

Proposed Amendments to Chapter 4, 6, and 9 and Exhibits G and O

Defining the Issue

The proposed changes are to document two existing procedures which are allowed by the Plan but are not properly disclosed in the Accounting and Statistical Requirements manual.

Action Needed

Please review this proposal with the Board of Governors and, if appropriate, approve the amendment to be filed with the Office of Insurance Regulation.

Proposal

One of the attached manual changes is to properly document in the Accounting and Statistical Manual, a procedure required by the FAJUA for servicing providers to provide, on a daily basis, a detailed check register or listing of checks issued by the provider. Notification of checks issued is essential to FAJUA to have the ability to more effectively manage cash and investment decisions.

The second manual change concerns the payment of allocated loss adjustment expenses. The current manual requires that the servicing provider issue checks for directly reimbursable allocated loss adjustment expenses using their voluntary funds and then seek reimbursement from the FAJUA. The proposed manual change will document an approved optional procedure which allows the servicing provider (with permission from the Plan) to issue these directly reimbursable expenses from the FAJUA servicing provider disbursement bank account and forgo the reimbursement.

Impact

Servicing providers are currently complying with the notification requirement and therefore, will be unaffected by the proposed manual changes which essentially documents this pre-existing procedure.

Servicing providers who would like to continue to utilize the "old" procedure for reimbursement of ALAE will not be affected by this change. Provider's electing the new optional procedure should contact the Central Processor and the FAJUA for information on the process and to obtain the required authorization. Some set up work is required in order to accommodate the new optional procedure for issuance of ALAE checks from the servicing provider bank account.

Background

The providers currently have the capability of producing the required check information and have been providing this information to the FAJUA for some time. The notification requirement of the amount of checks being issued by the servicing provider is one of cash management. When the FAJUA was experiencing periods of the large and frequent assessments, getting a better understanding of the timing of disbursements was very important to the management of the cash flow. The FAJUA is attempting to merely document this requirement in the A&S Manual.

The ALAE optional procedure is a result of a provider questioning the process of funding ALAE . The current documented procedure required that the provider front the ALAE funds and then seek reimbursement from the Plan for these expenses. During conversations with the provider and the Plan, a proposed new process was developed. This process allowed the provider to use the JUA funds to pay for ALAE directly and then forgo the reimbursement. This proposed procedure also streamlined the process of paying ALAE by the provider. The FAJUA Manager approved the alternative procedure and the required minor system changes to accommodate this process but had not until this point documented it in the manual.

Proposed Changes

Chapters 4, 6 and 9 and Exhibits G and O reflect the manual revisions necessary to implement the daily requirement for servicing providers to provide a detailed check register, as well as the optional procedure available to servicing providers to issue directly reimbursable expenses from the FAJUA servicing provider disbursement bank account and forgo the reimbursement.

Attachments

Florida Automobile Joint Underwriting Association Accounting and Statistical Requirements Manual Chapters 4, 6, and 9, as well as Exhibits G and O.

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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 Servicing Provider.

PART I. SERVICING PROVIDER JOINT UNDERWRITING ASSOCIATION BANK ACCOUNTS

A. Depository Account

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

The Servicing 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 Servicing 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 Servicing Provider bank account, with due notice to the Servicing Provider involved.

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

1. Deposit Content

All monies received by the Servicing 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 Servicing 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 Servicing 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 Servicing Provider will cause to be transferred from the depository bank to the central bank the funds available for transfer. A Servicing 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 Servicing Provider elect to compensate the bank through compensating balances, the Servicing 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 Servicing Provider. ❖

B. Disbursement Account

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

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drafts/company checks, paying producers commissions, policyholder refunds and any other properly authorized disbursement of FAJUA funds at the Servicing Provider level. If the carrier desires to utilize multiple accounts for the payment of claims, commissions, policyholder refunds, or other properly authorized disbursement of FAJUA funds, it may do so at its expense.

