of the request for change, except in those instances where contractual coverage exists automatically under the terms of the policy and notice to the service provider is accomplished within the time frame required.

The service provider will handle endorsements requested, issuing endorsement change notices and related billing/refund checks on a punctual day-to-day basis with a maximum issuance time not to exceed 30 days after the date of receipt by the service provider. Endorsements resulting in an additional premium or a return premium shall be processed in accordance with the Manual of Rules and Rates. Invoices for additional premium must be issued within 5 days of the date the endorsement is issued.

If an endorsement results in a return premium, and no additional premium is due, the service provider will issue a check for the gross amount of premium refund due. The check may be payable to the named insured or the premium finance company, where applicable. Payment to the premium finance company requires evidence of a signed contract in the named insured's file.

E. ★Cash Deposits

The service provider 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

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applicable service charges or other fees first, with the remaining amount applied to the premium receivable.❖

F. Partial Payment Receipts

Monthly installments will be issued on the same date as the effective date of the policy. A partial payment of not less than 90% of the invoice amount will be accepted and the balance added to the next installment. If there are no additional installments, the service provider 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 service provider will immediately issue a Notice of Cancellation within 5 calendar days of receipt of the partial payment.

Deposit premium for new and renewal business of less than 25% of the annual premium shall not be accepted. Renewal premium payments shall be accepted if equal to the amount stated on the original quote from the service provider and received no later than the day prior to the renewal effective date.

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

Each service provider will establish a procedure for effective billing and collection follow-up efforts for premium payments due from FAJUA policyholders. The service provider'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.

G. Cash Received for Policies Not Established on the General Ledger (Cash Suspense)

Service providers often receive cash which is deposited in advance of when the policy is set up on their system and general ledger. When this occurs, the service provider must make a distinction between whether these funds relate to advance premium collections or should more appropriately be recorded as unapplied cash.

1. Advance Premium Collection

Advance premium collection occurs when a cash receipt is received in a month prior to the policy effective date. As per NAIC guidelines, policies cannot be recorded until their effective date. However since billings

occur before the policy effective date, the provider often receives cash in a month prior to the effective date of the policy. In this case, the service provider should record the cash receipt as premium collection on the depository cash analysis in the month the cash was received. In addition, quarterly, the service provider should determine all the cash received in the quarter for policies which have effective dates after quarter end and record this amount as advance premium collection on the depository cash analysis. Recording advance premium collection will allow the central processor to process an entry to establish a liability for advanced premium collection and an offset to premium receivable to increase the premium receivable account and allow the JUA ledgers to be in compliance with the NAIC guidelines. This entry will automatically be reversed in the first month of the subsequent quarter. Service providers are not required to record this top-level reclassification.

2. Unapplied Cash

Unapplied cash occurs when a cash receipt is received on a policy which is effective but is not yet set up on the general ledger. This could be due to timing or the service provider's need for additional information to write the policy. These policies are effective but for some reason the policy is not established in the accounts receivable premium account. As per NAIC guidelines, cash received which the insurer cannot apply to a specific account at the time received should be recorded as a liability. In this case, the service provider should record the cash receipt as premium collection on the depository cash analysis in the month the cash was received. In addition, on a quarterly basis, the service provider should determine all the cash received in the quarter for policies which have not been established on the general ledger by quarter end and record this amount as unapplied cash on the depository cash analysis. Recording unapplied cash will allow the central processor to process an entry to establish a liability for unapplied cash and an offset to premium receivable to increase the premium receivable account and will allow the JUA ledgers to be in compliance with the NAIC guidelines. This entry will automatically be reversed in the first month of the subsequent quarter. Service providers

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are not required to record this top-level reclassification.

H. Cancellation Initiated by the Service Provider for Nonpayment of Premium

The service provider will comply with cancellation statutes as provided by Florida law. The service provider must take every precaution to avoid providing insurance protection without collecting the appropriate premium. Should the situation arise that a balance write-off of uncollected premium be necessary, it will represent an expense ultimately charged to the participating members. Any balance write-off must be reasonable, and supportable indication of sound collection follow-up efforts will be available in the office of the service provider supporting this write-off action.

Policies on the FAJUA payment plan will be billed in accordance with the Manual of Rules and Rates and the Accounting and Statistical Requirements Manual. The bill for the installment will include language wherein the policy cancels on the due date of the premium payment, or if the policy has a special filing, on a date consistent with the filing's requirements.

If an insured defaults in payment of his premium, the policy will be cancelled for nonpayment. If after posting the cancellation credit premium entry a debit balance remains on the insured's ledger record (indicating that earned premium has exceeded premium collections), the service provider will be responsible for taking normal collection procedures in attempting to collect from the insured.

If normal 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 will be handled as follows:

The recovered funds (net of collection fees) should be reported on the Cash Analysis Depository account to the appropriate line item. In addition, the amount of collection expenses associated with the recovery will be reported on the Collection Expense and 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 will be handled using one of the two options listed below:

- a. Option 1 – Collection expenses may be paid directly using the service provider 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 service provider should reimburse the voluntary company with funds from the service provider 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.

I. Cancellations Initiated by a Premium Finance Company for Nonpayment of Premium

The service provider will process cancellations in compliance with the Florida Statutes. The service provider 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 input 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 service provider.

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

J. Unrecovered Earned Premium

Earned premiums left unrecovered as a result of a service provider's failure to follow processing standards, collection procedures, or its failure to implement a billing cycle that provides a cancellation date prior to the premium due date, will not be eligible for charge-off to the FAJUA. Ineligible charge-offs will be as follows:

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

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

2. a. 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 service provider 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. Any check for down payment received by the service provider from the insured that is returned by a financial institution for any reason shall result in the policy being canceled and is not eligible for charge off. Checks returned for other payments shall immediately have a 10-day Notice of Cancellation issued with no more than 4 calendar days for mailing.

- b. 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 service provider'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 service provider.

- c. Service providers shall implement a collection procedure which contains a

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minimum of the following requirements to protect the assets of the FAJUA.

Collection practices of a service provider must include the following minimum standards:

- (1) 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 service provider shall provide a copy of the letter to the producer or provide the producer with notification of non-payment by other correspondence.
- (2) 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 service provider shall provide a copy of the letter to the producer or provide the producer with notification 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 service provider is successful in collecting the additional premium.

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

- d. 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.
3. Premium earned but not collected because a shortage in an installment or a midterm additional premium is not collected or the coverage terminated within 40 calendar days after the service provider has determined that a shortage exists or a midterm additional premium has been developed.

4. 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.
5. Earned premium balances owed to premium finance companies or collection agencies owned by, or under common ownership with, a service provider.
6. For policies subject to audit, the audit premium once it is developed, if the service provider 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.
7. Earned uncollectible premiums otherwise eligible for charge off, that have remained unreported on the cash analysis report for more than 120 days after becoming delinquent.

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

In the event that a service provider is required to reverse the write-off, the expense involved will not be chargeable to the participating members. In addition to the reversal entry in the Service Provider Cash Analysis, the service provider will be required to deposit funds from its corporate account in the amount equal to the reversed write-off into its depository account and to include that deposit under premium collections in the Service Provider Cash Analysis. Service provider fees will not be paid on premiums that are ineligible for charge off. The Central Processor will issue an invoice to the service provider to collect the service provider fees associated with the ineligible premium charge off.

K. **★Excessively Small Premium Receivable Balances**

It is preferable to avoid unnecessary collection or refund efforts on excessively small amounts owed to/from a policyholder. At the expiration of the policy, service providers may write off excessively small balances for amounts under +/- \$5 which remain on the policyholder's account at the policy expiration. The servicing provider may charge off these small balances automatically without notice to the policyholder as an eligible premium charge off. ❖

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L. Premium Receivable Balances which Are Ineligible for Charge Off

In the event that a service provider has a premium receivable balance which the service provider determines is not eligible for charge off, the expense associated with this uncollected balance will be borne by the service provider and not the FAJUA. The service provider will be required to deposit funds from its corporate account into its depository service provider account and to include that deposit under premium collections on the Service Provider Cash Analysis. The service provider is also required to send a letter to the FAJUA Accounting Supervisor reporting the dollar amount of the premium written off allocated by class, coverage and policy year.

Service provider fees will not be paid on premiums that are ineligible for charge off. The Central Processor will issue an invoice to the service provider to collect the service provider fees associated with the ineligible premium charge off.

M. Loss of Premium Due to Default

Once an insured has paid his premium to an appointed producer of a service provider (provided the insured's bank has honored the check or the insured presents a valid receipt for a cash payment), the service provider will properly credit the insured's ledger even if the producer defaults on remitting the payment to the service provider.

In this event, 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, the netted default amount will be separately reported to the FAJUA by the service provider 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 service provider 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. Refer to Chapter 3.F. for unearned commission collection procedures.

N. Florida Hurricane Catastrophe Fund Assessment (FL CAT Fund)

Service providers are responsible for surcharging policies in compliance with the Florida Hurricane Catastrophe Fund Assessment (FL CAT Fund). The surcharge must be collected and remitted to the Association when the policy is written. The Central Processor is responsible to consolidate the service provider results and remit the assessment due in accordance with the state requirements.

O. Financial Responsibility Filing Fee

Service providers 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.

Service providers should record the filing fee as premium written and premium collected as appropriate.

P. Forms

Forms used by the service provider 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.

Q. Verifying Coverage

The staff office receives inquiries seeking to ascertain existence of coverage for particular insured(s). In order to respond, service providers are required to provide online access to their policyholder data base during the hours 8:30 A.M. to 4:30 P.M. eastern time.

In lieu of providing online access, service providers 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.

Chapter 3
SERVICE PROVIDER COMMISSION ACCOUNTS FOR CONTRACTED PRODUCERS

Each service provider will establish and maintain commission accounts for registered producers. It is mandatory that care be exercised to maintain proper and complete records detailing each and every commission transaction for monthly commission statement accuracy. Service providers are responsible for complying with IRS reporting requirements. See Chapter 4 for IRS backup withholding requirements.

★Service providers will pay producer commissions based on premiums collected. In the event that it becomes necessary to charge-off uncollectible premiums, producer commissions are payable only on the collected earned premiums. 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 service provider is responsible for the disbursement of the producer's commission. 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.

Normally, the total of all of the month's commission due transactions will result in a credit to the producer, with a check being drawn in that net amount showing the producer as the payee. In the unusual situation where 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 billing and should state the balance is payable to the service provider within 21 days after the date of the commission statement.

A. Producer Commissions

Commissions are paid based on the following:

1. 10% for all coverages and autos rated and classified in the Private Passenger section of the Underwriting Rules and Rates Manual.
2. 5% for all local, intermediate, long distance, zone rated trucks, tractors, trailers, cost of hire risks, and public auto risks.
3. 10% for all other risks.
4. The commission payments will include 5% and/or 10% based on the applicable classifications and premiums.

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
6. Commissions
7. Column totals

8. Net payment (service provider's check enclosed in this amount) or charge (billing amount due the service provider) to producer, if any.
9. 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 service provider may prepare the statement in its own fashion. For this reason, the following exhibits are not intended to represent a standard preprinted form. They do, however, represent the suggested content required according to the service provider's manner of determining the point in time that commission becomes due.

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

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

D. Return Commissions

Each service provider shall monitor the commission accounts of producers for prompt payment of balances owed. A monthly report is to be provided to the FAJUA Management of the producers with outstanding balances in excess of \$100 which have been uncollected for more than 60 days from the date the balance became outstanding or outstanding balances less than \$100 when there has been no activity on the account for 60 days from the date the balance became outstanding. If unpaid, or if there is no account activity to offset the unearned commission within 30 days from the date of the statement, a second notice is to be sent no later than day 35 providing five (5) days for payment. If not paid, the service provider will advise the FAJUA Management of the unpaid unearned commissions.

Producers with outstanding unearned commissions will be terminated.

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.J. for the procedure to be followed.

G. Unearned Commission Collection Procedure

A service provider 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 service provider will notify the FAJUA of the past due commission amount. Established collection procedures of the service provider 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.

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A. EFFECTIVE DATES

Chapter 1	Effective June 2, 2014	Exhibit AA	Effective June 2, 2014
Chapter 2	Effective January 1, 2015	Exhibit BB	Effective June 2, 2014
Chapter 3	Effective January 1, 2015	Exhibit CC	Effective June 2, 2014
Chapter 4	Effective June 2, 2014	Exhibit DD	Effective June 2, 2014
Chapter 5	Effective June 2, 2014	Exhibit EE	Effective June 2, 2014
Chapter 6	Effective June 2, 2014	Exhibit FF	Effective June 2, 2014
Chapter 7	Effective June 2, 2014	Exhibit GG	Effective June 2, 2014
Chapter 8	Effective June 2, 2014	Exhibit HH	Effective June 2, 2014
Chapter 9	Effective June 2, 2014	Exhibit II	Effective June 2, 2014
Chapter 10	Effective June 2, 2014	Exhibit JJ	Effective June 2, 2014
Chapter 11	Effective June 2, 2014	Exhibit KK	Effective June 2, 2014
Chapter 12	Effective June 2, 2014	Exhibit LL	Effective June 2, 2014
Chapter 13	Effective June 2, 2014	Exhibit MM	Effective June 2, 2014
Chapter 14	Effective June 2, 2014	Exhibit NN	Effective June 2, 2014
Chapter 15	Effective June 2, 2014	Exhibit OO	Effective June 2, 2014
Chapter 16	Effective June 2, 2014	Exhibit PP	Effective June 2, 2014
Chapter 17	Effective June 2, 2014	Exhibit QQ	Effective June 2, 2014
Chapter 18	Effective June 2, 2014	Exhibit RR	Effective June 2, 2014
		Exhibit SS	Effective June 2, 2014
Exhibit A	Effective June 2, 2014	Exhibit TT	Effective June 2, 2014
Exhibit B	Effective June 2, 2014	Exhibit UU	Effective June 2, 2014
Exhibit C	Effective June 2, 2014	Exhibit VV	Effective June 2, 2014
Exhibit D	Effective June 2, 2014	Exhibit WW	Effective June 2, 2014
Exhibit E	Effective June 2, 2014		
Exhibit F	Effective June 2, 2014		
Exhibit G	Effective June 2, 2014		
Exhibit H	Effective June 2, 2014		
Exhibit I	Effective June 2, 2014		
Exhibit J	Effective June 2, 2014		
Exhibit K	Effective June 2, 2014		
Exhibit L	Effective June 2, 2014		
Exhibit M	Effective June 2, 2014		
Exhibit N	Effective June 2, 2014		
Exhibit O	Effective June 2, 2014		
Exhibit P	Effective June 2, 2014		
Exhibit Q	Effective June 2, 2014		
Exhibit R	Effective June 2, 2014		
Exhibit S	Effective June 2, 2014		
Exhibit T	Effective June 2, 2014		
Exhibit U	Effective June 2, 2014		
Exhibit V	Effective June 2, 2014		
Exhibit W	Effective June 2, 2014		
Exhibit X	Effective June 2, 2014		
Exhibit Y	Effective June 2, 2014		
Exhibit Z	Effective June 2, 2014		

Chapter 4
BANK OPERATIONS

A Central Bank account will be maintained for handling the affairs of the Florida Joint Underwriting Association office, a 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 service provider.

PART I. SERVICE PROVIDER JOINT UNDERWRITING ASSOCIATION BANK ACCOUNTS

A. Depository Account

A bank account will be maintained by the service provider 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 service provider's use of the account to deposits only and will prescribe the method in which funds will be disbursed from the account.

The service provider 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 service provider 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 service provider bank account, with due notice to the service provider involved.

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

1. Deposit Content

All monies received by the service provider 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 service provider, 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.

Collection action for subrogation and salvage recovery and refund of recovered

deductibles to residual insureds will be the same as for the service provider's voluntary risks. 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 service provider will cause to be transferred from the depository bank to the central bank the funds available for transfer. A service provider may elect one of two options in determining the balance available for transfer, (1) by utilizing the bank's balance reporting services, or (2) receiving and analyzing frequent statements of account activity and balances.

Compensation to the depository bank will be made either in the form of compensating balances, direct fees, or a combination of both. Should the service provider elect to compensate the bank through compensating balances, the service provider will determine the required daily collected balance that should be maintained in the depository account. Copies of the bank statements or account analysis will be submitted as of December 31 and June 30 to the General Manager.

3. Bank Service Charges

★The following bank service charges shall be borne by the FAJUA: Account maintenance, deposits credited, items deposited, and deposited items returned, information reporting services. All other services shall be the responsibility of the service provider. ❖

B. Disbursement Account

A bank account will be maintained by the service provider in the name of the FAJUA at the Central Bank for the purpose of payments to claimants, reimbursement for honored company

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claim drafts/company checks, paying producers commissions, policyholder refunds and any other properly authorized disbursement of FAJUA funds at the service provider level. If the service provider 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 service provider to control the account and will also prescribe those service provider individuals having authority to disburse funds from the account. In addition to service provider personnel, the Bank Resolution will also authorize appropriate personnel of the FAJUA to control the account. The service provider 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 service provider bank account, with due notice to the service provider 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 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. Service providers are required to participate in the positive pay procedures for all disbursements of FAJUA funds.

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

1. Disbursements

a. Disbursement Instruments

The service provider will use checks as instruments to disburse FAJUA funds. Normally, a draft will be a voluntary company instrument used by field adjustors for handling claim payments, and checks drawn on the Service Provider/FAJUA Disbursement Account will be used by the service provider to handle premium refunds, producers' commissions, payment for accepted voluntary company drafts and certain other items.

All checks will be printed in the name of the service provider in a format selected by the service provider. 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
- Payment to service provider for settling losses paid with voluntary company funds
- Payment of allocated adjustment expenses (see following text for detail)
- Bank Charges
- Collection Expenses

c. Claim Disbursement Instructions

A service provider may elect one of two options for handling claim loss payments: (1) by the use of FAJUA disbursement instruments; or (2) by the use of the service provider's own voluntary company instruments.

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Option 1—Use of FAJUA Disbursement Instruments

Under this option, FAJUA claim drafts should only be distributed to carrier representatives who normally service the state. Claims settled by representatives who do not normally service the State are to be paid by the service provider utilizing their standard voluntary company draft/check forms. Service providers are responsible for the actions of representatives to whom they have provided payment instruments. The service provider will then be reimbursed for these out-of-state claims by a check issued from the FAJUA Service Provider Disbursement Account. Detail records must be maintained by the service provider to support this activity.

In the unusual event a voluntary carrier draft is issued in error by a representative normally servicing the State to pay a FAJUA claim, the service provider is to be reimbursed by a draft/check issued from the FAJUA service provider disbursement account. Detail records maintained by the service provider should support this action.

If a FAJUA draft/check is used to pay the loss amount and also the allocated expense amount on the same file, the FAJUA bank should be reimbursed for the allocated expense amount by the service provider. Detail records maintained by the service provider should support this action. (See following paragraph G for optional allocated expense procedures.)

Option 2—Use of Voluntary Disbursement Instruments

Under this option, claim payments, both in-state and out-of-state, are to be paid by the service provider utilizing its standard voluntary company draft/check forms. The service provider will then be reimbursed for these claim payments, no less frequently than monthly, on a paid or honored basis, whether the instrument of disbursement is issued by an in-state or an out-of-state representative. The service provider 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 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. IRS Requirements

Service providers are responsible for complying with IRS reporting requirements with respect to commissions paid to producers and to payments to service providers, 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 service providers, 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 service provider's failure to comply with IRS Requirements will be the responsibility of the service provider, 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 service 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 service provider will issue a check/draft payable to the in the amount of 69% of the amount due. The service provider will also be responsible for remitting 31% of the amount due to the IRS. Service providers 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 service provider on behalf of service providers 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.

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

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 Service Provider Disbursement Account within 30 days following the accounting month in which the premium is due.

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 service provider 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 service provider for reconciliation.

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

h. **Bank Service Charges**

The following bank service charges shall be borne by the FAJUA: Account maintenance, checks paid, positive pay services, stop payments, and information reporting services. All other services shall be the responsibility of the service provider.

C. Lines of Communication with the Banks

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

1. Concentration of Service Provider 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 Reconciliation
10. Implementation of Additional Services
11. Reporting of Daily Deposit and Disbursement Activity
12. Authorization or removal of its check signers.

D. Daily Activity Bank Control

Bank Controls should be established by the service provider 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.

E. Bank Reconciliation

The service provider 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 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.

F. Service Provider Bank Resolutions

Bank Resolutions will be prepared by the service provider 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.

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G. Allocated Claim Expense Optional Procedure

★ Service providers handle the payment/reimbursement of allocated claim expenses differently depending on their contract terms. Some service providers are compensated for allocated and unallocated claim expenses through their service provider claim fees as a percentage of earned premium. Other service providers have a contract containing a provision for directly reimbursable allocated claim expenses and receive compensation for their unallocated claim expenses through their service provider claim fees as a percentage of earned premium.

1. Service Providers Compensated for Allocated Claim Expenses through their Service Provider Claim Fees ❖

Normally, allocated claim expenses will not be paid from the FAJUA Service Provider Disbursement Account because the claim service fee constitutes payment to the service provider for reimbursement of all claim expenses, both allocated and unallocated. As an optional procedure, a service provider may elect to pay allocated claim expenses from its FAJUA disbursement account and reduce the amount of its anticipated Claim Service Fee reported to the FAJUA Central Processor by the total of all allocated expenses so treated. In this event, the gross consideration for Claim Service Fee will remain the fee schedule amounts, but the actual fee payment check sent the service provider will be net of allocated claim expenses previously paid from the FAJUA disbursement account. Supporting detail for allocated claim expenses so treated must be maintained by the service provider.

2. ★ Service Providers Receiving a Direct Reimbursement of Allocated Claim Expenses as Defined in their Contract

Normally, allocated claim expenses will be paid using the service provider's voluntary funds rather than the JUA bank accounts. In this scenario, the service provider is then reimbursed through entries on the statistical summary, which increase the service provider fees. See Chapter 6 for additional information on the reporting of allocated claim expenses.

As an optional procedure, the service provider may, after obtaining permission from the association manager, pay eligible

allocated claim expenses using the JUA bank account. In this option, the service provider records the entries on the statistical summary report similar to how they would have recorded the entries if the expenses were paid out of the voluntary accounts. However, the service provider foregoes the increase in servicing fees as no reimbursement is warranted. In order to accommodate this method of paying allocated claim expenses using JUA funds, an offsetting entry is recorded on the statistical summary to adjust service provider fees to exclude allocated claim expenses from the fee amount owed. service providers must choose one method of handling the payment of allocated claim expense (i.e., either with their voluntary funds or with JUA funds).❖

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. 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 pending claiming by the payee or state. 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 service provider will maintain the detailed listing of escheated items which should reconcile to the service provider's internal ledger account.

Service providers are responsible for complying with the Unclaimed Property (Escheat) Statutes of all applicable states. Any penalties or interest resulting from a service provider's failure to comply with state statutes will be the responsibility of the service provider and shall not be paid with FAJUA funds.

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

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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 Service Provider Cash Analysis Disbursement Account. (Exhibit G).

2. Unpresented Claim Drafts or Checks

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

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

(1) Service Providers Recording Voluntary Company Claim Drafts (Honored) or Checks (Paid)

No longer than one year after the date of issue, the service provider 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) Service Providers Recording FAJUA Claim Drafts (Honored)

No longer than one year after the date of issue, the service provider will transfer checks/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) Service Providers Recording FAJUA Claim Checks (Issued)

No longer than one year after the date of issue, the service provider 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 service provider Cash Analysis Disbursement Account (Exhibit G).

b. Service Providers Using Instruments as a Proposed Settlement

(1) Service Providers Recording Voluntary Company Claim Drafts (Honored) or Checks (Paid)

No longer than one year after the date of issue, the service provider will

- reserve 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) Service Providers Recording FAJUA Claim Drafts (Honored)

No longer than one year after the date of issue, the service provider 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) Service Providers Recording FAJUA Claim Checks (Issued)

No longer than one year after the date of issue, the service provider will

- reverse the original Statistical Summary Control entry for losses paid and reverse the original Cash Analysis entry

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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 service provider may, at the service provider's option, be transferred to the Escheat Reserve Account immediately.

4. Payees in States Without Escheat Laws

The service provider should reverse the original entry of any check outstanding for one year or longer from the issued date if the payee address is in a state that does not have an escheat law applicable to fire and casualty insurance companies. Any resulting balance should be charged off.

5. Reporting Abandoned Property to the State

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

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

6. Presented Checks/Drafts for Escheated Items

- a. Checks and drafts cashed following entry into the escheat reserve account should be recorded as deletions by revising the entries made 2.a.(1) through (3) above.

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

- b. After escheating to the state, the claimant must request reimbursement through the state, service providers are to provide claimants with the direction regarding the procedure to request a reimbursement from the state. In this instance, the service provider should not report the item on the Service Provider Cash Analysis Report.

If a service provider 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 service provider should pursue collection with the state to retrieve money erroneously paid to the claimant.

I. Closing Service Provider Bank Accounts

1. Approval

Any decision to close a service provider 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 service provider's banking activity becomes and is expected to remain minimal, the affected service provider 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 service provider's intention to close out the account at a future date. The service provider 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 service provider.

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 service provider.

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4. Destruction of Unused Checks

The service provider 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 procedures in effect prior to the closing out of the service provider 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 service provider 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 service provider's corporate account.

The service provider will maintain appropriate records to support such activity and will report these transactions in the applicable lines of the Service Provider Cash Analysis. (Exhibit G)

PART II. JOINT UNDERWRITING ASSOCIATION CENTRAL BANK ACCOUNTS

A. 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 Central Processor.

c. Facsimile Signature Plate

Facsimile signatures should be those of two authorized employees of the 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 service provider 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.

B. Operating Procedures

1. Service Charges

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

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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 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. The line of credit is limited to ten million dollars (\$10,000,000).

C. Deposit Content

Deposit receipts will consist of excess funds transferred daily from the various service provider 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.

D. 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 service provider 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 service provider 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.

E. Bonding

Any and all persons having control of the Central Bank account must be bonded in an amount appropriate for the responsibility.

F. 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 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 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 service providers or participating members, e.g., service provider refunds of overpayment of fees.

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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.

The responsibility for the reconciliation of the Petty Cash Account lies with the FAJUA Manager. A copy of the reconciliation, including the bank statement, is to be forwarded to the Central Processor for filing.

Recurring expense items, either budgeted or unbudgeted, should not routinely be paid from this account but should be forwarded to the Central Processor for payment after routine approval.

**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:

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 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 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 Central Processor.

3. Petty Cash Account

A petty cash account in an amount authorized by the Board of Governors will be maintained in a bank in the name of the FAJUA by the FAJUA Manager. The purpose of this account is for the payment of minor operating expenses of the FAJUA, e.g., emergency purchases of supplies, out-of-pocket travel expenses, etc. As needed, the FAJUA Manager will submit vouchers supporting disbursements from this account to the Central Processor, and the Central Processor will reimburse the account to its stated limit, drawing a check on the FAJUA Central Account.

Chapter 5
SERVICE PROVIDER ACCOUNTING AND STATISTICAL DETAIL RECORDS

Each service provider will have a chart of accounts, ledgers and necessary support detail to clearly control the policy and claim service rendered on a contract basis on behalf of the Florida Joint Underwriting Association.

The accounting records of the service provider's residual risk book of business must be separately controlled and identified. This is true even though the flow of accounting transactions may follow the same paths as that followed by voluntary risk transactions, and the control and booking function may be performed by the same personnel as those handling voluntary risk booking and control.

The necessary summary control items required for control and monthly FAJUA reporting entry are detailed in Chapter 6 of this document. This chapter deals with the detail records maintained by the service provider for possible FAJUA audit that support either the summary control items or the unusual control items where FAJUA monies have become involved with voluntary company monies.

PART I. ACCOUNTING DETAIL RECORDS

A. Retention of Records

It is to be understood that the retention and destruction of records by the service provider will follow its normal company practices to satisfy State, Federal, or NAIC examinations or audits.

B. Written Premium Records

Each service provider will have available, at the detailed premium transaction level, a record to support the written premium entries on the monthly account summary report submitted to the FAJUA. 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 service provider will have available, at the detailed claim transaction level, a record to support the loss experience entries on the monthly account summary report submitted to the FAJUA. Such record details will be inclusive of:

1. Losses paid or loss drafts issued (depending on the method of claim handling by the service provider)
2. Case-basis loss reserves (as of any month-end)
3. Allocated claim expense (supported regardless of whether the optional expense procedure covered in Part I, paragraph G of Chapter 4 is exercised or whether it was expenses covered as a direct

reimbursement as detailed in the Service Provider Agreement)

4. Salvage and subrogation receipts and, if any, the reasonable and supportable collection expense deducted from the recovery

D. Premiums in Course of Collection Records

Each service provider 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
3. Premium write-offs

Reconciliation of premiums receivable to the general ledger account is to be accomplished monthly. Upon request, such reconciliations will be supported by detailed listings.

E. Commission Payment Records

Each service provider 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 the carrier. Charges against the bank account for commission payments are to be supportable by the composite of the commission statements, for any given month, retained by the service provider.

F. Disbursement Records

In addition to the detail supporting normal premium refunds, commission payments and normal paid loss payments, each service provider will have available a check register to support:

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1. Claim transactions where a voluntary company draft was used 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 claim expense and subsequent reimbursement was made from the voluntary company bank.
Note: An optional allocated expense procedure is explained in Part I, paragraph G of Chapter 4.
3. Refunds of deductible amounts recovered from subrogation collections.
4. Transfer of funds to the FAJUA Central Bank (Depository Transfer Checks will support this item).
5. Bank charges (the bank statements received from the bank will support this item).

PART II. STATISTICAL DATA SETS

In addition to issuing new FAJUA policies, cancellations, endorsements and renewals, the service provider must make provisions for properly coding and preparing, as input to their mechanized routines, unit level detail for all premium transactions.

In like manner, the service provider must make provisions for coding and preparing, as input to their mechanized routines, unit level detail for all claim transactions completed for FAJUA business.

Only summary data are forwarded to the Central Processor by the service provider. For this reason, certain data sets representing unit level detail need to be maintained by the service provider. The nature and manner of storing/handling the data sets is at the discretion of each service provider, with the provision that the prescribed end result reports can be accomplished as scheduled in this document with accuracy. The unit level detail comprising the data sets must have unique identification as being FAJUA experience. The unique identification is necessary to avoid any combining of FAJUA experience with that of the carrier's voluntary business, thus causing end result reports to be invalid.

The Service Provider 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.

Means of accomplishing the annual Florida Municipal Police Officers' Retirement Trust Fund report must also be included in the detail maintained as part of this data set or a related data set.

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 Plan. This data set makes extensive use of the policy year, report year and the accident year for summary purposes.

E. Statistical Agency Reports

Detail information will be maintained to produce Statistical Agency Reports.

Chapter 6
SERVICE PROVIDER REPORTING TO THE CENTRAL PROCESSOR

PART I: SERVICE PROVIDER ACCOUNTING
LEDGERS AND REPORTS

A. Accounting Ledgers

Normal books of original entry 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 service provider to control receipts, disbursements, receivables, etc. Detail records will be kept available to support all entries made into the accounting ledgers of the service provider.

The service provider will record to the appropriate accounts any adjustments required as a result of an audit. The audit adjustments should be reported to AIPSO as part of the June accounting month submission. However, the service provider is required to footnote the audit adjustments in a cover letter in order for the Central Processor to separately identify and monitor the recording of audit adjustments. The cover letter must detail, by line item on the monthly accounting reports submitted, the dollar amount of the audit adjustments.

In addition, the service provider is responsible for making all appropriate accruals at fiscal year end September 30.

B. Accounting Reports

Each service provider will have the responsibility of submitting these accounting reports to the Central Processor: (1) Deposit 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 service provider to indicate the validity of the report contents.

(Please be aware that regardless of the internal accounts used by each service provider, the monthly reports to the 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 service provider to consolidate appropriate account balances in order to complete these reports.)

In addition, service providers are responsible for identifying all suspense items within six months. Then, if the suspense item is still unidentified, the service provider should write off the balance.

1. Cash Analysis Reports

The service provider 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 service provider FAJUA bank account.

The entries on the Cash Analysis reports should reflect the total cash flow in and out of the service provider bank accounts through the last day of the month. In cases where the month is closed on the service provider's internal ledger on a day other than the last day of the month, the service provider should complete the memo section on Exhibits J and K. In this section, the service provider 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 service provider General Ledger and the subledger maintained by the Central Processor, the service provider is required to complete monthly General Ledger Account Proof reports for the following accounts: Accounts Receivable—Salvage, Subrogation, and Other Loss Recovery, 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 ledgers of the service provider. All accounts must be balanced to detail monthly and the detail made available upon request.

3. Schedule of Daily Transfers

The schedule of daily transfers that is to be prepared separately for funds transferred to and transferred from the Central Bank must be prepared and filed monthly by each

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service provider, in order to confirm in summary form each daily transfer of funds.

This report must be filed in conjunction with Cash Analysis, and must reconcile to it 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 service provider 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 in a data format defined by the Central Processor.

The report will serve as the source document for the payment of service provider 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 General Ledger Accounts.

5. Monthly Report Due Dates

The monthly service provider reports will be due at the FAJUA Central Processor office by the first day of the second month following the close of each accounting month.

To prevent late submissions of these reports, the late/erroneous report control procedure, detailed in Chapter 13 of this document, will be enforced for each service provider 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. **Service Provider Unreconciled Differences for Reports Submitted to AIPSO**

As part of the monthly statistical reporting requirements to AIPSO, each service provider 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 month 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. **Service Provider Responsibility for Internal Control**

Each service provider 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 Deloitte and Touche LLP or AIPSO on behalf of the FAJUA, will be addressed on a specific identification basis by the FAJUA.

Service providers shall utilize and apply to FAJUA transactions the accounting systems and internal controls utilized and applied to their voluntary business. Service providers shall maintain internal control standards commensurate with those maintained for its voluntary business, including the appropriate level of management review of all reports submitted to AIPSO and strict compliance with all terms and conditions set forth by the FAJUA Plan of Operation.

PART II: SERVICE PROVIDER DATA PROCESSING REPORTS

A. **Service Provider Responsibility**

Each service provider 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 claim 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 service provider's independent statistical agency, by

5. liability separated by
 - a. bodily injury;
 - b. personal injury protection;
 - c. medical payments;
 - d. uninsured motorists;

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- 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).

B. Service Provider Data Submission

Each service provider will have the responsibility of submitting certain statistical reports, as described in this Part, to the Central Processor.

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

- 1. Monthly Reports
 - Statistical Summary Control
 - Premiums Written
 - Commissions Written
 - Losses Paid
 - Allocated LAE Reserves for activity reported July 1, 2004 and subsequent
 - In-Force Vehicle Count
 - Premium Charge-Offs
- 2. Quarterly Reports
 - Premiums Unearned
 - Loss Reserves
 - IBNR Loss Reserves
 - Allocated LAE Paid for activity reported July 1, 2004 and subsequent
 - 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.

★Service providers must contact the 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. A

Notice of Transmittal must accompany all data submissions.❖

Subtotals and totals for all policy years combined and/or all coverages combined should not be reported.

Hard copy formats of these reports are included as exhibits for informational purposes only. The remaining reports, described in this Chapter, will be submitted on hard copy.

Exception: Service providers that were in run-off on or before December 1, 1991 may submit this information on either hard copy or other data formats specified by the Central Processor.

These individual reports provide the 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.

In addition, the following reports are required to be submitted on hard copy by service providers:

- 4. Report of Risks Written Through Florida Joint Underwriting Association— Classes Other than Private Passenger Nonfleet (Monthly) (Due within 15 days after the end of the reporting month)
- 5. Report of Risk Distribution Data (Monthly)
- 6. Application Count Report (Monthly)
- 7. Trial Balance (Quarterly)
- 8. Salvage/Subrogation Recoveries (Annually)
- 9. Operating Statement (Annually)

Unless otherwise indicated, all reports are due at the 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
 - The premiums written figures are indicated by
 - a. Policy Year
 - b. Line of Business
 - Liability
 - Physical Damage

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- | | |
|--|--|
| <ul style="list-style-type: none"> c. Class <ul style="list-style-type: none"> Private Passenger Other than Private Passenger d. Coverage <ul style="list-style-type: none"> Bodily Injury Personal Injury Protection Medical Payments Uninsured Motorists Property Damage Collision Other than Collision | <ul style="list-style-type: none"> Liability Physical Damage c. Class <ul style="list-style-type: none"> Private Passenger Other than Private Passenger d. Coverage <ul style="list-style-type: none"> 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 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

The commissions 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

3. Losses Paid

The monthly paid loss figures are indicated by

- a. Policy Year and Accident Year
- b. Line of Business

The number of policy years reported should be in accordance with NAIC reporting requirements. Annually, the Central Processor will provide service providers with the number of years to be reported. 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 losses paid net.

4. Allocated Loss Adjustment Expenses Paid (ALAE) For Contracts that Include a Direct Reimbursement of ALAE

- a. For expenses paid with an accounting date of July 1, 2004 and subsequent service providers will receive direct reimbursement for allocated loss adjustment expenses (ALAE) as defined in the Service Provider Agreement. Service providers may elect, with permission from the Association Manager, to pay ALAE using JUA funds rather than paying ALAE with voluntary funds and seeking reimbursement. In this situation, the service provider will record the same entries on the ALAE paid exhibits but will forego the service provider reimbursement of these expenses.

Allocated loss adjustment expenses, where required, are to be reported under a separate transaction type shown in the coding section and will be reported monthly by the service providers as indicated below.❖

- b. The monthly Allocated LAE figures are indicated by

(1) Policy Year and Accident Year

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- (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 number of policy years reported should be in accordance with NAIC reporting requirements. Annually, the Central Processor will provide service providers with the number of years to be reported.

- c. The final total from the report is used to verify the amount of Allocated LAE reported on the Statistical Summary Control.❖

5. Report of In-Force Vehicle Count

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 other commercial policies, 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 during the current month, and to net in-force as of the end of the current month, derived as the sum of the net in-force as of the prior month end and the contribution to in-force during 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 Underwriting Association—Classes Other than Private Passenger Nonfleet

Each service provider will submit a report to the FAJUA Central Processor showing, by classification, 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

Each service provider will submit a report to the Florida Office of Insurance Regulation and the FAJUA Management Office showing, by territory and coverage combination, 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 month.

8. Application Count Report

Each service provider 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

Service providers 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. Refer to Exhibit TT for reporting specifications.

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D. Quarterly Reports

1. Premiums Unearned

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

Adjustments to the premium charged for changes in the level of exposure are generally determined based upon audits conducted after the policy has expired. Service providers 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

The quarterly 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
 - Property Damage
 - Collision
 - Other than Collision

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

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.

Loss reserves should be reported gross of anticipated salvage and subrogation recoverables. (The 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

The quarterly IBNR loss reserves are indicated by

- a. Policy Year and Accident Year
- b. Line of Business
 - Liability
 - Physical Damage

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- 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 number of policy years reported should be in accordance with NAIC reporting requirements. Annually, the Central Processor will provide the service providers with the number of years to be reported.

IBNR loss reserves should be reported gross of anticipated salvage and subrogation recoverables. (The 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 service provider 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, 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 service provider adhere to its own

individual claim settlement, investigation, and reserving practices, service providers shall establish reserves for losses that meet the requirements and standards for reporting and adequacy of the National Association of Insurance Commissioners 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 service provider should reflect these characteristics. In view of this, a universal formula to be used by all service providers is not proper.

During the early development of FAJUA loss experience when a service provider will not have the advantage of a history of losses for this particular type of business, a service provider 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. Exhibit VV—Anticipated Salvage and Subrogation Recoverables Report

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

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

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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. Exhibit XX – Allocated Loss Adjustment Expense Reserves

The allocated loss adjustment expense reserves (refer to Exhibit WW explanation for applicable expenses), which will be paid on case reserves and IBNR will be reported quarterly by service providers, indicated by line of business and accident year within policy years. (However, the summary total will be reported monthly by the service provider 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 recording facilities and claims processing techniques and schedules. It follows that allocated loss adjustment expense reserves for each service provider should reflect these characteristics. As with IBNR, a universal formula to be used by all service providers is not appropriate at the present time.