The Bank Resolution will authorize the Servicing Provider to control the account and will also prescribe those Servicing Provider individuals having authority to disburse funds from the account. In addition to Servicing Provider personnel, the Bank Resolution will also authorize appropriate personnel of the FAJUA to control the account. The Servicing 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 Servicing Provider bank account, with due notice to the Servicing 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. Servicing 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 Servicing Providers to follow with regards to notifying the FAJUA office of checks being issued. Servicing 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 Servicing 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 Servicing 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 Servicing Provider/FAJUA Disbursement Account will be used by the Servicing 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 Servicing Provider in a format selected by the Servicing 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:

- Setting losses
- Refunds of deductible amounts recovered from subrogation collections
- Payment of producers' commissions
- Premium refunds
- Payment to Servicing 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 Servicing 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 carrier's own voluntary company instruments.

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

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who do not normally service the State are to be paid by the Servicing Provider utilizing their standard voluntary company draft/check forms. Servicing Providers are responsible for the actions of representatives to whom they have provided payment instruments. The Servicing Provider will then be reimbursed for these out-of-state claims by a check issued from the FAJUA Servicing Provider disbursement account. Detail records must be maintained by the Servicing 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 Servicing Provider is to be reimbursed by a draft/check issued from the FAJUA Servicing Provider disbursement account. Detail records maintained by the Servicing 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 Servicing Provider. Detail records maintained by the Servicing 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 Servicing Provider utilizing its standard voluntary company draft/check forms. The Servicing 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 Servicing 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

Servicing 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 Servicing Provider's failure to comply with IRS Requirements will be the responsibility of the Servicing 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 Servicing Provider may delay issuance of the payment for up to 30 days. If, at the end of that period, the applicable TIN is not available, the Servicing Provider will issue a check/draft payable to the service provider in the amount of 69% of the amount due. The Servicing Provider will also be responsible for remitting 31% of the amount due to the IRS. Servicing 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 Servicing 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.

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

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e. Commission Disbursement Instruments

After the Monthly Producer Commission Statement has been prepared, the monthly payment of commissions will be by checks issued from the FAJUA Servicing 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 Servicing 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 Servicing Provider for reconciliation.

In accordance with the cash management program established by the FAJUA, the Servicing Provider may receive information as to the amount of funds transferred from the Central Bank account to the Servicing Providers' disbursement account. The amount to be reported to the Servicing 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 Servicing Provider. ❖

C. Lines of Communication with the Banks

The Servicing Provider will establish a relationship and lines of communication with the depository

bank and the disbursement bank concerning:

1. Concentration of Servicing 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 Servicing 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 Servicing 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. Servicing Provider Bank Resolutions

Bank Resolutions will be prepared by the Servicing 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.

G. Allocated Claim Expense Optional Procedure

Servicing Providers handle the payment/reimbursement of allocated claim expenses differently depending on their contract terms. Some Servicing Providers are

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compensated for allocated and unallocated claim expenses through their Servicing Provider claim fees as a percentage of earned premium. Other Servicing Providers have a contract containing a provision for directly reimbursable allocated claim expenses and receive compensation for their unallocated claim expenses through their Servicing Provider claim fees as a percentage of earned premium.

1. Servicing Providers compensated for allocated claim expenses through their Servicing Provider claim fees

Normally, allocated claim expenses will not be paid from the FAJUA Servicing Provider disbursement account because the Claim Service Fee constitutes payment to the Servicing Provider for reimbursement of all claim expenses, both allocated and unallocated. As an optional procedure, a Servicing 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 Servicing 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 Servicing Provider.

2. Servicing Providers receiving a direct reimbursement of allocated claim expenses as defined in their contract

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

As an optional procedure, the Servicing Provider may, after obtaining permission from the association manager, pay eligible allocated claim expenses using the JUA bank account. In this option, the Servicing 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 Servicing 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 Servicing Provider fees to exclude allocated claim expenses from the fee amount owed. Servicing 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 Servicing Provider will maintain the detailed listing of escheated items which should reconcile to the Servicing Provider's internal ledger account.