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

7. Trial Balance

A separate general ledger and related chart of accounts will be separately established to handle and permit reporting of the Association book of business in the office of each service provider, to control receipts, disbursements, receivables, etc. Detailed records will be kept available to support all entries made into the accounting ledger of the service provider. Trial balance accounts should be balanced to detail monthly and the detail made available upon request.

Each service provider must prepare and submit to the Central Processor a Quarterly Trial Balance demonstrating separate control of receipts, disbursements, receivables, etc. for Association business and the related chart of accounts. It is recognized that suspense accounts not included in the Association's Chart of Accounts may be used to record

transactions unique to a service provider's operation. In such instances, it will be necessary for the service provider to consolidate appropriate account balances in order to complete the report. The service provider should identify all suspense items within six months. If after this period, the service provider is unable to identify the suspense item, this item should be written off under the unidentified funds section of the Miscellaneous Journal Voucher report.

The purpose of the trial balance is to verify the account balances from the service provider's subledger maintained by the Central Processor. Specifically, the accounts to be verified by the 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 Central Processor will provide the service provider 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 entries posted from the reports submitted by the service provider. Upon receipt of the subledger activity report each service provider will confirm in writing to the Central Processor all reconciling items or absence of such within 20 days. In the event that the service provider is unable to reconcile its trial balance to the Central Processor's subledger, or the FAJUA determines that the service provider's books are not properly maintained, the FAJUA will require that the additional audit procedures be performed at the service provider'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 report package.

E. Annual Reports

1. Annual Florida Tax Report

Annually, a tax report will be produced by the service provider 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

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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 service provider, 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 Central Processor and/or FAJUA, after report consolidation, is responsible for making distribution to the participating companies, with the content of the report including;

For the Florida Municipal Police Officers' Trust Fund, Automobile Property Damage, and Automobile Collision premiums, all at 100%.

2. Annual Salvage and Subrogation Report

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

See Exhibit BB for the recommended report format and note the relationship of fiscal year to loss incurred and paid year.

This report, as filed with the Central Processor should be typed from various tabulations similar to the service provider's present method of obtaining Schedule "P" data.

3. Annual Report of Salvage/Subrogation Recoveries

Each service provider 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 Central Processor by the first day of the second month following the close of each year. See Exhibit CC for the recommended report format.

4. Annual Operating Statement

Each service provider must prepare and submit to the FAJUA Central Processor an annual report, setting forth, separately for claim activity and for nonclaim activity, its operating income and expenses in connection with its activity as a service provider, on a calendar year basis. Income to be reported will include service provider fees related to the reports for a calendar year period, although a portion thereof would not actually be received until the following calendar year.

With respect to withdrawn service providers, the submission of the annual operating statement will be required through the calendar year following the year in which the withdrawal occurred. Subsequent to that year, the reporting of this information will not be required.

See Exhibit DD for the recommended report format and for notes relative to the expense categories for which data are required to be submitted.

This report is due to be submitted to the Central Processor on or before June 1 of each year.

5. Annual Claim Count Reports

a. Number of Claims Reported

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.

See Exhibit FF for format.

b. Number of Claims Outstanding

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.

See Exhibit GG for format.

c. Number of Claims Closed with Loss Payment

The annual report of the number of
June 2014 Distribution

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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.

See Exhibit HH for format.

d. **Number of Claims Closed Without Loss Payment**

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.

See Exhibit II for format.

6. **Catastrophe Loss Reports**

Service providers, in their internal records, will 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 Central Processor will notify service providers 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 Central Processor will consolidate the preliminary and final reports and distribute 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.

See 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.

The Central Processor will consolidate the preliminary and final reports and distribute 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 amounts.

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

Chapter 7

SERVICE PROVIDER REPORTING TO THEIR INDEPENDENT STATISTICAL AGENCY

As specified in the preceding Chapters 5 and 6 only, summary data are forwarded to the Central Processor of the FAJUA by the service provider. None of these reports include the necessary groupings of data for rate making purposes.

A. Rate Making Reporting

For rate making reporting, data will continue to be submitted to each service provider's normal independent statistical agency, in accordance with that agency's requirements.

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

AIPSO annually prepares a mandatory filing of rates with the Florida Office of Insurance Regulation. The filing must be made no later than September 30. In order to meet this mandatory deadline, service providers shall arrange for their statistical producers to file rate making data with AIPSO by August 1 of each year. Data filed after August 1 shall subject the carrier to the late reporting penalty in Chapter 13.

B. Unique Company Code

To assist in the identification of FAJUA experience, each service provider will request from their independent statistical agency a new company code. This company code must be different than their present reporting company code. No FAJUA experience may be reported to either the independent statistical agency or the FAJUA Central Processor by the service provider without making use of the newly assigned company code.

Because of the manner of company code assignment (number of digits in the company code being four from ISO and three from NAII), there is no chance for number duplication. It is, therefore, unnecessary to have a second set of company numbers assigned the service providers by the FAJUA, and they can use the numbers assigned by the independent agencies for identity of the experience submitted by the various service providers.

Note: Other than the use by each reporting service provider of the new unique company code, there is no change to the detail reporting submitted to the independent statistical agencies. In the event that a service provider reports FAJUA experience to two Independent

Statistical Agencies (Private Passenger to one and Commercial experience to another) and therefore receives two (2) new company reporting codes for reporting to the FAJUA Central Processor, the service provider will use the number assigned for Private Passenger experience reporting.

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

Chapter 8
INSTRUCTIONS FOR PARTICIPATING MEMBERS REGARDING FLORIDA JOINT UNDERWRITING
ASSOCIATION REPORTS RECEIVED AND SHARES OF EXCESS FUNDS OR
ASSESSMENTS DUE

As a help to participating members, 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 Florida Joint Underwriting Association books, reports and statistics will be from October 1 through September 30. This is necessary to allow time for the Central Processor of the FAJUA to assign to all participating members their 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.

A. FAJUA Reports Received

1. Reports of FAJUA Profit and Loss 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.

The basis of the distribution ratio will be to use the most current figures available as tentative assignment figures until the given calendar year figures are available sometime late in the fall of each year. At that point in time, retroactive adjustments will be made which are reflected in the current quarterly and year-to-date reports so that all

current policy year distribution will be made on the basis of current calendar year voluntary writings. Please see Chapter 11 of this document for a more completely detailed understanding of the basis of participation.

Quarterly, FAJUA financial statements, including Balance Sheet and Operating Statement 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 MM.

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

a. Members Participation Report (Exhibit NN)

Based on monthly and quarterly reports received from service providers, 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

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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, on request, are members' participation reports showing total FAJUA experience by quarter, fiscal year-to-date and inception-to-date. The distribution of miscellaneous income and expenses will be to the policy year during which it was earned or incurred.

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

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

Also available, on request, are summary participation reports showing 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 service provider showing written premium by Florida Municipal Tax Code. The report is to be filed by the service provider at the office of the FAJUA Central Processor by 30 days after the close of the fiscal year (10/1 to 9/30). The FAJUA Central Processor, after report consolidation, is responsible for making distribution to the participating members by 12/15, 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 AA.

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 service provider 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 PP.

4. Catastrophe Loss Reports

The Central Processor will consolidate preliminary and final catastrophe loss reports as submitted by each service provider. 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 service provider reports.

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

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5. Recording 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.

All related money accounting entries will also be recorded. Automatically the participating member would 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 document.

B. Assessments Due

The cash position of the FAJUA will be monitored by the FAJUA Manager and Central Processor. A Cash Flow Projection Report will be issued quarterly by the 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 document) 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 specific 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 Central Processor will notify the Manager as to the companies which fail to accomplish payment of 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:

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3. 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.

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 would 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. 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 Central Processor within 30 calendar days of the billing date, the 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 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. Florida Hurricane Catastrophe Fund (FL CAT Fund)

Insurance companies writing business in the state of Florida are subject to the Florida Hurricane Catastrophe Fund Assessment (FL 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 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 Central Processor will provide the Insurance Office with a breakdown of each member companies share of the FAJUA premium written. The Department will use this breakdown to balance the CAT Fund report to the wire transfers received from the member companies.❖

Chapter 9

FLORIDA JOINT UNDERWRITING ASSOCIATION ACCOUNTING BOOKS, CONTROLS, AND RECORDS

A. Accounting Ledgers

Normal ledgers for consolidation of the various service provider reports and the related chart of accounts shall be maintained along the same lines as those routinely used by an insurance carrier. Retained accounting reports submitted by the service provider shall serve as the support for entries into the FAJUA general ledger.

B. Chart of Accounts

1. Assets

- Petty Cash
- Cash in Bank
- Central Bank Account
- Service Provider Bank Account

These figures will be supported by photocopies of the reconciled bank statement received from the service provider plus the FAJUA bank statement.

- Type of Investment
- Accounts Receivable
- Accounts Receivable—Salvage, Subrogation, and Other Loss Recovery
- Service Provider —Deferred Premium

These figures will be supported by service provider detail records on premiums outstanding and not collected.

- Service Provider—All Other
- Florida CAT Fund Surcharge - Receivable
- Assessment Due from Member Companies
- Accrued Interest Receivable

2. Liability and Net Worth

- Loans Payable

This is substantiated by approved loan agreement and deposit slip.

- Accrued Commission Payable—Service Provider

These figures will be supported by service provider detail records on commissions not paid.

- Accrued Service Provider Fee Payable— Operating and Service
- Accrued Service Provider Fee Payable— Claim
- Accrued Expenses Payable
- Loss Reserves
- IBNR Loss Reserve
- Allocated Loss Adjustment Expense Reserve
- Earned but Unbilled Premium Reserve
- Unearned Premium Reserves
- Premium Deficiency Reserve
- Advanced Premium Liability
- Unapplied Cash Liability
- Escheat Reserve—Service Provider
- Outstanding Drafts—Service Provider
- Accounts Payable
- Florida CAT Fund Payable
- Net Worth—Member Companies

3. Profit and Loss

- Miscellaneous Income
- Premiums Written
- Premiums Charged Off
- Investment Income
- Investment Expense
- Commissions Charged Off
- Commissions Written
- Paid Losses
- Allocated LAE Paid
- Salvage/Subrogation Income
- Loss Recovery Income
- Service Provider Fees Operating Claim Expense
- Collection Expenses
- Bank Charges

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
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- 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 Bank Charges
- Miscellaneous Adjustments
- Personnel Recruitment
- 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 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, Telephone, and Telegraph
- Legal Services
- Audit Fees
- Taxes, Licenses, and Fees
- Miscellaneous Expense
- Central Processor Expense

C. Accounting Entries to Ledger Accounts

The Central Processor will receive four monthly reports on service provider operations from the service providers; namely, separate Service Provider Monthly Cash Analysis reports for the Depository Account, the Disbursement Account, and the miscellaneous journal vouchers (Exhibits F, G, and H) and the Service Provider Statistical Summary Control (Exhibit O). These four reports will be the basis for the Central Processor's posting to the ledger accounts.

Some of the information included on the Monthly Statistical Summary Control does not require ledger posting. The following are entries that the Central Processor will record from the monthly reports. Service providers are not required to record the Plan transactions in the same manner as the Central Processor. However, the service provider 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 Balances. See Exhibits F,G,H,O, and Y. In addition, the service provider 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 service provider's internal ledger).

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Depository Cash Analysis (Exhibit F)

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

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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 Service Provider Cash Analysis is verified against the amount of funds transferred during the month.

11. BANK SERVICE CHARGES (Entry 17)		
Debit: Bank Service Charges— Service Provider	20	
Credit: Cash in Bank— Service Provider		20
12. RETURNED CHECKS—PREMIUM (Entry 18)		
Debit: Service Provider—Deferred Premium	\$200	
Credit: Cash in Bank— Service Provider		200
13. RETURNED CHECKS OTHER LOSS RECOVERIES (Entry 19)		
Debit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery	1,500	
Credit: Cash in Bank— Service Provider		1,500
14. RETURNED CHECKS SALVAGE/SUBROGATION (Entry 20)		
Debit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery	10	
Credit: Cash in Bank— Service Provider		10
15. BANK MISCELLANEOUS ADJUSTMENTS (Entry 22)		
Debit: Miscellaneous Adjustments	1	
Credit: Cash in Bank— Service Provider		1
16. ADVANCED PREMIUM COLLECTED (Entry 27)		
Debit: Service Provider-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: Service Provider—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— Service Provider	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 Service Provider Cash Analysis is verified against the amount of funds transferred during the month.

19. CLAIMS DRAFTS NOT HONORED (Entry 7)		
Debit: Cash in Bank— Service Provider	100	
Credit: Outstanding Drafts—Service Provider		100
20. ESCHEAT CHECKS (Entry 8)		
Debit: Cash in Bank— Service Provider	1,000	
Credit: Escheat Reserve—Service Provider		1,000

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

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ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

33. COLLECTION FEES (Entry 22)

Debit: Collection Fee Expenses	500	
Credit: Cash in Bank— Service Provider		500

34. MISCELLANEOUS ADJUSTMENTS (Entry 23)

Debit: Miscellaneous Adjustments	1	
Credit: Cash in Bank— Service Provider		1

Miscellaneous Journal Vouchers Cash Analysis (Exhibit H)

35. PREMIUM COLLECTION EXPENSES (Entries 4–5)

Debit: Collection Expenses	\$30	
Credit: Service Provider—Deferred Premium		\$30

36. COMMISSIONS CHARGED OFF (Entries 6–7)

Debit: Commission Payable— Service Provider	1	
Debit: Collection Expenses	1	
Credit: Commissions Charged Off		2

Note: The foregoing entries are illustrative of one type of activity in these accounts. Items that may be reflected include overpayments or short payments that may be charged off, return commissions due from terminated or deceased producers that may be charged off, etc.

37. DRAFTS CHARGED OFF (Entries 8–9)

Debit: Outstanding Drafts— Service Provider	1	
Credit: Drafts Charged Off		1

38. ESCHEAT DRAFTS (Entries 10–13)

Debit: Service Provider—Deferred Premium		
Debit: Commission Payable— Service Provider		
Debit: Outstanding Drafts— Service Provider	200	
Credit: Escheat Reserve— Service Provider		200

39. UNIDENTIFIED FUND (Entries 14–17)

Debit: Service Provider—Deferred Premium	100	
Debit: Commission Payable— Service Provider		
Debit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery		
Credit: Miscellaneous Income		100

Statistical Summary Control (Exhibit O)

40. PREMIUMS WRITTEN (Entry 6 + Entry 24)

Debit: Service Provider—Deferred Premium	95,000	
Credit: Premiums Written		95,000

41. FL CAT FUND SURCHARGE (Entry 40)

Debit: FL CAT Fund Surcharge Receivable	950	
Credit: Cash in Bank— Service Provider		950

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

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

42. COMMISSIONS WRITTEN (Entry 41)		
Debit: Commission Expense	8,500	
Credit: Commission Payable		8,500
43. PREMIUM CHARGE OFF (Entry 42)		
Debit: Premium Charge Off	20	
Credit: Service Provider—Deferred Premium		20
44. GROSS LOSSES PAID (Entry 43)		
Debit: Losses Paid	12,000	
Credit: Outstanding Drafts— Service Provider		12,000
45. OTHER LOSS RECOVERY (Entry 44)		
Debit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery	50	
Credit: Loss Recovery Income		50
46. SALVAGE/SUBROGATION (Entry 45)		
Debit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery	1500	
Credit: Salvage/Subrogation Income		1500
47. ALLOCATED EXPENSE (Entry 47)		
Debit: Claim Service Fees— Service Provider	450	
Credit: Outstanding Drafts— Service Provider		450
48. PRIOR UNEARNED PREMIUMS (Entry 9 + Entry 27)		
Debit: Unearned Premium Reserve	20,000	
Credit: Change in Unearned Premium Reserve		20,000
49. CURRENT UNEARNED PREMIUM (Entry 12 + Entry 30)		
Debit: Change in Unearned Premium Reserve	21,000	
Credit: Unearned Premium Reserve		21,000
50. EARNED BUT UNBILLED PREMIUM PRIOR (Entry 15+Entry 33)		
Debit: Change in Earned but Unbilled Premium Reserve	2,000	
Credit: Earned but Unbilled Premium Reserve		2,000
51. EARNED BUT UNBILLED PREMIUM CURRENT (Entry 18+Entry 36)		
Debit: Earned but Unbilled Premium Reserve	1,500	
Credit: Change in Earned but Unbilled Premium Reserve		1,500 ² .
52. LOSS RESERVES PRIOR (Entry 48)		
Debit: Outstanding Loss Reserves	25,000	
Credit: Change in Loss Reserves		25,000
53. LOSS RESERVES CURRENT (Entry 49)		
Debit: Change in Loss Reserves	30,000	
Credit: Outstanding Loss Reserves		30,000

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54. IBNR RESERVES PRIOR (Entry 51)		
Debit: IBNR Loss Reserves	45,000	
Credit: Change in IBNR Loss Reserves		45,000
55. IBNR RESERVES CURRENT (Entry 52)		
Debit: Change in IBNR Loss Reserves	37,000	
Credit: IBNR Loss Reserves		37,000
56. ANTICIPATED SALVAGE AND SUBROGATION PRIOR CASE RESERVE (Entry 55)		
Debit: Outstanding Loss Reserves	1,000	
Credit: Change in Loss Reserves		1,000
57. ANTICIPATED SALVAGE AND SUBROGATION PRIOR IBNR RESERVES (Entry 56)		
Debit :IBNR Loss Reserves	800	
Credit: Change in IBNR Loss Reserves		800
58. ANTICIPATED SALVAGE AND SUBROGATION CURRENT CASE RESERVES (Entry 58)		
Debit: Change in Loss Reserves	1,200	
Credit: Outstanding Loss Reserves		1,200
59. ANTICIPATED SALVAGE AND SUBROGATION CURRENT IBNR RESERVES (Entry 59)		
Debit: Change in IBNR Loss Reserves	1,000	
Credit: IBNR Loss Reserves		1,000
60A. ALLOCATED LOSS ADJUSTMENT EXPENSES PAID (Entry 65)		
If the service provider is paying ALAE using voluntary funds and obtaining a reimbursement❖		
Debit: Allocated LAE Paid	5,000	
Credit: Cash in Bank – Central Bank Account or Accrued Service Provider Claim Fee Payable		5,000
60B. ALLOCATED LOSS ADJUSTMENT EXPENSES PAID (Entry 65)		
If the service provider is paying directly reimbursable expenses using JUA funds		
Debit: Allocated LAE Paid	5,000	
Credit: Outstanding Draft – Service Provider		5,000❖
61. ALLOCATED LOSS ADJUSTMENT EXPENSE PRIOR RESERVE (Entry 66)		
Debit: Allocated LAE Reserves	20,000	
Credit: Change in Allocated LAE Reserves		20,000
62. ALLOCATED LOSS ADJUSTMENT EXPENSE – CURRENT RESERVE (Entry 67)		
Debit: Change in Allocated LAE Reserves	21,000	
Credit: Allocated LAE Reserves		21,000
63. SERVICE PROVIDER—OPERATING AND SERVICE FEES (Entry 74)		
Debit: Service Fees Service Provider	8,550	
Credit: Cash in Bank—Central Bank Account or Accrued Servicing Operating Service Fees Payable		8,550

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64. SERVICE PROVIDER—CLAIMS SERVICE FEES (Entry 79)

Debit: Claim Service Fee— Service Provider	10,414	
Credit: Cash in Bank—Central Bank Account or Accrued Service Provider		
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.