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

The Servicing 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.

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

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and transferred from the Central Bank must be prepared and filed monthly by each Servicing 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 Servicing 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 Servicing 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 Servicing 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 Servicing 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. **Servicing Provider Unreconciled Differences for Reports Submitted to AIPSO**

As part of the monthly statistical reporting requirements to AIPSO, each Servicing 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. **Servicing Provider Responsibility for Internal Control**

Each Servicing 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.

Servicing Providers shall utilize and apply to FAJUA transactions the accounting systems and internal controls utilized and applied to their voluntary business. Servicing 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: SERVICING PROVIDER DATA PROCES-SING REPORTS

A. **Servicing Provider Responsibility**

Each Servicing 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 Servicing Provider's independent statistical agency, by

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

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- d. uninsured motorists;
- e. property damage.
- 6. physical damage separated by
 - a. collision;
 - b. other than collision.

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

B. Servicing Provider Data Submission

Each Servicing 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.

Servicing Providers must contact the Central Processor for data reporting options and specifications. For those carriers electing to report

via magnetic tape or 3480 cartridge, 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: Servicing 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 Servicing Provider fees.

In addition, the following reports are required to be submitted on hard copy by Servicing 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

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

Written premium 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

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

3. Losses Paid

The monthly paid loss figures 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 the Servicing 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)~~ 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, Servicing Providers will receive direct reimbursement for allocated loss adjustment expenses (ALAE) as defined in the Servicing Provider agreement. Servicing 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 Servicing Provider will record the same entries on the ALAE paid exhibits but will forego the Servicing Provider reimbursement of these expenses.

Allocated loss adjustment expenses, where required, are to be reported under a separate transaction type shown in the

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coding section and will be reported monthly by the Servicing Providers as indicated below.

b. The monthly Allocated LAE figures are indicated by

(1) Policy Year and Accident Year

(2) Line of Business

Liability

Physical Damage

(3) Class

Private Passenger

Other than Private Passenger

(4) Coverage

Bodily Injury

Personal Injury Protection

Medical Payments

Uninsured Motorists

Property Damage

Collision

Other than Collision

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

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

c. The final total from the report is used to verify the amount of Allocated LAE reported on the Statistical Summary Control. ~~For expenses paid with an accounting date of July 1, 2004 and subsequent, Servicing Providers will receive direct reimbursement for allocated loss adjustment expenses (ALAE) as defined in the Servicing Provider agreement. These allocated loss adjustment expenses paid will be reported monthly by the Servicing Providers, indicated by line of business and accident year within policy year.~~

~~(1) Allocated loss adjustment expenses, where required, are to be reported~~

~~under a separate transaction type shown in the coding section and will be reported in the same detail as losses.~~

~~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 Servicing 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 Servicing Provider will submit a report to August 2007 Distribution

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Chapter 9

FLORIDA JOINT UNDERWRITING ASSOCIATION ACCOUNTING BOOKS, CONTROLS, AND RECORDS

A. Accounting Ledgers

Normal ledgers for consolidation of the various Servicing 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 Servicing 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
- Servicing Provider Bank Account

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

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

These figures will be supported by Servicing Provider detail records on premiums outstanding and not collected.

- Servicing 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—Servicing Provider

These figures will be supported by Servicing Provider detail records on commissions not paid.

- Accrued Servicing Provider Fee Payable— Operating and Service
- Accrued Servicing 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—Servicing Provider
- Outstanding Drafts—Servicing 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
- ★Filing Fee Income❖
- Servicing Provider Fees
Operating
Claim Expense
- Collection Expenses

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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 Servicing Provider operations from the Servicing Providers; namely, separate Servicing Provider Monthly Cash Analysis reports for the Depository Account, the Disbursement Account, and the miscellaneous journal vouchers (Exhibits F, G, and H) and the Servicing 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. Servicing Providers are not required to record the Plan transactions in the same manner as the Central Processor. However, the Servicing 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 Servicing 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 Servicing Provider's internal ledger).

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Depository Cash Analysis (Exhibit F)

1. PREMIUM COLLECTIONS (Entry 6)		
Debit: Cash in Bank—Servicing Provider	\$40,000	
Credit: Servicing Provider—Deferred Premium		\$40,000
2. PREMIUM INSTALLMENT FEES (Entry 7)		
Debit: Cash in Bank—Servicing Provider	400	
Credit: Servicing Provider—Deferred Premium		400
3. POLICYHOLDER RETURNED CHECK COLLECTION (Entry 8)		
Debit: Cash in Bank—Servicing Provider	35	
Credit: Servicing Provider—Deferred Premium		35
4. FILING FEES (Entry 9)		
Debit: Cash in Bank—Servicing Provider	50	
Credit: Filing Fee Income		50
5. COLLECTION OF FL CAT SURCHARGE (Entry 10)		
Debit: Cash in Bank—Servicing Provider	400	
Credit: FL CAT Fund Surcharge Receivable		400
6. OTHER LOSS RECOVERIES (Entry 11)		
Debit: Cash in Bank—Servicing Provider	500	
Credit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery		500
7. SALVAGE AND SUBROGATION (Entry 12)		
Debit: Cash in Bank—Servicing Provider	10	
Credit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery		10
8. RETURNED CHECK COLLECTION (Entry 13)		
Debit: Cash in Bank—Servicing Provider	20	
Credit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery		20
9. REFUND OF CLAIM PAYMENT (Entry 14)		
Debit: Cash in Bank—Servicing Provider	200	
Credit: Outstanding Drafts—Servicing Provider		200
10. RETURN COMMISSIONS (Entry 15)		
Debit: Cash in Bank—Servicing Provider	500	
Credit: Commission Payable—Servicing Provider		500
11. FUNDS TRANSFERRED TO CENTRAL BANK (Entry 17)		
Debit: Cash in Bank—Central Bank Account	35,000	
Credit: Cash in Bank—Servicing 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 Servicing Provider Cash Analysis is verified against the amount of funds transferred during the month.

12. BANK SERVICE CHARGES (Entry 18)

Debit: Bank Service Charges—Servicing Provider	20	
Credit: Cash in Bank—Servicing Provider		20

13. RETURNED CHECKS—PREMIUM (Entry 19)

Debit: Servicing Provider—Deferred Premium	\$200	
Credit: Cash in Bank—Servicing Provider		200

14. RETURNED CHECKS OTHER LOSS RECOVERIES (Entry 20)

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

15. RETURNED CHECKS SALVAGE/SUBROGATION (Entry 21)

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

16. BANK MISCELLANEOUS ADJUSTMENTS (Entry 23)

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

17. ADVANCED PREMIUM COLLECTED (Entry 28)

Debit: Servicing 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.

18. UNAPPLIED CASH (Entry 29)

Debit: Servicing Provider—Deferred Premium	1,500	
Credit: Unapplied Cash Liability		1,500

Disbursement Cash Analysis (Exhibit G)

19. FUNDS TRANSFERRED FROM CENTRAL BANK (Entry 6)

Debit: Cash in Bank—Servicing 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 Servicing Provider Cash Analysis is verified against the amount of funds transferred during the month.