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FLORIDA JOINT UNDERWRITING ASSOCIATION GENERAL LEDGER

Cash in Bank S/P				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	(60A)	(16)	2,000	400	(2)
(3)	35	200	(12)			8,550	(63)	(17)	1,500	35	(3)
(4)	400	1,500	(13)			10,414	(64)	(25)	7,500	30	(35)
(5)	500	10	(14)					(26)	400	20	(43)
(6)	10	1	(15)					(27)	50		
(7)	20	10,000	(21)					(29)	40		
(8)	200	10,000	(22)					(39)	100		
(9)	500	3,000	(23)					(40)	95,000		
(10)	25,000	5,500	(24)								
(18)	100	7,500	(25)								
(19)	1,000	400	(26)								
(20)		50	(27)								
		10	(28)								
		40	(29)								
		40	(30)								
		10	(31)								
		50	(32)								
		500	(33)								
		1	(34)								
		950	(41)								

Outstanding Drafts-S/P				Losses Paid				Commissions Payable-S/P			
(21)	10,000	200	(8)	(44)	12,000			(24)	5,500	500	(9)
(22)	10,000	100	(19)					(36)	1	8,500	(42)
(23)	3,000	12,000	(44)								
(37)	1	450	(47)								
(38)	200	5,000	(60B)								

FL CAT Fund Surcharge Receivable				Unapplied Cash Liability			
(27)	50	400	(4)			1,500	(17)
(41)	950						

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL RERQUIREMENTS MANUAL

FLORIDA JOINT UNDERWRITING ASSOCIATION GENERAL LEDGER

Bank Charges			
(11)	20		
(32)	50		

Bank Misc. Adj.			
(15)	1		
(34)	1		

Premiums Charged Off			
(44)3	20		

Commission Charged Off			
	2		(36)

Premium Written			
	95,000		(40)

Commission Expense			
(42)	8,500		

Claim Service Fee—S/P			
(47)	450		
(64)	10,414		

Operating and Service Fee S/P			
(63)	8,550		

Escheat Reserve			
	1,000		(20)
	200		(38)

Collection Expenses			
(33)	500		
(35)	30		
(36)	1		

Drafts Charged Off			
	1		(37)

Unearned Premium Reserve			
(48)	20,000	21,000	(49)

Change in Unearned Premium Reserve			
(49)	21,000	20,000	(48)

Loss Reserves			
(52)	25,000	30,000	(53)
(56)	1,000	1,200	(58)

IBNR Loss Reserves			
(54)	45,000	37,000	(55)
(57)	800	1,000	(59)

Change in IBNR Loss Reserves			
(55)	37,000	45,000	(54)
(59)	1,000	800	(57)

Change in Loss Reserves			
(53)	30,000	25,000	(52)
(58)	1,200	1,000	(56)

A/R Salvage/Subrogation and Other Loss Recovery			
(13)	1,500	500	(5)
(14)	10	10	(6)
(28)	10	20	(7)
(30)	40		
(31)	10		
(45)	50		
(46)	1,500		

Miscellaneous Income			
	100		(39)

Loss Recovery Income			
	50		(45)

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 ACCOUNTING AND STATISTICAL RERQUIREMENTS MANUAL
FLORIDA JOINT UNDERWRITING ASSOCIATION GENERAL LEDGER

Salvage/Subrogation Income	Advanced Premium Liability	Earned but Unbilled Premium																																	
1,500	2,000	(46)																																	
(50)	(16)	(51) 1,500 2,000 (50)																																	
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">Change in Earned but Unbilled Premium</td> <td style="width: 33%; text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">Allocated LAE Reserve</td> <td style="width: 33%; text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">Change in Allocated LAE Reserve</td> </tr> <tr> <td style="text-align: right; border-right: 1px solid black;">2,000</td> <td style="text-align: right; border-right: 1px solid black;">20,000</td> <td style="text-align: right;">(61) 21,000 20,000 (61)</td> </tr> <tr> <td style="text-align: right;">(50)</td> <td style="text-align: right;">(62)</td> <td style="text-align: right;">(62) 21,000 20,000 (61)</td> </tr> <tr> <td style="text-align: right;">1,500</td> <td style="text-align: right;">21,000</td> <td></td> </tr> <tr> <td style="text-align: right;">(51)</td> <td style="text-align: right;">(62)</td> <td></td> </tr> <tr> <td colspan="3" style="padding-top: 10px;"> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">Allocated LAE Paid</td> <td style="width: 33%; text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">Allocated LAE Reserve</td> <td style="width: 33%; text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">Change in Allocated LAE Reserve</td> </tr> <tr> <td style="text-align: right; border-right: 1px solid black;">5,000</td> <td style="text-align: right; border-right: 1px solid black;">20,000</td> <td style="text-align: right;">(62) 21,000 20,000 (61)</td> </tr> <tr> <td style="text-align: right;">(60A)</td> <td style="text-align: right;">(61)</td> <td></td> </tr> <tr> <td style="text-align: right;">(60B)</td> <td style="text-align: right;">(62)</td> <td></td> </tr> <tr> <td style="text-align: right;">5,000</td> <td style="text-align: right;">21,000</td> <td></td> </tr> </table> </td> </tr> </table>			Change in Earned but Unbilled Premium	Allocated LAE Reserve	Change in Allocated LAE Reserve	2,000	20,000	(61) 21,000 20,000 (61)	(50)	(62)	(62) 21,000 20,000 (61)	1,500	21,000		(51)	(62)		<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">Allocated LAE Paid</td> <td style="width: 33%; text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">Allocated LAE Reserve</td> <td style="width: 33%; text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">Change in Allocated LAE Reserve</td> </tr> <tr> <td style="text-align: right; border-right: 1px solid black;">5,000</td> <td style="text-align: right; border-right: 1px solid black;">20,000</td> <td style="text-align: right;">(62) 21,000 20,000 (61)</td> </tr> <tr> <td style="text-align: right;">(60A)</td> <td style="text-align: right;">(61)</td> <td></td> </tr> <tr> <td style="text-align: right;">(60B)</td> <td style="text-align: right;">(62)</td> <td></td> </tr> <tr> <td style="text-align: right;">5,000</td> <td style="text-align: right;">21,000</td> <td></td> </tr> </table>			Allocated LAE Paid	Allocated LAE Reserve	Change in Allocated LAE Reserve	5,000	20,000	(62) 21,000 20,000 (61)	(60A)	(61)		(60B)	(62)		5,000	21,000	
Change in Earned but Unbilled Premium	Allocated LAE Reserve	Change in Allocated LAE Reserve																																	
2,000	20,000	(61) 21,000 20,000 (61)																																	
(50)	(62)	(62) 21,000 20,000 (61)																																	
1,500	21,000																																		
(51)	(62)																																		
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Chapter 10
FLORIDA JOINT UNDERWRITING ASSOCIATION REPORTS

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

A. Monthly and Year-to-Date Reports

Upon receipt and verification of the service provider monthly report package, the FAJUA Central Processor will consolidate the individual Service Provider 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 service providers.

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 service provider 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 service providers showing written premium by Florida Tax Code, to be filed by the service provider at the office of the FAJUA Central Processor by the fifth 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 service providers, 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.

Chapter 11
**BASIS OF FLORIDA JOINT UNDERWRITING ASSOCIATION EXPERIENCE DISTRIBUTION
TO PARTICIPATING MEMBER**

A. Voluntary Experience Used in Participation Ratio Determination

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 1990 is allocated based upon calendar year 1990 direct writings; policy year 1991 is allocated based upon calendar year 1991 direct writings).

Since the current calendar data is unavailable from statistical producers 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, ratios are subject to adjustments for premiums written for approved classes, such as Class 2/Youthful Male Operator, Class 6 Senior Citizen/Senior Citizen Operator, and Financial Responsibility Filing Certificate (SR-22). Adjustments are also made for Take-Out Credits. This procedure is further detailed later in this chapter.❖

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 1992 base data until June 30, 1995.

B. ★Depopulation Incentives

1. Voluntary Premium Credit Programs

Adjustments to private passenger nonfleet liability experience which in the aggregate exceed 100% of the overall allocation of FAJUA expenses plus losses or minus profits shall not be adjusted beyond unity.

a. Credit Programs Applicable to Calendar Year 2005 and Prior Years' Voluntary Premium Credits

(1) Class 2 Credit Program

Each member company's proportionate share computed under Operating Principles, Part 1 – General, section 2 for private passenger nonfleet liability experience shall be adjusted for Class 2 private passenger automobile premiums, as defined below, written voluntarily.

A "Class 2" private passenger automobile insured is any private passenger automobile owned by an individual, or jointly by relatives resident in the same household, where an owner is a male operator under 25 years of age or where there are one or more male operators under 25 years of age resident in the same household as the applicant, or a male operator under 25 years of age who customarily operates the automobile.

(2) Class 6 Senior Citizen Credit

Each member company's proportionate share computed under Operating Principles, Part 1 – General, Section 2 for private passenger nonfleet liability experience shall be adjusted for private passenger nonfleet risk premiums when there is any operator of the automobile age 65 or over resident in the household, written voluntarily.

(3) Financial Responsibility Filing Certificate (SR-22) Credit

Each member company's proportionate share computed under Operating Principles, Part 1 – General, Section 2 for private passenger nonfleet liability experience shall be adjusted for private passenger nonfleet risk premiums written voluntarily when the named insured or spouse has requested a Financial Responsibility Filing Certificate (SR-22) to be filed with a state agency.

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The adjustments for Class 2, Class 6, and SR-22 credits will be given in the amount of the total premiums for automobile bodily injury liability, property damage liability, personal

injury protection, medical payments, uninsured motorist, and underinsured motorist coverages. For risks which are written under an indivisible premium type of private passenger automobile policy, adjustments shall be given in the amount of the total policy premium, except that premium for basic and broad form property protection and for physical damage coverage afforded under such a policy shall not be included.

b. Credit Programs Applicable to calendar Year 2006 and Subsequent Years' Voluntary Premium Credits

(1) Youthful Male Operator Credit

Each member company's proportionate share of private passenger experience computed under Operating Principles, Part 1 – General, Section 2 shall be adjusted for youthful male operator premiums for private passenger automobiles rated as youthful male operator under 25 years of age, insured voluntarily in the state.

(a) Eligibility

Credit shall be given for each private passenger automobile rated as youthful male operator under 25 years of age where the youthful male operator is the principal or secondary operator.

For the purposes of this credit program, the term "private passenger automobile" means any private passenger automobile owned by an individual, or jointly by relatives resident in the same household, or jointly by resident individuals.

(b) Credit

The amount of the credit shall be the total automobile bodily injury and property damage liability premium developed for

the vehicle, including premiums for personal injury protection, medical payments coverage, uninsured motorist coverage, and underinsured motorist coverage. Premiums for death and disability coverage and physical damage coverage are excluded. The credit cannot exceed the total liability premium for the vehicle rated with the youthful male operator. Only one youthful male operator credit per vehicle is allowed.

(2) Senior Citizen Operator Credit

Each member company's proportionate share of private passenger experience computed under Operating Principles, Part 1 – General, Section 2 shall be adjusted for senior citizen operator premiums for private passenger automobiles rated with a senior citizen age 65 or older insured as principal operator written voluntarily in the state.

(a) Eligibility

Credit shall be given for each private passenger automobile rated with an individual age 65 or older as the principal operator.

For the purposes of this credit program, the term "private passenger automobile" means any private passenger automobile owned by an individual, or jointly by relatives resident in the same household, or jointly by resident individuals.

(b) Credit

The amount of the credit shall be the total automobile bodily injury and property damage liability premium developed for the vehicle, including premiums for personal injury protection, medical payments, uninsured motorist coverage, and underinsured motorist coverage. Premiums for death and disability and physical damage coverage are excluded. The credit cannot exceed the total

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liability premium for the vehicle rated with a principal operator age 65 or older. Only one senior citizen operator credit per vehicle is allowed.

(3) Financial Responsibility Filing Certificate (SR-22) Credit

Each member company's proportionate share of private passenger experience, computed under Operating Principles, Part 1 – General, Section 2, shall be adjusted for SR-22 credit premiums for private passenger automobiles rated with a named insured and/or spouse who has requested a Financial Responsibility Certificate (SR-22) as the principal operator written voluntarily in the state.

(a) Eligibility

Credit shall be given for each private passenger automobile rated with a named insured and/or spouse as the principal operator.

Note: If youthful male operator credit and/or senior citizen operator credit was previously requested for the same private passenger automobile, credit is not allowed under this Section.

For the purposes of this credit program, the term "private passenger automobile" means any private passenger automobile owned by an individual, or jointly by relatives resident in the same household, or jointly by resident individuals.

(b) Credit

The amount of the credit shall be the total automobile bodily injury and property damage liability premium developed for the vehicle, including premiums for personal injury protection medical payments, uninsured motorist coverage, and underinsured motorist coverage. Premiums for death and

disability and physical damage coverage are excluded. The credit cannot exceed the total liability premium for the vehicle rated with a principal operator (named insured or spouse) requiring an SR-22. Only one SR-22 credit per vehicle is allowed.

2. Voluntary Take-Out Credit Program

a. Voluntary Writing of Present FAJUA Insured by Member Company

Each member company's proportionate share computed under Operating Principles, Part 1 – General, Section 2 for private passenger nonfleet liability experience shall be adjusted for the premiums for voluntarily insuring an individually registered (or jointly by husband, wife or relative residing in the household) private passenger nonfleet automobile that is in the FAJUA at its expiration date through the producer of record or any licensed producer selected by the insured.

b. Voluntary Writing of Present FAJUA Insured by Service Provider

Each member company's share may also be adjusted for the premiums for voluntarily insuring an individually registered private passenger nonfleet automobile assigned to or written by it as a service provider provided the producer of record is given notice on intent to make such an offer to issue a voluntary policy at expiration. If the service provider is willing to renew a risk as voluntary business, it shall notify the producer of record of such willingness at least 75 days prior to the expiration date. The producer shall offer the risk to every voluntary market with which he deals and notify the service provider at least 50 days prior to the expiration of his ability or inability to place the risk in the voluntary market. In the absence of such notice from the producer of record, the service provider may notify its own agent or the insured of its willingness to accept the risk as voluntary business.

A service provider shall provide policyholders messages to all insureds informing them that if they have had no accidents or violations in the last three

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years, that they may be eligible to secure auto insurance at a lower cost from a source other than the FAJUA.

Note: This take-out credit is only available when a service provider has been appointed to write FAJUA private passenger business.

c. Offer to Write

The kinds and amounts of coverage to be afforded for such voluntary risk shall be at least equal to those afforded by the policy being replaced, unless coverage is refused by the insured in writing.

If a company or a group of companies use both standard and nonstandard rates, the use of such nonstandard rates or consent to rate procedure shall not qualify for adjustment under this Section if such nonstandard rates are in excess of FAJUA rates for similar coverage.

d. Take-Out Credits

Two hundred percent of the first year premium charged for the policy in the voluntary market shall be used in the adjustment of each member company's proportionate share. Premium credit shall be provided for bodily injury liability, property damage liability, personal injury protection, medical payments, uninsured motorist, and underinsured motorist coverages. Premiums for basic and broad form property protection and for physical damage coverage afforded under such policy shall not be included.

e. Reporting Take-Out Credits

The member company shall be required to submit proof of depopulation or an approved reporting form to apply for adjustment under this subsection. The reporting form must be submitted not less than 60 days nor more than 120 days from the effective date of the policy for which adjustment of the member company's proportionate share is requested.❖

C. Participation Ratio Calculation

1. Policy Year Experience Participation

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:

- a. 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.
- b. Private Passenger Non-Fleet—PIP and property damage - this ratio shall be based on PIP car years as defined in the Operating Principles.
- c. Private Passenger Non-Fleet—Physical Damage - this ratio shall be based on physical damage car years as defined in the Operating Principles.
- d. 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.
- e. All Other—PIP - this ratio shall be based on all other PIP premiums as defined in the Operating Principles.
- f. All Other—Physical Damage - this ratio shall be based on voluntary all other automobile physical damage premiums as defined in the Operating Principles.

The 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.

2. Formula for Participation Ratio Calculation

Participation ratios are calculated for all open policy years. The calculation of participation ratios involves several steps which must consider the company's voluntary writings, credit writings and companies which develop negative ratios.

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The ratio calculation is:

$$\frac{\text{Company Market Share} \times (\text{Statewide Credit Premium} + \text{Statewide FAJUA Premium}) - \text{Company Credit Premium}}{\text{Statewide FAJUA Premium}} \div \text{Credit Adjustment Factor} = \text{Participation Ratio}$$

Inasmuch as this formula is used to calculate the final participation ratios for each category, this chapter will only illustrate the formula for Private Passenger Non-Fleet Liability (excluding PIP and property damage). The base data used for the remaining categories will differ from one category to the other. These differences are explained in section B.2.e.

The remainder of this chapter will provide a detailed explanation of participation ratio calculation.

a. Company Market Share

The first step in the process is to determine a company's market share. This is accomplished by dividing each company's total number of voluntary car years by the total voluntary car years for all companies. Thus, if,

a = Total number of net direct PPNF bodily injury car years insured by a specific company, and,

b = Total number of net direct PPNF bodily injury car years insured by all companies, and,

c = Size of the specific company in relationship to all companies, then,

$$a/b = c$$

b. Calculating the Size of Involuntary Market

Next, the size of the involuntary market is determined. This amount includes the total FAJUA premium as well as any approved credit premiums. Currently, only private passenger non-fleet liability (excluding PIP and property damage) and PPNF PIP and property damage are affected by credit premiums.

i. Premiums Available for Credits

There are four types of voluntary premiums which are eligible for credit towards a company's PPNF Liability (excluding PIP and PD) and PPNF PIP and PD participation ratios (credits are not applicable to PPNF physical damage or OTPP

participation ratios):

- ★Class 2/Youthful Male Operator premiums
- Class 6 (Senior Citizens)/Senior Citizen Operator premiums
- Financial Responsibility Certificate Filing SR22 premiums
- Take-out Credits for vehicles previously in the FAJUA❖

★Each company will receive one dollar of credit toward its private passenger non-fleet liability (excluding PIP and property damage) and PPNF PIP and property damage participation ratios for every dollar of Class 2/Youthful Male Operator, Class 6 Senior Citizen/Senior Citizen Operator, and Financial Responsibility Filing Certificate (SR-22) premiums written as specified in Subsection B above.

Each company will receive two dollars of credit toward its private passenger non-fleet liability (excluding PIP and property damage) and PPNF PIP and property damage participation ratios for every dollar of premiums written for vehicles taken out of the FAJUA as specified in subsection B above.❖

With the exception of take-out credits, credit premiums should be reported through each company's statistical producer. Take-out premiums should be reported directly to the Central Processor utilizing the format displayed on Exhibit JJ.

Since take-out premiums are reported to AIPSO at different times, they will be accumulated by calendar year and then applied against the corresponding policy year of FAJUA business.

Calendar year credit data will be applied to participation ratios until the corresponding policy years are closed.

ii. Formula for Calculating the Involuntary Market Size

Given these variables:

★d = Total Class 2/Youthful Male Operator premium for all companies

e = Total Class 6 Senior Citizen/Senior Citizen Operator premium for all

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companies

f = Total Financial Responsibility Filing Certificate SR22 premium for all companies❖

g = Total Take-Out premium for all companies

h = Total FAJUA premium for all companies

i = Total involuntary market

Total involuntary market formula is:

$$d + e + f + 2g + h = i$$

Note: Take-out premiums are doubled because of the 2 for 1 credit provision.

c. Calculating a Company's Share of the Involuntary Market

Each company's share of the involuntary market can now be determined by multiplying its market share by the total involuntary market.

Thus if,

j = a company's share of the involuntary market

$$c \times i = j$$

d. Calculating a Company's Share of FAJUA Experience

In order to determine the FAJUA experience share of any company, the total credit premiums for that company are subtracted from its share of the involuntary market. Accordingly, assuming:

★k = Class 2/Youthful Male Operator premium for any specific company

l = Class 6 Senior Citizen/Senior Citizen Operator premium for any specific company

m = Financial Responsibility Filing Certificate (SR22) premium for any specific company❖

n = Take-Out premium for any specific company

o = FAJUA experience share of any specific company

$$j - [k + l + m + 2n] = o$$

e. Ratio Calculation

Once the FAJUA experience share has been determined, a participation ratio is calculated. This ratio is equal to the FAJUA experience share divided by the total FAJUA premiums for all companies.

If: p = participation ratio

Then: $o/h = p$ (carried out to seven decimal places)

Credit Adjustment

NOTE: A company may write such a substantial amount of business eligible for credit that it produces a negative participation ratio. Negative participation ratios are not allowed and, as such, they must be eliminated. However, by eliminating these ratios, the total for the remaining companies will exceed 1.0000000. To correct this, an additional adjustment is made to each company's share of FAJUA experience.