20. CLAIMS DRAFTS NOT HONORED (Entry 7)

Debit: Cash in Bank—Servicing Provider	100	
Credit: Outstanding Drafts—Servicing Provider		100

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21. ESCHEAT CHECKS (Entry 8)		
Debit: Cash in Bank—Servicing Provider	1,000	
Credit: Escheat Reserve—Servicing Provider		1,000
22. CLAIM CHECKS ISSUED (Entry 10)		
Debit: Outstanding Drafts—Servicing Provider	10,000	
Credit: Cash in Bank—Servicing Provider		10,000
23. CLAIM DRAFTS HONORED (Entry 11)		
Debit: Outstanding Drafts—Servicing Provider	10,000	
Credit: Cash in Bank—Servicing Provider		10,000
24. REIMBURSEMENT TO VOLUNTARY CARRIER (Entry 12)		
Debit: Outstanding Drafts—Servicing Provider	3,000	
Credit: Cash in Bank—Servicing Provider		3,000
25. DISBURSEMENT OF PRODUCER COMMISSIONS (Entry 13)		
Debit: Commission Payable—Servicing Provider	5,500	
Credit: Cash in Bank—Servicing Provider		5,500
26. DISBURSEMENT OF POLICYHOLDER REFUNDS (Entry 14)		
Debit: Servicing Provider—Deferred Premium	7,500	
Credit: Cash in Bank—Servicing Provider		7,500
27. PREMIUM INSTALLMENT FEES (Entry 15)		
Debit: Servicing Provider—Deferred Premium	400	
Credit: Cash in Bank—Servicing Provider		400
28. RETURN OF FL CAT FUND SURCHARGE (Entry 16)		
Debit: Servicing Provider— FL Cat Fund Surcharge Receivable	50	
Credit: Cash in Bank—Servicing Provider		50
29. SALVAGE AND SUBROGATION (Entry 17)		
Debit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery	10	
Credit: Cash in Bank Servicing Provider		10
30. RETURNED CHECK—PREMIUM RECEIPTS (Entry 18)		
Debit: Servicing Provider—Deferred Premium	40	
Credit: Cash in Bank—Servicing Provider		40
31. RETURNED CHECK—OTHER LOSS RECOVERIES (Entry 19)		
Debit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery	40	
Credit: Cash in Bank—Servicing Provider		40

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32. RETURNED CHECK—SALVAGE AND SUBROGATION (Entry 20)		
Debit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery	10	
Credit: Cash in Bank—Servicing Provider		10
33. DISBURSEMENT OF BANK CHARGES (Entry 21)		
Debit: Bank Charges	50	
Credit: Cash in Bank—Servicing Provider		50
34. COLLECTION FEES (Entry 22)		
Debit: Collection Fee Expenses	500	
Credit: Cash in Bank—Servicing Provider		500
35. MISCELLANEOUS ADJUSTMENTS (Entry 23)		
Debit: Miscellaneous Adjustments	1	
Credit: Cash in Bank—Servicing Provider		1
Miscellaneous Journal Vouchers Cash Analysis (Exhibit H)		
36. PREMIUM COLLECTION EXPENSES (Entries 4–5)		
Debit: Collection Expenses	\$30	
Credit: Servicing Provider—Deferred Premium		\$30
37. COMMISSIONS CHARGED OFF (Entries 6–7)		
Debit: Commission Payable—Servicing 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.		
38. DRAFTS CHARGED OFF (Entries 8–9)		
Debit: Outstanding Drafts—Servicing Provider	1	
Credit: Drafts Charged Off		1
39. ESCHEAT DRAFTS (Entries 10–13)		
Debit: Servicing Provider—Deferred Premium		
Debit: Commission Payable—Servicing Provider		
Debit: Outstanding Drafts—Servicing Provider	200	
Credit: Escheat Reserve—Servicing Provider		200
40. UNIDENTIFIED FUND (Entries 14–17)		
Debit: Servicing Provider—Deferred Premium	100	
Debit: Commission Payable—Servicing Provider		
Debit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery		
Credit: Miscellaneous Income		100

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Statistical Summary Control (Exhibit O)