For example, assume that by following the steps outlined in the preceding section, we have arrived at these ratios:

Company	Ratio
A	0.1000000
B	0.2500000
C	0.4000000
D	0.5000000
E	0.2500000-
Total	1.0000000

Since Company E has developed a negative ratio, it must be eliminated; however, the total of the remaining ratios exceeds 1.0000000:

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Company	Ratio
A	0.1000000
B	0.2500000
C	0.4000000
D	0.5000000
Total	1.2500000

Consequently, an adjustment must be made to each company's ratio to reduce the total to 1.0000000. This adjustment is referred to as the credit adjustment factor. To arrive at the final participation ratio, the participation ratio is divided by the credit adjustment factor. Using our example, the credit adjustment factor is 1.25, which produces these final ratios:

Company	Unadjusted Ratio	Final Ratios
A	0.1000000	0.0800000
B	0.2500000	0.2000000
C	0.4000000	0.3200000
D	0.5000000	0.4000000
TOTAL		1.0000000

As a formula, this calculation is written:

If: q = credit adjustment factor

r = final participation ratio (carried out to seven decimal places)

Then: $p / q = r$

Reminder:

This step is performed only when a company(ies) develop negative ratio(s).

f. Formula Overview

Utilizing the variables named in this chapter, the formula for calculating final ratios is:

$$\frac{(a/b \cdot (d+e+f+2g+h)) - (k+l+m+2n)}{h} / q^* = r$$

* This step is performed only when a company(ies) develop negative ratio(s).

As previously noted, this formula will apply to each category identified in Section B.1 with these differences:

The symbols "a" and "b" will represent the following:

PPNF—PIP and property damage

a = Total of all PPNF PIP Car Years

b = Total of "a" for all companies

PPNF—Physical Damage

a = Total of all PPNF Physical Damage Car Years *

b = Total of "a" for all companies

* .75 (collision car years) + .25 (other than collision car years)

All Other Liability (excluding PIP)

a = Total All Other Than PPNF Liability (excluding PIP) premiums for a specific company

b = Total of "a" for all companies

All Other PIP

a = Total All Other Than PPNF PIP premiums for a specific company

b = Total of "a" for all companies

All Other Physical Damage

a = Total All Other Than PPNF Physical Damage premiums for a specific company

b = Total of "a" for all companies

The credit provisions in the basic formula are not currently applicable to any coverages except PPNF—Liability (excluding PIP and property damage) and PPNF- PIP.

D. 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.

Beginning with assessments issued in calendar year 2004, and concluding with the close-out of policy year 2000, the following assessment procedure shall apply: The method of allocation

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will be based on the net receivable/payable value for all classes/coverages, beginning with the 2001 policy year. Policy years subsequent to 2001 will be used as needed to exhaust the total amount of the assessment. Policy years prior to 2001 will be settled only upon the annual close-out of each policy year.

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 1994 as the current (i.e. provisional) year. This will continue through until receivable/payable values for the quarter ending March 31, 1995 become available, at which time a receivable/payable value will be used for policy year 1994, and policy year 1995 written premiums will be used as the current year.

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 document 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.

E. Non-Policy Year Oriented Expenses and Income

Expenses and earned miscellaneous income, excluding producer commissions and service fees paid the service providers, 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.

F. ★Adjustment to Minimum Service Provider Fee

When a minimum service provider 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 service provider fee shall be increased to the minimum fee. This service provider 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 SERVICE PROVIDER
FEE SETTLEMENT PROCEDURE

After the service provider has developed the monthly report summary figures, it will prepare the Statistical Summary Control as described in Chapter 6 of this document. Before leaving the service provider'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 drawing service provider monthly fee payments.

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 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 service provider to the late reporting procedures as outlined in Chapter 13 of this document.

A. Verification Procedure

Upon receipt of the monthly report (Exhibit O) from the service provider, the FAJUA Central Processor will:

1. Verify report completeness
2. Verify report accuracy as related to prior month report pick-up entries
3. Verify that the summary figures are supported by the data processing report policy year total breakout amounts for written premium
4. Verify mathematical fee calculation accuracy as performed by the service provider
5. Initial and date the face of the report indicating that the preceding verification was performed

B. Fee Check Procedure

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

All service providers, both continuing service providers and discontinued service providers, are expected to service existing claims including all adjustment expense, until fully settled in accordance with the fee structure applicable to the contract between the FAJUA and service provider.

Chapter 13
LATE AND/OR ERRONEOUS REPORTING BY SERVICE PROVIDERS

Submission of accurate and complete reports on a punctual 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 when a company agrees to become a service provider. The service provider reports must be consolidated in order to produce the members participation reports. This consolidation cannot occur if a service provider submits its reports late or erroneously. As a result, late and/or erroneous reporting of any and all of the monthly, quarterly, annual reports specified for submission will be considered a reporting violation and will be reported to the service provider's designated individual and the FAJUA General Manager.

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

A. Method of Determining a Late Submission

Each report package submitted by a service provider has a specified due date to the Central Processor as outlined in Chapter 6. In addition, the FAJUA Central Processor will annually publish, and distribute as a circular to all service providers, 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 package (i.e., if the report package 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 the report package must be received at the Central Processor's office by December 3). Saturdays, Sundays and holidays are not included when calculating the number of days late.

2. Notification Manner

The FAJUA Central Processor will phone or fax the service provider involved, followed by a confirmation letter, indicating that the report package is late. A copy of the confirmation letter will be sent to the Plan Manager.

The 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 package is not received by the 10th working day following the calendar due date, the Central Processor will contact the FAJUA Bureau for assistance.

3. Late Submission Penalty Fee

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

B. Method of Determining an Erroneous Submission

1. Erroneous Submission Violation Reporting

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

★Any data file that cannot be read is considered erroneous. In addition, these submissions must comply with the specifications supplied by the Central Processor.❖

2. Notification Manner

If the company's detail reports do not balance to the Statistical Summary Control but the out of balance for any line is \$500 or less, and 5% or less, of the amount reported on the Statistical Summary Control, the Central Processor will automatically make the necessary adjustments accordingly so that the quarterly detail reports and the Statistical Summary Control Report balance. A confirmation letter indicating the Central Processor's corrections, along with the corrected report, will be provided to the service provider.

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If the report package fails to meet any point of verification, after the Central Processor completes the balancing process, and the out of balance is more than \$500 or more than 5% of the amount reported, the Central Processor will fax a letter to the service provider involved, followed by a confirmation letter, indicating that the report package contains erroneous data. A copy of this letter will be sent to the Plan Manager.

The 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 Central Processor will contact the State Insurance Commissioner for assistance.

3. Erroneous Submission Penalty Fee

A penalty fee of \$100.00 per working day will be assessed to the service provider for each working day the report package is erroneous. The penalty will be calculated from the due date of the report package to the date a valid correction was received. For corrections submitted through a phone call, the receipt date is the date of the phone call.

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

4. Central Processor Corrections

The Central Processor **will automatically** correct the Summary Control Report to match the detail reports, if the out of balance for any line is \$500 or less, and 5% or less, of the amount reported on the Statistical Summary Control Report. In this case, a confirmation letter indicating the Central Processor's corrections, along with the corrected report, will be provided to the service provider.

The Central Processor will also correct obvious reporting errors, such as transposition errors. The Central Processor will provide the service provider with a letter outlining its proposed corrections. If the service provider agrees with the proposed correction, it should notify the Central Processor. Otherwise, the service provider will be required to submit corrected data.

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 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 service provider 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 service providers 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

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miscellaneous income or expense in the next Member's Participation Report.

If the 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 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 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 earlier accident year of the succeeding policy year. For example, if policy year 1985 is closed out, all loss reserves, including IBNR, will be rolled over to policy year/accident year 1986.

2. To maintain the integrity of incurred losses applicable to each policy year, the following adjustments to paid losses will be made by the 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 succeeding 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 accident year.

B. Subsequent Activity

1. Loss Developments

Service providers 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 a policy year is to be withdrawn from the participation reports.

All cash over and above the amount of the contingency fund 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 a policy year is being closed out in a net payable position and there are insufficient FAJUA funds, member companies would be assessed in order to satisfy the policy year close out at the same time maintaining the FAJUA contingency fund at the required level.

2. Policy Year Close Out—Net Receivable Position

a. If a policy year is being closed out in a net receivable position, and there are sufficient FAJUA funds, a distribution of cash available would be made resulting in no overall assessment to member companies. The amount distributed will be a credit toward the next assessment.

b. If a policy year is being closed out in a net receivable position and there are insufficient FAJUA funds, member companies would be assessed in order to satisfy the policy year close out while at the same time maintaining the FAJUA contingency fund at the required level. 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

A. Service Provider Bank

In most instances, when a bank failure occurs, the government has already stepped in and made some announcements. This will more than likely be the first notification of the failure.

If they state that they will guarantee all funds and that business should continue as usual, no immediate action has to be taken regarding the service provider bank accounts.

The decision made by the federal government should be relayed to both the FAJUA Manager and Chairman of the Board of Governors. If the government fails to state that they will guarantee all of the funds, the service provider must do the following:

1. Prevent any further deposits including transfers of funds from the Central Processor.
2. Attempt to withdraw any funds beyond the FDIC insured guarantee limit.
3. Hold up issuing any further drafts.
4. Notify the FAJUA Manager and the Chairman of the Board.
5. Notify the Central Processor.
6. Immediately take steps to make other arrangements for the service provider bank account(s).
7. Find out what arrangements are required as to the amount of drafts issued and outstanding. Only transfer funds daily that are required to cover drafts presented for payment.

B. Central Bank

Follow the same steps as indicated for a service provider bank failure if the federal government has guaranteed all the funds. If the federal government fails to state that they will guarantee all of the funds, the Central Processor must do the following:

1. Prevent any further deposits including transfers of funds from the service provider banks.
2. Attempt to withdraw any funds beyond the FDIC insured guarantee limit.
3. Hold up issuing any further drafts.
4. Notify all of the service providers.
5. Notify the FAJUA Manager and the Chairman of the Board.
6. Immediately take steps to make other arrangements for the service provider bank account(s).

In the case of a service provider or Central Processor bank failure, the responsible person should, as quickly as possible, determine what, if any, the potential loss is. This information should be relayed to the FAJUA Manager and the Chairman of the Board.

C. Funding

In the event of a bank failure and funds are not available to cover transfers to the service provider bank accounts for drafts issued, the service provider should arrange to have their own funds used. Any funds used for this purpose will be reimbursed including interest at the prevailing prime discount rates.

In the event of a bank failure of the Central Processor, the Board of Governors has the power to make an immediate assessment from all members to obtain whatever funds are necessary to operate the Central Bank should a loss occur. This would be treated like any other assessment made by the FAJUA.

D. True Up

A separate true up will be done, as soon as it is possible to quantify the entire extent of the loss, to assess the results of the "bank loss." This assessment will be based on the Written Premium total for all policy years open on the date the government announces the failure.

Chapter 17
DISCONTINUING SERVICE PROVIDER

This Chapter covers the accounting and statistical requirements of a discontinuing service provider.

A. Responsibilities of Discontinuing Service Provider

1. Responsibilities to Insureds/Claimants

Unless otherwise approved by the Board of Governors, a discontinuing service provider 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 service provider 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 service provider 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 service provider's producers will be reassigned in accordance with Section III of the Plan of Operations.

3. Responsibilities to FAJUA

a. A discontinuing service provider shall ensure maintenance of 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 service provider 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 service provider 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 service provider receives compensation in accordance with the provisions described in this manual.

A discontinuing service provider 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. Additionally, a service provider is responsible for returning prepaid fees when negative written premium has occurred. These fees should be received at the 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 service provider 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.

The succeeding service provider 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 service providers should review all FAJUA documents which include the Plan of Operation, Service Provider Agreement, Accounting and Statistical Requirements Manual and Audit Guidelines.

Chapter 18
SERVICE STANDARDS

In addition to the standards contained in other plan documents, this Chapter will provide the general responsibilities of service providers.

SERVICE STANDARDS

- A. Service providers must accomplish confirmation of the applicant's or named insured, residents of the named insured's household, and any other person who usually operates the motor vehicle, driver's record(s) at inception and annually thereafter through motor vehicle reports and also must verify classifications and territories by a criteria as prescribed by the Manual of Rules and Rates.
- B. Service providers must obtain approximately three-years' driving experience on all operators. Youthful operators who have obtained a license during the prior three years will be the exception. If driving records are not available the file must be documented showing at least two attempts to obtain the required records. Additionally, applications or endorsements that indicate that the named insured, applicant, operator, or anyone who may drive the vehicle does not drive, has no license, or similar statements must be carefully reviewed using good business judgment to develop driving records for applicable surcharges.
- C. Service providers must develop points for at-fault accidents using the motor vehicle records, service provider claim records, and qualified claims reporting services.
- D. Service providers shall not return any insurance application or endorsement request without definite action. The application or change request must ultimately (after additional or missing information is requested if necessary) be accepted and a policy or endorsement issued, rejected, or cancelled with proper legal notice (allowing four days for mailing time) or in limited instances involving fraud, material misrepresentation, submission of invalid funds, or prior debt to the FAJUA, voided if deemed appropriate under the circumstances.

Applications received by service providers that are not eligible for coverage in accordance with Rule 5. Eligibility, Manual of Rules and Rates, shall be terminated by giving 45 days' notice plus four days for mailing. Policies that provide property damage liability and personal injury protection shall be cancelled after day 60 of the effective date.

Applications received by service providers without the required deposit premium shall be returned to the producer marked void. The service provider

shall notify the applicant by certified mail of the action taken. Applications and required deposit premiums received by the service provider within 21 days of notice to the producer will be bound the date the application was originally electronically bound. Deposit premiums and applications received after day 21 of the notice to the producer will result in an effective date of a subsequent electronic binding transaction or date application is received by the service provider.

Note: It is not the intent of the above requirement to prohibit service providers from returning applications for missing information if a copy of the application is retained.

- E. Service providers must issue and forward the policy to the applicant or the producer within 21 days of the receipt of the completed application and deposit. If sent to the applicant, a copy must also go to the producer.
- F. Service providers must have the ability to carry out all subsequent policy transactions on a punctual day-to-day basis as required by applicable provisions of the Plan documents.
- G. Service providers must have the ability to carry out all necessary accounting procedures as outlined by the Rules of Practice and the Accounting and Statistical Requirements Manual. These accounting procedures, if applicable, will include, but not be limited to
 - a. billing and collection;
 - b. commission payments and statements to producers.
- H. Service providers must have the ability to properly identify producers appointed to their company and make reports by producer to the Florida Automobile Florida Joint Underwriting Association for their analysis.
- I. Service providers must have the ability to collect the necessary data to disburse payments to vendors and producers and have the ability to store this data and report same to the Internal Revenue Service as required.
- J. Service providers must generate the statistical and accounting information in report format required. The required content and format of these reports are in the rules and specifications established by the Manual of Rules and Rates

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and the Accounting and Statistical Requirements Manual.

- K. Service providers must have the necessary internal procedures to properly and effectively operate the Depopulation Incentive Plans.
- L. Service providers must retain dead policy records for at least three years plus current year.
- M. The service provider must commit itself to meet all performance standards set for service providers, and demonstrate on a continuing basis that it is complying with those performance standards.
- N. Service providers must provide copy to the FAJUA Management office of all bulletins, newsletters, and announcements, or other similar FAJUA related correspondence released or provided to producers.
- O. Service providers must initiate procedures required to comply with provisions of Florida Statutes or regulatory authorities.
- P. Service providers shall verify that the producer has complied with 627.4085, Florida Statutes. The Statute requires that the application legibly show the name and license identification number of the producer as shown on the producer's license issued by the Florida Office of Insurance Regulation.
- Q. Service providers shall verify that applications are signed by producers who have current contracts with the FAJUA. Those producers who submit an application without a contract will not be paid commission for the application and the application (policy) may be cancelled by giving 45 days' notice plus 4 days for mailing. A notice of cancellation for policies that provided property damage liability and personal injury protection shall be mailed no later than 10 business days after receipt of the application at the service provider.

Service providers shall pay commissions of zero percent for business submitted by a producer without a current assignment. Should the producer be assigned to a carrier within 10 days of receipt of the application, the commission rate shall be as provided in Section 10, Part I of the Operating Principles. Should the producer not seek assignment to a service provider within 10 days of receipt of the application, the application may be assigned to an producer from another agency with a current assignment to the service provider.

- R. Service providers will provide every personal auto policy holder with a copy of the Personal Auto Policy Outline as required by Section 627. 4143, Florida Statutes.

- S. Service providers must comply with section 627.744, Florida Statutes and Office of Insurance Regulation Rule 4-167.004 relating to mandatory preinsurance inspections.
- T. Service providers will adhere to the FAJUA Class Check/Audit Guidelines contained in the Forms Manual.
- U. A six months noncancellable policy will be issued to a qualified applicant when an application and supplemental application accompanied by the required premium is received. Refer to Florida Statute 627.7275 for additional criteria regarding this type of risk.
- V. Service providers shall establish procedures to determine if an application has been received within 10 business days of being bound by the producer. If an application has not been received, the service provider shall promptly contact the producer and request the submission. (Electronic binding procedures are in Rule 2 and Rule 3 of the Manual of Rules and Rates.)
- W. Florida Automobile Insurance Identification Cards shall be provided to insureds in accordance with sections 316.646 and 627.4143, Florida Statutes. Cards shall show the name of the Florida Automobile Joint Underwriting Association Served By: (name of service provider), the name and telephone number of the producer and other information as required.
- X. Service providers which use third party vendors to process FAJUA business or accounting transactions shall receive a service auditor's report as defined in Statement on Auditing Standards number 70 based upon the conduct of an annual independent review of the vendor's system of internal control. The service auditor's report shall not contain any overall unfavorable conclusions regarding the adequacy of the third party vendor's systems of internal controls. The service provider will be required to provide a copy of the service auditor's report to the General Manager of the FAJUA within 10 days of its receipt by the carrier. Additionally, the service provider will provide to the General Manager, within 45 days of receipt of the service auditor's report, a written response to any individual comments indicating weaknesses within the third party vendor's system of internal controls. The response shall indicate what controls are in place at the service provider to mitigate the effects of the identified weakness at the third party vendor. Should the service provider fail to provide a service auditor's report for any of its vendors, the FAJUA may cause such an audit to be made and at the expense of the service provider.

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- Y. Service providers shall effect within five business days of the effective date of termination for cause the return of all applications, forms, and supplies provided to producers assigned to it who were terminated for cause.
- Z. Biennially, producers may elect to change service providers. In the event a producer changes service providers, service providers shall provide data from their claims files when requested from the succeeding service provider sufficient to rate and issue the policy. Claims information on closed and open claims shall be provided.
- AA. Service providers shall input into their systems data for rate changes for new business within 30 calendar days after receipt of the changes from the FAJUA's rate making vendor so they may be implemented by the effective date approved by the Office of Insurance Regulation. Rates for renewal business shall be input within 45 days after receipt from the FAJUA's vendor so they may be implemented by the effective date approved by the Office of Insurance Regulation. Service providers are reminded that commercial rates do NOT utilize relativity factors and commercial rates must therefore be updated upon revision.
- BB. As the FAJUA's fiscal year ends on September 30, service provider data and reports must be prepared on a basis which recognizes September 30 as the end the fiscal year.
- CC. Service providers shall provide policyholders and producers with information on how and where to report claims.