41. PREMIUMS WRITTEN (Entry 6 + Entry 24)		
Debit: Servicing Provider—Deferred Premium	95,000	
Credit: Premiums Written		95,000
42. FL CAT FUND SURCHARGE (Entry 40)		
Debit: FL CAT Fund Surcharge Receivable	950	
Credit: Cash in Bank—Servicing Provider		950
(The Central Processor will record the credit to AIP FL CAT Fund)		
43. COMMISSIONS WRITTEN (Entry 41)		
Debit: Commission Expense	8,500	
Credit: Commission Payable		8,500
44. PREMIUM CHARGE OFF (Entry 42)		
Debit: Premium Charge Off	20	
Credit: Servicing Provider—Deferred Premium		20
45. GROSS LOSSES PAID (Entry 43)		
Debit: Losses Paid	12,000	
Credit: Outstanding Drafts—Servicing Provider		12,000
46. OTHER LOSS RECOVERY (Entry 44)		
Debit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery	50	
Credit: Loss Recovery Income		50
47. SALVAGE/SUBROGATION (Entry 45)		
Debit: Accounts Receivable—Salvage/Subrogation and Other Loss Recovery	1500	
Credit: Salvage/Subrogation Income		1500
48. ALLOCATED EXPENSE (Entry 47)		
Debit: Claim Service Fees—Servicing Provider	450	
Credit: Outstanding Drafts—Servicing Provider		450
49. PRIOR UNEARNED PREMIUMS (Entry 9 + Entry 27)		
Debit: Unearned Premium Reserve	20,000	
Credit: Change in Unearned Premium Reserve		20,000
50. CURRENT UNEARNED PREMIUM (Entry 12 + Entry 30)		
Debit: Change in Unearned Premium Reserve	21,000	
Credit: Unearned Premium Reserve		21,000
51. 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

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52. 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		1,50052.
53. LOSS RESERVES PRIOR (Entry 48)		
Debit: Outstanding Loss Reserves	25,000	
Credit: Change in Loss Reserves		25,000
54. LOSS RESERVES CURRENT (Entry 49)		
Debit: Change in Loss Reserves	30,000	
Credit: Outstanding Loss Reserves		30,000
55. IBNR RESERVES PRIOR (Entry 51)		
Debit: IBNR Loss Reserves	45,000	
Credit: Change in IBNR Loss Reserves		45,000
56. IBNR RESERVES CURRENT (Entry 52)		
Debit: Change in IBNR Loss Reserves	37,000	
Credit: IBNR Loss Reserves		37,000
57. ANTICIPATED SALVAGE AND SUBROGATION PRIOR CASE RESERVE (Entry 55)		
Debit: Outstanding Loss Reserves	1,000	
Credit: Change in Loss Reserves		1,000
58. ANTICIPATED SALVAGE AND SUBROGATION PRIOR IBNR RESERVES (Entry 56)		
Debit :IBNR Loss Reserves	800	
Credit: Change in IBNR Loss Reserves		800
59. ANTICIPATED SALVAGE AND SUBROGATION CURRENT CASE RESERVES (Entry 58)		
Debit: Change in Loss Reserves	1,200	
Credit: Outstanding Loss Reserves		1,200
60. ANTICIPATED SALVAGE AND SUBROGATION CURRENT IBNR RESERVES (Entry 59)		
Debit: Change in IBNR Loss Reserves	1,000	
Credit: IBNR Loss Reserves		1,000
61A. <u>ALLOCATED LOSS ADJUSTMENT EXPENSES PAID (Entry 65)</u>		
<u>If the Servicing Provider is paying ALAE using voluntary funds and obtaining a reimbursement</u>		
Debit: Allocated LAE Paid	5,000	
Credit: Cash in Bank – Central Bank Account or Accrued Servicing		
Carrier Claim Fee Payable		5,000
61B. <u>ALLOCATED LOSS ADJUSTMENT EXPENSES PAID (Entry 65)</u>		
<u>If the Servicing Provider is paying directly reimbursable expenses using JUA funds</u>		
<u>Debit: Allocated LAE Paid</u>	<u>5,000</u>	
<u>Credit: Outstanding Draft – Servicing Provider</u>		<u>5,000</u>

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62. ALLOCATED LOSS ADJUSTMENT EXPENSE PRIOR RESERVE (Entry 66)		
Debit: Allocated LAE Reserves	20,000	
Credit: Change in Allocated LAE Reserves		20,000
63. ALLOCATED LOSS ADJUSTMENT EXPENSE – CURRENT RESERVE (Entry 67)		
Debit: Change in Allocated LAE Reserves	21,000	
Credit: Allocated LAE Reserves		21,000
64. SERVICING PROVIDER—OPERATING AND SERVICE FEES (Entry 74)		
Debit: Service Fees Servicing Provider	8,550	
Credit: Cash in Bank—Central Bank Account or Accrued Servicing Operating Service Fees Payable		8,550
65. SERVICING PROVIDER—CLAIMS SERVICE FEES (Entry 79)		
Debit: Claim Service Fee—Servicing Provider	10,414	
Credit: Cash in Bank—Central Bank Account or Accrued Servicing 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/C				Cash in Bank-FAJUA				Accounts Receivable-Premium			
(1)	40,000	35,000	(11)	(11)	35,000	25,000	(19)	(13)	200	40,000	(1)
(2)	400	20	(12)			5,000	(61A)	(17)	2,000	400	(2)
(3)	35	200	(13)			8,550	(64)	(18)	1,500	35	(3)
(4)	50	1,500	(14)			10,414	(65)	(26)	7,500	30	(36)
(5)	400	10	(15)					(27)	400	20	(44)
(6)	500	1	(16)					(28)	50		
(7)	10	10,000	(22)					(30)	40		
(8)	20	10,000	(23)					(40)	100		
(9)	200	3,000	(24)					(41)	95,000		
(10)	500	5,500	(25)								
(19)	25,000	7,500	(26)								
(20)	100	400	(27)								
(21)	1,000	50	(28)								
		10	(29)								
		40	(30)								
		40	(31)								
		10	(32)								
		50	(33)								
		500	(34)								
		1	(35)								
		950	(42)								

Outstanding Drafts-S/C				Losses Paid				Commissions Payable-S/C			
(22)	10,000	200	(9)	(45)	12,000			(25)	5,500	500	(10)
(23)	10,000	100	(20)					(37)	1	8,500	(43)
(24)	3,000	12,000	(45)								
(38)	1	450	(48)								
(39)	200	<u>5,000</u>	<u>(61B)</u>								

FL CAT Fund Surcharge Receivable				Unapplied Cash Liability			
(28)	50	400	(5)		1,500	(18)	
(42)	950						

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ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

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FLORIDA JOINT UNDERWRITING ASSOCIATION GENERAL LEDGER

Bank Charges			
(12)	20		
(33)	50		

Bank Misc. Adj.			
(16)	1		
(35)	1		

Premiums Charged Off			
(44)	20		

Commission Charged Off			
	2	(37)	

Premium Written			
	95,000	(41)	

Commission Expense			
(43)	8,500		

Claim Service Fee—S/C			
(48)	450		
(65)	10,414		

Operating and Service Fee S/C			
(64)	8,550		

Escheat Reserve			
	1,000	(21)	
	200	(39)	

Filing Fee Income			
	50	(4)	

Collection Expenses			
(34)	500		
(36)	30		
(37)	1		

Drafts Charged Off			
	1	(38)	

Unearned Premium Reserve			
(49)	20,000	21,000	(50)

Change in Unearned Premium Reserve			
(50)	21,000	20,000	(49)

Loss Reserves			
(53)	25,000	30,000	(54)
(57)	1,000	1,200	(59)