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(Service Provider Name)

MONTHLY REPORT OF PREMIUMS AND COMMISSIONS

Month of

Date

Producer's Name and Address			
Policyholder	Policy Number	Premium	Commission Amount
Totals			
Remittance (Service Provider's Check Amount) or Billing (Producer's Check Amount)			

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(Service Provider 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
Totals				
Remittance (Service Provider's Check Amount) or Billing (Producer's Check Amount)				

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

(1) Service Provider _____ (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 61) \$ _____

(7) Salvage and Subrogation Income (Exhibit O, Line 62) \$ _____

(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) Unidentified Funds (Exhibit H, Line 17) \$ _____

(17) Summation of the above
[Lines (5) + (6) + (7) - (8) - (9) - (10) + (11) + (12) +
(13) + (14) + (15) + (16)] (18) \$ _____

(19) Adjustments \$ _____

(20) Accounts Receivable—Salvage/Subrogation/Other Loss Recovery—General Ledger Balance
Current Month Ending _____
[Lines (18) + (19)] (21) \$ _____

CERTIFIED BY:

(22) Date Submitted _____ (23) Name _____

(24) Title _____

(25) Signature _____

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**BANK RESOLUTION OF
FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
FOR SERVICE PROVIDER
FAJUA DEPOSITORY ACCOUNTS**

We, the undersigned, 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 service provider Association Depository Account with the Sun Trust Bank, Tallahassee, hereinafter referred to as the "Bank," which will serve as a depository of the funds of this Association, Such service provider 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 Manager or Chairmen of the Board of Governors have reason to believe that the service provider 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 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

Manager

By

Chairman of the Board of Governors

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

**BANK RESOLUTION OF
FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
FOR FAJUA SERVICE
PROVIDER DISBURSEMENT ACCOUNTS**

We, the undersigned, 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 AFAJUA is authorized to and will open a service provider FAJUA Disbursement Account with and at the _____ for _____
(Service Provider)
2. That the _____ is hereby authorized to deposit, in the name of the Florida Automobile Joint Underwriting Association, in the Service Provider FAJUA Disbursement Account with the _____ 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 service provider 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 service provider 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 Manager or Chairman of the Board of Governors have reason to believe that the service provider 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 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 _____ 19____.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION

By

Manager

By

Chairman of the Board of Governors

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

**SERVICE PROVIDER CASH ANALYSIS
DEPOSITORY ACCOUNT**

(1) Service Provider _____ (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 FL 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 Service 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) Cash in Bank General Ledger Balance
 Current Month Ending _____ (24) \$ _____

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 _____
 (32) Signature _____

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

INSTRUCTIONS FOR THE COMPLETION OF THE SERVICE PROVIDER CASH ANALYSIS REPORT

FOR THE DEPOSITORY BANK ACCOUNT

- (1) Enter the name of the service provider. In the event that the service provider is part of a group, enter the name of the specific company which has been appointed as a service provider by the FAJUA Board of Governors.
- (2) Enter the four digit identification number assigned to the service provider 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 (23) of the Prior month's report.
- (6) Enter the total of all premium and filing fees collected and deposited to the service provider's FAJUA Bank Account during the reporting month. The amount should include all settlements of premium from the service provider's voluntary company to the FAJUA if the FAJUA premium collections are first deposited to the service provider's voluntary bank account and then transferred to the service provider's FAJUA Bank Account when identified as FAJUA money.
- (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 FL CAT Fund Surcharge deposited to the service provider FAJUA bank account during the reporting month.
- (10) Enter the total of all other loss recoveries collected and deposited to the service provider's FAJUA Bank Account during the reporting month.
- (11) Enter the total of all salvage and subrogation recoveries collected and deposited to the service provider'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 service provider'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 service provider's FAJUA Bank Account during the reporting month.
- (17) Enter the total of bank services 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) during the quarter for policies with an effective date after quarter end. At the end of each quarter, AIPSO will reclassify the amount of premium collection that service providers have indicated is from advance 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, AIPSO will reclassify the amount of premium collections that service providers 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), (32) Enter the name (typed), title and signature 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 service provider's FAJUA Depository Account for the month being reported. Contact the 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 service providers whose Bank directly charges their Depository Account for returned checks.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

**SERVICE PROVIDER CASH ANALYSIS
DISBURSEMENT ACCOUNT**

(1) Service Provider _____ (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 Voluntary Carrier \$ _____
 (13) Producer Commissions \$ _____
 (14) Policyholder Refunds \$ _____
 (15) Premium Installment Fees \$ _____
 (16) Return of FL CAT Fund-Surcharge \$ _____
 (17) Salvage and Subrogation \$ _____

Returned Checks:

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

MEMO FOR RECONCILIATION PURPOSES ONLY

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

CERTIFIED BY:

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

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

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

- (1) Enter the name of the service provider. In the event that the service provider is part of a group, enter the name of the specific company which has been appointed as a service provider by the FAJUA Board of Governors.
- (2) Enter the four digit identification number assigned to the service provider 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 (25) of the prior month's report.
- (6) Enter the total of all funds transferred from the FAJUA Central Bank to the service provider'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 service provider Disbursement Account to the voluntary company.
- (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 voluntary carrier during the reporting month.
- (16) Enter the total return of Florida 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 service provider's Depository Bank and Paid for during the reporting month with a check drawn on the service provider's FAJUA Disbursement Account.
- (19) Enter the amount of other loss recoveries returned by the service provider's Depository Bank and paid for during the reporting month with a check drawn on the service provider's FAJUA Disbursement Account.
- (20) Enter the amount of salvage and subrogation recoveries returned by the service provider's Depository Bank and paid for during the reporting month with a check drawn on the service provider's FAJUA Disbursement Account.
- (21) Enter the bank service 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 voluntary carrier for collection expenses incurred on behalf of the Association.
- (23) Enter the total of entries (10) through (20).
- (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 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), (32) Enter the name (typed), title and signature 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 service provider's FAJUA Disbursement Bank Account for the month being reported. Contact the 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

**SERVICE PROVIDER CASH ANALYSIS
MISCELLANEOUS JOURNAL VOUCHERS**

(Non-Cash Items)

(1) Service Provider _____				(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)		\$ _____
(9) Draft Charge-Offs	Dr	(Cr)		\$ _____
(10) Outstanding Drafts	(Cr)	Dr		\$ _____

ESCHEAT RESERVE (DRAFTS) ACTIVITY

(11) Policyholder Refunds	Dr	(Cr)	\$ _____
(12) Producer Commissions	Dr	(Cr)	\$ _____
(13) Claim Drafts Outstanding	(Cr)	Dr	\$ _____
(14) Escheat Reserves	(Cr)	Dr	\$ _____

UNIDENTIFIED FUNDS

(15) Accounts Receivable—Deferred Premium	Dr	(Cr)	\$ _____
(16) Commissions Payable	Dr	(Cr)	\$ _____
(17) Salvage/Subrogation Income	Dr	(Cr)	\$ _____
(18) Miscellaneous Income	(Cr)	Dr	\$ _____

Note: (Circle Debit or Credit as appropriate)

CERTIFIED BY:

(19) Date Submitted _____	(20)	Name _____
	(21)	Title _____
	(22)	Signature _____

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

**INSTRUCTIONS FOR THE COMPLETION OF THE SERVICE PROVIDER CASH ANALYSIS REPORT
FOR THE MISCELLANEOUS JOURNAL VOUCHERS**

- (1) Enter the name of the service provider. In the event that the service provider is part of a group, enter the name of the specific company which has been appointed as a service provider by the FAJUA Board of Governors.
- (2) Enter the four digit identification number assigned to the service provider 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 total of all draft charge-offs recorded during the reporting month. This amount shall reflect minor differences in the amount of an issued and honored draft due to bank encoding error.
- (10) Enter the total adjustment to drafts outstanding as a result of draft charge-offs. This entry must offset entry (9).
- (11) Enter the total of all policyholder refund drafts transferred to the Escheat Reserve Account during the reporting month.
- (12) Enter the net total of all producer commission drafts transferred to the Escheat Reserve Account during the reporting month.
- (13) Enter the net of all claim and allocated claim expenses drafts (on an issued basis) transferred to the Escheat Reserve Account during the reporting rating month.
- (14) Enter the net total of all policyholders refunds, producer commissions and claim and allocated claim expense drafts transferred to the Escheat Reserve Account during the reporting month. This account must offset the total of entries (11), (12), and (13).
- (15) Enter the total unidentified premium receivable funds previously reported as premium collection.
- (16) Enter the total unidentified commissions payable funds previously reported as returned commission.
- (17) Enter the total unidentified salvage/subrogation income previously reported as salvage/subrogation recoveries.
- (18) Enter the total unidentified funds to be recorded as miscellaneous income. This entry must offset the total of Entries (15)–(17).
- (19) Enter the date the report is submitted to the FAJUA Central Processor.
- (20),(21), (22) Enter the name (typed), title and signature of an authorized individual indicating approval of the report.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

**SERVICE PROVIDER GENERAL LEDGER ACCOUNT PROOF
ACCOUNTS RECEIVABLE—DEFERRED PREMIUM**

(1) Service Provider _____ (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 + Line 24 + Line 42)		\$	
(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 42)		\$	
(17) Escheated Policyholder Refunds (Exhibit H, Line 11)		\$	
(18) Unidentified Funds (Exhibit H, Line 15)		\$	
(19) Premium Collection Fees (Exhibit H, Line 4)			
(20) Summation of the above			
[Lines (5)+(6)-(7)-(8)+(9)-(10)+(11)+(12)+ (13)+(14)+(15)-(16)+(17)+(18)-(19)]	(21)	\$	
(22) Adjustments		\$	
(23) Accounts Receivable—Deferred Premium, General Ledger Balance			
Current Month Ending _____			
[Lines (23)+(25)]	(24)	\$	

CERTIFIED BY:

(25) Date Submitted _____		(26)	Name _____
		(27)	Title _____
		(28)	Signature _____

* Service providers 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). Service providers who elect this method of accounting for advanced premiums and unapplied cash 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. Service providers 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 AIPSO will cause a variance to occur on the schedule of account reconciliation, Exhibit Z.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

**SERVICE PROVIDER GENERAL LEDGER ACCOUNT PROOF
ACCOUNTS PAYABLE—COMMISSIONS**

(1) Service Provider _____ (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 41)		\$ _____
(7) Producer Commissions (Exhibit G, Line 13)		\$ _____
(8) Returned Commissions (Exhibit F, Line 14)		\$ _____
(9) Commission Charge-Offs/Collection Expenses (Exhibit H, Line 7)		\$ _____
(10) Escheated Producer Commissions (Exhibit H, Line 12)		\$ _____
(11) Unidentified Funds (Exhibit H, Line 16)		\$ _____
(12) Summation of the above		
[Lines (5)+(6)-(7)+(8)-(9)-(10)-(11)]	(13)	\$ _____
(14) Adjustments		
(15) Accounts Payable—Commissions, General Ledger Balance		
Current Month Ending _____		
[Lines (13)+(14)]	(16)	\$ _____

CERTIFIED BY:

(17) Date Submitted _____ (18) Name _____
(19) Title _____
(20) Signature _____

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

**SERVICE PROVIDER GENERAL LEDGER ACCOUNT PROOF
CLAIMS DRAFTS OUTSTANDING**

(1) Service Provider _____ (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 60) \$ _____

(7) Allocated Claim Expenses Paid (Exhibit O, Line 64) \$ _____

(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 Voluntary Carrier
(Exhibit G, Line 12) \$ _____

(12) Outstanding Drafts (Exhibit H, Line 10) \$ _____

(13) Escheated Drafts (Exhibit H, Line 13) \$ _____

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

(15) Summation of the above

[Lines (5)+(6)+(7)+(8)-(9)-(10)-(11)-(12)-(13)+(14)] (16) \$ _____

(17) Adjustments \$ _____

(18) Claim Drafts Outstanding, General Ledger Balance

Current Month Ending _____ (19) \$ _____

CERTIFIED BY:

(20) Date Submitted _____ (21) Name _____

(22) Title _____

(23) Signature _____

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

**SERVICE PROVIDER GENERAL LEDGER ACCOUNT PROOF
ESCHEAT RESERVE**

(1) Service Provider _____ (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) Escheat Drafts (Exhibit H, Line 13) \$ _____

(8) Summation of Above
[Lines (5)+(6)+(7)] (9) \$ _____

(10) Adjustments \$ _____

(11) Escheat Reserve - General Ledger Balance

Current Month Ending _____
[Lines (9)+(10)] (12) \$ _____

CERTIFIED BY:

(13) Date Submitted _____ (14) Name _____

(15) Title _____

(16) Signature _____

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

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

(1) Service Provider _____ (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 Service Provider 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) SIGNATURE _____

(15) TELEPHONE NO. _____

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

**SERVICE PROVIDER DEPOSITORY CASH ANALYSIS
SUPPLEMENTARY SCHEDULE OF DAILY TRANSFERS FROM CENTRAL BANK**

(1) Service Provider _____ (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 Service Provider 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) SIGNATURE _____
 (15) TELEPHONE NO. _____

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

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

- (1) Enter name of service provider as it appears on the Depository Cash Analysis.
- (2) Enter the four digit identification number assigned to the service provider 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 service provider'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 Central Processor, which must coincide with line 25 of the Depository Cash Analysis.
- (12)–(15) Enter the name (typed), title, signature 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 Service Provider Disbursement Cash Analysis
Supplementary Schedule of Daily Transfers from Central Bank**

- (1) Enter name of service provider as it appears on the Disbursement Cash Analysis.
- (2) Enter the four digit identification number assigned to the service provider 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 service provider'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 Central Processor, which must coincide with line 29 of the Disbursement Cash Analysis.
- (12)–(15) Enter the name (typed), title, signature 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

(POLICIES COVERED UNDER CONTRACTS EFFECTIVE PRIOR TO JULY 1, 2004)

<u>FIELD</u>	<u># CHAR</u>	<u>POSITION</u>	<u>COMMENTS</u>
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 863 - Other Loss Recoveries (memo entry only) 990 - Total Fee Due Service Provider</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.
TYPE CODE	1	49	<p>FOR ACCOUNTS 011, 032 AND 69 ONLY:</p> <p>Insert a one position alphabetic type code as follows:</p> <p>L—Liability P—Physical Damage</p> <p>For Account 084 ONLY:</p> <p>G - If reserves are reported GROSS of anticipated salvage/subrogation N - If reserves are reported NET of anticipated salvage/subrogation</p> <p>FOR ALL OTHER ACCOUNTS, LEAVE THIS FIELD BLANK.</p>
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.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

STATISTICAL SUMMARY CONTROL

(POLICIES COVERED UNDER CONTRACTS EFFECTIVE PRIOR TO JULY 1, 2004)

ID	ACCTG CODE	STATE	SUF CODE	COMPANY CODE	ACCTG		YEAR	MONTH	DAY	MONTH	DAY	YEAR	MONTH	DAY	YEAR	MONTH	DAY
					YY	MM											
		5		10	15	20		25		30		35		40		45	

TYPE CODE	AMOUNT		YEAR	MONTH	DAY	YEAR	MONTH	DAY
	DOLLARS	CTS						
	50	55	60	65	70	75	80	

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CODING INSTRUCTIONS AND RECORD LAYOUT—STATISTICAL SUMMARY CONTROL
(POLICIES COVERED UNDER CONTRACTS EFFECTIVE JULY 1, 2004 & SUBSEQUENT)

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
(POLICIES COVERED UNDER CONTRACTS EFFECTIVE JULY 1, 2004 & SUBSEQUENT)**

FIELD	# CHAR	POSITION	COMMENTS
CLASS CODE	1	47	Insert a one position numerical class code as follows: 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.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
 ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

STATISTICAL SUMMARY CONTROL

(POLICIES COVERED UNDER CONTRACTS EFFECTIVE JULY 1, 2004 & SUBSEQUENT)

ID	ACCTG CODE	S T A T E	S U F C O D E	COMPANY CODE	ACCTG		2	2	3	3	4	4					
					YY	MM											
		5		10	15		20		25		30		35		40		45

C L A S S C O D E	T Y P E C O D E	AMOUNT		6	7	7	8	
		DOLLARS	CTS					
		50	55	60	65	70	75	80

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

CODING INSTRUCTIONS AND RECORD LAYOUT—DETAIL ACCOUNTS
(POLICIES COVERED UNDER CONTRACTS EFFECTIVE PRIOR TO JULY 1, 2004)

<u>FIELD</u>	<u># CHAR</u>	<u>POSITION</u>	<u>COMMENTS</u>
ID	1	1	Insert D.
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 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
(POLICIES COVERED UNDER CONTRACTS EFFECTIVE PRIOR TO JULY 1, 2004)**

<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</p> <p>03, 06, 09, AND 12 FOR THE FOLLOWING ACCOUNTS:</p> <p>032, 033, 034, 085, 086</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</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</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
(POLICIES COVERED UNDER CONTRACTS EFFECTIVE PRIOR TO JULY 1, 2004)

<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 style="padding-left: 40px;">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
(POLICIES COVERED UNDER CONTRACTS EFFECTIVE PRIOR TO JULY 1, 2004)

<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>

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

CODING INSTRUCTIONS & RECORD LAYOUT — DETAIL ACCOUNTS
(POLICIES COVERED UNDER CONTRACTS EFFECTIVE PRIOR TO JULY 1, 2004)

<u>FIELD</u>	<u># CHAR</u>	<u>POSITION</u>	<u>COMMENTS</u>
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</p> <p>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</p> <p>2 — Commercial Vehicles counts</p> <p>3 — Commercial Policies counts</p> <p>LEAVE THIS FIELD BLANK FOR ALL OTHER ACCOUNTS.</p>

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

CODING INSTRUCTIONS AND RECORD LAYOUT—DETAIL ACCOUNTS
(POLICIES COVERED UNDER CONTRACTS EFFECTIVE JULY 1, 2004 & SUBSEQUENT)

<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
(POLICIES COVERED UNDER CONTRACTS EFFECTIVE JULY 1, 2004 & SUSEQUENT)**

<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: 011, 012, 016, 069, 070, 081, 090</p> <p>03, 06, 09, AND 12 FOR THE FOLLOWING ACCOUNTS: 032, 033, 034, 085, 086, 091</p> <p>09 FOR THE FOLLOWING ACCOUNTS: 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: 011, 012, 016, 032, 033, 034, 069, 070, 085, 086, 090, and 091</p> <p>LEAVE THIS FIELD BLANK FOR THE FOLLOWING ACCOUNTS: 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: 016, 033, 034, 040, 041, 042, 043, 063, 085, 086, 090, and 091</p> <p>LEAVE THIS FIELD BLANK FOR THE FOLLOWING ACCOUNTS: 011, 012, 032, 069, 070, 071, 081</p>
CLASS CODE	1	47	<p>FOR ACCOUNT 069 ONLY: Insert 3 - Other Than Private Passenger</p> <p>FOR ALL OTHER ACCOUNTS: Insert a one position numerical class code as follows: 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
(POLICIES COVERED UNDER CONTRACTS EFFECTIVE JULY 1, 2004 & SUBSEQUENT)

<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 style="padding-left: 40px;">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
(POLICIES COVERED UNDER CONTRACTS EFFECTIVE JULY 1, 2004 & SUBSEQUENT)

<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 style="text-align: center;">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>

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

SERVICE PROVIDER STATISTICAL SUMMARY CONTROL

(1) COMPANY _____ (3) MONTH OF _____
 (2) REPORTING NUMBER _____ (Month and Year)

POLICIES EFFECTIVE JANUARY 1, 1998 AND SUBSEQUENT

		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) \$ _____

POLICIES COVERED UNDER CONTRACTS EFFECTIVE JULY 1, 2004 AND SUBSEQUENT

Premiums Written (for current month)	(22)	\$ _____	(23) \$ _____	(24) \$ _____
Premiums Unearned (as of previous month end)	(25)	\$ _____	(26) \$ _____	(27) \$ _____
Premiums Unearned (as of current month end)	(28)	\$ _____	(29) \$ _____	(30) \$ _____
Earned but Unbilled Premium (as of previous month end)	(31)	\$ _____	(32) \$ _____	(33) \$ _____
Earned but Unbilled Premium (as of current month end)	(34)	\$ _____	(35) \$ _____	(36) \$ _____
Premiums Earned (as of current month end)	(37)	\$ _____	(38) \$ _____	(39) \$ _____

(40) FL CAT FUND SURCHARGE				\$ _____
(41) COMMISSIONS ON PREMIUMS WRITTEN (for current month)				\$ _____
(42) PREMIUM CHARGE-OFFS				\$ _____
(43) LOSSES PAID (gross of salvage/subrogation) (for current month)				\$ _____
(44) OTHER LOSS RECOVERIES (for current month) <memo entry only>				\$ _____
(45) NET SALVAGE/SUBROGATION INCOME (for current month) <memo entry only>				\$ _____
(46) NET LOSSES PAID				\$ _____
(47) ALLOCATED CLAIM EXPENSE (for current month)				\$ _____
LOSS RESERVES (REPORTED CASE)				
(48) as of prior month end				\$ _____
(49) as of current month end				\$ _____
(50) Net Change in Loss Reserves (Reported Case)				\$ _____
IBNR LOSS RESERVES				
(51) as of prior month end				\$ _____
(52) as of current month end				\$ _____
(53) Net Change in IBNR Loss Reserves				\$ _____

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

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

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

(55) Case reserves		\$ _____	
(56) IBNR reserves		\$ _____	(57) \$ _____

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

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

(58) Case reserves \$ _____
 (59) IBNR reserves \$ _____ (60) \$ _____

NET CHANGE IN ANTICIPATED SALVAGE AND SUBROGATION

(61) Case reserves \$ _____
 (62) IBNR reserves \$ _____ (63) \$ _____

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

(65) ALLOCATED LOSS ADJUSTMENT EXPENSES PAID (for contracts that include a direct reimbursement of ALAE)
 (for activity reported July 1, 2004 and subsequent) \$ _____

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

(66) as of prior month end \$ _____
 (67) as of current month end \$ _____
 (68) Net change in allocated loss adjustment expense reserve \$ _____
 (69) INCURRED ALLOCATED LOSS ADJUSTMENT EXPENSES (for current month) \$ _____

SERVICE PROVIDER FEES REQUESTED

OPERATING AND SERVICE FEES

(70) Entry (6) x appropriate bid rate \$ _____
 (71) Entry (22) x appropriate contract rate \$ _____
 (72) Entry (23) x appropriate contract rate \$ _____
 (73) Adjustment to Operating and Service Fee Monthly Minimum, if necessary \$ _____
 (74) Total Operating and Service Fees \$ _____

CLAIM SERVICE FEES

(75) Entry (19) x appropriate bid rate \$ _____
 (76) Entry (20) x appropriate bid rate \$ _____
 (77) Entry (39) x appropriate contract rate \$ _____
 (78) Adjustment to Claim Service Monthly Minimum, if necessary \$ _____
 (79) Total Gross Claim Service Fees \$ _____
 (80) Less Allocated Claim Expense [Entry (47) and any offset needed for Entry (65)] \$ _____
 (81) Plus Allocated Loss Adjustment Expenses Paid (Entry 65) \$ _____
 (82) Total Net Claim Service Fees \$ _____
 (83) Total Net Operating and Claim Service Fees \$ _____

(84) DATE SUBMITTED _____

(85) CERTIFIED BY _____

(86) TITLE _____

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

**INSTRUCTIONS FOR COMPLETION OF SERVICE PROVIDER
STATISTICAL SUMMARY CONTROL**

- (1) Enter the name of the service provider.
- (2) Enter the four digit identification number assigned to the service provider for the identification of FAJUA business.
- (3) Enter the reporting month and year for which the report is prepared.
- (4) Enter the liability written premiums including filing fees, for the reporting month for policies effective January 1, 1998 and subsequent.
- (5) Enter the total physical damage written premiums, including filing fees, for the reporting month for policies effective January 1, 1998 and subsequent.
- (6) Enter the total written premiums for the reporting month for policies effective January 1, 1998 and subsequent. This entry must equal the sum of Entries (4) and (5).
- (7) Enter the total liability premiums unearned as of the prior month end for policies effective January 1, 1998 and subsequent. This entry must equal Entry (10) of the prior month's report.
- (8) Enter the total physical damage premiums unearned as of the prior month end for policies effective January 1, 1998 and subsequent. This entry must equal Entry (11) of the prior month's report.
- (9) Enter the total premiums unearned as of the previous month end for policies effective January 1, 1998 and subsequent. 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 liability premiums unearned as of the end of the reporting month for policies effective January 1, 1998 and subsequent.
- (11) Enter the total physical damage premiums unearned as of the end of the reporting month for policies effective January 1, 1998 and subsequent.
- (12) Enter the total premiums unearned as of the end of the reporting month for policies effective January 1, 1998 and subsequent. This entry must equal the sum of Entries (10) and (11).
- (13) Enter the total liability earned but unbilled premiums as of the prior month end for policies effective January 1, 1998 and subsequent. This entry must equal Entry (16) of the prior month's report.
- (14) Enter the total physical damage earned but unbilled premiums as of the prior month end for policies effective January 1, 1998 and subsequent. 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 for policies effective January 1, 1998 and subsequent. This entry must equal the sum of Entries (13) and (14) and also equal Entry (12) of the prior month's report.
- (16) Enter the total liability earned but unbilled premiums as of the end of the reporting month for policies effective January 1, 1998 and subsequent.
- (17) Enter the total physical damage earned but unbilled premiums as of the end of the reporting month for policies effective January 1, 1998 and subsequent.
- (18) Enter the total premiums earned but unbilled as of the end of the reporting month for policies effective January 1, 1998 and subsequent. This entry must equal the sum of Entries (16) and (17).
- (19) Enter the total liability premiums earned for the reporting month for policies effective January 1, 1998 and subsequent. This entry must equal Entry (4) plus Entry (7) minus Entry (10) minus Entry (13) plus Entry (16).
- (20) Enter the total physical damage premiums earned for the reporting month for policies effective January 1, 1998 and subsequent. 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 for policies effective January 1, 1998 and subsequent. 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).

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

- (22) Enter the private passenger written premiums, including filing fees, for the reporting month for policies covered under contracts effective July 1, 2004 and subsequent.
- (23) Enter the commercial written premiums, including filing fees, for the reporting month for policies covered under contracts effective July 1, 2004 and subsequent.
- (24) Enter the total written premiums, including filing fees, for the reporting month for policies covered under contracts effective July 1, 2004 and subsequent. This entry must equal the sum of Entries (22) and (23).
- (25) Enter the total private passenger premiums unearned as of the prior month end for policies covered under contracts effective July 1, 2004 and subsequent. This entry must equal Entry (28) of the prior month's report.
- (26) Enter the total commercial premiums unearned as of the prior month end for policies covered under contracts effective July 1, 2004 and subsequent. This entry must equal Entry (29) of the prior month's report.
- (27) Enter the total premiums unearned as of the previous month end for policies covered under contracts effective July 1, 2004 and subsequent. This entry must equal the sum of Entries (25) and (26) and also equal Entry (30) of the prior month's report.
- (28) Enter the total private passenger premiums unearned as of the end of the reporting month for policies covered under contracts effective July 1, 2004 and subsequent.
- (29) Enter the total commercial premiums unearned as of the end of the reporting month for policies covered under contracts effective July 1, 2004 and subsequent.
- (30) Enter the total premiums unearned as of the end of the reporting month for policies covered under contracts effective July 1, 2004 and subsequent. This entry must equal the sum of Entries (28) and (29).
- (31) Enter the total private passenger earned but unbilled premiums as of the prior month end for policies covered under contracts effective July 1, 2004 and subsequent. This entry must equal Entry (34) of the prior month's report.
- (32) Enter the total commercial earned but unbilled premiums as of the prior month end for policies covered under contracts effective July 1, 2004 and subsequent. This entry must equal Entry (35) of the prior month's report.
- (33) Enter the total earned but unbilled premiums as of the previous month end for policies covered under contracts effective July 1, 2004 and subsequent. This entry must equal the sum of Entries (31) and (32) and also equal Entry (36) of the prior month's report.
- (34) Enter the total private passenger earned but unbilled premiums as of the end of the reporting month for policies covered under contracts effective July 1, 2004 and subsequent.
- (35) Enter the total commercial earned but unbilled premiums as of the end of the reporting month for policies covered under contracts effective July 1, 2004 and subsequent.
- (36) Enter the total premiums earned but unbilled as of the end of the reporting month for policies covered under contracts effective July 1, 2004 and subsequent. This entry must equal the sum of Entries (34) and (35).
- (37) Enter the total private passenger premiums earned for the reporting month for policies covered under contracts effective July 1, 2004 and subsequent. This entry must equal Entry (22) plus Entry (25) minus Entry (28) minus Entry (31) plus Entry (34).
- (38) Enter the total commercial premiums earned for the reporting month for policies covered under contracts effective July 1, 2004 and subsequent. This entry must equal Entry (23) plus Entry (26) minus Entry (29) minus Entry (32) plus Entry (35).
- (39) Enter the total premiums earned for the reporting month for policies covered under contracts effective July 1, 2004 and subsequent. This entry must equal the sum of Entries (37) and (38) and also must equal Entry (24) plus Entry (27) minus Entry (30) minus Entry (33) plus Entry (36).
- (40) Enter the total FL CAT fund surcharge assessed to policyholders in accordance with state regulations.
- (41) Enter the total commissions on premiums written for the reporting month.
- (42) Enter the total premium charge-offs for the reporting month.
- (43) Enter the total losses paid, gross of salvage/subrogation and indemnity loss recoveries, for the reporting month.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

- (44) Enter the total other loss recoveries for the reporting month. This entry must balance to Exhibit F, Line (10).
- (45) 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.
- (46) Enter the total Net Losses Paid. This entry must equal Entry (43) minus Entry (44) minus Entry (45).
- (47) Enter the total allocated claim expense paid from FAJUA funds for the reporting month. (This entry is to be completed only for those service providers electing to follow the allocated claim expense optional procedure as set forth in Chapter 4, Part I, paragraph G of this document.)
- (48) Enter the total loss reserves (reported case) as of the end of the prior month. This entry must equal Entry (49) of the prior month's report.
- (49) Enter the total loss reserves (reported case) as of the end of the reporting month.
- (50) Enter the net change in loss reserves (reported case) during the reporting month. This entry must equal Entry (49) minus Entry (48).
- (51) Enter the total IBNR loss reserves as of the end of the prior month. This entry must equal Entry (52) of the prior month's report.
- (52) Enter the total IBNR loss reserves as of the end of the reporting month.
- (53) Enter the net change in IBNR loss reserves during the reporting month. This entry must equal Entry (52) minus Entry (51).
- (54) The service provider must indicate whether its reserves are reported gross or net of anticipated salvage and subrogation recoverables.
- (55) Enter the anticipated salvage and subrogation recoverables netted from case reserves as of the prior fiscal quarter. This entry must equal Entry (58) of the prior fiscal quarter's report.
- (56) Enter the anticipated salvage and subrogation recoverables netted from IBNR reserves as of the prior fiscal quarter. This entry must equal Entry (59) of the prior quarter's report.
- (57) Enter the total anticipated salvage and subrogation recoverables netted from reserves as of the prior fiscal quarter. This entry must equal Entry (60) from the prior quarter's report.
- (58) Enter the anticipated salvage and subrogation recoverables netted from case reserves as of the current fiscal quarter.
- (59) Enter the anticipated salvage and subrogation recoverables netted from IBNR reserves as of the current fiscal quarter.
- (60) Enter the total anticipated salvage and subrogation recoverables netted from reserves as of the current fiscal quarter.
- (61) Enter the net change in anticipated salvage and subrogation recoverables netted from case reserves during the fiscal quarter. This entry must equal Entry (58) minus Entry (55).
- (62) Enter the net change in anticipated salvage and subrogation recoverables netted from IBNR reserves during the fiscal quarter. This entry must equal Entry (59) minus Entry (56).
- (63) Enter the total net change in anticipated salvage and subrogation recoverables netted from reserves during the fiscal quarter. This entry must equal Entry (60) minus Entry (57).
- (64) Enter the incurred losses for the fiscal quarter. This entry must equal Entry (46) plus Entry (50) plus Entry (53) plus Entry (63).
- (65) Enter the total Allocated Loss Adjustment Expenses paid for contracts that include a direct reimbursement of ALAE activity reported July 1, 2004 and subsequent. Allocated Loss Adjustment Expenses are defined in Chapter 6. If the service provider is paying these allowed directly reimbursable expenses using JUA funds, an offsetting entry will be processed on Line 80 to adjust the service provider fees owed to the company.
- (66) Enter the total ALAE Reserves as of the end of the prior month. This entry must equal Entry (67) of the prior month's report.
- (67) Enter the total ALAE Reserves as of the end of the current month.
- (68) Enter the net change in ALAE Reserves during the month. This entry must equal Entry (67) minus Entry (66).

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

- (69) Enter the incurred Allocated Loss Adjustment Expenses for the fiscal quarter. This entry must equal Entry (65) plus Entry (68).
- (70) Enter the total Operating and Service Fee derived by multiplying Entry (6) by the appropriate bid rate.
- (71) Enter the private passenger operating and service fee derived by multiplying Entry (22) by the appropriate contract rate.
- (72) Enter the commercial operating and service fee derived by multiplying Entry (23) by the appropriate contract rate.
- (73) Enter the adjustment to the minimum operating and service fee if necessary. This is derived by subtracting Entry (71) and (72) from the appropriate monthly minimum fee as defined in the contract. If this amount is a positive number, enter this amount on Entry (73). If the amount is a negative number, enter zero.
- (74) Enter the total Operating and Service Fees. This entry must equal the sum of Entries (70), (71) (72), and (73).
- (75) Enter the total liability Claims Service Fee, derived by multiplying Entry (19) by the appropriate bid rate.
- (76) Enter the total physical damage Claims Service Fee, derived by multiplying Entry (20) by the appropriate bid rate.
- (77) Enter the total unallocated Claim Service Fee derived by multiplying Entry (39) by the appropriate contract rate.
- (78) Enter the adjustment to the minimum claim service fee if necessary. This is derived by subtracting Entry (77) from the appropriate monthly minimum fee as defined in the contract. If this amount is a positive number, enter this amount on Entry (78). If the amount is a negative number, enter zero.
- (79) Enter the total gross Claim Service Fee This entry must equal the sum of Entries (75), (76), (77) and (78).
- (80) Enter the amount of allocated claim expense paid with FAJUA funds, as shown in Entry (47). This line is also used to account for the offset needed to adjust service provider fees if the provider paid directly reimbursable LAE using the JUA disbursement account. The Central Processor will record an offset entry needed to correct the calculation of service provider fees. Since the service provider used JUA funds increases service provider fees. The offset on Line 80 will decrease fees resulting in no change to the service provider fee when combining Entries 80 and 81.
- (81) Enter the amount of Allocated LAE allowed for reimbursement from the Plan, as shown in Entry 65.
- (82) Enter the total net Claim Service Fees. This entry must equal Entry (79) minus Entry (80) plus Entry 81.
- (83) Enter the total net operating and Claim Service Fees. This entry must equal Entry (74) plus Entry (82).
- (84) Enter the date the report is submitted to the FAJUA Central Processor.
- (85) Insert the signature of an authorized individual indicating approval of the report.
- (86) Enter the title of the authorized individual approving the report.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

PREMIUMS WRITTEN

MONTH OF _____

Service Provider Name _____

Company Number _____

Date Prepared _____

Policy Year 19XX 19XX 19XX 19XX 19XX 19XX 19XX 19XX 19XX 19XX 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 must balance to the Premium Written Total on the Statistical Summary Control.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

PREMIUMS UNEARNED

AS OF _____

Service Provider Name _____
Company Number _____ Date Prepared _____

Policy Year	19XX	19XX	19XX	19XX	19XX	19XX	19XX	19XX	19XX	19XX	19XX	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 must balance to the Premiums Unearned Total on the Statistical Summary Control.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

LOSSES PAID _____
MONTH OF _____

Service Provider Name _____
Company Number _____ Date Prepared _____

Policy Year 1987		Policy Year 1988		Policy Year 1989		Policy Year 1990		Policy Year 1991		
Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year
1987	1988	1988	1989	1989	1990	1990	1991	1991	1992	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 must balance to the Losses Paid line of Monthly Statistical Summary Control.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

LOSS RESERVES _____

AS OF _____

Service Provider Name _____

Company Number _____ Date Prepared _____

Policy Year 1987		Policy Year 1988		Policy Year 1989		Policy Year 1990		Policy Year 1991		Total
Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	
1987	1988	1988	1989	1989	1990	1990	1991	1991	1992	

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 must balance to the 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 _____

Service Provider Name _____
Company Number _____ Date Prepared _____

Policy Year 1987		Policy Year 1988		Policy Year 1989		Policy Year 1990		Policy Year 1991		Total
Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	
1987	1988	1988	1989	1989	1990	1990	1991	1991	1992	

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 must 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 IN-FORCE COUNT

Service Provider _____

Month of _____
(Month and Year)

Reporting 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**

Service Provider _____

Month of _____ 20

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

Service Provider: _____
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					
19					
20					
23					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
51					
52					
53					
54					
55					
56					
57					
58					
59					
60					
61					
62					
63					

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

Service Provider: _____

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					
71					
72					
73					
74					
75					
76					
77					
78					
79					
80					
81					
82					
83					
84					
85					
86					
87					
88					
89					
90					
91					
92					
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

Service Provider Name _____

Month of _____
(month and year)

PRIVATE PASSENGER:

PIP and PDL Only _____

Physical Damage Only _____

All Other _____

Total _____

_____ %

_____ (PIP)

Total Private Passenger

COMMERCIAL:

PIP and PDL Only _____

All Other _____

Total _____

_____ %

_____ (PIP)

Total Commercial

TOTALS:

All PIP and PDL _____

All Physical Damage Only _____

All Applications _____

_____ (PIP)

(All Applications)

_____ %

POLICIES IN FORCE:

Private Passenger _____

Other Than Private Passenger _____

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

FAJUA SERVICE PROVIDER TRIAL BALANCE

	Debit	Credit
Assets		
Cash in Bank		
Service Provider Bank Account – Depository		
Service Provider Bank Account - Disbursement		
Accounts Receivable		
Accounts Receivable–Salvage Subrogation & Other Loss Recoveries		
Service Provider - Deferred Premium		
Florida CAT Fund Surcharge		
Liability and Net Worth		
Transfers to and from Central Bank		
Accrued Commissions Payable Service Provider		
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 - Service Provider		
Outstanding Drafts - Service Provider		
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		
Change in Allocated Loss Adjustment Reserves		

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

Change in Earned but Unbilled Premium Reserve	_____	_____
Miscellaneous Income	_____	_____
Drafts Charged Off	_____	_____
Quarter Ending XX/XX/XX	_____	_____

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

SERVICE PROVIDER SUBLEDGER ACTIVITY REPORT

Company 1992-1993 Premium	Disb. Acct. Policy- Holders Refunds DR.	Disb. Acct. Premium Installment Fee DR.	Disb. Acct. Ret Check Premium DR.	Ret Premium Collection CR.	Dep. Acct. Premium Installment Fees CR.	Dep. Acct. Policy- Holders Ret'd Checks CR.	Dep. Acct. Ret'd Check Premium DR.	Dep. Acct. Premium Collection Fees CR.	Dep. Acct. Policy-Holders Refunds DR.	Dep. Acct. Unidentified Funds 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. 1992																
Nov. 1992																	
Dec. 1992																	
Jan. 1993																	
Feb. 1993																	
Mar. 1993																	
Apr. 1993																	
May 1993																	
June 1993																	
July 1993																	
Aug. 1993																	
Sep. 1993																	
1992-1993	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	0.00	0.00
1991-1992																	
1990-1991																	
1989-1990																	
1988-1989																	
1987-1988																	
Incp-1987 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	0.00	0.00

* Service providers who are recording a reclassification entry for advanced premium collections on their General Ledger should complete Entry (16). Service providers 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. Service providers 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 schedule of account reconciliation, Exhibit Z.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

SERVICE PROVIDER SUBLEDGER ACTIVITY REPORT

Company 1992-1993 Commission	Dep. Acct. Returned Commissions CR.	Dep. Acct. Commissions Charge Off DR.	Dep. Acct. Producer Commissions DR.	Dep. Acct.Unidentified Funds DR.	Disb. Acct. Producer Commissions DR.	Stat Sum Commissions Written CR.	Prior Year Adjusting JEs	Total
October 1992								0.00
November 1992								0.00
December 1992								0.00
January 1993								0.00
February 1993								0.00
March 1993								0.00
April 1993								0.00
May 1993								0.00
June 1993								0.00
July 1993								0.00
August 1993								0.00
September 1993								0.00
1992-1993	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1991-1992								
1990-1991								0.00
1989-1990								0.00
1988-1989								0.00
1987-1988								0.00
Incep-1987 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

SERVICE PROVIDER SUBLEDGER ACTIVITY REPORT

Company 1992-1993 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	Dept. Acct. Drafts Charged Off DR	Dept. Acct. Drafts Outstanding CR	Stat. Sum Gross Losses Paid CR	Stat Sum Claim Expense CR	Prior Year Adjusting JEs	Total
Oct. 1992											
Nov. 1992											
Dec. 1992											
Jan. 1993											
Feb. 1993											
Mar. 1993											
Apr. 1993											
May 1993											
June 1993											
July 1993											
Aug. 1993											
Sep. 1993											
1992-1993	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1991-1992											
1990-1991											
1989-1990											
1988-1989											
1987-1988											
Incep-1987											
Adjustments	0.00	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