IBNR Loss Reserves			
(55)	45,000	37,000	(56)
(58)	800	1,000	(60)

Change in IBNR Loss Reserves			
(56)	37,000	45,000	(55)
(60)	1,000	800	(58)

Change in Loss Reserves			
(54)	30,000	25,000	(53)
(59)	1,200	1,000	(57)

A/R Salvage/Subrogation and Other Loss Recovery			
(14)	1,500	500	(6)
(15)	10	10	(7)
(29)	10	20	(8)
(31)	40		
(32)	10		
(46)	50		
(47)	1,500		

Miscellaneous Income			
	100	(40)	

Loss Recovery Income			
	50	(46)	

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FLORIDA JOINT UNDERWRITING ASSOCIATION GENERAL LEDGER

<u>Salvage/Subrogation Income</u>		<u>Advanced Premium Liability</u>		<u>Earned but Unbilled Premium</u>			
	1,500 (47)		2,000 (17)	(52)	1,500	2,000	(51)
<u>Change in Earned but Unbilled Premium</u>							
(51)	2,000	1,500	(52)				
<u>Allocated LAE Paid</u>		<u>Allocated LAE Reserve</u>		<u>Change in Allocated LAE Reserve</u>			
(61A)	5,000	(62)	20,000	21,000	(63)	(63)	21,000
(61B)	5,000						20,000 (62)

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ACCOUNTING AND STATISTICAL REQUIREMENTS MANUAL

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**SERVICING PROVIDER CASH ANALYSIS
DISBURSEMENT ACCOUNT**

(1) Company _____ (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

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

- (1) Enter the name of the Servicing Provider. In the event that the Servicing Provider is part of a group, enter the name of the specific company which has been appointed as a Servicing Provider by the FAJUA Board of Governors.
- (2) Enter the four digit identification number assigned to the Servicing 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 Servicing 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 Servicing 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 Servicing Provider's Depository Bank and Paid for during the reporting month with a check drawn on the Servicing Provider's FAJUA Disbursement Account.
- (19) Enter the amount of other loss recoveries returned by the Servicing Provider's Depository Bank and paid for during the reporting month with a check drawn on the Servicing Provider's FAJUA Disbursement Account.
- (20) Enter the amount of salvage and subrogation recoveries returned by the Servicing Provider's Depository Bank and paid for during the reporting month with a check drawn on the Servicing 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).

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SERVICING PROVIDER STATISTICAL SUMMARY CONTROL

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

POLICIES EFFECTIVE JANUARY 1, 1998 AND SUBSEQUENT

		<u>LIABILITY</u>	<u>PHYSICAL DAMAGE</u>	<u>TOTAL</u>
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) \$ _____

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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) \$ _____

SERVICING 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 _____

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

- (1) Enter the name of the Servicing Provider.
- (2) Enter the four digit identification number assigned to the Servicing 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 for the reporting month for policies effective January 1, 1998 and subsequent.
- (5) Enter the total physical damage written premiums 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 damaged 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).

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- (22) Enter the private passenger written premiums for the reporting month for policies covered under contracts effective July 1, 2004 and subsequent.
- (23) Enter the commercial written premiums for the reporting month for policies covered under contracts effective July 1, 2004 and subsequent.
- (24) Enter the total written premiums 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.

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- (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 Servicing Providers electing to follow the allocated claim expense optional procedure as set forth in ~~Part 1, paragraph G~~ of Chapter 4, Part 1, 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 Servicing 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 Servicing Provider is paying these allowed directly reimbursable expenses using JUA funds, an offsetting entry will be processed on Line 80 to adjust the Servicing 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).

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- (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 Servicing 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 Servicing Provider fees. Since the Servicing Provider used JUA funds to pay ALAE, no reimbursement is needed through the Servicing Provider settlement. However, Entry 81 increases Servicing Provider fees. The offset on Line 80 will decrease fees resulting in no change to the Servicing 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.