SERVICE PROVIDER SUBLEDGER ACTIVITY REPORT

Company 1992 –1993 Escheat	Disb. Acct. Escheat Checks CR	Disb. Acct. Escheat Drafts CR	Prior Year Adjusting JEs	Total
Oct. 1992				0.00
Nov. 1992				0.00
Dec. 1992				0.00
Jan. 1993				0.00
Feb. 1993				0.00
Mar. 1993				0.00
Apr. 1993				0.00
May 1993				0.00
June 1993				0.00
July 1993				0.00
Aug. 1993				0.00
Sep. 1993				0.00
1992-1993	0.00	0.00	0.00	0.00
1991-1992				
1990-1991				0.00
1989-1990				0.00
1988-1989				0.00
1987-1988				0.00
Incep-1987				
Adjustments	0.00	0.00	0.00	0.00

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

SERVICE PROVIDER SUBLEDGER ACTIVITY REPORT

Company xxx1 A/R Sal/Sub and Other Loss Rec	Dep. Acct. Other Loss Rec. CR.	Dep. Acct. Sal/Sub CR.	Dep. Acct. Return Check Collection CR.	Dep. Acct. Ret Check Other Loss Rec. DR.	Dep. Acct. Ret Check Sal/Sub DR.	Dep Acct. Unidentified Funds Sal/Sub DR.	Disb. Acct. Sal/Sub DR.	Disb. Acct. Ret. Check Other Loss Rec. DR.	Disb. Acct. Ret. Check Sal/Sub DR.	Disb. Acct. Unidentified Funds DR.	Stat. Sum. Other Loss Recovery DR.	Stat. Sum. Sal/Sub DR.	Total
Oct. Xxx1													
Nov. Xxx1													
Dec. Xxx1													
Jan. Xxx1													
Feb. Xxx1													
Mar. Xxx1													
Apr. Xxx1													
May Xxx1													
June Xxx1													
July Xxx1													
Aug. Xxx1													
Sep. Xxx1													
Xxx1	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	

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 _____

Date Prepared _____

*TAX TOWN	PRIVATE PASSENGER			OTHER THAN PRIVATE PASSENGER		
	LIABILITY	PHYSICAL DAMAGE		LIABILITY	PHYSICAL DAMAGE	
	BI	PD	COLLISION	BI	PD	COLLISION

** 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 SERVICE PROVIDER 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: _____

Date Prepared: _____

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

Private Passenger

On Losses Incurred in*	Liability	Physical Damage
Prior		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
Total		

Other than Private Passenger

On Losses Incurred in*	Liability	Physical Damage
Prior		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
19XX		
Total		

* Years reported for salvage and subrogation data are in accordance with NAIC reporting requirements.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

ANNUAL REPORT OF SALVAGE/SUBROGATION RECOVERIES

Fiscal Year Ending September 30, 19____

Service Provider _____

Company No. _____

Date Prepared: _____

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

OPERATING STATEMENT
CALENDAR YEAR 20__

Service Provider _____

Nonclaim Activity

Income:

Operating Service Fee \$ _____

Installment Fees \$ _____

Total Income \$ _____

Expense:

Other Acquisition, Field

Supervision and Collection

Expenses Incurred \$ _____

General Expenses Incurred \$ _____

Taxes, Licenses, and Fees Incurred \$ _____

Start-Up Expenses Incurred \$ _____

Total Expenses \$ _____

Net Income/(Expense)—Nonclaim Activity \$ _____

Claim Activity

Income:

Claim Service Fee (Current Year) \$ _____

Total Income \$ _____

Expense:

Loss Adjustment Expenses Incurred \$ _____

Net Income/(Expense)—Claim Activity \$ _____

Net Total Income/(Expense) \$ _____

Date: _____

By: _____

(Name and Title)

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

Annual Operating Statement

Notes:

1. Other acquisition, field supervision, and collection expenses incurred should reflect the same expense elements as included in the corresponding line of the Insurance Expense Exhibit.
2. General expenses Incurred should reflect the same expense elements as included in the corresponding line of the Insurance Expense Exhibit. This entry should also include provision for a reserve for anticipated runoff policy service expenses that the company will continue to incur should the company cease to be a service provider.
3. Taxes, licenses, and fees incurred should generally reflect the same expense elements as included in the corresponding line of the Insurance Expense Exhibit. Taxes such as state and local insurance taxes would not apply. Office of Insurance Regulation licenses and fees and all other taxes would be appropriate if incurred, but primarily payroll taxes incurred by the company on behalf of employees working on FAJUA data should be shown.
4. Start-up expenses Incurred apply only to service providers newly appointed on and after January 1, 1987. This entry should reflect the expenses incurred in gearing up to perform as a service provider.
5. Loss adjustment expenses incurred should reflect the same expense elements as included in the corresponding line of the Insurance Expense Exhibit. This entry should also include provision for a reserve for anticipated future claim service expenses.

Note: The expenses mentioned above should include the total costs involved in the acquisition, servicing, maintenance, and reporting necessary for the proper handling of this business.

These costs should include all salaries, rent, furniture, and other supportive costs that are incurred in 1) the direct acquisition and servicing of the policies, 2) the claim reporting, processing, and settlement functions and 3) overhead costs of related company supportive activities such as data processing, accounting, and statistical and other managerial services.

In the event that a service provider ceases to service FAJUA business, the service provider will have the responsibility to service in-force policies for at least one year from the termination date as a service provider or until all policies have expired. Claims will continue to be handled until fully settled as set forth in Chapter 12 of the document. Since the service provider's income will diminish, it will be necessary to establish a reserve (defer some of the income) to cover the runoff expenses. In establishing this reserve, the service provider may use as a base the expense incurred during the previous year's operation and in determining the expense needed to handle the runoff apply the percentage to income and establish the reserve, or the service provider may use alternative methods, as long as the reserve, in their best judgment, represents that portion of these costs that would be necessary to 1) service existing policies until expiration, and 2) report, process, and settle all outstanding claims and claims that will occur on unexpired policies. Overhead costs associated with these functions should be thoroughly reviewed and considered in the establishment of the reserve mentioned in Notes 2 and 5 above. That reserve should be updated annually and the report for a given calendar year should reflect the net change in the reserve.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

AUTOMOBILE PHYSICAL DAMAGE OTHER THAN COLLISION INSURANCE LOSSES

Catastrophe: _____

Quarter Ending: _____

Service Provider Name: _____

Catastrophe Number: _____

Company Number: _____

Policy Year	Accident Date	Private Passenger Nonfleet		All Other	
		Paid	Outstanding	Paid	Outstanding
1994					
1994					
Subtotal					
1995					
1995					
Subtotal					
TOTAL PAID					
TOTAL OUTSTANDING:					

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

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

Service Provider Name: _____ State: _____

Company Code: _____ Date Prepared: _____

Private Passenger

Accident Year

	19XX	19XX	19XX	19XX	19XX	19XX	19XX	19XX	19XX	Total
Bodily Injury*										
PIP										
Property Damage										
Total Liability										
Collision										
O/T Collision										
Total Physical Damage										

Other than Private Passenger

Accident Year

	19XX	19XX	19XX	19XX	19XX	19XX	19XX	19XX	19XX	Total
Bodily Injury*										
PIP										
Property Damage										
Total Liability										
Collision										
O/T Collision										
Total Physical Damage										

Method of counting claims: _____

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**

Service Provider Name: _____ State: _____

Company Code: _____ Date Prepared: _____

Private Passenger

	Accident Year										
	Prior	19XX	19XX	19XX	19XX	19XX	19XX	19XX	19XX	19XX	Total
Bodily Injury*											
PIP											
Property Damage											
Total Liability											
Collision											
O/T Collision											
Total Physical Damage											

Other than Private Passenger

	Accident Year										
	Prior	19XX	19XX	19XX	19XX	19XX	19XX	19XX	19XX	19XX	Total
Bodily Injury*											
PIP											
Property Damage											
Total Liability											
Collision											
O/T Collision											
Total Physical Damage											

Method of counting claims: _____

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**

Service Provider Name: _____ State: _____

Company Code: _____ Date Prepared: _____

Private Passenger

	Accident Year									
	Prior	19XX	19XX	19XX	19XX	19XX	19XX	19XX	19XX	Total
Bodily Injury*										
PIP										
Property Damage										
Total Liability										
Collision										
O/T Collision										
Total Physical Damage										

Other than Private Passenger

	Accident Year									
	Prior	19XX	19XX	19XX	19XX	19XX	19XX	19XX	19XX	Total
Bodily Injury*										
PIP										
Property Damage										
Total Liability										
Collision										
O/T Collision										
Total Physical Damage										

Method of counting claims: _____

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**

Service Provider Name: _____ State: _____

Company Code: _____ Date Prepared: _____

Private Passenger

	Accident Year										
	Prior	19XX	19XX	19XX	19XX	19XX	19XX	19XX	19XX	19XX	Total
Bodily Injury*											
PIP											
Property Damage											
Total Liability											
Collision											
O/T Collision											
Total Physical Damage											

Other than Private Passenger

	Accident Year										
	Prior	19XX	19XX	19XX	19XX	19XX	19XX	19XX	19XX	19XX	Total
Bodily Injury*											
PIP											
Property Damage											
Total Liability											
Collision											
O/T Collision											
Total Physical Damage											

Method of counting claims: _____

Please complete the applicable sections.

*Bodily injury should include medical payments and uninsured motorist.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

FLORIDA TAKE-OUT CREDIT REQUEST

Mail to: AIPSO, Statistical Production, 302 Central Avenue
Johnston, RI, 02919

Company Name: _____

Co. #: _____ List # _____

We hereby request the following credit for policies written during the month of _____ (enter month and year).

	Liability (exclude PIP)	PIP
1. Premiums		
2. Exposures	_____	_____
3. Avg. Prem. Per Exp.	_____	_____
4. Avg. Prem. on Previous Report	_____	_____

We hereby certify that the premiums and exposures requested have been reviewed and certified as being in accordance with the take-out provisions as adopted by the FAJUA. We agree to furnish detailed supporting data and a physical audit of our records to substantiate the credits and exposures as stated in this report if requested by AIPSO.

(Authorized Signature)

(Print Name and Title)

(Company Name)

(Company Address)

Date Submitted: _____

1. List No.: Assigned by the company; numbered in logical sequence.
2. Exposures: Number of vehicles producing premium for which credit is requested.
3. Average Premium: Divide exposures into premium.
4. Premiums: Report in whole dollars not in dollars and cents.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

STATEMENT OF ASSETS, LIABILITIES AND MEMBERS' EQUITY

AS OF _____

ASSETS

Cash (Overdraft)
Central Bank
Service Provider
Central Processor
Petty Cash

Total Cash (Overdraft)

Investments

Service Provider - Deferred Premium
Accounts Receivable:
Service Provider Account Balances
Salvage Subrogation and Other Loss Recovery
Membership Fees
Member Companies
Accrued Interest
Commissions
Florida CAT Fund Surcharge
Other

Total Accounts Receivable

Total Assets

LIABILITIES AND MEMBERS' EQUITY (DEFICIT)

Unearned Premiums
Premium Deficiency Reserve
Earned but Unbilled Premium Reserve
Loss Reserves (including IBNR)
Allocated Loss Adjustment Expense Reserves
Outstanding Drafts
Central Bank Disbursements
Outstanding Checks - Service Providers
Expense Contra
Exchange Checks
Escheat Reserves

Accounts Payable:
Service Provider Fees—Claims
Service Provider Fees—Operating
Service Provider Fees—Collections
Accrued Expenses
Advanced Premium Liability
Unapplied Cash Liability
AIPSO
Florida 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
Service Provider Fee Claims LAE
Service Provider 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 Services
Observances
Tuition Reimbursement
Empl. Gath. Out and Awards
Pension
Workman's Compensation
Fidelity Bond
Employee Travel (Life)
Special Multi-Peril
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.
Repair of Word Processor
Office Equip. Ed Seminar
Stationery and Supl. Gen
Printing of Manuals
Printing of Forms
Books, News, Periodical
Employee Newsletter
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
Service Providers—Adjustments
Losses Paid Charged Off
Workshop Seminars
Card Key Security System
Other
Educational Seminars
Investment Expense
Bad Dept
Payroll Processing Chgs.
Subscript and Due—Prof
Misc Claim Discontinued
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
Earned but Unbilled Premium Reserve						
Unearned Premium						
Loss Reserve						
IBNR Loss Reserve						
Anticipated Salvage						
Net Loss Reserves	=====	=====	=====	=====	=====	=====
Premium Deficiency Reserve						

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 Service Fees									
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 _____									
Claim Service Fees 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 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	19XX	19XX	19XX	19XX	19XX	19XX	19XX	19XX	19XX	19XX	Total
Premiums Written											
Commissions Written											
Operating Service Fees											
Claim Service Fees											
Allocated LAE Paid											
Losses Paid											
Miscellaneous Expense											
Charge-offs											
Investment Income											
Balance Receivable/Payable											
Nonledger Liability Transactions											Fiscal YTD
Premium In Force											
Premium Unearned											
Loss Reserve—Case Basis											
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**

Service Provider 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
19XX						
19XX						
19XX						
19XX						
19XX						
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
19XX						
19XX						
19XX						
19XX						
19XX						
Total						

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

Catastrophe: _____ Quarter Ending: _____
 Service Provider Name: _____ Catastrophe Number: _____
 Company Number: _____
 Total FAJUA Losses Incurred as of _____

Policy Year	Accident Date	Private Passenger Nonfleet		All Other	
		Paid	Outstanding	Paid	Outstanding
1994					
1994					
<hr/>					
Subtotal					
<hr/>					
1995					
1995					
<hr/>					
Subtotal					
<hr/>					
TOTAL PAID					
<hr/>					
TOTAL OUTSTANDING:					
<hr/>					

**DEC. / XX 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, you will find with this statement a check for the full amount. 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 the carbon 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.

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

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

A. Total net participation amount—Policy Year _____ to date (Line _____ Column H 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 H of CA-1 Detail)	\$
D. Your company's net share as of last period (Line _____ Column I of CA-1 Detail)	\$
E. Your company's net share for this period (Line _____ Column J 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
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CASH ACTIVITY REPORT DETAIL

COMPANY _____ CO. NO. _____

Policy Year	Accounts	Net Payable/Receivable				Assessment/Disbursement of Cash			
		PPNF Liability	PPNF Phy. D.	O/T PPNF Liability	O/T PPNF Phy. D.	All Coverages	Current Period	Previous Period	Net Due
19X1	Overall Ratio								
	Comp.								
19X2	Overall Ratio								
	Comp								
19X3	Overall Ratio								
	Comp								
19X4	Overall Ratio								
	Comp								
19X5	Overall Ratio								
	Comp								
19X6	Overall Ratio								
	Comp								
19X7	Overall Ratio								
	Comp								
19X8	Overall Ratio								
	Comp								
Total	Overall Ratio								
	Comp								

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

PREMIUM CHARGE-OFFS—

FISCAL MONTH ENDING _____

Company Name: _____

Company Number: _____ Date Prepared: _____

Policy Year	1996	1997	1998	1999	2000	2001	Total
Private Passenger							
Liability							
Physical Damage							
Other than Private Passenger							
Liability							
Physical Damage							
Month Total*							

*Total must balance to the premium charge-off entry on the Statistical Summary Control Report.

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EARNED BUT UNBILLED PREMIUM (EBUB)

AS OF _____

Company Name _____

Company Number _____

Date Prepared _____

Policy Year 19XX 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 must balance 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 _____ Date Prepared _____

ANTICIPATED SALVAGE AND SUBROGATION RECOVERABLES INCLUDED IN REPORTED CASE RESERVES:

Policy Year 1997		Policy Year 1998		Policy Year 1999		Policy Year 2000		Policy Year 2001		Total
Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	
1997	1998	1998	1999	1999	2000	2000	2001	2001	2002	

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

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ANTICIPATED SALVAGE AND SUBROGATION RECOVERABLES INCLUDED IN REPORTED IBNR RESERVES:

	Policy Year 1997		Policy Year 1998		Policy Year 1999		Policy Year 2000		Policy Year 2001		
	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Total
	1997	1998	1998	1999	1999	2000	2000	2001	2001	2002	
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 must balance to the anticipated salvage and subrogation line of the Statistical Summary Control.

FLORIDA AUTOMOBILE JOINT UNDERWRITING ASSOCIATION
ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

ALLOCATED LOSS ADJUSTMENT EXPENSES PAID _____

MONTH OF _____

Company Name _____

Company Number _____ Date Prepared _____

Policy Year 2004		Policy Year 2005		Policy Year 2006		Policy Year 2007		Policy Year 2008		Total
Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	
2004	2005	2005	2006	2006	2007	2007	2008	2008	2009	

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 must balance to the Allocated Loss Adjustment Expense Paid line of 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 _____ Date Prepared _____

Policy Year 2004		Policy Year 2005		Policy Year 2006		Policy Year 2007		Policy Year 2008		Total
Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	Acc. Year	
2004	2005	2005	2006	2006	2007	2007	2008	2008	2009	

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 must balance to the Allocated Loss Adjustment Expense Reserve line of the Quarter Ending Monthly Statistical Summary Control.

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Accounting and Statistical Requirements Manual

A. EFFECTIVE DATES

Chapter 1	Effective June 2, 2014	Exhibit AA	Effective June 2, 2014
Chapter 2	Effective January 1, 2015	Exhibit BB	Effective June 2, 2014
Chapter 3	Effective January 1, 2015	Exhibit CC	Effective June 2, 2014
Chapter 4	Effective June 2, 2014	Exhibit DD	Effective June 2, 2014
Chapter 5	Effective June 2, 2014	Exhibit EE	Effective June 2, 2014
Chapter 6	Effective June 2, 2014	Exhibit FF	Effective June 2, 2014
Chapter 7	Effective June 2, 2014	Exhibit GG	Effective June 2, 2014
Chapter 8	Effective June 2, 2014	Exhibit HH	Effective June 2, 2014
Chapter 9	Effective June 2, 2014	Exhibit II	Effective June 2, 2014
Chapter 10	Effective June 2, 2014	Exhibit JJ	Effective June 2, 2014
Chapter 11	Effective June 2, 2014	Exhibit KK	Effective June 2, 2014
Chapter 12	Effective June 2, 2014	Exhibit LL	Effective June 2, 2014
Chapter 13	Effective June 2, 2014	Exhibit MM	Effective June 2, 2014
Chapter 14	Effective June 2, 2014	Exhibit NN	Effective June 2, 2014
Chapter 15	Effective June 2, 2014	Exhibit OO	Effective June 2, 2014
Chapter 16	Effective June 2, 2014	Exhibit PP	Effective June 2, 2014
Chapter 17	Effective June 2, 2014	Exhibit QQ	Effective June 2, 2014
Chapter 18	Effective June 2, 2014	Exhibit RR	Effective June 2, 2014
		Exhibit SS	Effective June 2, 2014
Exhibit A	Effective June 2, 2014	Exhibit TT	Effective June 2, 2014
Exhibit B	Effective June 2, 2014	Exhibit UU	Effective June 2, 2014
Exhibit C	Effective June 2, 2014	Exhibit VV	Effective June 2, 2014
Exhibit D	Effective June 2, 2014	Exhibit WW	Effective June 2, 2014
Exhibit E	Effective June 2, 2014		
Exhibit F	Effective June 2, 2014		
Exhibit G	Effective June 2, 2014		
Exhibit H	Effective June 2, 2014		
Exhibit I	Effective June 2, 2014		
Exhibit J	Effective June 2, 2014		
Exhibit K	Effective June 2, 2014		
Exhibit L	Effective June 2, 2014		
Exhibit M	Effective June 2, 2014		
Exhibit N	Effective June 2, 2014		
Exhibit O	Effective June 2, 2014		
Exhibit P	Effective June 2, 2014		
Exhibit Q	Effective June 2, 2014		
Exhibit R	Effective June 2, 2014		
Exhibit S	Effective June 2, 2014		
Exhibit T	Effective June 2, 2014		
Exhibit U	Effective June 2, 2014		
Exhibit V	Effective June 2, 2014		
Exhibit W	Effective June 2, 2014		
Exhibit X	Effective June 2, 2014		
Exhibit Y	Effective June 2, 2014		
Exhibit Z	Effective June 2, 2014		